

Testimony by  
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to the  
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Mr. Chairman: First, let me express my appreciation to you for the invitation to testify before the Senate Foreign Relations Committee. This hearing comes at a critical time: the traditional tools of peace-making in the Middle East have all but exhausted their utility. From the Mitchell Plan to the Roadmap, the U.S. has led various attempts to end the violent confrontation. Yet, for the past three years, the Israeli and Palestinian people have been consistently and repeatedly robbed of a normal life, with the daily cost in pain and bloodshed reaching unprecedented heights. U.S. national security interests also have been jeopardized as, rightly or wrongly, the perpetuation of the Israeli-Palestinian conflict and the perception of U.S. disengagement harm both our image in the Moslem world and, crucially, our struggle against terrorism. Fresh, creative and bold thinking is vital, lest the current situation continue or deteriorate further, and lest any prospect for a viable and sustainable peace vanish for the foreseeable future.

The International Crisis Group (ICG) has been working in the Middle East and on the Israeli-Palestinian conflict in particular for over two years. Here, as we do in some 40 countries around the world, our field-based analysis identifies the drivers of conflict and, based on that analysis, we define policy responses for specific countries and the international community to prevent or mitigate deadly conflict.

1.

Mr. Chairman, when the Roadmap was first presented, ICG cautioned in its report, “A Middle East Roadmap to Where?” that the plan “adheres to a gradualist and sequential logic to Israeli-Palestinian peacemaking, a throwback to the approach that has failed both Israelis and Palestinians in the past. Its various elements lack definition, and each step is likely to give rise to interminable disputes between the two sides. There is no enforcement mechanism, nor any indication of what is to happen if the timetable significantly slips. Even more importantly, it fails to provide a detailed, fleshed out definition of a permanent status agreement.” Unless the presentation of the Roadmap somehow served as a catalyst for fundamentally new political momentum in Jerusalem, Ramallah and Washington, we warned, it would rapidly prove futile. Unfortunately, that is the situation in which we find ourselves today. The Roadmap may be resuscitated in one form or another and its core ingredients – a call for a two state solution, for Palestinian security, institutional and economic reform and for an end to the occupation – will remain. But for now, its role as a political tool to advance Israeli-Palestinian peace is over, and it is best to recognize it. If the goal is to break out of the status quo, there is a need to come up with a new or significantly modified approach.

At the outset, it is important to understand why the Roadmap failed in order to avoid duplicating past errors in the future.

The broad vision put forward, first in President Bush's 24 June 2002 speech, next in the Roadmap, was welcome. But in its belief in a series of mutual, incremental steps and in its lack of a clear and detailed vision of the ultimate settlement, it repeated what Oslo and its variants over the years had attempted, always with the same dispiriting results: agreements not reached or not implemented, accompanied by an erosion in mutual trust and, in this case, ongoing violence.

The idea that only incremental steps can resolve the current crisis flies in the face of the experience of the last decade. With each successive turn there are renewed calls to try better, try harder, but basically try more of the same: interim agreements designed to boost confidence and gradually pave the way for negotiations over a final deal. True, one can always attribute failure to the shortcomings or mistakes of the various parties. In the case of the Roadmap, some legitimately lament that the Palestinians did too little on the security front; that Israel did too much on the military one; that the U.S. stood on the sidelines and that Arafat stood in the way. But that this has become an old refrain ought to tell us something about the process itself -- namely, that the setbacks, skirted obligations, clear-cut violations and violence are not deviations from the process as currently defined, but its natural and inevitable outgrowth. And that there is no reason to believe that what has failed before will suddenly work now, that what the parties have stubbornly resisted doing in the past they can -- with a little additional pressure or persuasion -- be brought to do in the present.

What was missing from Oslo and now from the Roadmap is a clear and well-defined vision of the ultimate goal. Israelis and Palestinians were reluctant to take difficult interim steps not knowing whether they would lead to a desired end-result. As a result, they treated the interim period as a time to shape the final deal through unilateral steps rather than realize it through joint effort. Both sides were determined to hold on to their assets (territory in Israel's case; the threat of violence in the Palestinians') as bargaining chips to be deployed in the endgame. Because the objective remained vague, neither side had a sufficiently powerful incentive to carry out its obligations, the goal always being appeasement of the U.S. rather than pursuit of desired purpose. And so, each interim step became an opportunity for a misstep and the logic behind the Oslo process -- that interim measures would gradually boost mutual confidence -- was turned on its head as each incremental violation further deepened the existing mistrust.

In response, it is often argued that movement toward a resolution of the conflict should not take place unless and until the Palestinian Authority dismantles violent groups and reforms its leadership. This is a highly appealing logic. But it has not worked. And its main victims are and have been the Israeli and Palestinian people. The Palestinian people and their leadership undoubtedly need to clamp down on radical groups within their rank who resort to terrorist attacks against Israeli civilians. But it is hard to conceive that they will do so, morally necessary and politically imperative as it is, so long as it cannot be

justified as being required for a clear and desired end-game – so long, in other words, as these groups are viewed as resisting the occupier. To maximize prospects that Palestinians will take such action, they need to see an end to the most brutal Israeli military actions and be proposed a genuine alternative path to ending the occupation.

Temporary lulls may be achieved. But the political dynamics of this conflict inexorably will lead to more violence and counter-violence until its resolution is in sight. Israelis cannot afford to be giving in to fear, and see no choice but to respond to every act of Palestinian violence. Each Palestinian attack both underscores the relative futility of Israeli military action and makes it all the more inevitable. For their part, Palestinians cannot afford to appear to be surrendering to force or to resign themselves to continued occupation, particularly when they have no faith in the political process that would follow a cease-fire. Each Israeli operation both takes a toll on radical Palestinian groups and swells their ranks.

As a result, partial security relaxation on the Israeli side is likely to lead to renewed Palestinian violence which will trigger tougher security measures, often with devastating impact on Palestinian civilians, and which, in turn, will provoke more desperate violence. We have seen that pattern play itself repeatedly during the past year. In the current atmosphere, the anticipated virtuous cycle – in which good will gestures by one side are reciprocated by good will gestures by the other – is much more likely to turn into a vicious one. Ending the violence is absolutely vital. But it should not be a precondition for taking the political step – moving to resolve the underlying conflict -- that has the best chance of achieving that goal. Cases as varied as Algeria, Cambodia and South Africa illustrate that successful peace initiatives can and often do take place amidst violence.

For its part, Israel must take steps to dismantle the vast majority of its settlements, not just in Gaza but in the West Bank as well, and allow Palestinians to realize their legitimate aspirations. But it is difficult to imagine it will do so, however counterproductive the settlement enterprise has turned out to be, before it is provided with security and persuaded that Palestinians are prepared to accept Israel's right to exist as a Jewish state, free from violence and the threat of massive refugee return.

Ultimately, until they know what the endgame basically will be, Palestinians are unlikely to provide Israelis with the security they need. And until they are provided with that security and with an assurance that their needs will be met, Israelis are unlikely to carry out the political steps the Palestinians require. Put differently, Palestinians fear that what is portrayed as an interim solution (partial withdrawals in exchange for an end to violence) will become final and Israelis fear that what is portrayed as a final settlement (a two state solution) will only be interim. The mutual suspicion incrementalism is designed to remove is precisely the reason why it cannot work.

Likewise on the issue of Palestinian political reform. Its necessity is not in doubt, and Palestinians themselves would be first to agree. But to make a change in Palestinian leadership a precondition for movement toward a political settlement may well have succeeded in both preventing political progress and hindering institutional reform by

portraying both as externally-driven diktats designed to promote U.S. and Israeli interests rather than Palestinian ones. Indeed, insistence on a change in leadership as a precondition for decisive movement on the political front de-legitimizes the concept of reform and undermines those Palestinian activists who have long led the fight for domestic change. Besides, as experience has shown, efforts to marginalize Arafat may well weaken his institutional power, but he retains unparalleled status and legitimacy in the eyes of the Palestinian people for whom he remains the embodiment of their cause. Despite his diminished popularity and the at times disastrous mistakes he has committed, Palestinians will rally around him in times of crisis and no rival will stand a chance. There is a profound psychological, emotive component to the Palestinian struggle in which Arafat and the symbolism that surrounds him plays a central part.

If the incremental and conditional approach was questionable in the past, it has become far more so today. There have been over three years of horrendous suicide bombs and devastating Israeli military actions. Anger and bitterness on both sides is at an all-time high. Trust has virtually disappeared and the very Palestinian institutions expected to restore order and clamp down on violent groups have either been destroyed or collapsed. Radical Palestinian groups, far from being weakened by repeated Israeli attacks, have become both stronger and more popular, making all the more unlikely Palestinian efforts to take them on. Yasser Arafat's virtual isolation has guaranteed that he will exercise his still considerable influence to thwart any progress that does not give him a role. Plus, the Palestinian National Authority is no longer national and it barely exercises authority. Under what logic would Israel entrust it with its security? For their part, not a single Palestinian believes that Prime Minister Sharon will be prepared to reach a settlement even remotely approaching their minimum goal. With that in mind, and with Hamas, Islamic Jihad and other radical groups emboldened and empowered, can a Palestinian leader realistically be expected to take the political risk of confronting them or negotiating yet another interim deal with Israel?

Under these circumstances, it is very hard to be confident that Prime Minister Sharon and Prime Minister Abu Alaa will be able to agree on much or for very long, let alone negotiate their way out of the current violence. Even if they do succeed, their agreement will be at the mercy of the first act of violence.

Two alternative ways exist to break the stalemate and make up for the lack of trust and the parties' inability to move bilaterally. The first is for one of the two parties to act alone. The second is for a third party to step in.

## 2.

A few weeks ago, Prime Minister Sharon announced his intention to unilaterally disengage, including unilaterally withdrawal from many of the Gaza settlements and, possibly, some isolated ones in the West Bank if, within six months, it became clear that the Palestinians will not fulfill their responsibilities under the Roadmap. Sharon's stated logic is clear: if the Palestinians are not prepared to take steps to clamp down on violent groups, if they do not have a leadership trusted by Israel, Israel cannot afford to wait. It

will to what it must to maximize its security and separate demographically from the Palestinian population. Withdrawing from these settlements will shorten Israeli lines of defense, remove the burden of protecting small numbers of settlers with large military forces and, by disengaging from populated Palestinian areas, reduce friction with the Palestinians. It would be complemented by completion of the physical barrier or fence intended to radically restrict movement of Palestinians into Israel. The decision, should it be implemented, would amount to recognition that the path laid out in the Roadmap is no more, for the time being at least.

It is important at the outset to recognize what Prime Minister Sharon's suggestion is and what it is not. It is not a long-term solution but a temporary stopgap. It is not at this point a detailed plan but a very vague concept. It would not entail merely a unilateral withdrawal but most probably a series of unilateral steps. But of the two alternative paths we have laid out – unilateral disengagement or forceful international engagement – it is by far the more probable and, as such, deserves careful scrutiny.

Evacuation of settlements is essential, a step called for by the Palestinians and the international community as a whole. No Israeli leader has seriously contemplated taking such an initiative in the absence of a comprehensive agreement – not Rabin, not Peres, and not Barak. And no Israeli leader has enjoyed the kind of political capital Sharon has in order to do this. For these reasons, a decision to evacuate settlements would clearly be welcome. Besides potential security benefits for Israel, it can lead to greater freedom of movement for Palestinians in Gaza and set the precedent of larger-scale settlement evacuation – including in the West Bank -- by formally de-linking settlements from security. Under the right circumstances, it can serve as a pilot case for the rebuilding of Palestinian Authority security services and reassertion of law and order, for Palestinian elections (for the PA as well as for Fatah), Palestinian reform and for greater international involvement. Should the PA be able to restore quiet in Gaza, in fact, a unilateral withdrawal could theoretically help rekindle Israeli-Palestinian negotiations. In short, if done right, what would begin as a consequence of failed diplomacy could become a forerunner to renewed diplomacy.

But there are considerable risks for all sides, of which the U.S. in particular needs to be fully cognizant if it wants to avoid them.

First, a unilateral withdrawal may well be read by Palestinians as a victory for those who believe that Israel can be forced through violence to pull out. It will be hard for them to see it otherwise: even a modest withdrawal was not forthcoming during the premiership of Mahmoud Abbas – who was committed to a peaceful resolution of the conflict; now it is being openly considered not as a confidence-building measure for a courageous Palestinian Prime Minister but as a defensive reaction to continued armed attacks. Coming atop the Israeli decision to release hundreds of prisoners (again, a concession that was not granted to Abbas) in a deal with Hizbollah, this could embolden and strengthen the more radical Palestinian groups. In this context, some have evoked Gaza's potential "Lebanonisation" – a reference to Israel's decision to withdraw from South Lebanon. While that earlier withdrawal almost certainly was the right thing to do,

images of a retreating Israeli army carried wide-ranging implications, not least of all by inspiring Palestinians to launch the intifada.

A related peril is that areas from which Israel withdraws, rather than fall under the PA's control, could descend into chaos and anarchy or into Hamas' hands, further radicalizing the Palestinian side, weakening the PA and reducing the chances of renewed negotiations. Should Israel – as is anticipated -- leave behind either IDF forces or some settlements in Gaza, these quickly could become the targets of continued violence as Palestinian organizations claim that armed struggle is both what got Israel to begin its withdrawal and what will get Israel to complete it.

There also are potential threats to the Palestinians and to their future ability to build a viable state. As some Israeli officials point out, unilateral disengagement would not be a unilateral withdrawal alone but rather a series of unilateral steps intended to consolidate Israel's position by refocusing on the West Bank and separating from populated Palestinian areas. In addition, the Prime Minister may well be required (if only to placate his harder-line right wing partners that have threatened to bolt from the coalition) to take "compensatory" measures in the West Bank. Under this scenario, the partial withdrawal from Gaza and perhaps from some isolated West Bank settlements abutting Palestinian cities, thickening of settlement blocs alongside the Green Line, strengthening control over strategic areas such as Jerusalem, the Jordan Valley and other border areas, and completion of the separation fence encroaching into the West Bank would all become part of a broader plan to force long-term, de facto borders upon the Palestinians. Altogether, these could deal a fatal blow to President Bush's vision of a viable Palestinian state, condemning the Palestinians to isolated, non-contiguous cantons or enclaves and, at best, a non-viable statelet that they will be free to call a state.

In other words, while some Israelis worry that this could be a road to more violence, Palestinians worry that it could be the end of their road to genuine independence.

At this point, the Prime Minister's suggestions constitute far more a question mark than a plan. Among the significant unknowns are the following:

- ❑ When would the withdrawal/settlement evacuation take place? Over what time period? If it is done in one fell swoop, it might bolster the impression of a hurried Israeli retreat in the face of Palestinian violence; if spread out over time, it might increase the likelihood both of resistance by settlers and of Palestinian attacks against them.
- ❑ Will there be a security handoff with Palestinian forces or will it be wholly uncoordinated?
- ❑ Will Israel proceed in the face of escalating Palestinian attacks on the eve of the evacuation?
- ❑ Will Israel proceed if it asks but fails to obtain U.S. guarantees – e.g., regarding financial assistance to help relocate the settlers; acquiescence in the route of the separation fence or in additional settlement construction in the West Bank; a commitment not to pressure Israel on a final status deal?

- ❑ How many settlements will remain in Gaza?
- ❑ Will the settlements that are evacuated be destroyed? Maintained intact? Turned over to the PA?
- ❑ Will the IDF remain in Gaza and, if so, for how long?
- ❑ How will Israel react if attacks emanate from Gaza after the withdrawal – aimed either at remaining settlements, at the IDF or at Israel proper?
- ❑ What simultaneous steps will Israel take in the West Bank?
- ❑ Who will control the Rafah border with Egypt? The Gaza airport? The seaport? The crossing into Israel?
- ❑ Will Palestinian workers from Gaza be allowed into Israel? Will goods be allowed in and out? In particular, what provisions will be made for the supply of water, electricity, medical equipment or food in Gaza?

Until answers to these and other important questions are known, it will be extremely difficult to anticipate the impact of an Israeli action along the lines suggested by the Prime Minister. Even then, there will be considerable unknowns as to the Palestinian reaction, given the vast political changes undergone on their side during this latest period.

Given those uncertainties, the best course for the United States would be to maximize the prospect that a process of unilateral disengagement strengthens Israel's security without jeopardizing the possibility of a viable Palestinian state or inflicting undue harm to the Palestinian population.

First, the U.S. should see to it that Israel coordinate any settlement evacuation with the PA. Coordination does not require negotiating or even cooperation, and this is an important distinction. If he ultimately opts for the unilateral route, it will mean that Prime Minister Sharon has concluded that negotiations with the PA are futile. It therefore would make little sense from his perspective to sit down and discuss with the Palestinians the implementation of his move. But to withdraw without giving the PA any advance notification and the opportunity to operate a smooth hand-off of any evacuated areas would be a recipe for chaos and for strengthening radical organizations at the PA's expense. Conversely, Israel-PA coordination could minimize the appearance of a hurried and disorderly Israeli retreat, helping both parties. This may not require direct Israeli-Palestinian discussions, although they would be preferable, and could instead be done through back-to-back talks with Washington.

Second, the U.S. and others in the international community should press the PA to exercise maximum security control over evacuated areas and assist it in this task. In particular, the PA's security organizations should take measures to try to prevent violent actions originating from Gaza.

Third, the U.S. should make clear to Israel that it will not acquiesce in harmful compensatory measures in the West Bank. These include settlement construction, activity in East Jerusalem and building the separation fence in ways that hurt Palestinians and depart in any meaningful way from the 1967 lines. Movement in Gaza ought to facilitate future progress in the West Bank, not condemn it. Ensuring that Gaza first will

not mean Gaza last is critical if the U.S. wants to preserve the possibility of a two state solution.

Fourth, the U.S. should ask Israel to minimize any hardships on the Palestinian population of Gaza, consistent with legitimate security concerns. It is hard to imagine Israel allowing free movement for the Palestinians, either across the border with Egypt, by air or sea, let alone into Israel. But suffocating the population in Gaza by denying them basic economic opportunities would be a humanitarian catastrophe for the Palestinians and – by generating an even more embittered and radicalized Palestinian people -- a political catastrophe for Israel.

Fifth, to the degree possible, the international community as a whole should provide assistance to Gaza. This could take the form of economic help, security training to the PA and oversight of reform – the goal being to turn Gaza into a successful model of international engagement to be replicated some day in the West Bank. Some have gone further in this respect and suggested the establishment of an international trusteeship over Gaza, including the dispatch of foreign troops. There is reason for caution, however. In the absence of an overall territorial agreement – which an enduring if reduced Israeli presence in Gaza and the West Bank would preclude – Palestinians are likely to continue to resist and the trusteeship therefore will operate in a hostile environment. How many nations will agree to send troops under such circumstances? How would the multinational force interact with the remaining Israeli presence in Gaza, assuming as one must a less-than-total withdrawal?

Ultimately, it is important to bear in mind the limitations inherent in any unilateral disengagement however well-implemented it turns out to be. Once accomplished, most of the underlying ingredients of the conflict will remain and some may even be exacerbated. Disentanglement from Gaza and erection of the separation fence may well limit Israeli exposure to attacks by Palestinians; but at least so long as the occupation endures, Palestinian militants will have the motivation to look for other, perhaps more sophisticated and deadly means to strike. While some have suggested that Israel's suggestion of a withdrawal from Gazan settlements could pave the way for a broader bilateral agreement on security and territorial issues, the outlook in this regard is bleak. To repeat: a unilateral initiative will be taken if and when Israel concludes that the Roadmap process has failed, not in order to revive it; it will be taken if and when Israel concludes it has no partner, not as an opportunity to negotiate with one. It is hard, therefore, to imagine Israelis and Palestinians reaching a genuine agreement on a withdrawal from Gaza insofar as negotiations inevitably would put on the table other highly contentious issues: control over Gaza border areas, the sea and airport, freedom of movement for Arafat, together with Israeli actions in the West Bank, such as the construction of the separation fence, to mention but a few.

Imprecise as to its scope or character, unpredictable as to its effects, unilateral Israeli steps are not and cannot be a substitute for a political solution. They might well set in motion a process even its initiators did not have in mind.

3.

ICG has repeatedly argued for replacing the incremental, step by step strategy of the roadmap with an endgame strategy involving forceful international presentation, led by the U.S., of a clear, detailed and comprehensive blueprint for a permanent Israeli-Palestinian settlement. Both the plan and the means of promoting and implementing it are described in detail in ICG's three-part report, "Middle East Endgame." In our view, it remains the best and surest option to produce a fair and sustainable peace and one that, far from being inconsistent with the Roadmap, can most effectively produce its desired results: an end to violence and to the settlement enterprise, reform of the PA, and a viable two-state solution. It is at once the most ambitious and pragmatic process available.

First, the U.S. should present a detailed, comprehensive Israeli-Palestinian settlement plan, in coordination with, and with the full backing of other key members of the international community -- including Arab and Moslem states. The U.S. would pre-condition presentation of the plan on strong commitments from others, particularly in the Arab world, to back it, take concrete steps to normalize relations with Israel once peace has been achieved and take immediate steps to curb any aid to groups that resort to violence. For Arab states that have been clamoring for U.S. involvement, the quid pro quo would be clear: commit to supporting the plan in word and deed, commit to cracking down on violent groups and to pressing the PA to take action to end the violence, and the U.S. will present a fair, comprehensive settlement plan.

It is clear by now, based on the parties' negotiations from Oslo onward, that a plan that protects the two sides' vital interests can be put together. Accordingly, the plan would not require either party to forsake what it considers its fundamental rights or aspirations. Rather, it would propose a practical solution to the problems they confront so that they can live in peace and security.

To be clear: an Israeli-Palestinian peace plan cannot be imposed and this ought to be neither an imposition nor an ultimatum. An imposed solution would trigger an immediate nationalistic backlash on both sides, and, from Israel, cries of unfair treatment at the hands of a trusted ally. Rather, the plan would represent the international community's best judgment of what a fair, final and comprehensive settlement should look like and would appeal to the leaderships and peoples of both sides to embrace it. In other words, regardless of whether the leaders initially reject the plan, the U.S. and its partners would continue to promote them.

Second, and as part of this plan, the international community would propose a U.S.-led international mandate to administer the territory that will make up the Palestinian state, verify compliance, help provide security and take control of land turned over by Israel. Several members of this Committee have evoked the notion of NATO troops monitoring the birth of a Palestinian state; ICG fully endorses such an idea in the context of a comprehensive settlement. The mandatory powers would be the ultimate arbiters, transferring land and full sovereignty to the Palestinians when appropriate. In other words, Israel initially will be turning over territory to NATO or some other U.S.-led

multinational force – not to the Palestinians, and the force will help strengthen Israel's security by patrolling the Israeli-Palestinian border and Palestine's other international borders and crossing points. Israel could be offered membership in NATO and a U.S. defense treaty, and U.S. and European security guarantees would be extended to the Palestinian state.

As a means of maximizing the prospects of acceptance, Israeli and Palestinian leaders could submit it directly to their people for them to approve or reject. This is the very idea Prime Minister Sharon has suggested as a means of side-stepping resistance by some members of his coalition to his Gaza withdrawal proposal and to give them political cover to remain in the government in the event of popular approval. It also is the concept accepted in the context of efforts to resolve the issue of Cyprus. A vigorous campaign in which the U.S., but also Arab and Moslem countries would play a significant part, would build tremendous pressure for the referendum and affect political dynamics on both sides. There is no doubt that, if it could be achieved, the most powerful impact of all would be made by the joint appearance of President Bush, King Abdullah of Jordan, Crown Prince Abdullah of Saudi Arabia and President Mubarak of Egypt to address the Israeli Knesset and the Palestinian parliament and call on both sides to accept the comprehensive peace proposal. Given the virtually complete breakdown in trust, if the peace process is to be jumpstarted, it may well need such a bold diplomatic move – the contemporary equivalent of President Sadat's visit to Jerusalem. Overall, the goal should be to generate so much domestic and international support for the referendum that opposition would become increasingly hard to sustain and the momentum for change gradually would become irresistible. As opinion polls among both Israelis and Palestinians indicate, there is every reason to believe that the referendums would yield the desired outcomes.

Putting forward a comprehensive deal will provide the clarity that has so far been missing, creating genuine incentives for Israelis (security) and Palestinians (the end of the occupation) to confront extremists within their ranks and depriving them of their current legitimacy. Proposing a U.S.-led mandate will make up for the lack of trust and provide Israel with the assurance it needs that the Palestinian state it leaves behind will be stable, and well-governed. Submitting the plan to a referendum would endow the process with homegrown, popular legitimacy, while shifting the locus of decision-making to an arena where the balance of power is far more favorable to proponents of an agreement.

What is most illogical and tragic about the past three years is that majorities on both sides appear ready now to accept a final deal that will end their conflict. Postponing the final outcome – with the all too certain accompanying risk of major further death, injury, destruction and misery, not to mention the emergence of an embittered and vengeful Palestinian youth – cannot be the right answer. Instead, a process must be devised whereby the latent aspiration on both sides to end the conflict can be given practical and political expression.

Historical precedent suggests that such an approach can work. To unlock difficult diplomatic predicaments. In Northern Ireland, in March/April 1998, the British and Irish

governments together worked out a peace agreement and the U.S. mediator, former Senator George Mitchell, presented it to the parties. Likewise, in Macedonia, in 2001, the basics of the Ohrid Agreement had been drawn up before the end of June by the U.S. and EU negotiators. In both cases, as a result of the international community presenting the actors with a game plan for the final outcome, the debate rapidly became a haggling over details rather than a debate over fundamentals.

Of all the arguments raised against such a proposal, the most salient is the lack of political willpower in Washington.

For now, U.S. policy has been reduced to the oft-repeated position that no progress will be made unless and until the Palestinian leadership takes decisive steps to end the violence. But waiting for a “reliable Palestinian partner” to emerge is a recipe for paralysis: only a credible political process can produce an effective Palestinian leadership, not the other way around. It is difficult to imagine this administration – or any other for that matter – taking on the risk of promoting an overall solution absent the most exigent of circumstances. The administration has been unwilling to put its muscle behind the far less ambitious roadmap, it is said. How could it possibly be expected to do significantly more?

The point, of course, lies precisely there: the U.S. has been deeply engaged in Israeli-Palestinian affairs for a long time. Year after year, it has expended precious energy as well as political and economic capital on behalf of a process that promised little and yielded even less. Any type of engagement involves risks and costs. These only ought to be borne for the sake of an enterprise that merits them. Here, the cost-benefit calculus is clear: a successful U.S.-led effort along the lines described here would dramatically change our posture in the region, isolate radical forces, mute the anti-Americanism that has become so widespread and reassert our position as defenders of Israel’s vital interests without being oblivious to Arab concerns. Nor would the international forces deployed to the region face significant risks. In Iraq, the United States is seen to have initiated an occupation. In Palestine, we would be seen to have ended one.

It is lack of U.S. action in the Israeli-Palestinian conflict, not its leadership, that damages its credibility. To quote Chairman Lugar, “The search for stability in the Greater Middle East must proceed hand in hand with the resolution of the Israeli-Palestinian conflict. Too many Muslims in the region judge the US solely by its perceived unwavering support for Israel.” A more dynamic approach such as suggested here would dry up support for radical groups and greatly enhance America’s capacity to win international support and cooperation -- not least from the Islamic world -- in waging its struggle against terrorism.

The irony is that a solution likely to be embraced by those from whom the hardest concessions are being asked (the Israeli and Palestinian people) and that would serve U.S. strategic interests in the Middle East perhaps more dramatically than any other step it could undertake, is unlikely to occur at this point because of resistance from within the United States itself.

For now, the public debate should narrow down to two simple questions: is the current process working and would the one suggested stand a fair chance to succeed? The answer to the former is a definite “no” and to the latter a possible “yes.” Given that, broad pressure should begin to build in the U.S. as elsewhere to lay the groundwork for the pursuit of this realistic approach rather than of the costly illusions for which we and others have paid so dearly over the years.

Some have argued that pushing for a political solution at this point would be an unwarranted and dangerous reward for terror. But those responsible for terrorist attacks don’t want a negotiated peace; they call for the elimination of Israel. They do not want refugees resettled in Palestine. They want them to return to Israel. They do not want to share Jerusalem. They want it for themselves alone. How can a peace agreement gratify terrorists when their goal is to destroy any chance of a just peace?

4.

Mr. Chairman, for some time now ICG along with many others has argued that the world knows what the solution to the Israeli-Palestinian conflict ultimately will be. An amendment now appears in order: what the world knows is what the solution *ought* to be. For events on the ground are making a fair two-state solution increasingly remote. Israeli settlements, despite recent suggestions floated by Prime Minister Sharon, have continued to spread throughout the West Bank. The West Bank is being cantonised and fragmented. The PA’s power has eroded, with its most useful purpose today being to distribute salaries. The traditionally dominant Fatah is breaking apart geographically and organizationally. Hamas is becoming stronger, alongside a plethora of armed gangs, break-away groups and militias that do not respond to any central command. Arafat, the only Palestinian figure with a national constituency and legitimacy, and arguably the only figure still capable of selling a permanent status deal to his people, is being shunned by Israel and the U.S. Indeed, it is something of a polite fiction to imagine that an alternative leader with the requisite authority and legitimacy somehow will emerge. Reaching a Palestinian consensus that eschews further violence and clearly accepts the principles inherent in a two state solution therefore is becoming increasingly difficult and the very existence of centralized, national institutions, of a Palestinian polity able to make decisions and make them stick is in doubt.

The shelf-life of the two state solution is not eternal. Ironically, Palestinian territorial realities, politics and psychology are drifting away from the two state solution just at the time when Israel and the U.S. appear to have come to terms with it. A page in the history of the conflict may be turning before our eyes. The United States should act now if it wants the notion of an Israel and Palestine living side by side in peace to become tomorrow’s reality rather than yesterday’s unfulfilled dream.