Pressing the “Reset Button” on Arab-Israeli Negotiations

Prof. Shai Feldman

The Obama administration’s pursuit of Arab-Israeli peace has so far yielded few, if any, returns. This is not for lack of effort: The President, Secretary of State Hillary Clinton, Special Presidential Envoy George Mitchell, and their top assistants and advisors have invested thousands of hours in an effort to launch a successful negotiations process. And yet, to date, no breakthrough has been achieved.

In the face of these difficulties, an impressive array of experienced and sophisticated scholars and former diplomats and policy makers have advised President Obama to avoid additional investment in what appears to be a hopeless endeavor. This Brief will attempt to address the following sets of questions: What are the main reasons given as to why the Obama administration’s efforts in this realm have failed? What would be the long-term costs of a failure to resolve the conflict? What reasons might the Obama administration have to believe that a different approach to this process might succeed? And if the Obama administration were to “press the reset button” on its Mideast peace efforts, what might be the components of an alternative strategy for resolving the Palestinian-Israel conflict?

Failure Thus Far

Many observers of the Middle East believe that the realities of the current situation do not favor the prospects for peace between Israel and the Palestinians. These observers see both Israelis and Palestinians as lacking the strong leadership that, in the past, could muster the personal courage and mobilize the internal political support necessary to conclude and implement
Shai Feldman is the Judith and Sidney Swartz Director of the Crown Center and is Co-Chair of the Crown-Belfer Middle East Program at the Harvard Kennedy School.

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The difficulties resulting from the absence of the requisite leadership are compounded on the Israeli side by the right-wing coalition over which Prime Minister Netanyahu presides and by the strong hardline opposition within as well as outside his government to any significant Israeli concessions. Moreover, although peace with the Palestinians—with all the concessions that this would require—is supported by a clear majority of the Israeli public, this majority remains largely silent and passive, while the opponents of a deal are committed, organized, and mobilized.

The Palestinian scene is no more encouraging. President Abbas presides over a fragmented, if not fatally fractured, entity, torn between Gaza and the West Bank, between Hamas and Fatah, and, within Fatah, between its Old Guard and its Young Guard. While Abbas was seen as having bridged the last gap, and as having won the support of the Young Guard at the successful Fatah Congress held in Bethlehem in August 2009—the first one held in some twenty years—he failed to capitalize on that gain and strengthen his political base through a permanent restructuring of the movement. As a result and in order to avoid a likely Fatah debacle, Abbas had no choice but to cancel the local elections scheduled for July 2010.

Question marks about Washington’s commitment to the peace process have only added to the difficulties faced by the Israeli and Palestinian protagonists. To begin with, there were clear limitations with respect to the time and energy that President Obama could devote to Palestinian-Israeli peacemaking, given the magnitude of the problems he inherited on January 20, 2009. Facing a deep financial crisis at home—and with many fearing a complete meltdown of Wall Street—along with the demands of two wars abroad, the President could not possibly devote to Arab-Israeli accommodation more effort than he had.

From the outset, the Obama administration was also split about the likely payoff for the United States of helping to resolve the Palestinian-Israeli conflict. Senior members of the U.S. defense community—General David Petraeus was only the most prominent and explicit among these voices—argued that the ongoing Israeli-Palestinian conflict was making it more difficult for the U.S. to face the other challenges it confronts in the region—and to solicit the full cooperation of Arab governments in its efforts to confront these challenges. Others, however, continue to doubt that such a linkage exists; they argue that Arab leaders use the unresolved Israeli-Palestinian conflict as a pretext, when for other reasons they prefer to remain on the sidelines. In and out of government, members of this school of thought insist that solving the Arab-Israeli conflict will not improve America’s ability to deal with Iran, Iraq, or Afghanistan.

Another argument made against greater U.S. investment in Palestinian-Israeli peacemaking is based on the assessment that America’s potential contribution to this endeavor is chronically overrated. Proponents of this view stress that the U.S. is seen as a power in decline, and for this reason it is no longer taken seriously by the players in the conflict. They also argue that pro-Israel forces in America make
it impossible for the administration to press Israel when needed—and, more broadly, that U.S.-Israel relations are seen as too exclusive, depriving Washington of the ability to be accepted as an honest broker.

No less crippling, however, were the shortcomings in the Obama administration’s management of its peacemaking efforts. These problems were especially acute in the case of its attempts to persuade Israel to accept a settlement construction freeze. Indeed, while the administration’s desire to create an environment more conducive to effective negotiations by asking Israel to stop any further settlement construction was more than reasonable, it handled this issue badly, allowing the Israelis and Palestinians to frame the issue and define its scope—for example, as to whether or not such a freeze should also apply to Jerusalem—and permitting the Palestinian side to transform a settlement construction freeze into a precondition for negotiations. The administration thereby lost control of an important move that it had itself initiated—and as a result, all the energies that needed to be devoted to negotiating permanent status issues were diverted instead to arguing the scope and time frame of the suggested construction freeze.

The administration also failed to communicate effectively to both domestic and foreign audiences what it was trying to achieve. Thus, although President Obama addressed Muslim audiences in Ankara and Cairo in 2009—and more recently, in Indonesia as well—he has refrained from any serious effort to reduce the anxieties of Israelis about the risks entailed in further withdrawals. By not sharing with relevant Congressional leaders—including members of his own party—the dilemmas he was facing, the President failed to win them over and make them partners in his endeavors. And by failing to explain his efforts through the mass media and to talk to American Jews—78 percent of whom gave him their votes in the 2008 election—the President essentially abandoned the arena to his detractors.

Additionally, although the personal interventions of President Obama in the process were impressive, he failed to create a command structure for managing the process when other issues requiring his attention forced him to move on. Thus, for example, the administration did not seem to have an effective follow-up strategy with respect to the impressive speech that the President delivered in Cairo in June 2009. Obama delegated to Senator Mitchell the task of day-to-day management of the process and at times asked Secretary of State Clinton and Senior Advisor Dennis Ross to involve themselves in the efforts to move the unwilling protagonists, but it was never clear what authority these individuals were given and who, in the President’s absence, was orchestrating the administration’s efforts.

Most important, however, was the administration’s failure to define the parameters and focus of the negotiations and to determine their pace; instead, it permitted the parties to determine these critically important issues, making it almost inevitable that Israeli and Palestinian leaders would allow their positions regarding these matters to be dictated by domestic convenience. This in turn deprived the administration of the ability to determine two important issues: whether or not the prospective talks should be based on the progress made in previous Palestinian-Israeli negotiations, and whether or not the administration would put bridging proposals on the table. The administration thereby failed to convey urgency, instead signaling that it was willing for the parties to arrive at the necessary compromises at their own pace. The result was what former Secretary of State George Shultz once called “motion without movement”—with Israel and the Palestinians posturing and seemingly preparing to move but in reality making no progress at all.

Finally, the administration’s initial efforts to mobilize the support of key Arab states—first and foremost, Saudi Arabia—for the creation of a more positive environment for Palestinian-Israeli negotiations failed miserably. Stopping for a day in Riyadh on his way to Cairo in June 2009, President Obama reportedly tried to persuade the Saudis to provide Israel with some incentives, in the spirit of the 2002 Arab Peace Initiative, in order to encourage Israel to make the requisite concessions so that progress in the anticipated negotiations could be achieved. But Obama’s efforts seem to have been based on a misunderstanding of the Saudis’ approach, since Saudi Arabia would, at best, contemplate such moves only in the framework of implementing an overall solution to the conflict. Gestures and down payments are not part of the Saudi lexicon.

The Costs of Failure

Before turning to a consideration of what a “reset” effort with respect to pursuing Middle East peace might entail, an important issue needs to be addressed: What reasons are there to believe that even the most well-conceived and best-managed U.S. peacemaking effort might have any chance of resulting in a breakthrough? After all, in the end, Israeli and Palestinian leaders would have to be the ones making the fateful decisions that would enable such a breakthrough. Why would they entertain the required risks and sacrifices? What benefits might they derive from a difficult attempt to defy the odds stacked against such a major positive change? And, even more important: What costs might they incur if an agreement to end the conflict is not reached?
Three big issues are at stake for Mahmoud Abbas as a Palestinian leader and as the leader of the Fatah movement. First, without a breakthrough in Arab-Israeli peacemaking, it is not clear what Fatah—at the head of the national-secular forces—would be able to offer its constituency. If its claim to be the only movement able to deliver peace, stability, normality, dignity, and justice is not realized, what electoral appeal would allow it to overcome Hamas’s claim to greater honesty and competence? Without a breakthrough in the efforts to negotiate an end to the conflict, the Fatah movement over which Abbas presides may be doomed to disappear from the pages of history in much the same way that the Labor movement is currently fading from the equivalent pages of Israel’s history books.

Second, in the absence of a breakthrough in the top-down dimension of Palestinian-Israeli peacemaking, the currently successful bottom-up efforts of Salam Fayyad to build the institutions of a state may collapse as well. Building such institutions makes sense if they are to replace an Israeli government that would relinquish control of Palestinian lives, in much the same way that the Zionist organs of the pre-state yishuv made sense in anticipation of the end of the Mandate and the expected British withdrawal. Without an equivalent Israeli step, however, Fayyad’s two-year institution- and state-building plan remains exposed and vulnerable to the Hamas narrative that all he has achieved is to have made the Israeli occupation more palatable.

Third, the reform of the Palestinian Authority’s security sector, including the successful U.S.-led efforts to help the Palestinians build, train, and deploy their National Security Force, remains very fragile. In directing these efforts, U.S. general Keith Dayton and his Palestinian colleagues managed to foster an ethos for these forces as an essential component of state-building; but without a diplomatic breakthrough that would enable the creation of such a state, the entire enterprise remains exposed to Hamas’s accusations that these forces’ only achievement thus far has been greater security for Israelis, especially Israeli settlers.

On the Israeli side, while Prime Minister Netanyahu presides over a right-wing coalition and is therefore immune from any negative short-term effects of a failure to reach an agreement with the Palestinians, this is not necessarily the case in the long term. First, should Netanyahu be seen as having contributed significantly to such a failure, his credibility in the international arena, as well as that of President Shimon Peres and Defense Minister Ehud Barak, will be seriously damaged. This is because Netanyahu had made every effort to persuade world leaders that he is serious about seeking peace—and Peres and Barak attested that they had spent many hours with Netanyahu and were convinced that he was prepared to reach a historic accommodation with the Palestinians. Among the recipients of such assurances were President Obama, Egypt’s President Mubarak, and Jordan’s King Abdullah. Should it become clear that the assurances that Barak and Peres provided over many months were unfounded, Netanyahu’s international standing, along with that of Peres and Barak, would suffer irreparable damage.

Second, should such a failure result in renewed tensions between Netanyahu’s government and the White House, Israel’s prime minister would face tough questions focusing on the requirements for thwarting Iran’s nuclear ambitions, and for containing a nuclear Iran should those efforts fail. In particular, Netanyahu will be asked: If the prospects of a nuclear Iran are so scary, how could Israel afford serious tensions with the only other country that can actually abort Iran’s nuclear efforts or contain their potential consequences?

Third, in the event that the efforts to reach an agreement with the Palestinians fail, it is not clear what vision Netanyahu would be able to offer that would allow for the impact of such a failure on the demography of the areas under Israel’s control—and, as a result, on Israel’s future as both a Jewish and a democratic state. Indeed, under such circumstances Netanyahu would be presented with another question: If the issue of Israel’s Jewish character was so important as to spur the demand that the Palestinians formally accept this character, how could Israel accept the impact of the failure to reach a peace agreement on Israel’s demography, and thus on the future of its Jewish as well as democratic character? And related to that: Should Israel’s continued commitment to democracy be increasingly questioned under such circumstances—leading a growing number of people in the West to depict it as an apartheid state—how would Israel contain the international campaign to delegitimize it?

Finally, in the absence of a resolution of the Palestinian-Israeli conflict, it is not clear how Netanyahu’s economic vision—specifically, his desire to transform Israel into a regional economic power—will materialize. As it is, the gap between Israel’s impressive economic gains and the decline in its political standing has increased dramatically in recent years—with the result that foreign direct investment in Israel is growing at the same time that movements for divestment from Israel are gaining ground, particularly in Europe. How long these trends can continue to develop in such opposite trajectories is difficult to predict. By contrast, an agreement with the Palestinians would most certainly arrest the divestment campaign. Indeed, the economic benefits to Israel embodied in the possible application of the 2002 Arab Peace Initiative would create a perfect convergence between peace and
Netanyahu’s economic goals. Thus, for Israel, even on the economic front, much rests on the prospects for Israeli-Palestinian peace.

**Why Bother?**

In considering whether or not to proceed with further attempts at Arab-Israeli peacemaking, the United States must take into account, in addition to the negative impact that a failure to resolve the Palestinian-Israeli conflict would have on the two peoples themselves, two additional sets of considerations. The first concerns the extent to which the U.S. is likely to be directly affected by such a failure, as well as by many of the ramifications that such a failure would have for both Israelis and Palestinians. The second relates to the positive changes that have occurred “on the ground” in recent years, which create more favorable conditions for reaching a breakthrough.

Most American officials visiting with Persian Gulf leaders hear repeatedly that while Iran worries them much more than anything related to Israel, their publics are enraged by television pictures and Internet reporting on the plight of the Palestinians. These publics hold Washington responsible for this situation, because of America’s close relations with Israel and the consequent belief in the Arab world that Israel would not have been able to continue controlling Palestinians against their will and constructing additional housing units in new and existing settlements in the West Bank were it not for America’s approval. The resulting public anger makes it more difficult for Arab leaders to cooperate with Washington in the latter’s efforts to contain the common strategic threat represented by Iran. Those efforts would also be damaged by the aforementioned domestic Palestinian ramifications of a failure to achieve a breakthrough in the peace process, as the weakening of the secular nationalist Fatah and the corresponding strengthening of Islamist Hamas would be seen as constituting an important victory for Iran.

In addition, a successful campaign to delegitimize Israel—fueled by the failure to achieve a Palestinian-Israeli deal—would pose continued dilemmas for U.S. policy. Washington would be torn between domestic pressures to help defeat the delegitimization campaign, international demands to refrain from moves to defeat it, and U.S. fears that some of the attempts to delegitimize Israel by citing its behavior—especially regarding Gaza—might boomerang against U.S. counterinsurgency operations in Afghanistan and Pakistan. This would present the Obama administration and future U.S. governments with recurring headaches, as pressures to veto UN resolutions might force the administration to confront international players whose assistance the U.S. was seeking in other important areas of its foreign policy. And as the international campaign to delegitimize Israel will likely focus increasingly on the latter’s commitment to the values common to liberal democracies, it would become increasingly difficult for the administration to justify its own commitment to Israeli security—a commitment that has always rested more on common values than on common strategic threats. As doubts grew as to whether the commitment to shared values still constituted the foundation of the two countries’ close ties, the administration would find it increasingly difficult to explain why it continues to regard Israel as an ally to whose defense America is unshakeably committed.

Finally, over the past few years the U.S. has invested considerable effort and funds in Salam Fayyad’s state-building project, as well as in reform of the security sector in the West Bank. The likely collapse of these efforts under the weight of a failure to achieve a breakthrough in Palestinian-Israeli negotiations would constitute a huge blow to U.S. credibility and prestige in the region at large, with possible implications in Iraq and Afghanistan, where the U.S. is currently engaged in similar efforts.

**Favorable Conditions for a Breakthrough?**

Alongside the clear costs that a failure to achieve a breakthrough in Palestinian-Israeli negotiations would entail for the United States, the Obama administration might be equally motivated to attempt a different approach to these efforts by the prospects of achieving success. In this regard, while understandably frustrated by its past failures, Washington may be encouraged by the fact that although domestic Palestinian and Israeli circumstances do not seem to be “breakthrough-friendly,” other important conditions, mostly on the Palestinian side, are currently more favorable than ever for a grand accommodation between Israel and the PA.

What are these more favorable conditions? First, the PA’s performance in the realms of safety, security, good governance, and establishing the rule of law has improved dramatically, and PA-Israeli security cooperation has never been more extensive. These significant gains would reduce considerably the security risks that Israel would be taking if a deal entailing its withdrawal from the West Bank were to be concluded.

Second, significant majorities among Israelis as well as Palestinians continue to support a settlement. That these majorities are currently silent may be attributed to the widespread perception that an end to the conflict remains theoretical in the absence of a credible process. But this also holds the prospect that these supportive majorities might become active once a negotiations process appeared real.
Finally, it is difficult to imagine a pair of Palestinian leaders more interested in concluding peace with Israel than President Abbas and Prime Minister Fayyad. Both believe that peace with Israel is in the Palestinians’ self-interest; both attach the highest priority to achieving Palestinian independent statehood; both believe that the turn to violence has been a political disaster for the Palestinians; and both assume that the failure to achieve peace will eventually result in another disastrous wave of violence.

Pressing the Reset Button

If President Obama, despite other issues requiring his attention, decides to ignore those who caution him against deeper involvement in Arab-Israeli negotiations and, instead, attempts to “reset” his administration’s approach to the issue, what precisely would such a change entail? What principles of the administration’s current modus operandi would need to be abandoned in favor of a different approach? And how would its management style need to be amended? A resetting of the U.S. approach to Palestinian-Israeli peacemaking should include the following:

Produce a Blueprint: The most important component of resetting the Palestinian-Israeli peace process would be the presentation of a blueprint for addressing all permanent status issues—a blueprint based on the positions offered in the past by the parties themselves. The point to which these positions have evolved during the immediately preceding U.S., Israeli, and Palestinian governments has been documented in various written and verbal testimonies, such as the summary left for the incoming Obama administration by outgoing Secretary of State Rice in January 2009, a forty-one-page document offered by Palestinian negotiator Saeb Erekat; and numerous speeches delivered in the past two years by former Prime Minister Ehud Olmert and President Mahmoud Abbas.

Fast Track on Borders and Security: Though the proposed blueprint should address all permanent status issues, it should do so for most issues only at the level of general principles: more detailed than the parameters offered by President Clinton in December 2000 but much less detailed than the Geneva Document. This would leave the parties directly involved ample opportunity to shape the final contours of a negotiated agreement.

On two issues, however—borders and security—the blueprint should offer precise prescriptions. Its proposals regarding these matters should be based on the extensive and detailed negotiations already conducted by the parties, from Camp David in July 2000 to the Olmert-Abbas post-Annapolis talks. They should also include some acknowledgment that the dispensation of Jerusalem, including an agreement on its boundaries, will remain for a time unresolved.

Generate a New and Improved Arab Peace Initiative (API): In order to create a more positive incentive structure for both the Israelis and the Palestinians to accept the suggested blueprint, the Obama administration should enter into a parallel set of detailed negotiations with the leaders of key Arab states—primarily those of Egypt, Jordan, and Saudi Arabia—with the goal of creating a new and improved API. The new API should improve upon the Initiative adopted in 2002 by the Arab League in three important respects:

Whereas the 2002 Initiative was designed primarily if not exclusively to encourage Israel to make the concessions necessary for peace, the new API should provide important incentives for the Palestinians as well.

Whereas the 2002 Initiative was tied to Israeli withdrawal to the 1967 lines on both the Palestinian and Syrian fronts, the new API should distinguish between incentives tied to the completion of a Palestinian-Israeli deal and other rewards offered in the context of an Israeli-Syrian deal. In this way, Israeli incentives to make the concessions necessary for an agreement with the Palestinians would no longer be held hostage to the different obstacles in the way of a deal with Syria.

Whereas the 2002 Initiative was a “take it or leave it” proposition, the new API should link each phase of the granting of rewards offered by the API to the implementation of specified Israeli and Palestinian steps in the proposed blueprint for resolving the Palestinian-Israeli conflict.

Encourage Palestinian State-Building: Parallel to the suggested new approach to the top-down dimension of efforts to resolve the conflict, the Obama administration should increase its already considerable support for bottom-up efforts to build Palestinian statehood. In this realm, it should encourage the efforts orchestrated by the PA’s prime minister, Salam Fayyad, to build state institutions and to reform the PA’s security sector—changes that have already resulted in impressive gains toward the establishment of law and order in the West Bank as well as in rapid economic growth, reaching 7.2 percent in 2009 and 9 percent in the first half of 2010.

Within this framework, the U.S. should encourage Israel to transfer additional areas of the West Bank to Palestinian control—thus transforming areas C into areas A and B—
and to allow the Palestinians greater responsibility over security while further reducing the signature of Israel's own security operations in the West Bank. In addition, the administration should attempt to link such positive Israeli moves with the suggested new and improved API by persuading the Arab states to reward Israel for these steps by implementing partial normalization measures.

**Communicate, Communicate, Communicate:** The administration would need to explain to the Israeli and Palestinian publics, to Congressional leaders, to U.S. opinion-making elites, and to the leadership and members of the U.S. Jewish community—directly and through the mass media in all its modern forms—the rationale for proposing the suggested blueprint. This explanation would in turn need to be based on the self-interest of the parties themselves, focusing on the dangers that the parties would face if their conflict was not resolved very soon. It would also need to make clear why the administration had decided to lead the process, by noting that it would have been far better for the parties themselves to solve these problems, but that decades of such efforts had so far failed to resolve the conflict.

A critically important element of this communications offensive would be a direct address by President Obama to the Israeli people. Such a speech, delivered in the Knesset but addressing not only the attending MKs but the Israeli public at large, should contain two parts. The first should comprise a candid expression of U.S. concerns about the possible implications of a failure to achieve a breakthrough in Israeli-Palestinian relations, emphasizing the negative impact of such a failure on the national interest of Israel itself as well as on the Palestinians and the U.S. The second part should detail the positive ramifications of the hoped-for breakthrough for the future of U.S.-Israel ties as well as for Israel's standing in the Middle East and the world at large.

**Overhaul the Management of the Process:** Implementing the suggestions made here for resetting the Obama administration's approach to the Palestinian-Israeli peace process will require orchestrating a large number of moving pieces simultaneously—a highly demanding proposition from a process management standpoint. It would require that President Obama designate a senior member of his administration as his Czar for Mideast peacemaking. This person would coordinate all arms of the U.S. government involved in this endeavor—including the State Department, the U.S. Embassy in Tel Aviv and the U.S. Consulate General in Jerusalem, the Office of the Security Coordinator, the U.S. Agency for International Development, and the Department of Defense—to ensure that they all work together to implement the President's policy. Equally important, President Obama would need to make clear that when he is not able to remain personally involved in the process, this designated individual remains in charge and should be regarded as speaking for the President at all times.

**Final Thoughts**

The Obama administration might be encouraged to “press the reset button” on its efforts to help resolve the Palestinian-Israeli conflict by three sets of considerations: first, the failure to date of its efforts to achieve a breakthrough in the conflict; second, the potential damage to Israeli, Palestinian, and, most importantly, United States’ national security interests if it becomes accepted that these efforts have permanently failed; and, finally, the positive conditions currently existing that might make it possible for U.S. efforts to succeed if it changed its approach to the process.

What would it take to “press the reset button”? It would require the Obama administration to offer a general blueprint for resolving the Palestinian-Israeli conflict, and to address the border demarcation and security issues in a more detailed proposal; to increase its support for Palestinian state-building efforts, and to encourage key Arab states to offer a new and improved Arab Peace Initiative; to streamline the management structure of its peacemaking efforts, thereby redressing the shortcomings that have hobbled those efforts; and to communicate insistently, effectively, and to multiple audiences its purposes, strategies, and policies regarding the desired resolution of the Palestinian-Israeli conflict.
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