



PolicyWatch 2204

Assessing U.S. Strategy in the Israeli-Palestinian Talks: A Mideast Trip Report

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This PolicyWatch is based on remarks made by Washington Institute executive director Robert Satloff at a February 4 Policy Forum. Read separate summaries of remarks by fellow speakers [Stephen Hadley](#) and [Dennis Ross](#), or watch video of the entire forum above.

Amid the swirl of Middle East chaos, Israelis are enjoying relative calm and real prosperity. External events -- from the counterrevolution in Egypt and the deepening sectarian war in Syria to the spread of Iranian influence across the region -- should provoke deep concern, but the political class is consumed with the politics and diplomacy of negotiations with the Palestinians.

The timing was not supposed to work this way. Israelis quite reasonably expected clarity

on the Iran nuclear issue before having to make decisions on the Palestinian issue. This expectation arose not because there is any direct regional linkage between the two issues -- there isn't -- but rather because Israelis anticipated a timetable in which the resolution of the Iran issue would tell them whether the United States will be a firm and reliable partner in the peace process. Now, however, Israel is being asked to make critical decisions on the Palestinian issue without that clarity and, even worse, amid profound doubts about the content and direction of U.S. Middle East policy.

OBAMA II VS. OBAMA I

The second Obama administration has adopted a profoundly different strategy on the peace process than it did when the president came to office in 2009. Five years ago, Middle East peace was defined as a top priority, the president was personally engaged, and stopping Israeli settlement construction was considered the key to progress. That approach led to stalemate. Today, the peace process is not the top priority, the president is not personally engaged, and settlements are not the focus of diplomacy.

Americans can rightly debate whether it makes sense for Secretary of State John Kerry to invest so much of his time and effort in this arena. Beyond that debate, though, one has to recognize the tenacity and wisdom of Kerry's tactical approach to the issue thus far.

In contrast to Obama 2009, the initial Kerry 2014 strategy has been to "hug" Israeli prime minister Binyamin Netanyahu, essentially asking him, "What do you need?" In response, Netanyahu gave a narrow, precise reply -- Israeli military presence in the Jordan Valley, and Palestinian recognition of Israel as the nation-state of the Jewish people. Interestingly, he did not emphasize the extent of Israeli territorial demands. Since then, Kerry has set out to fulfill Netanyahu's request, and he seems poised to deliver most of it.

This is why the Israeli government will likely respond to the new U.S. framework document with a "yes, but," not a "no, never." The benefits to Israel are significant, the costs of rejection are high, and the commitments Israel is asked to make -- while potentially substantial -- are not yet well defined. For example, a commitment to negotiate on the basis of the 1967 lines plus agreed territorial swaps may be politically charged, but it does not foreordain any specific outcome. In this context, the process does not seem to have reached the point where Netanyahu must choose between his domestic political coalition and diplomatic movement with the Palestinians. Despite all the huffing and puffing, none of the framework's reported content appears so difficult to swallow that Minister of Economy Naftali Bennett or Defense Minister Moshe Yaalon cannot live with it. The time for Netanyahu to make a fateful choice between his increasingly inhospitable political home in the Likud Party and the prospect of true diplomatic breakthrough may eventually come if a future deal is ripe and attractive enough, but that day is not yet here.

U.S. MISTAKES

Secretary Kerry deserves a measure of sympathy and understanding for taking on this Sisyphean task with little White House support. In fact, if certain reports are true, the White House has even interfered somewhat in his efforts. The president's State of the Union comments on the issue -- namely, a vague reference to "American diplomacy" as the umbrella under which peace talks are being held -- were read in some circles as an insult to Kerry, whose personal commitment has been the prime mover behind any recent

progress.

Still, Kerry has made mistakes of his own. Most prominently, he has a habit of overselling his case to Israelis when sketching the benefits that would accrue from a peace deal and outlining the costs of failing to reach one.

Regarding benefits, Kerry likes to entice Israelis with the idea that a deal with the Palestinians will trigger the Arab Peace Initiative's promise of recognition from the wider Arab and Muslim worlds. In fact, a close reading of that initiative -- first proposed by the Saudis in 2002 and since reaffirmed -- shows that Israel has to make peace on both the Palestinian and Syrian fronts before any commitment to Arab and Muslim recognition applies. Obviously, the chances for a Golan deal with the current Syrian government or any conceivable successor are close to zero. Kerry could therefore secure a useful contribution to peacemaking by convincing the Arab League to amend the initiative, making its commitments contingent solely on an agreement with the Palestinians.

Regarding the costs of failure, Kerry needs to find a way to speak to Israelis without triggering their worst fears. When Israelis listen to U.S. officials talk about the specter of boycotts and political isolation, they hear it as a prescriptive warning, not an analytical assessment. And when Americans say that fateful decisions on peace must be made "now or never," Israelis hear pressure, not inducement. It is far better for U.S. officials to let Israelis take the lead on this, as Justice Minister Tzipi Livni and Finance Minister Yair Lapid have done, than to set themselves up as easy targets for politicians critical of any diplomacy.

MISSING ELEMENTS

In addition to these mistakes, current U.S. policy on the peace process is missing four critical items: (1) a rigorous effort to build a Palestinian constituency that will support tough decisions about peacemaking; (2) an appreciation of the opportunities that flow from Hamas's current vulnerability; (3) high-level investment in bottom-up efforts to match the current top-down approach; and (4) public airing of costs to the Palestinians should their leaders reject the U.S. framework.

- While U.S. officials spend a lot of time trying to affect Israeli public opinion, they expend almost no effort building a Palestinian constituency for peace. Many mainstream Palestinians do not like the all-or-nothing straightjacket that radicals insist on and are willing to make enlightened tradeoffs in pursuit of peace. These Palestinians need to be informed and empowered so they can prioritize their preferences, just as Washington asks Israelis to do. This means outlining the benefits of peacemaking while being as brutally honest with Palestinians about their choices as U.S. officials are with Israelis. For example, U.S. officials should explain to Palestinians the fundamental choice between statehood and "return," as well as demystify the "security arrangements" brouhaha by detailing the surprisingly small number of Israeli troops currently deployed along the Jordan River.
- Hamas's strategic weakness -- which stems from the group's loss of radical allies, its alienation from Egypt's new leaders, and other factors -- is one of the main reasons why the region is enjoying the most conducive moment for peacemaking in a decade. But neither the Israelis nor the Palestinians seem to want to talk about ways to capitalize on this vulnerability. This is a lost opportunity.

- Over the years, Washington has vacillated between high-profile top-down diplomacy and the nitty-gritty, bottom-up work of building the Palestinian Authority's effectiveness; no administration has made heavy investments in both simultaneously. This is the peace-process equivalent of walking and chewing gum at the same time: why can't it be done? Letting the PA stagnate while diplomats focus solely on high-level diplomacy is a formula for disaster.
- The peace process is caught in a paradox. The current diplomacy was made possible by years of practical cooperation between Israel and the PA on security and economic issues. At the same time, one of the things that stands in the way of breakthrough is the fact that neither side wants failure in the negotiations to endanger their practical cooperation. Moreover, President Mahmoud Abbas knows that the cost of saying no to Kerry will not be a financial cut-off, since Israel would be the first to ask Washington to keep the PA's funds flowing.

U.S. officials must therefore define an alternative set of costs to Abbas. One approach is for the United States and other international actors to begin aligning their policies with their peace-process preferences. To be sure, Israel would not be pleased with international action that differentiates between "bloc" settlements -- that is, the large groups of communities that lie near the 1967 lines and are home to some 80 percent of Israeli settlers -- and settlements outside these blocs. Yet the Palestinians would be much more aggrieved by actions that legitimize the blocs, prevent funding for refugee activities that sustain the mirage of "return," and give legal standing to the presence of Israel's capital in Jerusalem. Alternatively, Washington could begin to coordinate with Israel on the idea of unilateral withdrawal from a large part of the West Bank, an idea that is gaining ground as a "plan B" among many segments of Israel's security and political establishment. Injecting these ideas into the peace process either would highlight the very real costs that Palestinians may incur if they reject legitimate steps forward.

Taken together, these measures constitute a parallel agenda that may be necessary to enable real progress. Even with all the effort Secretary Kerry is investing in the peace process, it is important to underscore how much more is left to do.