

Spoilers:

The End of the Peace Process

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Articles & Testimony

In December 2000, the president had put forward his far-reaching set of parameters on all the final status issues. . . . He was even prepared to spend his last four days in office negotiating the deal. A desperate Barak was waiting for the call to a final summit meeting. Barak's foreign minister, Shlomo Ben-Ami, was so keen to reach an agreement that he had gone beyond his instructions and informed Arafat that he could even have sovereignty over the Jewish Holy of Holies, the Temple Mount in Jerusalem. But at the last moment, Arafat reneged.

-- Martin Indyk, *Innocent Abroad: An Intimate Account of American Peace Diplomacy in the Middle East*

Typically, explanations for the lack of progress in the peace process between Israel and the Palestinians revolve around disagreements over the "core issues," insufficient diplomatic activism and pressure on Israel from the United States, and Israeli intransigence. Such views share one premise: that Israeli bargaining power overwhelms that of the Palestinians and must be compensated for by action on the part of the international community. They all fail to acknowledge one fact: the Palestinians' repeated rejection of increasingly attractive Israeli offers.

A better explanation focuses instead on the true value -- to both parties -- of the agreement that analysts nearly unanimously agree has, in one form or another, been on the table for fifteen years but is today regarded by both sides as problematic. Israel, having little faith in the capacity or durability of the Palestinian Authority (PA) and embittered by recent clashes in Lebanon and Gaza, sees the yield of this agreement as offering diminishing returns relative to the sacrifice it would entail. Many Palestinians, while still placing faith in an agreement that would deliver their long-awaited statehood, see the alternatives -- whether engaging in armed conflict or pushing for a single multiethnic state -- as increasingly attractive.

Since the end of the Oslo process in 2000, the growing drift between these two positions has produced on the Israeli side a cynicism marked by paroxysms of despair, and on the Palestinian and Arab sides by a hardening of positions. This divergence is not the result of Israeli settlement activity in the West Bank. However emotionally charged settlements may be, the idea that they prejudice the final status of disputed territory is belied by the fact that Israel's territorial offers have increased, rather than diminished, with the growth of settlements. No, the diminishing interest in negotiations comes as the result of demographics, regional dynamics, evolving political realities, and the increasing availability and sophistication of rockets and other asymmetric means of warfare. Overcoming all of this will require something more than diplomacy on the "core issues."

Demographic trends in the region pose stark choices for both sides. The Palestinian population in the West Bank and Gaza has more than doubled from 1,728,334 at the time of the 1991 Madrid talks to 4,013,126 today, and is growing half again as fast as the Israeli population. (According to the CIA's World Factbook, the West Bank's population is growing at 2.2 percent, Gaza's at 3.3 percent, and Israel's at 1.7 percent.)

Many Israelis have concluded from these developments that for Israel to remain a democratic Jewish state, it must separate from the Palestinians and allow them their own state. But some Palestinians have reached the opposite

conclusion. Given that the Palestinians currently living in the West Bank and Gaza (together with the 3 million refugees theoretically eligible to "return" to Israel) would be numerically overwhelming, why accept a Palestinian state that would be divided into two parts, the West Bank and Gaza, contain some Jewish settlements, consist of only 6,000 square kilometers, and lack resources? Why not push for a single unified state?

New regional dynamics in the Middle East also undermine the possibilities for compromise. The Palestinian cause remains a useful tool for regimes in the region concerned about the mood of their own populations; it can be used, and has been for decades, to deflect attention from their own shortcomings. Further, Iran, which was not a factor twenty or even ten years ago (the word "Iran" does not appear in the Mitchell Report as recently as 2001), is today a dominant factor in regional politics. With its calls for the elimination of the State of Israel, its support for Holocaust denial, and its assistance for terrorist groups fighting Israel, Iran provides ideological and military backing for a "rejectionist" front that many had thought died with Arafat. If Iran were to obtain a nuclear weapon or even be perceived to win significant concessions from the West in exchange for remaining at the nuclear threshold, this front would gain further power. Iran would seek to undermine any compromise peace agreement reached.

The third factor militating against the idea of negotiations are new and evolving political realities. The Fatah Party itself, for instance, which has never recovered from Arafat's death and remains weak and divided, has officials but no leaders. The "Abus" who were Arafat's acolytes for decades simply lack the legitimacy to make the serious concessions that peace will require -- and the party has only recently begun to incorporate fresh faces. In Israel, the intifada that followed the breakdown of talks at Camp David and the violence following Israeli withdrawals from southern Lebanon and Gaza have tilted politics toward the right and disillusioned Israelis. Meanwhile, in the Islamic world more broadly, radical, extremist, and violent forms of Islam have grown stronger over the past decades, similarly making concessions to Israel far harder to defend safely. And in many parts of the West once sympathetic to Israel, being tough on Israel can now actually help win elections, a point European officials have made very openly to American diplomats.

All these developments have taken place against a weakening of the military superiority Israel has enjoyed for the past half century. After the Arab defeats in 1948, 1956, 1967, and 1973, the peace treaties Israel signed with Egypt and Jordan, and the demise of the USSR, it seemed there was a greater chance for peace because Arab states now understood that they could neither destroy Israel on their own nor count on the Soviets to do it for them. But today the proliferation of rockets and other weapons of terror -- and Iran's nuclear program -- gives greater leverage to Palestinian rejectionists who might otherwise remain on the fringe. The future deployment of missile defense systems might help restore Israel's previous position. But for now cheap rockets smuggled into or assembled in Gaza (which bring more and more of Israel's cities into range) and guided antitank missiles and other military-grade weaponry provided by Iran make those pulling the trigger less fearful of the consequences than traditional militaries would have been in the past. The most extreme forces among the Palestinians have been given a new power -- first by initiating crises when peace prospects seem to be growing, and second by raising hopes of grinding down Israel's will through endless low-level military conflict.

These new factors, rather than disagreement over the "core issues" -- including the delineation of a border between Israel and a Palestinian state, the return of Palestinian refugees, and the division of Jerusalem -- have truly blocked the path to peace in the Middle East in recent years. They are what make traditional diplomatic approaches -- more international conferences like those in Madrid or Annapolis, more pressure on Israel to "freeze settlements," more rounds of talks between Israeli officials and Fatah's West Bank leaders -- seem so rote and void of promise. And these factors also demand a very different set of reactions to rehabilitate and increase Israel's confidence in the value and durability of a peace agreement while also diverting Palestinian leaders from the pursuit of futile and dangerous alternatives. The key to such a new approach would be to leave the negotiating to the two parties and

focus U.S. and international efforts on improving the background for those negotiations -- by, on one hand, helping build a constituency for peace, and, on the other, countering the designs of spoilers of the peace efforts.

Clearly, chief among the parties dedicated to killing an Israeli-Palestinian peace is Iran. By fomenting instability in the Levant, and putting Arab leaders who want a settlement on the defensive with accusations of collaboration, Tehran distracts Israel and weakens the Sunni Arab states that have dominated the region during the last half century. Syria and the terrorist groups Hezbollah, Hamas, and Palestinian Islamic Jihad collaborate with Iran in achieving these ends. Their ideologies are disparate but their aims are congruent, and by acting in rough synchronicity, they diminish both Israel's and the Palestinians' willingness and ability to make concessions.

How to counter Iran and its client spoilers? First, greater pressure must be brought to bear on Iran in order to prevent it from acquiring a nuclear weapons capability, thus heading off a Middle East arms race that would multiply the region's troubles and Israel's insecurities. It is frequently asserted that progress in resolving the Israeli-Palestinian conflict will bolster the effort to negotiate Tehran out of its nukes, but this puts the cart before the horse. Iran has no real interest in the Palestinian issue and merely manipulates it to advance its own interests. In fact, a decisive resolution of the Israeli-Palestinian issue is not possible without a comprehensive and effective effort to curtail Iran's nuclear and hegemonic ambitions. This is not to suggest that Israeli-Palestinian peace efforts should be postponed until all concerns with Iran are put to rest. But more must be done to constrain Iran and relieve the pressure its destabilizing activities place on Israel, the Arab states, and moderate Palestinian leaders.

Second, concerted multilateral action must be taken against terrorist groups such as Hezbollah and Hamas. Because they masquerade as political parties, the West is increasingly tempted to engage these groups or to treat as separate entities their military and political "wings." And despite these groups' close links with Iran and their undermining of state institutions across the region, many Arab leaders continue to fete and fund them. If they are to be neutralized as an obstacle to peace, these terror groups must be isolated diplomatically and financially, and the red carpets that have been rolled out for them in some Arab capitals must be rolled back up and stashed away for good.

Finally, the networks that bind Iran and its terrorist allies must be disrupted. Iran and Hezbollah lack a border with Gaza, so they use sea and land routes to smuggle arms into Gaza via the Gulf of Aden, Red Sea, Suez Canal, eastern African countries, and Egypt. Those Arab states that seek peace and stability in their regional neighborhood should seek to prevent all such activities, using force when necessary. Syria's role is most important, and the United States, Israel, and their allies must compel the Assad regime to choose between Iran and the international community. Confronting Damascus with this choice will require a level of fortitude from the United States and European countries beyond anything they have mustered in the past.

But even if Iran's ability to interfere in the region were contained and terrorist groups were denied access to advanced weaponry, major obstacles to peace would remain. Economic retrogression, inattention to the key tasks of state-building, and the effects of occupation have left Palestinians despairing and susceptible to radicalization, and decades of terrorism have left Israelis demoralized about the potential of negotiations. On this barren ground a constituency for peace must be built on both sides of the Green Line. This, too, requires a three-part approach.

First, leaders on both sides and in the United States must reaffirm their commitment to the two-state vision first articulated by President George W. Bush. The two-state vision is not a negotiating framework, but a fundamental commitment -- on the Israeli side, to the end of the occupation and the establishment of a Palestinian state; on the Palestinian side, to the abandonment of any notion of eliminating Israel. "Two states for two peoples" may sound like sloganeering, but it contains the principle of a just and lasting settlement: that Israel must yield control of much of the West Bank -- and along with it a great part of the central landscape of Jewish history -- and that the Arab world must acknowledge and permanently coexist with Israel as a Jewish state.

Second, more effort must be put into the building of sound institutions and a functioning economy for a future Palestinian state. On both of these dimensions, the performance of the international community so far has been disastrous. The IMF and World Bank have repeatedly noted that donors have been slow to disburse their billions of dollars in aid pledges, leading to severe PA budget shortfalls. The aid that has been delivered has failed to spur economic growth, but instead has left the Palestinian economy stagnant and increasingly dependent on external transfers. Palestinian per capita incomes in 2008 were 30 percent below their height in 1999, while foreign aid had grown to 32 percent of GDP in 2008, boosted from 25 percent just a year earlier. There are glimmers of hope -- the IMF has predicted 7 percent economic growth in the West Bank in 2009 -- likely because of Prime Minister Salam Fayyad's efforts and commendable work by Palestinian security forces to establish order in major cities. But much more will be needed.

This abysmal performance both of international institutions and the PA is partly the result of Israeli checkpoints, border closures, and other restrictions. Israeli Prime Minister Netanyahu has admitted that these procedures must be eased to relieve Palestinians' economic distress. However, the PA's ineffectuality also derives from poor donor coordination and corruption within Palestinian political ranks, which cause funds to be spent haphazardly or on projects that will take years to unfold. The importance of quick-impact economic development and institution-building cannot be overstated: without jobs and a hope for a better future, Palestinians have nothing to lose; without legitimate institutions, they have nowhere to turn, except perhaps to gangs or militias. This was the meaning behind Salam Fayyad's admirable motto: "building towards statehood despite the occupation."

Finally, continued political reform is necessary to address Fatah's waning popularity and legitimacy, and to involve the next generation of Palestinians in their own governance. This step is critically tied, as well, to economic reform and institution-building. It does no good to enact policies designed to give the Palestinian populace an interest in peace if their political leadership feels no accountability to promote these interests. Political reform also holds the key to the defeat of Hamas within the Palestinian polity. Hamas may promise a fight against corruption, but it cannot deliver peace and stability. A reformed Fatah, or its replacement by new moderate parties, can better meet the needs of the Palestinians (and thus more successfully earn their votes) than can Hamas.

But to work, these efforts will require a new approach from the Arab states. The Arab Peace Initiative, adopted by the Arab League in 2002, contained a welcome endorsement of peace. But it offered Israel (as well as the Palestinians, for that matter) a take-it-or-leave-it proposition when it required as preconditions for "normal relations" a complete Israeli withdrawal to the 1967 lines, a division of Jerusalem, the full Israeli withdrawal from the Golan Heights, and a right of return for all refugees. As such, the initiative risks reducing the maneuverability of each side in a number of ways. It forces Israel to appear to reject a moderate Arab overture; it handcuffs the PA with a rigid set of negotiating stances that put it in the uncomfortable position of having either to scuttle talks with Israel by refusing to bargain or to make concessions that compromise the consensus Arab position; and it discourages Arab states from reaching out on their own to Israel for fear of bucking that same consensus.

A better approach for the Arab states would be to focus their efforts on countering spoilers and improving the regional atmosphere for peace. Greater involvement by key Arab states -- particularly Saudi Arabia and the UAE -- in ad hoc financial, shipping, and other sanctions against Iran could substantially increase the effectiveness of such measures. And actions by Arab states to curtail Hamas leaders' ability to travel and raise funds could hamstring that organization, and expose its total reliance on Tehran.

The Arab states should also open an "Arab-Palestinian" track of peace negotiations to determine how a Palestinian state will relate to its Arab neighbors, and how it will be integrated into the region's economic and security superstructure. This would not only boost the ultimate viability of a Palestinian state, but increase Israel's confidence in the state's ability to resist being hijacked by Hamas and other terrorists. Arab leaders should also

substantially increase their financial support to the Palestinians. At the Paris Donor Conference, Arab countries gave only 20 percent of the total funds while the European countries gave 53 percent. Finally, Arab states should find ways to reach out to Israel beyond the confines of the Peace Initiative -- whether by increasing commercial cooperation or by agreeing to visits and visible diplomatic exchanges, thus persuading Israelis that peace is possible and will yield concrete dividends.

The general outlines of an Israeli-Palestinian peace agreement have been clear for decades, but neither side wants to accept them -- yet. Discussing the same terms one more time -- at Madrid, Oslo, Camp David, Taba, Annapolis, or anywhere else -- will not produce an agreement. International discourse on the Middle East conflict has largely ossified since 2000, leading to iterative discussions of the same old negotiating issues while the deeper dynamics dividing the parties are largely ignored.

If the international community wishes to contribute to a resolution of the Israeli-Palestinian conflict, it must stop trying to apply small solutions to big problems. Those problems -- the destabilizing activities of Iran and its proxies, the lack of progress toward a viable economy and competent self-government in the Palestinian territories, and the need for movement toward a sustainable security architecture for the Middle East -- dramatize both the need and opportunity for international involvement. Seriously and vigorously tackling these issues as the Israelis and Palestinians reengage in talks will help both parties to realize the value in a negotiated, two-state solution, and finally to embrace some variation of the deal that has been on the table so long.

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