



# *Israel Debates No. 3*

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## **Dead-lock in the Peace Process and Rising Tensions in U.S. - Israeli Relations**

Israeli-Palestinian peace negotiations have reached a dead-lock. Since the inauguration of Netanyahu's government the peace process has not moved forward. This has been accompanied by strained relations between Israel and the United States. A substantial number of political observers speak about a serious crisis.

This slump was sparked on March 9th during U.S.-Vice President Joseph Biden's Israel-visit. Biden had initially intended to announce the beginning of U.S.-brokered proximity talks between both parties, when Jerusalem's city council published its approval of a construction plan for 1,600 new housing units in East Jerusalem's Ramat-Shlomo. From an Israeli perspective, this neighborhood is part of Israel. Palestinians, however, perceive it as part of the West Bank.

The American government filed protest and demanded the cancellation of the decision. The Palestinians consequently withdrew their willingness to engage in proximity talks. Benjamin Netanyahu, who had been taken by surprise as well, apologized for the timing of the announcement. On the other hand he reinforced his government's position that all of Jerusalem is part of Israel, which has the right to build there. Netanyahu had his office issue: "From our point of view, construction in Jerusalem is like construction in Tel Aviv". On March 23rd he stated at the annual AIPAC-convention – America's Pro-Israel Lobby – in Washington: "Jerusalem is not a settlement. It is our capital."

Within the framework of his participation at the AIPAC-convention Netanyahu met with President Obama and Secretary of State Clinton. Both meetings did not render a solution to the problems. Instead it became evident that Obama was unwilling to ease pressure. The U.S.-administration would not allow for compromising American strategic interests in the region without comment.

However, not Israel alone is responsible for the present halt of the peace process. The Palestinians are also to be held accountable. Their insistence on maximum demands and their refusal to engage in any kind of negotiations do not constitute a constructive contribution either. Moreover, the division between Fatah and Hamas poses a substantial obstacle, since Mahmoud Abbas represents only part of the Palestinian population. Subsequently, any achieved agreement will apply to the West Bank only and not to Gaza.

Both issues – the crisis of U.S.-Israeli relations and the halted Israeli-Palestinian peace negotiations – presently dominate Israeli media and the country's public discourse.

Below we will post the perspectives of two renowned Israeli security experts, which reflect the wide spectrum of Israel's internal debate.

**Dr. Reuven Pedatzur**, senior lecturer at Netanya Academic College, concludes his thorough analysis by stating that indirect talks, which are supposed to restart the negotiation process, will not lead to an agreement. At the same time, he believes, that the coming months will be of great importance. The time of evasions and maneuvering is over. The Israeli leadership will have to demonstrate that it is capable of taking difficult decisions. Dr. Pedatzur closely analyzes the steps taken by all three parties – Palestinians, Israelis and Americans – within the past few weeks and points at several of their mistakes. He expects the situation to further deteriorate, since neither Israelis nor Palestinians presently seem to be ready for compromise.

Netanyahu's "moment of truth" has come: He will have to decide, if he wants to improve his relations with the Obama-Administration or if he prefers the continuation of his right-wing coalition.

**Prof. Efraim Inbar** from Bar-Ilan University arrives at similar conclusions. He, however, believes the cause to be a very different one. The chances of reaching an agreement and its implementation are, to Inbar, close to zero, the rift between President Mahmoud Abbas' Fatah, which dominates the West Bank, and Hamas, which rules the Gaza strip, being the main cause. As long as the Islamist Hamas continues determining the Palestinian ethos and Palestinian claims, politics and the peace process will be subject to extremists. Another important reason, according to Inbar, is Obama's policy of "moderate pressure". Prof. Inbar believes this be a sign of weakness, which leads him to speak of the end of "America's prime influence in the Middle East". According to Inbar, putting political pressure on Netanyahu's government is yet another mistake by Obama. Netanyahu has proven his willingness to compromise by freezing the construction of West Bank settlements. On the other hand excessive Palestinian demands at the expense of Israel's security interests demonstrate that they are not ready for peace. He accuses the EU of engaging in erroneous policies, supporting unrealistic Palestinian aspirations – such as the partition of Jerusalem – or financially assisting the population of Gaza.

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## Indirect Dialogs will not conduct to an Agreement

### Dr. Reuven Pedatzur

The negotiations between Israel and the Palestinians have reached a dead-end over the previous year, since Benjamin Netanyahu's government was sworn in. In fact, all of the contacts that existed between the sides during Prime Minister Ehud Olmert's government were severed. The standstill of negotiations has led President Barack Obama's administration to initiate American involvement, to break the ice and try to promote an agreement between Israel and the Palestinians. The American president appointed a special ambassador to the region, Senator George Mitchell, who had demonstrated his abilities as a go-between when he led the process which ended with the signing of the "Good Friday Agreement" in Northern Ireland.

When it became clear to President Obama and his ambassador, Mitchell, that the Head of the Palestinian Authority, Mahmud Abbas (Abu Mazen) was unwilling to renew the negotiations with Israel, they came up with the idea of "proximity talks", i.e. indirect negotiations between the two sides.

The US administration's decision to suggest a course of indirect talks has taken the relationship between Israel and the Palestinians back to before the Oslo Accords. It is difficult to understand the reasoning of such a decision, because after a long period during which the sides maintained direct contacts that produced many understandings on essential issues, it is hard to believe that indirect talks could create a political breakthrough. The American government made a mistake when it did not insist and put pressure on the sides, primarily the Palestinians, to return to the negotiation table and hold direct talks. Proximity talks are generally held between sides that do not recognize each other and, therefore, cannot meet. As stated, this is not the case with the Palestinians and the Israelis 17 years after the Oslo Accords.

From the start, Mahmud Abbas set a high stumbling-block before continued negotiations with Netanyahu, when he demanded to continue the negotiations at the exact point they had ended during Ehud Olmert's term as Prime Minister. Abbas should have realized that the Netanyahu government was not

obligated to the undocumented talks held by Olmert and Tzipi Livni. Governments are obligated to signed agreements, but not to ideas and suggestions that come up during discussions or clarifications. He should have understood and accepted that talks with the Netanyahu administration would have to start at point zero, albeit taking into consideration all that had happened during the 10 years of peace settlement negotiations.

Netanyahu, on the other side, should have insisted on direct talks with Abu Mazen. But, he preferred to accept the proposal of indirect talks, knowing well that there was no chance they could lead to an agreement. Thus, thought Israel's Prime Minister, he would fulfill his obligations. He could accept American mediation on one hand and would be spared some hard decisions on the other hand.

The problem was exacerbated when Washington decided to put pressure on Netanyahu to announce a series of steps in advance, to indicate that Israel was indeed willing to promote negotiations. This was a mistake, because the administration expected Netanyahu to promise actions he was unable to carry out and which, until then, had been a matter of acquiescence between the two countries. Such is the demand from Netanyahu to completely discontinue the construction in East Jerusalem. Building in the Jewish neighborhoods located beyond the 1967 lines has gone on non-stop for the past 42 years. American administration experts should have realized that the demand to stop construction entirely was irrational from Netanyahu's point of view, and that he could not accept it. Furthermore, some of the building plans in these neighborhoods already existed and had been approved in various municipal committees. The American insistence on an unequivocal announcement by Netanyahu regarding building in Jerusalem necessarily led to a dead-end.

Proximity talks are supposedly the ladder to help Mahmud Abbas climb down from the tree he had scaled when making impossible demands for the renewal of negotiations. It is a way to hold negotiations without it looking like negotiations. The decision of the Arab Foreign

Ministers was intended to reinforce the ladder and help Abbas cope with the criticism against his decision. This criticism has already started, both from Hamas and from circles within his own movement, Fatah. Indeed, after the Americans suggested the idea of proximity talks, on March 3<sup>rd</sup> 2010 in Cairo the Foreign Ministers of the Arab League voted to endorse proximity talks, despite the Arab delegates' mistrust of Netanyahu's government's intentions. In his opening statement before delivering the Arab Foreign Ministers' decision, Amr Mussa, the Arab League's secretary-general, said: "Despite our mistrust of the Israeli side's intentions, the committee has decided to give the indirect talks a chance as a last opportunity and to enable the US to do its job". The decision of the Arab Foreign Ministers spoke of support of this move for a period of 4 months.

The Palestinians apparently decided to accept the idea of proximity talks and initiated the endorsement of the Arab League also because they were given some assurances by the US administration. In order to reinforce the legitimization of the decision to agree to the talks, the Palestinians took the trouble to make public that in the document they received from the Americans, in reply to their clarification questions, the US promised that if one of the sides did not fulfill the Americans' expectations, it would clarify its concerns and act accordingly to overcome the hurdle. The significance of this is that the US would not only convey messages between the sides, but would also supply suggestions and mediation proposals. The administration also stated in its answer that its primary goal was to establish a sovereign, independent and sustainable Palestinian state. The Palestinian state would have continuous territory and would bring to an end the occupation that had begun in 1967.

After Netanyahu consented to indirect talks, he made a number of mistakes that exacerbated the tension between him and President Obama, caused the president and his aides to lose trust in Netanyahu, and minimized the chance of renewed negotiations with the Palestinians.

One of Netanyahu's mistakes, whether by deliberate decision or by the unwitting actions of a minor clerk, was expressed in the

announcement that was made public during Vice-President Joe Biden's visit in Jerusalem, concerning the construction of 1600 housing units in the Ramat Shlomo neighborhood in East Jerusalem. Biden perceived this as a deliberate act of humiliation by the Israelis, while he was on a goodwill mission in Israel trying to soothe strained relations between the two countries. Netanyahu's explanations that he had not been aware of the decision to make the announcement were to no avail. Secretary of State, Hilary Clinton, reprimanded Netanyahu by a phone call that was made public, so as to intensify the criticism of the Israeli Prime Minister.

Later, on a visit to the US, Netanyahu again acted with inexplicable insensitivity, when during a speech at the AIPAC Convention not only did not promise to stop the construction, but emphasized his government's commitment to nonstop construction in East Jerusalem, which was not "a settlement" but "our capital city". From the American perspective, this was callous defiance by the Israeli Prime Minister. In his discussions on Capitol Hill, Netanyahu repeatedly emphasized that he had no intention to discontinue building in Jerusalem. The White House perceived these steps as an attempt to win over congress against the president.

Before he had left for his US visit, the US administration asked Netanyahu, by means of Secretary of State Hilary Clinton, for clarifications about his intentions on a list of issues, which would come up during talks with the Palestinians. Netanyahu in fact sent a letter to Clinton clarifying his intentions. But, during preparatory meetings between Biden, Clinton and Netanyahu on Monday March 22<sup>nd</sup>, they made it clear that Netanyahu would have to meet the President willing to commit to moves that would restore trust in him and would exhibit his commitment to the peace process. Clinton and Biden underlined to Netanyahu that his letter of the previous week was insufficient and too general, and asked him to explain the topics in greater detail when he met the President.

But, apparently, the attempts to reach an understanding with the US administration, at least concerning the construction in East Jerusalem, failed during the meeting between

Netanyahu and President Obama on March 24<sup>th</sup>, which took place a short while after Netanyahu's speech to the AIPAC delegates. During the Obama-Netanyahu meeting, an announcement from Israel that the building project of the Shepherd Hotel in East Jerusalem had been approved, added to the tension between the leaders. Once again, it seemed that Israel was trying to indicate to the Americans that it would not be dictated to about where and when to build in Jerusalem.

The result was that the meeting between Prime Minister Netanyahu and President Obama in the White House was considered a failure. Nor did the two succeed in bridging their severe disagreements about the future of the peace process or the construction in East Jerusalem in a short follow-up meeting. The locus of the Obama-Netanyahu meeting was construction in East Jerusalem. Obama asked Netanyahu for clarifications on the issue and for extra commitment to supervise building in East Jerusalem. Netanyahu was also requested to clarify his promises concerning gestures towards the Palestinian Authority, as well as his willingness to seriously discuss core issues in the indirect talks. Obama asked Netanyahu for clarifications on the issues raised by the Palestinians, so as to convince Mahmud Abbas, Head of the Palestinian Authority, to agree to renew the indirect negotiations with Israel. Among the issues: the negotiation schedule, the future of the building freeze in the settlements and East Jerusalem, and Israel's position on the Palestinian demand to withdraw to the 1967 borders.

Obama also asked Netanyahu to put it all in writing. In discussions held between Netanyahu's aides and Senator Mitchell and the president's aides, it was examined whether an agreement could be reached between the US and Israel about the various issues and drawn up in an unofficial non-binding document, to show Abbas. It seems that so far the sides have not reached an agreement.

Seemingly, the reason that no agreement has been reached with the White House is that Netanyahu will not commit to the central issues raised by president Obama. Thus, the disagreement between Israel and the US is intensifying, and at the moment there seems to be no way out of the dead-end that could have

led to the opening of proximity talks with the Palestinians.

Abbas, on his part, was quick to take advantage of the American demands from Netanyahu, and decided to make them a prerequisite for his consent to renew the talks. Abbas, who most likely does not believe in the chance to achieve a political breakthrough by means of proximity talks, is doing everything he can not to get there.

It seems that Abbas is expressing objections to any alternative that is not a permanent agreement, whereas Netanyahu wants to promote partial agreements that will eventually lead to a permanent agreement. The Palestinians told the Americans that they were not interested in realizing the option of temporary borders, although this option is part of the "road map".

At the moment, it appears that the crisis will deteriorate, primarily because the leaders on both sides (Netanyahu and Abbas) are not prepared to make concessions in negotiations. If these would take place, they would make signing an agreement possible. Abbas is trying to the best of his ability to postpone the negotiations, possibly so that he is perceived as a leader who is firmly upholding Palestinian rights in the upcoming elections.

Netanyahu, on the other hand, will soon have to choose between the continued participation of the right wing parties in his coalition and a rift with President Obama. He realizes that if he succumbs to the American president's demand, mainly concerning building in Jerusalem, there is a good chance that his coalition will disintegrate. In such a case, he can invite the Kadima party to join the government, but he would have to change the government's fundamentals and probably offer the Kadima leader, Tzipi Livni, a significant role in his government and partnership in the negotiations with the Palestinians.

It seems that Netanyahu has reached the moment of truth, in which he will have to make decisions that can be defined as "historical". It appears that the possibility to go on postponing the essential decisions concerning a permanent agreement with the Palestinians has run out. Netanyahu had actually declared in a speech he made in June 2009 that he was

ready for the two-state solution, but has not made one step to promote this solution, and it seems that he thought a declaration would be enough to curb the American administration's pressure. The period of construction freeze in the settlements, which Netanyahu announced in November 2009, will be up shortly. The Prime Minister will have to decide whether to extend the freeze period or to allow renewed building in the settlements. Any decision will have serious repercussions. A decision to extend the freeze period will probably result in the end of the coalition, whereas cancelling the construction freeze will aggravate the crisis with the Americans.

Eventually, Netanyahu will soon have to present his *weltanschauung* about how he sees the solution to the Palestinian problem. In the background of these developments there is yet another problem. Any agreement that is reached by the sides – Israel and the Palestinian Authority – will probably be met with opposition by Hamas, which controls Gaza. Therefore, even if President Obama manages to lead the sides to fruitful negotiations, it will still not solve the Palestinian problem. It appears that at this stage the American administration prefers to ignore the internal Palestinian problems between the Authority and Hamas, hoping that if an agreement is signed with Israel, the leaders of Hamas will be convinced to accept it, or at least not to oppose it. It is doubtful whether this will happen.

In conclusion, the next few months are critical to the future of the relations between Israel and the Palestinians and Israel and the US. The Israeli leadership must demonstrate responsibility and make tough decisions that will affect Israel's and the entire region's future. It is doubtful whether the present leadership in Jerusalem is capable of it.

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## Progress in Israeli-Palestinian Talks is Unlikely

### Prof. Efraim Inbar

The Obama administration placed the attempt to solve the Israeli-Palestinian protracted conflict high on its foreign policy agenda from the very beginning (January 2009). Yet, American diplomacy has failed to restart negotiations between Palestinians and Israelis and even if the US is successful in re-launching bilateral talks the chances of reaching an agreement and implementing it at this stage are nil.

The main problem is the split between the PLO-ruled West Bank and the Hamas-ruled Gaza with very little chance of the two areas becoming one political entity. It is the Israeli routine counter-terror activity that makes sure that Hamas does not take over the West Bank. The competition between the West Bank and the Gaza leaderships stiffens positions on the issues pertaining. Mahmoud Abbas refuses to enter direct negotiations, although he seems to inch toward proximity talks with Israel, while Hamas is still dedicated to the destruction of the Jewish state.

Abbas in his May 2009 Washington Post interview emphasized that he is in no hurry to negotiate with Israel and that he expects the Americans to force Israel to accept the Palestinian conditions. His prime minister, Salam Fayyad, announced a plan to unilaterally establish a Palestinian state in two years instead of a state emerging from negotiations with Israel. Both "moderate" leaders honor suicide bombers as martyrs and provide their families with state pensions. They allow the PA-controlled media, education system and mosques to continue to promote rabid anti-Semitism. Both reject recognition of Israel as a Jewish state. The Palestinians seem to have a great territorial appetite and historically, they have displayed a lack of political pragmatism that is a prerequisite for reaching a compromise. As long as

Islamist Hamas has a powerful grip on Palestinian ethos and aspirations, and as long as its ruthless rule over Gaza continues,

Palestinian politics are hostage to the extremists and are unable to move toward an historic compromise with the Zionist national movement.

The belief that American pressure can change the positions of the protagonists in the conflict is also ill-founded. Outsiders have little influence and peace can be reached only if the parties are ready to do so. The main breakthroughs in Arab-Israeli relations, the visit of Egypt's president, Anwar Sadat to Jerusalem (1977) and the Oslo agreements between Israel and the PLO (1993), were result of bilateral interactions in which the Americans were not involved. Outsiders have limited ability to induce change in how Middle Easterners conduct their business, as recent American experiences in Iraq and Afghanistan indicate.

Moreover, Obama's behavior has not been helpful. He has insisted on a comprehensive settlement freeze, which the Palestinians turned into a precondition for sitting at the negotiation table. Recently, Obama's administration has demanded to stop Israeli building in Jerusalem. So far these demands have backfired, indicating Washington's limitations in imposing its will on Jerusalem. Furthermore, when the US promised to secure Arab gestures as a *quid pro quo* for Israel's concessions, Washington was unable to deliver, indicating again the limits of American clout in the region.

Unfortunately, the heyday of American influence in the Middle East is over. When American diplomacy is not backed by "hard" power, the "soft" power extolled nowadays by Washington carries only little weight with the realpolitik oriented Middle Eastern elites. Most capitals of the region regard Obama as weak. This does not augur well for American diplomacy, as even the weak Palestinians are able to say NO. Moreover, American diplomacy can hardly make a dent in the schism within Palestinian society that is the main stumbling block for progress in peace making. Similarly, The US ill-advised when it tries to pressure the Israeli government to make concessions in Jerusalem. This is probably the best issue any Israeli government can find in order to make a stand against Washington.

European involvement is also not helpful. The EU basically nourishes unrealistic Palestinian goals, such as the division of Jerusalem, instead of encouraging greater Palestinian pragmatism and flexibility. Moreover, its generous financial aid spares the Palestinians the need for making more efforts to create the political conditions conducive to economic growth. The EU largely maintains a bloated and corrupt Palestinian bureaucracy. The aid to Hamas-ruled Gaza is particularly disturbing because it helps the Jihadist Hamas to stay in power and sustains the war waged by the Hamas entity against democratic Israel. The March visit of the EU foreign policy chief Katherine Ashton to Gaza on the very day Gazans launched deadly missiles to Israeli towns is a recent example of European misguided policy. European money to Gaza also undermines the attempt for preferential treatment to the West Bank, which is allegedly ruled by moderate elements.

Blaming Benjamin Netanyahu for the current impasse assumes that the insatiable Palestinians must be placated at the expense of vital Israeli security interests, such as demilitarization of the West Bank and maintaining Israeli control over the Jordan Valley and Greater Jerusalem. Ascribing responsibility to Netanyahu for the lack of progress in the Israeli-Palestinian track also wrongly assumes that the Palestinians have displayed flexibility in their approach to Israel. Yet it is the Palestinians who are not ripe yet for peacemaking. Even Netanyahu's decision for the ten-month freeze on building in the settlements, an unprecedented Israeli concession, was rejected by the Palestinians.

Netanyahu believes that progress on the road to peace can only be achieved by a slow process of institution-building and economic growth beginning from the bottom-up. Indeed, his government has done its best to facilitate economic growth in the West Bank by removing dozens of roadblocks, thereby putting the lives of Jews at risk, and by supporting international and Palestinian economic activity. Moreover, the Israeli prime minister declared at every opportunity his willingness to enter into unconditional talks with the PA and has even accepted proximity talks despite Israel's traditional insistence on direct talks.

True, Netanyahu's conditional acceptance of the 2-state solution was Netanyahu's was accompanied by demands for demilitarization and secure borders. Netanyahu government's cautious approach toward the Palestinians enjoys large popular support and his Bar-Ilan address was endorsed by over 70 percent of Israelis. Indeed, most Israelis display a realistic appraisal of the nature of the Arab-Israeli conflict. According to a recent poll, 82% of the Israelis regard the claim that Israeli withdrawal to the 1967 lines would bring peace for generations since the Arabs would no longer have any claims against Israel, as a naïve and simplistic. Such views indicate the need for caution and popular support for the current Israeli government. This public mood makes also Israel less vulnerable to outside pressure.

So far, those advocating great Israeli territorial concessions to the Palestinians in order to bring peace have been proven wrong. Two Israeli prime ministers offered to cede virtually all of the disputed territories. The offers of Ehud Barak and Ehud Olmert were respectively rejected by Arafat in 2000 and ignored by his successor, Abbas, in 2008. Moreover, in 2000 the Palestinians launched a campaign of terror and recently they have threatened to renew it. Similarly, after the Sharon government unilaterally withdrew from Gaza and dismantled all settlements in 2005, the Gaza Strip was converted into a launching pad for intensified missile attacks.

Unfortunately, a large part of the international community fails to understand that the ethnic conflict waged in the Holy Land will end only when the parties will tire. So far, Israelis and Palestinians still have energy to fight for what is important to them. Therefore, peace is not in sight.

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