

Messrs. Netanyahu and Arafat Come to Town: Peace Process Prospects, 1998

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The Oslo accord is designed to divide the Israeli-Palestinian peace process into as many sub-phases as possible. Based on former Prime Minister Yitzhak Rabin's concept of incrementalism, this cautious approach includes a review of the other side's compliance with past obligations before moving to the next sub-phase. Consequently, Israeli Prime Minister Binyamin Netanyahu is fulfilling Rabin's intention by linking the decision on the second further redeployment (FRD) with the implementation of a number of Palestinian commitments. Netanyahu's demand for reciprocity is necessary and natural, but the rationale for his focus on compliance remains an open question. Does Netanyahu prefer that the Palestinians deliver on their obligations so that the FRD can be implemented, or does he hope that the Palestinians renege on their promises so Israel will not have to continue with the peace process?

Redeployments: Although the PLO never recognized the Camp David agreement, both Palestinians and Israelis kept Camp David in mind during the Oslo negotiations. Specifically, the idea of "redeployment" has its origins in Camp David. However, there is a big difference between Camp David and Oslo. Under Camp David, Israeli forces were to redeploy from Palestinian cities and towns but this redeployment never implied giving up responsibility for security in any portion of the West Bank and Gaza; under Menachem Begin's concept of "functional autonomy," Israel would transfer a percentage of its authority throughout the area to the Palestinians, but retain full security authority. After the five year transitional period, Begin's temporary solution would have become permanent by default because Israel would never agree to the establishment of a Palestinian state, and the Palestinians would never agree to the annexation of the West Bank. Oslo envisioned a different type of redeployment. In contrast to Begin, the Labor Party designed redeployments as interim steps toward a permanent solution of the conflict with the Palestinians based on territorial re-division, not functional compromises. Because of Rabin's concerns, this process was to be implemented in stages: Gaza first, then the West Bank urban areas, then the villages, followed by three further redeployments (FRDs). Under Oslo, Israel maintains sole discretion over the size, location, timing, and implementation of the FRDs. Although legally Israel could resume control over land ceded to the Palestinian Authority (PA), in practice it was understood that land once given to Palestinians was forever gone. The key FRD is not the second phase, currently the subject of much diplomacy, but the third FRD, because that step requires Israel to redeploy into "specific military locations" and "settlements"—which would, in effect, define Israel's position on "final status." Before the process gets to that point, the chances of a crisis are real.

Options for the Future: In looking toward the long-term prospects of the peace process, three options exist:

- Status quo. The parties cannot reach a permanent status agreement due to insurmountable differences, and by default, the status quo is maintained. This was the case after the 1948-49 war, when armistice agreements never developed into full peace accords, as some had hoped, and after the 1974 separation of forces agreement between Israel and Syria. However, this is not a real option because sooner or later the situation will slide into violence and terrorism.
- War. Israeli settlements and Palestinian villages are closely intertwined, and if the interim agreement expires without an accord, there will be no mechanism or political will for coordination. Every day could be the beginning of an Israeli-Palestinian war. However, this option is not in the best interests of the Palestinians who may have greater assets than they have had in the past but still remain far weaker than the Israeli armed forces.
- Final status agreement. On May 4, 1999, the parties will likely sign a new agreement—either a detailed accord or a general set of principles—to replace the interim accords. This is the most likely. After all, by the end of the five-year transitional period, the two parties will be placed on the "horns of the dilemma"—either war or peace. After a war, the resulting agreement would probably be no different than one negotiated without a war because geography and demography will not change. Therefore, rational leaderships in Israel and among the Palestinians will choose peace.

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One year ago, the Likud jettisoned sixty years of ideology by signing a deal with the Palestinian Liberation

Organization (PLO) in which Israel agreed to withdraw from 80 percent of Hebron. After the agreement, only the extremist fringe in Israel has rejected the concept of territorial compromise; the current debate between Labor and Likud is over percentages, not principles. However, the only part of the peace process that progressed as planned in 1997 was the withdrawal from Hebron. None of the commitments outlined in the Note for the Record included in the Hebron agreement have been implemented to the satisfaction of the other party; the Palestinians have even refused to recognize the validity of their main obligations. American-Israeli relations in 1997 paralleled the gloomy state of Arab-Israeli relations. Although U.S. economic assistance and security cooperation with Israel has remained rock solid, profound differences have emerged regarding the peace process.

Clinton-Netanyahu/Clinton-Arafat: In August 1997, Secretary of State Albright delivered a speech which outlined a U.S. position of fighting terrorism as the sine qua non of the process and creating a peace process package which would enable the parties to move quickly to final status negotiations. In autumn, this package became a four-part agenda—security, resolution of interim issues, "time-out" on Israeli settlement building, and FRDs—all leading to final status negotiations. While early emphasis was placed on the time-out, the focus of the package shifted to the FRDs, which (unlike the "time-out") is an element in the Oslo Accords. During meetings this week, Netanyahu is likely to offer President Clinton a "significant and credible" FRD if Clinton can convince PA Chairman Yasser Arafat to fulfill outstanding obligations under the Note for the Record and to accept that the final FRD gets subsumed into final status negotiations. Despite some voices urging Clinton to make a stand now that Netanyahu has to accept a full-fledged third FRD independent of Palestinian compliance and of final status talks, Clinton is likely to accept Israel's proposal as a basis for creating a new package. Consequently, the Clinton-Arafat meeting is, in many respects, more important than the Clinton-Netanyahu meeting. Clinton will try to convince Arafat to accept U.S. proposal that calls for his compliance with some (though not all) of his outstanding "Note for the Record" obligations parallel to one sizable FRD (or two or more smaller FRDs), completion of talks on airport and land passage, and an agreement to start final status talks once redeployment is implemented.

The New Year: Even if it is possible to attain this package deal now, 1998 is still a year in which there will be great tension in the Arab-Israeli peace process and in U.S.-Israeli relations. The threats of Hamas terrorism and a new, more lethal intifada remain a cloud over the region. Arafat has already hinted that "all options" are available if the peace process collapses, either now or in the context of final status talks. Additionally, if final status talks begin without an U.S.-Israeli understanding on the role each will play—not necessarily eye-to-eye agreement—then the fabric of the U.S.-Israeli relationship will be in danger. Given the deepening role that Washington is playing in the peace process, too much of the responsibility for determining the fate of the process will fall in U.S. hands next year.

This year is also likely to witness a new Israeli election. The question is whether it will occur at a moment of Netanyahu's choosing (November) or at a moment forced upon him by a fracturing or his cabinet or parliamentary coalition. At this early date, it is impossible to foretell Netanyahu's electoral prospects but no serious analyst should wager heavily against him.

This Special Policy Forum Report was prepared by Rachel Ingber.