

OBAMA TACKLES MIDDLE EAST PEACE

NEW APPROACHES TOWARD ELUSIVE ISRAELI-PALESTINIAN PEACE

On 4 June, US President Barack Obama sought a 'new beginning' in relations between the United States and the Muslim world. In a speech at Cairo University, he said the 'cycle of suspicion and discord must end'. He added that: 'No system of government can or should be imposed upon one nation by any other.' While reaction from the Arab world was generally positive, a key question was whether Washington's new approach could influence the conflict between Israel and Palestine.

Obama had already offered evidence of his commitment to advancing the cause of Israeli–Palestinian peace. He had also laid out a new hard line on Israeli settlements in the West Bank. Construction of settlements – including construction in existing settlements – must be completely halted, he said. In his Cairo speech, Obama said the bond with Israel was 'unbreakable' and told Palestinians to abandon violence. 'Resistance through violence and killing is wrong,' he said. But he also described the situation for Palestinians as 'intolerable', and said Israelis 'must acknowledge that just as Israel's right to exist cannot be denied, neither can Palestine's'.

As part of his effort to engage the Arab world, Obama visited King Abdullah of Saudi Arabia on the way to Cairo. Obama has, in effect, moved to incorporate into US foreign policy the comprehensive Arab Peace Initiative first proposed by the king (then crown prince) in 2002. The initiative aims to normalise relations between Israel and the entire Arab region as part of an agreement entailing Israel's withdrawal from the territories it has occupied since the 1967 Arab–Israeli war, an agreement on Jerusalem and a settlement on the right of return for Palestinian refugees.

Although the US administration's commitment to overseeing Israeli–Palestinian peace negotiations is clear, large questions remain over the parties' current willingness and ability to engage in constructive talks. On 14 June, Israeli Prime Minister Benjamin Netanyahu announced in a much-anticipated speech that he would accept a two-state solution. However, he said a Palestinian state must be demilitarised and that the Palestinians must recognise Israel as a Jewish state. In addition, he refused to alter his position of supporting 'natural growth' in Israeli settlements in the West Bank. He said the issue of Palestinian refugees must be resolved 'outside the borders of the state of Israel', and that Jerusalem must be the 'united capital of Israel'. While his acceptance of the possibility of a Palestinian state was an important shift that was welcomed by Washington, Netanyahu's speech was rejected by Palestinian leaders.

On the Palestinian side, continuing deep divisions made it unlikely that any kind of unified negotiating position could be forged, even if Israel was as willing to proceed with peace talks as Netanyahu professed. Hamas, the radical Islamist organisation governing the Gaza Strip, has yet to unequivocally accept Israel's right to exist. It is locked in a power struggle with Fatah, the largest party in the Palestinian Authority governing the West Bank, for control over the Palestinian national movement.

Israel's position

The Netanyahu-led coalition came to power in February 2009, following a swing to the right by Israeli voters disillusioned by fruitless peace efforts, weary of rocket attacks from Hamas-controlled Gaza and worried about Iran's continuing enrichment of uranium for possible nuclear bombs. Tzipi Livni, who was foreign minister under former prime minister Ehud Olmert and who succeeded him as leader of the centrist Kadima party, was seen as less willing and able to confront Iran than Netanyahu. Kadima gained slightly more votes than Netanyahu's Likud, but right-wing parties generally outperformed those to the left, leaving Netanyahu in a better position to form a coalition than Livni.

She turned down the opportunity to join Netanyahu's government, forcing him to invite the controversial Yisrael Beiteinu party of Avigdor Lieberman and smaller right-wing parties to form a coalition.

Netanyahu, put in a difficult position by the new American emphasis on Israeli settlements in the West Bank, may want to delay any further concessions beyond conditional acceptance of the two-state solution until he can see the outcome of the Obama administration's planned engagement of Iran. (That engagement has been complicated by controversy over the 12 June election, during which Mahmoud Ahmadinejad was declared to have been re-elected president by a large margin. This result was disputed by opposition candidates and led to large-scale public demonstrations. Uncertainty continued at the time of publication.)

Israel's concern about Iran is motivated less by fears of an Iranian nuclear attack than by apprehension that it could eventually be encircled by rejectionist states and non-state actors abetted by Iran. After 30 years in which Arab states gradually came to accept Israel's right to exist, Israel sees that trend as being challenged by a new narrative articulated most forcefully by Iranian President Ahmadinejad. His 'eliminate Israel' rhetoric, which has significant popular appeal among Arabs, had not been heard in the Middle East since the 1960s and is considered by Israel as an existential threat. The Israeli security establishment believes that if Iran's ambitions are not checked, Iran's mere ability to build a nuclear bomb – even if it did not actually build one – could enable Tehran, its proxies and allies to destabilise Jordan and Egypt.

The question is whether Netanyahu can accommodate US and European pressure to make concessions to the Palestinians aimed at improving access and movement in the West Bank, removing illegal settlement outposts, freezing construction in existing settlements and halting the controversial demolition of illegally built houses in East Jerusalem.

When Netanyahu was prime minister from 1996 to 1999 he proved more pragmatic than several of his right-wing predecessors, such as Menachem Begin and Yitzhak Shamir. It is thus possible that he may eventually reach a compromise with the US on a freeze on new homes even within existing settlements. However, if he did move towards Washington's position, he would raise Israeli concerns about security. Questions would be asked, for example, about how a Palestinian state would prevent members of Iran's Revolutionary Guard, Hizbullah and global jihadists from filtering into Palestine through Jordan or Egypt. His government is therefore likely to resist concessions unless they are matched by 'performance-based benchmarks' including Palestinian moves to improve security. On 17 June, US Secretary of State Hillary Clinton reiterated Washington's call for a total cessation of settlement construction, after Israel's Foreign Minister Avigdor Lieberman rejected a freeze on 'natural growth'.

Palestinians divided

On the Palestinian side, rivalry between Hamas and Fatah has intensified since Hamas triumphed in the January 2006 election for the Palestinian Legislative Council and then took control of Gaza by force in June 2007. Palestinians are disappointed with the poor battlefield showing of Hamas and its leadership during Israel's *Operation Cast Lead* in Gaza in January 2009, in which some 1,400 Palestinians were killed. Even less popular is Fatah, which sat on the sidelines in the West Bank as Israel carried out its prolonged attack on Gaza. Any deal made by Fatah alone with Israel may lack credibility, given Hamas' current status as unrivalled leader of the Palestinian resistance.

Egypt is trying to bring Hamas and Fatah together in talks to create a government of national unity. Fatah wants to undo what it considers the unlawful Hamas takeover of Gaza, while Hamas wants any proposal for the creation of a joint security force to apply not only to Gaza but also to the West Bank, where it hopes to gain a stronger foothold. Both factions are afraid that in Palestinian elections scheduled for early 2010 they will lose support in the territory they govern – Hamas in Gaza and Fatah in the West Bank. Given the long-term erosion in support for Fatah, caused partly by corrupt and ineffective government, only real progress in the peace process with Israel might reverse the slide in popularity of Mahmoud Abbas, the Fatah leader and president of the Palestinian Authority. However, prospects for Hamas–Fatah reconciliation have become more remote as a result of recent arrests by each other's security forces in Gaza and the West Bank.

The Iranian question

Israel feels that it has achieved some level of deterrence against Hizbullah, Syria and Hamas as a result of its military operations in July 2006 (the war in Lebanon), 6 September 2007 (the attack on the Syrian nuclear plant) and January 2009 (the Gaza war). The only country against which Israel feels it has not achieved a level of deterrence is Iran, and this is consequently a preoccupation for the Israeli government.

Before meeting Netanyahu on 18 May, Obama sent the Israeli prime minister a message warning him not to launch any surprise military attack on Iran. After their meeting, Obama said he was prepared to pursue diplomatic talks with Iran until at least the end of the year before deciding whether that effort was 'moving in the right direction'. Whether or not Netanyahu promised not to attack Iran during this period, he would not be able to do so without seriously jeopardising the US–Israeli relationship.

In any event, unless Iran's financing, arming and training of Hizbullah and Hamas are reduced significantly, prospects for Israeli territorial concessions to the Palestinians in the West Bank and Jerusalem are minimal. Conversely, a diplomatic break-through between Iran and the West could enhance peace prospects. Without Iranian backing, Hamas might be more willing to form a government with Fatah to negotiate with Israel. Hamas might even move to accept, implicitly or otherwise, the principles laid out by the US-led 'Quartet' of Middle East peace negotiators, that would enable Israel to negotiate with it as part of a unity Palestinian government. These Quartet principles importantly include recognising Israel's right to exist.

Increasingly, there is common ground between Arab states and Israel over Iran and its destabilising influence in the region. The Egyptians and other Arab Sunni states are beginning to speak out publicly against Iranian-sponsored extremism. For example, Egypt alleged that 24 suspects arrested in the Sinai late in 2008 were part of a Hizbullah cell that was planning to attack Egyptian targets. Despite these signs, Arab states' unanimous rejection of Netanyahu's 14 June speech indicates their continuing reluctance to align publicly with Israel against Iran unless there is progress on the Palestinian front.

The Obama effect

Through his appointment of Clinton as secretary of state, and George Mitchell as special envoy to the Middle East, Obama has imparted new energy to America's long-term efforts to bring peace to the Middle East. Through his speech in Cairo, he has sought to leave behind the era of mistrust and antipathy that characterised the George W. Bush administration following the 2001 terrorist attacks on the US.

Launching a new era, however, takes more than a speech, as Obama himself acknowledged. In making a new pitch to end the dispute between Israel and Palestine, Obama appears to be banking on the fact that there is latent majority support for peace among both the Israeli and Palestinian publics. Even with such support, and even with reinforcement from a positive 'Obama effect' in the Arab and Muslim world, there remain many barriers to overcome.

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