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PALESTINIAN POLITICS AFTER ARAFAT:
WHAT'S NEXT?

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PANELISTS:

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PROCEEDINGS

MR. INDYK: Good morning, ladies and gentlemen. Welcome to the Saban Center for Middle East Policy at the Brookings Institution. We are here to talk about the end of the Arafat era and its implications for the future Israeli-Palestinian conflict and peace process and American policy in the Middle East.

I'm sure I speak for all of our panelists this morning in expressing condolences to the family of Yasir Arafat and to the Palestinian people who have now lost the man who led them for four decades and who now grieve his passing. His death marks a turning point in Palestinian history and in the history of the Arab-Israeli conflict. He put the Palestinian national cause on the map. He brought the Palestinians to recognize Israel, and he helped prepare the ground for historical compromise between these two warring peoples.

But he did not achieve that "peace of the brave" that he spoke so often about. The skills he used so successfully to sear the Palestinian cause into the world's conscience did not suit the challenge of achieving statehood for his people, and he was never able to make that transition from revolutionary to statesman, from artful dodger to a man of his word, from the mythical world he created for himself to the real world.

In that sense, he is both an historic figure and a tragic figure. In the last meeting that I had with him in June of 2001, in the Muqata headquarters in Ramallah, where he will now soon be laid to rest, he told me--wagging his finger, he said, "Remember, I am the only undefeated Arab general. And Ariel Sharon knows that because I fought him in Beirut for 90 days, and I remained undefeated." I've often wondered in the years that have passed since then what he meant by that. After all, he

was a general without an army. He only ever wore a uniform, but it had no insignia, only a few badges that people had given him, and he had, at least in my opinion, led his people to many defeats.

I think he believed that simply by surviving, by being steadfast, he and the Palestinian cause that he embodied would remain undefeated. In that sense, his death is, of course, his defeat. But if his passing now opens the way to a new Palestinian leadership that can achieve the ultimate victory of statehood and peace for Arafat's people, perhaps he will not have died in vain and his memory will then be regained.

To discuss the implications of Arafat's death this morning, we have a panel of experts, starting with Amjad Atallah on my left, who is Palestinian, and who's had a good deal of experience as the legal expert on the PLO's negotiation support unit throughout the Oslo years. Subsequently, when Abu Mazen became prime minister for that short-lived period, Amjad was an advisor to him and his government. Since then, he's come to Washington, where he's the president of Strategic Assessments Initiative, which is a not-for-profit law firm, where he continues to advise the PLO and the Palestinian Authority on legal issues, security issues, and territorial issues.

He'll be followed by Shibley Telhami, the Anwar Sadat professor at the University of Maryland and a senior fellow at the Saban Center at Brookings. Shibley will speak about the impact of Arafat's death and the end of the Arafat era on Arab politics and the Middle East more generally.

I will speak about the impact on Israel and what we can expect from the Israeli leadership in these circumstances.

Finally, Flynt Leverett, a senior fellow here at the Saban Center, formerly from the National Security Council, where he was senior director for, among other things, the Roadmap, will talk about the resurrection of the Roadmap, I suspect.

So, with that, I'll ask Amjad to begin and give us a Palestinian perspective on the latest development.

MR. ATALLAH: First, I want to say that I send my condolences to President Arafat's family and to his friends. God have mercy upon him.

As Martin said, an era of modern Palestinian history has come to an end. This era has been marked by dispossession of Palestinians from their homeland, violence, and struggle; and a new era begins today. How this new era will be marked will depend on what Palestinians do, certainly, but it will also depend on what the United States does and it will depend on what Israel does. Any attempt as we move forward to pin the blame on any particular individual, any single individual, can only be seen to be disingenuous. The Palestine-Israel conflict is a very small boat, and it's going to float or sink, depending on what everybody does.

I'm going to talk only about what the Palestinians are doing and what we're debating internally as far as moving forward. But that's not to lessen the importance, perhaps greater importance, of what the United States chooses to do in the coming weeks.

Palestinians have defaulted back to institutions that have great legitimacy among Palestinians. President Arafat was a larger-than-life figure, and he consolidated authority across a wide spectrum of institutions in his personality, in his individual personality. He used this as a system of patronage, he used it as a system of governance. The three major institutions that have survived him are the PLO--the Palestine

Liberation Organization, the Palestinian Authority, and Fatah, the largest Palestinian grassroots secular movement.

Now, each of these had separate functions, separate legal mandates in the past that tended to get blurred and confused in the personality of the president as an individual. The PLO has the mandate to exercise sovereignty on behalf of the Palestinian people and to represent Palestinians in the Diaspora as well as inside Israel and inside the occupied territories. That mandate of the PLO is what allows it to be the party that negotiates with Israel. Every treaty that's been signed between the Palestinians and the Israelis has been signed by the PLO. Because of that personality, it was given to it, effectively, by an Arab League resolution that recognized the PLO as the sole legitimate representative of the Palestinian people in the mid-1970s and subsequently strengthened by U.N. recognition of the PLO in that capacity.

Fatah was created, in effect, prior to the PLO and it maintains itself as the largest secular grassroots Palestinian movement. It exists inside the occupied territory and inside the Diaspora. So Fatah has a presence in Lebanon, of course, in the refugee camps in Jordan and in Syria, as well as in the West Bank and the Gaza Strip. And Fatah's goal is, of course, the liberation of the West Bank and the Gaza Strip and the creation of an independent Palestinian state. Fatah endorsed formally the Oslo process and endorsed the idea of negotiations as an attempt to end the occupation.

The Palestinian Authority is a little bit more complicated. It was an institution created through an agreement between the PLO and Israel to create an administering authority that could administer certain aspects of Palestinian life under occupation until the occupation ended through an agreement between the PLO and Israel. In effect, the PA was like the Iraqi Governing Council. It was supposed to be an

administering body that would administer Palestinian affairs under the occupation; however, Palestinians had greater aspirations for it and hoped to use the PA to build the infrastructure of a democratic state in advance of actual independence.

However, again, all of these positions, all of these goals became confused in the last 10 years under the mixing of positions. A lot of PLO figures became PA figures. The PLO effectively ended its financial endorsement and support for Palestinians and moved that money over into the Palestinian Authority. The Palestinian Authority became the single greatest party responsible for taking care of Palestinian affairs, paying Palestinian salaries, social welfare, things of that nature.

The first thing that's happened after the incapacitation of the president, and now his death, is that these three organizations have once again split into their original mandates. Mahmoud Abbas, who was the secretary general of the PLO, became the chairman of the PLO a few hours last night after President Arafat's death. Fatah is now under Faruq Qaddumi, one of the original founders of Fatah, who remained outside in exile, and who did not accept the Oslo process because of the criticisms of creating an administering authority for the Israelis in the occupation.

And the Palestinian Authority, the speaker of the parliament, Rawhi Fattuh, has become--will become, if he hasn't been sworn in already--the president of the Palestinian Authority for 60 days until elections can be had for the president. However, the Palestinian Basic Law, which is like the Palestinian constitution, had already moved many of the authorities of the president over to the prime minister. President Arafat had created a national security council run by Colonel Jibril Rajoub, that was supposed to be in charge of security, but he placed it under the office of the presidency, in violation of the basic law. The first thing that the Palestinians did when the president was

incapacitated was move the national security council back into the office of the prime minister, where it belongs.

Now, I've just described a legal structure; I've described an organizational structure. But it doesn't address the question of popular legitimacy, which is now going to be the single greatest concern of the Palestinian leaders. There is no figure that has the popular legitimacy that President Arafat had. And President Arafat himself did not have overwhelming popular legitimacy. Approval ratings for him were never really greater than 40 percent in recent years. And you'll have to recall that every couple of months the Israelis would threaten to kill him--which would beg the conspiracy theories, that Palestinians might be suspicious about why he died, I guess, two months after the latest death threat from the Israeli government.

What the Palestinians are now hoping to do is find a way of creating significant popular legitimacy, majority popular legitimacy for any Palestinian leader and for any Palestinian collective leadership. They have a window of opportunity in order to do this.

The number one option that everyone is considering is that there will be elections for the president within 60 days, but that the candidate for that will be Mahmud Abbas, the chairman of the PLO--in effect combining the positions of the chairman of the PLO with the presidency of the Palestinian Authority, as Arafat had done in the past. And the idea might be that Fatah might be able to have a general assembly meeting prior to this election for president. Fatah general assembly meetings are a meeting of all Fatah cadre in order to select a new Fatah central committee. This has only happened five times since 1965. This would be the sixth time, if it could happen this time. They would then endorse a new Fatah central committee, and the Fatah central committee

would choose a head. And then potentially there will be legislative elections for the PLC within six months after that.

A second option that's being considered is what happens if you can't have elections. After all, Palestinians are under occupation, and if the Israelis don't facilitate the elections, the elections can't happen. The Israelis could declare a curfew in particular towns, they could refuse to allow Palestinians in East Jerusalem to vote, they could launch an incursion or attacks on particular Palestinian areas on the day of the election or days before the election. There are number of things they could do to prevent the elections from happening. If the Israelis facilitate the elections, that's one thing; if they don't, there's a consideration of having the PLO by decree appoint a president and have the Palestinian Legislative Council approve that appointment in order to continue the process. However, this would affect the question of popular legitimacy and would not necessarily help create the mandate that Palestinian leaders want and need right now.

Another option that's being considered, but not as seriously at the moment, is to keep the PLO and the PA positions separate, to recognize that the PA is in charge, really, of administration of Palestinian territories and state-building, but not negotiation; and the PLO's in charge of negotiation. The presidency of the PA would become a more ceremonial post, much like the Israeli presidency, and the prime minister would become in charge of administration, including security.

An option that's being discussed and debated by some is that the PLC could potentially, then, select--after it's been elected--select Palestinians from the West Bank and the Gaza Strip to join the Palestinian Liberation Organization's executive committee and become part of the power-sharing structure. So the PLO executive committee, which would be the decision-making body of the PLO, led by the chairman,

would bring new blood, young blood, that would effectively be chosen by an election process to join that and represent the Palestinians as a whole.

The one thing that Palestinians are concerned about is developing a system of governance now that relies on Palestinian popular will and not on American policy or Israeli goodwill. In the past, the Palestinians have relied on the assumption that the United States government will make decisions that will improve the lot of Palestinians on the ground, thereby empowering moderates to continue with negotiations with Israel. In the past, that hasn't happened. The United States has always failed in actually adopting policies, as opposed to rhetoric or photo ops, that would actually move the process forward.

At this point in time, without President Arafat's presence, without his iconic stature to hold pieces together, relying on the United States would probably be a terminal mistake for the Palestinian figures. Developing a system that relies exclusively on Palestinian popular support to go in whichever direction the majority of Palestinians agree--and so far, we still have a majority of Palestinians who agree that a negotiated end to the conflict is the ultimate goal--that's going to be the only way that the Palestinians are going to be able to translate this opportunity into creating a new national movement that can represent Palestinian interests regardless of what the United States chooses to do, regardless of whether Israel continues to promote a long-term interim arrangement.

Thank you.

MR. INDYK: Thank you, Amjad. Very interesting.

Shibley, please.

MR. TELHAMI: Thanks very much. I, too, would like to add my words of condolences to President Arafat's family, to the Palestinian people, to many Arabs and Muslims, and indeed people in the Third World, who saw in him a symbol not only of the Palestinian issue but of some of their own causes.

I'd like to reflect on three issues that place this period in some perspective, particularly in the Arab world and beyond. If you first look at what has transpired in Arafat's legacy, clearly the two most important things are that he's the one who made Palestinian statehood more possible than anyone else. But the other side of that is he's the one who legitimized Israel in the Arab world, more than anyone else.

And that package, I think, is very important to look at and to look at how he was evaluated, particularly in the last four years. I think it's fair to say that at some strategic level the Palestinians broadly, but Arafat personally, wanted to make sure that Israel's path to making peace with the Arab world had to go through the Palestinians; it can't happen alone. Camp David was an aberration in his mind. It was parallel, I think, to an Israeli view that Arab relations, that Palestinian legitimacy in America and the West, have to go through Israel. In a way, that was a package. And you can even see the popularity of both in the broader context--both the Palestinians' acceptance in the United States, and Israel's acceptance in the Arab world--as a function of this package that was symbolized on September 13, 1993, on the White House lawn, when you had Arafat shake hands with Rabin.

I think that has been the package. And you can see, in fact, Gallup has put this record of Arafat's popularity in the United States, you can see it starting to rise immediately after the Oslo agreement, reaching the top just on the eve of the Camp David accords--actually just, particularly in the Netanyahu years, where he looked good

in comparison, at least in the eyes of the American public--and then started to slide rapidly down after the collapse of the negotiations, reaching a low of some 7 percent in the United States recently. And you can make the same argument about the acceptance of Israel not only among Palestinians but really among the broader Arab and Muslim world--a similar package.

The question is what was the role of Arafat in all this personally, how people viewed him personally. And no question, I think, that in terms of issues, the Palestinian issue remains extremely central in Arab and Muslim countries. In fact, the surveys after the collapse of the negotiations in 2000 show that the Palestinian issue has risen in importance in Arab and Muslim countries. In fact, it has become far more important. But the same cannot be true about Arafat, and here I want to put that in some perspective of public opinion in the Arab world in relation to the Palestinian issue versus relations with Arafat.

It's true that at some level Arafat has remained as the flag of the Palestinian cause, as a symbol, as an embodiment. And in that sense, it was hard to separate the Palestinian cause from Arafat in the minds of many. But in fact, people have made a separation and you see it in terms of popularity. When I look at the public opinion surveys that I've been conducting in the Arab world, his popularity has diminished rapidly. And he is not named by Arabs when I ask them whom among world leaders do you admire most? He is not named as being in the top five or six or seven. In fact, his last number, in the summer, was only 2.5 percent of the people named him as the favorite world leader.

So he had declined. In fact, you can see him declining even over the past two years, dropping in half in popularity, based on the surveys. And the question is

why? And this, by the way, is at the very same time that the Palestinian issue is rapidly rising in importance among Arabs and Muslims. So it's not a drop in the importance of the Palestinian issue. On the contrary, it has become more central not only in the Arab world but even in Muslim countries where it hadn't been a top priority--like Pakistan or Indonesia or Malaysia, where it has clearly risen, according to the polls.

So what has happened? Well, we have to put that in some perspective. When Arafat rose to prominence, he rose to prominence on the eve of a humiliating Arab defeat in 1967. The Arab states failed. The pan-Arab movement failed. A man who was loved in much of the Arab world, Gamal Abd al-Nasir, failed. It was a sense of helplessness that came about after 1967. And the PLO's rise to prominence, really symbolized in that one battle, the battle of Karama--which, coincidentally, in Arabic means "honor." It's a town in Jordan, and Israeli troops went after PLO concentrations in Jordan. And the operation didn't go well for Israel, by battle standards. It wasn't a war, it wasn't a huge operation in terms of war standards, but as a battle it didn't go well for the Israelis. The Israelis had many losses. And the PLO was able to disperse and withdraw. There's a question about the role of the Jordanian army versus the PLO.

But what happened afterwards was a metaphor that arose, that highlighted this as an incredible victory with a few fighters carrying out the battle and inflicting more harm on Israelis than did all of the Arab armies combined. That's the story. And the next morning, thousands of people went to sign up for PLO participation. It was a sense of somebody who can address humiliation, can address the fact that no one else was doing something and they were doing something, and they were succeeding. That was the rise of Arafat, which in fact, obviously, increased over time to a different extent.

Over the past four years Arafat has been the paralyzed man. He has not been the man who was blamed for the failure. In the Arab world, most Arabs and most Palestinians blame the Israelis for the failure of Camp David; they don't blame Arafat for that. They don't think he should have accepted what was on the table, at least based on what they believe was offered to them in 2000. But what they see is a man who is incapable of addressing the problems on the horizon.

That brings me to the third trend that I want to talk about here as to what is going on as an alternative and that should make us think about the end not only of the Arafat era, but really the end of an era that also was an era of secular nationalism in the Middle East, including pan-Arabism. Let's not forget that the downfall of Saddam Hussein, he was kind of the last holdout of a major leader in the pan-Arab movement. So what is happening in the street?

I could tell you that, in my own public opinion surveys about leaders, the top five leaders are the following: Gamal Abd al-Nasir of Egypt, who's been dead since 1970--that tells you about the hunger for leadership in the Arab world; Jacques Chirac of France--that Muslim fundamentalist who prohibited the veil in French schools; Saddam Hussein, who's still popular; Hassan Nasrallah, a Shi'a leader of Hezbollah; and Osama bin Laden, who has risen dramatically over the past year.

When you look at all these people, they have very little in common except their perceived defiance of the United States. I think that tells you some story. It's not the rise of Islamic fundamentalism as we understand it--and think about that for a minute, because that's not what they are. It's not even about democracy as such; none of these are democrats. And it is interesting to look at the profound motives here and how Arafat was seen in that kind of perspective.

The last point I want to make is about the assault of the project that Arafat put on the table. I think by virtue of Arafat being in place, we had a sense that all those causes that he championed are still alive and well, including the two-state package and the secular nationalist package. Forget about the Authority as such, but he projected the continuity of that package on the table. And the truth of matter is there's been huge assault on that package, both at the Arab level, at the Muslim level, at the level of Palestinians, at the level of Israel. We are seeing an assault on the idea of Arab nationalism, we are seeing an assault on the idea of a viable Palestinian state. We are seeing a rise in what I call Islamic nationalism, as differentiated from Islamic fundamentalism. And we are also seeing an assault from within Israel itself about the commitment to a two-state solution. From within Israel itself there are trends in that regard.

That, given also the rise of Hamas and other groups among the Palestinians, is putting tremendous pressure on the very project that Arafat represented in a way that will transcend the issue of who succeeds him, in a way that we must put on the table for discussion today because his passing is really the passing of an era.

MR. INDYK: Thank you, Shibley.

From the point of view of Israelis, as much as many on the Palestinian side revered Yasir Arafat, many more on the Israeli side reviled him. He was the perpetual thorn in their side--as Shibley has described, the man who prevented the Israelis from enjoying the fruits of their victory, preventing them from believing that occupation of the West Bank and Gaza could go on forever because of its benign intent. And of course, he's come to be identified by most Israelis as the cause of so much

suffering and the loss of innocent life, which would be in the last four years of the *intifada*.

So I think it's fair to say that not too many Israelis are going to mourn Arafat's passing. On the right of the Israeli political spectrum, he was a terrorist, pure and simple; he stood in the way of their vision of a greater Israel. And for others on the right of the political spectrum and even the center as well, he was the proof of their belief that Palestinians and the Arabs more generally will never accept Israel's right to exist, will never be reconciled to a Jewish state in the midst of the Arab world.

On the left, the feelings are in some ways more bitter, because they are fueled by a sense of deep betrayal, a betrayal that came from their willingness, as Shimon Peres said again this morning, to let bygones be bygones--something that they decided to do back in 1993, when Yitzhak Rabin, the leader of the peace camp at the time, shook hands with Yasir Arafat and they together committed to seeking peace between Israelis and Palestinians. For the left, for the peace camp in Israel, Arafat was indeed their partner. And when they offered him, in the form of Ehud Barak's acceptance of the Clinton parameters, when they offered him what they regarded as an historic compromise which went what they felt was a very, very long way towards meeting what they understood to be Palestinian demands, they saw his rejection and his resort to violence, the violence of the *intifada*, as a fundamental betrayal. It destroyed their argument within Israeli politics that there was a partner, that peace could be achieved with Yasir Arafat. In effect, one of Arafat's legacies is the destruction of the peace camp in Israel, where you have people even to the left, like Yossi Sarid, saying that there's no point in dealing with Yasir Arafat.

But something else occurred along the way, and I suspect that Arafat would claim this as a victory. What happened along the way was, notwithstanding the attitude towards Yasir Arafat, there came, I believe, to be a broad consensus within Israeli society that the only solution to this problem that the Palestinians posed to Israel's survival and security and self-definition as a Jewish democracy, was to separate--to separate the Israelis from Palestinians. That was first embodied by Yitzhak Rabin in the peace process, which he always referred to as a process of separation. But he said most notably in a speech after the Oslo II signing here just a few months before his death, he said, "Separation out of respect, not out of hatred."

In the intervening years, separation has gained even greater support amongst Israeli people. But it is now a separation out of hatred rather than out of respect. And it is a desire for separation that first pressured the government of Ariel Sharon to build the fence in the West Bank as a separation barrier so as to prevent Palestinians from entering the lives of Israelis, and then fueled the pressure on Sharon's government to get out of Gaza--this unilateral disengagement plan, which has now been legitimized by a vote in the cabinet and a vote in Knesset and will be implemented over the next six to nine months, by the end of next summer.

That is a manifestation, in a sense, of Arafat's achievement, if you like, that Israelis came to accept that they had to get out, at least out of Gaza, even if there was no negotiated agreement, even if it was territory and all the settlements for nothing rather than territory for peace. Because they accepted the argument from Sharon that as long as Arafat was there, there was no partner to do this deal with, but separation had to go ahead in any case.

Now his death has removed the argument that there is no partner to deal with. And his death has opened the way to the possibility of a Palestinian partner emerging to negotiate a separation deal that would involve not just withdrawal from Gaza, but also withdrawal from much of the West Bank--again, something which I think the broad majority of Israelis now accept as the way to achieve a lasting solution.

This potential for creating a partner and what Israel does about it is something that is already being debated in Israel. The national security establishment has put forward a series of steps that they believe the government should take, and these steps have now been endorsed, yesterday, by the defense minister, Shaul Mofaz.

It starts with a recommendation to the prime minister that he now coordinate Israel's withdrawal from Gaza. Sharon was absolutely opposed to any coordination with the Palestinian Authority as long as Arafat was in charge. This was to be a unilateral move by Israel. Now the defense establishment is saying we need to coordinate with Arafat's successors.

Secondly, they say that the disengagement timetable should be adhered to, they should move ahead on that front; that they should look for opportunities to redeploy the Israeli army from the West Bank cities and towns as well because they see that the new leadership under Abu Mazen and Abu Alla are already beginning to exercise control over the security forces and negotiating cease-fires with the terrorist organizations, and they want to encourage this process by pulling the Israeli army out and reducing the pressure on the Palestinian population.

They also talk in their recommendations to the prime minister of a large prisoner release further on down the road, something that was very important to Abu

Mazen at the time that he was prime minister and something that he was unable to achieve in any significant way--there was a minor prisoner release.

What this indicates is that the defense establishment recognizes, and has said so publicly, that the last time they had an opportunity to help build a moderate leadership, when Abu Mazen was appointed prime minister, that they blew it. Chief of Staff of the Israeli Army Yaalon has actually said that publicly, that they missed an opportunity. And they do not want to miss a second opportunity to help the emerging Palestinian leadership legitimize themselves by showing that they can deliver a change in the daily lives and the future of the Palestinian people as a result of these actions by Israel. Now, the Israelis, particularly the leadership, are aware that they should not be engaging the new leadership in a bear hug. But there is an interesting willingness to seize this opportunity to try to help build a partner for a process that begins in Gaza but would then move on to the West Bank.

For Ariel Sharon, this creates a dilemma. For him, as long as Arafat was there, he could avoid having to negotiate with the Palestinians. And he was reluctant to do so because he understood from that brief moment when Abu Mazen was prime minister that a negotiation with the Palestinians would inevitably lead not just to giving up Gaza, but to intense pressure on Israel, starting with Israel's ally the United States, to give up the West Bank and part of Jerusalem as well. And as I understand the prime minister from years of working with him, from his point of view Israel cannot afford to give up some 40 to 45 percent of the West Bank, which involves the high ground along the ridge where he put his settlements, and Jerusalem, which he regards as the united and eternal and forever undivided capital of Israel.

And so giving up Gaza unilaterally was in effect a way of holding onto those treasured possessions. Now if a new Palestinian partner emerges, there is the potential for a new negotiation in which those treasured possessions will be part of the negotiating process. In that case, I believe that what Ariel Sharon will do is resurrect the Roadmap.

Now, you probably all thought that he didn't like the Roadmap. You probably all thought that he wanted to kill the Roadmap. Wrong. Ariel Sharon liked the Roadmap, was in fact--Flynt can tell you whether this is true or not—he was in fact one of the architects of the Roadmap. Why? Because in the first phase of the Roadmap, there is a requirement on the Palestinian leadership to act against the terrorist infrastructure, not only to end the terror, but to dismantle the terrorist infrastructure. And that, from Sharon's point of view, will put them to the first and most important test. If they pass that test, then it becomes a different kind of environment as far as he's concerned.

But if they pass that test, then you move into phase II of the Roadmap. And phase II of the Roadmap is Sharon's idea of an interim settlement in which the Palestinians would have a Palestinian state, but its borders would be provisional borders. Its state would be established, according to what I understand to be his definition of phase II of the Roadmap, in all of Gaza and 50 percent of the West Bank, and not including Jerusalem. So he has a way forward in which he can still protect his approach to what he considers Israel needs, at least for a long-term interim until--as his cabinet chief Dov Weisglass said in a candid moment--until the Palestinians become Finns.

The one thing--and this is in effect a segue into what Flynt will talk about--the one thing that will affect what I think will emerge as Sharon's strategy as I've

described it will be the president of the United States. Because we should bear in mind that while all this is going on on the Palestinian side, Ariel Sharon does not have a majority in the Knesset anymore. And he will be forced, sooner rather than later, into a coalition of one kind or another with the Labor Party, which I believe will lead to an understanding that the date for elections should be moved up from the end of 2006 probably to the end of 2005.

The one thing that Ariel Sharon will not do, if I understand him correctly, is go into such an election in a confrontation with George Bush. He knows that that killed Yitzhak Shamir's prime ministership--led to the election of Yitzhak Rabin when Shamir had a confrontation with Bush's father--and he knows that it helped to kill Bibi's reelection, and Barak was elected in the contest of a very tense relationship between Bibi Netanyahu and Bill Clinton. And Sharon has acted very carefully to build his relationship with George Bush, to make sure that there is no daylight between the United States and Israel, and he's been very successful in that. My experience with Ariel Sharon is that when he sees that the president of the United States is serious about something, he will adjust his plan to ensure that there is no daylight between the United States and Israel.

So what happens to the Palestinian leadership will depend a lot on what Sharon decides to do, but what Sharon decides to do will depend a lot on what George Bush decides to do.

MR. LEVERETT: Martin has indeed set me up very well for what I want to say about how I think the Bush administration will respond over the next several months to the situation that presents itself in the aftermath of Arafat's death.

First, let me add my own meager words of condolence to the Palestinian people at this point of significant transition in their national life. I hope this can be an opportunity for the parties to start to move back in the direction of a political process aimed at a two-state solution, not only because that is the way that Palestinian national aspirations get fulfilled, but because the alternatives to a two-state solution are so profoundly troubling for Israel. But while I hope that, when I think about how the Bush administration is likely to play this issue over the next few months, my optimism does not increase.

The Bush administration, of course, had a very, very difficult relationship with Chairman Arafat. I think that I am one of the last American officials of any seniority to have met with Chairman Arafat. I was with Secretary Powell when he met with the chairman in Ramallah in April 2002, and then about six weeks later, in the run-up to what would become the June 24, 2002 speech by President Bush, in which he outlined his vision for a two-state solution, Assistant Secretary Bill Burns and I went to Ramallah to meet with the chairman. We told him at that time that his relationship with this administration was very, very close to a breaking point, that if we didn't see a real turnaround in terms of Palestinian security actions against terrorist violence, et cetera, et cetera, the prospects for a continued relationship were very, very dim and he needed to move now to avert a significant change in his relationship with the United States.

And he said to us that he agreed with us 100 percent about everything that we had said. And I still remember walking out of the compound, walking out of the Muqata with Bill, and having him say to me, "I would have felt better if he'd said I agree with you 60 percent." It might have been an indication that we were actually having a serious conversation with him. But he agreed with us 100 percent, and of course nothing

fundamentally changed, and June 24, 2002, President Bush effectively cut off U.S. dealings with Chairman Arafat.

Now that he is gone, there are certainly opportunities available to the administration in the near term for stepping up their engagement with the Palestinians. And I think to some degree you're likely to see the administration take some of those opportunities. They will want to look busier on this issue. If there is in fact a move toward elections for a new president, that is going to require a good deal of international support, coordination with Israel, and I think the United States is likely to be playing a very important role in helping that process unfold. If we really do move in the direction of trying to make Gaza disengagement a coordinated process rather than a unilateral Israeli process, again I think that there's going to be a lot of opportunity for the United States to become engaged in mediating things between Israel and Palestinians.

I don't want to underestimate the difficulties in accomplishing those things in the near term. Getting a cease-fire, for example, in connection with holding elections or in connection with trying to coordinate Gaza disengagement is not going to be easy. I think it will inevitably require a degree of restraint in terms of security responses on the Israeli side that would be unique under the Sharon government. I don't underestimate the difficulties of doing these things, but there are opportunities there for the administration to engage in the near term and, as I said, to look busier on this issue. And I think there are a lot of reasons why the administration is likely to want to do that.

The real test for me is going to come in linking whatever we do in the near term in terms of engaging Palestinians, linking that to the Roadmap. I certainly agree with Martin. I think we're going to see a return to the Roadmap. And Martin is right. While the initial idea of the Roadmap was very problematic for Ariel Sharon,

Ariel Sharon worked very, very hard in the months that we were preparing the text of the Roadmap to make sure that on the most important issues, it could work to his advantage. And I think you're going to see a definite return to some of those points over the coming weeks and months.

The real question in terms of how you link whatever you do in terms of near-term engagement, how you link that to the Roadmap, it really boils down to what phase of the Roadmap do you link it. You will recall the Roadmap basically laid out in three phases: an initial phase where Palestinians take action, as Martin said, to crack down on terrorist violence, to dismantle terrorist infrastructure, and to reform their own political institutions. The Israelis, in return, take steps to improve the day-to-day quality of Palestinian life, and by the end of the first phase they have been eased into an effective freeze on settlement growth.

In the second phase, the key point of the Roadmap is to establish what could be a Palestinian state, but with provisional borders. You know, essentially the territorial extent of the Palestinian state ultimately is still to be decided in final status. But the Palestinians, the areas that they control, could in theory be put together and given the status of statehood, with provisional borders and other aspects of sovereignty still to be determined or worked out in final status negotiations.

And then in the third phase, that's when you actually get to the hard final status issues--final borders, Jerusalem, refugees, et cetera.

Now, the real question for me is, whatever we do in the near term, to which phase of the Roadmap do you link that? I think it's pretty clear that Ariel Sharon wants to link Gaza disengagement to phase II of the Roadmap. You link Gaza disengagement to a process, and you end up with Palestinians having some limited

control over some portion of the West Bank; Israel is out of Gaza; Israel has taken care of its security needs on the West Bank; and this becomes the basis for long-term interim arrangements, which Mr. Sharon and people close to him have said those long-term interim arrangements could go on for years, literally for a decade or more. And I think that is going to be the push from the Sharon government, to link whatever we do on Gaza disengagement, other kinds of near-term engagement with the Palestinians, link that to phase II of the Roadmap.

The alternative is to link what we do in the near term to phase III, to final status. This is, I think, the preferred course among our European allies. In Mr. Solana's office in Brussels, in a few important European capitals, this is the approach that would be preferred. And I would imagine in the coming weeks you're going to see various Europeans urging this course on the Bush administration. I personally think that that is the only approach which might empower a moderate Palestinian leadership to do what it needs to do on security and on political reform in the near term.

I am not at all optimistic that this is the course that the Bush administration will take. I don't believe that the administration will do this, for a couple of reasons. First of all, as Martin said, Ariel Sharon is going to work very hard to make sure there's no daylight between himself and the Bush administration. I think that even free of the burdens of reelection, this administration, this president is not going to want to be fundamentally at odds with Ariel Sharon, in part because of political calculations here--but those have obviously been reduced in importance--but I think fundamentally because the kinds of red lines that Sharon has laid down with the president about final status issues--that '67 borders cannot in any way be the starting point for negotiating final boundaries, that there can be no Palestinian political presence in Jerusalem--in the

end the president and the vice president, they agree with those things. They agree with those precepts and they are not going to, in any fundamental way, challenge Sharon on those aspects of a final status solution.

You know, if you had a different Israeli government that was prepared to take a different position on those final status issues, I don't think that President Bush and Vice President Cheney would work at odds against that Israeli government. But they do not disagree with Ariel Sharon about these aspects of final status. They have, to some degree, convictions on these issues, and I don't think that they are going to push Mr. Sharon on these issues.

The other reason that I think that they will not take a very much more forward-leaning position on the substance of these questions is because of the way they look at this issue and their own experience with this issue. Martin talked about how the Israeli defense establishment believes that Israel missed an opportunity with Abu Mazen to help encourage the emergence of a moderate Palestinian leadership. You could make the same criticism of the Bush administration in the way that it handled Abu Mazen. In fact, at previous events like this at Brookings, Martin and I both made that criticism of the Bush administration, and I think it's correct.

But that's not the way the president sees how things played out with Abu Mazen the first time. From the president's point of view, the problem is with Abu Mazen. Abu Mazen proved to be so weak a vessel--really, too weak for the tasks at hand--that from the president's point of view it was a really smart thing, a very good thing, that he didn't spend the political capital to try and bolster some guy who in the end couldn't deliver. The president isn't viewing this as a situation which he didn't do

enough; it's that, boy, wasn't it good that I didn't squander political capital for someone who--it's not really clear they could have done what needed to be done.

I think that view still very much dominates at the White House. The burden of proof is going to be on Abu Mazen, on Abu Alla, on others who emerge as important figures in the post-Arafat Palestinian leadership. The burden of proof is going to be on them, as far as the White House is concerned, to show that they actually can be credible partners. And I think there's going to be a real limit to how far this administration is prepared to extend itself in order to help them demonstrate that capability.

I also, in the end, am just pessimistic about this administration, which I think on a whole lot of fronts finds diplomacy a very daunting prospect. I really question at this point whether they have the basic--I'll go ahead and say it--the basic competence to do the diplomacy necessary to try and move this issue forward. I think that the administration is missing--if it wanted to engage in a serious way, the administration is missing an opportunity by not sending Secretary Powell to Cairo tomorrow. And I find it incoherent that the same day they're saying we're not going to send Powell--they'll probably end up sending Bill Burns. And certainly no disrespect to Bill on my part, but I think that's not really the level of representation we need in this situation. But the same day they're saying that they won't send Powell, the president is out saying he's looking forward to getting directly involved in the process of searching for a two-state solution.

It wouldn't surprise me if we're setting ourselves up for a replay of what happened in the immediate aftermath of the Aqaba Summit in 2003, where we may get some nice photo ops letting the president look busier on this issue, but the secretary of

state is not going to be doing his job, as the nation's chief diplomat, of trying to put the pieces together over the next few weeks and months so that, if then we really do want to link what happens on Gaza at first to a serious political process, that all the pieces are there and at that point the president of the United States could become involved in seeking an historic settlement to this conflict. On that front as well, I see this administration falling short.

So while you will continue to read, I'm sure, for some time about the opportunities afforded to the United States and to the parties by Chairman Arafat's passing, I am not at all optimistic that this administration will take advantage of those opportunities.

MR. INDYK: Okay. Thank you, Flynt.

We'll go straight to questions.

QUESTION: Thank you. Barbara Slavin of USA Today. A couple of questions about names that haven't been mentioned this morning and organizations not mentioned.

To Mr. Atallah, what will be the role of Hamas, Palestinian Islamic Jihad, other organizations? Are they going to be willing to cease fire to join in a process? What will be the price they'll demand in return? Will Hamas want a place at the table, and how can the United States and Israel deal with that?

And then on security issues, to Flynt and also to Martin. One of the problems that the Palestinians have had has been dealing with security, trying to control all of these various groups. What can the United States, Israel, Europe, the United Nations do to try to facilitate a cease-fire and help Abu Mazen and Abu Alla deal with that situation?

MR. ATALLAH: Hamas is actually a very pragmatic organization. It has an ideological platform and mandate. But you can liken it to Likud in that respect. It has an ideological platform, but it has a very pragmatic political streak. You will recall that Sheik Yassin, just a few days or a week before the Israelis assassinated him, made public statements that he would accept, or that Hamas would accept, a Palestinian state in the West Bank and the Gaza Strip, they just simply wouldn't recognize Israel.

Hamas, I think, is prepared to play a role of a loyal opposition, in which it will have a significant role in political decision-making, but it doesn't want to be the front man, it doesn't want to be the party it has to be--it actually allows it to remain morally pure, so to speak, by criticizing the decisions that are made by the secular leaders, who they can put up in the front to negotiate a deal.

I think that in the past Hamas, for example when Abu Mazen became prime minister, Hamas agreed to a cease-fire, a unilateral cease-fire. Hamas and Islamic Jihad agreed that they would stop fighting. And I remember at the time what they told Abu Mazen was we'll agree to this, but we know the Israelis won't maintain it and you know the Americans aren't going to back you up. So we're going to do it because we don't want you--or more importantly, we don't want the Palestinian people to say we're the spoilers. We know that at the end of the day we'll be able to point at Israel and say Israel was the spoiler. And sure enough, of course, Israel increased assassinations, increased home demolitions, and refused to give Palestinian prisoners to Abu Mazen, instead releasing them to Hezbollah. So Hamas was able to turn to the Palestinian public and say, you see, we were right all along.

I think Hamas is willing to take a step back again and say to the Palestinian government, in this time of need we're prepared to play a unifying role.

We're not going to rock the boat. I think that Hamas's endorsement, implicitly or explicit, of whoever runs for president will be necessary for that person to win, even though that person will have to be put forward by Fatah. So if Fatah, for example, puts forward Abu Mazen's name as the person running for president, Hamas will have to say okay, or we don't have an opinion on it, in order for such a person to be elected. So I think that this is actually a good time to try to turn Hamas from a paramilitary organization into a Shas-type opposition religious party that's participating in Palestinian life.

But the big question for Palestinians -- is not just a Hamas question; it's a Hamas and a Fatah question. Which is, are we going to be able to use this opportunity to pursue negotiations completely peacefully without violence in order to achieve our aims, or are we still going to need to resort to violence because a long-term interim arrangement is all that's on the table? And that decision, however--I mean, as Palestinians, we have a large stake in making sure that that debate goes in one direction. But it's going to be affected greatly by what people perceive the United States commitment is.

MR. TELHAMI: May I add to this? Because I think the situation is a little bit more complicated. I do agree that, in the short term, it's not in Hamas's interest to rock the boat or challenge. And certainly, I think they want to have this norm of not attacking other Palestinians. I think that will remain.

But I think as they assess what they should be doing, they're already sending mixed signals. On the one hand, they're asking to be part of an umbrella organization beyond the PLO that would represent them--which hasn't happened yet, and

it's not likely to happen. And the second is they're also sending signals that they may be interested in entering an election, if there's an election.

I think that that last possibility probably will not happen even if the PLO will encourage their participation. The reason I say that is twofold. Number one is, if you look at the assessment they're going to make about the prospects of moving forward, the prospects of real peace, remember, the Palestinian in the street, including Hamas, doesn't think that Arafat was the obstacle to peace. They think it's Sharon, they think it's the Bush administration. And you've heard Flynt about the prospects even looking at it from our own analysis. So if they're looking at it, they say it's not going to happen, so why would they want to be in charge of something that's not going to move forward? Aren't they better off being outside?

The second thing is, if they enter it, they face possible embarrassment. If they lose--which they might, and probably will--then they're in trouble. If they win, then they're going to be forced to make a choice, and that choice is they either recognize Israel very clearly and say that they oppose violence, or clearly there will be no negotiation. And either one, they're going to be losers, for themselves.

So when you look at their own analysis, if you look at it from their point of view, it's not all that sensible for them to enter at this point. The real question is, therefore, what are they going to do? If they're not going to front the Authority, if they're not going to participate, then their only option is to keep up an ultimate option for them, which is the military option, and carry on. And that obviously places tremendous strain on any authority that is going to be trying to implement, particularly the Roadmap. And so I think we're going to see a lot of trouble ahead in that relationship.

MR. LEVERETT: On security, I think that the basic problem on security is what it has been since the intifada broke out in 2000. I am personally very skeptical about the idea that Hamas is going to change its stripes to such a degree that it can participate in a meaningful way in the mainstream of Palestinian politics and will renounce violence in any sort of decisive way.

Essentially, what you have to do is you have to incentivize a moderate Palestinian leadership to be willing to conduct what is in essence a low-grade civil war against Hamas and other rejectionists, and you have to be prepared to give them the capability to do that. That means a significant and very urgent American assistance program to build up the PA's security capabilities. This plan is drafted, it is ready to go. It was not rolled out after Abu Mazen became prime minister, and if it is not rolled out now, you know, this isn't going to go anywhere.

MR. ATALLAH: I just don't believe that Palestinians are going to engage in a low-grade civil war under these current circumstances unless the overwhelming majority of Palestinians believe that independence is on the horizon and somebody's acting as a spoiler for that.

MR. LEVERETT: I said you have to incentivize a moderate leadership to do that. You may be able to finesse some things in the near term with cease-fires and so forth, but over the longer term you have to make it clear to the Palestinians that this is what you're going to get at the end of this process, but you're not going to get there until the bad guys have been shut down.

QUESTION: My name is Dalal Hasan, from the National Endowment for Democracy. My question is for Amjad and also to Shibley.

If returning to the Roadmap entailed a vision of provisional borders with 50 percent of the West Bank and more interim agreements before you can even get to discussions of sovereignty, what kinds of incentives does that give to the Palestinian leadership to return to the negotiating table, particularly when questions of popular legitimacy are extremely critical? And if they do, what kind of parameters would they look to to set the stage for their perspective on negotiations?

MR. TELHAMI: Well, I think that there is no question in my mind that that wouldn't work. It might provide diplomacy briefly. A lot of parties are interested in having some kind of symbolism of diplomacy, particularly Arab governments that don't have any options. So the administration would succeed in getting something going, but it wouldn't last very long, and certainly wouldn't empower Palestinian leadership.

That's why, when I spoke earlier about this bigger picture, I think we're losing sight of where the public is in the region. There's been a loss of faith. There's been a loss of trust. They don't believe in processes. They don't believe in intentions. They don't believe the United States is trying to do good. They don't believe Israel is trying to do good. There is a loss of--collapse of trust, really. And obviously, in Israel they don't trust the Palestinians. There's been a collapse of trust.

And so I think to get a process-oriented approach, where each party is going to be asked to give up what it sees to be its strength up front before you know where you're going to head in the end, I think it's a prescription for disaster. I just don't think it can work.

MR. INDYK: But just to jump in here and offer an explanation of what could work, is if you saw a process in which Gaza disengagement becomes Gaza First, not Gaza Last, where that process of coordination gives the Palestinian leadership some

nine months, and hopefully elections during that period, to legitimize themselves and to show that they can take control of an area in which the occupation will have ended and all the settlements will have been evacuated. And at that point, once the Gaza disengagement is completed and the Roadmap is in effect resurrected, that is the moment at which, when the West Bank is now on the table -- because there isn't anything else, that is the moment in which President Bush could lead an international coalition to build a consensus with Arab participation to outline what the actual end game would look like.

In other words, Bush parameters somewhat along the lines of the Clinton parameters. President Bush has already laid out three or four of them along the way. But Bush parameters for a two-state solution, which would provide, I think, the incentive that Flynt is referring to, and under that arrangement, could enable even a phase II interim negotiation to take place because both sides would understand what the end result would be.

MR. ATALLAH: Actually, I wanted Shibley to go first because I knew I'd probably agree with what he said. When the Roadmap was first presented to the Palestinians and the Israelis, the debate inside the government on the Palestinian side, especially on the interim-state thing, was very complicated. And what Palestinians had hoped was that by the time we got to that point, we'd be able to say to Palestinians, okay, this year at this moment we're getting this, but we already know, because we're negotiating the details of it, that next year on this date we're getting that. And if you had that, then you knew the Palestinians would go along with it because they'd say, okay, well, we've got 50 percent this year, but we know that next year we're getting the remainder.

If they don't know, if it just goes to the 50 percent, especially when you have an Israeli government that's explicitly telling Palestinians through the Israeli press on a regular basis that this is all you're going to get, Palestinians are going to expressly reject it, and I don't believe that there's any Palestinian government that could survive accepting it.

MR. LEVERETT: I just wanted to say, what Martin did was to lay out a very, very good scenario. If the Bush administration wanted to play it the way I think it should and link Gaza disengagement to phase III of the Roadmap, this is how you do it-- a presidential address sometime next spring that lays out--

MR. INDYK: Fall.

MR. LEVERETT: Okay, it could be. Summer, fall--sometime next year--lays out the Bush administration's vision, a U.S. vision for final status that does just talk about consolidation of settlement blocks, but also talks about things like '67 borders as the starting point from which you're making adjustments, Jerusalem refugees.

I'm simply intensely skeptical that this president is going to be prepared to do that. I hope I'm wrong, but I am intensely skeptical that he has it in him to do this.

QUESTION: Gary Mitchell, from *The Mitchell Report*. Probably a question for Martin and Flynt, half of which I think you've just answered. But it was going to start by saying, with the red line on Jerusalem, is phase III of the Roadmap a reality or are we just kidding ourselves?

But I want to go beyond that and say we haven't talked at all about the quartet, and particularly about Tony Blair and whether he and other members of the quartet are going to be players in this at all. Could you comment on that?

MR. INDYK: Just on Jerusalem. All I can say about that is that Ariel Sharon used to tell me in great detail about the critical importance to the survival of the state of Israel of the settlements in Gaza, particularly Kfar Darom and Nezarim. It was a cassette that he used to play, and I listened to it many times. I could recite it for you. But when push came to shove, Kfar Darom and Nezarim are being given up.

Now, there are certain parts of Jerusalem that Ariel Sharon would never give up, but could he shift on Jerusalem? I say it's not inconceivable. It depends on the circumstances. When we went to Camp David, it was the judgment of the Clinton administration that the most Ehud Barak would do on Jerusalem was two outer suburbs. And we discovered very quickly that he was ready to divide Jerusalem to give all outer suburbs to Palestinian sovereignty and to divide the Old City as well.

Now, Ariel Sharon is not Ehud Barak. But I'm going to shock you by saying Ariel Sharon is capable not just of being a general and a politician, but I believe he's also capable of being a statesman. So it would depend in the end on the circumstances.

MR. LEVERETT: Martin has had more experience with Sharon than I have, but I would be truly shocked if Sharon were to drop a very clearly stated red line that he has put forward personally to the president of the United States in a way that--the cassette that Martin referred to about Nezarim and the Gaza settlements, I don't believe that's a cassette that Sharon has ever played for President Bush. The cassette on Jerusalem is a cassette that he has played for President Bush. I've been in the Oval Office to hear it. And I think he means it on Jerusalem, and the Bush administration would have to be prepared to pick a public fight with him over Jerusalem in order to get that on the table for final status talks.

In terms of the Europeans, you know, I think the Europeans will try to press for a bigger role for the quartet. They will try to press for a specific link to final status for Gaza disengagement. I don't think they're going to be successful. The Bush administration has put them off before, it can put them off again. For Tony Blair, I'm sorry, he has been snookered by George Bush before on this issue, and I suspect he'll be snookered again.

MR. INDYK: We have time, unfortunately, for one last question. I'm going to give it to Sam Lewis.

QUESTION: Only because I've heard those cassettes probably as many times as you.

Martin's scenario of how it ought to work is very attractive. But if in fact they were disposed to play that scenario, with the electoral calendar in Israel that you described earlier, this speech would be made in the run-up to next fall's Israeli election and would be a direct challenge to Sharon. Do you really think that's going to happen?

MR. INDYK: Well, Flynt already has given you one answer to that. I think it--first of all, we don't know when the Israeli elections are actually going to be. And I'm not suggesting that the outlining of the Bush parameters would be done simply as a surprise move without consultation between the parties and of course with the other critical players, the Europeans and the Arabs. And if there's an election looming on the horizon in Israel, I think that is one of the circumstances in which, as I argued earlier, Sharon will find some flexibility in his position if the president is serious about trying to reach an agreement in his time in office. Now, he's said it to Tony Blair, he's said it to Kofi Annan; we'll see what he says tomorrow. But, you know, this is an historic day. And this is a president who is in his historic legacy phase, as is the prime minister of

Israel. And I simply would not rule out, notwithstanding Flynt's very wise pessimism, would not rule out the potential that changed circumstances, which Arafat's death has created, can actually change the calculations and the place in history that these two leaders, Ariel Sharon and George Bush, seek to have for themselves.

Ladies and gentlemen, thank you very much for coming, and I want to thank the panelists.

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