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"BALLOTS AND BULLETS: THE DILEMMAS OF
U.S. POLICY TOWARD ARMED ISLAMISTS GROUPS"

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P R O C E E D I N G S

MR. INDYK: In the Brookings tradition, we'd be grateful if you began your meal. And I've checked with Magnus and he's okay with you eating while he speaks, which is just as well, because you were going to do it anyway I guess.

Welcome to the Saban Center for Middle East Policy. Delighted to have the opportunity to introduce you to Magnus Ranstorp, an unusual talent with expertise in an area of considerable interest to U.S. policy.

He is the Research Director of the Centre for Asymmetric Threat Studies at the Swedish National Defense College. He's renown internationally for his expertise on Hizbollah, Hamas and al-Qa'ida and other militant Islamic movements.

He has conducted extensive field work around the world on these groups. And that field work has included interviewing hundreds of terrorist cells as well as members of militant Islamic movements.

His work on the behavior of Hizbollah has been recognized generally, even said to have been a major contributing factor to the Israeli government's decision to withdraw from Southern Lebanon in March of 2000.

MR. RANSTORP: I was there in March of 2000.

MR. INDYK: Thank you, Magnus.

MR. RANSTORP: I was trying to meet you.

MR. INDYK: I always wondered what triggered that withdrawal. Now I know.

He previously served as director of the Center for the Study of Terrorism and Political Violence at the University of St. Andrews in Scotland. He's the author of "Hizbollah in Lebanon" and numerous articles and monographs on terrorism and counterterrorism.

And his most recent edited book is called "Mapping Terrorism Research: State of the Art Gaps and Future Directions."

He's testified before the 9/11 Commission. He's a member of the Advisory Panel on Terrorism in

Europe, which advises the EU Counterterrorism Coordinator.

And he's currently directing a project on strategic terror threats to Europe, which is focusing on the radicalization and recruitment of jihadist terrorists in European countries.

Magnus, before you speak, maybe it would be useful to you since this audience is probably not familiar to you, but I'll ask everybody to go around and introduce themselves.

[Inaudible]

MR. RANSTORP: I would like to thank the Saban Center and Brookings and particularly Ambassador Indyk for inviting me. I tried on numerous occasions to have meetings with you, but you were pulled back for more important talks at Camp David and so forth.

It's a pleasure to be here. It's a bit daunting to be here to tell you the truth. The focus of my talk today will primarily be on Hamas and Hizbollah and the dilemma of U.S. policy--I feel daunted in addressing this issue primarily, firstly

because I've met most of the participants locally as a foreigner in Lebanon with the Hizbollah. I met with Ismail Haniyeh in the course of my research. I have followed the nuances of the very byzantine labyrinthine complexity of the politics and tried to sort of offer some solution or pathway maybe perhaps more--too much for me to sort of chew off in the time I've been allotted.

But I will do my best, and I hope that some of my reflections and some of my thoughts may provide some different ways of looking at how the problems are being approached.

Before I shall proceed, let me sort of extend also my special thanks to Bilal Saab. I recognize a couple of ties from St. Andrews, my period of 15 years I spent there in building up the terrorism center. Bilal and I have been working a little bit on trying to put together some coherent work on how to approach the Hizbollah movement. And we hope to have something in writing in the next couple of months.

I want to start off by offering five different reflections on both groups that may be worthwhile bearing in mind.

The first reflection is that we are dealing with groups that have a different perception of time and space.

I was struck when I was interviewing Ismail Haniyeh and Sheik Yassin, the late Sheik Yassin, that there was a common vision for the future. It's not limited just to Hamas, but it's limited that the future project that they are striving for in the question of the Islamic state, of Palestine actually had a timeframe.

In the case of Hamas, it was 2022, 2023. When I first met Yassin, he talked about Bassem Jarrah and the mullah (ph). He talked about Bassem Jarrah, the Islamic sociologist in Ramallah. He talked about Hadis (ph). He talked about beyond the Islamic doctrine. But they also spoke about some of the realities that would lead to the fruition of the establishment of an Islamic state of Palestine--

demography, life after Yasser Arafat, the Islamic revolution in Jordan and Egypt.

This project is a [inaudible] trust, not to relinquish and therefore I get a bit troubled when I hear about assessments about moderates, Hamas members as individual personalities who will be influential in having the authority to change the policies.

The strategy (ph) is very clear. Everything in between is tactical maneuvering.

In case of steadfastness, in case of Hizbollah, yes, of course they realize and have adjusted their program to the confessional realities. And this is actually the ultimate coil (ph) they can play if things are not going their way.

They can pull out and say, look, we don't like the way you're pushing this issue. We would like to readjust. We would like to have proportional representation. We would like the full implementation of the Ta'if agreement.

This is the ultimate coil they can play.

The second issue is that Hizbollah and Hamas are coordinating strategically. So to discuss Hamas in a vacuum without understanding what's going on with Hizbollah is completely an erroneous approach in my view.

I remember very well when I was trying to meet you, when I was traveling to Lebanon and to Gaza and the West Bank and the Israeli military told me, look, Magnus, we're going to withdraw very soon. Your career will be over.

So I started to work immediately on Hamas.

[Laughter.]

MR. RANSTORP: But I remember Nasrallah, standing on the podium and in effect Hizbollah tried to create a huge international media event using the satellites of al-Manar et cetera to create an even more effect of the withdrawal. But I remember Nasrallah standing on the podium saying, no negotiations, no Oslo. Only the resistance is the way forward.

One should not over-emphasize the logistical relationship between Hizbollah and Hamas, but it's certainly an important factor.

And certainly it's an important factor for Hizbollah in terms of its deterrence policy in perhaps making, creating this degree of uncertainty that is important.

And let me just sort of--please indulge me for a second. In trying to gauge how Hamas will react to the current pressure, one should perhaps look at the way in which Hizbollah and the Hizbollah example have created perhaps a martyr to understand the way in which--what are some of the issues that they will focus on.

Let me just sort of dip down into the Hizbollah's own project and program, because I think that it has also some application in the way in which Hamas will pursue some of the issues. What are some of the issues?

Electoral laws in which proportional representation may be won, it's effective variation. The missing during the war--Hizbollah still goes on

about the Iranian four missing diplomats. This file was closed in 1991-'92. But there are still prisoners that are still missing.

The Lebanese in Israel, you know, the SLA issue, returning back to Lebanon. The security question, security reform, reform of the security services. Of course Hamas is interested in wresting away this control.

The Sheba'a Farms issue. The Lebanese-Palestinian relations. And the right of return. And of course the protection of Lebanon, the core issue of the issue of disarmament.

I mean there are many issues that replicate in terms of forging this strategic relationship of how to analyze things that they are confronted by the international community.

And I have to say, almost like the 9/11 Commission, what is very characteristic of Western policy is lack of imagination, of actually thinking four steps ahead of the adversary.

This is the enduring legacy that I've had in having dealt personally and thinking about how

they are adjusting to the realities. They are incredibly shrewd political operators.

Thirdly, both groups rely on confrontation to get some traction. But it follows a rational actor model and within red lines.

Both groups strive for legitimacy locally. I mean, the issue of Hamas is not going to be eliminated through some military security formula. They are horizontally and vertically integrated into Palestinian society.

We were very smart in luring them into the political process. Israel assisted with eliminating some of the individuals that were blocking this. The question is, are we, have we thought through some of the options of being able to out-manuever what they have in store for the future.

The issue of legitimacy is at the core. How we exploit that, the issue of legitimacy, it's a weaknesses to them, it's a strength to them, it may also represent a weakness. And I'll come back to that in relation to Hamas.

Both groups are extraordinarily skillful political operators. And they were probably gauging the overtures by the West in evaluating the options for the political process.

I have a great admiration for Alistair Crooke. For I think that the work Alistair Crooke on the ground before he was ousted, I think Hamas probably learned more about Western intentions than the other way around.

No disrespect to the efforts that he has done, but certainly, never underestimate the contingency plans that they have at their disposal.

The fifth observation, reflection, is that both groups, especially Hamas is governed by consensus. And as I said before, it's a mirage to believe that moderation by leaders reflect in them abandonment or adjustment of core principles, any suspension of armed activities or tactical maneuvers.

Yes, or course, the political process may moderate. The way I think Hamas will play this governance, apart from being able to sustain the

economic barrage, is that Hamas will probably try to distance itself from Hamas in government and Hamas as a movement. That's an important consideration.

It also calculates that the international community will probably not allow the situation to spiral into severe chaos to the degree they will represent the humanitarian disaster.

How can we overcome that dilemma and issue?

I think the current course that's being pursued in relation to Hamas is a right one. I'm happy that the European Union is pursuing this course in order to see how particularly recognition of Israel's right to exist but also of course the recognition of all of the previous agreements that have been [inaudible] that affect the legitimacy of that.

I only want to say two things that we perhaps haven't explored so much. And I think that it may provide some avenues.

I think a key issue in order to get some traction, apart from governance, is the issue of gender and the issue and the imposition of possibly

strict Islamic law, given the diversity, the democratic principles that exist within Palestinian society.

And I'm going to turn a little bit towards Sweden now. And I apologize for the narrow Scandinavian eccentric model. But maybe there are more things to be learned or to take away from some of those things that at least we are doing.

I'm thinking particularly about public-private partnerships. And in particular, I'm thinking about something the International Council of Swedish Industry has initiated, and that is the Palestinian International Business Forum, which was established in March 2005, encouraging foreign investment in Palestine, encouraging favorable environment for Israeli and Palestinian businesses.

I mean, I think that it's a small way. It doesn't alter the equation, but I think that we need more of these kind of efforts.

MR. INDYK: You mean foreign governments with private sector investment in Palestine?

MR. RANSTORP: It's a trilateral commission between the Israeli businesses, Palestinian businesses and Swedish businesses that are trying to promote fair trade, to develop the Palestinian private sector capacity and promoting international best practices among Palestinian businesses as a vehicle for businesses to access industry related infrastructure, research development and so on.

This is an auxiliary issue, but should not be underestimated in trying to over the long run eliminating the sustenance of where Hamas gets its support.

Let me turn to Hizbollah. And let me sort of look at, in the interest of time, let me look at some of the policy options that we may have or the U.S. may contemplate in terms of leading to disarmament of Hizbollah, leading to the dealing with the issue of Hizbollah armament.

There are basically three different options that are often discussed, often bantered. The U.S. government can implement a policy of carrots and sticks with Syria and Iran in order to either

encourage or force Damascus or Tehran's cooperation on disarming Hizbollah. Carrots could include financial assistance, return of occupied territories, security assistance.

Sticks could in turn be the threat of regime change, military engagement, comprehensive economic sanctions.

Now all of these options within this formula is questionable in terms of its success in bending the wills of either Syria or Iran diplomatically or even changing the regime.

They are able to through wise state craft, skilled diplomacy, strategic cooperation, able to defuse external threats and cope with international pressures.

And U.S. threats of sanctions and isolation probably will fail in all three [inaudible] Syria and Iranian conduct of this foreign policy.

I would argue, and I'm saying this from Europe, dealing with Iran--and I may perhaps--my apologies for perhaps being forthright--I think we have to be very, very clear if we want to take Iran

on another different level. As it is a formidable regional actor, as it is a formidable actor that are able to navigate and create problems in Iraq, in the near area, but also in terms of particularly in the Persian Gulf or the Gulf area. It could have quite dramatic consequences in terms of the destructive impact on regional, international security should there be a full on (ph) confrontation between the U.S. and Iran.

The option two, there is a current national dialogue in Beirut and that's going no where on the issue of Hizbollah weapons.

Now the U.S. could go at it alone, deploy special forces in Lebanon and engage Hizbollah militarily in the Beka'a Valley. But what do you go after? Who do you go after?

And this military option by the U.S. may probably stir up more anti-Americanism in the region and sectarian tensions in Lebanon. It could destabilize the country as a whole. And it's therefore unlikely that this option will be pursued, at least visibly.

The third option is that the U.S. government will intensify pressure on the Lebanese government to cooperate on disarming Hizbollah. And Washington presenting Beirut with an ultimatum, unless it finds a solution to the Hizbollah, Washington would end its financial assistance to Lebanon and place the country on the State terrorism sponsor list. It may be extreme, but it certainly has been entertained.

I don't think that this is the right way forward. There are other ways. And let me just recommend some solutions in terms of Hizbollah.

First of all, it would have to be a phased (ph) solution. The United States probably cannot accomplish this without some creative partners.

The core issue for Washington, the main problem, and I perhaps better than no one--because when I wrote my book on Hizbollah in its dark days in the 1980s and so on, the publication of that book came at a time when Hizbollah was trying to shed the terrorism connections, its connections to hostage-

taking, the Marine Barracks bombing, and trying to readjust itself to the regional realities.

And they were not very happy with me with that. So I know the file very well. I know the file and I still don't understand why the United States did not provide more support for the [inaudible] opinion in the Supreme Court in building a solid public case in not the '94 bombing, but the '92 bombing. I've spoken extensively to those working on that file. They were extremely frustrated with less than cooperative shall we say assistance. And here was the perfect opportunity because the evidence was very clear in terms of the foreign terrorism dimension.

Washington's main problem with Hizbollah is its alleged international terrorist capabilities and potential. It is not--at least I know there are representatives here from the State Department and elsewhere --it is not Hizbollah's policy towards Israel, because most understand that Hizbollah follows redlines. It follows the rules of deterrence. It follows a logic of how far it will

extend. And I think the Israel withdrawal is a testimony to that from May 2000.

But also all of the rules, all of the engagement throughout from '85 until particularly the 1990s followed very clear proportional rules of how far they would extend.

How do you overcome this? How do you overcome this issue with the terrorism angle?

Well, my recommendations, because I don't expect tomorrow that Iran--and of course, the solution to the Hizbollah terrorism nexus does not sit just solely in Lebanon. It is within the Iranian intelligence structure.

The whole notion of Mughniyeh and what he represents stands with one foot in Iran and one foot in Beirut. These connections mean that it would probably be a good time right now when discussing Iraq, in discussion regional developments, to perhaps raise this issue on the negotiating table.

The United States wants to exact a price. I would suggest perhaps that a good model without exacerbating the problem would also be to expose and

make transparent what are the charges in specific cases in relation to specific acts of the past and how in order so we can see that file, but also in finding ways in which we can overcome that.

I think that Hizbollah would be amenable in trying to find a way. I don't expect them tomorrow to hand over suspects or even Iran handing over individuals.

But it has shown itself to be capable of being very realist in creating bargaining processes even with its sort of staunchest enemies.

The second issue, and I've discussed this issue, the [inaudible] issue. And it's a very soft issue policy option, but it may have been expanded by now--it's the issue of the vanished Iman, Musa al-Sadr. Very important, very important for Hizbollah, very important for Shi'ites.

Clarity, what happened on that fateful journey between Italy and Libya in 1978. I know this issue has been raised. I'm not sure if we can get any more clarity. But if it hasn't sort of

entered the minds of Washington, it was an ideal opportunity to at least build some bridges.

I'm almost finished.

I think it's going to be difficult to find any normalization in relationship between Lebanon and Israel of course without the regional solutions.

There are other efforts. When I was trying to meet you, I told the Israelis before they withdrew, I said, look, and they couldn't do very much. I said one aspect that is often forgotten about is the withdrawal from South Lebanon is, okay, you have to erect a pretty large fence. You have to erect security structures. What about the international community assisting on the economic front in a relatively--the economic assistance.

The different formulas for creating buffer zones on both sides of the equation. You have floated a number of different ideas about this. They should be seriously entertained in trying to lock Hizbollah in, into this framework.

Hizbollah of course has itself proposed the idea of transforming itself, it's military wing into becoming a sort of a reserve force.

But I think that reserve force of course doesn't alter the realities of what we're seeing today.

I think that to some extent every one is in a holding pattern. The Hizbollah is in a holding pattern. It is not particularly concerned about the international community in terms of any--and I think we're probably all surprised at their incredible political acumen in their tactical alliances in making it more difficult for us to deal with that issue.

Hamas is in a holding pattern. Financially I think that they are somewhat concerned. One of the things that has become very apparent is that most Arab states have paid lip service to their pledges in offering financial support.

There is the potential of course of the Hamas movement splintering with the outside leadership. I think the best possible outcome from

some of the external leaders sitting in Syria--we should exert more pressure on Syria in relation to those individuals--and perhaps the best option would be to allow them back into Jordan where they were expelled by the late King Hussein.

I think that in many ways everyone is in a holding pattern. Unless the issue particularly on the Hizbollah front is handled creatively, it may be that Hizbollah without arms may become more dangerous than Hizbollah with arms. And we have to bear that in mind in thinking creatively about the different engagement options. And I don't see apart from the policy positions which are useful in and of themselves, a lot of creative scope in trying to resolve either theater or armed group in the sense of their problematic position in relation to the peace process, in relation to Israel, in relation to the future.

Time is on their side. Unfortunately, our policies are often within in the four-year time cycle.

I hope that some of my thoughts have given you some at least [inaudible] for debate or comments.

MR. INDYK: Indeed. Thank you, Magnus. A lot of issues on the table now.

First of all, let me deal with the issue of our meeting.

[Laughter.]

MR. INDYK: We can have that at 2 o'clock, if you will.

[Laughter.]

MR. INDYK: If it's still relevant.

[Laughter.]

MR. INDYK: But I wanted to focus on Hamas myself if I could. You said, I think you were referring to us in the West and the United States in particular, saying we suffer from a lack of imagination, which I think is very intriguing and a fairly profound statement.

And the lack of imagination in current policy appears to be that essentially we are trying to force the collapse or moderation of Hamas but

since the moderation of Hamas is not going to take place, according to your argument, then our policy is basically designed to force the collapse of Hamas.

But then we have to imagine what happens if we actually succeed. So I wonder if you could take us through that from Hamas' point of view.

An economic crisis is looming. But what's the tactical means for dealing with this economic crisis?

And if in fact it's going to produce chaos, does chaos serve their purposes as a tactic, as a tactical situation?

Will the Palestinian people abandon them in the context of chaos? And if there's chaos, and a collapse of the Palestinian institutions, is it conceivable that the international community could actually come in and take over control from Hamas?

MR. RANSTORP: Thank you for those very easy questions.

[Laughter.]

MR. RANSTORP: Well, let me say from my perspective, from my [inaudible] port without being privy to how we got into this mess in the first place is that there was nothing accidental about Hamas seizing power.

The West was involved together with the Egyptians. The Israelis for the last three, four, five years particularly since the EU put them on the prescription list transgressed red lines in eliminating Rantissi, Yassin, anyone in--actually producing a relatively inexperienced leadership.

That has to be determined, that's the basis of I think your question.

I mean, Mahmoud al-Zahar is the foreign minister. You have to struggle. When I met him he was the lowest of the low when all of the other Hamas leaders were there. He had no function. He had no position. He was--so I think that they are struggling in terms of some of the experienced personnel. And the question is are they experienced enough to be able to overcome the current crisis.

Well, the external leadership is pivotal. Who do you have in Lebanon? Who is the Hamas rep. in Lebanon? Osama Hamdan (ph). Where had Osama Hamdan been before? Iran. I think it shows what I tried to tell you before about the Hizbollah-Hamas dynamic and the laying the strategy that they consult with the Hizbollah. How do we overcome some of these obstacles?

So it's not Hamas being on its own, and it's not about [inaudible] being moderate. It's about how can you navigate this dangerous sea.

Financially, I think over time it may collapse and therefore Hamas will--this is why I said--Hamas will try to differentiate Hamas in governance which seeks to provide unity, which seeks to not provide any precursor for Israel to divide the Palestinians on themselves.

Moneywise, plenty of avenues. It doesn't want direct money from Iran. It's not the Palestinian Islamic jihad, which has the act--it's wary about them. They want money that can be

expended by the Islamic Action Front in Jordan and others, Muslim Brotherhood, sources in other places.

It may be difficult for them. But I think that they will benefit from chaos. They will benefit from not having been given a chance to transform this. They will benefit--I mean, I think that--and I've seen a lot on the ground in the various refugee camps, et cetera. It depends on the Israeli goodwill. It depends on other sort of economic--and I may be a little bit--forgive me if I'm naive on this issue--we need to create employment opportunities and economic incentives for the ordinary Palestinian.

If you're going to have any chance, you know, we have the political ways in which we are trying to enforce the peace process. But you also need to work on the auxiliary level and on the economic front.

Maybe that's not possible given the issues.

Hamas won--it would be great to see an analysis from Brookings about why did Hamas win in terms of the dissecting. I think it would be a

great academic project in general. Why did they win?

MR. INDYK: We're doing an analysis on why did Ahmadinejad win.

[Laughter.]

MR. RANSTORP: I think in terms of watching this space, it was more a failure of Fatah. It was the tactical alliance between Hamas and Marwan Barghouti. I mean, watch this space about Marwan Barghouti and Hamas. I'm waiting for the day he's going to come out of jail after having had his revolutionary credentials. It's a generational shift, tactical alliances. It's the failure of the old guard. It's a generational shift between the inside and the outside.

I'm not convinced that--I mean, Hamas will try to engage the other parties, but I'm not convinced that they will be able to perhaps sustain Mahmoud Abbas and the security structures and the other problems, the economic problems that we are facing. And it may descend into semi-organized

chaos, which I think Israel is saying, look, it's got to be worse before it can better.

How can one discredit Hamas politically? How can one undercut its long-term aid? It's not going to disappear even if they fail. It is about the socio-economic issues. Maybe not the public-private partnerships I'm saying is having any affect, but unless one provides alternatives to what Hamas does so efficiently, we're not going to get anywhere.

MR. INDYK: Just to follow up, that was the point of my last question. The international community has a dilemma because it wants to force the collapse of the Hamas government but it doesn't want to inflict suffering on the Palestinian people.

Why doesn't it take over, the international community, take over precisely those areas where Hamas is insufficient, take over education, social welfare, health, pay the [inaudible] by taking control. Is that conceivable in the circumstance of chaos and the Palestinians given the choice between a failed Hamas government and an international

community that is going to meet their needs in the areas that they would accept international intervention in that way?

MR. RANSTORP: I mean, I'm going to be very brief on that. I don't think--I have difficulty seeing that Israel would allow that.

MR. INDYK: Mr. [inaudible].

MR. : [Inaudible].

MR. : Hizbollah sees its role now on the regional level. It seems to me--let's assume for the sake of sanctions that back in the year 2000 when the Israelis withdrew from Lebanon, somebody in the leadership of Hizbollah were contemplating disarmament or putting their weapons in an escrow of some sort. I don't think anybody is contemplating at this moment any notion like this giving the regional dynamics and the impending confrontation between the West and Iran and Hizbollah's potential role in any potential confrontation like this as well as the dynamics in Iraq where we have a deepening sectarian conflict, as well as the deepening sense of sectarian religious identity that

is sweeping the Arab world, whether we're talking about the Copts and the Christians--I mean, the Muslims in Egypt, the Shi'ah-Sunni cleavages in Bahrain, in Saudi Arabia, and Syria, in Lebanon, in Jordan.

It seems to me today now Hizbollah sees itself as a regional player. Isn't it ironic that the city and state, 18 million people, is relying on a non-state actor like Hizbollah, to maintain what's left of its diminishing regional influence, not only Lebanon but vis-à-vis Israel and other players in the region.

And that's why it seems to me--I mean, you were talking about a very--I agree with you it's a formidable political organization, very disciplined military wing, a media part (ph), independent sources of financing not only from Iran, but from their own cells from Latin America to North America to the Arab world to Africa. And you add to that, they boast publicly that they have so-called strategic relationship with Syria and Iran.

And that's why I really don't see any military option with Hizbollah. I don't see them disarming any time soon short of a radical political change either in Damascus or in Tehran.

And anything else you were talking about, [inaudible] whether they were responsible for the Jewish center bombing, which I kind of agree with you, it's not going to do anything to their status in Lebanon. They have not a monopoly on the Shi'ah street so-to-speak, although there are some people who are not happy with them, but they don't dare to oppose them.

So you are really dealing with a state within a state. It is 10 times more effective than the state that the PLO built in Lebanon, which was chaotic, ineffective. These guys know. They really had the structure of a state, and they are forcing the Lebanese government to play by their own rules when it comes to dealing with Israel or with the West for that matter.

MR. RANSTORP: Particularly they are adopting issues around corruption. And they are very, very effective.

MR. : Like Hamas.

MR. RANSTORP: And therefore, what I tried to say is that in trying to look at what Hamas going to do, look at Hizbollah's agenda, the 10 point plan without--I think it's a good model forward.

Also, I think there is--there's a commonality of common enemy. We have the Salafi jihadists that are even targeting allegedly Nasrallah personally. There is not love lost over between the Sunni extremists and the Shi'ah.

For a long time of course Hizbollah had--it's inception was in Iraq. There is a division between certainly some of the individuals within the structure.

I think the interesting thing that--I don't know the answer to this, but what would happen if Nasrallah left? Is he pivotal? Who would come after him? Who's is being groomed?

MR. : He's still young.

MR. RANSTORP: He's still young. I think that Hizbollah has an interest in a relatively stable Iraq in terms of Iranian interests. And that's why I said, everyone is in a holding pattern.

I don't buy the argument that I hear sometime in Washington by certain Senators that it is the A-team of terrorism, because--this is not in the case of what they have done in the past--is that the control mechanisms of that sits probably more within Iranian intelligence than it does within Hizbollah.

Yes, it is also--and this is a very important issue for Washington. Perhaps Washington has an interest in promoting confrontation with Hizbollah.

MR. INDYK: Yes.

MR. : Yes.

MR. INDYK: Ladies first.

MR. : Oh, I'm sorry. I don't hear well.

MS. : That's quite all right. Thank you.

MR. : Of course.

MS. : Thank you for your very interesting presentation.

You said a couple of things on Hamas that really struck me. You said that they have a very clear strategic goal. And the individual is not going to negotiate away from that strategic goal.

They're under tremendous pressure and you have predicted perhaps a separation between Hamas political party or political governance from Hamas the movement.

And assuming the U.S. is successful in the imploding of the Palestinian Authority under Hamas and we do have this chaotic world on the Palestinian Authority. And you do have the splintering of leadership as a consequence of that as the Palestinians press for different kinds of outcomes than what they're living.

What direction do you think Hamas is going to--the movement is going to go? And there's a lot of talk in this town of the potential that the

movement toward the al-Qa'ida ideology as opposed to a moderation.

MR. RANSTORP: Thank you. That's a very interesting question. I think that first of all the vortex of Hamas' decisionmaking is in Gaza. Forget the West Bank. There is no one significant in the West Bank.

There's no one also within Gaza and West Bank that the Israelis don't have control over. They know exactly the nitty gritty details of who is who and who knows who and who is going to be important.

The question is, what is the outside leadership. And that's why I raised the connection with Hamas and Hizbollah is what is the influence of people like Osama Hamdan, and others who are sitting in exile who are important and who bring that external dimension.

I think we lost an opportunity when al-Qa'ida to link itself to the Palestinian cause. Hamas was very quick in divorcing itself from that.

Could we have capitalized on that? Perhaps a little bit more in greater fashion. I know from some of the Sunni extremists they are actually discussing right now this sell-out of Hamas, the sell-out, the potential, which is good, to its discord.

I fear that if this project goes wrong over the long term that you know, you've had the internationalization of Palestinian terrorism in the '60s, '70 and '80 and then it reverted back to being a local phenomenon. It may actually go in the direction of what you suggested, the Salafi jihadist direction in order to create more pressure points because they can't go forward.

I mean that international dimension, which there are so careful of, perhaps not Hamas as an organization, but you have groups like Palestinian Hizbollah. You have other groups that are sort of-- that has the potential of perhaps acting on behalf of the Palestinians in a different way for the future.

So I think it may go external.

MR. : George Hishmeh from Gulf News
and Jordan Times.

I agree with the situation that you describe. In fact, my colleague [inaudible] described Hizbollah.

But still, I cannot see the value of refusing to talk especially to Hamas. I mean, the more you isolate Hamas, even as you admitted if it falls down, still will be very popular. I mean, we have to find ways to engage Hamas somewhere.

And Hamas seems to be--I don't know if anybody--everybody in the State Department I'm sure are following this very closely, but there are some hints here and there that Hamas is ready to come out of things.

I was impressed that even the Israelis did not respond to the Dahab bombing in any special way this week. What is your thinking of boycotting? Is this a good approach?

MR. RANSTORP: I know a lot of people who were very upset with the Russians in the immediate aftermath. From what my understanding is, the

Russians were very clear of what it expected of Hamas. It was not alteration.

Hamas wants this international legitimacy. I'm a bit concerned. I just read over when I came over on the flight yesterday the Norwegian--not the government, but sort of the Norwegian representatives--are meeting with Hamas. And even this morning I was a bit perturbed, and I will--there were Swedish--no government representatives, but certainly allowing Hamas to travel to Sweden for them.

I think on this side, I think there are very strong currents within the European Union that unless these three fundamental demands are met, we are not going to deal with them. Of course, there will be dialogue. And dialogue has occurred for a very, very long time.

The question is that Hamas had not substantively delivered any thing that can be a sign that they are truly moderating their position.

Therefore, I get very disturbed when I see these newspapers--I know there are some journalists

here--when I see moderates, Hamas leaders--yes, there are perhaps personal qualities that are more attuned to be able to appear more moderate, and perhaps navigate more skillfully. But this is based on a consensual decisionmaking. It's larger than individuals. And therefore, I think that of course we have to expend all efforts to try to talk to Hamas, but ultimately at the end of the day they will have to at some level deliver on some fundamental issues.

MR. INDYK: [Inaudible]. Can you put your microphone on.

MR. : I just want to follow up about this business of excluding the possibility of Hamas moderating itself or the influence of the moderate elements, the young generation. Because we have that all over the Arab world in similar movements whether it be Muslim Brotherhood or others, the younger versus the older and stuff like that.

MR. RANSTORP: I think Egypt plays a special role. And Egypt can provide a road map. It has to provide a road map in terms of providing an

avenue for Hamas to get into the political process.

What more can it do? Well, it's the different, a difficult equation.

The Muslim Brotherhood is a formidable Islamist movement. Hamas is part of the Muslim Brotherhood. It's a chapter of the Muslim Brotherhood.

And therefore, yes, it is Islamist nationalist movement. The resistance, of course, simultaneously on social, political and military fronts, which are reinforcing each other continuously.

In its own vision, it doesn't see its project as negotiable nor that it can be achieved by its own efforts. And it's contingent on a longer-term vision and development in other areas. And perhaps not in this generation, but for future generations.

MR. INDYK: [Inaudible].

MR. : Thank you very much.

Walid [inaudible] from Jordan. Coming back to the strategic relation between Hamas and Hizbollah taking into account that Shi'ah-Sunni factions are in the rise and very important [inaudible], do you think that this is also an [inaudible] technical relation on the part of both but for maybe short term, five years or six years, not forever?

And even if Hamas would choose to have a real relationship with Hizbollah, the Brotherhood international movement, will not allow Hamas to do so. I think this is very important and we will see it in the way because it is getting on the [inaudible].

The other thing, what is your take regarding having maybe more [inaudible] as like an exit strategy, like the balance between the corrupt Fatah and radical Hamas that both might be acceptable to everybody?

Thank you.

MR. RANSTORP: First of all, let me say, I'm an outsider from Scandinavia. Let me say the

Barghouti factor is something that I think will be key for the future. I'll offer that as my sort of crystal ball. He and some constellation will be critical. So will Dahlan. I will always watch-- where is Dahlan.

If he's away, then there are things happening and there's a reason for why he's away.

But it's a hermetically sealed environment just like in Northern Ireland to some extent.

Sort of the Sunni-Shi'ah were [inaudible]. I mean, I often, I mean I've lectured on both sides of the equation. And I'm very well aware of the relationship is long rooted.

I once said to the [inaudible] general, I said, look, you know what happened in the '92. Your government expelled Hamas, 415 Hamas activists to Southern Lebanon. It was a huge mistake. There was a U.N. resolution. They got international legitimacy. And of course, who was there?

And I actually spoke to some of the Hamas individuals. I think Badawi who is in Nablus who is a very--he seemed like spiritual, influential,

religious leader. And he said, look for the first day we were there in South Lebanon, firstly it was great because the leadership in [inaudible] and Nablus and in Gaza, we never met each other before.

So of course, we met each other. And for a whole year we could create committees relating to strategic framework. And who was our brother delivering blankets and humanitarian assistance? Hizbollah.

And that's what--and so I said, wasn't it a mistake to expel the whole leadership in one place? And I think the Israeli response--and you probably know this better than me, well, it wasn't a mistake to expel the Muslims. It was a mistake to let them back in.

And I think that, you know, that Hizbollah if they really wanted to could create a lot of more problems inside of Israel. But it's not, to some extent, in their strategic interests. To some extent, they're also in a holding pattern to see where they should expand their energy.

MR. INDYK: [Inaudible] is next.

MR. : Thank you. My question is related to several of the other questions regarding moderation and your statement that the strategic goal is clear and everything else is tactical.

If that's true, is there any utility in trying to pressure Hamas to take intermediate steps that are short of three principal conditions that have been placed on them by the international community? In particular, the Saudis and the Egyptians are talking about the recognition of the March 2002, I believe, Arab League initiative and other kinds of steps that are, that implicitly recognize Israel. Is there any utility in getting Hamas to take those steps, or is it just a smoke screen?

MR. RANSTORP: I think that you have to create confidence building measures. And I think security and prisons and over a period of time will be instrumental.

I don't think it's useless to discuss, despite the fact that their strategic direction--

[End of Side A, Begin Side B]

MR. RANSTORP: --process.

I have great respect for the efforts that went into persuading them to go into that process. I'm not--you know, I have to say it was a great information operation on behalf of the Western world and also with Israel that it did go into that process, because they didn't have to, particularly at time when they were very pressured. Their leadership is not as experienced, also not as hard-line.

So I mean, I think that there is utility to taking intermediate steps in a number of different ways and a confidence-building measure.

MR. INDYK: Ken?

MR. POLLACK: I wonder if you could elaborate a little more on the relationship more regionally between Hamas and Muslim Brotherhood in other countries. You mention Jordan and Egypt specifically, but I think one of the debates that's going on here in Washington, is Hamas dangerous because it's part of a broader Sunni movement that

would undermine the governments of Jordan and Egypt and therefore, it has to be crushed because of that?

MR. RANSTORP: I missed the last part of the question. Is it--

MR. : It's a Sunni Muslim brotherhood movement that endangers moderate Arab governments such as Jordan and Egypt. And that's the reason it has to be crushed, because if it could if it gains a real foothold in Palestine, it could spread to other Arab governments.

MR. RANSTORP: My assessment on that issue is that there are two issues. Firstly, it cannot be crushed. It is a reality. It is a majority in most areas. Certainly, it is a significant force.

I mean, Hamas is a chapter of the Muslim Brotherhood. When I was travelling around in Gaza and the West Bank, and I said, look I want to meet the leadership internally in Jordan when they were there. I think I asked Ismail Haniyeh, how do I get in touch with Mohammed [inaudible]. Said, well, talk to the Islamic Action Front. And within arriving in Jordan, in four hours I had all of the

contact details and I met with some of the individuals there.

It is part and parcel. It's almost embedded to some extent.

So I think that it is a movement, an Islamist movement, that certainly there is no security or military option to them. They're vertically--horizontally-vertically integrated into the fabric of Palestinian society, but also in other areas.

My best example of this is Jibril Rajoub (ph) and his brother, who is a leading Hamas activist. I mean, Mr. Security on the West Bank. During Arafat's tenure he's a leading Hamas activist. It cuts through families, it cuts through classes, et cetera. It thrives on confrontation. It thrives on resistance, social resistance, corruption. Political resistance against agreements that are not giving and delivering. Military resistance that [inaudible] to the outside leadership in order to avoid pressure.

Therefore, when Hamas tells me, look, we have a vision plan 2022, 2023, which is the directive, they talk about Jordan and developments in Jordan and the Palestinian population there and Islamic Action Front, life not only after Yasser Arafat but also after Abdullah.

Egypt is too strong. But of course, the Egyptians are interested--and I know this particularly within the context of the cartoon crisis--to show its Islamist credentials vis-à-vis in adopting certainly ownership, not ownership, but at least an interest in certain [inaudible] in relation to the same kind of issues that Muslim Brotherhood stands for.

MR. INDYK: Yes.

MS. : Thanks, Martin.

The way we got to this situation was through the Bush administration's policy of promoting democracy and it found itself sort of needing to do the honorable thing, which was permit contestational politics, which is now advocating.

So I wondered whether we need to think more about using democracy as one of the vehicles to give Hamas a little competition. I mean, I'm not sure this makes sense. I take your point that the decline of Fatah is, you know, changes the political landscape. This is one more chapter in the demise of Arab nationalism, if you will, and it may be that Hamas is a plurality or a majority political force for sometime to come, and that all of the stuff we're talking about in terms of financial relations and everything won't matter, that they will have sufficient political legitimacy at home.

But let's imagine the next elections. What is the outside world--who are the other contestors? I mean, is Fatah sort of weak for the foreseeable future? Are there other political parties that might have a different character that the outside world could try to support? Should we be trying to promote political pluralism in Palestinian society so that Hamas has good competition?

And then a second question, is how would you evaluate the democratic credentials of both

Hizbollah and Hamas? Do you think they are truly committed to democracy? Or do you think it's just a tactical thing for them? And could they move in an authoritarian direction now that they've had success?

MR. RANSTORP: In terms of Hamas being a plurality and you asked about how can we give them good competition perhaps on the political end. I would argue the only way to confront Hamas, far from pulling the current pressure, is also on the economic front.

This is a different context. This is something that should not be ignored because the socio-economic developments within--I mean, I visited the business parks during Oslo and there are of course, I mean, where politics cannot progress, there are economic--there are economic pathways.

The President recently met with Percy Barnevik, the ABB corporate leader about Afghanistan, and there they are producing or promoting entrepreneurial loan schemes, particularly directed against women. And therefore, I think the

women issue is something that maybe worthwhile exploring in terms of the plurality and the democracy in the area.

Are they, in terms of their democratic credentials--well, I think both are very clearly committed to establishing Islamic states. But within Lebanon, Lebanon is such a unique environment, Hizbollah has moderated its goal.

I think it has realized and is working towards I think national responsibility. I don't think that they can envision--I mean, I think what they would like to see in Lebanon is a way from a confessional system. And this is the ultimate part they could play if things get too hard. They will not play that unless the regional environment spirals out of control.

I mean, the short answer to your question, democratic credentials? Well, they are looking to establish an Islamic state.

MR. INDYK: It's not a Islamic democratic state?

MR. RANSTORP: No.

MR. INDYK: [Inaudible].

MR. : I just want to comment about the socio-economic aspect with regard to the Palestinians. I mean, I think if you look at the history of the last 15 years, one thing that is clear is that in the absence of a viable political process, the socio-economic, particularly the economic stuff just falls by the wayside. I mean, we spent countless hours on industrial parks and access in and out of Gaza and buying scanners and everything. And it always got shut down because the Israelis said it was necessary for security.

I just don't believe that that is a viable course when it comes to the Palestinians. The only way to move out--and I don't know how you can do it under current circumstances--is a viable political process.

And the socio-economic becomes a part of that process.

MR. INDYK: We have only a few more minutes, and at least four or five people want to ask questions.

I'm going to have to be judicious here.

MR. RANSTORP: Could I just--

MR. INDYK: No.

[Laughter.]

MR. INDYK: But hold it and you can after we get the other questions in. And then I'll ask everybody to kind of get their questions in and then please take notes and you can answer everybody, including that one.

MR. RANSTORP: Sure.

MR. INDYK: Okay.

And if you don't answer them, I'll answer them.

[Laughter.]

MR. RANSTORP: I agree with him.

MR. INDYK:P Okay, Todd first.

MR. : Thank you, Martin.

My question to you, sir, could you elaborate on the Marwan Barghouti-Hamas connection, because I for one don't understand it. And Martin, you raise the issue of--

MR. INDYK: [Inaudible].

MR. : That's okay, but it's a follow-up to your question actually because it intrigues me. You said that international take over of the services and so on. Is that anything akin to what you a couple of years ago called for, which is a trusteeship?

MR. : Yes.

MR. : Thank you.

MR. INDYK: Next here.

MR. : Really correctly you stated that the scope for moderation is very narrow, very low because of the, partly because of the internal decisionmaking structure of the movement consensus what you mentioned.

But we have statements from Ali Misha'al (ph) for example that a conditional recognition of Israel would be possible if Israel would also kind of come across in certain ways.

So can this consensus building within these movements also have the opposite affect that it will prevent radicalization, because you only mentioned this one direction?

MR. INDYK: David--

MR. : Or would the movement fall apart and into two wings.

MR. : Thanks. I was very intrigued, among other things, by the fact that twice he mentioned women as a potential weak point for Hamas or a way to change the social situation. That happens to be one of the things that I work on.

And I'm a little skeptical because women, it seems, actually support Hamas in great numbers despite its misogynistic Islamist, fundamentalist attitude, partly because of the social services that Hamas provides.

So I wanted to just ask if you could give me a handle on this, a specific project of something that might make a difference.

Thanks.

MR. INDYK: Yes.

MR. : Does the failure of Hamas to provide an internal stabilization for the political system apart from its external relations with the Israeli state, does that at all provide any

moderating influence on their ability to proceed in a different direction strategically?

MR. RANSTORP: I'm sorry, can you repeat that question?

MR. : Perhaps let me rephrase it. Knowing that there's interdependence between Israel and the Palestinian territories and that one making a move is not unilateral but influenced in part by how the other responds.

Can the establishment of some sort of civil institutions of governance internal to the Palestinian territory itself, is that enough to provide a moderating influence on their strategic direction?

In other words, another way to ask the question, does the West really need do anything at all, or is the burden of governance itself enough to push them away from a program that looks more externally to something that is more internally driven?

MR. INDYK: As George Bush would say, democracy is the answer to terror.

Last question from your student and my research assistant.

MR.SAAB: I thought Magnus' argument here was misunderstood as far as Mughniyeh is concerned. And I have to respectfully disagree with Hisham Melhem--he's not here any more.

One cannot underestimate the historical and emotional baggage between Washington and Hizbollah. I'm borrowing here ideas from my boss, Ken Pollack, and Ken argues the main problem between Iran and the U.S. is their bitter past, and this past is creating major difficulties when dealing with the nuclear issue. It's a matter of trust, and they don't necessarily trust each other.

Having said that, I think we're facing the same problem here of trust between Washington and Hizbollah. Hizbollah has forced the U.S. to withdraw from Lebanon, has humiliated it through the 1980s and has been responsible for killing more Americans until 9/11 than any other non- statutory (ph) group.

So how do you build this trust or at least room for cooperation between the two? You precisely work on erasing this bitter past, and in order to do that there has to be a grand bargain. This grand bargain includes giving up an Mughniyeh, Ali Atwa and Hassan Ezzedine and others in return for the U.S. removing the group from the terrorism list and flexing some political muscle on finding out the truth about Musa Sadr. This is major for the Shiite community.

So the key here is finding a negotiating window. Magnus, am I am being fair to your argument?

[Laughter.]

MR. : Now I have just one question.

MR. INDYK: We're going to have to cut it off because it's 2 o'clock. So give Magnus a chance to respond.

MR. RANSTORP: Well, I think that's--my impression from being from Europe is that of course the regional considerations take precedence over any past or any blood any bitter past. I would be

surprised of the issue of Mughniyeh and the past have not come up on the negotiating table right now.

It obviously cannot be resolved publicly. Obviously, there cannot be any hand-over. Obviously, but it certainly could in Washington perhaps move things forward.

On the issue of Marwan Barghouti, I can only say from--I haven't been to the region recently, but from initiated sources, Hamas certainly paid a lot of interest in the consulting Marwan Barghouti on a number of different issues.

And certainly there is a read, there is a connection between Marwan Barghouti and the Hamas leadership.

On the issue of women, well, I can tell you I don't have a project, but the European Union and a lot of member states are particularly looking at the issue of how can we work on the issue of women to try to perhaps move more democratically.

It's a soft part, but it's entered into the sort of the imagination. I think there is also the feeling that Hamas will try to divorce itself, as I

said before, in governance and the failure of government and Hamas as a movement.

And therefore, I think that certainly it may be worthwhile exploring, particularly through your work, is there any traction on this issue?

I don't know what the other questions were.

MR. INDYK: The burden of government towards moderation.

MR. RANSTORP: I think for the particular-- I mean, I wouldn't want to be in the position of Amaniya right now. First of all, he doesn't have a lot of people of his caliber. And also, he has to contend with the outside leadership and how will he-- I think the burden of governance certainly will overwhelm over the long term, and then we will have to see what shakes out of the trees.

In the meantime, of course, the Israelis very smartly--and I would do the same thing if I were them--are working towards unilateral disengagement. And this all has been part of a strategy. There's nothing, as you know, an [inaudible] in that region.

MR. : Would unilateral disengagement help Hamas or make it more difficult for them?

MR. RANSTORP: Unilateral disengagement will help Hamas. Israel calculates that, can't trust them, this is going to be on cards anyway.

I mean, at best the wall will be a negotiable asset. Time is on our side even for the Israelis.

MR. INDYK: Magnus, thank you very much for a fascinating discussion. I think we've all benefited from your efforts to interpret these complexities of Hizbollah and Hamas. And we're grateful to you for taking the time to do that.

MR. RANSTORP: Thank you.

MR. INDYK: Thank you.

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