

Who funds Terror Inc

Ross [00:00:28] Welcome to Renegade Inc. The death of a prominent Islamic State leader prompts us to ask fundamental questions about the so-called war on terror. When we see terror groups mobilizing, there is often that jarring moment when we all wonder how is it possible with all the global military might terrorism can still prosper? More puzzling is how these terrorist groups buy arms, vehicles and ammunition to wage their jihad. Do they simply steal oil and sell it on the international markets, or is there something else at play that we should all know about if we are to defeat these hate filled mercenaries? We went to Kakanomics, the leading economics festival in Norway, to talk to the former Norwegian ambassador to Saudi Arabia, Carl Schiotz Wibye and the terrorism expert Loretta Napoleoni to work out who really funds Terror Inc.

Ross [00:01:31] Loretta, I'll start with you. When people see these horrific terror atrocities across the world and then we see news pictures somewhere in the Middle East, often of brand new cars, equipment, people think how on earth are these people, these terrorists, getting money? Who's funding them and what's the reason behind them being funded? You answer that?

Loretta Napoleoni [00:01:52] Well, this is what is called state sponsor of terrorism, which it is a classic model of financing. During the Cold War. The former Soviet Union and the United States were we're fighting a war by proxy along the periphery of this sphere of influence by fully funding the armed organization. So the same thing is happening today.

Ross [00:02:17] So there's nothing new in this, it's just in a different guise and dare I say, a bit more brutal, a lot more brutal?

Loretta Napoleoni [00:02:25] Brutality? Depends.

Ross [00:02:26] Depends which bit of history you look at?

Loretta Napoleoni [00:02:28] Yes, depends which part of history. But terrorism is always brutal.

Ross [00:02:33] So we're more specific than Islamic State. Who's funding them? Why are they funding them? And what's their ultimate objective?

Loretta Napoleoni [00:02:40] Well, the Islamic State was self funded, basically. When they created the state, the caliphate, they could sustain themselves. It was a nation. So they raised taxes, set royalties for people that exploited their resources, which were controlled by the state. But in order to get there, they were part of the war by proxy in Syria. And they were bankrolled by the Gulf states, in particular by Saudi Arabia.

Ross [00:03:07] So they were bankrolled by Saudi Arabia, specifically or Gulf States?

Loretta Napoleoni [00:03:11] Specifically by Saudi Arabia. But you never know exactly who the sponsors are. You have different players - even private people of course. And they

were able to attract a lot of money because they were very good. There were better than any other group.

Ross [00:03:27] Why would they very good? Tell us their strategy.

Loretta Napoleoni [00:03:30] Well, they were good because they were composed by two groups of people. One were the jihadis coming from the al Zarqawi group, which had fought in Iraq. And they had a group were the former top ranking officers of Saddam Hussein. So they knew how to fight better than anybody else. And the other thing that they did, they fought against the other groups in order to establish themselves as the strongest sole controlling group of that territory.

Ross [00:04:02] And then once they've conquered land, which might be rich pasture land - ie agricultural land. Water is also a valuable resource. And, of course, oil. What do they do once that has been commandeered, once that land has been taken? What happens?

Loretta Napoleoni [00:04:16] Well, what they did was establish a state. So they gave the administration of that land - so we're talking about also villages and towns - to the local community and tribal leader. They establish a very strong relationship with the tribal leader in the territory that they conquer. And in that way, they also achieved consensus. And they acted as a state. So they fixed the infrastructure. They guaranteed law and order. They guaranteed also national security. So the foreign fighters they were fighting to protect the territory, in reality they were acting as an army. In any state - nation state - that's the responsibility of national security. Don't forget, we're talking about the Sunni population and Islamic State. Of course, they were Sunni while Assad's regime was Shia. So the Sunni had been discriminated against for a very long time. So that's already a step in the right direction for the tribal leaders. But yes, this population which would have been plagued by war for a very long time, were being repressed by the regime of Assad. But also they had been facing warlords and armed gangs. So the simple fact that there is an authority that re-established law and order was really welcomed by people. They feel more secure. And yet they want to pay taxes for that. If this is the price to pay, it's not such a big price.

Ross [00:05:52] And when it comes to Saudi Arabia bankrolling Islamic State, initially, what did they want to achieve by doing that?

Loretta Napoleoni [00:05:59] The Saudis didn't want the regime of Assad, to stay in place. Now, of course, the Saudis are Sunnis. Assad is a Shia. Assad is allied with Iran. Fundamentally, the Iranians have access to the Mediterranean via Assad. So there were lots going on. And this is why they decided to bankroll this so-called insurgency, which in reality it was the jihadis fighting to establish a different kind of regime.

Ross [00:06:34] Carl, when it comes to Saudi Arabia funding all this terror and proxy wars around the Middle East, what is the official line and the unofficial line when it comes to talking to the family, if you like? Do they acknowledge that they've funded any of this? Do they ever trumpet that and say, actually, this is a triumph or is it kept very under the carpet?

Carl Schiotz Wibye [00:06:53] Well, the funding of the Islamic State was indeed kept very much under the carpet. It was done mostly by, as far as I can understand, princes with their

private accounts and business people with the resources they needed. The official government line in Riyadh was, of course, that the Islamic State was a deviation from the Islamic path, they were not part of Islam and that they didn't belong in the Sunni family. That was the official line. There was a lot of money coming out of Riyadh in spite of this official line. And I believe that was mostly private money, which is of course very difficult to control. And the tradition in that area is zero transparency to start with. So it was very difficult to see the flows of money into the area where it came from and where it went.

Ross [00:07:42] And from your point of view, having been in Saudi Arabia for quite some time - you were Norwegian ambassador to that country - what is in the mind of that administration when they are funding all these proxy wars? What do they really want to get out of it?

Carl Schiotz Wibye [00:07:55] Well, there is a number of wars going on. You have the war against Yemen, which is not really a proxy war, it is in a number of allied countries led by Saudi Arabia, which is waging war against Yemen, which is a great humanitarian disaster. You have the blockade of Qatar. You have the support through Bahrain, the Royal House. And then again, you have Iraq, of course, which is, as you rightly say, are proxy wars. What they hope to gain, is basically support for their power to keep the Royal House in a position of power in Saudi Arabia. And with the position of power comes, of course, an immense income. So this is really about power and money, which is not unusual in politics.

Ross [00:08:35] You surprise me.

Carl Schiotz Wibye [00:08:36] And when you look at the conflicts, these are conflicts which have been going on for tens, hundreds, even thousands of years. If you look at the conflict between Saudi Arabia and Iran, it is basically a conflict between Sunni and Shia, of course. But even more so, a conflict between Arabs and Persians, which has been going on since Alexander the Great and before that. So these are really all conflicts. And now we just see the repetition of these conflicts. Of course, the states of Saudi Arabia were created by by families. Iran was created by emperors. But many other states are just drawing board states. And that, of course, will create conflicts as well. When you have a border which just cuts through, maybe through areas of the same ethnicity, same culture, you just make a line through it. And this happened after the First World War. So you also have the results of that situation. You know, you have so many conflict lines now that I don't think anyone has the ultimate goal other than to shore up their own power, to stay in power and to maximize their income.

Ross [00:09:37] In the West, we often hear this phrase, 'the war on terror'. In fact, it's across the news. When we talk about the war on terror, we don't often talk about Saudi Arabia. In fact, Saudi Arabia is an ally to the west or certainly more friendly towards it. Why is that?

Loretta Napoleoni [00:09:53] Well, the war on terror is a creation of Bush. Terrorists never talk about war on terror, because by saying war, you automatically establish the legitimacy of the terrorists not to be considered a crime, but to be considered a soldier. You don't fight wars with criminals, you fight wars with enemies. I mean, this is a really important concept in terrorism. Because they always will come to you and say, 'we are not terrorists. You call us terrorists. We are freedom fighters. We are soldiers. We're fighting you because you are

doing something very bad. Therefore, we do not recognize your legitimacy.' So that sentence was already a very confusing sentence. And everybody who was working on terrorism at that time was shocked that he used that word. Now, of course, the reason why I did it, is because the U.S. had already a plan to invade Iraq. So they had to go to war. The Saudis, of course, were very much allies at the time because they didn't want to have Saddam Hussein getting on their border, coming through Kuwait. So it was all an international relationship, you know kind of a game that was put in place after 9/11. The truth is that the majority of the hijackers on 9/11 were from Saudi Arabia. Osama bin Laden was a Saudi. I mean the whole operation was plotted, funded and planned by Saudi forces. Now, of course, you these people were presented to the world as people that had nothing to do with the Saudi regime. But we know that there were princes. We know there were people very close to the Saudi royal family.

Ross [00:12:04] When we talk about international relations, though, reading your book, going back to 1944, just talk about that relationship in the Suez Canal that sprung really out of convenience. But that one exchange and the relationship between the US and Saudi Arabia has changed things dramatically in the course of modern history, hasn't it?.

Carl Schiotz Wibye [00:12:23] It was the British who had the upper hand in Saudi Arabia. They helped the Royal House of Saudi Arabia in the First World War to fight the Turkish. But the Saudis used the money to fight their rivals so they could establish their state, their kingdom. So it's actually a British project, maybe not consciously, but that's how it happened. But of course, the British power was waning. And then then the Americans came in. They were the ones who found the oil in Saudi Arabia in the 1930s. They were the ones who produced it. And they were the ones who wanted it brought to America. So they created this alliance with the Saudis in 1944, as you rightly mention, of the Suez Canal. Franklin Roosevelt met with the Saudi King. And this alliance meant that the Saudis will supply the oil under any circumstances. And the Americans will provide the security for the production and transport of that oil. And that alliance, which is now eight years old, almost, is still valid. We saw, in the case of Khashoggi in Istanbul, that the alliance was very much there, that the Americans kept a low profile. The president doubted the version of the murder. So this alliance sticks and it will stay.

Ross [00:13:34] Is that not hypocrisy at the highest level?

Loretta Napoleoni [00:13:37] I wouldn't say hypocrisy only, but you have to protect your own interests. And of course, for the United States and for the West, oil is fundamental. And Saudi Arabia is the largest producer in the world. The price that we're paying, is that the Saudis do certain things that are absolutely inconceivable in Western societies, in democracies. But we all keep quiet.

Ross [00:14:20] Carl, in your book, Land of Terror, you identify Wahabism as a ideology and a movement in Saudi Arabia that is a source of a lot of the problems that we see today. Just explain what the ideology is for us.

Carl Schiotz Wibye [00:14:35] Well, that's a very big question. But basically it is an ideology which came out of the Arabian Desert about 300 years ago in the early seventeen hundreds. There was this preacher of fire, hell an evil who said that we have to reform Islam, we have to go back to the basics. And the way he went back to the basics, is saying that all

traditions, all the improvements or whatever, which have been made to Islam in those last 1100 years are illegal. They are to be abolished.

Ross [00:15:08] So you've got to scrap everything?

Carl Schiotz Wibye [00:15:09] Yeah, so you scrap everything. And that's okay. But the trouble is, he said those who don't agree with me, they are unbelievers.

Ross [00:15:17] And what happens to them?

Carl Schiotz Wibye [00:15:18] Unfortunately, they have a very short lifespan.

Ross [00:15:20] Right, so they get scrapped as well?

Carl Schiotz Wibye [00:15:21] Yes.

Ross [00:15:22] He's got a clear agenda?

Carl Schiotz Wibye [00:15:23] So so basically, it is a version of Islam which takes the militant parts, the more violent parts, and use it as a mainstream message in Islam as opposed to, let's say, Ahmadiyya Islam, Sufi Islam, which are more much more peaceful variations of Islam. And it takes the severely violent parts and says this is Islam. If you don't believe me, you're an unbeliever. That's the basic message. And also, if you don't believe me, I will hate you. So it is, I think, we can it's an ideology of hate against unbelievers. And from hate, of course, you can go very easily to terrorism. So the Saudis are not actually promoting terrorism. I wouldn't say that, but they are promoting hate in Islam to make Islam more hateful towards other religions and to watch other versions of Islam.

Ross [00:16:11] And for the purpose of this program they're also funding Wahhabism and the ideology. Is that true?

Carl Schiotz Wibye [00:16:18] Yes, they have been, especially since 1973, since oil price hike, they suddenly had the resources to do a lot of funding. And after 1980, because of certain internal developments, this funding was increased exponentially. And they have been building thousands of mosques, religious schools, sending thousands of preachers, sending millions of poisonous Koran translations all over the world. It's really a propaganda effort.

Ross [00:16:45] When it comes to stopping that funding, it's incredibly difficult because in liberal democracies, we don't ask for total transparency where money has come from. And even if we did, it's quite easy to get cash into people's hands to build a madrassa, build a mosque or employ a hate preacher. How do you go about stopping that ideology spreading?

Loretta Napoleoni [00:17:05] Well, for a start, the funding is not necessarily legal. I mean, this is a country that wants to promote the building on schools or religious places for its own people, meaning, you know, the Muslims. So from that point of view, it's really very difficult to stop it. Would you say you're going to say, no, you know, Muslim cannot go to Mosques? It's impossible. Meaning, we are democracies based on tolerance and we tolerate any kind of religion, including people that do not have any religion. And I don't think we should depart

from that as a great conquest. If we fight radicalization, if we convince people that this kind of message is actually a message of hate, then we can start doing something. Politicians like to say we need more legislation, we need more rules. Because it's an easy way out from the position where you, the citizens, could say, in 19 years, you haven't done anything. By now, we should be over the shock of 9/11. Okay, it was psychologically for the Western world watching live what happened, was deeply, deeply traumatic, which made possible for politicians to pass certain kind of legislations that in normal times were never even been discussed. So now we should be over that shock. It's a long time. So now it's time to look at what has happened. The war on terror, invasion of Afghanistan, the situation in Afghanistan, a complete disaster. Invasion of Iraq, a situation in Iraq, even worse. Destabilisation of the entire Middle East. Why do you think we have all these migrants coming? Why do you think we're having all these problems? These are the consequences of our policies. I think it's time that we actually take a big breath and look back and say we made this and this mistake. So let's rectify these mistakes. If we don't do that, it's gonna get to a point in which we could have social unrest at a certain point.

Ross [00:19:28] Which we're already seeing in various places across Europe. So Carl, it really comes to the social contract here, because what we're saying is that unless we rethink this, give people economic opportunity and not push them towards these radical messages, then actually it's a busted flush. But more important, unless we review the partnerships, the relationships and those business deals that allow, for instance, Saudi Arabia to continue in the way that they're going, then this is an endless war.

Carl Schiotz Wibye [00:19:59] Well, this alliance with the United States is very strong. And we have the partnership with the Americans - Norway, for example, with NATO. So we are sort of tied up with this alliance with the Saudis. It's very difficult to do anything about the Saudi policy. And also, we have armaments exporters who are very much interested in keeping the status quo. They sell a lot of planes and tanks and guns to Saudi Arabia. Actually, they were the biggest weapons customer in the world, I think, in 2017. So they all want to keep this situation going. It's very hard to get to political acceptance for tightening the screws on Saudi Arabia. And as for their policy, when the Saudi ambassador came to Norway for the first time in 2011, his one instruction was to build more mosques. And they would finance that, you know, they would finance these mosques and they say there's nothing illegal about that.

Ross [00:20:54] Right. Okay. And when you say one instruction, you mean there was just one instruction? I mean, they must have had a few instructions?

Carl Schiotz Wibye [00:20:59] Well, of course, you had to take care of Saudi interests in general. But this was from the king.

Ross [00:21:03] From a priority point of view?

Carl Schiotz Wibye [00:21:04] As a priority. It was priority number one, two, three, four and five.

Ross [00:21:08] I've learnt more in this exchange than I have in months, years, with the mainstream media. What's their role? Because it seems to me if the public do understand

what's really going on, understand how the deal is structured, who's protecting who, where the money's coming from, what the resources are being used for, then you'd start to have very different conversations with politicians. So is the media complicit? And if so, why? Or are they just inept?

Loretta Napoleoni [00:21:33] After 9/11, the policy that was pursued by the US and the allies was a policy of justification or military intervention. In order to do that, they had to have their own experts. The people will tell you, yes, of course, we have to intervene. We are the good guys and they are the bad guys. And then there are people that will tell you, well, actually, no, you know, if we intervene, we're going to make a situation even worse. In reality, there isn't a division between bad guys and good guys, because Osama bin Laden was bankrolled by our own allies. He was actually working for us at the time in which he is was handling the Mujahadeen in Afghanistan when we were fighting the Soviets. So the media listened to, of course, the advisers of the various governments. They wanted to intervene. Why did he do that? Basically he did it because it was sensationalism. It's great. It's absolutely great to present a tragedy like 9/11 visually, you know, as a battle between good and evil. You sell millions of newspapers like that. The only problem is that that is not the truth.

Carl Schiotz Wibye [00:22:57] If you look at the media in the Middle East, which are really also important in this situation, they're all owned by Saudi Arabia. I mean, they own newspapers, TV stations, Internet producers all over the place. The only thing they don't own of some size is Al Jazeera. Al Jazeera is independent, and that's why they are blockading cover. They are talking about terrorism and all that. But what it's all about is stopping Al Jazeera as the last large independent producer of news, which are not Saudi owned.

Ross [00:23:29] As we do conclude and come to solutions, within liberal democracies has political correctness been a problem? And let me give you context here. If you have a hate preacher or if you have no transparency to understand where the funding for terror is coming from, there is a sort of reluctance to speak out because we're politically correct. And actually, should it not be that our elected officials say, no, we want to know where this money is coming from, and if someone's preaching hate, sorry, that person isn't welcome on these shores?

Carl Schiotz Wibye [00:24:01] Well, if you take the specific case of Norway. You know, if you put limitations on the mosques, you have to do the same thing with the churches. Let's take, for example, the state funding. We are actually funding mosques in Norway with huge amounts of money. Why? Because every religion, according to the laws, should have the funding. So, if you want to stop that, we also have to stop, according to the law, the funding of the church. It's more than political correctness. It's politically almost impossible to stop all of this.

Ross [00:24:29] What as two experts, would you say to the householder, to the people here, we can do on a daily basis when we either read the press or the way we conduct our lives, what's one thing that we can do to begin thinking about or combating this terror funding that we've talked about?

Carl Schiotz Wibye [00:24:45] Well, what I miss the most is, as you are saying, an open discussion. You know, the political correctness is putting a lid on many debates, which are really getting more and more necessary. So what we need now is to see that we cannot tolerate the intolerant. If we just let the intolerant have their say, then gradually tolerance will disappear. So our tolerance can be too much. As you're saying, we should say stop. This is enough. But that requires a very open discussion where you put the name on the animal. You know, which elephant is in the room and where is it? And I don't see that coming very soon in our countries. Of course, it's getting close. I mean, people are more open. But when you look back in the 1980s, 90s, actually, the discussion was more open than it is now. Now it's very difficult. And even in universities, you see the lid being put on various discussions..Also in other contexts. So it's a difficult situation at the moment.

Loretta Napoleoni [00:25:46] I agree. I think we were more open during the Cold War than we are today. During the Cold War, If you were in the West and you wanted to say something positive about communists, you were allowed to do that, even if, of course, that was the enemy. I also think that we were more informed during the Cold War than we are today. With all this social media, with all this freedom, with all these cheap flights that you can hop on and go everywhere, we know much less than we did at that time. And the information circulated much more. People knew about what each other were writing, what they were doing. But today I find that there is a growing isolation. Even the experts, even the people who are working in certain fields, are increasingly isolated because there is not that flow of ideas and information. Everybody is so focused upon building up their own profile. Again, the narcissist. There's no ideology. We're going beyond all of that. So unless we wake up and we realize that we're really losing that fundamental element of who we are which is being together, being a society, I think we're heading for really hard times.

Ross [00:27:17] Carl, Loretta, thank you both very much for your time.