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A Briefing by The Saban Center at Brookings

THE ROAD AHEAD: MIDDLE EAST POLICY IN  
THE BUSH ADMINISTRATION'S SECOND TERM

Thursday, March 24, 2005

2:00 p.m. - 3:30 p.m.

The Brookings Institution  
Falk Auditorium  
1775 Massachusetts Avenue, N.W.  
Washington, D.C.

[TRANSCRIPT PRODUCED FROM A TAPE RECORDING.]

C O N T E N T S

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P R O C E E D I N G S

MR. STEINBERG: Okay. Why don't we get started? Welcome to Brookings for an unusual afternoon session. I'm pleased to welcome you here to talk about the latest publication from our Saban Center here at Brookings on Middle East Policy and a set of policy recommendations for the Bush Administration second term.

We have an all-star cast from the all-star Saban Center to talk about the work that they've presented in this paper. The volume was edited really masterfully by Flynt Leverett, who is a Senior Fellow here, and who's going to lead the discussion and provide both an overview and orchestrate the players as we move forward.

But I want to pay particular tribute both to Flynt and to Martin for the work here, and this really is a showcase of the extraordinary talent and insight of the people here at the Saban Center. Martin's efforts over the last three years to create what I think is--I will modestly say the premier institution here in Washington thinking about the issues of the Middle East.

So without further adieu, let me turn it over to Flynt.

MR. LEVERETT: Thank you very much. Thanks to all of you for coming out on the Thursday before a holiday weekend creeps up on us. I was very pleased to have the chance to edit this volume. We--the participants in the project--offer it very much in a spirit of constructive criticism, and I hope that both the adjective and the noun are equally valid in terms of the work that we've put forward.

I think that all of us who were involved in this project share a sense that this is a potentially historic presidency with regard to the impact of the Bush Administration's foreign policy on the part of the world that we are focused on, the Middle East. You certainly cannot fault President Bush for lacking what his father once so famously derided as the "vision thing." The President has laid out a truly ambitious agenda, really an agenda for remaking the part of the

world that we deal with. And in many ways, I think you have to hearken back maybe even past Ronald Reagan, but to Woodrow Wilson before you come upon a President who has articulated as ambitious a foreign policy agenda as this one has.

That being said, the Wilsonian metaphor, or comparison, is instructive, because in the end, President Wilson was not able to achieve all that he set out to achieve, and finished his presidency with his agenda largely unrealized.

I think it's fair to say that most of us are supportive of most of the core aspects of President Bush's agenda for the Middle East. Certainly, we are all in favor of a very vigorous prosecution of a War on Islamist Terror. We are all strongly supportive of the Administration's non-proliferation goals. We are certainly all in favor of an Arab-Israeli peace settlement.

I think, for the most part, we are supportive at at least a general level, conceptual level, of the idea of promoting reform in the region, although frankly this is one issue on which you would find a range of views among the contributors to this volume.

I think, in large part, we share the goals of the Administration, but I think that many of us have real concerns that without some serious course corrections, some serious tactical adjustments, some serious strategic rethinking in some ways, the President runs the risk of not being able to fulfill or achieve the agenda that he has laid out.

I recognize that in some ways the word "realism" has fallen into a period where it is not entirely fashionable, but I think that in many ways, we are offering a realist critique of the Bush Administration's approach to the region.

And I use the word realist in two senses. First of all, we are arguing for an interest-based approach to foreign policy in this part of the world, and I think most of us are not convinced that democratization, promotion of reform in and of itself really captures the full range of American interests that are at play in the Middle East.

But we're also realist in the sense that we think the Bush Administration, to be successful, has to take better account of on the ground reality in the region. And that has an issue-specific dimension. In each of the essays, you will see I think a very trenchant critique of where the author believes the Bush Administration has misjudged, misread on the ground reality in some important way.

But I think you'll also see that we think that part of the on the ground reality is that these issues are not as compartmentalized as we believe the Bush Administration has made them in its approach.

Things are interconnected, and you have to pay attention to those interconnections in order both to be effective and to avoid unintended consequences.

Okay. Ken Pollack, who wrote the pieces in this volume on Iraq and Iran, can't be here today. But I think his piece on Iraq is a very good illustration of these risks that I'm talking about--the risk that the Administration won't achieve its goals and that it could reap unintended consequences.

Ken has a very interesting argument about how we need to proceed from here, both in terms of securing Iraq and in terms of reconstituting politics in a post-Saddam environment.

On the security front, Ken argues that we may very well need to move from what he describes as a post-conflict stabilization model, where we are essentially trying to pacify and secure the entire country more or less simultaneously to a more focused counter insurgency strategy, where we really are focusing like laser beams on specific areas where safe havens are being established, even if that means that some other areas, where safe havens might also be being established, are given a pass for the moment.

We will see if the current campaign in Fallujah, other towns, will pay off in the way that the Administration hopes. But if three or four months from now, we still have a situation in which despite having killed probably something like 13,000, 14,000 insurgents, you know, we still have 12,000 to 15,000 insurgents in the pipeline by most estimates.

Ken would argue that at that point we really do need to reconsider whether a different approach to securing Iraq is in order.

Similarly, on the political front, he argues that there really needs to be a fundamental rethink of the political process that we are embarked on after the January elections. In particular, he argues that the system of proportional representation that was used in the January elections, if that gets transposed into a new Iraqi constitution, that is potentially very, very bad for long-term political stability in Iraq. It's a potentially disastrous mismatch between a political order and political reality, societal reality in Iraq.

I contributed a piece on Syria and Saudi Arabia. And I would make the same kind of argument on both those subjects.

The Administration I think was off to a good start with 1559. Fifteen fifty-nine gave us some badly needed leverage over Syria on an issue that the Syrian leadership considers vital, namely its ability to protect certain key strategic interests in Lebanon.

But we have a very complex agenda with Syria that focuses not just on hegemony in Lebanon, but also on terrorism, on posture toward Israel, on Syria's posture toward post-Saddam Iraq. And we have taken the leverage that 1559 has given us and in the aftermath of the Hariri assassination in February, we have basically made getting Syrian troops out of Lebanon the be all and end all of our policy towards Syria.

I think we're running serious risks of unintended consequences in Lebanon. I think we are not using the leverage that we have to effect changes in Syrian behavior in other areas that I think matter to us at least as much as Syrian hegemony in Lebanon.

I don't think it was coincidence that the Syrians played the role that they played in effecting the turnover of Saddam's half brother in the aftermath of the Hariri assassination. It was an effort to forestall pressure on something that the regime really cared about by giving us something that we cared about on another front. But we're not using the leverage that we have I think in a really smart and effective way.

Similarly, on Saudi Arabia, I think that the Administration has largely let this very critical relationship drift. This is a relationship that is critical certainly for energy security, and we are in a period of increasingly tight energy markets, but this is a critical relationship really for all of the Bush Administration's agenda in the Middle East.

Saudi Arabia is in many ways ground zero in the War on Terror. I don't know how we win the War on Terror without winning it in the kingdom, and without the kingdom as a very strong ally.

I think that in the end if there is going to be an Arab-Israeli peace settlement, it is going to include a component on Jerusalem that the Saudis are prepared to legitimate. Otherwise, it won't be sustainable.

On Iraq, on what we might want to do with Iran, on a whole host of issues, we have to have a well working relationship with the Saudis, and I think that the relationship with the Saudis has basically fallen into some distress, largely through neglect.

There has been certainly an anti-Saudi backlash in the United States since September 11. The President and his senior advisors have not, it must be said, joined in that

backlash, but they've also not been prepared to defend the strategic value of this relationship and defend it publicly and robustly.

And I think if they don't start to pay more attention to this relationship and recognize its central place in protecting and promoting American interests in this part of the world, this will raise the risks of failure during the second term.

We have a whole host of contributors who would like to outline some of their arguments about their topics. I'm going to ask Shibley Telhami to go first, to talk about how to refocus, revitalize the War on Terror. Then I will ask Tamara Wittes to talk about the issue of reform and encouraging various types of liberalization in Arab and Middle Eastern societies, and then Martin will close up with some remarks about Arab-Israeli peacemaking and U.S. policy toward Iran.

MR. TELHAMI: Thanks very much. What I'd like to do is outline three points that we make in the article that Jim Steinberg and I wrote for this volume.

First, it has to do with how we define the problem for the U.S. We call it the war on bin-Ladenism.

While I think the language of fighting terrorism is fine, in reality the biggest threat to the U.S. has been bin-Ladenism, by which I mean not only Al-Qaeda, but like minded groups who will likely target the U.S. regardless of American policy one can argue, at least less sensitive to policy changes than other movements, and who have the organizational capacity across boundaries. That clearly is the biggest threat, so the focus should be on that issue far more than any other issue I think.

And we make the argument that that's the language we should be using rather than it's far, far better than Islamic militancy, because I think it captures a particular subset of that that focuses the attention and also something that the rest of the world could respond to.



I think when you look particularly at the way the world related to the U.S. War on Terrorism, they certainly understood the part that focused on Al-Qaeda, but they have varying differences on issues that are not related to Al-Qaeda directly. And I think it's very important to focus the effort largely on fighting bin-Ladenism as the focal point of the War on Terrorism.

Second, there is the global context for fighting terrorism. Obviously, you cannot succeed in that war without international cooperation. As I've already suggested, the mere focus on bin-Ladenism would get far more support than the broad theoretical view against terrorism.

While all terrorism should be fought and we should seek to end it, the priority threat to American foreign policy remains bin-Ladenism. The international community is far more likely to respond when the focus is bin-Ladenism.

At the same time, I think the international challenge may be greater than we think. I think we have now sort of gotten into the impression of a more cooperative relationship, particularly between the United States and Europe and other countries since the U.S. election.

But I do think that something profoundly has changed in the relationship between the U.S. and its allies in the rest of the world. I don't think it's something that is easy to alter. I don't think it's something that would have been easy even had Senator Kerry gotten elected as President. I think what happened with the Iraq War is a profound change in the view of the international system.

In particular, we argue that what happened with the Iraq War was not just a situation where the U.S. was willing to go unilateral. I think every superpower has done it. The U.S. has done it also in the 1990s. People expect that on occasions from major powers like the United States of America.

I think what happened with the Iraq War was a sense, particularly by close allies and people who are directly affected, that the U.S. wasn't only willing to go it alone, but was willing to go it alone against their perceived important interests, with consequences that are far graver to them than to the U.S. and that they couldn't stop the U.S.

And I think with that, there is a kind of the end of the notion of a benign hegemon that came out of the end of the Cold War and prevailed in the 1990s and that you now have a skepticism about the ability to restrain the U.S. in the international system, and, therefore, I think you need a lot more work to build those relations.

And I think one way to do it is to reach out, particularly to the core countries in the international system and to assure them, by being more responsive to the issues that they care about that are important to them at the very same time that you are demanding of their cooperation on issues that matter to you.

The third point is on the regional context. I think it's extremely important to succeed in the War on bin-Ladenism, to separate between bin-Ladenism and Islamic nationalism. I think we have in the discourse over the past four years, we have talked as if Islamism--we use the term Islamism broadly, sometimes just jihadist, sometimes just Islam in the public discourse that has rallied people who are not supportive of bin-Ladenism against the U.S.

In fact, in my opinion surveys in the Middle East, in the last year, there has been a dramatic shift in the way people identify themselves, in contrast with past years. For the first time, more people identify themselves as first Muslim and then other, like Arab or Jordanian or Saudi.

When you break that down, you find that at the core of that is not either a sympathy with bin-Ladenism or even a profound transformation toward Islamic fundamentalism. What you find is that it's really a reflection of what might be called Islamic nationalism.

We know that because when you ask them on social issues, they separate themselves from fundamentalist issues. The vast majority of people, for example, want women to work outside the house.

When you ask them whom among world leaders they admire most, they chose nationalists leaders like Gamal Abdul Nasser of Egypt, even Jacques Chirac, who is number two in the Arab world. But they don't choose those leaders who are espousing fundamentalist ideology or certainly militant ideology as their top leader.

Juxtaposed to that is a sense that the U.S. is out to get the Muslim world. When you ask them "what is the U.S. seeking in the Middle East," they don't believe that the U.S. is seeking to advocate democracy. They believe that the U.S. is out there for oil and Israel. But for the first time, we found another element that was close to oil and Israel and that is that the U.S. quote "is seeking to weaken the Muslim world."

So there is a sense out of this whole process that has solidified an emerging Islamic nationalism. We must find a way to separate between that Islamic nationalism and bin-Ladenism.

We see that already in Iraq. When most people saw the insurgency to be nationalistic, there was a great deal of support both outside and within Iraq. Now that Zarqawi emerges as the primary face of the insurgency, because there's no other face, you see that people lose far more interest 'cause people don't want to see Zarqawi win as such. And so you need to create a strategy that creates that separation.

In the end, I think we have to recognize that while the question of terrorism is our prism of pain in relation to the region, the question that we would like the region to focus on, we must recognize that they have their own prism of pain and that terrorism is not their prism of pain; that is, unless we respond to the core issues that are painful to them, they're less likely to

respond to the painful issues that we want them to respond to; and in particular, it is clear that they see the U.S. and they evaluate the U.S. largely in relation to policy questions that matter to them and above all the Arab-Israeli issue.

Clearly, that remains the prism of pain, and you cannot have a successful policy that deprives Al-Qaeda of support in the Muslim world without addressing those issues through diplomatic means. I'll end with these comments.

MS. WITTES: Thank you. Let me apologize in advance for my voice. I'm going to give you an analysis that I think will be breathy in tone, but I hope not in substance.

And let me say at the outset that I think what separates these analyses from many others that float around town every four years at this time is that this is not a least common denominator set of studies. Each of these essays, single authored, is really innovative, and we're really trying to stretch far beyond consensus and come up with answers to tough questions.

Now, my section of the volume is devoted to laying out a sustainable strategy for American democracy promotion in the Middle East. I think what we've had so far from the Bush Administration is a very strong commitment, expressed commitment from the President and occasional very erratic efforts to implement this commitment in our relations with countries in the region.

The Bush Administration's bottom up programs, things like the Middle East Partnership Initiative or the broader Middle East and North Africa Initiative, are still too far underfunded, understaffed to really have much impact on what's still a very stunted Arab civil society.

In fact, as I argue in the paper, I don't think this bottom up work is going to be able to be very effective until we do more work top down on promoting political rights and freedoms. And for the top down dialogues between the high level U.S. officials and their

counterparts in Arab states about the need to make meaningful progress on democracy are also very uneven, and the Administration is dealing with Egypt, with the Lebanese situation. They've been very bold and in some ways very effective.

But in other places there are just blank spots. For example, when Tunisia last year had a thoroughly rigged presidential election, we had very little to say about it either during, when that could have potentially made a difference, or afterwards. In too many cases, democracy and human rights still languish at the bottom of the list of talking points for high-level meetings.

Now, the basic argument that I'm making in the paper is that the strategy for the United States in promoting democratic change has to be an engagement strategy. This has to be a strategy of engagement with regimes in the region. In every single case, even in cases like Syria or Libya that are sometimes called rogues, we have a sufficiently mixed set of interests that we just can't promote democracy to the exclusion of other considerations.

Moreover, we're not interested in fomenting popular revolutions, even if could, and for practical reasons, we can't align ourselves wholly with what's still a very marginal set of liberal movements in Arab countries. We have to continue to interact with these regimes on other critical issues.

So in terms of how we get the region from where it is today to where we would like to see it be in 10 or 20 years, we really want to see peaceful, gradual transitions, or a possible path to transitions, between the existing regimes and major political elites.

But at the same time, our strategy has to be directed at democratic reform, and not just at limited regime-led liberalization or modernization strategies that most of the regimes in the region embrace today.

Now, I have a variety of arguments in the paper about why limited liberalization is insufficient to meet our needs, why strategies that focus on economics first and push politics down the road are insufficient for U.S. interests. So I won't get into that now.

What I'll simply say is that American interests in Arab political development do diverge right now from the interests of most of the regimes with whom we have relations in the region.

And that means that our strategy has to exert pressure on them to change their policies and change their approaches while minimizing the costs and risks associated with this most aggressive approach. So what would make a second term Bush democracy promotion strategy more sustainable and more effective? I think there are four key elements.

The first is a stronger and a better articulated sense of why democratic development is necessary not just to combat extremist ideologies in the region, which is the way the President most often talks about it, but to put the Arab world on a sound and stable footing for the next generation, to ensure that Arab-American relations are rooted in a solid foundation and not in the vagaries of personal relationships.

In other words, we have to be able to articulate a case for democracy that's persuasive to Arabs, including to the growing number of reform minded Arab elites, including many in governments across the region. We have to be able to make that case to them and not just to ourselves.

The second element I think is we need to grapple more honestly with the tradeoffs, with the conflicts of interest that occasionally confront the U.S. in pressing democratic reform.

Yes, there are going to be times when our concern for security cooperation with a particular state will interfere with our desire to press for human rights. We have to be honest about that when it happens.

But I think there are just as many times when the conflicts of interest are perhaps more apparent than real. And just to cite one very often cited example. Is it really the case, as many have said over the last couple of years, that pressing Egypt more on human rights threatens their cooperation on the Arab-Israeli peace process?

I think we've seen the answer to that question over the last year, and the answer is no. So I think we have to determine where those conflicts of interest are real and where we're just afraid that they might exist, but they don't necessarily exist in fact.

Now the third element we need for a sustainable strategy is a clear line recognition that promoting democracy does involve risks; that democratic transitions are tricky. They're unpredictable. And we have to build a strategy that includes ways of hedging against those risks; for example, the most commonly cited risk, that democratic elections in Arab nations would bring radical Islamist movements to power.

I think the Arab world has moved a long way since the FIS won those first competitive elections in Algeria in 1991. Nevertheless, because civil society in Arab states is still so constrained, Islamist movements do still enjoy an organizational advantage over other social movements. The playing field is very much tilted in their favor.

So if you're going to build a strategy that hedges against the risk of Islamist victories, that means that, first and foremost, you have to emphasize not elections, but political freedoms--the freedom of association, freedom of expression--things that allow non-Islamist movements to reclaim part of the public debate, to organize, to gain the strength that will allow

them to compete on a level playing field with the Islamists and with the regime. I think we need to be prioritizing in every case fundamental political freedoms.

It's also true that those who want to participate in a democratic process have to subscribe to the democratic rules of the game.

Now we can't test the intentions of Islamists movements with respect to democracy until there's a process in which they can choose to engage or not to engage. And when that moment comes, we can test them. We can make judgments about them. But I think we should be attempting to differentiate and attempting to reach out where possible to engage with those movements and bring them into a formal process.

The fourth element that's necessary for a sustainable and effective strategy of democracy promotion is a clear hierarchy of priorities, both priorities in terms of what issues you work on, and in terms of where in the region we're going to focus our efforts. And the planning memo details my sense of what the issue priorities should be. I think I've already given you a hint in my discussion of political freedoms. But I just want to emphasize two things here, and then I'll close.

The first is that effective democracy promotion is a long-term proposition, and it does require more than simply political programming. So the Administration's desire to work simultaneously on economic reform, on educational reform is important.

And I think what's needed is a sharper focus on the kinds of reforms in those areas that move you toward democracy rather than just improving public welfare or governance overall. And I give some specific ideas on that in the text of the paper.

Second, I want to emphasize where in the region we want to focus our efforts. Naturally, there are going to be targets of opportunity along the way, such as those that were



afforded by the passing of Arafat and the assassination of Rafiq Hariri, and it's important to take advantage of those opportunities.

But it's also important to keep in mind whether those opportunities are going to have a broader impact, where in the region could we focus our energy that's going to have a broader impact on the region as a whole.

Now, the events in Palestine over the last three months I think have had an immense effect on the way Arabs in other places think and talk about democracy, because Palestine is a place with a lot of resonance for the rest of the Arab world. They really identify with what's happening there, as Shibley's surveys have revealed.

The fact that the Palestinians were able to have meaningful elections, that they're going to be having more over the coming months, that they're struggling with the issues of corruption, the role of the security services, one party domination of politics, this has clear resonance for people elsewhere in the region.

By contrast, the Lebanese situation, which is very dramatic and very positive in many ways, I think is likely to have less impact on what happens elsewhere in the region with respect to democratic reform. And that's not just because many Arabs already look at Lebanon as an exception, as a place apart, it's also because of what the Lebanese out in the streets over the past month have been fighting for. They call it their independence intifaddah, not their democracy intifaddah. It's about Lebanese sovereignty. It's independence from the influence of a dominant neighbor.

Lebanese democracy is constrained. It's complicated by sectarian politics, but there is a democratic tradition there. The problem in Lebanon is Syria. That's not a message with a lot of resonance for Arabs elsewhere because the primary barrier to democracy elsewhere in the region is not external. It's internal.

While I fully support the notion of a press for Syrian withdrawal from Lebanon and normalization of Lebanese politics, I don't think that we can expect it to have a domino effect.

A hierarchy that I lay out in the paper instead looks at Arab states that do have the potential to influence developments in the rest of the region and also Arab states where U.S. relations are sufficiently developed, sufficiently multifaceted that we have real leverage over developments.

I think that leads us straight to our two good friends in the region--Egypt and Saudi Arabia--and I think how we use our leverage with those two states is going to be the key challenge for building a credible policy in the next four years. If we have a credible approach to promoting democracy in Egypt and in Saudi, then we're going to have a credible policy. And if we don't, then I don't think our policy is going to have credibility elsewhere in the region. Thank you.

MR. INDYK: Thank you. I want to add my thanks for Flynt for taking on the task of bringing all these papers together and to Jim for not only participating in our effort but supporting us in doing it and overall giving us the ability to function for which I'm very grateful.

My task is to just to summarize briefly my own paper that focuses on achieving Middle East peace, but also to talk about Ken's paper on Iran, entitled Tackling Teheran. I'm doing that because Ken happens to be on the high seas literally at the moment. But it also helps to make one of my central points: that it is essential that the Bush Administration develop an integrated strategy; that it's a strategy that connects the dots. You may recall the President saying a long time ago before he went into Iraq that there could be a ripple effect from taking out Saddam Hussein. But that kind of symbiotic relationship between what we do in one part of the

Middle East and what we do in other parts of the Middle East is very important to bear in mind. And one of the, I think central, critiques of our papers is that the dots are not being connected.

We don't seem to be understanding that, in effect, we have to both promote democracy and pursue peace at the same time; and that in doing so, we also have to be cognizant of the way in which others will seek to undermine our efforts, in particular the Iranians; and that we have to counter those efforts even as we press them to give up their nuclear program.

And it is that connection in particular between pursuing peace, pursuing freedom for Lebanon, and pressing the Iranians that we need to understand the way in which the Middle East comes together in complicated and unexpected ways.

Well, let me first of all focus on peace making. I think the Administration is right to have identified the fact that an opportunity exists now. But it was an opportunity that came about because of Yasser Arafat's death rather than anything that the Bush Administration did in its first term. Its first term approach to the peace process was benign neglect. Basically, its default position was to disengage from any involvement.

The only virtue if we can call it that in such an approach was that in the process both sides, the Israelis and the Palestinians, exhausted themselves. But the cost in terms of human life was immense.

Now, with Arafat's death and the rise of Abu Mazen, his election on a mandate to pursue Palestinian rights through negotiations instead of violence and the subsequent calm that has prevailed in the territories is a combination of exhaustion and Abu Mazen's opposition to violence has helped to create this opportunity on the Palestinian side to resurrect a Palestinian partner for peace making.

At the same time on the Israeli side, the opportunity is being reinforced by Prime Minister Sharon's decision to disengage from Gaza and evacuate all the settlements there,

and his formation of a left-right government, a coalition government, that provides him with the stability to do the job.

That will create a very important precedent in terms of evacuation of settlements and full withdrawal from Gaza. It will enshrine the Israel people's instinct for separation in concrete steps, and it will deal a blow to the settler movement, something which is manifesting itself in these very days; thereby in the process creating an opportunity for the Palestinian Authority to establish itself in Gaza and to demonstrate its credibility as a responsible partner.

What to do with this situation? Well, the Administration has recognized the opportunity. Both President Bush and Secretary of State Rice have publicly expressed their personal commitment to exploiting that opportunity. But the reality is that they remain ambivalent. They don't want to appear like Bill Clinton. That's still something that plays on their calculations. In other words, they're still wary about trying and failing.

They're not sure that they can rely on Abu Mazen and the Palestinians. They don't want to get into a fight with Sharon, and most importantly, as we see, they prefer promoting democracy to pursuing peace.

There's a irony here, as Tamara just pointed out, because if you want to promote democracy in the Middle East, a very good place to start is in Palestine, not just because they do have a robust civil society and because in the years of cryptocratic rule to radical rule by Yasser Arafat they have come to want representative government and accountable government; and because in during all those years of Israeli occupation, they've learned about democracy. They've learned about the value of an independent judiciary, because they can appeal to the Israeli Supreme Court to constrain the policies of the Israeli government.

And so we've already seen them acting in democratic ways through their elections; and, therefore, if the Administration were to pursue democracy and peace making at the same time, I think it would gain much better benefit.

But instead, it's being distracted by the opportunity to promote democracy in Lebanon. I don't want to be misunderstood here. I think that what the Administration is doing to free Lebanon of Syria's occupation is a good thing, and the use of the bully pulpit by the President in that regard is worthy of praise

But we have to walk and chew gum at the same time. If we neglect the opportunity on the Israeli-Palestinian front that has been recognized by the Administration, it's going to set us back everywhere else.

And the telltale signs of that distraction are already evident. We haven't much noticed, caught up as we are with the drama of Lebanon.

The Administration has not yet organized. We're already at the end of March-- it has not yet organized itself for peace making. Elliot Abrams has been moved up in the Security Council. He has not been replaced. The Administration talked about reorganizing things in the State Department to be better equipped for promoting this opportunity. Nothing has happened in that regard.

Instead, the State Department's energies are focused on Lebanon. We have done nothing effective to get the Arab states to engage more effectively in promoting this moment, from failing to get them to pay up their dues, to more importantly I think, failing to get the Arab League to do anything more than repeat what they offered three years ago.

The very fact that King Abdallah of Jordan was the one who had to carry the water for us on this is a manifestation of our failure, because King Abdallah of Jordan cannot carry that burden on his own. Jordan does not have the influence in the Arab world, and that's

precisely why he took his plan and sold it to Crowned Prince Abdallah three years ago, and it was Crowned Prince Abdallah that promoted it as a Saudi plan.

But this time we only have the Jordanians carrying our water. Neither the Saudis nor the Egyptians took the lead. And that tells us something about the neglect that we've been involved in here.

The money is not flowing. We stood by while Republicans in the Congress, not at Israel's urging, put heavy constraints on the aid that the President rightly proposed for the Palestinian Authority. The appointment of General Ward was a very positive move, but where's the follow through? Where's the restructuring of the Palestinian security services?

Now, there are complaints from the Israelis that the coordination that they offered to do with the Palestinians for the handover in Gaza is not taking place. Why? Because the dysfunctionality of the Palestinian Authority that we came to know so well over the last 12 years is now slipping back in again.

Abu Mazen does not have the staffing he needs to support him. Abu Allah and Abu Mazen are engaged in a tense standoff. Fatah is fighting amongst itself. And the image of a lack of cleaning up of the Palestinian Authority is hurting both it and Fatah in its competition with Hamas.

Hamas already swept the elections in Gaza, the municipal election. There will be municipal elections in the West Bank next month, and Hamas is likely to sweep the field there as well. And if that happens, by the time we get to July and the legislative council elections, we should expect that Hamas will do very well indeed. And that will constrain Abu Mazen in terms of what he can do in the process.

But it will also I believe set a dangerous precedent, one that will connect with the precedent, a similar precedent that's being established in Lebanon, which is to say that as

Islamist movements are brought into the political mainstream, if they come in with their arms, we are not promoting democracy at all.

We are promoting the strengthening of armed Islamist movements, both in Palestine and the same thing is likely to happen in Lebanon, because even though 1559 calls for the disarming of Hezbollah, we have decided to be clever tactically to listen to some Lebanese leaders who say let's leave this one for later, to listen to our new French allies, who are saying the same thing.

But at the same time, we are giving Hezbollah a free pass, and they are making very clear that they're willing to participate more in the political process in Lebanon, as Syrian hegemony opens up a vacuum, but that they will not disarm.

If there is not going to be monopoly of arms in the hands of the state of Lebanon or in the hands of the state of Palestine a-borning, then we are going to create some real problems for our friends in the region down the road.

Maybe I'm wrong about all of this. And maybe it will all work out for the best. But my own experience in the Middle East is that Murphy's law operates there more than it operates just about anywhere else in the world and that what can go wrong will go wrong.

And in particular, as we press Iran on its nuclear program, and we press Syria to leave Lebanon and we give Hezbollah a free pass in Lebanon, we may find that it all comes back to bite us through Hezbollah sponsored Palestinian terror attacks against Israel, because that will be one of the best, most effective ways to disrupt our efforts.

They did it in 1996 and managed to produce the windfall for them of the defeat of Shimon Peres and the collapse of the peace process. On February the 25th, this year, Palestine's Islamic Jihad launched a terrorist attack in Tel Aviv. We blamed the Syrians. Well, and the Israelis blamed the Syrians, too.

Well, the Syrians certainly let the Islamic Jihad operate out of Damascus so they deserved to be blamed. But we know that the orders came not from Damascus, but from Teheran. And our unwillingness to see the way in which the Iranians have--do connect the dots, do understand that there is an ability to disrupt us, to stall our efforts by using the already established channels via Hezbollah and Islamic Jihad to promote terrorism against Abu Mazen's will, and, thereby, try to provoke an Israeli reaction is precisely the kind of thing we've seen before. And I fear it's the kind of thing we're going to see again.

If the Gaza disengagement ends in disaster as a result of all of this, then the opportunity will be lost. So we need now to devote more attention to restructuring the Palestinian security services, to the Palestinian anti-corruption measures, to getting the money flowing to the Palestinian Authority, to helping to coordinate between Israel and the Palestinian Authority the takeover of Gaza, to stopping the move by Israel to extend Malayadomin [ph] to E1, something that was announced recently of the Administration again I think because of its distraction—has not taken up that issue.

That issue has been on the agenda for more than 10 years, and while the Clinton Administration was criticized for not doing enough to stop settlement activity, we did manage to prevent the building of what's called E1. And it's important to us that it will close off Jerusalem and from the east, and it will in effect sever physically any possibility of a connection between the West Bank and Jerusalem.

And Condoleezza Rice knows what E1 is about, as does Elliott Abrams. They've seen it. They've eyeballed it. They know exactly what its importance is. And that is something that is very important I think now to make clear that the United States government opposes.



And then finally we need to make a much more serious and effective effort to get the Arab states involved in this process. All of this cannot be done by a Secretary of State who has a huge agenda. There needs to be a Special Middle East envoy, and the failure to generate that move, the belief that that can be put off until later is I believe a fundamental mistake.

I talk in my essay about other steps that need to be taken, in particular the need to prepare for the day after Gaza, the need to start to think about how we're going to finesse the problem that is already emerging between the Palestinian Authority that will demand a move into final status negotiations immediately and an Israeli government that is likely to demand that the roadmap be adhered to and instead we go into a phase two, and in particular the option of negotiating a Palestinian state with provisional borders that would put off the final status issue.

I think we are only going to be able to finesse that issue and move the process forward by the President coming forward with a statement of principles. That's something which I detail in the paper, and I won't get into now. It seems far off. But it's coming around the corner.

The Gaza disengagement will take place in the summer and by the fall we're going to have to focus on how we're actually going to move the process forward beyond that.

Let me move quickly to Iran and Ken's argument there. Essentially, in the first four years, the Administration put Iran in the too hard basket. Now, it's made an adjustment in terms of shifting to support the EU approach on nuclear weapons and a general tactical adjustment in terms of offering juicier carrots in exchange for the EU's agreement to bigger sticks.

That's a welcome development, one that Ken himself had recommended in his paper. But Ken's argument is that that approach needs to be part of a wider strategy that he calls the triple track approach.

He points out that we have some important leverage with Iran because of its economic circumstances. It's going to need some \$20 billion annually in foreign investment and another \$70 billion in investment in its oil fields if it's going to stave off an economic disaster that is going to fuel major discontent in Iran.

And that, combined with its inability to split the U.S. from the EU as a result now of the new comity in transatlantic relations, is putting the Iranians in a very difficult situation. But to exploit that advantage that we now have, Ken argues that first of all, we need to hold open the possibility of a comprehensive deal, what's being referred to as the grand bargain.

He argues that it's not very likely to come about. But it should be kept on the table, because if the Iranians should somehow have an epiphany and decide that they want to go for the big deal, a full deal, and they're prepared to make that deal, it would be the quickest way of solving not only the problem of its support for terrorism and its nuclear program, but also a number of other problems that we have with the Iranians.

The second track is to extend the carrot and stick approach that we are using now with our EU allies in dealing with Iran on its nuclear program. Ken argues that what we need to do with the Europeans and the Japanese is develop a more elaborate understanding about carrots and sticks, applied when certain benchmarks are crossed, either in a positive way to give the Iranians a sense of where the light is at the end of the tunnel, where this process could lead and how things--

[TAPE FLIP.]

MR. INDYK: --for them if they're prepared to make bigger steps. And on the other hand, punishments that are clear to the Iranians and that the Europeans and Japanese have signed up to in advance that will also make clear to the Iranians where this can go if they're not prepared to change their behavior in fundamental ways.

And finally, Ken argues that the third track in case all of this fails and he tends to believe that it will is to prepare for a more robust containment strategy that would have elements of interdiction, tighter sanctions on Iran, and, if necessary, the option of a military strike on its nuclear sites.

That, in a nutshell, summarizes Ken's argument. It's much richer than that. But I think that it has something in common with what I conclude with on making peace, which is that the Administration, the President, who does so very well in his bully pulpit, needs to shine a brighter light on the future of this region, not only in terms of democracy and freedom, but also in terms of how we're going to get to an Israeli-Palestinian peace and paint a brighter picture of what's in it for Iran if it goes down this road to giving up its nuclear program, and what's in it for them in terms of a broader, normalized relations with the West and the United States on the one side and the consequences if Iran chooses not to go down that road. Thank you.

MR. STEINBERG: Okay. Any final comments from you, or should we turn to the audience?

MR. LEVERETT: Turn to the audience.

MR. STEINBERG: Well, we've got. You've had a very rich presentation on a broad set of issues, and we've got a very distinguished group of people here in the audience, too. So let me open up to your questions. We have a microphone. If you would wait until the microphone comes to you, and then identify yourself and ask your question.

MR. KAPP: Thank you. My name is Saidar Kapp from Al Qud Daily Newspaper.

My question to Flynt Leverett, since you raised the issue although Ken wrote, about Iraq. He's talking about refocusing the concentration on fighting the insurgency and talking about body counts--13,000 dead and so on. Doesn't that really--isn't it deja vu--it's like Vietnam and Westmoreland and we know where that went. What is your comment on that?

MR. LEVERETT: I think Ken's argument is-- I think it is unique in the literature that's out there right now on Iraq. It is a true articulation of how a counter insurgency strategy could be applied in the Iraqi situation.

This is another issue where, like on reform, you might get some range of views among the various contributors to this volume. Someone sitting next to me on this podium, not in this volume, but in another context, is on record as saying that what the United States needs to do is to set a date by which it would be withdrawing from Iraq.

Ken thinks obviously that what you need to do if you're not getting where you need to go with a classic post-conflict stabilization strategy, kind of pushing on a broad front all across the country, is you need to adopt more the model of the spreading oil stain, where you really focus on securing problematic areas and then, as Iraqi security forces are trained and come on line, spread out from those areas throughout the whole country.

He thinks that there has fundamentally been a mismatch of ambition and resources in Iraq on the security front. We have never had the resources on the ground adequate to the task of post-conflict stabilization across the whole country, and he sees this as really the only viable alternative.

MR. STEINBERG: Let me just add because although I don't fully agree with Ken's approach to this. One of the strengths of what he has recommended is that in the areas

which are most politically supportive of the U.S. mission, the fundamental problem is not insurgency. The problem is basic security. Day to day life. And that is the place where the mismatch I think is the strongest, and so what's happening is that we are making limited, at best, progress against the insurgents in their strongholds and meanwhile losing credibility in the places which should be our strongholds because there isn't fundamental basic policing and that kind of security; and that Ken's argument for shoring that up first I think is a very powerful one. The danger from my perspective on that is that it sends a message of a very long-term American presence which I do think provides a rallying cry for the insurgency. Sandy, right here.

MR. WISHINGGRAD: Yes, I'm Joel Wishengrad of World Media Reports, WMR-News. In this discussion this afternoon, one of the aspects you haven't mentioned is Russia. And every time there has been a recent war, going back to the 1956 Suez, it's been the Russians either supplying weaponry and or their tactics; and also another aspect is that apparently each time it's a compartmentalization, different aspects. It's the Israelis-Palestinians; now Iran.

Now, the Russians actually began building that commercial nuclear reactor. So years ago, we knew and they knew exactly what they were going to do--develop nuclear weapons. So if that is the truth, why don't we just cut to the chase and say, look, you've got these nuclear weapons, and then deal from that onward?

MR. LEVERETT: You raise a couple of interesting questions. I think that the compartmentalization critique can be applied on a lot of different levels to the Administration's approach to this region.

And one of the ways in which I think it can be fairly applied is that there are other rising powers that are playing increasingly important roles in this region and I think it's

arguable that the Administration has not done an adequate job of factoring those states into some kind of broad strategy for the region.

You mentioned Russia. I think that's a fair case. I think we see China rising as an increasingly important player in the region. This has implications for Iran. This has implications for how we manage the relationship with Saudi Arabia. It has implications for energy security. It has implications on a whole host of issues.

And I think that compartmentalization critique can be applied at a lot of different levels, including this one.

I don't think any one of us--correct me if I am mistaken--I don't think anyone of us is prepared at this point to say simply we can't stop Iran from going nuclear, and, therefore, we should be dealing with a new strategic reality, namely Iran is going to be a nuclear power.

We think the Administration is correct to focus on the non-proliferation goal of stopping Iran from crossing a nuclear threshold. I think, as Martin articulated, we have some concerns that the way that the Administration is going about it is not going to work; and that if they don't take a broader approach, be willing to consider a wider repertoire of carrots and sticks and even hold out that possibility of the grand bargain, if we get an Iranian leadership that can see its way clear to go down that path, we run a real risk of not being able to stop Iran from going nuclear. But that's still where our analysis and our concern is focused.

MR. TELHAMI: If I may add. In my own thinking about Iran, I personally think that the chance of succeeding in stopping them is small. It's really a question of delay.

I think if you look at the logic, it's hard to see from my own point of view what sort of incentives would outweigh the drive to have them. And in my judgment, there's nothing in the end that we can do to stop it; maybe slow it. And whether that's worth the effort or not is an issue. Nonetheless, I support the outlook of trying, because it clearly is--it puts you--it gives

you an advantage. It brings you closer to allies. It makes a statement pertaining to other states, even if you must have a reserve strategy to deal with the reality that it's going to happen probably one day, despite your best efforts.

MR. STEINBERG: In the front we go. Back there.

MR. : Joyce [inaudible] with Al-Hayat newspaper. My question is--I have two parts. Mainly where does the withdrawal from Lebanon of the Syrians consider to the pressure leave the Syrian regime? And the second part is about King Abdallah's warning in his meeting with Jewish community leaders in Washington that clearly Syria and Hezbollah are going to try to disrupt the hudna between the Palestinians and the Israelis with attempt or suicide bombing. What's your take on that and where does Syria stand exactly from--on the Palestinian-Israeli issue?

MR. LEVERETT: Well, I'm sure Martin will want to speak to this, too, but I think your question illustrates a point that both Martin and I were making, which is that, you know, when you talk about Palestinian terrorism, when you talk about the Syrian role, when you talk about the Hezbollah in Lebanon and the implications of a Syrian withdrawal, all of these moving pieces connect to one another. And the two parts of your question are I think related.

With regard to the withdrawal from--the Syrian withdrawal from Lebanon, my argument, or my criticism of the Administration is not that we shouldn't necessarily be trying to encourage greater effective independence for Lebanese. That's an appropriate goal for U.S. policy. But we are going about this in a way that doesn't respect the connections of that issue with other issues that also matter to us I think at least as much. And we're going about it in a way that doesn't respect on the ground reality and thus runs the risk of serious unintended consequences.

In terms of unintended consequences, I think Martin was right in what he said about Hezbollah; that basically what we are doing is we are setting up a significant empowerment of the terrorist organization that before September 11th had killed more Americans than any other terrorist group on the planet.

That is where we are going in our policy; because if you're going to try and construct some kind of political order in Lebanon after Syrian withdrawal has taken place, I think one of two things is going to happen: either you're going to have a political order that's dominated by the opposition sort of stiff Hezbollah. You're going to have opposition leaders who are talking about well, we could have a peace treaty with Israel on the basis of the '49 Armistice line, et cetera.

Hezbollah has many, many ways to destabilize that government. I don't believe that kind of political course will be sustainable in Lebanon.

Alternatively, you could have a political order which, as Martin described, basically let's Hezbollah come into power with its guns, because if the Syrians are not there, who is it that's going to do the disarming of Hezbollah? I don't think the LAF is going to do that. I don't think a U.N. peacekeeping mission is going to do that. We tried that in the early 1980s. It didn't work very well, and I don't think a repeat of it would work.

But this is what I mean by the risk of unintended consequences.

In terms of Syria and the hudna, Syria and the Palestinian rejectionist groups, I think this is a clear case where we should be drawing some linkages between what we want to achieve in Lebanon and what we want to achieve in terms of trying to keep the lid on anti-Israeli violence as we push to get some momentum on the Palestinian track.

It is interesting to me that the last meeting of the Palestinian factions that was held in Cairo, the Egyptians were actually for the first time able to get a Syrian representative to



attend. I think we ought to be encouraging that. I think we ought to be trying to make it clear that there are benefits to the Syrians from cooperating in keeping the lid on--to the extent that they can--on keeping the lid on anti-Israeli terrorism by Palestinian rejectionist groups at this period. But that would actually require a kind of a strategic dialogue with the Syrians. It would actually require being able to connect what you're doing with Lebanon, what you're doing in Iraq, and your broader dialogue with Syria.

MR. INDYK: I agree with that.

MR. STEINBERG: In the back?

MR. AL-BARAZI: My name is Tamamm Al-Barazi from Al-Wantan Alarabi Magazine. In the Middle East, you know, we hear a lot from the authoritarian regime there about stability, and when President Bush repeated that twice now, after first time in National Endowment of Democracy, and that's a second time, everybody--most of these authoritarian regimes talk now, oh, President Bush wants chaos instead of stability.

So, on the other hand, I mean, how can one imagine an authoritarian regime giving up or reforming? How can one--I mean, is it naiveté here or what? How can they give up power?

MS. WITTES: First, I think to deal with the issue of stability and instability. It's true that for a long time, Washington has accepted the argument of those authoritarian regimes; that *après moi, le deluge*; and, therefore, I'm all that stands between you and chaos. And it's clear that Bush has signaled that's no longer an acceptable argument to make.

That doesn't mean that the United States should not be concerned or is not concerned about the risks of instability in a process of political transition. Indeed I think if we have a comprehensive strategy, that's a strategy that's going to work to minimize the risks of instability; that's a strategy that's going to focus, while it's pushing for political freedoms, on,

for example, job growth, to make sure that young men and young women have something to do other than join radical movements or march in the streets.

That's going to mean that we engage in a process of promoting civic education and promoting basic education for women, and not just promoting the political reform side of things. We have to do all these things together if we want to have a stable, gradual transition.

But we have to do that while emphasizing that the end point is democracy. If the United States engages in the kind of effort that I think we need to engage in, which involves a greater degree of investment of monetary, political, military resources--I don't mean military in the direct sense--then I think we need to do that on behalf of an end that suits our interests.

Democracy is what we need in the region. Democracy is what we believe is best for the long-term stability and development of the region. And we're not alone in this belief.

So I think, as Martin said, we can walk and chew gum at the same time. We have to do this thing in a comprehensive way precisely to avoid the seduction of those kinds of arguments that have won us over in the past.

MR. TELHAMI: Let me, if I may, make couple points on that. I mean, I think let's not have this discussion out of context. You know, what should we be promoting—stability or instability. I mean, presumably the main argument here about why the Administration's position has changed about stability in the Middle East is that suddenly Americans believe that democracy is what protects you from terrorism.

So it's a terrorism argument basically. It's a consequential argument. The argument is that now people accepted the notion that there should be reform; there should be democratization because the absence of democracy is what creates terrorism.

In reality, when you look at the causal link, if there is one, and there is a debate about it, but you can make a very strong argument that at either end you can have terrorism; that is if you have too much repression, you driving opposition under ground, but if you have too much anarchy, you obviously have what we have in Iraq and other places with no strong central authorities non-governmental militant groups can take hold.

And so anarchy is an issue, and it will remain an issue no matter what we say. The truth of the matter is it's impossible to imagine an American President who wants to create an environment that is far more threatening to America in terms of anarchy.

So the question is how do you navigate the space in between and can you create incentives for government to want to do it? I think that two things should be said about that.

Number one, I don't think we're the primary agent of change. I think the U.S. is an important factor. It has a role to play, but it cannot be the only and most important factor in driving the change in the region.

All of this is predicated on the assumption that there is momentum within the region and the U.S. should at a minimum not stop in its way or at a maximum be an asset to it rather than create and engineer the whole shape of the region on its own in terms of the internal makeup of the region.

And second, there's one area in which, yes, governments will respond. They do respond to incentives and pressure from the U.S., and particularly in the areas of human rights. I think we sort of talk about democracy in a broader as if--theoretically about black and white from democracy to--from authoritarianism to democracy.

There are many steps that governments can afford to take in the short term without jeopardizing their rough control over the country. And there is some things that if

they're held accountable, they're much more likely to be responsive. They'll pay a heavier price. They'll have to take it out of something else, but if it means surviving, yes.

And I think we've seen in other cases that on human rights governments are more responsive. They're potentially more responsive, and we should make in my judgment human rights advocacy as the core of our political reform strategy.

We shouldn't talk about political reform just that, because that's a long-term thing that you cannot judge, every day, but that we should elevate the advocacy of human rights to the top of the agenda of issues where there is agreement not only this would not be only an American foreign policy. There are--there's a body of international law. There are international human rights organizations. This is international organizations. We have support at the global level when we have a principal position related to not so much creating a system to our liking, but being responsive to a body of literature and law that is out there.

MR. STEINBERG: John [inaudible]. Eric. Go ahead.

MR. SCHWEID: Well, all the things--maybe I had too heavy a lunch. I mean, isn't there momentum to democracy--I have [inaudible]--isn't there momentum to democracy in the region? Doesn't democracy in of itself lubricate peace making? Isn't the Israeli-Palestinian issue tough enough? Why is compartmentalizing become a dirty word? Why, of all things, to bring Saudi Arabia in to exert a veto over what happens over Jerusalem? Has any Administration ever reached out and tried to solve all 11 problems in the region at once? Why should these folks? The Israeli-Palestinian issue is tough enough. I don't know why you have to reach out to Saudi Arabia? And what do you have to solve Lebanon--I know about Hezbollah--why do you have to solve Lebanon and the West Bank at the same time? I just don't get--except that you're all critical of the Administration. That's the only theme I see here.

MR. LEVERETT: They've defined the agenda. If you endorse the ends and are not prepared to endorse the means necessary to get you there, you don't have a serious strategy. And I think that in the individual papers, you get some very strong arguments that, in many cases, this Administration has staked out a goal, which we would be prepared to endorse at a broad strategic level, but they have not yet embraced the means necessary to get there.

MR. SCHWEID: Haven't you seen concrete steps toward democracy in Egypt and Saudi--

MR. LEVERETT: I have--

MR. SCHWEID: Doesn't Saudi Arabia, for instance, have enough of an incentive for having a stable peaceful area without needing to say it's our decision that Jerusalem, you know, two-thirds of Jerusalem should be turned over to the Tunisians. I mean, what's going on here?

MR. LEVERETT: I think that to say that there is momentum for democracy I think is really overstating and misreading some individual events that have taken place. You do have, for example, you've had municipal elections in Saudi Arabia, which and many are treating as kind of the--you know, poster child of democratization in the region. I mean, if you look at it in terms of what Crowned Prince Abdallah actually wanted to do, beginning a process of political openness in the kingdom, he had to walk back large parts of what he originally wanted to do. I don't really see this municipal election in Saudi Arabia as the kind of bold stroke or bold step with all kinds of repercussions and irresistible momentum flowing from it that some would argue that it is.

MR. SCHWEID: I'm not saying elections. The context of the President's--

MR. STEINBERG: Let me just--Barry. Barry, let me--

MR. SCHWEID: What your Administration--what did the previous Administration do to--

MR. LEVERETT: I think we're more--

MR. STEINBERG: First, I think we're--

MR. LEVERETT: I need more critics, by the way--

MR. SCHWEID: What did previous Administrations do that was more productive than in the way that--

MR. STEINBERG: Let me have--give a final thought on that, 'cause--my Administration. President Clinton's Administration.

Let me suggest, Barry, that part of the problem that we're facing right now is-- and I think that Shibley put it that there are some positive trends, indisputably, and you can argue where they're coming from and how much the Administration is--but the question is how do you best take this forward?

And is it possible to say that you can take this forward and press Egypt, say, for greater democracy, press the Saudis for greater democracy and not recognize that's what's going on in the Israel-Palestinian process doesn't have an impact on that.

We know that those governments for a long time have used the non-progress there. And so, for example, if the Israelis are not helpful on the settlement process, that, therefore, has an impact on the peace process and has an impact on democratization. They are linked. They're indisputably linked. We've all recognized that. It doesn't mean that you're not going to have a strategy for each of these pieces.

But if you think you can ignore them, as the Administration, by the way, I think has begun to recognize. The original argument on Iraq was we'll solve Iraq. This will set a--you

know, the stone is rolling down the hill, and we don't have to deal with any of these problems 'cause they'll just--one move and the whole house changes.

Part of the reason, although I agree with Martin's critique about the shortcomings in the engagement, it's certainly better than where they were during the first term. So I think there's a broad recognition of these linkages, and, you know, whatever is setting it in motion, you've got to see those linkages in terms of take it forward. And I'm going to move onto another question.

Sam, did you have anything?

MR. : The hour is late, but Martin is getting off much too scot-free here, I believe.

You know, all the conversation really has been about what we should do basically, particularly on the Arab-Israeli side. I think you mentioned the Israelis once in connection with E1.

But it does seem to me that Shibley is right when he says the change agents here aren't just the United States. There's a lot going on in the region we don't control. And we're not going to control. And one of the things we're not going to control is the progress of the Israeli political system over the next year. It does seem to me that your basic argument of great engagement is one that's now slowly but surely being accepted, but they're not doing enough about it fast enough. I certainly agree with that.

There's still a dispensation to hang back and not to interfere with anything Sharon is doing because he is in parlous condition politically, and there's a big--good--argument to be made I think for not making a huge argument about E1, which has long since been decided and will never be reversed in my judgment, and it's all started; and we've never reversed anything of this kind in the history of the conflict, once it's gotten underway, but surely

we're more concerned with getting this withdrawal done in a way which then produces some beginning step stability for the future Palestinian state and Gaza and something we can call a renewal of a peace process more broadly. I don't think it's fair really to argue that the fact that they're not pushing so hard on E1 in this current visit is a bad thing. I think the Clinton Administration would have been doing exactly the same thing under the circumstances.

MR. INDYK: I think you misunderstand me. One is only one part of the issue here, and I actually think that if we were more outspoken on E1 that it would generate some resistance in Sharon's own government from the Labor Party, which has already come out against it. But I'm rather talking about the more general problem of distraction here, and we need--I mean, if there's one single thing that we need to be doing, it's not E1. It's the restructuring of the Palestinian Security Services.

Now, we did send out General Ward and that's a positive development. We didn't do anything like that despite the fact that we took on that commitment in the roadmap in the two years since the roadmap came out. But it's not enough. And Gaza disengagement can work if there is coordination. But if we leave the Palestinians and Israelis to their own devices, the coordination is not going to happen.

Now, I happen to think it's good idea not to get down into the weeds; that there are certain--there's a certain level of attention that we need to give to this process at this time, when we can still make it a success, 'cause if we don't do it now, then we're going to find that the Israelis will disengage, but what will be left in Gaza will be chaos and anarchy. And that will be used as a justification for no further step, and that will put Abu Mazen in a situation where he will become weaker and weaker and then we'll lose the opportunity.



And while all of that is going on, there's a very good prospect that the Iranians and the Syrians will find a way to promote, using Hezbollah, promote terrorism against the peace process that will make things even more difficult.

So, you know, it's part of a general approach that needs greater focus. They've identified the opportunity. But the follow through isn't there. And I want to come back to Barry's point about Crown Prince Abdallah. I don't happen to agree with Flynt about the importance of the Saudis on Jerusalem. But Crown Prince Abdallah did launch an important initiative three years ago, and the Arab League in Algiers, the Summit Meeting, was an opportunity to advance that, and we dropped the ball. We did not pursue it.

MR. : We [inaudible].

MR. INDYK: Well, yeah. That's different. But we didn't orchestrate the strategy to get something more out of that. And part of the reason I suspect--I don't know this for a fact--but it's a hypothesis worth pursuing--is that the Egyptians are so upset with us about what we're doing on the democratic front that they decided they're not going to help us on this front. And the Saudis likewise.

And so King Abdallah was left to try to do it on his own, which he can't do. So, that's the point about the problem of compartmentalization, which is not to say we shouldn't be pressing Mubarak on democratization. We should. But we also need to understand that all these things play off against each other, and, therefore, take it into account.

MS. WITTES: Briefly, I think what we can say is that this is a region in ferment in many ways and on many vectors. The United States might not be the primary agent of change on some of these vectors, but, for better or for worse, we're engaged in the region more deeply than we've ever been before, for a longer period of time, and we have the ability to shape this change.

Now, the outcome of this change is by no means determined. On the peace process, on reform, things could go in a lot of different directions, many of them bad. And I don't think it's merely a question of whether we engage in a positive way or whether we sit it out, 'cause I think there are a lot of things we could do that might unintentionally make things worse.

So I think the point that Martin is making on the peace process is also one I want to make on the reform front, which is we need to be seeking out every opportunity we can to shape things in a positive direction. If there's something happening in Egypt, that's great. What can we do to move it forward? If there's something going on in Saudi Arabia, tensions between stability and liberalization, we need to work with them to make sure the balance ends up in the right place. We cannot afford. Because for better or for worse, our President has tied--and I don't think he's necessarily wrong--our future to the future of this region.

So wherever we can, we need to do the best we can to push things in a positive direction.

MR. STEINBERG: On that note, let me thank the panelists for a very stimulating discussion and an excellent piece of work and thank the audience.

[Applause.]

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