

# Dollars and Diplomacy?

## The Impact of U.S. Economic Initiatives on the Arab-Israeli Peace Process

by [Patrick Clawson \(/experts/patrick-clawson\)](#)

Mar 1, 1999

### ABOUT THE AUTHORS



[Patrick Clawson \(/experts/patrick-clawson\)](#)

Patrick Clawson is the Morningstar Senior Fellow and Research Counselor at The Washington Institute.



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**T**he United States devotes considerable effort -- more than \$5 billion a year in aid, as well as many hours urging senior Arab and European officials to attend high-level meetings -- to promoting the twin goals of economic prosperity and economic cooperation among states and peoples in the Levant. U.S. officials often speak of the two goals in one breath, implicitly advocating the idea that Arab-Israeli economic cooperation promotes prosperity and that prosperity in turn makes economic cooperation more attractive. The unstated assumptions seem to be, first, that prosperous people are happier and more confident and therefore more willing to make politically painful decisions and, second, that economic cooperation facilitates and may even catalyze political cooperation.

In this Policy Paper, authors Patrick Clawson and Zoe Danon Gedal, evaluate the impact of economic cooperation initiatives—regionwide cooperation, trade and investment promotion, and foreign aid—on the Middle East peace process.

- **32 pages**

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