



## Palestinian-Israeli Direct Talks: The Case for a Regional Approach

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### Summary

There is little chance for a breakthrough in direct talks between Israel and Palestine and a two-state solution is almost out of time. The best hope—not only for Israelis and Palestinians, but also for the Arab world—is a comprehensive regional agreement that addresses the needs and concerns of all the key players, including Saudi Arabia and Syria.

U.S. negotiators worked hard to get Palestinians and Israelis to restart peace talks, but there are three basic limitations to direct negotiations. **First**, the Obama administration seems to value process over substance, and consequently risks falling into the trap of unending negotiations. **Second**, a bilateral peace deal is no longer attractive to either side. Israel will find it difficult to stomach the painful concessions necessary to win peace with only some Palestinians— Hamas, who runs Gaza, is not involved—while the Palestinians need cover from the wider Arab world to sell tough choices to their own people. **Third**, and worst of all, a two-state solution will no longer work. Despite serious efforts to build a Palestinian state, this option effectively disappeared as Israeli settlers spread throughout the West Bank.

Given this trio of deficiencies, the bilateral approach alone should be abandoned. Instead, a comprehensive accord should be pursued that builds on the Arab Peace Initiative, adopted in Beirut in 2002. Instead of relying on pressure to cajole Israelis and Palestinians to act, a regional initiative allows both sides to find a settlement that serves their national interests. It also obliges Arabs to be responsible for pressing Hamas and Hizbollah. The United States would be responsible for collecting the so-called “end-game” deposits. These hypothetical pledges from all parties could be deposited with Washington, and committed to only if others are willing to do the same. Saudi Arabia, Syria, the Palestinians, and Israel will need to concede contentious points to get what they ultimately want.

The time to act is now. The conflict has finally reached a point where postponing difficult decisions today in the hope of better conditions tomorrow will only serve to establish alternatives that will prove far harder to deal with.

Even with little chance of a breakthrough, U.S. negotiators worked hard to get Palestinians and Israelis to restart direct peace talks. But with a similar amount of effort they could take a different approach that is far more promising.

Secretary of State Hillary Clinton's announcement that talks would launch on September 2 appears to embrace the position advocated by Israeli leaders—essentially, that there are no preconditions, no explicit halt to settlement activity, and no agreed-upon borders for a Palestinian state. Further, Clinton's belief that these negotiations can be conducted within a year is hardly a binding timetable. Palestinian President Mahmoud Abbas has been calling for a Palestinian state on the basis of the 1967 borders, a halt to settlement activity, and a specific time frame at a minimum to start direct talks.

However, intense pressure on the Palestinians by the U.S. administration to sidestep such preconditions succeeded. The Palestinians had to settle for a statement issued by the Middle East Quartet (the United States, United Nations, European Union, and Russia) reaffirming its commitment to a “settlement, negotiated between the parties, that ends the occupation which began in 1967 and results in the emergence of an independent, democratic, and viable Palestinian state living side by side in peace and security with Israel and its other neighbors.”

The essential question to ask at this point is whether direct talks between the two parties will lead to a permanent agreement. Under present conditions, a bilateral agreement is unlikely to be reached. Rather than waiting for this latest round of direct talks to break down, the United States should move forward with a comprehensive regional approach.

## **Limits of the Current Approach**

The Obama administration's approach appears to sidestep some stark facts that will likely undermine these negotiations. The first is that the administration is obsessed by process rather than substance and risks falling into the trap of incrementalism—the premise that the two sides are capable of reaching an agreement by tackling the issues incrementally through a negotiation process not bound by a time frame. The history of Palestinian-Israeli peacemaking has shown that incrementalism à la Oslo—notwithstanding the achievements of the Oslo process, including the clear outline of a final agreement achieved through years of negotiations—has exhausted its possibilities. Today, eleven years beyond the deadline set by the Oslo process for agreement on final status, the conflict remains unresolved.

Palestinians—and key Arab countries—begrudgingly accepted the reality of postponing negotiations on thorny issues such as refugees, Jerusalem, and settlements as new construction continued at the time. But today, seventeen years after the first Oslo agreement was signed, the Arab public is cynical and weary that the continued insistence on an incremental approach only gives Israel more time to continue settlement construction, thereby changing the reality on the ground and rendering a two-state solution impossible to achieve.

The Israeli public is equally skeptical of continuing to offer what it believes to be open-ended compromises without a clear picture of the end result, and doubts that its Arab partners can deliver on their commitments. Both publics are increasingly apprehensive that the other side is not serious about peace. Both feel the exhaustion of running a marathon without knowing where the finish line lies.

Second, the requirements for a separate peace agreement between Palestinians and Israelis are no longer attainable and are unattractive to the public on either side. It is difficult for the Israelis to accept painful compromises on their part in return for peace with “half of the Palestinians.” The Palestinian Authority, on the other hand, is unable to make painful compromises (for example, on the refugee or Jerusalem issues) without Arab cover.

This also applies to a separate peace agreement between Israel and Syria. Israelis will find it difficult to return the Golan Heights without a solution to the Hamas, Hizbollah, and Iran issues. Indeed, even if the Golan Heights are returned in full to Syria, Bashar al-Assad’s regime will find it difficult to sign a separate peace agreement with Israel that requires loosening its ties to Iran and stopping all support to Hizbollah and Hamas.

One of the main contributors to the breakdown of President Clinton’s peacemaking efforts in 2000—other than the fact that a package was offered too late and Yasser Arafat was reluctant to sign a deal—was the absence of the regional element to peace negotiations. Arafat could not agree to a solution without Arab cover, and this was impossible as Clinton and Israeli Prime Minister Ehud Barak insisted on keeping Arabs out of the negotiations.

A third factor that can no longer be overlooked is that the two-state solution is on its deathbed. Even the most ardent optimists are coming to this conclusion. In spite of the admirable and serious efforts by Palestinian Premier Salam Fayyad to build a state on the ground, a viable Palestinian state is virtually impossible in light of the increasing number of Israeli settlers, an intricate network of settlements peppered throughout the West Bank, Israel’s insistence on keeping the Jordan valley in any eventual settlement, and the rift between Palestinian political factions. Time—the one major commodity needed for any successful incremental approach—has virtually run out.

## **A Regional Approach Offers New Hope**

Given the shortcomings of the incremental approach in the Palestinian-Israeli arena, other approaches must be considered if there is any hope of reaching an acceptable and sustainable resolution to the conflict. If the challenge is to find the right set of conditions to make an agreement possible and desirable on both sides, then those conditions can only be met if efforts focus on a comprehensive accord between Israel and the entire Arab world. The bilateral approach should be abandoned in favor of pursuing a regional agreement that brings in other key countries—Saudi Arabia and Syria, for example—that can be put on the table in a few months.

Such a comprehensive agreement would capitalize on the Arab Peace Initiative, adopted in Beirut in 2002, as a building block for a regional accord. This initiative offered Israel peace and security with all Arab states; an end to the conflict and no further claims on pre-1948 Palestine; and an agreed-upon solution for the refugee problem.

One of the real strengths of the initiative is that it provides both parties with a regional safety net. For Palestinians and Syrians, it provides Arab cover for painful compromises (refugees and Jerusalem for Palestinians, modifying the relationship with Iran and Hizbollah for Syria). For Israelis, it convinces them that they are getting regional peace and security and that the agreement is not just a separate peace deal with half of the Palestinians or one with Syria that lacks a solution to Israel's security needs.

If such a model is adopted, the whole approach to negotiations would change. Instead of attempting to get Palestinians and Israelis to agree to positions under pressure and against their will, a regional approach creates a new and enabling environment where both parties will see a settlement as serving their best national interests respectively.

Another major strength of the initiative, and one that has been widely overlooked, is the implicit obligation for Arabs to deliver Hamas and Hizbollah through the security guarantees mentioned. In other words, by including Hamas and Hizbollah in the agreement—with Arab states promising to turn the two organizations into purely political ones—it becomes an Arab responsibility rather than an Israeli or a Palestinian one. This is the best chance to convert these organizations, as Israel's military solution to disarm Hizbollah in Lebanon in 2006 and Hamas in Gaza in 2008 both failed.

A regional package that includes both the principles of the Clinton parameters and the Arab Peace Initiative can be offered within a reasonable time frame that allows for a viable solution before it is too late. The payoff would be much greater than the likely result of the current effort to only focus on Palestinian-Israeli talks. This has become a regional conflict, and given the shortcomings of other approaches, it is now time to treat it as such.

## **Detailing Regional Negotiations: End-Game “Deposits”**

The new approach would be based on first securing end-game “deposits” from all parties. This means that the parties would offer hypothetical commitments that they might not be willing to give at the outset, but that can be “deposited” with the U.S. side and committed to only if the other side is willing to do the same. Former secretary of state Warren Christopher obtained a hypothetical deposit for an end game from the late Israeli prime minister Yitzhak Rabin when he indicated Israel's willingness to fully withdraw from the Golan Heights to the June 4, 1967, borders in return for Syrian guarantees on peace and security in any eventual settlement. In a similar manner, the United States now needs to obtain these types of commitments on all tracks with all of the principal regional parties.

One possible scenario might look as follows. The set of proximity talks between the United States and both the Palestinians and Israelis would be augmented by bringing in the one country in the Arab world today that can act as a regional guarantor for a settlement—Saudi Arabia. The Saudis, as is the case with many other Arab countries, have been asking President Obama to put on the table a package based on a combination of the Clinton parameters and the Arab Peace Initiative.

Before such a package is presented, however, Obama needs to have a candid conversation with King Abdullah of Saudi Arabia and inform him of his intention to do so. Understanding that the package will not meet the full requirements of any party, Obama must secure a commitment from the Saudi monarch that the package would not be refused once it is offered, and that he will secure Arab and Muslim backing for the painful compromises the Palestinians would need to accept. Understandably, the issue the Saudis care most about is East Jerusalem, so any package needs to include East Jerusalem as the capital of the new Palestinian state.

The same should be done with Syria. The argument has been made many times by some in the West that authoritarian regimes like Syria are not interested in resolving the conflict, but rather perpetuating it for their own gain. There is no better way to test that proposition than by asking Syria to deposit its end-game commitments in return for full Israeli withdrawal from the Golan Heights.

It is interesting to note that the Syrians were far more forthcoming on security issues, for example, once Christopher informed them of the Rabin deposit. Both the Saudis and the Syrians must be clear in their commitment to address the inclusion of Hamas and Hizbollah in any regional agreement. They would have to end all logistical, financial, and military support and help transform the two groups into purely political players.

These deposits would make it much easier for President Abbas to engage in an exercise aimed at ending the Palestinian-Israeli conflict once and for all. It would allow him to provide his own end-game deposits on such thorny issues if, for example, an Israeli commitment is deposited with the United States to establish a viable Palestinian state with East Jerusalem as its capital. Absent such a commitment, the Palestinian position on the refugee issue, to pick an example, will remain a maximalist one.

Israel needs to provide its own end-game deposits and commitments as well. It should be clear that in order to be sustainable, any solution to the conflict has to be based on the 1967 borders, with minor modifications, and the full return of the Golan Heights to the June 4, 1967, border. These are surely painful compromises on the Israeli side, but the prize is enormous: nothing less than Israel's permanent acceptance in the neighborhood with full security guarantees.

Once the United States has deposits from all sides that make for a reasonable and comprehensive package, it should put this package on the table in cooperation with the Quartet. When the comprehensive package is presented, the United States can start focusing on confidence-building measures that will

move all sides from where they are now toward the end game. Under this approach, all parties will be infinitely more cooperative than their current positions suggest.

## **The Potential Failure of a Regional Approach**

Assuming the solution includes returning East Jerusalem to Palestinian sovereignty, it will be difficult for the Arabs—who have been pushing the United States to present a comprehensive agreement—to say no given all the preparatory negotiations described above.

It is more likely that Israeli Prime Minister Benjamin Netanyahu will say no privately to the package in advance, most likely citing problems with his governing coalition. The question then becomes whether the United States should publicly put forward such a package even so. There are a number of reasons that suggest it should. The Israeli public, as a whole, would find it difficult to reject a package that would 1) provide Israel with peace and security with the entire Arab world, 2) take care of the Hamas and Hizbollah issues, 3) rob Iran of any excuse to continue its rhetoric and cut off its financial and logistical ties to Hamas and Hizbollah, 4) solve the Palestinian refugee issue once and for all, and have it be predominantly exercised inside the new Palestinian state, 5) solve the demographic issue for Israel, and 6) finally bring a permanent end to the conflict with no further claims.

In other words, such a package would take care of Israelis' concerns for their future.

## **Iran's Calculus**

Iran is not an Arab country and is therefore not a signatory to the Arab Peace Initiative. Iran has also supported radical groups in the region, Hizbollah in particular, for various reasons, not all of which are related to the Arab-Israeli conflict. It would be difficult to imagine a scenario, however, where all Arab states sign a peace treaty with Israel, with the inclusion of Hamas and Hizbollah, and with the support of all Muslim states, while Iran continues to oppose peace in a militant fashion.

Iran is a member of the Organization of Islamic Countries, which has embraced the Arab Peace Initiative. Iran has no territorial claims with Israel and its ideological stand did not prevent it from cooperating with the Israeli state on a number of occasions in the past. Israel openly supported Iran (even militarily) in the Iraq-Iran war in the 1980s despite Tehran's public vitriol against the Jewish state. The Iran-Contra affair (where the United States sold arms to Iran via Israel hoping to secure the release of U.S. hostages in Iran) is also a stark reminder that when it comes to Israeli-Iranian relations, rhetoric and actual deeds can be quite separate.

Moreover, in the context of a comprehensive agreement with monitored security guarantees, Iran would be hard pressed to keep providing logistical and

military support to Hamas and Hizbollah, even if these groups broke the agreement without the cooperation of countries like Syria.

Iran's nuclear ambitions are an issue that must be dealt with, but President Mahmoud Ahmadinejad's rhetoric aside, that threat has less to do with the Arab-Israeli conflict and more to do with Iran's aspirations to be recognized as a regional power.

## **Alternatives Carry Greater Risk**

There is certainly an element of risk in such a bold approach. But it is a calculated risk. Peace in the Middle East will never be cost-free and can only be achieved if the U.S. administration—and the American president personally—express a strong will for it. The solution described above is by no means an imposed one, but instead the result of negotiations and initiatives suggested or arrived at by the parties themselves. Waiting for all the stars to perfectly align essentially means that the two-state solution will shortly become impossible. If a two-state solution is no longer feasible, the alternative scenario is one that has been flagged many times by both Palestinian and Israeli leaders—the one-state solution, where Palestinians under occupation become citizens of the state of Israel.

The first prominent Palestinian to demand that Palestinians be given equal rights in Israel was Sari Nusseibeh, now president of Al-Quds University in Jerusalem. When he first proposed the idea in 1986 he was called a traitor to the Palestinian cause of independence by many Palestinians and Arabs. Today, more people see his point. If a viable state cannot be established, the Palestinians might prefer demanding equal rights within Israel to living indefinitely under occupation. But Nusseibeh's argument is gaining support among unexpected circles—namely the Israeli right. Moshe Arens, a prominent leader of the Likud party and a tough former Israeli minister of defense, is now arguing that Israel should do just that—offer Palestinians in the West Bank (but not Gaza) Israeli citizenship and thus preserve both Israel's control over the Palestinian areas and its own democracy.

Israel today is a country of 7.5 million people (5.7 million Jews, 1.5 million Arab-Israelis, and about 300,000 others). Even if one is to discard the fate of the more than 1 million Palestinians in Gaza, and accept Arens's argument of annexing 2 million Palestinians (he lists the figure as 1.5 million), that would result in an Israel with an Arab minority of about 40 percent today. Israel might be able to continue to limit Arab influence by perpetuating a two-tier citizenship model for another decade or two, but the end result is clear. No minority group in history has been able to democratically rule over the majority indefinitely. Given that Palestinians have higher birth rates than Israelis, they would not remain the minority for long.

To claim that there are no easy solutions to the Arab-Israeli conflict is to state the obvious. The conditions for a separate Palestinian-Israeli settlement do not exist today, and it is unlikely that any further negotiations between the two parties will change these conditions. But a regional settlement is both possible



and desirable for the two sides. The U.S. “belief” that these negotiations can be finished within a year is only realistic if the United States offers up its own regional package, and soon. Otherwise, it is pursuing a mirage. The conflict has finally reached a point where postponing difficult decisions today in the hope of better conditions tomorrow only serves to create conditions that will prove even harder to deal with.

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In 1995, Muasher opened Jordan’s first embassy in Israel, and in 1996 became minister of information and the government spokesperson. From 1997 to 2002, he served in Washington again as ambassador, and then returned to Jordan to serve as foreign minister. Most recently, he was senior vice president of external affairs at the World Bank from 2007 to 2010.

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