

360 LIVE DEBATE

GLOBAL BUSINESS: UNDER ATTACK?

LLOYD'S

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INTRODUCTION

Lord Peter Levene
Chairman, Lloyd's

Ladies and gentlemen, good morning.

Around a year ago, we launched our 360 Risk Project by looking at the subject of climate change. The very positive feedback that we had from that convinced us that we should also continue to examine the impact of climate change for business, but to look as well at the important role that we believe we have to play in leading debate and analysis on key risk areas.

Today, we are launching the second of our 360 series, exploring this time terrorism and political risk.

John Simpson
BBC World Affairs Editor

Thank you very much indeed, Lord Levene. It is a great pleasure to see everybody here. It is a measure of Lloyd's reputation as well as its abilities to run these things on such a high level that we have such a first class panel for you here today.

HOW REAL A THREAT IS AL-QAEDA?

Rohan Guraratna
Author of *Inside Al-Qaeda*

There are three developments that we cannot escape from. One is that the epicentre of international terrorism has now shifted from Afghanistan to Iraq. Very much the same way Afghanistan created the last generation of mujahadeen, Iraq will produce the next generation of jihadists.

The second most significant development is that today we have many Al-Qaedas in place of one Al-Qaeda that was led by Osama Bin Laden. These groups are mounting suicide attacks and thinking and acting globally.

The third most significant development is that the Ground Zero of terrorism has now shifted from Afghanistan. With the US intervention in Afghanistan in October 2001, it has shifted to an area called FATA (the Federally Administered Tribal Area), which is the area between Afghanistan and Pakistan.

The intelligence community today believes that Osama Bin Laden, Dr Ayman al-Zawahiri and many of the key leaders of Al-Qaeda are located on that Afghan/Pakistan border.

The principal goal of Al-Qaeda and its associated groups is their belief in a global jihad to create Islamic states. The main reason that is driving them towards creating an Islamic state is that they believe that the Western influence is affecting the way they live. The principal ideology that is now driving them is that the United States is killing Muslims and attacking Islam. The United States has been joined by their allies and their friends, and therefore the United States is the Satan, and the Satan must be attacked. We are seeing significant investment on the part of Al-Qaeda and its associated groups, calling out to the Muslims that it is the duty of every good Muslim to wage jihad, and jihad in their understanding is to wage Holy War against the United States, against their allies and their friends.

What can we do about the threat of terrorism? We have two principal approaches. One is the operational response, what New Scotland Yard, and the security and intelligence services are doing, to target cells that are planning and preparing attacks. But this is not going to end terrorism. What will really end terrorism is to have a more robust, a long term and more strategic approach where we engage the Muslim communities, where we engage the Muslim clergy, the Muslim elite and work with them to condemn the ideology of Al-Qaeda, to say that Al-Qaeda and these groups are not Koranic groups, that these groups are misinterpreting and misrepresenting the Koran.

Unless we develop a multi-pronged, multi-dimensional and multi-agency, long term strategic response, certainly the more short term tactical approach may not even yield the results that we want to achieve.

9/11: HAVE WE LEARNT ANYTHING?

Sir Richard Dearlove
Former Head of MI6

We have learned a lot about counter-terrorist tactics, we have learned a lot about the nature of Al-Qaeda, we have learned a lot about stopping terrorist attacks, but the essence of what I want to say is that our strategy position or our strategic position in sum at the moment is weak.

Al-Qaeda in fact, despite significant setbacks, is still apparently thriving. Let me make one general point about terrorism which is very important to stress. It is an extreme act of political communication, however else we might think about it. If you accept that, then how we ourselves react to terrorism is of crucial importance. If your reaction really augments the political communication being delivered by the terrorist, you are, in the way you are dealing with it, fulfilling the terrorist's expectation.

We have learned that Al-Qaeda is qualitatively and quantitatively different from any other terrorist phenomenon that we have had to face so far. My own thoughts about that, as to why it is different is because it actually lacks a clear political agenda. It does not have clear political handles attached to it. We have also learnt that a large scale response, greater resources, is an essential part of the counter-terrorist system.

We have also learned the importance of domestic coordination between security, intelligence, law enforcement, the military and the departmental parts of government most concerned, but perhaps more important than everything – and we have learned some tough lessons here - is the foreign coordination that is necessary between all those different agencies that I have mentioned domestically. Building alliances, both transatlantic, European, but probably most importantly in the Middle East, is the essential ingredient of a successful counter-terrorist policy. We have learnt a significant amount about 'A-Q' methodology and operations, but the lesson that I take away from that success is that, despite significant setbacks that Al-Qaeda has suffered – and Rohan mentioned some of these - Al-Qaeda has shown an extraordinary ability to mutate in response to our success. For example, we now reach a point where much of its structures have been reconstituted in this area of northern Pakistan, out of reach of the Pakistani authorities and certainly out of reach of NATO forces in the area.

Al-Qaeda seeks in Iraq a propaganda victory against the West, rather in the manner of what happened to the United States in Vietnam. The suicide bombers are delivering their message to the British voter, the American voter, to the Democratic Party in the United States, to the Congress. That is where the message is being delivered.

Where is it going badly for Al-Qaeda? It is going badly in Saudi Arabia, it has gone badly in Indonesia where there has been surprising tactical progress on the ground in, as it were, suppressing these two movements. But the longer the problem continues, the longer that we fail to create a strategy that gets back to the roots of the problem, the more complex the threat is likely to come.

HOME GROWN TERRORISM – THE BIGGEST THREAT WE FACE?

Sir Richard Mottram
Permanent Secretary, Intelligence, Security & Resilience, Cabinet Office

Is terrorism itself the biggest threat we face as a country? The answer to that is quite clearly no. I don't think it would be difficult to realise, therefore, that the highest risk in this year's assessment is in fact the risk of pandemic influenza.

My first message would be, terrorism obviously is very important, but don't let us get fixated on it.

In assessing our response, we have to factor in what we are trying to do, what we are prepared to spend on it, and the effectiveness of the resources we put in. What we are trying to do is clearly laid out. It is to reduce the threat from international terrorism – this is the aim of our strategy and I will come back to this – so that people can go about their daily lives freely and with confidence. What we are trying to do is to frame a response to this problem which does not make our society a less attractive place to live in, because if we do make it a less attractive place to live in, we have, as others have touched on, in a sense yielded ground to terrorists who are precisely trying to produce this effect.

If I have quibbled over home grown terrorism is the biggest threat we face, what is quite clear is that home grown terrorism is the biggest security threat we face in this country. We have to have a strategy that focuses on what is it that is radicalising UK citizens and making them attracted to this very strange Al-Qaeda ideology. We have a strategy that recognises that we need to think about the prevention of terrorism, we need to pursue terrorists, we need to protect our infrastructure, we need to prepare for those events that are not successfully countered.

It is all worked out in fairly great detail. The issue around the strategy is, as the Government has openly admitted, the most difficult. The most impenetrable, the most challenging bit is how we deal with radicalisation in our society and how we persuade people not to go down that route.

If we are going to successfully counter this and the other risks I talked about, it has to be done on the basis of partnership between governments at all levels, the business community and individuals. This partnership is something the civil service, the Government, take extremely seriously, and if you feel it is not working, I am always very keen to be told why not.

CONCLUSION

John Simpson
BBC World Affairs Editor

I would like finally to thank the organisers, but also particularly Lord Levene. This is the second in a very interesting and important series of discussions, the first one being about the global warming issues and the changes that our environment faces, and this is equally important. He and Lloyd's themselves are doing us a great favour in putting together panels as interesting and as important as these.

Thanks to him, thanks to Lloyd's, and of course, thanks to yourselves.

[Ends]