On, July 10, 1995, Samuel Lewis, counselor to the Washington Institute, and Robert Satloff, executive director of the Washington Institute, addressed a session of the The Washington Institute's Policy Forum on the status of the peace process and its future development. The following is a rapporteur's summary of their remarks.

Ambassador Lewis

The Israeli-Syrian Track

After disappointing results from the Barak-Shehabi talks in December, U.S. diplomats brokered a framework agreement to facilitate future security exchanges. The late June Shehabi-Shahak talks then successfully met their modest goals: having a serious detailed exchange in which both sides would try to take the needs of the other into consideration, resulting in a convergence of some points to be fleshed out in future talks.

The substance of the talks included four issues: early-warning concepts (land-based vs. aerial surveillance methods); confidence-building measures (what sort and when); demilitarized zones; and limited force zones including questions of size and ratios of troops. The issues of borders and international forces on the Golan were reserved for the political-level discussions.

Gaps between the two sides remain large but not insurmountable. Both the Israeli and Syrian leaders remain ambivalent about the fundamental question of whether it is worth pursuing a final agreement in view of its potential political costs. Assad, Rabin and Clinton will ultimately have to meet face-to-face if an agreement is to be achieved.

The Israeli-Palestinian Track

Rabin's unyielding position in the interim negotiations stressed Israel's security needs. Rabin proposed that Israel would yield authority to the Palestinian Authority (PA) only incrementally, based on the PA's ability to maintain law and order in the self-rule areas. Although Arafat initially wanted a complete or near-complete Israeli withdrawal from the West Bank, he finally accepted the phased approach rather than further delay asserting his authority in the West Bank.

The Peres-Arafat agreement contains only general principles. Negotiators are striving to complete the detailed agreement for signing by a July 25 target date. Among the many issues still on the table are deployment details, joint security arrangements, withdrawal dimensions, electoral procedures, and arrangements for joint control of water resources.

The framework of the agreement includes a complete Israeli withdrawal from the cities of Jenin, Nablus, Qalqilya and Tulkarm before the Palestinian elections for a self-rule council in November or December. An additional withdrawal to the outskirts of Ramallah and Bethlehem will occur as soon as the bypass roads are built. Elections are expected to be held in for the positions of Rais (head) and members of the Council. Arafat's goal is to legitimize his authority. After the elections, the IDF will redeploy from many towns and villages and security responsibilities will overlap in many areas. The third phase will include a full redeployment from rural areas and state-owned lands to borders that have not yet been defined and is to be completed in 1997.

The Israeli-Palestinian talks are beginning the partition of historic Palestine into Jewish and Palestinian states. The incremental phased process will gradually transform the West Bank from Palestinian islands within an Israeli sea to Israeli islands within a Palestinian sea. The danger in this approach is that each step is an invitation for sabotage by Israeli settlers or militant Islamists. Nonetheless, continued progress by the two parties means that a point of no return may have been reached.

Dr. Satloff

The overriding impression of a ten-day regional tour is the rapidity, enormity and complexity of change now underway.

In Israel, politics is evolving in fundamental ways without much popular fanfare or focused opposition. Four
aspects of this change are:

• Redefining Israel's size and the core elements of its security. The peace process is currently reshaping the country with negotiations on every border except the south.

• Deep ideological challenges to Labor and Likud. Labor has moved from a focus on territorial compromise to one of territorial withdrawal to achieve security; Likud's dilemma is to develop an alternative to the concept of "separation" that most Israelis seem to accept. Neither party is confident that its core ideology on issues of land and peace appeals to a majority.

• The emergence of ethnic political parties. Russian (Sharansky) and Sephardic (Levy) proto-parties appeal almost exclusively to the two respective ethnic communities. On the issues of land and peace, these parties are fluid, adding complexities to future coalition-makers.

• The emergent role of Israeli Arabs in politics. With seventeen percent of the population, ten percent of the electorate, and a newfound confidence, Israeli Arabs could be swing voters in fundamental national decision-making. Ties between Israeli Arabs and the PA are also increasingly significant.

Jordanian Affairs

Six dichotomies currently define Jordanian politics:

• Palace vs. Political Elite. While King Hussein and Crown Prince Hassan actively promote peace and normalization, there is a popular perception of deep ambivalence and hesitation on the part of the political elites, including members of the government.

• East Bankers vs. Palestinians. Jordanian-Palestinians may be less hesitant about normalization than East Jordanians, who fear Israeli economic domination inside Jordan. At the same time, the political gap between Palestinians and East Jordanians appears to be increasing.

• Rich vs. poor. There has been little trickle down from the peace process, which adds to hesitancy to move forward in normalization, especially among East Bank southerners.

• Islamist vs. Royalist. No strong liberal "middle" exists which would allow for greater democratization and support for the palace's view on normalization.

• Democracy vs. stability. So far, Jordan has proceeded with normalization and democratization simultaneously, although this process is coming under increased pressure.

• Iraq vs. Israel. Jordan's economy can either point eastward toward Iraq or westward to the West Bank and Israel. So far, there is a great hesitancy to refocus westward among the Jordanian policy and business elites. On this issue, the Amman Economic Summit scheduled for October is a major test to the Jordanian strategy which links peacemaking abroad with economic liberalism and growth at home.

Turkey and the Peace Process

Turkey is both hopeful and concerned, especially as it views the prospects of Syrian-Israeli talks through a Syrian-Turkish lens. Officially, Turkey hopes Israeli-Syrian peace would civilize and moderate Damascus, but some in Ankara fear peace would both turn Syria's sights northward and entice Washington to overlook continued Syrian involvement with PKK terrorism in building a new relationship with Damascus.

This special Policy Forum report was prepared by D. Daniel Sokol.