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HOT BARGAINING: THE MIDDLE EAST 2001

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INTRODUCTION

For over a century, the Middle East has been going through massive transformations; some peaceful, others bloody. For decades, the Arabs and Israelis fought each other for affirmation of their national identities, territories and natural resources. For the Israelis, the fight was for a self-recognised sense of nationhood that would gather all the Jews of the world in the Holy Land of Palestine. For the Arabs, the fight was to rectify the 'original sin' of uprooting the Palestinians from their historical homeland and thus depriving them of the right of self-determination. The conflict between the two sides continued unabated for over half a century in the international forums and on the battlefields. Overtime, the conflict, which was about the partition of Palestine, was extended to a host of increasingly complicated issues such as the Arab territories occupied since June 1967, the arms race, water supplies, refugees, the economic boycott, settlement and settlers, terrorism and others.

And, for sure, the Arab-Israeli conflict was not the only conflict in the region. In fact, the Middle East, with only eight percent of the world's population, has witnessed 25 percent of all the world's armed conflicts since 1945. The Middle East has suffered from all sorts of conflicts such as regional wars, wars of intervention, civil wars, intra-Arab rivalries and conflicts with devastating consequences to the human and material resources of the region. According to the estimates of the Ibn Khaldoun Centre for Developmental Studies in Cairo, the cost of all armed conflicts in the Middle East from 1945 to 1995 was 2,680,000 casualties, \$1,420 billion and 14 million displaced persons.

The reasons behind this propensity for interstate and intrastate violence in the Middle East are abundant: the nation-state building process with what it entails in terms of legitimacy of political regimes, the colonial heritage of borders, superpower and great powers' contests in the region, trans-national ideologies of Pan-Arabism, Pan-Islamism and Zionism, sharp differences in wealth and resources between states, and others. All these reasons have made power politics and geopolitical concerns the dominant influences on state behaviour.

However, it seems that the magic wand of global transformations in the 1990s has touched the Middle East. The Second Gulf War and the end of the Cold War changed the attitudes of the major parties to the Arab-Israeli conflict - a window of opportunity was opened for the whole region. And the opportunity was not missed. Through an active American diplomacy, the Madrid peace process started in October 1991 and, by 1994, a Palestinian-Israeli agreement and an Israeli-Jordanian peace

treaty were in place. What was important about the new Arab-Israeli reconciliation process was that it introduced a geo-economic dimension to its traditional geopolitical concerns of territory and security. In addition to the bilateral negotiations, another layer of negotiations was a multilateral one to discuss five issues of interest to the parties: arms control, water, refugees, economic co-operation and the environment. This was followed by a host of initiatives to accelerate development and co-operation in the Middle East, the most notable of which were the series of economic summits and the EU Barcelona process. Shimon Peres, Israel's current Foreign Minister and a former Prime Minister, presented more elaborate visions to the concerned parties in the region. In his book *The New Middle East*, he argued for a new way of thinking and moving the economy of the region "From an Economy of Strife to an Economy of Peace".

By the year 2001, peace has not been achieved in the Middle East and nor has the region become new. On the bilateral negotiations, Israel and Syria failed to reach an agreement in April 2000. Although, Israel has decided to withdraw unilaterally from South Lebanon, there was no agreement between the two countries. Clashes between Hizbollah and Israeli forces took place over the issue of the Shabaa Farms. On the Palestinian-Israeli track, which witnessed ups and downs in the process to implement the Oslo accords, the two parties failed to reach an agreement on the final status of the Palestinian question in the Camp David II Summit in July 2000. The Palestinian Intifada on 28 September followed the failure of the negotiations and the Israeli public opted in February 2001 to elect Ariel Sharon, a leader of the Israeli right wing conservative parties, as Prime Minister. Shimon Peres, the missionary of the new Middle East in the 1990s, joined a right wing coalition that used excessive violence against the Palestinians. Confrontation between the Palestinians and Israelis escalated. Israel bombarded a Syrian radar station for the first time in years. Israeli threats were directed towards Egypt, the country with a peace treaty with Israel for over 20 years. The Middle East has returned to what it used to be.

THE ELECTION OF ARIEL SHARON

There was no surprise when Mr Sharon was elected to lead Israel. Neither was it a surprise when his victory in the 6 February elections was a landslide. Public opinion polls were vindicated. The old general-new Prime Minister has become one of the givens for all the parties involved directly or indirectly in the Middle East. All, including the EU Presidency, expressed their hope that the man will continue "contributing to the attainment of a just and lasting peace in the region".

These hopes, though, might not be fulfilled. Nothing in the history of Mr Sharon, or in his present ideas, could lead to this conclusion. More important, his election is a by-product of the latest swing in the Israeli public, which has changed its mind six times in less than a decade. This time, the shift has been to the right - indeed, the extreme right.

Mr Sharon believes in three ideas that have brought him to the position he has coveted for most of his career, but which was denied to him by a public that long thought that he was unfit for the job. First, peace is not possible between Israel and the Arab countries, and certainly not with the Palestinians. All what Israel can do for the present is to work for another interim arrangement in which the Palestinians may have a state over 43 percent of the West Bank. The rest will be subject to negotiations over an extended period in which the Palestinians will have to prove their worthiness for any future Israeli concessions. These concessions will not include in any way any Israeli withdrawal from the West Jordan Valley, any elimination of existing settlements, any discussion of the refugee issue, or any talks about Jerusalem, which will remain the eternal and unified capital of

Israel.

Second, the restoration of the credibility of Israeli military deterrence, which was reduced as a result of the Israeli unilateral withdrawal from Lebanon at the hands of the Lebanese resistance and the current Palestinian resistance, better known as the Intifada. In other words, Israel has to restore in Arab hearts and minds fear of Israeli military might in order to have successful negotiations with the Arab side.

Third, Palestinian expectations must be reduced. Throughout the last stage of negotiations with the Palestinians during the Barak government in Camp David and Taba, Israel was too generous to such a degree that Palestinian expectations were raised too high and the conclusion of peace became impossible without touching Israel's basic demands and security needs.

These three ideas are not conducive to a successful peace process. The Palestinian ordeal and suffering under occupation has been extended for so long that it cannot take another period of waiting for the right of self-determination. Palestinians have been willing and able to sacrifice their lives to gain their freedom. In the last seven months more than 400 Palestinians have been killed and thousands wounded by substantially superior Israeli forces. Furthermore, no peace can be achieved on the basis of fear. Finally, Palestinian expectations were not raised too high. The Palestinians accepted to negotiate only on 22 percent of Palestine or much less than what the UN Partition resolution of 1947 allowed them; leaving 78 percent of the land to Israel.

However, these three ideas, accepted by the Israeli public, most likely will control Mr Sharon's behaviour in three directions. Mr Sharon's first mission has been to suppress the Palestinian Intifada through the massive use of power. The proximity of the Palestinian territories and Palestinian population to Israeli settlements has made Mr Sharon's old bloody war in Lebanon in 1982 like a tourist vacation. He will not be reluctant to expand his military operations to the rest of the region. Already, one of Mr Sharon's closest aids, MK Avigdor Lieberman, expressed Israeli readiness to bombard Tehran in Iran and the Aswan dam in Egypt. Sharon has targeted Syrian radar systems in Lebanon and one was eliminated.

His second mission has been to cover the restoration of credibility of Israeli military power by a lot of talk about peace. It has been recalled, as it already happened, that only strong right-wing leaders can make peace as did Charles de Gaul in Algeria, Richard Nixon with China and Menahem Begin with Egypt. Because Mr Sharon is none of the above, he declared that negotiations should not commence from the point where they ended in Taba in late January 2001. He said this and the departing Labour government that conducted these negotiations accepted it. So did the United States. All parties should go back to square one.

Mr Sharon's third mission has been to attempt to export his crisis with the Palestinians, which is certain to escalate, to the neighbouring more vulnerable Arab countries, particularly Lebanon and Jordan. It will be in Mr Sharon's interest to show the world that the Israeli occupation of Arab territories is not the sole reason for Middle Eastern troubles. If that will add to the exclusion of the US, and certainly Europe, from the negotiations or from interference in any form, Israel will have a free hand in implementing his strategy. Both, the Americans and Europeans are suffering from diplomatic fatigue in the Middle East. The new American administration of George W. Bush, discouraged by the Clinton experience, is taking its time to re-evaluate the situation.

Fortunately, however, Mr Sharon's strategy is curtailed by other factors. The nature of his coalition

government will define his future moves. As he included the Labour party, it will be difficult to exclude completely the progress in Camp David and Taba. If he has only a government of right-wing parties, it will be too fragile to sustain internal and external pressures. It has to be remembered that more than 20 percent of the Israeli public abstained from voting in the election and most of them did not support Mr Sharon. They put his landslide victory into question. The Israeli public further, although it could not yet bring itself to accept a fair deal with the Palestinians based on the exchange of land for peace, it has gone far beyond the point where Mr Sharon is standing. After Kosovo and Bosnia, international public opinion cannot tolerate forms of ethnic cleansing or massacres like Sabra and Shatilla. Finally, the new American administration cannot stay away from the Middle East, not only because of massive strategic, economic, and political investments in the region, but also because its stated priority in the Gulf region cannot be sustained without Arab co-operation. That can only be obtained through new American efforts in the Middle East. Washington is fully aware of the state of Arab streets, where people are highly motivated by the Palestinian resistance to Israeli occupation.

So far, all the parties to the Middle East conflict have decided to give Mr Sharon the benefit of the doubt. The PLO and Arab countries expressed their willingness to negotiate with him. Mr Bush met Mr Sharon and expressed the US's readiness "to co-operate very closely" with the government under his leadership. The EU showed the same direction and added, "The progress made on all major issues during the last negotiations should form the basis for future talks on the permanent status." Egypt and Jordan launched a new initiative to end violence, build confidence and resume negotiations.

This opening in dealing with Mr Sharon is good as it leaves all peaceful options available for him. If he took them, though that is not likely, peace negotiations would be possible. However, giving Mr Sharon the benefit of the doubt should not exclude the doubts that his seated inclinations and past experience attest to. The opening should not go on for too long. The Middle East, with the latest developments in Iran, Iraq and Algeria, cannot take another Lebanon-type war without major upheaval in the region that would destabilise all major Western interests and moderate Arab states. If he does not take the EU position, it will be necessary for the US, Arab states and Europe to isolate Mr Sharon and work to change the Israeli public once more in the direction of peace. The Palestinian people will have no other option but to continue their struggle for freedom.

WHAT WENT WRONG WITH THE PEACE PROCESS?

There are three ways to look at the present situation in the Middle East. It is true that the region has not matured in line with global developments. In a way, the Middle East is still living in a state of nature in which power is the defining factor for politics. The history of the region attests to this reality, as mentioned above. In no other region in the world can regimes such as the one in Iraq sustain defeat and continue in power. In no other region in the world could a peace process like the one in the Middle East, with all the investments of global and regional powers, fade away with losses to all concerned parties. Only, the Middle East, with its lack of progress, can remain in a state of prolonged conflict where original sins remain unforgiven. The failure of the parties to reach an agreement on the Palestinian-Israeli track because of the refugees and Jerusalem problems has brought the conflict back to where it was in 1948.

Furthermore, the present crisis in the Middle East is a by-product of developments following the July 2000 Camp David II Summit and major deficiencies in the Oslo peace process. A resolution of the

current crisis should address both. The deficiencies of the process are:

1. The philosophy of the process is based on gradualism and the mutual learning of the honest intentions of the Israeli and Palestinian peoples to peacefully coexist with each other. Although this philosophy might have certain merits, it gave those who oppose the process on religious or historical grounds the opportunity to sabotage it through settlement policies or violence. This will be even more the case when dates and timetables are not respected.
2. The frame of reference for the entire process, which is resolution 242 and land for peace, was often ignored in the negotiations to reach agreements, the negotiations to implement agreements, and the negotiations to implement every item on the agenda for implementation.
3. There has been a structural imbalance in the negotiations. Israel has secured itself a position of superiority in conventional and non-conventional weapons that led to a negotiation for peace in the Middle East under the threat of use of massive military power. Under such conditions, any Israeli concession is considered very generous even if it is far less than what the Palestinian side could accept.
4. The present leadership and élite of the region have an obsession with geopolitics over geo-economics. For them, history is defined in terms of the past not in terms of the future. The kind of leadership that can replicate the achievements of the founding fathers of the European Union in the Middle East is lacked.
5. The peace process has always been a government-to-government business while people have been completely absent. Even when normalisation was envisioned, it was in terms of economic gains that may inspire Arabs and Israelis to accept each other. However, both peoples are not merely economic animals that look for gains in the open market of global capitalism. Nor are they indulgent only in the pursuit of happiness to the degree of overlooking historical and cultural complexes that control their lives.
6. The US has been the major, if not the only, player to mediate the peace process. The US, because of domestic politics, could not be the fair player as a mediator should be. The Presidential cycle also adds a complicating factor to the sustainability of American efforts.

These deficiencies have prolonged the peace process and created diplomatic fatigue in all the parties. The conditions under which the Palestinian people have to live have become intolerable with no end in sight, particularly after the Camp David II Summit ended without concluding an agreement. The US administration's blaming of the Palestinian leadership for the lack of success has made the Palestinians feel that they face the hard choice of either living in isolation or accepting what they cannot accept regarding their basic values in Jerusalem and the refugees issue. The blaming of the Palestinians, on the other hand, made the Israelis feel that their 'generosity' in the negotiations was not reciprocated. Mr Sharon's visit to the Islamic Holy Sites in Jerusalem sparked the current crisis that led to the Palestinian uprising and corresponding rage in the Arab World. The Israeli people, on the other hand, in February 2001 elected Mr Sharon to form a centre-far right government.

HOT BARGAINING

Finally, instead of looking at the Middle East as a region still living in a state of nature, or as region that is living in post peace process failure, the area can be looked at as living through a process in

which the parties to the conflict are bargaining not only at the negotiating table but also on the battlefield to improve their positions. In spite of the recent crisis in the Middle East, the general deterioration of the peace process in the last few years and the freeze on the activities of the multilateral negotiations that came out of the Madrid conference, the Middle East conflict has witnessed noticeable progress that could not be imagined a few decades ago.

The conflict has been transformed from an existential conflict to a conflict about how the Arabs and Israelis can live with each other. Even the thorny Palestinian track has achieved some progress on most of the issues in the Camp David II Summit and in the last negotiations that were held in Taba, Egypt in the last week of January 2001. Both parties have recognised that they were closer to an agreement than at any time before. In fact, the current crisis could be perceived as an attempt by both parties to improve their bargaining position in the final mile of negotiations. Allowing this crisis to deteriorate and turning the clock back in the Middle East would be a historical mistake for which all the parties to the conflict, in and outside the region, would pay a heavy price.

If that is the case, interested parties should work harder to restore calm and bring the parties from the brink of war to the possibilities of peace. The Egyptian-Jordanian initiative, based on Sharm al-Shiekh Summit resolutions and the progress at the Taba negotiations, is one attempt in that direction. The EU has an important role to play, particularly in the next few months when the new American administration will be in the process of formulating its strategy. It is even possible that an active European role could help to shape such a strategy. Nonetheless, EU efforts should be different from the past. The EU Common Foreign and Security Policy (CFSP) is not sufficient to lead European efforts. CFSP is based on the lowest denominator among the Union's members. It does not even ensure that the Union's members would vote the same way in the UN when the Arab-Israeli issues are presented. Moreover, the EU has been ready to ignore its moral and legal principles hoping that it could appease Israel so that it would allow the Union a room in the peace process.

What is needed is a common position for all mediators at the highest possible level on the remaining issues in the Palestinian-Israeli negotiations and this position should be based on EU declarations, UN resolutions and the progress in the Camp David II Summit proposals, the Clinton Plan and the Taba negotiations. By the end of January 2001, both sides declared in Taba that they were never closer to an agreement than they were at that time. This progress was achieved in part because of the presence and facilitation of the EU special representative, Miguel Moratinos, and Egyptian diplomacy. The US was absent. Unfortunately, the new Israeli government and the new Bush administration declared this progress null and void. Both have declared that a return to the negotiating table will require an end to 'violence'. The new Israeli Prime Minister, Ariel Sharon and his Minister for Foreign Affairs, Shimon Peres, proposed that if negotiations resume, they would prefer a return to interim agreements.

A common position of all interested parties is now called for to prevent escalation of the current confrontation and to resume negotiations in a way that will allow success. For the first objective, one or more of the following options can be pursued:

- a) Work on the resolutions of the Sharm al-Sheikh Summit in November 2000, which the EU attended, including the invigoration of the Michel Fact-finding Mission and the introduction of international observers such as those working in Hebron;
- b) Ask Israel to withdraw its forces from area (B), which is supposed to be under shared security

arrangements and administrative Palestinian control;

c) Build on the Palestinian-Israeli Agreement of 31 January 2001, not to allow any damage to water and wastewater systems, to include electricity systems, health care systems, etc.;

d) Convince the Palestinians to keep the Intifada at the civilian level, which is enough to keep their cause alive and enough to create a constructive environment for negotiations.

For the second objective, two options are available to the mediators. The first option is to follow the Israeli proposals of starting from the point that preceded the Camp David II Summit on the search for new interim agreements. This option is flawed, not only because it is unacceptable to the Arab side but also because it will be unproductive. As presented above, one of the major deficiencies of the peace process has been its interim nature. The interim time is used not only by peace builders, but also by those who are opposed to peace in terms of violence and the building of settlements.

Furthermore, there is no Israeli agreement on what kind of interim agreements the Israelis would like to pursue. On one hand, the Peres proposals are based on excluding the issues of Jerusalem and the refugees and on searching for an agreement on other issues. On the other hand, the Sharon proposal is to create a Palestinian state on 43 percent of the West Bank and Gaza strip, an addition of only three percent to the territories already under Palestinian control. More important, a return to interim agreements with their miserable record of implementation would de-legitimise negotiations and understandings and allow each party to change its mind constantly by changing its government.

The second option is to build on the latest progress in Taba where gaps have been narrowed through intensive negotiations. In the case of failure, an EU position on the issue of Jerusalem might be called for. One idea to be examined is to put the old city under an international authority for only 10 to 15 years, during which time powers of control could be granted by this authority for a Palestinian Council over the Arab and Armenian quarters and the Al-Haram Al Sharif, and for an Israeli council over the Jewish quarter and the Wailing Wall. This international authority should include the five permanent members of the UN Security Council (P-5), a representative for the Vatican and a representative of OIC. For the rest of Jerusalem, the solutions will depend on the understandings of the Camp David II Summit and Clinton Plan. All Jerusalem will be an open city with no armies allowed to enter. On the more complicated issue of the refugees, the parties have already made progress on the compensation side of the issue and what remains concerns the moral and political responsibility of the problem, which could be solved if all other issues came to an acceptable resolution.

With a common position at hand for the mediators (the US, EU, Egypt and Jordan), their efforts should be complemented by action in the Security Council to create a P-5 consensus on such a comprehensive vision. The P-5 then should go, without new Security Council resolutions, to hold another round of the Madrid Conference to finalise the resolution of the Palestinian-Israeli track.

Elements of this plan are already in place. The launching pad is the Egyptian-Jordanian initiative which has the support of the US, EU and Russia. However, the Middle East has known a lot of lost hopes, missed opportunities and failed peace initiatives. For observers, they have to wait and see.
