

RESTORING
THE
BALANCE

RICHARD N. HAASS
MARTIN INDYK

STEPHEN BIDDLE
MICHAEL E. O'HANLON
KENNETH M. POLLACK

SUZANNE MALONEY
RAY TAKEYH

COUNCIL ON FOREIGN RELATIONS
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RESTORING THE BALANCE

A MIDDLE EAST STRATEGY
FOR THE NEXT PRESIDENT

BRUCE RIEDEL
GARY SAMORE

STEVEN A. COOK
SHIBLEY TELHAMI

ISOBEL COLEMAN
TAMARA COFMAN WITTES

DANIEL BYMAN
STEVEN SIMON

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Contents

Foreword	vii
1 A Time for Diplomatic Renewal: Toward a New U.S. Strategy in the Middle East RICHARD N. HAASS and MARTIN INDYK	1
2 The Evolution of Iraq Strategy STEPHEN BIDDLE, MICHAEL E. O'HANLON, and KENNETH M. POLLACK	27
3 Pathway to Coexistence: A New U.S. Policy toward Iran SUZANNE MALONEY and RAY TAKEYH	59
4 Managing Nuclear Proliferation in the Middle East BRUCE RIEDEL and GARY SAMORE	93
5 Addressing the Arab-Israeli Conflict STEVEN A. COOK and SHIBLEY TELHAMI	131
6 Economic and Political Development in the Middle East: Managing Change, Building a New Kind of Partnership ISOBEL COLEMAN and TAMARA COFMAN WITTES	159
7 Counterterrorism and U.S. Policy toward the Middle East DANIEL BYMAN and STEVEN SIMON	187
About the Authors	217
Toward a New U.S.–Middle East Strategy: Project Board of Advisors	222
Index	223

Addressing the Arab-Israeli Conflict

AFTER SEVEN YEARS ON the back burner of American foreign policy, Arab-Israeli peacemaking needs to become a priority for the next president. Recent trends in Israel and the Palestinian territories have created a situation in which the option of a two-state solution may soon no longer be possible. Failure to forge an agreement will present serious complications for other American policies in the Middle East because the Arab-Israeli conflict remains central not only to Israel and its neighbors but also to the way most Arabs view the United States. Failure will also inevitably pose new strategic and moral challenges for American foreign policy. The need for active and sustained American peace diplomacy is therefore urgent.

The new administration's agenda in the Middle East will be crowded: the Iraq war, Iran's nuclear program, the war on al Qaeda, and the supply and cost of energy. These immediate issues make it harder to emphasize Arab-Israeli peacemaking since many of the costs of ignoring it are not directly visible (such as the impact on Arab public opinion) or are long term, such as the consequences of the collapse of the two-state solution. While Arab-Israeli diplomacy should be an important goal of the new administration, it can succeed only as part of a regional initiative that frames the Arab-Israeli issue in the context of other American priorities.

Because the way an administration frames its foreign policy objectives is highly consequential for the direction and effectiveness of any particular initiative, very early in the administration, the president should announce a multitrack “framework for security and peace in the Middle East” that connects the Arab-Israeli conflict to the regional and global agenda.

Resolving this conflict is an important American interest. This is not to suggest that settling the Arab-Israeli conflict can resolve all the other challenges Washington confronts in the region. Nevertheless, it is a mistake to underestimate the importance of the conflict, even beyond its psychological role in the political identity of most Arabs: it is certainly central to Israel, the Palestinians, Syria, and Lebanon. It remains important to both Jordan and Egypt, the only two Arab states at peace with Israel, who could be drawn further into the conflict if the two-state solution collapses. The conflict remains the prism through which many Arabs view the United States and the source of much of the Arab public’s anger with American foreign policy. It is a primary source of militancy, and it is a source of influence for Iran in the Arab world. Pro-American governments in the region face internal public pressures whenever the conflict escalates. While Arab authoritarians have withstood this pressure through repression and co-optation, the gap between publics and governments in the region is wide. This has been a constant source of empowerment for militant groups posing threats to the regional order and to American interests. The American commitment to Israel and American interests in the Arab world ensure that when conflict escalates, the United States is affected or drawn into the conflict. As the United States seeks to end the Iraq war while minimizing its detrimental consequences, regional cooperation in that effort becomes more likely when the Arab-Israeli conflict is reduced. Arab-Israeli peace could change the regional environment for American foreign policy, open new alliance options, and turn public opinion against al Qaeda, much of whose support appears to be based on the logic of the “enemy of my enemy” rather than on an embrace of its agenda. In designing a broad framework for security and peace in the Middle East, the new administration should learn from the failures and successes of previous American diplomatic efforts. Of particular note are the lessons drawn in a recent report by a study group of the United States Institute of Peace (of which one of us was a member).¹

Specifically, the new administration should undertake a number of steps on the Arab-Israeli front:

—Begin by recognizing that an effective diplomatic initiative aimed at a lasting peace cannot be attained so long as the Palestinians are organizationally divided and without an enforced cease-fire with Israel. These divisions could become even wider if Palestinian presidential elections are not held in January 2009 and Hamas (the Islamic Resistance Movement) no longer recognizes the legitimacy of the presidency. Thus, American diplomacy must begin with the twin aims of encouraging an effective cease-fire and supporting a Palestinian unity government. A unity government negotiating with Israel is not sustainable so long as Hamas carries out violent attacks against its Palestinian competitors and Israel. A central feature of Washington's diplomacy must be to work with its regional allies to induce Hamas into an effective cease-fire coupled with sustained regional efforts to limit the flow of arms into the Palestinian territories.

—Recognize that Hamas's power stems from genuine support among a significant segment of the Palestinian public and that Hamas will likely remain a spoiler as long as it is outside of Palestinian governing institutions. Although there is no guarantee that the organization will play a more constructive role within a national unity government, Washington should support conciliation between Fatah and Hamas as a way to diminish the Islamists' incentive to undermine negotiations, forcing Hamas to either accept a peace agreement that addresses Palestinian rights or lose the support of the Palestinian public. The aim should be less to "reform" Hamas than to put in place political arrangements that are conducive to successful negotiations and that limit Hamas's incentives to be a spoiler.

—Encourage Egypt, Saudi Arabia, and other Arab actors to pressure Hamas to police the cease-fire agreement with Israel and to convince the Hamas leadership to accept the April 2002 Arab League Peace Initiative, especially as Israeli leaders are voicing renewed interest in that plan. In this context, the United States should be willing to drop its insistence that Hamas accept the Quartet's criteria—recognition of Israel, renunciation of armed struggle, and adherence to previous Israel-Palestinian Authority agreements.

—Recognize that no one can predict election outcomes in Palestine, as the Bush administration discovered, that elections are unlikely to resolve the current Palestinian divisions, and that they cannot be a substitute for efforts of political reconciliation, although such elections should be supported.

—Hold Israel to its commitment to freeze new construction of Jewish settlements in the West Bank and in the Jerusalem area. Critically, this freeze should halt the construction of new communities, outposts, and “thickening” of existing settlements, which often entails expropriation of additional Palestinian land. In addition, Washington must urge Israel to allow Palestinians greater freedom of movement throughout the West Bank. In Gaza, provided the cease-fire between Israel and Hamas holds, the Israelis must permit a greater flow of goods in and out of the territory.

—Appoint a special peace envoy to pursue actively a final-status agreement between Israel and the Palestinians, while coordinating with other tracks of negotiations. A special envoy, however, cannot be a substitute for the direct involvement of the president or the secretary of state, who must be engaged to sustain an effective diplomatic effort.

—Put forth American ideas on final status in the Palestinian-Israeli track at the appropriate moment. To keep the hope of a two-state solution alive, this should be done sooner rather than later.

—Work to bolster and train Palestinian forces to police effectively the West Bank and lay the ground for capable unified Palestinian security forces after an agreement is reached.

—Support Turkish mediation in the Syrian-Israeli negotiations and become more actively engaged in these negotiations as both sides have indicated a strong desire for an American role. The United States should also return its ambassador to Damascus.

—Encourage the continuation of a Lebanese national unity government and its participation in negotiations with Israel.

—Activate two new multilateral tracks: one addressing regional economic cooperation, especially in a postpeace environment, the other addressing regional security cooperation.

—Develop a plan for the deployment of international forces in the West Bank and Gaza once a peace agreement is in place; these forces will be essential in the implementation phase for building a unified Palestinian police force and beginning the effective separation of Israelis and

Palestinians. Their deployment must commence immediately following an agreement to help coordinate the peaceful withdrawal of Israeli forces.

AN OPPORTUNITY TO BE SEIZED

The next president of the United States may be the last to have the option of seriously pursuing a two-state solution to the Palestinian-Israeli conflict. Dynamics on the ground in Israel and the Palestinian territories are dangerously close to a situation in which the parties may no longer be amenable to that outcome. For the United States, there are no practical alternatives to the two-state solution, and its diminishing prospects will likely result in another generation of conflict and instability, further complicating American policies in the Middle East.

Yet the new administration will almost certainly have an opportunity: the number of people in the Middle East who are prepared to accept the idea that Israel and a Palestinian state can coexist peacefully based on the 1967 boundaries is now larger than ever. In public opinion polls conducted in 2008, more than two-thirds of Arabs surveyed indicated an acceptance of this solution, while majorities of Israelis and Palestinians continue to hope for it.² Israeli and Arab leaders have defined the two-state solution as a foreign policy objective, and Arab governments have reiterated their support for the 2002 Arab Peace Initiative aimed at establishing a Palestinian state, ending the conflict, and making peace with Israel.³ Increasingly, Israeli leaders have expressed renewed interest in the Arab Peace Initiative and in the idea of a comprehensive peace. At the same time, most governments and elites in the region see the American role as indispensable, and most view the American elections as a new opportunity for peace diplomacy.

Nevertheless, these promising trends are increasingly overtaken by a sense of disbelief in the possibility of a peaceful agreement. In the Arab world, 55 percent of the public does not believe this outcome will ever be achieved, and only 13 percent believe that it is achievable in the next five years. More troubling, an increasing number of Palestinian and Arab intellectuals are abandoning the idea of a two-state solution and are now advocating a one-state solution in which Jews and Arabs coexist in a binational state. In Israel some mainstream voices are now argu-

ing that the two-state solution is unachievable and that Israel must consider alternatives.

These trends are the result of changes on the ground that may become insurmountable. On the Israeli side, continued expansion of Israeli settlements, especially around Jerusalem, and changes in supporting infrastructure, particularly in the West Bank, make it increasingly difficult to envision the kind of settlement evacuation that will be necessary for a Palestinian state that meets the minimal aspirations of most Palestinians. On the Palestinian side, the increasing power of Hamas and the popularity of militant methods have undermined the Israeli public's faith in the viability of a peaceful settlement.

Given the improbability that the majority of Israelis will accept a single state in which Jews will be a minority, the consequence of the collapse of the two-state solution will likely be protracted conflict for the foreseeable future, with each side trying to defeat, rather than compromise with, the other. Palestinian frustrations and despair and increasing Israeli insecurity will inevitably affect Arab-Jewish relations within Israel itself and Israeli relations with neighboring states, especially Egypt and Jordan.

THE CONTINUED IMPORTANCE OF THE ARAB-ISRAELI CONFLICT FOR AMERICAN INTERESTS

The Arab-Israeli conflict is not the source of all the challenges the United States faces in the Middle East. Yet, this conflict remains important to the configuration of forces in the region, to Arab public opinion, and to Washington's ability to achieve its regional interests. Resolving this conflict remains an important American interest.

The importance of the Arab-Israeli conflict has been recognized by successive American administrations at least since the 1973 Arab-Israeli war, when it became clear that the tension between American interests in the Arab world, especially those concerning oil, and the American commitment to Israeli security could be effectively resolved only if the conflict between Israel and the Arabs were reduced. Moreover, the conflict is of high importance to a number of players in the region. It is central to Lebanon, which witnessed a devastating war with Israel in 2006 and could face another one as the tension between Israel and Hezbollah remains high. In addition, the presence of several hundreds of thousands

of Palestinian refugees on Lebanese soil remains not only a pressing humanitarian issue but a complicating factor in Lebanon's confessional political system. The conflict is central to Syria, whose Golan Heights Israel has occupied since the 1967 war. For Jordan, the issue is critical because a majority of its population is Palestinian and any instability resulting from a collapse of the two-state solution might spill over into Jordan. For Egypt, Gaza's isolation ultimately will lead to instability along the Gaza-Sinai border, and Cairo may find itself responsible for the Palestinians there. Cairo is especially concerned that radicalization and militancy in Gaza would spread to Egypt.

While many Arab governments, especially the small states in the Gulf Cooperation Council, are concerned about the Iraq war and the rise of Iranian power, they view the Arab-Israeli conflict as critical to the stability of the region and as the most exploitable of all issues facing the Arab world. They believe that Iran will use it to empower militancy and radicalization, which in turn threatens to undermine their stability.

The Arab-Israeli conflict has turned into a theater in which extremist leaders play for support throughout the Arab world. Hezbollah leader Hassan Nasrallah and Iranian president Mahmoud Ahmadinejad have gained widespread public support for their defiance of Israel and the United States.⁴ Similarly, the absence of serious progress in the Palestinian-Israeli negotiations coupled with continued bloodshed and suffering has increased Arab public support for militant groups, with more people sympathizing with Hamas than with the government of Palestinian president Mahmoud Abbas.

These trends suggest that the Arab-Israeli issue, especially the Palestinian-Israeli conflict, remains important to other regional challenges such as Iran, Iraq, and the war on al Qaeda and its allies. It will be difficult for the new American administration to mobilize support within the Arab world for American-led pressure on or confrontation with Iran when Arab publics see the United States as a bigger threat than Iran. Similarly, Arabs may want to support the emergence of Iraq as a stable and powerful Arab state, but they fear American dominance and believe that the United States is in Iraq not only to control oil supplies but also to help Israel.

This environment makes it harder to fight militant groups, even al Qaeda. Among those who favor any aspect of al Qaeda's ideology, the

largest segment sympathizes not with al Qaeda's agenda but with the perception that it stands up to the United States. As this attitude becomes pervasive, it inevitably spills over into the rank and file of government bureaucracies and potentially even the security and military services of Arab governments.

There are also compelling humanitarian reasons to act. In the sixty years since the establishment of the state of Israel, Israelis have never known real peace. Until the June 2008 cease-fire, which remains fragile, Israelis had been subject to daily rocket attacks from Gaza, while the threat of terrorism, the prospect of more war in Lebanon, and talk of annihilation from Iran's president Ahmadinejad continue. Many Palestinians have remained stateless refugees for the past sixty years, and the conditions of hundreds of thousands, especially in Gaza and Lebanon, have actually worsened. Occupation for the vast majority of those living in the West Bank and Gaza has been anything but a temporary condition; it has been a state of affairs that has spanned their entire lives. Thousands have been killed or wounded, and thousands more remain in Israeli prisons. The degree of daily humiliation and basic struggle to survive, especially after the imposition of a blockade on Gaza, should not be ignored.

WANING PROSPECTS FOR REACHING A TWO-STATE SOLUTION

Changing perceptions among Palestinian elites, fragmentation of the Palestinian territories, and a strengthening Israeli hold on the West Bank are creating a situation in which the viability of a Palestinian state existing alongside a secure Israel is becoming an impossibility. At the same time, rocket fire from the Gaza Strip into southern Israel, largely halted by a delicate cease-fire in 2008, makes it less likely that the Israeli electorate will support a withdrawal from West Bank territory if it fears that major population centers along the Mediterranean coast will be targeted.

Changing Elite Perceptions

In the 1990s Israeli and Palestinian political elites began to see the two-state solution not only as an acceptable compromise to the conflict but also as inevitable. Since the collapse of the Camp David negotiations in

July 2000, however, there has been a discernible transformation. First, many Israelis and Palestinians began to doubt that the other was committed to peace, and the degree of pessimism grew even as majorities remained supportive of reconciliation in principle. Second, religious framing of the conflict began to compete aggressively with the previous nationalist narrative that had given rise to openness toward a two-state solution.

It had taken Palestinian secular elites at least two decades after the creation of Israel to begin defining the conflict in nationalist Palestinian terms and two more decades before they formally accepted the notion of peace with Israel. On the Israeli side, it took the political elite more than four decades to accommodate itself to a Palestinian state in the West Bank and Gaza. The trends are now moving in another direction.

Even separate from the position of Hamas and other Islamist groups, Palestinian secular nationalist elites are now debating among themselves whether the nationalist project has failed, with many believing that a viable Palestinian state is no longer possible and that pretending that it is still viable is costly to the Palestinians. Some early advocates of the two-state solution have already abandoned it publicly. Many within the Palestinian Authority (PA) openly debate their current course.

Without a peace settlement, more and more people among the moderate secular elites will abandon the notion of a Palestinian state in the West Bank and Gaza. The intellectual alternative to Hamas by the secular nationalists will likely become the one-state solution, a single state encompassing Israel, Gaza, and the West Bank, in which Arabs and Jews are equal. This is a prospect that the vast majority of Israelis will continue to reject.

Social, Economic, and Territorial Fragmentation of the Palestinian Territories

The continuation of the conflict and occupation has had dire consequences for the Palestinian population of the West Bank and Gaza Strip—and for the prospects of a viable Palestinian state. The West Bank and Gaza Strip have become politically fragmented from each other, while both territories have become economically fragmented from the rest of the region.

Hamas in Gaza is under international sanctions for its unwillingness to accept Israel's right to exist, give up armed struggle, and uphold agreements between Israel and the PA. Israel, the United States, and other countries regard the PA (West Bank) under the leadership of President Abbas and Prime Minister Salam Fayyad as the legitimate Palestinian government that seeks a peaceful solution to the conflict through negotiations with Israel. Fearing a Hamas takeover of the West Bank, Washington has sponsored negotiations between Abbas and the Israeli government. Despite international recognition, the PA (West Bank) is politically weak and has limited ability to control its own territory—the relative quiet of the West Bank is in general the result of the Israel Defense Forces' presence in the area. It is important to note, however, that Prime Minister Fayyad has deployed Palestinian security forces to the major cities of the West Bank, where they have helped establish order.

The dire humanitarian consequences of the blockade of Gaza and restrictions on movement within the West Bank have fragmented the Palestinian territories from the region. Whereas the Palestinians' overall economic development, health care, and education once equaled or compared favorably with their Jordanian, Egyptian, Syrian, and Lebanese neighbors, that is no longer the case. In the decade between 1998 and 2008, almost every socioeconomic indicator for the Palestinian population of the West Bank and Gaza Strip declined, some precipitously. In 1998 and 1999, the Palestinian economy grew at 3.9 and 3.0 percent per capita respectively. But with the outbreak of the al-Aqsa intifada in late 2000 and the subsequent years of conflict and closures, the overall Palestinian economy contracted sharply. Per capita GDP fell 5 percent in 2000, an additional 20 percent in 2001, and a further 23 percent in 2002. The Palestinian economy has never recovered because most of the 146,000 Palestinian laborers in the Israeli agricultural and construction sectors—remittances from Israel represented 21 percent of Palestinians' disposable income at the start of the intifada—were replaced with foreign workers. Israel's closures and military incursions greatly reduced job opportunities in the West Bank and Gaza Strip while destroying agricultural fields, small businesses, modest manufacturing facilities, roads, and power plants there, all of which were critical components of the Palestinian economy.⁵

Given the sharp reduction in GDP and employment, it is not surprising that the number of Palestinians who now live at or below the poverty line has increased substantially. Poverty rates in the West Bank and Gaza Strip were generally high before 2002, averaging around 20 percent of the population, but by 2002 the World Bank found that 60 percent of the Palestinian population was living on less than \$2 a day (the Bank's measure of poverty) and by 2003, 72 percent of the Palestinian population was living in poverty, with a single breadwinner for every seven Palestinians. The suspension of international aid after Hamas's electoral victory in January 2006 has only accentuated the deterioration of economic conditions for the Palestinian population. Hardship has become widespread in the West Bank and Gaza Strip. Relatively wealthier cities like Jerusalem, Ramallah, and Nablus have experienced moderate increases in poverty rates, whereas previously poor places like Khan Yunis, Gaza City, and Hebron have seen poverty rates explode. The difficult conditions in the West Bank and Gaza Strip since 2000 have also had a negative impact on the Palestinian health and educational systems.⁶

Continued Israeli Settlement

The decline in Palestinian socioeconomic conditions has occurred against the backdrop of Israel's continued investment in the infrastructure of its occupation in the West Bank. Although the conventional view of the Oslo period—September 1993 to December 2000—is one of great hope, during this time the number of Israeli settlers in the West Bank grew from 110,900 to 187,600. Overall population growth of settlers in the West Bank slowed after the outbreak of the al-Aqsa intifada in 2000, but by 2006 (the last year for which statistics are available), the Jewish population in the West Bank was 255,600, among 2.5 million Palestinians, an overall increase of 130 percent from the early 1990s.⁷ Demographic studies of the Arab and Jewish populations in the territory between the Jordan River and the Mediterranean Sea indicate that within ten to fifteen years the number of Israeli Jews and Palestinians (including those who are citizens of Israel) will be roughly equal. Within another decade, the total number of Arabs will exceed all the Jews of the area that includes Israel, the West Bank, and the Gaza Strip.

Since the November 2007 Annapolis meeting aimed at restarting peace talks, the government of Israel has announced its intention to construct over 2,000 new homes in Har Homa, Betar Illit, and Pisgat Zeev, which the Palestinians and the international community consider occupied territory, although Israel regards them as neighborhoods in “expanded Jerusalem.” Commitments made to the United States to dismantle “illegal outposts”—protosettlements that do not enjoy government sanction—have not been met.

Beginning in 2002 Israel began constructing a 460-mile-long security barrier (composed of both fencing and, in heavily populated areas like Jerusalem and Bethlehem, concrete walls) separating Israel and many of its larger settlements from the Palestinian population of the West Bank. The current route of the barrier traces the 1949 armistice line—the Green Line—in places, but at other points it cuts deep into Palestinian territory.⁸ While Israel’s supreme court has ordered the Israel Defense Forces to change the barrier’s route, particularly in places where it bisects or even surrounds Palestinian villages, these decisions have proven to be the exception to the rule. The barrier incorporates only 8 percent of the West Bank, but that figure does not provide a full picture of the extent of Israel’s territorial control. When one takes into account nature preserves, military bases, settlements, outposts, bypass roads, tunnels, and an array of physical barriers hindering or preventing Palestinian movement, the amount of territory that the Israelis control is far greater than the territory behind the wall. The barrier has, despite Israeli protests to the contrary, taken on a sense of permanency. Taken together, the proposed path of the barrier and the government’s master plan for the expansion of existing settlements strongly indicate that Israel plans to hold onto West Bank territory well beyond the amounts it currently controls.

In addition to the barrier, Israel has significantly expanded additional security measures within the West Bank. This new infrastructure includes checkpoints—some of which are actually designed as large border-crossing installations—earth mounds and other physical obstructions that prevent access to roads, and the development of a network of bypass roads, tunnels, and highways for the exclusive use of Israelis. The practical effect of these measures has been profound for both Israelis and Palestinians. A precipitous drop in terrorist attacks originating in the West Bank has allowed Israelis to enjoy greater security. At the same time, how-

Occupied Palestinian Territory



Note: The Green Line is 199 miles; the barrier route, shown by the heavy line, is 449 miles.

Source: United Nations Office for the Coordination of Humanitarian Affairs.

ever, the expanded security regime has made communication and normal life for Palestinians within the West Bank very difficult and is, in part, responsible for increased Palestinian social and economic dislocation.

CONSEQUENCES OF THE COLLAPSE OF THE TWO-STATE SOLUTION

Resolving the Israeli-Palestinian conflict is important for treating other branches of the Arab-Israeli conflict. If Palestinian-Israeli peace is deemed improbable, the prospects for stable Syrian-Israeli peace and Lebanese-Israeli peace diminish, even if Syria is prepared to conclude its own separate peace with Israel. The degree to which Arab states will move to normalize relations with Israel is partly dependent on the Palestinian track; even the two states that have peace agreements with Israel—Egypt and Jordan—maintain a relatively “cold” peace; their publics remain angry with Israel, largely because of the Palestinian-Israeli conflict. Therefore, even if peace is achieved between Israel and Syria, the United States will likely continue to be viewed negatively and thus have a more difficult time garnering support for other important policies, including fighting al Qaeda, stabilizing Iraq, and limiting the power of Iran.

The potential collapse of the two-state solution presents a variety of policy challenges. From the perspective of both parties, the status quo is untenable. The likelihood is remote that Israelis would willingly forgo the Jewish character of Israel in favor of a binational arrangement with the Palestinians. Given demographic realities, it is improbable that the Palestinians will accept permanent occupation. Instead, they are likely once again to take up arms against Israel in a destabilizing conflict that will surely harm American interests and prestige. Some Israelis may welcome the battle, confident that Israel would prevail. Some Palestinians and other Arabs may also welcome such a conflict because they believe that time is on their side. These attitudes will only ensure the continuation of the struggle.

Without a viable two-state solution, Israel would likely seek to consolidate its settlements in the West Bank and carve out borders that are maximally secure not only for its citizens inside the pre-1967 borders but also for the settlers; it is possible that settlement consolidation would be primarily aimed at settlement blocs behind the barrier, with Israeli mili-

tary policing of the rest of the West Bank. The net result would likely be further fragmentation of the Palestinian territories. Under these circumstances, Palestinian militancy would likely increase, threatening Israeli security and deepening the humanitarian crisis in the West Bank. These developments would put new pressures on Jordan to provide relief, services, and refuge for Palestinians. In time, the enormous demands on Jordan's infrastructure, society, and political system resulting from a new crisis in the Palestinian areas could ultimately threaten the stability of the Hashemite Kingdom.

In addition, Israel's unilateral actions would also likely include isolating Gaza as worry mounts about Hamas's arms buildup there. Egyptian officials are deeply concerned that as the establishment of a Palestinian state becomes increasingly improbable, Egypt will have to contend with ever-larger numbers of Gazans in Sinai. This influx would create a highly inflammable environment with severe humanitarian consequences and increasing pressure on Egypt to provide Gaza with services. Cairo is concerned that this situation would lead to coordination between Palestinian and Egyptian extremists, jeopardizing Egyptian security and disrupting Sinai—an engine of Egypt's lucrative tourism industry. Moreover, the Egyptians fear that these groups could launch attacks on Israel directly from Sinai or retreat into Sinai from Gaza. How, they ask, would the Israeli military respond and how would the Egyptian security forces respond? In such a scenario there are many gray areas that could undermine the Israel-Egypt peace treaty. Inevitably, Gaza's relationship with Egypt will affect the domestic environment in Egypt, particularly as an issue that mobilizes Egypt's opposition across the political spectrum. If the conflict between Israelis and Palestinians remains unresolved, the situation in Gaza may ultimately test Egyptian-Israeli relations, which have been the anchor of the American Middle East peace strategy since the Camp David Accords. These accords have remarkably withstood a variety of challenges over the last three decades, but voices challenging them will likely increase, especially as Egypt grapples with the post-Mubarak era.

Iran, Hamas, and Hezbollah would be the winners should the current trends foreclose the possibility of a Palestinian state. They could argue with greater credibility that Israel and the United States never had any intention of dealing with the Palestinian problem in good faith. Once

more, they could claim that the Egyptian, Saudi, Jordanian, and even Palestinian leaderships were either complicit or too weak to oppose Israel's American-supported predatory policies in Palestine. This narrative, which is already widely accepted in the Arab world, coupled with the failure of the two-state solution, would only boost the popularity of advocates of militancy in the region.

RECENT AMERICAN POLICY

The overall approach taken by George W. Bush's administration toward the Arab-Israeli conflict was one of conflict management rather than conflict resolution. American initiatives lacked the backing of or serious engagement by the president and often resulted in the opposite of the intended outcome, as in the case of the election of Hamas and its subsequent takeover of Gaza. Although the Bush administration came to recognize in its last year in office the need for active American diplomacy and worked with Israel and the Palestinians to narrow the gap on final-status issues, there was little indication that this effort was a priority for the president.

To be sure, the Bush administration inherited a difficult environment following the collapse of Palestinian-Israeli and Syrian-Israeli negotiations (on President Bill Clinton's watch) as well as the outbreak of the al-Aqsa intifada in the fall of 2000, which resulted in Israeli military operations in the West Bank and Gaza. The 9/11 terrorist attacks inevitably reshaped American priorities, downgrading the Arab-Israeli conflict on the president's agenda. Yet following those attacks, the president was well positioned to devote diplomatic energy to the Arab-Israeli issue, as he commanded overwhelming American public support and significant international sympathy, at a time of bloody confrontation between Israel and the Palestinians. Once the Iraq war decision was made, the Arab-Israeli issue became even less of a priority for the United States. Public posturing was never backed by real follow-through. From the road map for peace that President Bush proposed in 2003 to the Annapolis conference in November 2007; from the appointment of special envoy for Middle East peace Anthony Zinni, to the establishment of the Quartet (the United States, European Union, Russia, and the United Nations) and its envoys James Wolfensohn and Tony Blair to mediate the conflict, the

Bush administration engaged in visible diplomacy. But no diplomacy is effective, no matter what form it takes, if the issue is not a priority for the administration.

The subordination of the Arab-Israeli conflict to the “war on terrorism” and to the war in Iraq manifested itself in Washington’s approach to Syria, Hezbollah, and Hamas. The United States sought to isolate, rather than engage, important parties in the conflict. The White House actively discouraged Israel from renewing negotiations with Syria in 2006 and 2007 (although some Israelis believed that such talks would serve their interests) because the administration classified Syria as a state sponsor of terrorism (given its support for Hezbollah and Hamas and its role in Iraq). The Israelis ultimately renewed peace negotiations with Syria through Turkish mediation in 2008. Similarly, the administration apparently encouraged Israel to wage war on Hezbollah in 2006 and may have discouraged it from ending its military strikes early, even though the ultimate result was more harmful to promoting peace talks because it empowered radicals in the region. Finally, after the unexpected victory of Hamas in the Palestinian parliamentary elections in 2006, the administration pursued a policy of isolating Hamas, seeking to reverse the outcome by strengthening Fatah. That only managed to produce internecine Palestinian violence that resulted in the surprising Hamas takeover of Gaza.

By punishing Hamas, the president hoped that Gazans would blame the Islamist group for their suffering. It was believed that by helping Abbas through improvements on the ground, the Palestinians would rally behind his leadership.

There are few indications that that policy has worked and some indications that it has produced the opposite results, especially given limited tangible progress in the negotiations and little improvement in people’s lives in the West Bank. Neither the Palestinian public nor Arabs more broadly seem to blame Hamas for the Gaza blockade. Some opinion polls in the summer of 2008 showed a drop in support for Hamas among Palestinians (ironically after the Gaza cease-fire agreement between Hamas and Israel), but the polls showed no matching increase in the popularity of Abbas’s party, Fatah. Moreover, Hamas has full control of Gaza—Abbas has minimal abilities to affect events there, while the Palestinian Authority’s control in the West Bank is still highly dependent on Israel’s security role in the area.

THE SYRIAN-ISRAELI AND THE LEBANESE-ISRAELI TRACKS

It has become clear that the unintended consequences of U.S. policy on the Israeli-Palestinian track have been matched by similar consequences on the Lebanese and Syrian fronts. On the Syrian track, the administration's early opposition to Syrian-Israeli negotiations has given way to tepid support for Turkish mediation. On the Lebanese front, one must recognize the dynamic effect that Syrian-Israeli negotiations can have on relations between Lebanon and Israel. In general, talks between Damascus and Jerusalem should make negotiations between Israelis and Lebanese possible. Progress between Syria and Israel would, in turn, likely produce results on the Lebanese track, holding out the possibility of effecting significant political change in Lebanon. If, for example, there were sufficient progress between the Israelis, Syrians, and Lebanese, the Israel Defense Forces would be able to withdraw from the Shebaa Farms—a small strip of territory along the Syrian-Lebanese border, which Beirut insists is Lebanese, but that the United Nations recognizes as Syrian. If the Israelis redeployed from the area, it would undermine a last remaining rationale for Hezbollah's militia in Lebanon. A withdrawal is unlikely to lead to Hezbollah's disarmament because its goals are in part domestic. But given Hezbollah's sensitivity to Lebanese and Arab public opinion, Israel's redeployment from Shebaa would likely place enormous political pressure on Hezbollah regionally and within Lebanon and would diminish the likelihood of its initiating military attacks against Israeli targets.

More broadly, Israeli-Syrian peace is central for regional stability and for a number of U.S. interests in the region. Syria is the only Arab state with a strong strategic relationship with Iran, it hosts and supports Hamas's leadership, and it is an essential supporter and arms supplier of Hezbollah in Lebanon. Bordering Iraq and hosting hundreds of thousands of Iraqi refugees, Syria is critical to the stabilization of Iraq. As a result, Syrian-Israeli peace would undoubtedly improve the prospects for regional stability, isolate Iran, weaken other militant forces in the region, and transform the psychological environment in Israel and the Arab world.

The Palestinians are no longer worried that Israeli-Syrian negotiations will compete with the Palestinian-Israeli track. Historically, Palestinians

feared that Israel would play one track against the other to extract maximal concessions from both, that Israeli-Syrian negotiations would delay a Palestinian-Israeli agreement, and that Israeli-Syrian peace would diminish Israel's incentives to reach an agreement with the Palestinians. In recent months, however, Palestinian thinking has changed, with the leadership welcoming the revival of Israeli-Syrian talks and seeing them as an asset.

The contours of an agreement between Syria and Israel are clear given the previous negotiations during the Clinton administration and other contacts since: full Israeli withdrawal from the territories occupied in the 1967 war in exchange for full peace; normal relations; and security arrangements, such as demilitarized zones, observation stations, and the possible deployment of international forces or monitors. In many ways the negotiations are less about details (although some, such as Syrian access to the Sea of Galilee, remain critical) and more about strategic decisions by both sides. Given the significant ramifications of a potential Syrian-Israeli agreement, the next American president should encourage both sides to move in that direction. A good place to start is the ongoing Turkish mediation efforts.⁹

In the end, peace between Israel and all its neighbors will be essential for regional stability and for advancing American interests in the region. But the Palestinian-Israeli conflict remains central and the most pressing. In the context of a new American strategy for the Middle East, both Syrian and Palestinian tracks should be pursued simultaneously but without concern about the sequencing of agreements. When one side sees possible benefits in a serious process, the chance that it will work to undermine an agreement on the other track becomes smaller and the prospect that it will reinforce progress there becomes greater.

A NEW WAY FORWARD

Appealing as it may seem for the next administration to relegate Arab-Israeli peacemaking to a second-tier issue, a hands-off approach to this difficult and complex problem is likely to make the situation on the ground a good deal worse and more dangerous. While some analysts—both in Israel and the United States—have begun thinking about a so-called regional solution to the Palestinian-Israeli problem through an

elaborate set of land-swaps among Israel, Egypt, Jordan, and the Palestinians, there is little reason to believe that the Arab side would accept these types of agreements. The Egyptians, for example, reject the idea of ceding land in the Sinai to enhance the viability of the Gaza Strip. To decisionmakers in Cairo, Gaza is a problem of Israel's making and the resolution of the problem is the establishment of a Palestinian state in Gaza and the West Bank. The Palestinians themselves would never accept proposals that further fragment the West Bank even if they were offered other territory as compensation. The next administration needs to revive the idea of Palestine and Israel existing side by side peacefully and should actively seek to end the conflict. Merely managing the conflict at this stage will make it less solvable in the future.

A Framework for Security and Peace in the Middle East

Aggressive American diplomacy to address the Arab-Israeli conflict can succeed only if it is coordinated with other American priorities. Many of the important issues facing the United States today are directly linked to the Middle East: the Iraq war, the war on al Qaeda and its allies, Iran's nuclear program, and the supply and cost of energy. These issues will remain priorities for the new administration, regardless of what it does on the Arab-Israeli front. Therefore, policy toward the Arab-Israeli conflict can be most effective if it is formulated in the context of a broad vision, articulated in a framework for security and peace in the Middle East, where Arab-Israeli diplomacy does not compete with the other priorities.

Such a regional initiative must be designed to reduce the number of potential spoilers and create incentives for most of the players to cooperate. One of the attractive features of the Madrid Conference of 1991, for example, was the way it created incentives for Israelis, Syrians, Palestinians, and Jordanians to support bilateral peace negotiations, and for Saudi Arabia, Morocco, and other Arab countries to engage multilaterally on economic development, arms control, water resources, and refugees. While the issues have changed somewhat since then, the idea of a broader framework for negotiations on regional issues, even if they do not all move at the same pace, is essential. In particular, this framework should include two multilateral tracks: one addressing regional economic cooperation, especially in an environment of peace; the other addressing

regional security cooperation, to which all states in the region should be invited, including Iran. Those who choose not to participate risk being further isolated.

Arab-Israeli peacemaking must be a presidential priority. The president's influence and prestige are critical in building the domestic and congressional coalitions necessary for creating incentives that will encourage Arabs and Israelis to move toward a compromise solution. As long as American diplomacy is a priority for the administration, the mechanism of American engagement is less central. A special envoy can be useful to sustain the mediation effort, but such an envoy cannot be a substitute for the direct involvement of the president or the secretary of state.

An Arab-Israeli Peace Initiative

In designing a diplomatic initiative to resolve the Arab-Israeli conflict, one must begin with a few key observations.

First, there is little trust of the other side among Palestinians and Israelis and little faith in signed agreements that do not quickly lead to tangible change. American credibility is especially low among Palestinians and Arabs more broadly. Yet, there will inevitably be a time gap between reaching an agreement, marketing it to a skeptical public, and implementing it. This time lag provides a perfect opportunity for spoilers to act. As witnessed even during the more optimistic times of the Oslo agreements in the 1990s, the incremental process that was supposed to be conducive to confidence building turned out to be more suited for opponents of the process on both sides.

Next, the time for incremental agreements has passed. Besides the absence of trust, one central flaw in the incremental approach that postponed agreement on the final-status issues in the past is that any intermediate compromise was seen as undermining each party's leverage for the more important round of future negotiations on final-status issues. For more than a year Israelis and Palestinians have been engaged in final-status negotiations; it therefore makes little sense to abandon them for interim agreements whose dubious value has already been established. Conversely, partial agreements—such as defining the borders of the Palestinian state before resolving the issues of Jerusalem and refugees—may have utility in demonstrating that substantive progress is possible.

In addition, negotiations between Israel and Syria, Lebanon, and the Palestinians are interconnected, in part because of the presence of large Palestinian refugee populations in Lebanon and Syria, and in part because of the influence that Syria can wield with the opponents of a Palestinian deal such as Hamas, Palestine Islamic Jihad, and Hezbollah.

One of the incentives for Israel in negotiating peace with its neighbors is the potential normalization of political and economic relations with other Arab countries. This has been more evident recently as Israeli leaders, cognizant of the benefits that would come from normal political and economic relations with Arab states such as Saudi Arabia, have increasingly become open to the idea of a comprehensive peace. That incentive, which is even more appealing given the growing economic vibrancy of the Arab oil states, must be built into the negotiations. Multilateral negotiations on these issues provide one mechanism for achieving this goal.

And last, although it has historically been a controversial issue, the United States and its allies should support a robust multilateral force in the West Bank and Gaza Strip—but only after an agreement between Israel and a unified Palestinian partner is reached. For such a force to be effective, it must be credible and acceptable to both sides—Israeli and Palestinian—in the context of their own commitments to peace. In such an environment, a contingent of capable international forces would reassure both sides and allow the Palestinians to build national institutions in a secure environment. Moreover, an international force would serve an important symbolic function, indicating that the international community considers peace between Israelis and Palestinians of particular importance.

Bearing these points in mind, the new president will need to build into his initiative a range of tactical approaches that will help generate an environment conducive to reaching and implementing an agreement:

Help rebuild Palestinian capabilities. The president should continue efforts, begun under President Bush, to rebuild Palestinian security capabilities. Without effective Palestinian security forces, any agreement between Israel and the Palestinian Authority would be vulnerable to groups opposed to peace. At the same time, the building of such capabilities cannot succeed if it is perceived as an instrument for creating Palestinian unity through force, especially given Hamas control of Gaza.

Moreover, absent an agreement, Israelis will remain wary of creating too powerful a Palestinian force, in case the negotiations fail.

Press Israel to freeze settlement construction. The next administration should hold Israel accountable to its commitment to freeze new construction of Jewish settlements in the West Bank, including in the Jerusalem area. There should be no exceptions to this halt in construction, covering the establishment of new communities, outposts, and importantly, thickening of existing settlements, which often entails expropriation of additional Palestinian territory. Both public criticism of Israeli settlement policy as well as conditioning portions of aid to a settlement freeze can be effective in eliciting Israeli compliance. Along with continued Palestinian violence, this is the single most important issue undermining confidence in the negotiations. Halting construction in the West Bank will provide an opportunity to prove Hamas wrong by clearly demonstrating that negotiation, not militancy, is the best path to realizing Palestinian goals. Hamas's popularity is derived, in part, from a persuasive narrative that Israel has no intention of ceding land to the Palestinians and that negotiations only provide more opportunity for the Israelis to expropriate Palestinian land. Conversely they point to Israel's unilateral withdrawal from southern Lebanon and Gaza as proof that violence is the only effective way to liberate Arab land. As settlement construction continues and the stalemate between the sides drags on, the Palestinian population can only conclude that the logic of Hamas's claims is accurate.

Bring Hamas into the fold. The next administration should support the emergence of a Palestinian unity government, one that includes Hamas, to negotiate with Israel. So long as the Palestinians are divided, a final-status agreement is highly unlikely to be reached, and if it is reached, it is unlikely to be successfully marketed and implemented. If Hamas is not included in the negotiations, it will have every incentive to bring the process down. Given that it controls Gaza and has significant assets in the West Bank, it would probably succeed. Washington should eschew the Quartet's conditions on Hamas and encourage Egypt, Jordan, Saudi Arabia, and other regional allies to convince the Hamas leadership to accept the April 2002 Arab Initiative, which promises peace, an end to the conflict, and normal relations between the Arab world and Israel in exchange for Israeli withdrawal from occupied lands. A critical compo-

ment is to convince Hamas to accept an effective cease-fire, without which both a national unity government and fruitful negotiations with Israel cannot be sustained. This element will no doubt be challenging, but Hamas has proven itself highly attuned to public opinion. If the administration can show progress on the ground, such as pressing Israel to halt settlement construction, and thus strengthening the Palestinian public's support for movements toward peace, Hamas will find itself under pressure to acquiesce.

Refrain from imposing a solution but offer ideas. The next administration should not impose a solution on the parties but put forth ideas on final-status issues in the Palestinian-Israeli track as appropriate. Domestic Palestinian and Israeli politics are so fragmented and the issues so consequential that it is hard to envision that the parties will on their own produce a mutually acceptable draft. An American proposal on final-status issues will likely need to include the following elements:

—Borders should be negotiated on the basis of the 1967 lines, with the smallest possible land swaps to accommodate the largest number of settlers adjacent to the 1967 lines while assuring maximum contiguity for the Palestinian state.

—The “right of return” and refugee issues must be settled in a manner that simultaneously acknowledges Palestinian rights and finalizes all claims associated with these rights in a fashion consistent with maintaining Israel as a state with a Jewish majority and maintaining the sovereign right of both Israel and Palestine to determine who can enter their respective territories. Refugees should have the right to settle in the Palestinian state or be offered a choice of other countries for resettlement, and, if agreed by Israel and the Palestinians, a specified number (that does not alter the Jewish majority) could be settled in Israel itself. Compensation should also be part of the settlement.¹⁰

—The status of Jerusalem is central to both sides, partly because of its religious significance to Jews, Muslims, and Christians. Jerusalem was the principal issue of contention during the failed Camp David summit in July 2000, but before those talks collapsed, Palestinian officials had accepted the incorporation of Jewish suburbs of east Jerusalem into Israel and Israeli officials had accepted the incorporation of Arab suburbs into the Palestinian state. A way must be found for Jerusalem to serve as the capital of both Israel and Palestine that will preserve the reli-

gious status quo within the walled city and in which each community controls its respective holy sites. There is a history of proposing a special status for Jerusalem—in the 1947 UN partition plan, its status was imagined differently from the rest of the partitioned territories, and many countries, including the United States, have considered Jerusalem as a special case throughout the conflict.

Offer constructive interim ideas. As soon as the parties commence negotiations, the United States could propose two consequential steps that have both humanitarian and psychological implications and that will set the stage for permanent-status negotiations. First, simultaneous with a freeze on the construction of Jewish settlements, the international community should work with the Israeli government to put on the table financial incentives for settlers prepared to move inside Israel's pre-1967 borders. In particular, Israel should be encouraged to pass a bill that has already been introduced in the Knesset, which would compensate settlers who choose to vacate West Bank settlements. Second, there is a need to address the most pressing Palestinian refugee problem outside of the West Bank and Gaza: the refugees in Lebanon. Over 400,000 Palestinian refugees are in Lebanon, where they constitute about 10 percent of the entire population. Most remain stateless, limited to residency in twelve densely populated camps, with high unemployment and limited access to educational and health services. They present a humanitarian challenge as well as a political challenge. It is highly unlikely that most would be permanently settled in Lebanon (given Lebanon's problematic demographic issues) or in Israel. To the extent that the United States, European countries, and others may want to offer citizenship to some refugees in the context of a final-status agreement, it is important that such offers come forth as the negotiations start. However, such an initiative must not be seen to come at the expense of any claims these refugees may have in the context of a final-status agreement.

CONCLUSION

Left on its current trajectory, the Arab-Israeli conflict is on the verge of moving into a potentially disastrous phase, in which Israelis and Arabs broadly come to believe that the two-state solution is no longer viable.

The consequences of such a development would be grave for Israel, the Palestinians, and all of their neighbors including the two states with which Israel has peace treaties, Egypt and Jordan. Regionally, this state of affairs would help fuel militancy and embolden those opposed to American foreign policy in the region. Some of the possible consequences could include a new Israeli unilateral policy in the West Bank, the onset of a new Palestinian intifada, a unilateral Palestinian declaration of independence, the collapse or dissolution of the Palestinian Authority, and further empowerment of Hamas in the West Bank. While the United States must prepare for such scenarios, all would have a detrimental impact on American interests and would further destabilize the region, not only in the short term but also in the coming decade. The immediate choice for American foreign policy is whether to embrace or abandon the two-state solution. Given the grave consequences associated with a collapse of the two-state solution, the choice should be clear. But the president must know that achieving the two-state solution, or even preventing its collapse, would require elevating American peace diplomacy in the new administration's priorities.

It is unlikely that the parties can resolve final-status issues without an active American role. Unlike the negotiations between Israel and the Palestine Liberation Organization in Oslo, where the parties were negotiating directly for the first time and the issues were merely interim, both the Palestinians and Syrians have been engaged in detailed negotiations with the Israelis that have fully defined the issues of contention and substantially narrowed the gap. It is highly unlikely that final agreements can be clinched without an active American role that includes the submission of bridging American ideas. The new administration should initiate sustained diplomatic efforts in the context of a broader regional initiative that connects the Arab-Israeli issue to other American priorities in the Middle East in a determined effort to achieve lasting peace agreements.

NOTES

1. Daniel C. Kurtzer and Scott B. Lasensky, with William B. Quandt, Steven L. Spiegel, and Shibley Z. Telhami, *Negotiating Arab-Israeli Peace: American Leadership in the Middle East* (Washington: U.S. Institute of Peace Press, 2008).

2. Shibley Telhami conducted this survey in conjunction with Zogby International in March 2008; 4,046 participants were interviewed in six countries: Egypt, Jordan, Lebanon, Morocco, Saudi Arabia, and the United Arab Emirates.

3. The Arab Peace Initiative was first floated in February 2002 by then-Crown Prince Abdullah of Saudi Arabia to *New York Times* columnist Thomas L. Friedman. In March 2002, at its Beirut summit, the Arab League formally endorsed Abdullah's proposal. For Friedman's column, see Thomas L. Friedman, "An Intriguing Signal from the Saudi Crown Prince," *New York Times*, February 17, 2002. For the text of the initiative, see "The Beirut Declaration," www.saudiembassy.net/2002News/Statements/StateDetail.asp?cIndex=142.

4. When asked to name the two states that are most threatening to them, more than 80 percent surveyed in 2008 opinion polls named Israel and the United States; only about 10 percent named Iran. As for the source of anger with the United States, it is clear that the central issue is the Arab-Israeli conflict, followed by the U.S. military presence in Iraq and the Persian Gulf. When asked what step the United States could take to improve their view of the United States most, a majority cited American diplomacy to resolve the Arab-Israeli conflict as the single most important issue. For six years in a row, two-thirds to three-quarters of Arabs identified the Palestinian issue as the single most important issue or among the three most important issues (over 80 percent in the 2008 opinion polls).

5. The peak of Palestinian joblessness came in 2002, when 31 percent of the Palestinian labor force was out of work. The public sector picked up some of the slack, which widened the Palestinian Authority's budget deficit but was never able to reduce unemployment by more than 6 percent. Since 2003 Palestinian unemployment has ranged from 25 to 29 percent.

6. Historically, Palestinians have enjoyed high levels of school enrollment and achievement in comparison with their neighbors. The second intifada and the Israeli response severely disrupted attendance. In 2002, for example, 226,000 pupils and 9,300 teachers were at various times throughout the school year unable to reach their classrooms and 580 schools were shut down for varying lengths of time. The situation improved somewhat for primary and secondary schools in 2003–04, but universities have been frequently closed since 2000. By 2006 the ending of international donor support had led to the virtual collapse of the Palestinian higher education sector.

7. Currently, an estimated 3.76 million Palestinians live in the West Bank, Gaza Strip, and East Jerusalem. In the four years between 1994 and 1998, the Israelis broke ground on 11,320 housing units in both the West Bank and Gaza Strip (primary sources such as the authoritative *Statistical Abstract of Israel* do not differentiate between construction in the two areas) and the Israeli government issued 3,741 tenders for construction in 1999, though it is unclear how many of those tenders actually resulted in construction. Between 2000 and 2004, 5,216 housing units were either completed or were under active construction in the occupied territories. After Israel's withdrawal from the Gaza Strip, beginning in 2005, construction was limited to the

West Bank, where the Israelis planned 1,358 homes of which 510 were complete by the end of 2006. *Statistical Abstract of Israel, 2007* (table 2.7).

8. The intellectual origins of the barrier lie with the left-of-center Labor Party and the deep sense of hopelessness after the failure of peace negotiations at Camp David in July 2000 and the beginning of the second intifada. The specific goal of the wall was to separate the Israeli population from the Palestinians. Israel's political right initially opposed the barrier, fearing the consequences of the establishment of a de facto international boundary and thus the emergence of a Palestinian state. Yet, after a wave of suicide bombings during the spring of 2002, which killed 167 Israelis, the Likud government and its supporters embraced the idea of a barrier, but with an important twist. By insisting on calling it a security barrier, the government implied that the path of the barrier was not permanent and thus Israel would not be institutionalizing a border.

9. The talks have the potential to open a gap between Damascus and Tehran. As talks continue and even progress, this opening is likely to grow wider. It is here where Turkey's role is most important. Ankara, by dint of its now close political and economic ties with Damascus as well as the long history of mutual distrust between Turks and Persians, is a natural and positive counterweight to Iranian influence in Syria. Turkish prime minister Recep Tayyip Erdogan has been criticized in Washington for his ties to Syrian president Bashar al-Asad, yet Israeli officials acknowledge their abiding trust in the Turkish prime minister on the Syrian track specifically and would like the Turks to continue to play a constructive role in the talks. Washington's efforts to construct a regional coalition to contain Iranian influence are likely to improve as talks between Israelis, Turks, and Syrians continue. (Yet one has to be careful to keep in mind that isolating Iran cannot be an end in itself because isolation may increase Iranian incentives to acquire nuclear weapons. Clear incentives for Iranian cooperation must be provided in the context of the framework for security and peace in the Middle East initiative.)

10. For a full articulation of this proposal, see Shibley Telhami's congressional testimony to the Sub-Committee on the Middle East and South Asia of the House Committee on Foreign Affairs, "Addressing the Palestinian Refugee Problem," May 8, 2007, www.bsos.umd.edu/sadat/Telhami.Testimony.May06.htm.