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PARTICIPANTS:

Welcome and Introduction:

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PANEL 1: U.S. AND EUROPEAN APPROACHES TO ENGAGING WITH IRAN

Moderator:

JUSTIN VAISSE
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Panelists:

PIERRE LEVY
Director, Policy Planning, French Ministry of Foreign Affairs

ROBERT KAGAN
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ROBERTO TOSCANO
Italian Ambassador to India, Italian Ministry of Foreign Affairs

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PANEL 2: U.S. AND EUROPEAN APPROACHES TO ENGAGING WITH RUSSIA

Moderator:

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Panelists:

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ROLF NIKEL
Deputy National Security Advisor, Office of the German Chancellor

STROBE TALBOTT
President, The Brookings Institution

AUDRIUS BRUZGA
Ambassador of the Republic of Lithuania

PANEL 3: U.S. AND EUROPEAN APPROACHES TO ENGAGING AGAINST TERRORISM

Moderator:

JEREMY SHAPIRO
Fellow and Director of Research, Center on the United States and Europe
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Panelists:

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P R O C E E D I N G S

MR. PIFER: Okay. Well, good morning. Welcome to Brookings and welcome to the Annual Conference of the Center on the United States and Europe.

My name's Steven Pifer. I'm a Visiting Fellow here at Brookings and the Acting Director of the Center.

And it's my pleasure to welcome you to our conference on "Strategies for Engagement," in which we want to look at how the United States and Europe approach some of the key challenges on the transatlantic agenda.

Four months after taking office, there are two things that are clear about Barack Obama's approach to transatlantic relations.

First, he and his administration have demonstrated a commitment to consult with, listen to, and work with the Europeans as partners. And that's a change from the previous administration.

But we saw this as early as last March, when, in the context of preparing the administration's new policy on Afghanistan and Pakistan, Vice President Biden traveled to Brussels to meet with NATO allies to get allied views on Afghanistan to feed that into the U.S. policy process.

Now part of this reflects President Obama's view that multilateral approaches are essential for tackling the key problems on the international agenda. And again, that's a change from the previous administration, which had a tendency to look at unilateral approaches.

Now second, Barack Obama and his administration are making a large investment of time in the transatlantic relationship.

The President goes to Europe next week. He goes to

Europe again in July, so that means he will travel to Europe three times in his first six months in office.

The Vice President last week returned already from his third trip to Europe. So there's a significant amount of engagement by the President and the Vice President in getting the transatlantic relationship right.

This level of engagement reflect several things: first of all, the importance that's attached here to the transatlantic relationship; second, a recognition here in Washington that the United States needs Europe as a strong and willing partner in tackling key international challenges; and third, a hope that engagement with Europe will produce common policies and cooperative action.

Certainly, there are a wide range of challenges on the agenda: the global financial and economic crisis; nuclear proliferation; Iran; terrorism; climate change; relations with an assertive Russia.

And the question for the transatlantic relationship is: Can we turn this positive feeling, this commitment on both sides to engagement and consultation, into close coordination that yields common policies. And then once we have common policies, are we prepared to devote the energy, the resources, and sometimes the manpower to implement those policies successfully.

The answer to that question will tell us much about the future of the transatlantic relationship.

If the answer is yes, we can see a more solid, closer relationship.

If the answer is no, it will give rise to questions about continuing that relationship.

Today, we want in this conference to look at several of the key challenges before the United States and Europe: the challenge of Iran and its nuclear ambitions; the challenge of an assertive Russia; and the challenge of how to cope with terrorism.

What we hope to do is identify not only areas where U.S.-European cooperation can flourish, but also to discuss some of those areas where, because of different perspectives on the two sides of the Atlantic, it may be that some extra work is necessary to ensure that the United States and Europe can be on the same page.

What we've done is organized three panels to discuss each of these issues, looking at both the United States and a European approach.

On Iran, we're delighted to have with us Suzanne Maloney from Brookings; Robert Kagan from Carnegie, to present American perspectives; and we have Pierre Levy, who's the Director of the Policy Planning Staff of the French Foreign Ministry and Roberto Toscano, the Italian Ambassador to India, but until last summer, he's spent five years as Italy's ambassador in Tehran to share European views with us.

And Justin Vaisse of Brookings will moderate that panel.

Our second panel will address Russia. Strobe Talbott and -- from Brookings -- and Angela Stent from Georgetown will provide American perspectives. And we have Rolf Nikel, the Deputy National Security Advisor in the German Chancellery and Ambassador Audrius Bruzga, the Lithuanian Ambassador here in Washington to provide us European perspectives. And I will moderate that panel.

Following a lunch break, we'll reconvene back here for the third panel, which will look at terrorism. I would note that the previous

director of the Center, Dan Benjamin, yesterday took up his duties at the State Department as the State Department Coordinator for Counterterrorism.

But on that third panel, we'll have Tamara Wittes and Vanda Felbab-Brown from Brookings] to talk about American perspectives, and Gideon Rachman of the Financial Times and Olivier Roy of the French National Center for Scientific Research to provide us a European perspective.

Finally, I would like to acknowledge the generous support that we received from the German Marshall Fund for holding this conference. And I'd also like to thank several other core sponsors of the Center on the United States and Europe.

These include the Council on the United States and Italy; the Daimler Corporation; the Delegation of the European Commission, the French, German, Italian, and Norwegian Foreign Ministries; the Sabanci University in Turkey; the TUSIAD Industrial Association; and the Victor Pinchuk Foundation.

I'd also like to thank others, including numerous generous individual donors for all of their help, which makes the work that we do at the Center possible.

Finally, one last admin note: please turn off cell phones and pagers. Not only do they interfere with the flow of the conversation, but they also interfere with the electronics here, and will produce strange screeches that will be disruptive to our conversation and disruptive to your ears.

So thanks again for joining us.

Let me now turn to our first panel and Justin to open it.

MR. VAISSE: Thanks, Steve. A few remarks: There are certainly many, many facets to the Persian puzzle, and while I'll hope we'll be able to deal with as many of these facets as possible today, we will tend to gravitate around the nuclear issue, if only because it has been the area of greater transatlantic concern in greater transatlantic cooperation as well.

In the past few years, as the U.K., Germany and France -- the EU-3 -- with some increasing backing from the Bush administration succeeded in keeping the international community united in the goal of having Iran renounce enrichment and of imposing sanctions to this effect, they did not manage to prevent Iran from acquiring an industrial capacity to enrich uranium.

The past four months -- so new developments. As Barack Obama started implementing the policy of engagement with Tehran and the new Israeli government put a heavy emphasis on the threat from Iran.

Even more than the result of the June 12th elections in Iran, it is the general outcome of the Obama strategy, which is in question, as it will have an impact on many other issues of transatlantic concern like Israel-Palestine, Lebanon, relations with Russia, or the future of the non-proliferation regime, just to name a few, which brings me to the following three questions about the outline of a possible deal with Iran -- three questions that I will ask to our panelists.

First, what are Iranian intentions and objectives as interpreted by Europeans and by Americans?

Second, where should our redlines be drawn in that possible deal?

And last question, what are European and American visions

of the possible endgame? Is it some sort of Japanese solution, where Iran remains a few weeks away from the -- an actual bomb or can we live with an Iranian military nuclear capability and rely on containment?

To discuss these issues, as Steve mentioned, we have two very distinguished Europeans and two very distinguished Americans. And I will introduce them briefly in the order in which they will speak.

Roberto Toscano, here in my immediate right, is the current Ambassador to -- Italian Ambassador to India, but more importantly for us, he was after a prestigious career in the Italian diplomatic corps, Ambassador to Iran, from 2003 to 2008.

Since he's also a widely published intellectual on international affairs and philosophy, his embassy in Tehran was known to be a place of dialogue and meeting of Iranian and foreign intellectuals in a time of high tension.

Roberto was organizing conferences like reading Machiavelli in Tehran, which sometimes got him into trouble with the regime. But he also developed a very keen understanding of the country, and that's what we'll ask him about.

Suzanne Maloney is my colleague here at Brookings, where she studies Iran, the political economy of the Persian Gulf, and Middle East energy policy.

A former U.S. State Department policy advisor, she has also consulted private companies on Middle East issues.

At the end of last year, she published a book titled "Iran's Long Reach: Iran as a Pivotal State in the Muslim World" with the U.S. Institute of Peace.

Pierre Levy, to her right, is Director of the French Policy

Planning Staff, which has undergone a profound reorganization recently, extending its reach and stature in the French foreign ministry.

Last year, Pierre was at the heart of the redefinition of French foreign and defense policy under President Sarkozy, taking part in the two Livres Blancs, the white papers, on national security and foreign and European policy.

He's been following the efforts of the EU-3 on Iran very closely from the beginning.

Lastly, if you need an introduction for Robert Kagan, it means you really have not been doing your transatlantic homework very seriously in the past few years. Bob is a Senior Associate next door at the Carnegie Endowment for International Peace.

And, as I mentioned, he doesn't need much of an introduction.

So, Roberto, the floor is yours. Give us your read of Iran.

MR. TOSCANO: Thank you very much. Well, tall order. It's extremely complicated to give a tall read of Iran.

I would just like to share with you some approaches that I think -- I'm speaking here in a personal capacity, but I have the ambition also to say something that is not in divergence with the policy of my country and, I would say, of Europe.

You know, in the 40 years of my diplomatic career, there has been a constant and sometimes with fluctuating intensity, but constant concern: Are we diverging between the two sides of the Atlantic?

Whenever a big issue comes along, the question is, are we going really to stick together or are we going to approach it in different ways.

You know, basically, what's behind it was put very effectively by somebody who talked about Europe coming out of Venus and the U.S. coming out of Mars.

In the back of everybody's mind, there is that, even if we Europeans have done a lot to disprove this caricature, if I can say so.

Now will that happen also in the case -- or is it happening -- has it happened in the case of Iran?

Well, first of all, let me say what do we certainly share. We share, very briefly, no to an Iran with nuclear weapons; no to Iran meddling in Iraq, aimed at establishing a sister in Islamic Republic. Three, end to Iranian support of radical and or terrorist groups in the Middle East. End to Iranian hostility to the Middle East peace process, based on the goal of two recognized states. And end to human rights violations in Iran.

This is our maximum agenda. But we share it. I have no doubt that Europeans and Americans share this type of agenda.

But the question here was -- the basic question was raised by our moderator. When we talk especially about the nuclear issue, which has become the main one, although it's not the only one that we should face, what are the intentions of the Iranian regime?

As a matter of fact, we can address this problem in three different ways. First is the capability. Of course, in order to assess capability, we need to be experts, and we need to know how what a centrifuge is and what it produces and how much time and how much material it will take to go from low-enriched uranium to high-enriched uranium and so on and so forth.

It’s a very important dimension, of course, but capability by itself does not tell you what your strategy is going to be. The fact of being

able to achieve a certain technical capability doesn't tell you what you're going to do with it. So it's part of the picture.

Intention. Well, also intention is rather problematic, because if you try to derive intention from the rhetoric of a revolutionary regime, then the intention is, of course, very much advanced and probably detached from capability.

So, as a matter of fact, if you look at that, you might end up making a terrible mistake like defining the Iranian regime as an apocalyptic regime bent on destroying itself and destroying the world in the meantime.

Living five years in Iran and even people who have lived less time in Iran will tell you that that is not the case. What you see is rather a different beast.

And here I go to the third possibility, a third criterion, that I think we should apply. It's not capability. It's not intent. It's interests.

We should really focus on the interests of the regime. What is their interest, not what are their dreams or what are the tools at their disposal.

And the very basic contention, very basic point I want to raise, is that the Iranian regime wants to survive. And, in order to do that, they can play the radical card, but tomorrow and yesterday. They also can play the reformist card.

They just want to continue in power.

This is an extremely important thing. I hope that if somebody else has had an experience in that country will agree with me.

Now the fact is that regimes try to depict national -- regime interest in terms of national interests.

And in order to do that, they need a lot of demagoguery. And it doesn't always work.

But if we take the whole range of Iranian foreign policy, we see and hear -- I borrow from a paper of an Iranian director of a think tank that probably some of you will know, Mahmoud Sariol Galam , Director of the Middle East Institute, who said that Iranian foreign policy can be described with three concentric circles. The outer circle has as a defining goal the religious dimension, you know, the spread of Islam and of Shi'a Islam.

More internally, you have a circle that what the French would call terre mondesle, anti-imperialism, you know this militant challenge to the big powers, to the Americans, but also to Europe, to a certain extent.

And the inner core is national interest issues.

Now as you move from the outside to the inside, what do you see?

The outside circle has the minimum level of consensus. All this thing about Holocaust, about crossing the line between being anti-Zionist and being anti-Semitic, which has been crossed personally by Ahmadinejad, as we know, is not popular. It is shared only by a very reduced minority even within the regime. It's purely instrumental in order to gain support, which unfortunately it works throughout the Muslim world.

Cairo taxi drivers are very enthusiastic about Ahmadinejad because he's the most violent against Israel, using everything, including Holocaust denial.

The second level also is not very popular. It's an ideological thing. It's something that doesn't really fly with the majority of Iranians.

If we move to the inner core, we see that it is the place in

which the government can obtain consensus, which is not very abundant these days, because of economic problems and so on and so forth.

In theory, it will be easier to address Iranian national security concerns in dialogue and in compromise. Well, if they want, you know, to be -- to have their borders recognized or to be a legitimate partner regionally, we can work on that.

The big problem is that the regime has been able to locate the nuclear issue within this inner circle. The nuclear issue is not perceived as a way of destroying Israel or becoming the sort of equivalent of the Soviet Union and in challenging imperialist West -- no, no, no, no. It's about Iran. I would almost say it's about Persia.

If you talk to Iranian -- not even liberals, but even right-wingers, those who have -- still linger some nostalgia for the monarchy -- there are not many -- they would say we have the right to the nuclear weapon.

Whereas, regime people, they swear that because of their religion they could never have a nuclear weapon. Allah doesn't want.

So this is extremely significant, because the nuclear issue has become -- thanks also to skillful propaganda, of course, but also to a certain predisposition to national feeling and pride -- has become a national security, a national identity issue. This is what makes it more difficult, because that's where there is less margin for flexibility in the part of the regime.

Now if that is the case, is there any space for what we can call a realist approach on our part to try to address how far certain demands on the part of the Iranians are acceptable and certain demands are not acceptable and, therefore, you have to oppose them.

First of all, we should think, well, what have we done up until now? Has it been successful? Not much.

And what do we do if we put deadlines and then the deadlines pass and nothing happens? Credibility, as you know, is everything. And the Iranians, the Iranian regime is even openly saying don't worry; there is a lot of bark and no bite.

Now this, of course, is extremely negative because after that you are deprived of diplomatic tools to you are deprived of credible, let's say even negative and positive conditionality. They don't believe you anymore.

Europeans are often criticized because in our policy towards Iran we factor in certain interests of ours like energy. Well, who doesn't? I don't have any problem in admitting that the fact that Iran is an energy producing country and that we desperately need energy is a factor in our policy.

We also had the inner core of national interests, you know, and I think that is -- shouldn't be a scandal nor something that anybody should resent.

Probably the best way of moving towards a less tense and less contentious relationship with the Iranians will be not to put the nuclear issue up front. There are issues on which there might be a margin of compromise and even of cooperation.

Of course, I'm talking about Afghanistan. I think that Iran is not looking forward to a Taliban-dominated Afghanistan for a number of reasons, and that's what we don't want either.

And even in Iraq, if you look at what happened in the past few years, the Iranian goal has never been a collapse of post-war Iraq, but

rather a unified Iraq -- they don't want a Kurdistan, because they have their own Kurds -- ruled by their friends.

And I can tell you that the people in government in Baghdad supported by the U.S. are their friend. Right? No doubt about that.

They go back and forth from Tehran, including the President of Iraq.

They have created problems by supporting (inaudible)? Did you see what happened to Muqtada al-Sadr? He was activated and deactivated periodically as a tool, not as a goal now that they married him.

Sometimes he was needed and sometimes he was pulled back.

So what is their main goal?

First of all, to show that you cannot do anything without them. It's a way of being considered, involved, and not excluded, because exclusion, exclusion for them is one of the worst nightmares. Being put in a corner is really something that is very expensive, even from the point of view of their economic system.

The country cannot be autarchic, let’s put it this way.

In order to describe this policy, which I think is what they are doing also on other issues, I'd like to quote a Brazilian proverb. It says in Portuguese and if somebody speaks good Portuguese, I will be forgiven, I hope. It’s, “Criar dificuldades para vender facilidades” -- create difficulty in order to sell facility. It's very simple.

But if that is the case, probably tacitly, but something has already happened in Iraq. Even the relatively better situation that this country with a new strategy was able to establish in Iraq, I don't think would have been possible if the Iranians had decided to use all their

assets, which they do still have, in order to prevent it.

So there is something more of a gray zone there, which points in the direction of a non-incompatible, not coincide -- but non-incompatible goal.

But switching to theory, since for seven years I was head of policy planning in my country, so I can give up theory like Pierre here.

The big question on Iran has been the following: Is containment applicable? Is deterrence applicable? Can détente produce results that were produced during the Cold War?

Now some have said that containment and deterrence are not applicable because they're just a bunch of crazy people who just want to die in a big nuclear explosion with the great satisfaction of having destroyed their enemies. I cannot share that view on the basis of my experience of the country and even of the very special interlocutors of the regime.

I prefer to define that system as a late-stage totalitarian system. Probably I'm influenced by the fact that I spent five years in Moscow in the second half of the ‘70s. But I can ensure your eyes see a lot of parallels in spite of the differences of the ideological content.

Don’t underestimate, as I said at the beginning, the total prevalence of a survival priority for the regime, which is risky, because sometimes you can become reckless if you think your back is against the wall, but could be also promising in terms of the acceptance, possible acceptance, of a compromise.

Let me say that lately in Europe we have become even more confident that our relations with this country, including on Iran, has become more comfortable. Why?

Because it's less and less true that we can be divided schematically, you know, Mars and Venus. Probably now the Goddess that is prevailing is Minerva or Athena, you know, the wisdom. And probably we will not have the usual cheap debate between hawks and doves. There also the owls; right?

And again, we are supposed, as Europeans, to be idealists and to introduce into our foreign policy ethical considerations that really don't fit.

Well, somebody in this country wrote a book called "Ethical Realism." Okay. We buy that. Let's buy ethical realism.

And this, I think, applies also in the case of Iran. We need a lot of realism, but we need a lot of ethical realism, because we always have to ask one question: much as we dislike that regime, for very good reasons that maybe if we had more time, we could list, we should ask ourselves what would happen if in order to get rid of that obnoxious presence, we should have recourse to military action?

Again, it's ethics. The ethics of conviction could justify that. But the ethic of responsibility maybe would not.

But I think on that basis, we are working together with a huge difficulty. I can tell you very frankly that some solutions where possible and realistic in 2004 let's say, when I was there, are now if not impossible, almost, because they have gone ahead, and so the compromises that we might have been able to accept then and which we didn't offer, they are not going to accept now.

And yet, there is a lot of work to do, but that's what we diplomats are paid for. And I think there are also some hopes for success.

The big question mark, of course, is internal Iranian. We are

waiting for the outcome of those elections. But that's another aspect of the situation on which if we stay after, we can talk about. Thank you.

MR. VAISSE: Thanks very much, Roberto.

Suzanne, what is your read of Iran and our possibility to affect their behavior?

MS. MALONEY: Thank you, Justin. And thank you to Ambassador Toscano for giving us such an insightful view of Iran's motivations and its actions.

Justin asked me to talk little bit about the Iranian side and a little bit about the U.S. side, and it would be very difficult for me to add anything beyond what Ambassador Toscano says on Iranian intentions, because I would associate myself with his view entirely, although my time in the country has been far shorter than his I think he brings a perspective that is almost unparalleled here.

Let me speak then about U.S. policy, and I'd like to raise just three issues. One is context. Two is challenges. And three is what the most effective U.S. strategy might look like.

In terms of context, I think I would describe this as a watershed moment for the U.S. and Iran and as part of that, the U.S. and Europe, because, of course, is an integral part of our policy toward Iran. It's a watershed kind of unique historical moment simply because I think for the first time since the revolution there may well be a convergence between American readiness to engage in a serious dialogue and Iranian readiness to engage in a serious dialogue.

On this side, the election of Barack Obama meant that an eight-year debate over the legitimacy and propriety of engagement with rogue regimes is effectively over. Obama campaigned on the idea of

engagement. He took a lot of fire for it and stood by that position, even during the earliest parts of the campaign.

And it was very clear when he was elected that that was going to be the direction that he moved in.

Now I think the debate of the past eight years over whether we should or shouldn't engage Iran was sort of a false one, a silly one. It was a Potemkin debate because every American administration has, in fact, engaged directly with Iranian counterparts, including, of course, the ministration of George W. Bush, which, in fact, engaged perhaps in the most serious and successful talks of any U.S. administration since the end of the hostage crisis during the earliest months of the Afghan campaign.

In terms of Iran, the context there, I think, we also have a unique historical moment, and that is that since 2006 there has been public cross-factional support that reaches all the way up to the Supreme Leader or official talks with the Great Satan, as they tend to refer to us, still.

This is real break from the past. The fact that Ayatollah Khomeni, the Supreme Leader, came out and endorsed the idea of talks, and he was speaking originally in 2006 about talks on Iraq issues, but I -- the idea has been extended in the Iranian political debate over the past three years to really, I think, include a willingness and readiness on the part of the most hard-line conservatives, the radicals like Ahmadinejad, as well as the reformists, who, of course, had been articulating this kind of a position somewhat softly and subtly for least 10 years that Iran needs to have some sort of relationship with Washington.

And this is something that is quite different than existed for most of Iran's post-revolutionary history, when the idea of talking to

Washington was a major part of the factional infighting that constantly dominates Iranian decision-making.

So we have this opportunity. But I think, at the same time, there are enormous challenges. There are challenges on both sides, and it's not clear to me that, at this point, either side is going to be able to address those challenges effectively. And this is, I think, potentially where Europe can play a unique and valuable role.

On the Iranian side, you have an enormous reservoir of distrust toward U.S. motives that will be very difficult to overcome. Yes, the Supreme Leader has come out and endorsed the idea of talks with Washington.

But at the same time, Iranians and I think this extends beyond the conservatives or the radicals like Ahmadinejad, but Iranians of all political stripes have a sense of suspicion toward Washington.

They view the idea of negotiations ultimately as potentially some sort of a trick by the Americans to simply winnow all of the legitimacy of the regime, and they believe that negotiations won't, in fact, and until and unless the regime itself collapses.

And so, to begin to get them to the table, to get them to demonstrate the capacity for real concessions, I think it's going to be an enormous challenge.

And it’s something that the Europeans, given the long relationship with Iran and given the direct experience of negotiating with Iran, have a very valuable role to play.

The other major obstacle from the Iranian side -- and it’s a temporary one -- but Iran -- political timing tends to be uncertain -- is the elections that are coming up in two weeks.

Iranian elections are ultimately unpredictable. We've had surprises over the years almost with consistency. In 1997, no one predicted that Mohammad Khatami would win the presidency.

In 2005, I can tell you even in the bowels of the State Department there was utter disbelief that an unknown, inexperienced mayor of Tehran might actually defeat the former president and political godfather, in many ways of Iran, Hashemi Rafsanjani.

And so I think, you know, we can all handicapped what's going to happen in two weeks, but nobody, including frankly many Iranians, really knows how it's going to play out.

There's an enormous amount of attention and energy being devoted to this contest right now, and that will continue frankly for many months.

It's not to say they will be incapable of engaging in any foreign-policy over that period of time, but the primacy of the internal debate, the regime survival debate, and the regime competition that has existed since the earliest days of the revolution distracts their ability to take bold moves or to make important compromises.

And it's going to I think in some ways contribute negatively to their ability to come to the negotiating table in any serious way at least for the foreseeable future.

And again, here this is place where Europe has, I think, an incomparable role, because you simply have presence there in a way that really no Americans do at this time.

In terms of the challenges from this side, they are, if anything, I think greater. First is we have this very ambitious sense of the expectations of engagement.

I mean, we already have a debate on the editorial pages of the New York Times about who's lost Iran and whether the Obama administration has failed, even before articulating a policy on Iran. It's a kind of ludicrous discussion, but it's one that reflects the inflated expectations that simply by deciding to engage we would somehow resolve the Iran problem.

Engagement is not a panacea, and no one should presume that it is. And ultimately, though we know many things about Iran's capabilities -- and they are, in fact, greater when it comes to negotiations than I think some of the debate here in Washington might presume -- we don't know if Iran is capable of making the very serious sorts of concessions that we would need, whether it's on the nuclear program or on some of the other issues of terrorism and regional reach and access.

We simply don't know if the Iranian leadership is willing to make that sort of a bargain at this time.

And so I think we're going to have to be very careful as we deal with our own internal politics here, as we deal with our relationships with Europe and with other key allies on this issue, particularly Russia and China, to manage expectations and to be clear that, in fact, we have a timetable which is achievable and which recognizes the constraints on the Iranian side.

And let me get into the timing, which I think is the other major and potentially insurmountable challenge on this side.

Obviously, this is a kind of fundamental dilemma for U.S. policy. We have a very impatient, rightfully so, Israeli government when it comes to viewing the Iranian threat. We have a nuclear timetable which has moved forward with a rapidity that I think no one would have predicted

five years ago. Perhaps if we had, we might have engaged in a different way in those early periods of the disclosures about the Iranian nuclear program.

But in any case, we have a very short timetable if we hope to actually achieve the objectives that this administration and all of our European allies have articulated, which is to prevent Iran from having a nuclear weapon.

That is a laudable and I think a universally shared objective, and yet if our preferred approach is engagement, there is a certain degree of tension there and some might even say incompatibility, because engagement is a long-term process. It's protracted. It's frustrated. No one can speak about any better than the Europeans can.

It is not going to be easy to get the Iranians to make the kind of concessions that we need.

And so we have this uncomfortable tension of a very short timetable if we hope to influence the nuclear issue, and an approach, which ultimately requires a very long-term vision and a very protracted timetable.

And we're going to have to find a way to bridge that gap, and I think in some respects it's going to involve defining our objective somewhat differently than in a somewhat more nuanced fashion.

This has all been a very kind of pessimistic survey of the prospects for engagement.

Let me just conclude by saying that I think engagement is the only available option to us at this stage. And I think it actually has some potential for being successful in the short term in dealing with the key issues, including the nuclear issue.

And the reasons why I think you can be successful and why I think it ought to be the chosen approach of this administration and of this country is that we know Iran can, in fact, reverse policy. I mean they've done so on a number of core issues to the regime's legitimacy over the past 30 years that often don't get noticed when we think of this kind of essentialist, unchanging revolutionary Iran.

We also know they're capable of coming to the table in a serious way, even with Washington. They did so between 2001 and 2003 on the issue of Afghanistan. It was not a pleasant set of negotiations always. It was not always successful. There were meetings that were called off by both sides; frustrations that were expressed.

But, in fact, they actually came to the table and provided some assistance on Afghanistan, and the people who sat across the table from them have written and talked about this publicly and indicated that they felt, in fact, that are early objectives in Afghanistan were greatly served by that sort of a dialogue.

So we know that, in fact, engagement, negotiations, dialogue can -- it can work.

We also know that the only time that the Iranians have voluntarily curtailed their nuclear program was during the period of negotiations, the negotiations that the European Three led between 2003 in 2005.

I think, as Ambassador Toscano has suggested, that Iran is somewhat beyond the debate over in Richmond at this point. Ahmadinejad and others across the political spectrum have made clear that they are unwilling to suspend in any way, shape or form.

And yet, there was a period of time when they were willing to

do that, it was not simply a function of a different presidency at that time, in fact, at all. It was really a function of the fact that you had a negotiating process which the Iranians, at least briefly, invested some energy and credibility in and felt as of 2005 across the political spectrum that they didn't get what they needed, and so chose a different course.

So I would say that the only hope we have of really addressing the nuclear program in a sort of permanent way is resuming a negotiating process which gets the Iranian buy-in.

And, of course, all of our alternatives are quite mediocre when it comes to affecting Iranian calculations. I won't speak in great depth to the question of military action, but I think we all recognize the havoc that would read across the region and all of our key objectives for both the U.S. and Europe.

And I'd also say, you know, for many here who look to Europe to join us in more strenuous sanctions that it is going to inevitably be part of the puzzle here, and yet we should be somewhat realistic about the prospects for economic pressure to really reverse Iranian policy on a core issue.

There really is no example in post-revolutionary history where the Iranians have, in fact, chosen money over what they see to be a key security issue. You can look at the debate within Iran over continuing the war in the mid-1980s, and see that sort of a calculation play out very directly.

What they did decide at that stage was to continue the war, even though they were facing severe economic constraints, because they saw that in their existential national interest.

And I think we could well see something like that play out

within Iran on the nuclear issue, even if we were to see more strenuous sanctions from Europe.

Finally, I think, you know, the most important challenge for all of us is going to be addressing some of the obstacles on both sides, finding ways to build confidence among the Iranians in coming to the negotiating table in a serious way and demonstrating some capability to offer concessions, because there is going to be very little capacity for this site to offer serious concessions without some sort of preemptive Iranian capability or demonstration from their side.

And I think the issue of timeline and extending the timeline, finding ways in which we could have a serious engagement, had a serious negotiating process without this looming deadline of the nuclear fuel issue hanging over our head is going to be very important. And that's, again, where the Europeans can play a role.

Whether it's coming up with an array of interim measures, potentially long-term interim measures, that might provide intrusive inspections and other means of checking the Iranian nuclear program, I think it's the cooperative and joint approach of the U.S. and Europe that is going to make that possible.

We've laid out in a book that you can purchase in the bookstore here is sort of negotiating track that might involve four different tracks with Iran -- regional issues, the broader region, the nuclear issue, and the grand sort of U.S.-Iran rapprochement set of issues.

But I think you can parse it any number of ways. The reality is, though, it's going to be a long-term process, and it's going to take the active efforts of both the U.S. and the Europeans to ensure that if successful.

Thanks.

MR. VAISSE: Thanks, Suzanne.

Pierre, could you give us the view from the EU-3?

MR. LEVY: Yes. Well, thanks a lot. Before starting and trying also to answer and to complement what has been said before, I would just like to express a small caveat at the beginning -- a caveat well known on some military grounds.

I mean by that that I will speak with my policy planning perspective, freely trying to share with you some questions. I'm not involved in the day-to-day negotiation process. But I've been, as Justin recalled, involved at the beginning in 2003, when I was in charge of common and foreign security policy.

But, of course, in my presentation any similarity with the diplomacy is not a coincidence.

So I would like to on four points perhaps to elaborate quickly: first of all the question of the context; secondly, the game; fourth -- third, sorry, the players; and fourth, the way forward as we see it.

First of all concerning the context, very briefly, we all know that it's a very specific period. I mean, you can name it in different ways, whether it's a transition, assessment, the day before, or a testing sequence for many reasons, first of all, because the new U.S. policy, which is extremely positive from our view to engage Iran, because we believe that the U.S. will be -- is a key player in that game.

Secondly, elections in Iran, even if we didn't speak much about it because no that is not a key element; and third, the time factor.

Suzanne mentioned very well the difficulty, which is the fact that time is running out and we need time to build confidence; we need

time for engagement. And, at the same time, the enrichment process goes on, and the Israelis are very impatient, very nervous; the Gulf States also.

And so, that's very dangerous because there is no -- because (inaudible) is not an option and there is no (inaudible) for the time being.

Second point, the game. You know -- I mean, I have in mind the sentence of President Sarkozy to avoid a dilemma between Iranian bomb and the bombardment of Iran. And so our policy is based on two main elements -- first of all that -- the belief that Iran has a nuclear military ambition, and I notice that nobody challenge that anymore. That's one point; and secondly, a nuclear Iran would have huge consequences.

I know there is a debate about that, but I believe that stability in the region would be at stake. It would be a challenge to the non-proliferation regime; threats to our security, and to our interests in the region.

And it would be a mistake to think that if Iran becomes nuclear, it will be business as usual in the region and that the deterrence software which was used during the Cold War would apply.

And so that’s why we have -- since the beginning that's the game which is still prevailing at Five Plus One. We have put forward an approach, a dual track approach, as you know on one hand sanctions, and the other hand cooperation and acknowledgment. That's very important, recalling what Roberto has said; that we acknowledge really the role of Iran as a great power in the region, and, in that respect, Iran is totally different from North Korea, because North Korea is a very autistic regime and up to a certain extent proud to be taken to the Security

Council, to be ashamed. The Iranians were very upset to be ashamed and to have a different approach.

And so, that's the key elements. And so I won't recall you have in mind the sanctions and all this. I just want to mention one thing that today you have three trends. You have the U.N. sanctions. You have the informal sanctions or advice to bankers, to companies, and it works. It works.

And you have self-imposed sanctions because the economy is very badly managed, and the situation is not easy.

Of course, we haven't succeeded to make them stop their enrichment process, but at least I would say that this -- the field that this policy has a cost, and I think that's very important, and it fuels a debate inside the political machinery on what to do.

But Suzanne has been very right to recall the past. They have a long history of being -- suffering -- being under sanctions in very difficult times, but, still, it has some -- I believe it has some impact.

Third, the players. Just a few remarks on Iran first of all.

We -- I think there is a consensus among -- I won't elaborate, but we can have a discussion, and there are much more competent people as I am to analyze the Iranian political regime, which is a very hybrid structure, very unique up to a certain extent, with the double legitimacy of a democracy of people legitimacy and theocratic one.

But I would say there is a consensus among experts about the inability of the regime to decide a strategy, and to make decisions and which is an advantage for us up to a certain extent, because it means that they can move once they find an equilibrium in their approach between different concerns, but it's also a huge impediment, because it's difficult to

find the people, the right people, to speak to.

And it's also a matter of identity, as Roberto mentioned.

So I think when you try to put yourself in the brain of the Iranians why -- how this nuclear ambition fits in their foreign policy, I think you find different trends. You have the classical power politics with a lot of continuity with the period of the Shah, I would say, with this ambition over the Persian Gulf.

You have also a revolutionary approach and the idea to protect the regime and perhaps to export the revolution. But also I think a motivation which is linked what happened the war between -- with Iraq, perhaps to have some sort of revenge against Arab states, and it's today you have the people from the Pazdahan who are in charge, and I think that's -- it counts -- it's worth taking into account.

Israel, of course, I mentioned is an important player, with the question of impatience and the fact which must not be underestimated of the existential threat they perceive; the Arab states, which are -- there is a great anxiety, but at the same time some sort of discrepancy between their official talks to us and also the so-called Arab street or the public opinion, even if I saw a recent survey by the University of Maryland, just recently released, showing that their attitude towards Iran is changing and more and more people perceive Iran as being a threat.

Concerning the U.S., I would just say -- I just said already that it's -- the move is very positive, but at the same time we are very conscious how complex it is, because you didn't have relations in 30 years, and there is this huge time stress, as you mentioned. But the moves are very well calibrated for the time being.

Concerning now the way, the fourth point, the way forward.

First of all, we do believe the game is there. And the idea is really to try and increase perhaps the sticks and increase the carrots in the sense that make more -- be ready to have more sanctions, if necessary, and, at the same time this opening, this process of normalization, which -- where the U.S. plays a very important role.

I think what is very important is to make the Iranians understand what is their interests. It has been mentioned. I'm convinced that it's still -- it's still possible. It can be very hard but possible that we recognize that they have more disadvantages being on the track in which they are than to find another way of normalization.

So the idea is really to try and stimulate the internal debates and perhaps that they realize that there are many contradictions in their policy.

I would like first -- also perhaps to try and criticize what I would call two false good ideas before coming to what I would say as a strategy concerning, you know, the possible around this idea of a grand bargain, which is floating around.

First of all, this what I would call the danger of going from a grand bargain to a grand bazaar in the sense that one could have the temptation perhaps to see looking at the regional landscape with this interconnection of crises, with this arc of crises involving Lebanon, Syria, Afghanistan, and so on to have some sort of Baker-Hamilton approach saying, well, we have a deal with Iran in which we try and have some advantages or concessions on the front of the world fight against terrorism, progress on the Middle East peace process, with some arrangement on the nuclear issues, some arrangement on Afghanistan. -- I think it's very -- it can be unrealistic, very dangerous, very complex, and

perhaps the risk of some sort of marche de dupe in the sense that we might get some commitments, verbal commitments from the Iranians, perhaps with the danger of overestimating their leverage power. I think they have the same interests on Afghanistan, for instance.

I'm not sure they have that pressure perhaps on Lebanon. That's also room for discussion. But on -- and we would have the temptation to be more flexible on the nuclear issue. So I think that could be a danger.

There's another danger, I would say, which is to -- this idea of leaving them some limited enrichment capacity, because I think they would have -- even if you have big, intrusive surveillance, I mean, it opens -- it gives them the technical ability, and it can be very dangerous for the future, and it can legitimize a process which doesn't have any rationale. And so that's a -- and it would have a big impact on other countries and perhaps also on the non-proliferation regime.

So what is a possible track? I think today we have to take into account the regional factor, which is very important. That's to say again the fact that all the crises are interconnected and the fact that Iran is at the center of all this -- at the center of all this not through a strategic master plan, but because what happened in the region in the past was some sort of divine surprise for them, with what happened in Iraq, with what happened in Afghanistan with the fall of the Taliban regime, what happened also in the -- between Israel and the Palestinians in Gaza, and so they have some leverage they use, and so -- and they try and make the best of opportunity of all this.

But they are perceived as an external power, and the fact that today they've been able to take the lead of the Arab nationalism for

while, and Nasrallah appearing as a new Nasser is very badly seen by a lot of Arab countries.

So the idea would be to try and build a political coalition among Arab countries -- among -- in the region to put on the pressure on Iran. And, of course, it puts at the forefront the question of a political agreement between Israel and Palestine, at least have a very quickly a political perspective, and that's why we welcome very much also the U.S. moves that other things are happening for the time being.

But there we come again to the question of timing, because it takes time. So I think that's a new element which could be very, very useful.

So, in conclusion, I would say that we are in a very critical period. The choreography is very important. We are ready very much to dedicated to help, to work with the U.S. to be -- to try and be efficient in this very difficult time.

I do believe that it's -- even if we have in mind, you know, very spectacular scenario, you know, as the strategic Nixon-China rapprochement, we should remember that it took time before, and it was repaired. And there were political fights inside China before, especially between Mao and (inaudible) and so on.

And so we have to be very, very careful. But again, this period is full of hope, and we should very be careful -- we should be very careful not to too much internalize a lot of real complex constraints saying that the game is over, because I think it is not.

MR. VAISSE: Thanks, Pierre.

Last but not least, Bob, could you give us your read of the Obama administration strategy and what should be done?

MR. KAGAN: Well, thank you very much.

In my six years in Europe, I on more than one occasion had a French official or senior French think tank person leaned over to me and whisper, “You know, we’re really the only serious power out here.”

And I think -- I had to agree sometimes. And I think I agree again, because I find peers laying out of the situation to be I think the most realistic, and particularly in pushing back against what I think has become widespread fatalism about the inevitability of Iran acquiring this weapon.

I do think certainly that's the trajectory we’re on, but I don't think we should give up hope that there is some possibility of preventing it, and certainly it makes no sense to act as if it is not preventable.

And so the real challenge now for both the United States and Europe is to make a very serious effort to prevent this from happening, and not succumb to -- it's not even -- it's not time to start thinking about containment. Nor do I consider, by the way, the Japan option to be in any way a credible option, because I don't think that Iran is in the same circumstances that Japan was in.

Japan was able to accept -- by the way, I don’t consider the Japan situation acceptable in the case of Iran from our point of view, but I also don't think the Iranians will consider it acceptable.

Japan made that decision living under the security umbrella of the United States. Whose security umbrella does Iraq live under? And nations which don't have any sort of great power that is offering to provide them security generally make their own decisions and want to have their own fate in their own hands.

So I don't see any reason why Iran itself should accept the, you know, let’s be six months away or whatever -- or two months away

from having a bomb.

I think they will move, if not stopped, directly to acquiring the bomb and the capability to use it and deliver it.

I do think the Ambassador raised the right question when he talked about the regime seeking to survive. But the question does not lead to an obvious policy answer, at least not in my mind, because if it is true -- what does it tell us that the regime wants to survive?

For one thing, it's important here that we do put belief back into the equation. I think for the regime's own definition of its survival, it has to survive in some form that it can recognize.

The regime doesn't simply want to survive as, say, you know, Western-style democratic, capitalist, liberal, Christian, if you will. Obviously, those are not options for it, nor do I think the regime thinks it could survive if the entire system were allowed to move in the direction of Western liberal capitalism.

I think that their claim to leadership rests very much on a belief system, and it doesn't exactly even matter whether all the Iranian people agree with their definition of that belief system. That is their definition of what it means to be ruling. That's the reason that they rule.

So I don't think you can just -- when you talk about interests, it’s very difficult to divorce interests from what people believe. I don't think it's true in the case the United States and our interests are not directly related to what we believe. I don't think in the case of France that interests are unrelated, and it certainly not the case in Iran, which then leads to the question of the difficulty that the Iranian regime has in normalizing relations with the United States.

I don't think we should underestimate the danger to the

regime of giving up one of its main planks of legitimacy, which is its anti-American stance.

Now that doesn't mean, yes, are they willing to talk to the Americans about some issues? Sure. But they have to walk a very fine line between a willingness to the Great Satan and an acceptance of normal relations with the Great Satan, because I think that -- I think they think that that potentially undermines their regime as well.

And while it may be true that the Supreme Leader has okayed talks about certain issues, what I've read recently is that in the coming -- in his participation in this coming campaign, he has urged the Iranian people to vote against anyone who looks like they're going to be weak in dealing with the West.

And I think he may have even put it in a more stronger sense than that. I would say that if you had to read what he was saying, he was saying don't elect anyone who is going to normalize solutions with the United States.

So clearly, that issue of regime survival raises obstacles I would say potentially to a real negotiating track with the United States.

I also think if the question is regime survival, the current track is perfect from Iran's point of view.

The current track is one where they are not facing any serious risks to their regime from the outside. They are moving ahead rapidly with the acquisition of a nuclear weapon, which they believe will more increase their ability to survive against external pressures. And nothing is being done on the outside that in any way threatens their survival.

And that's why think that unless we can in some way change

their equation, change their calculus, and let them see that there are perhaps more than one way to lose power or at least to have their power thrown into some question, then their track is obvious. They have the easiest set of decisions in the world to make right now.

And so we need to figure out some way to change the calculation and make it a more difficult track, and make it a touchier situation for them.

And that gets to the question of sticks. The carrots are obvious. I don't think Iranians have ever been under any illusion that the United States and the West -- even under George Bush -- and I'm glad Suzanne raised the point that, you know, it's not as if George Bush was unwilling to talk to the Iranians. He did, in fact, talk to the Iranians about a number of issues. He may have missed this opportunity here, that opportunity they are. We don't know. But there was not an unwillingness to talk.

Nor can there be any doubt in the minds of the rulers in Tehran but the deal is out there to be had. I do believe they should know that the West will generally accept there, you know, position in the world in exchange for giving up the nuclear weapon. I think that they don't because that's not the issue.

They've seen that, and they've made the calculation to go ahead anyway.

Now by the way, at some deeper level, they may believe that there is a trap in that, and they're not wrong to believe that there is a trap in that, because, again, getting back to my earlier point, normalization is a danger for them, and I think they recognize that. And they're right in a certain sense to say, you couldn't possibly give us a guarantee about our

continued longevity, because the very nature of your system tends to corrode regimes like ours if we allow it to.

That is the story of the past, you know, half century or so -- the sort of passive-aggressiveness of the liberal world does tend to corrode all kinds of autocracies if they allow it to.

And so in certain sense, there's no guarantee that we could give.

But in any case, they know what the deal is, and they've already made their decision.

So how do we now change the equation?

Certainly, one element of it has to be intensified sanctions. I think that Pierre is right, that, to some extent, the sanctions have pinched, but obviously not enough.

And until we make a serious run at much more exacting sanctions, we will never know whether we could have stopped this from happening or not.

Now it's possible that what other panelists have said is true; that extreme sanctions still won't affect Iranian behavior. But given the series of really lousy options we have, why in the world would we not try that one? That, to me, makes absolutely no sense whatsoever.

And here is where we get into the timeline, and the way in which time is working against us. Now before I get to that, I will say one other thing: at least one, and I'm sure more, but I know of one senior European official who has spent a lot of time negotiating or been present at negotiations between the EU-3 and Iran has said to me a dozen times it's critical that the Iranians believe that it is possible at the end of the day the United States will use military action, if you want them to negotiate

seriously.

Now I don't know whether that's true, but I suspect there's truth in it, but I do find it interesting that privately senior EU negotiators would like it to be the case that the Iranians should fear that somewhere down at the end of the road the United States might be willing to take military action.

So the notion of taking military action completely off the table strikes me as a bad negotiating strategy, whatever the virtues or vices of an actual military action may be, and I myself have grave doubts about the utility of it. But there is this -- people keep talking about Nixon in China. Next in was also the author of what he called the madman theory, and the madman theory was, well, you never know what these guys are going to do, even if it isn't in their interest.

And so I think there is an element of that.

But let’s talk about sanctions in the near term.

You know, I know that the administration waited -- wanted to wait until the elections, but I really think they have let far too much time go, because clearly we need to go through a phase of giving the Iranians a chance to engage us in negotiations after we've expressed a willingness to engage them. But we need fairly quickly to move to the state element of this as well.

The Iranians need to know fairly soon, I think, given the timeline, that there is a very serious price to be paid for not moving ahead now.

Right now the Iranians are in a perfect position. They can indicate a generalized willingness to talk. They could begin low-level conversations, and they can just wait this thing out, and, of course, it's true

that engagement, in theory, should take time, et cetera, et cetera.

We don't have time, so we have to change their calculations by immediately making clear what the costs are going to be. And this is where -- I am sure the administration has a strategy for how they're going to move from phase one to phase two, or at least I hope they do. But I'm going to assume that they do.

But phase two will then lead us to the areas where now the transatlantic relationship they run into difficulties, because I am not at all persuaded that the EU-3, let alone the EU as a whole, is prepared to engage in the kind of sanctions that will be necessary at least to test the proposition that this is the way out of this crisis.

The EU, as we all know is a wonderful organization. But getting it to take any decision of even the most minor consequence is a long drawn out process. To decide whether Parma ham can be made in Parma or Sweden is a six-month process. It's probably more than that, PA are, but I don't know.

To get the EU to agree on sanctions, and even to get the EU-3 to agree on sanctions is a time-consuming business, and the clock has not started running yet as far as I can tell.

And so I would be very much in favor of hastening this process and quickly discovering whether, in fact, Europe is prepared to take this other course of sanctions, whether Germany is prepared, whether Italy is prepared.

I must say when I listened to the Ambassador, whose comments on Iran are highly intelligent, the policy that I hear coming out of the Ambassador is let's learn to stop worrying and deal with the Iranian bomb. I heard no indication that if you in any way were speaking for Italy

that Italy has any real interest in stopping Iran from having a bomb.

Now I don't believe that that's France's position. I don't believe it's Britain's position. I don't believe it's Angela Merkel's position, but I don't know what Germany's position is.

But we are going to need to test very early on how serious Europe is about it's part in this play. And there it's where -- it's all -- it's been wonderful having a nice transatlantic relationship on the issues that have yet to come to a head.

But when that issue comes to a head, that's when we'll find out what the current state of the relationship is.

MR. VAISSE: Thanks, Bob.

As a moderator, I guess I come from Venus, having not been able to restrict the time that the speakers took for making their opening statements. But still, I will keep the floor briefly to ask Roberto, who actually comes from Parma -- right? -- and who can -- who knows a great deal about it.

MR. TOSCANO: Parma ham is a very important issue.

MR. KAGAN: It is an important issue.

MR. VAISSE: Maybe to answer Bob's point about survival and the different factors, interests, and things like that.

MR. TOSCANO: First of all, a clarification. When I talk about containment, I'm not talking about containing them after the bomb. The containment should have been started as a mode before the bomb and independently from the bomb.

We are not taking for granted that Iran will have a nuclear bomb, and we are willing to do whatever is necessary to prevent it. So this is a very -- a footnote.

But survival. The regime wants to survive, but it's not tied to a specific mode of ideology. If you think historically, the first phase of the Iranian regime was violent, brutal. They were exterminating all the opposition.

The second, it was more or less normalization of a state. The third was with Khatami a limited reform.

Now we have neo-radical populism. There is nothing that allows us to exclude that the next age might be of authoritarian realism or moderation.

The important thing is to survive and, after all, don't we have the example of China, where the Communist Party survived as a ruling class without communism, because, if you call was there in China, you need to go to Political Science 101.

So the ruling class wants to survive with whatever system will float. This is what I was saying.

So there is a possibility of change within the regime, and some forms of regime, again see China, are compatible with a not conflicted relation with our basic interests.

We haven't seen it yet, and probably it will not happen. Maybe Ahmadinejad will be reelected.

But I just want to keep this very important point to make that the regime is able to change in order to preserve its survival.

MR. VAISSE: Thanks very much. I have a lot of other questions. Suzanne, do you want to answer?

MS. MALONEY: Well, I think. I'd just make one point: I don't think anyone on the panel was trying to assume the inevitability of an Iranian bomb, but I think, you know, we are at a stage where we certainly

haven't tried engagement in a full-fledged manner at this stage. We have tried the route of maximal objectives on enrichment and of trying to increase the sticks.

And we haven't found that worked very well. That was at least the middle years of the Bush Administration, and I don't know that anyone here in Washington would suggest that that's the most effective route to return to.

But I think, you know, at this stage there is a real time urgency and both to this panel and to the problem of the nuclear progression, and I think there is real question about how we bring the Iranians to the table in a serious way and focus their mind.

The question of threats and pressure versus persuasion and carrots is a delicate balance that involves all of our cooperation.

MR. VAISSE: But maybe a follow-up question to you, because you criticized op ads that appeared in the New York Times. I guess you are referring to Flynt Leverett piece recently, isn't that a fact that Barack Obama is giving us -- has set sort of a deadline at the end of the year, thereby -- I mean, it's just not anticipating on the debate or having expectations that are too big. It's that there is a policy decision that apparently has been made, and so the question is that a firm deadline which will be factored in the negotiation or is it just talk?

MS. MALONEY: I think it's the right kind of a deadline, which is to say a soft deadline with somewhat ambiguous milestones that have to be achieved, which is to recognize, as we've all said, timing matters; that we can't simply come to the table and let the Iranians play for time for two, three, four years, and then suddenly coming you know, announce they've hit whatever redlined we consider to be the effective red

line of a nuclear state. One would -- some would say they've already passed that.

But I think at the same time, if we -- certainly if we go public and say, you know, you have until X to do Y, the Iranians will, you know, will absolutely take us to the cleaners on that one. This is exactly what they did in many respects with some of the previous offers.

And I think it cedes leverage to them that we -- does not help our negotiating position. So it's appropriate for the president to come out and say, we want to engage, but we can't engage in definitely, and there have to be some demonstrable, tangible rewards of engagement for both sides.

And I think obviously we recognize that the Iranians will need to demonstrate on their side that engagement pays, if only to get them to commit to the next step and make the concessions that we're looking for.

But I don't see that as a deadline that impairs our diplomacy. The one criticism in that piece and in Bob's statement that I would agree with is that the administration has been a little too slow to get out in front and articulate really what the policy is. We know it's engagement, but what are the details. What specifically are we offering? Where are we offering to negotiate on, you know, in what sequence, and with which negotiators?

We have a special coordinator for Iran whose title doesn't really even include that word.

So I think at this point a little bit of clarity certainly before the elections would have been preferable, if only to avoid the problem of appearing to condition our negotiating offer on either the defeat of Ahmadinejad or the inevitable reelection of him.

MR. VAISSE: Thanks. I will now turn to the room, and I'm sure there are many, many questions. In the interest of time, I will take three questions at a time, and ask you to make sure, as my former boss now Dan Benjamin say that there's a question mark at the end of your sentence.

Chuck, will you ask the first question?

MR. COGAN: Chuck Cogan, Kennedy School.

There was a very interesting exchange in the press conference between Netanyahu and President Obama.

And President Obama said, well, I have to wait until the end of the year, and then we'll have to think about other measures. And the clear implication was he's talking about sanctions.

But Netanyahu said, oh, I'm glad, Mr. President that you said that all options are on the table. Obama didn't say that, and he's been careful to avoid that, because every time he used phrase all options are on the table, it needs a military threat to Iran. And does not fit with the Iranian sensibility in my opinion.

I'd like to see what, particularly what Ambassador has to say about this.

MR. VAISSE: Thanks. Yes, here.

MS. KOVARI: Frederica Kovari of the New York University. As His Excellency mentioned, it's perfectly correct that surviving is the most important issue for the regime. And knowing that the government view is not necessarily represent Iranian view in the country, between the country.

Do you think use of the soft power and supporting youth will be helpful so we create resistance from within the community, especially

knowing that the Iranians are not ready to get involved in another conflict between the -- their land?

MR. VAISSE: Okay. Behind you.

MR. CHASTINE: Yes. Ken Chastine from the Army Staff.

I didn't hear the word Russia mentioned by any of the moderators. However, they've been a key player in this whole thing, whether it comes to blocking strong sanctions from the Security Council, whether it comes to the Boucherie power plant, whether it comes to offers to enrich uranium. Could someone on the panel please discuss the role of Russia?

MR. VAISSE: Okay. We're going to start with these three questions, and, Roberto, you've been pointed to specifically. Maybe you could start?

MR. TOSCANO: Well, the phrase all options are on the table was not repeated by Obama. But I noted that Obama said we do not foreclose a range of steps if the Iranians don't go along.

It's a softer version probably, but I think everybody knows that in international relations, some options are already there. Maybe they're not on the table. They're under the table.

But I remember one cartoon, I think in the New Yorker, there was a meeting of generals and say, "Gentlemen, all our options are on the table." And on the table lies a huge bomb, because this is what people think.

So the expression itself is a little bit tough, but the concept, even if you don't express it, is there. And I think Obama said we do not foreclose a range of steps. Guess what it means?

Soft power. Now, you know every time there is student

turmoil or something inherent, people in the West say, hey, you see, the regime is in trouble. That's not the case.

The important thing is people who have power. You know, Ceausescu because the Securitate decided it was over, not because the students were fed up.

And it's extremely important that civil society be alive and alert to the themes of democracy and so on and so forth.

But you know in Iran the regime has the support of powerful people. I'm talking about the economy, for instance. You know, there are people who thrive. There is capitalism without the free market. As long as you have good relations with the regime, you can make a lot of money. I mean, those people who are not moving against the regime, and I know that students and intellectuals are active, and I wish there was a way and which could help them and one could help them in a -- to give them solidarity and spaces in which they can, you know, talk and meet. This is what can be done.

But as far as the link between that and the weakness or strength of the regime, I don't see much of a (inaudible).

MR. VAISSE: Maybe Pierre or Bob would like to address the question of Russia?

MR. LEVY: Yeah. About Russia, you're right. I didn't mention it, but Russia is an important player. I think I understand Russia's position, you have to take into account two dimensions. First of all, there is the bilateral one. They have big interest. They want to sell their nuclear plants. They were worried we would be competitors. You know, we're not at all interested.

And so that's important for them.

But, at the same time, on a larger strategic scale, I would say two things. First of all, in private what is striking they share our objective. It's not at all their interest to have a nuclear -- Iran as a nuclear power.

But in public, their authority is very different, even at a high level denying the intentions of Iran or minimizing their much what they're trying to do. Why?

Because I think it's a way for them first of all to be more important, to show that they are a key player and that they have to be taken into account in this bilateral game, because I think for them I think they have this vision of a bipolar world and a key relations to the U.S.

And in that sense, what's going on now I think is very interesting with this gain, this reset button policy, the coming meeting between President Medvedev and Obama, and the fact also that some issues concerning NATO -- our missile defense -- are perhaps on a different track. So again, we have to engage Russia and to say to the Russians that it is a test also of their responsibility. And to be very concrete, there is one extremely sensitive issue, which is the issue of delivering the S-300 system, which we consider and is considered also by the Israelis as something which could change the balance of power in the region and for the time being they've been keeping -- delaying -- it's a very complex game.

But we have to keep -- it's important for us to keep Russia on board.

MR. KAGAN: I didn't mention Russia, because I don't think there is any hope of getting any assistance whatsoever from Russia on Iran. And I would add in terms of their interests, they enjoy the difficulty

the United States has in the region. I agree that they seek a bipolar world, but it's a competitive bipolar world, not a condominium bipolar world.

They have no interest in making it easier for the Europe and the United States to have an energy relationship that bypasses Russia's special role as an almost monopolistic provider of energy, especially to Europe.

And as far as the bottom is concerned, sure, the Russians -- any Russia -- they not crazy about Muslims, period. They're not crazy about a Muslim bomb specifically, but they remind me of the joke about the two lawyers who are camping in the forest and they hear a bear, and one lawyer starts putting on his sneakers, and the other lawyer says, why are you doing that? You can't possibly outrun a bear. And the lawyer says I only have to outrun you.

They know that the first -- but they are not the number one target of any Iranian weapon, and they will leave us to deal with that problem. So I'm not very optimistic about a lot of Russian help.

MR. VAISSE: Thanks. We have time for a new batch of three questions. Here in the aisle.

MS. DALOGLU: Got it. Thank you. This is Teline Daloglu with Turkey (inaudible).

My question is, if I understood you right, you just sort of (inaudible) in making any comparison with the North Korean example and the Iranian case. But we do debate that -- or rather the North Koreans will set a precedent in terms of how we deal with the nuclear weaponized states for the future. So I just, you know, wonder just, you know, for the point, can you tell whether North Korean example can set an example for the Iranians, or the future states that may try to go to the same path.

Thank you.

MR. VAISSE: Yes. Okay. We have time for two more questions. Just behind you. Dmitri?

MR. NOVICK: My name is Dmitri Novik. It seems to me that basic question with Iran is their intention to design him and to (inaudible) to put test and test very simple.

You need electricity from your power plant will give you. Then it will be -- definite (inaudible) or they need to pursue bomb or no.

And if they will be -- if they will have bomb, then different position of the United States might be and should be. The President of the United States, because we have unique power -- we have global system of detection -- any missile launch -- as only missile from Iran intercept border, it will be without warning, destroying military structure in Iran by United States. That's it.

And then say you have bomb and do whatever they'd like inside Iran, but not outside.

MR. VAISSE: Thanks. A last question. Just behind you. Here.

MR. SIMEON: Hello. My name is Simeon. Can someone please explain some of the -- the process of the decision-making within Iran? I mean, my understanding is that nothing can go forward unless the Supreme Leader says so, and that anything the Iranian president, any Iranian president, be it Ahmadinejad or someone else says, you know, needs final approval from Iran.

So how does the West negotiate with Iran when the, you know, the figurehead appears to be the President, but the final decision maker appears to be the Supreme Leader.

MR. VAISSE: Yeah. I'm sure Roberto will have an answer, and I think Pierre, knowing the negotiation pretty well.

Maybe you could go in reverse order and ask the four of you to answer and conclude also. And we'll finish with you. Bob, would you want to take a first cut on -- for example, the comparison with North Korea?

MR. KAGAN: Well, I -- you know, if you asked me to put a large amount of my savings on what's going to happen, I would unfortunately say -- and I'm -- again, I'm not being fatalistic because the reason I say this is that I don't think we're going to do the things that I think need to be done to test the proposition that we will move down a North Korean course with Iran, which is to say we will spend the next year or year and a half or two years trying to prevent them from getting a nuclear weapon, and then once they have it, we will spend the next 30 years trying to get them to stop having it.

And then we'll maybe get down to two or only six or only eight, and then we'll worry about their missiles. I mean, the good thing about initiations is that they never have to end even after they've failed. They can continue, as we've seen in the case of North Korea.

So that's my real concern. But there -- I mean, the analogy breaks down because, as I think Pierre suggested or someone suggested, North Korea is a very isolated state. It is not a burgeoning regional power.

Iran is -- has some history of being a regional power, aspires to being a regional power, at its regional power ambitions will be significantly augmented by the acquisition of an Iranian weapon.

North Korea's possession of a (inaudible) weapon is very bad, especially if you live in Japan or South Korea, but it is not

revolutionary in a strategic sense in the region. I think Iran having a bomb will be revolutionary in terms of the strategic situation in the Middle East and Persian Gulf.

MR. VAISSE: Thanks. Pierre, do you want to?

MR. LEVY: Well, just to add one remark on North Korea. I mean, it shows apart from the proliferation connections, which are known, it shows also that -- it might show also to the Iranians that blackmail pays, because, in fact, it has been a long process since mid 90s and so that's -- I think that's a very bad -- that's a very bad example.

Another remark, I mean, there were security assurances provided to the North Koreans, I mean, in terms of structure of the regime. This is one thing which could be necessary, I think, a very clear declaration towards the Iranian saying, well, from the U.S. But even if -- will it work? Will it be something very -- will it be sufficient? That's a question.

Two other remarks before in concluding. First of all, to come back to what has been said about fatalism or not. I mean, it's a game over?

I think if we -- if I assume, let's say, that Iran reaches its objective. I think the situation will be totally different whether, if on one side, we -- all this is the result of a compromise in which we are seen as having lost, even if we will build the rhetoric saying, well, not to worry. All this is very much under control. But the result will be there, with some consequences in the region and over.

Or they reach their objective. We have failed to make -- to stop them to -- through the enrichment process, but we remain in some sort of gray situation in which there are sanctions, in which they are

isolated, they are outside the system, and this can last. We can have sometimes bad surprised.

But I'm very conscious decision not a satisfactory solution. But at least it's -- it prevents the future, because things can change. You can have on other regime. And the way to come back to what has been said, the timeframe, which is very, very crucial. I would say that one way to overcome this difficulty is precisely the suspension. I mean, we are very much for dialogue without any precondition.

But negotiation, I think it's very important to have the suspension, which is a way to try and put this timeframe apart and to start restoring confidence. And last remark, because I can't stop before -- without answering to Bob's remark on the decision-making process inside the EU.

I think one I don't want to be too policy planner or too naïve, but I think there are, without any doubt, different interests among member states in terms of commercial interests and perception of the threat, but at the same time I would say the way to overcome all this would be to have real threat assessments and real discussion among us about what does it mean. And once you agree on that, it means that you have to put behind your -- some economic interests.

It is very costly. Sometime it's not easy. But I think it's possible to do that.

MR. VAISSE: Suzanne?

MS. MALONEY: You questioned about the power structure in Iran, and it's obviously a very complicated institutional system. It is one in which you have, as Pierre said, you know, both popular legitimacy and religious legitimacy, and an enormous amount of competition institutionally

and individually that really is built into the system. It is certainly an element of complication when it comes to negotiation, but it is also an element which gives the regime a certain degree of stability in a certain degree of credibility to the decisions it does make, because, as others have said, it often takes a long time to get a clear decision from the Iranians.

But when they do, it typically has come as a product of some consensus, as frankly many of their steps on the nuclear path have, in fact, done, representing consensus among all the players, because even Ayatollah Khamenei, though he is the ultimate authority, doesn't wield absolute power. He cannot snap his fingers in a sort of Qaddafi or North Korean way and simply reverse course. Everything is a product of negotiation and ultimately consensus.

Let me just say one thing about the negotiating process more generally in conclusion. I spoke about perhaps a little too many inflated expectations here in Washington about the prospects for negotiation. If anything, what I hear from our discussion there's been a certain degree of fatalism about the capacity for negotiations to really alter Iran's nuclear course.

And I think that would be unfortunate. High expectations are problematic, but low expectations are also problematic. You know, if we look back, even in recent history, if we perhaps had had a little less fatalism about the capacity of American involvement in negotiations to alter Iran's nuclear course, we might have actually come to a sort of solution that all of us here would have supported, which is to say, full suspension of uranium enrichment and other measures to prevent Iran from acquiring the kind of capacity that they have today.

So I think we have to really make a full-fledged effort at the negotiating track if only so that we don't come in several years, after a frustrating experience of trying to get more strenuous sanctions or contemplating military action, to wish that this, in fact, was a better outcome. The 2009 outcome might be a better outcome than what we might see in 2011, 2012.

MR. VAISSE: Thanks. Last word for you?

MR. TOSCANO: Well, Suzanne luckily said everything I wanted to say -- almost everything. What is the prospect for a positive outcome of negotiation, having seen this difficult vista?

I there are two bottom lines. One, for us, no Iranian nuclear weapon. For them, not to give up the possibility of having a nuclear industry, because that, even the most reformist of Iranians, will say that they cannot accept for their nuclear power production to be dependent on the goodwill of anybody else outside the country.

So the problem of guaranteed supplies, but also the problem of controlling that those guaranteed supplies are not used except for peaceful purposes is also a technical problem; also, politically it is very complicated, but it's also technically being addressed.

So between those two bottom lines lies the ground for a possible difficult but I think necessary agreement.

MR. VAISSE: Thanks very much. Please join me in thanking the four panelists and (inaudible).

MR. PIFER: And let me thank you on the first panel. We'll now take a brief coffee break, reconvening here at 11:05 a.m.

(Recess)

MR. PIFER: Why don't we begin and do our second panel? I'm not going to do long introductions because you all have the program

the full bios of our speakers, but we have to my right, the President of Brookings; to my immediate right, Rolf Nikel who is the Deputy National Security Adviser in the German Chancery; to my immediate left, Angela Stent from Georgetown; and on my far right, Audrius Bruzga, the Ambassador from Lithuania.

What we're going to do on this panel is talk about how the United States and Europe approach Russia. Certainly over the past 4 years we've seen a Russia that presents a more complex challenge particularly with regard to a more assertive policy in the post-Soviet space. We're seen that just over the last year with the conflict between Russia and Georgia, and then the conflict over gas between Russia and Ukraine in January. What we see is a Russia that appears to regard Western engagement with its neighbors as somehow a threat to Russia. The focus for much of the last several years was on NATO enlargement, NATO engagement with countries such as Ukraine and Georgia, but in the last several months we've even seen I think some overt expressions of Russian concern about engagement by the European Union, and even President Medvedev at the E.U.-Russia summit last week made an expression of concern about the Eastern Partnership.

It's clear that if there is a common U.S.-European line, it's going to be easier for the West to organize its approach and manage relations with Russia. But it's also clear that the United States and Europe bring very different perspectives to the question of Russia and that's only natural, differences in geography, history and commercial links, so there

will be differences in how the two sides of the Atlantic look at Russia. And I also should not assume that there is always going to be a common perspective on Russia just on the European side.

What we want to do though is talk about how the United States looks at Russia, how Europe looks at Russia, and can we overcome some of those differences in perspective in order to forge a common policy. What I've asked the panel to talk about today are really three things, the U.S. approach, U.S. policy toward Russia, and the European approach, and then to talk about areas where we can see some convergence, but also in some of those areas where differences in perspective may make it a bit more difficult or may require a bit more work to make sure that we can stay on the same page. First let me turn to Strobe for a perspective on the Obama Administration.

MR. TALBOTT: Thanks, Steve. Good morning to all of you. I'm delighted to have a few minutes with you today. I know from the flow of the conference so far that by the best part of the interchange among the panelists and also the interchange with all of you, so I'm just going to add a few thoughts very much along the lines of what Steve has said by way of introducing.

Perhaps the best and most predictable and most hackneyed way to start is with the new buzz word in the relationship which is reset because for better of for worse, it seems to have acquired the status particularly when Minister Lavrov helped out with the translation of being the kind of current equivalent of perestroika and glasnost and nova -- new

thinking and all that. It's interesting that the word comes from the American side, and I think that part of the challenge of course is to take that word and see how it is likely to be put into practice on both sides and indeed whether the concept is accepted as being one that needs to apply to both sides. When Vice President Biden used it in the presence of a number of us here in this room in Munich, the Russians not only as I say helped get it right in Russian, but also seemed to treat it as something that was going to happen on the American side and it was going to transform everything, and I'll come back to that point in a moment.

Picking up on Steve's suggestion that I start with a few comments about the Obama Administration, I don't think there is any question that there are some very significant differences and I would say as an editorial comment very welcome, positive and promising differences between the approach of the current administration -- I don't feel that we can any longer call it the new administration. I'm sure that President Obama feels like he's been in office for a very long time at the point. But in any event, there is a significant difference with President Bush and his approach, but maybe not quite as much as it seems, and we'll come back to that in a second. But where there is a very, very important difference of course is the commitment of the new administration to treaty-based arms control, treaty-based nonproliferation, and indeed a form of multilateralism that is I would say a restoration of what had been a theme of U.S. foreign policy for at least 10 administrations, five Republican, five Democratic preceding President Bush's, and President Bush's unilateralism was very

much an aberration I think, and President Obama has brought us back to that including reinstating the centrality of bilateral arms control negotiations with the Russians which just as they did in the past back in the 1950s, 1960s, 1970s and 1980s and into the beginning of the 1990s, will serve as a catalyst for a more multilateral approach both to arms control and nonproliferation.

Zeroing in on the specifics which Steve Pifer in particular has done a lot of good work on already and will be the preoccupation of many of us in the months and year to come, the new approach to strategic arms reduction with some related issues including those of a willingness to address the linkage between offense arms control and the regulation of strategic and other defensive systems, all of this is important and has been picked up on with great seriousness I think by the Russian side, but for reasons that may or may not fit into our discussion today, that shouldn't lead any of us to expect that it's going to be easy or quick, we're operating on a very tough timetable, and the Russians have some very real issues that they are going to want to frontload the negotiations with that are going to be difficult on our side. But nonetheless, an enterprise that was so central both to the bilateral relationship and to the global order is now very much back business, and that's good.

I think the tone of the new administration is more than just a tonal issue, it has substantive implications, and consultation which has always been part of the vocabulary of transatlantic relations but not always part of the practice is very real indeed, and Rolf in particular I'm sure will a

word I'm sure about the extent to which that reality is seen and appreciated on his side of the Atlantic.

I might also say that the popularity around the world of President Obama in the absolute but also in contrast to the unpopularity of President Bush around the world is a meaningful development. It means on the positive side that there is an eagerness to see the administration succeed that is less diluted by some combination of schadenfreude, if you'll pardon me, and ambivalence that there was much for the recent years and I think that will be helpful in galvanizing support for policy out of Washington toward Moscow.

But I do want to strike a couple of notes of caveat here. First, while there has been change in the transition from the Bush Administration to the Obama Administration, there is also a degree of continuity which I think is actually sound. In other words, it is easy to forget or to overlook or to underestimate the extent of which President Bush and Secretary Rice in the second Bush term engaged in some course correction in general, and specifically with regard to Russia, that put U.S. policy toward Russia on a course that President Obama I think is going to pick up on to some extent, and already has picked up to some extent, and will continue. This does not bring joy in Moscow, but it's a fact. One way to put it is on several issues that I think came up in the earlier panel, the question of how to deal with Iran. While I wasn't able to actually be here, I had a chance to chat with Bob Kagan outside coming in and I relish the chance to say that I agree with Bob Kagan and what he has to

say on that subject, that Iran is going to be a real thorn in the side of U.S.-Russian relations, I don't see any way around that, and I think that is largely because the Russians show no signs of getting over what generously might be called their schizophrenia with regard to Iran and U.S. relations with Iran. They don't want to see the U.S.-Iranian relationship get so much worse that we go to war against Iran, but they don't want to see the U.S.-Iranian relationship get so much better that yet again they are in some sense squeezed out of the region. I can remember Yevgeny Primakov back in the 1990s trying to explain the assistance that Russia was giving to Iran, and part of his explanation back in those days was we know you people will eventually have rapprochement with Iran. That doesn't mean you'll put a shah back on the Peacock Throne, but you will be the flavor of the month again in Tehran and we'll be squeezed out, therefore we're making an investment in our own long-term relations with Iran. I won't waste a lot of your time explaining what I see as the illogic of the position particularly if the investment hastens the day when Iran has nuclear weapons and a sophisticated ballistic missile program, but we are still stuck with that as a mindset on the Russian side.

Then of course there is the issue of NATO and indeed E.U. enlargement, the latter being a little less neuralgic from the Russian standpoint, but I think they see them of a piece and I don't think that the President Obama's position is other than in important nuances very different from that of the Bush Administration particularly in its second

term, nor do I think it should be, I might add. Then of course then there is more specifically the question of Georgia and Ukraine that I'm sure we'll talk about during this discussion.

Long and short, there are certain red lines and bottom lines with regard to U.S. policy toward Russia that will be maintained by the new administration and that will create challenges including for Presidents Obama and Medvedev when they sit down together. Looming over this is the question that I alluded to the outset, to what extent is Russia prepared to hit a reset button itself, and that is I think a very open question. There is this both tantalizing and somewhat mysterious offer of a new European or transatlantic or even Euro-Atlantic security architecture that President Medvedev had put toward on a couple of occasions, but he has left is as something of a -- the best interpretation is that it's a blank slate and an invitation for us to write on it to kind of help them figure out what they mean. I hope that that's the case, but there are also indications that certainly in the Russian political and strategic elite there are those who have a pretty clear idea of what they mean and what they mean is to the extent possible putting a spoke in the wheels of any further NATO enlargement, weakening NATO in every way they can, stopping or at least slowing down the expansion of the European Union itself, in some sense putting into the form of an international agreement the concept at least in implicitly of a sphere of privileged interest for themselves although I think Vice President Biden was extremely clear about the unacceptability of that from our side.

Then the other thing I would mention, and this again picks up on something that Steve said, the Russians will look for every possible way to manipulate and exploit both transatlantic tensions or disagreements, and for that matter, intra-European tensions, both of which exist and we can come back and talk about that.

Long and short, while I think there is reason for cautious optimism that there will be both specific and generalized improvement in U.S.-Russia relations and indeed it's more important I think to see it this way, as improvement in relations between the historic political West and the Russian Federation, there are also tough times and tough challenges that lie ahead.

Just two last points I this regard. So much depends on the answer as it unfolds to a question that we cannot answer now which is who is the Dmitri Medvedev, what is Dmitri Medvedev, and to what extent and in what usable way is there a meaningful difference between him and Vladimir Putin, and that too I'm sure others on the panel will want to speak to, but I just want to flag is as a question that will be answered overwhelmingly by the two gentlemen concerned and by the Russian political system. But I do think that we, the West, the transatlantic community, in the way we manage the environment in which Russia continues its ongoing evolution can affect in a positive way without the committing the Heisenberg Uncertainty Principle, I'll put it that way, we can affect the way in which the Russians answer that question for themselves.

The last point I would make is one that I think should be made on every single topic that comes up in this room or any room of its kind around Washington no matter what the subject of the conference, even if it's the future of the Starbucks Company. I don't care what. We always have to keep in mind the context of the global recession, and we need to think about the global recession, its impact on Russia, its impact on Russia's immediate neighbors, its impact on the United States and the West and their resources and ability and attention span to deal with these issues, and that impact is negative. There is a rational case to be made that the global recession and of course the accompanying fall in the price of oil should create the argument, the rational in Russia for the kind of rule of law and modernization of the economy that we tend to associate with President Medvedev. That would be a good thing. Unfortunately, as history tells us, rationality does not thrive in times of recession, not to mention depression, to wit, the 1930s. So we have to hope that maybe this episode will turn out to be an exception to that rule, and I think an essential part of the challenge that confronts President Obama and President Medvedev when they meet in July is doing everything possible to get Russia and the United States as much as possible on the said side with regard to not just a new European or transatlantic security architecture, but a global architecture in which Russia will play a key part as a permanent member of the Security Council, as a member of the G-8, as a member of the G-20, so that we can be working together to deal with

the overall economic context in which these security and political issues are going to be addressed.

MR. PIFER: Strobe, thank you. Rolf?

MR. NIKEL: Thank you very much, Steve. I'm glad to be back after some time spent here in this city. I'm very happy to see many familiar faces.

When I started my career in the diplomatic service, one of my bosses said if you want to say something, say it in 10 pieces because look at God when he gave the Ten Commandments, it was 10, then Helmut Kohl wanted to get to the Berlin wall and get German unification right, he proposed his Ten-Point Plan. So forgive me if I use 10 theses this morning to say what I say on our approach toward Russia.

The first one is Russia matters for all of us. If we like it or not, Russia is a global player and obviously our links in Europe with Russia be they economic, be they in the energy field, be they commercially, be they politically, historically, they are very deep. It's quite clear that also beyond Europe there is no major issue in the world that can be solved without at least some cooperation by Russia and certainly cannot be solved against Russia. Russia is pretty high on our agenda list and it's very heartening to see that apparently with the new administration, Russia policy has moved considerably upward in the priority agenda, so we encourage the administration to continue on that path. We appreciate the fact that President Obama and his team are taking high domestic risks on this because as you correctly pointed out, there are a couple of real

problems involved. So he is taking risks, but we encourage him to go down that road.

My second point would be Europe matters on Russia. Because of our experience, we have a lot of experience with them, mostly not positive, but we know how to handle certain things, and that's sometimes not understood as much here in this place on the other side of the Atlantic because there is more commonality in our approach within the E.U. toward Russia than is often assumed. We all have a stake in the success of Russia's economic modernization. We all want more stability, reliability and transparency in our relationship. We all agree that Russia's domestic and foreign policy is on the wrong track. We also agree that confidence has been shaken enormously after the climatic events of the Caucasus war of last year and the energy crisis. And we all share the same red lines. No veto for Russia in European security, no recognition of a zone of influence, and also no free lunch as a reward for spoiling it. Europe matters also because we have a lot of sort power. We have transformed our neighborhoods. The perspective of getting close to the E.U. has made some countries in Europe undertake reforms that they would never have undertaken otherwise, and the more united we are internally, the more we can make a difference institutionally and of course with respect to common policies, specifically in the energy field.

This is my third point. There is no turning around the -- that trust has been shaken. Things have reached a climax with the events that you already mentioned. The war in the summer of last year is clear, and

the gas crisis of January 2009. Nobody denies the responsibilities of the Georgians in this event and we all told them so, but nobody can deny that Russia took advantage of the situation in occupying the neighboring country in violation of a central principle of the European security architecture. Even today the Russia policy toward stabilization on the ground in Georgia is very helpful. Its style of negotiation in the Geneva talks, et cetera, reminds us of the old Soviet days. Again with the gas crisis of January 2009, nobody denies the co-responsibility of the Ukrainian side in this event, but leaving some E.U. member countries without a gas supply for 12 days in the middle of the winter is absolutely unacceptable. A supplier has the responsibility to provide the gas. In fact, he gets paid for it for the transit fees as well. So these two climactic events obviously have made an impact.

My fourth point, does that mean that paradise is lost in an allusion to some guy next door? Is he still here? No. Our central strategic paradigm remains still valid. Despite Russia's growing assertiveness and the crisis I mentioned, we share the objective to engage with Russia on the basis of mutual interest and commitments to democratic principles, human rights and the rule of law. Our central strategic paradigm remains unchanged. We are in favor of a partnership relationship and the integration of Russia into the web of our neighborhood relations. This has been the strategic objective of all federal Chancellors since the fall of the Berlin Wall. Containment has never been and is not an option. The economic and financial crises makes this point

even stronger. We share many values, not all, and many interests, although we do not necessarily mean the same thing when we talk about them. This of course must not keep us from speaking out on human rights when we think it's appropriate. In the short term, problems and backlashes are probably unavoidable. In the long term, I am cautiously optimistic. Modernization will leave people with an interest in a freer society and democratization. That is why it's so important to develop a civil society relationship. We need contacts, contacts and more contacts. But we must remain modest and prepare to be there for the long haul. We need time in our possibilities to influence events in Russia and our possibilities are limited.

My fifth point is that foreign policy is no zero sum game. Russia's claim of a zone of privileged interest in the space of the former Soviet Union is very confusing. It is means the zone of influence or even a zone of exclusive interest, it would be an anachronism which has nothing to do with 21st century European security. In any case, the efforts of NATO and the E.U. to stabilize the European neighborhood are in no way directed against Russia, nor do they constitute any threat to Russia's security interests. The E.U. for the foreseeable future, sorry Angela, cannot take in new members in Eastern Europe. You wrote that in one paper. Eastern partnership is developed in full transparency to Russian participation on a project-by-project basis. I have some problems grasping why this very modest endeavor in terms of a financial envelop and concrete results has encountered so much criticism in Moscow.

NATO cannot and will not renounce its Open Door Policy. It has something to do with our principles, values and reliability. Concrete plans for a map however are not on the front burner for at the moment for at least some time.

My sixth point would be on the Euro-Atlantic security architecture. We are ready to talk but on the basis of the existing security are key. We are in favor of a bottom-up approach rather than a top-down approach as Medvedev has proposed, and we want to make a terminological point here as well. I would talk about Euro-Atlantic security and not like the Russians do about European security. Yes, the security architecture in the Euro-Atlantic region is incomplete if Russia stays in it is unclear. Yes, Russia has a say in Euro-Atlantic security, but, no, it does not have a veto. We must build on the basis of the existing principles and institutions of the OSCE, NATO and NATO-Russia Council, et cetera, and definitely more cooperation is possible within the NATO-Russia Council and it's also possible in the E.U.-Russia security field. But what is the value of a new legal instrument if the real problem is not the principle but the implementation of the principle? We have to be very careful about new principles that undermine existing ones such as the right for every state to choose the alliance it wants to belong to.

My seventh point would be on energy, and here I would plead for primacy on concrete measures. As stated earlier, our energy relations with economies are based on interdependence. We get about one-third of our gas from Russia, and Russia sells about 80 percent of its

energy to Europe, so this is a very good basis for a sort of interdependent relationship. However, the gas crisis at the beginning of this year has made it abundantly clear that our energy security needs improvement. We need to diversify our pipelines and sources of energy, we need to increase energy efficiency and we need to develop renewables. Last but not least, we need to improve our internal -- mechanisms in case of interruption. In the longer term, a discussion on a set of rules for energy is absolutely necessary. stable rules on energy transit which help to avoid the situation encountered at the beginning of the year must be developed. We think that the Energy Charter Treaty constitutes a good basis for that. To negotiate as the Russians have proposed a totally new legal instrument is not helpful it seems to us. It's in any case a very ambitious undertaking and will probably not be completed before a very, very long time.

My eighth point is it is now time for some serious concrete business. We need to rebuild after what has happened, and this can be best achieved by some sort of concrete cooperation. Obviously the Obama Administration is getting at that first, a new round of disarmament and arms control. Negotiations on a new START treaty that was mentioned already, CTPT ratification and also a new try at the Conventional Forces Treaty in Europe. On Iran, it is also quite clear as Strobe as mentioned that the clock is ticking on Iran's nuclear program and we need to advance on this issue very quickly. Russia is key in this effort and will be watched whether it can deliver or it will to deliver. Again

on the challenges of the 21st century like climate change and energy security, we also have to work very closely with the Russians. Also, Steve, you asked about the coordination of Europe and America on this issue and I think there is also room for improvement, because the crisis has shown that it is sometimes proves to be very difficult. Structures for consultation and cooperation are in place. That's not the problem. The problem is do we use them correctly. Unfortunately in the past that has not been the case. If you look for example at the E.U.-Russia Summit and its preparation, it's awful. Everybody who has been engaged in these negotiations like I have been, it is a very bureaucratic exercise, at the end of the day everybody shelves the communiqué right away. We have to find new and better ways of coordinating on Russia within that context.

My last point in conclusion (Russian) which is the Russian translation of those who are late will be punished by life itself, something Mikhail Gorbachev was supposed to have uttered to Honecker during his visit shortly before the fall of the Berlin Wall, and one month later the wall was gone. Why I am saying this, there is a danger that Russia is overplaying because of alleged weakness in the light of two major wars and the economic and financial crises, and if Ivanov had come here as originally planned today, I would have told him there is a new game in town, don't miss the opportunity. Thank you.

MR. PIFER: Thanks very much. Audrius, would you like to also share the European perspective, please?

MR. BRUZGA: Thank you, Steve. Actually, the way you structured the panel suggests that perhaps I should be speaking in opposition to the previous speakers and perhaps come up with -- how to deal with Russia. I'm afraid that is perhaps not the case and I may disappoint you, but I certainly would like to speak on the way Lithuania perhaps sees the relationship with Russia and cooperation with Russia.

I also have to say that unfortunately following the not to distance European Union debate on the feasibility of launching negotiations on the -- agreement with Russia or perhaps on reopening the -- Russia Council with NATO -- perhaps assigning the label on Lithuania as saying perhaps not the staunchest opponent of engagement with Russia, and I must tell you that this is not necessarily the case. It's a little bit misguided in the E.U. and let me explain why. As our history and geography can tell and as the political philosophy now practiced in Lithuania suggests, we are in favor of cooperation with Russia. It is in the interests of the country and it is in the interests of the European Union as we heard earlier today and also the United States. The question is cooperation based on what premises. Do we know what we want to achieve and by what means? Do we have the common strategy of engagement with Russia? And if yes, is it working? These are the questions that we suggest the European Union and NATO allies should discuss among themselves.

Russia is not an easy partner and we should be prepared to speak in a coordinated if not a single voice, and solidarity matters among

the allies. I think that is a necessity -- to do exactly that, to come up with a common approach. Otherwise we will continue blaming Russia for exploiting our differences and for striking bilateral deals with separate countries. The search for a common approach toward Russia I think is in progress and can best be seen taking shape through the use of such instruments as the Eastern Partnership Initiative, or perhaps in the field of energy security. On all of those issues Lithuania has something to contribute to the debate and I think we are doing just that.

The problem is we don't always know what Russia wants in the first place, but we in Lithuania know what we want, to have a safe, secure and stable environment around our borders and possibly beyond. We want neighbors who believe in democracy and human rights, who take the rule of law seriously, and who respect international obligations, and we hope that in Lithuania we practice what we preach. But what about our big neighbor? Is Russia responsive? When you press a button, it's the light coming up on the other side. How long do you have to keep pressing?

The Georgian war and the subsequent partitioning of that country, the cuts in gas supplies to Ukraine with an effect on the other European countries, cyber attacks against Estonia, resistance to the implementation of OSCE -- Istanbul commitments and perhaps refusal to acknowledge occupation of the Baltic States by the Soviet Union, those are all disappointing manifestations of Russia's reluctance to give way to a more cooperative approach.

But it is true that perhaps smaller countries sitting on the border with Russia are much more sensitive to what Russia is saying or doing, and therefore perhaps more prone to reacting or sometimes perhaps overreacting, but it is obvious that Russia is not performing in accordance with our expectations, so then perhaps our expectations are too big. Are we asking too much from Russia which has never been at ease with -- in the first place and simply perhaps cannot deliver?

I've been hearing voices but also in this country that because Russia suffered humiliation over the last decades following the disintegration of the Soviet Union, we should therefore be more sympathetic to her and to allow more freedom -- I think that is not necessarily a very good argument -- excuses for keeping a bad habit going. As a huge continental power, Russia has always had difficulties in resolving her boundary problems which often resulted in conflicts in the periphery. If you think about it, Russia is perhaps the only one country of that size and magnitude on the European Continent which is still struggling to normalize relations with her neighbors the Baltic States, even the countries in the Balkans -- the way Russia treats her neighbors will always be a litmus test of how genuine Russia's willingness to engage is. The recent European Union-Russia Summit in -- produced only modest results. Differences remain. But at least they have been discussed openly.

Now President Obama is trying to energize the Russian dialogue. The summit in Moscow in July I think we expect it to open a

new avenue of engagement with Russia with arms control perhaps having the priority. A few days ago speaking at the Atlantic Council, General James Jones reassured us that the -- meetings with the Russians were going well and that he was expecting a cordial and productive summit. That news is encouraging. We wish President Obama has a good meeting in Moscow which might set the new and revised United States-Russia policy in motion.

The important thing is not to limit the agenda of the meeting to arms control talks, but to speak openly about all issues of concern including Georgia. We in Lithuania too are exploring the avenues of engagement with Russia. We are interested in having constructive and pragmatic relations with Russia. We are open to proposals to discuss ways of how to improve the current European security architecture, but first all members need to honor their obligations particularly in the area of human rights, democracy building and respect for sovereignty and territorial integrity of our countries. We will discuss President Medvedev's new security proposals for Europe at the OSCE -- in Corfu and most likely in Vilnius at the end of June when we are housing the OSCE parliamentary assembly.

Bilaterally we have just had a session of the Intergovernmental Lithuanian-Russian Commission after some time. Foreign Minister -- and Minister of Transportation -- exchanged instruments of ratification of the navigation of the -- a body of water joining both of our countries -- also agreed on a cross-border arrangements for

local residents of Lithuania and the -- region, more perhaps incremental developments, but they are significant. They are building the big agenda.

Yes, we continue to have disputes with Russia regarding the -- for example, but we all try to address them bilaterally, but also in the international fora. Our new President, Ms. Grybauskaitė, who got elected just recently said the following when asked to speak about the state of relations between Lithuania and Russia, if our neighboring countries and Russia in particular were willing to cooperate with us, I would reciprocate. I will be looking for possibilities to have fair and balanced cooperation with Russia without putting Lithuanian values up for sale, and I will be avoiding irritating rhetoric. There might be a possibility for a fresh start for us as well, but perhaps without the reset button.

One test of how the future might look like may come on July 6 when Lithuania will be celebrating her millennium. Leaders from around the world, not necessarily the world, the region, rather, but also elsewhere in Europe will come to join us in celebrating the long-lasting legacy of the Lithuanian nation-state. Much at the same time President Obama will be with President Medvedev in the Kremlin, and they are both invited to come to Vilnius before or after their summit in Moscow just to show their respect and solidarity with those people who happen to be living along some of the most dramatic fault lines in Europe. Thank you.

MR. PIFER: Angela?

MS. STENT: Thank you very much, and thank you for inviting me here.

I would just like to maybe underscore a couple of the things that Strobe said to point out the complexity of the many-faceted Obama policy toward Russia. On the one hand, there is change and we've already heard about that. On the other hand, as Strobe said, there is continuity and you will see maybe more continuity than you would have thought just because of the issues that are out there. And I think you're also going to have some of the same divisions within the Obama Administration over policy toward Russia as you had in the Bush Administration. We don't have everyone in office yet, but that's maybe inevitable or normal because we're a large country and we have people who have different views about how to deal with Russia.

You asked who is Dmitri Medvedev, Strobe. I remember when you were still in the State Department we were all asking who was Vladimir Putin and it took us a number of years until we answered that question, so I think that question can take some time to answer. And Rolf, I take your point. I did write with my co-author that the E.U. should think about giving Ukraine a real perspective for membership. It is easier for one when one sits in Washington to talk about that, but I do still believe that because I do think that that is a longer-term solution to some of these other issues. Maybe you can come back to the question of where Ukraine and some of Russia's neighbors belong, indeed, where does Russia belong, but that's a much bigger question. So I think at the moment you have an Obama policy which is more aligned with that of most European countries, but there will still be issues that divide us and Europe, and Rolf,

I am very interested that you did not use a phrase that I heard a lot when I was in Berlin in the fall, and that's empathy deficit disorder. That is, a number of German politicians have said that the United States has empathy deficit disorder, that we do not understand Russia's perspective, and you alluded to that, Mister Ambassador, on what it means to be a recovering superpower to have lost much of the territory and that the problem with the United States is we don't understand that enough and I do think that the Obama Administration is trying to correct that.

What you also heard although probably less than I would maybe thought is that there is no unified European view of Russia. It obviously depends on where you are in Europe and what your history is for very understandable geographic and historical reasons. Again I won't go into that anymore. And of course in the Bush Administration sometimes the Bush Administration appeared to be more aligned with the new members of NATO and the European Union in terms of dealing with Russia than with the more traditional members of NATO and the European Union, and I would say, I don't know what you think about this, Strobe, I am not yet clear what the President Obama's policy toward Russia's neighbors is. That I think has been less articulated than the policy toward Russia, although I'm sure again as more people come into office we will hear more about that.

Just to make a couple of obvious points. There are far more European stakeholders in the relationship with Russia than there are American stakeholders, economic, human, think about all the Russians

who live or commute between Russia and different countries in Europe, 300,000 in Britain, almost as many in France and Germany as well, and so they obviously have a different view. And I think any European country be it Germany or Lithuania will say Russia is our neighbor. It's a large neighbor. It's sometimes a rather difficult neighbor to deal with, but we are in this for the long run. We didn't hear the words strategic partnership, but that is the official view of the European Union. They use it particularly in the Federal Republic of Germany, France and some other countries.

The United States hasn't used the words strategic partnership vis-à-vis Russia for a very long time, maybe a couple of times during the Clinton Administration. We more likely use the term selective partnership which I think is an accurate reflection of reality, and we have far fewer stakeholders. I think we're going to try under the Obama Administration to create some more commissions, networks, to create some more stakeholders, but our economic relationship with Russia isn't very large. We are not dependent or interdependent with Russia in terms of energy. And of course we are much further away, unless you live in Alaska, and I won't get back to that discussion of whether you can see Russia if you live in Wasilla. But because we are that much farther away, obviously, and we have a global view of the world, the stakes are different and therefore when we talk about Russia, we in the United States, we see it through a different lens. It's inevitable but it sometimes does lead to misunderstandings and to greater difficulties with our European allies.

Let me say for a couple of minutes what I think that Russia means by pressing the reset button, because I would agree with Strobe Talbott that it will take two to press the reset button. If only one country presses it and if the other country doesn't press it to the same position, and that's all I know about computers so I'll retire from talking about computers, it will be difficult. As I see it, what the Kremlin's view or the Russian White House view on this is, is that Russia wants to be treated as an equal. It wants its interests to be respected. It feels that they were not respected by the United States for a long time, more or less since the collapse of communism, that it's legitimate interests have been ignored, and that's where Shakespeare would say "there's the rub." How are we going to discuss legitimate interests, and I may come back to that, but that is something where the United States, Europe and Russia have a very serious challenge.

I think that Russia believes that no major world problem can be resolved without its participation, we have heard that from Rolf, nor that it should be, and that it also applies to the economic crisis. We've heard from President Medvedev and from Prime Minister Putin the view that maybe the ruble should become a reserve currency, that Russia should become a major financial center, and of course blaming the United States for what happened in the financial crisis. So I think when we think about Russia being part of the solution and how the Russians see it, it's not only in security matters, it's also in economic matters now too.

I think that Russia would like the United States and Europe to recognize that its neighborhood represents a sphere of privileged interests, and we've heard our China colleagues, we've heard Strobe talk about this too, Vice President Biden has said that we don't recognize spheres of influence. I think the reality is somewhat different as between some European countries and the United States and other European countries, but the question of Russia's neighborhood is the key issue, we've heard about it, it's the one that divides Russia and its Western partners the most. And of course that means no NATO enlargement to the former Soviet space and no missile defense deployments in countries that border Russia. We know that. I think arms control is very important for Russia as it is for the United States, but for Russia it's not only the substance of it which we've heard about, but it's also the fact that this is an area where the United States and Russia are equal, so I come back to I think as I see the Russian view of pressing the reset button, it is to have two equal partners and that policy should not be pursued by either Europe or the United States that do not take Russia's interests into account.

I think we've heard from all of our colleagues, both Strobe Talbott and our European colleagues, that I think there isn't much daylight between Europe and the United States in terms of how we understand what is happening domestically in Russia and how we view Russian foreign policy. I don't think we disagree very much on that. I think what we do sometimes disagree on is how you approach that. We all want to cooperating in resolving Iran. I won't say any more about that because

Strobe has articulated that very eloquently, but I think we have to be very wary of believing that Russia shares our interests in terms of Iran policy, or as some people in the Obama Administration have said, that Russia can somehow deliver Iran. Iran will ultimately decide whether it pursues a nuclear weapons policy or not and I know you've already just had a panel on that.

The other issue is Afghanistan. Here Europe and the United States very much want to cooperate with Russia. There is some more cooperation going on. We all share a desire not to see the Taliban come to power. But of course we also see that Russia wants to be in the driver's seat and controlling the access routes to Afghanistan and I think this is an area where we have to have I think more intense discussions both among each other and with Russia.

I think that there's an understanding in Europe and the United States that there is not going to be any NATO enlargement to Russia's neighborhood for the foreseeable future reasons that we can go into. And I think it's quite also understand that probably the issue of missile defense and component deployments will be discussed. So I think these are issues that don't have to be irritants either between Europe and the United States or between Russia and U.S. and Europe.

I think the most difficult issue of course is Russia's neighborhood, and let me just say that coming back to the Medvedev proposal for a new Euro-Atlantic security architecture, and I agree with Rolf that we have to use that phrase, I think this is an area where the

United States and Europe need to sit down and think about what we would like to see as the content of that architecture because Russia itself has said itself that it wants a response from us. I do think that we should take up the proposal that we should have very intense consultations between Europe and the U.S. before any OSCE or any other meeting, I know that the OSCE has already taken this up, about what we see as the contours of a new Euro-Atlantic security architecture. Otherwise this is going to come down, and this is a phrase that I've used before, son of OSCE without basket three. I think we have to make sure that we get an agreement which is acceptable to all of us.

I also think that, and I agree with what's been said, the United States needs to coordinate toward Russia more effectively and in a more structured way and more consistently with our allies. Discussing it for half an hour or an hour in biannual U.S.-E.U. summits is obviously not the way to go even though obviously we discuss it in other fora. So I think that the Obama Administration will designate someone who is going to follow this issue, U.S.-European coordination and discussions on relations with Russia because I think that will be very important to avoid some of the problems that Rolf has talked about.

My final point is I think on U.S. and some European approaches toward dealing with Russia will not be able to be fully reconciled just because we are approaching this from different standpoints, but I think what we can do is minimize the degree to which these differences can be exploited by others, I think that point has already

been made, and I think it's also very important for us, and I think this is my last point, for the U.S. and Europe to talk about what happens if pressing the reset button doesn't work the way that we thought it might, where do we go from there, what's our Plan B.

MR. PIFER: Angela, thank you. Before opening the floor to questions, let me ask one question of the panelists. I think I heard pretty much from each panelist that there should be an effort by the West to take account of Russia's legitimate security interests, although I suspect that there would probably a difference in interpretation between the West and Russia as to what legitimate means -- do you think there's a common view between the United States and Europe as to what are Russia's legitimate interests?

MR. TALBOTT: Maybe I could take an opening crack at that. It's been said in this room and in other gatherings like this before, but it's worth saying again, that one of the difficulties with the Russian concept of security is that it's inherently zero sum and that has been the case for centuries. As many of you in the room know, the Russian word for security is (Russian) which means absence of danger. The way that gets translated into policy so often under the czars and the commissars, certainly of late, is that Russia will not feel secure until there is no danger around its periphery. What that often means is that those countries unlucky enough to be along its periphery which now of course include quite a number of former republics of the USSR feel heightened danger as a result of the Russian policy. In other words, Russia is not going to feel

absolutely secure until everybody else particularly on its borders feels absolutely insecure. So there is a very fundamental issue here before you get to CFE flanks issue if that's not totally overtaken by events and the definition of what a Russian compatriot is. There is a law that has been making its way through the Duma, I'm not sure what the exact status of it is, Angela, maybe you know, which would say that the Russian state has an obligation to protect, whatever that means, Russian compatriots, whatever that means, and apparently it includes people who are not just ethnic Russians but Ossetians and Abkhazians and (inaudible) no doubt, at least those few who want to be so protected, and so forth and so on. I think that while it may run the risk of pushing the policy issue that you're raising Steven to a level of abstraction that's not useful diplomatically, I think it's actually think it's an essential conversation to have. How do you define security in a way that is non-zero, that is win-win, and then take it forward from there?

MR. PIFER: Let me open the floor to questions.

SPEAKER: (inaudible) thanks for the organizers to organize such an important event. Thanks to the speakers for very nice ideas. I have a question Euro-Atlantic security and zone of influence. Meanwhile we are discussing what has been the legitimate interests of the Russian Federation. Russia with its aggressive policy trying to redraw the borders in the neighborhood using energy policy against partners and nonpartners, damaging existing arms control mechanisms, so in achieving their goals they have right now. What I want to ask you, it was mentioned a couple of

times, the nonacceptance of a zone of influence, and my question is how we can translate this into the real life and how we will fit in the reset button policy? Thank you.

MR. NIKEL: It's quite clear that Medvedev used the term if I remember correctly zone of legitimate interest in his speech after the Caucasus war. If this means a zone of influence in the sense of exclusive influence and in a way that definition that Strobe got at it, of course it's not acceptable and we must make sure that in our discussions with Ukraine and Georgia and others that are interested that we maintain the option of those countries becoming members of NATO and an option of getting closer to the European Union, but this is only an option for them. When talk about concrete policies we have to watch the concrete situation whether these countries can make an actual contribution to our security, whether they are ready to undertake the kinds of rules that are necessary to get closer to the European Union. So it's about protecting a principle, it's about protecting our values, it's not necessarily about a concrete step in the foreseeable future I would think.

MS. FONT: Elizabeth Font, journalist and author in Berlin.

SPEAKER: A Brookings author.

MS. FONT: I'm sorry. I should have said that first. My question is to whoever wants to answer it. What would be your optimal realistic hopes for arms control talks?

MR. TALBOTT: Steve, you got to do that.

MR. PIFER: In what timeframe?

MS. FONT: Between now and July.

MR. PIFER: Let me stretch that out to the end of the year. With a lot of hard work and a lot of luck, maybe you get the basic outlines. I suspect it's going to be very difficult to have a full-fledged treaty completed, signed and ratified by December 5 when START goes out of business. But I think that there is the prospect if the sides focus on really the key issues, set aside questions that you have to address at some point but you don't have them in this negotiation, and I could count that missile defense, third-country forces, tactical nuclear weapons, nondeployed strategic weapons, all of those things have to be addressed if you're pushing the numbers continually down. If you're going for a limitation of say 1,500 strategic warheads on U.S. and Russian forces, you can set those issues aside and simplify a negotiation which is going to be difficult enough. But I suspect that by December 5 it's going to be very hard to have a deal done. Hopefully you have enough of the pieces in place that the sides say let's come with an informal arrangement to extend observation of START for several months and early in 2010 you get that arrangement. That gets your first step, but then the next step gets a lot harder because a lot of the questions that you leave aside now, missile defense I would argue you can probably set aside at 1,500 warheads, when you get down to 1,000 warheads you really have to look very seriously at the offense/defense link. Likewise, as you come down in our strategic warheads, at some point you've got to think about the large

arsenal of tactical weapons and how do you address those questions. There is one at the very back there.

MR. TRINKLE: Garth Trinkle, Department of Commerce. Following-up on the previous to the arms control question, this is a question to the American colleagues on the stage and with no offense intended to the Baltics and -- but the question is we're known as the frozen conflicts. There has been no mention of Crimea, there's been no mention of the Black Sea Fleet based in Sevastopol, there's been no real mention of the division of Sukami and Russian investment in South Russia leading up to the Sochi Olympics. There's been no mention of Transnistria the Russian paranoia of infiltration both into Belarus and into Moldova by NATO from their west. Do the three American colleagues have anything to say about how Europe and America could begin to discuss the southern tier which are on the edges Ukraine, obviously Ukraine is in the middle of this, but these potential flashpoints so that the U.S. and Europe would not be blindsided as it said it was by both Ukrainian and Georgian actions as well as Russian actions in the war last summer as well as in the energy cutoff. And related to that, do you foresee tensions over energy exploration of the Black Sea?

MS. STENT: You mentioned a whole list of things that we didn't discuss because we don't have 3 hours. I think if one is to make good use of the Medvedev proposal, obviously these are all issues that are potential flashpoints, particularly Crimea. One answer to this is to encourage our Ukrainian and Georgian colleagues to do whatever is

necessary domestically to have effective governance and to have their populations united on things. There's a domestic component to all of this that we shouldn't forget. But in terms of Russian actions, you mentioned the Sochi Olympics because that's coming up soon and that's obviously not unconnected to Abkhazia, there are various fora for discussion this and we have them and we are encouraging discussions there and we have to do more of it. But there are many moving parts to this and I think the fist thing you have to get is I suppose a Russian willingness to sit down and discuss these issues. There are discussions going on I guess still on the Georgian question on the aftermath of the war and it's very difficult. It just shows you how difficult it is. It's the mantra you've heard from all of us here which is engagement and talk.

MR. TALBOTT: I would add one thought on the condition that I'm just a humble panelist and don't have any right calling on Steve, but Steve was Ambassador to Ukraine and a number of the specifics that you mentioned related directly to Ukraine, so hopefully he'll comment on that.

But just a general point if this, and it ties back again into history and also to what I was saying earlier about the Russian perverse and I think counterproductive which is a word we use in Washington that means stupid concept of security. Joseph Stalin's first job in the Bolshevik government was People's Commissar for National Minorities and that is not an antique and irrelevant fact. He was not an ethnic Russian. He used that position in order to make dividing and conquering essentially a

principle of governing the USSR. It contributed substantially to the ultimate breakup of the USSR. I think in a way the term frozen conflicts is a misnomer. It might be better to call them dormant conflicts because that metaphorically connects with volcanoes which stop being dormant and erupt. If Russia continues to make it a matter of policy to stir up trouble, to keep frozen conflicts around its periphery notably including in former Russian republics, roiling and keep making sure that the lava is just bubbling below the surface, not only is that going to make for insecurity on its own border, and to have insecure borders is not good for a country particularly when you're going to get replicas of those conflicts erupting inside of Russia itself. Chechnya is a frozen conflict right now or a dormant volcano. Tatarstan is. Ingushetia is. Daghastan is. And if Russia continues to play this divide and conquer game just outside the borders of the Russian Federation, it's going to increase the chances that that is going to come home to roost in very destabilizing ways inside of Russia.

MR. PIFER: I would say that it seems to me that how Russia engages with its neighboring states ought to be a topic for some very in-depth conversation between the United States and Europe. I suspect it already has, but I think we ought to continue it. It's probably at some point without making a threat to Russia but maybe coordinated messages that come from the United States and Europe that say to the extent that you're pursuing efforts at destabilizing neighbors, there is some speculation is Russia preparing to create new tensions with Georgia.

There is some overblown speculation that suggests even Russia might want to provoke a second conflict. But certainly you can't be comfortable when you look at the tensions that continue between Russia and Georgia. You can't be comfortable about the gas agreement that was concluded in January which is an improvement on what they had before but already could come apart in a matter of days. But I think part of the message to Russia about how it interacts with its neighbors is if we do see this continuing push to destabilize neighbors to create problems, it is going to have an impact on how the West can engage with Russia. My own domestic political here in the United States is if you God forbid had a new Russia-Georgia conflict, if you had an obvious effort by Russia to destabilize Ukraine through some kind of provoked crisis in Crimea, that probably kills reset.

SPEAKER: Angela, if I'm not misunderstanding, I thought you said that there may be a tacit understanding that there will be no further NATO expansion in the near future or no missile defense that Russia will have to face. If I heard you correctly and that's the case, what have the U.S. and the West received or expect to receive for that relaxation of pressure?

MR. STENT: I'm not sure that that's the right question. The reason why NATO membership action plans were not given to Ukraine and Georgia at the Bucharest Summit had to do with inter-NATO disagreements. That's known. It's not as if this was a decision that was taken. This is a reward we're going to give Russia. There are

fundamental disagreements within NATO about this issue and I don't know if they're going to be resolved anytime soon.

On the missile defense, that has more to do with the question of how much it costs and whether it has been proven to be effective as President Obama has said and others have said. I think if we start phrasing the question that way then I think we get into an unproductive cycle. I wouldn't agree that that's the way to phrase the question.

MR. BURN: I'm Jim Burn and I'm a journalist here. I've been shocked to read about current demographic developments in Russia including the drop in population, a serious drop in life expectancy, outrageous alcoholism and drug use and increase in HIV/AIDS. Are there serious efforts to really turn that around, and if not what are the implications for Russia as a country in being able to act as a serious player on the world stage?

MR. TALBOTT: You're absolutely right. This is not a recent phenomenon. A colleague and friend of many of us here in this room, Maury Feshback, has been writing about this for years. The data is vivid and shocking. I would say not to be melodramatic about it that when you have a state whose principal ethnic group, that is a kind of nation-state living within the world's largest territorial polity that is as unhealthy as this one it calls into question the very viability of that state. The one answer I would suggest to your mega question is that to be truly whimsical, if I were the president of Russia and prided myself on being a strategic thinker, I

wouldn't give a damn about NATO, about the West, about the E.U. in any negative sense. I would have no worries. I would have one big worry, and maybe two. One would be China. I would look at the map of my country and see this vast area in the Far East which is resource rich and people poor and then see that it's cheek by jowl with the most populous state on the planet and say that is a formula for trouble down the road and go after the ethnic issue and the issue of the modernization and good governance in the eastern part of Russia accordingly.

The other big headache of course is the culturally Islamic world much of which now overlaps with Russia itself. One of the fundamental almost but not quite incomprehensible flaws in Russian conventional wisdom and policy is the obsession with NATO and the West as being an enemy. It's not true in the absolute and it certainly isn't true relatively when you look at the real problem that they have in the south and the east and greatly exacerbated by the factors that you mentioned where the Slavic and particularly the ethnic Russian population of the citizenry is going down and of course the other ethnic groups and particularly those of Islamic background are increasing.

MR. PIFER: Could I maybe ask you to comment as well? The focus I think of our discussion so far has been how do you deal with Russia as an assertive power, but if you look at 10, 15 to 20 years, we may find that the challenge is how do you deal with Russia as a fragile, vulnerable and internally weak power? I wonder from the perspective of

someone who has Russia as a neighbor if you think about Russia in that way as well as the problems it presents currently?

MR. BRUZGA: Strobe Talbott indeed well presented the picture and I think it is a real picture, and what matters I think for Russia is the mere size. An enormous space. Once you travel you feel physically it's an enormous space and very unevenly distributed in terms of people and industry, but also the wealth. Really the unbalance in wealth distribution is appalling and I believe it is growing with this global turn in the economy. It hasn't been I think much of a difference from centuries. Russia has always been a little bit of a country which has been undergoing difficulties in wealth and in development, but right now I think it's a challenge. Indeed, also the health of the population is troubling.

One aspect I think which was also not mentioned, we know that the Russian military is undergoing transition and perhaps reform and that will also affect the -- personnel, the officers who are perhaps going to -- conditions of course are not necessarily always adequate and so there may be discontent going from one place to another. Again I think that notwithstanding the difficulties, the potential -- in Russia and I think we should try to work together that this potential grows rather than diminishes. All of our countries have an interest. Trade partners, my country I think is Russia's number one trade partner if you take country by country. The European Union is a bloc of course, but still it's important. The natural resources need to be a little bit looked at and given the opportunity exploited together. There are lots of opportunities which are there. The

scientific potential in Russia is huge and I think it is in the interests of all of us that it's not lost but really put to good use and into practice. There are lots and lots of areas of interaction, but indeed the overriding structure is necessary and I think we need to continue dialogue and discussion in order to -- a better understanding.

MR. PIFER: We have just about 10 minutes and I'm going to take three quick questions and then we'll ask each panelist to give us wrap-up comments. At the very back there, please.

MR. WHITE: Richard White, the Hudson Institute. The Medvedev proposal for some kind of European security conference or treaty, et cetera, was mentioned a couple of times and most people in Washington seem to think it's a good idea. We can bring the Russians to a large conference and you can reaffirm OSCE principles in -- of frontiers, nondeployment of forces in countries where they're not welcome, et cetera. But do you see any eventual downsides or is this something that we should just go ahead and do without any risks?

MS. FARNSWORTH: Sara Farnsworth from -- I wanted to pick up on the issue of the restructuring of the Russian military and wondered given the view of Russian security and absolute security, what does this tell us about their perhaps changing view about their own security and about their ability to project military power?

MR. PIFER: And the final question here?

MR. COGEN: Charles Cogen, the Kennedy School. In the background of all this is the fact that Europe has no borders to the east

and we have a situation which one country, Russia, which is more European than another country, Turkey, yet it not being considered for membership while Turkey is theoretically being considered for membership. So Russia from its point of view sees all these other countries around it, these related countries who are being considered for NATO or E.U. membership and Russia is excluded. This is an anomaly.

MR. PIFER: Strobe?

MR. TALBOTT: There's a lot out there to grab a hold of. I hope it's in the spirit of the occasion, it's certainly in the spirit of Brookings to respectfully but strongly disagree with your comment about Russia and Turkey. Turkey is a European country. It has historically been a European country. And I think that you set up a false dichotomy. Russia is not excluded. It is certainly not excluded from NATO. President Clinton was extremely careful about that in developing that policy, and President Bush maintained the principle of the open door precisely so that the defined future of NATO would never simply move the old Iron Curtain farther to the east and create a new Iron Curtain. So Russia is not excluded, and Europe and the E.U. will not come fully into their own until Turkey as an historically European country is admitted to the union.

The only other thought I would offer in closing is what I see as the impotence of the Obama-Medvedev meeting in July and also a danger that must be avoided, and that is -- the meeting with too many expectations, and having either gentleman see it as kind of a make or break meeting. They will either come out with a new and properly labeled

reset button and press it together or they will throw the button away. Neither of those things could or should happen. I think the models that they should have in mind historically because there have been both good and bad opening encounters of substance between Russian or before that Soviet and American presidents, the models they should have in mind should be the Reagan-Gorbachev meeting in Geneva and the Clinton-Yeltsin meeting in Vancouver which was not some sort of culmination, quite the contrary, it was the beginning of a process that is going to be long and touch but can be productive.

MR. NIKEL: I want to get at this same point that Strobe is getting at about Russian membership in NATO or the E.U. I totally agree with Strobe that the important part here is does Russia really want to be a member of NATO or the E.U. and if you answer that in the affirmative, do they want to play by the rules of the club they want to belong to. I have my serious doubts about that and that's why I think it's not going to happen in the foreseeable future. I would disagree though with what you said on Turkey.

MR. TALBOTT: I'm shocked.

MR. NIKEL: There are different concepts about what the European Union is about and we have to have a discussion amongst ourselves whether we want Europe as sort of a nation-state of deepening integration getting into new areas, or whether we want to project stability into our neighborhood region. These are two different concepts and I think we haven't had a real debate about that. I think at the end of the day

as we see it now, it is not going to happen in the very near future because there will be an attempt by major players in Europe not to let it happen, at least not in the foreseeable future. In any case, in 2015, 2020, maybe we can discuss it again.

MR. PIFER: To be continued including in this room I'm sure. Audrius, closing comments?

MR. BRUZGA: Just perhaps still we have instruments and I would put forward the importance and the relevance of the Eastern Partnership which has not recently been adopted by the European Union, and I think we could put it to better use and really enhance them so that these were instruments to help the countries in the -- of Russia to perform -- to improve their economies and that is something that would help them to be more healthy. I think that also allows Russia perhaps to be more confident that at least their borders are in a slightly better shape and I think the United States could also do more in that area as well. Thank you.

MS. STENT: Richard, in response to your question, of course there are potential downsides, but that's why we're all stressing the need for the United States and the E.U. and European countries to work together in thinking out their response to the Medvedev proposal and then having a meeting. There are potential downsides, but I think you can prevent them from happening if there is better coordination. I would just say again to reinforce what my colleagues have said, Russia has been offered, the door is open to Russia, from NATO and the European Union,

at least when he was President, Vladimir Putin said Russia wasn't interested in joining the European Union. I would just say if you look at history, Russia has always been a reluctant European country. It's had great ambivalence about whether it was European or how it was different and I think that will continue for the foreseeable future. So we come back I think to the issue that we've all talked about on the panel which is the United States and Europe and then Russia together trying to find a more effective way of discussing the issue of where Russia belongs given its huge size on the European Continent so that we can deal more productively with each other.

MR. PIFER: I might just take a crack at the last question on Russian military reform. I think if you look at Russian military and security needs today and Russian military, it's very clear that Russia needs a modern and a smaller military. I think the reforms that have been announced make sense. However, given the opposition that you're seeing throughout a large portion of the Russian officer corps and I think some of the very real resource issues that Russia is going to run into on the economic side, I'm not sure that in 2015 or 2016 we're going see the scale of reform that they're talking about for the Russian military.

At this point let me ask everyone to join me in thanking our panelists for a very good session.

(Recess)

MR. SHAPIRO: Okay. Maybe we can get started, since it's Friday afternoon. I think we all want to get it over with.

SPEAKER: It was the big buildup there.

MR. SHAPRIO: Key to set the expectations low.

I think what -- you know, the theme of this panel has been that engagement is a central feature of Obama's foreign policy, and particularly when it's compared to his predecessor's for policy.

Obama certainly put forward the idea during the campaign that talking is not a reward. Or that it's something that should be reserved only for friends. I think clearly anybody who's been to an international negotiation would accept that premise, and that, in fact, in many cases, talking is the only way to move forward.

I think one of the implications of this policy is that you need to also talk to terrorist groups. But they present, I think, very special problems for this strategy, even relative to the very serious problems we heard in the previous two panels.

And I think actually you can see this in the rather awkward name we came up with for this panel, which was "Engaging Against Terrorism," which sounds fairly oxymoronic, and I think it encapsulates even our ambivalence.

What we really mean I think is engaging with terrorist groups, but we're almost afraid even to utter the words.

The usual pattern, frankly, for engaging with terrorist groups is that such engagement is absolutely unacceptable and then apparently, quite suddenly, it becomes necessary to work out the political solution that we need.

And the reason for this pattern is pretty clear: We don't want to legitimize terrorist groups. The main reason that we apply the epithet terrorist is that we are trying to de-legitimize them and their methods and

to define these groups is unacceptable, as beyond acceptable for civilized discourse, which makes, of course, engagement rather hard.

But it's also clear that at certain points in certain conflicts groups have risen to a level of power that they cannot be eliminated, and that they simply must be part of any negotiated solution, and which is usually the type of solution we'd prefer.

And, you know, the PLO, of course, is the most prominent example that we can think of.

Of course, the problem is deciding the moment at which they have crossed the threshold from simply unacceptable to also necessary.

And the U.S. and Europe I think have often taken very different approaches to understanding this problem, to understanding when that moment would be, particularly I think we've seen with regard to Hezbollah, but also with a lot of other terrorist groups -- also at times Hamas and think the Taliban, which is what we're going to focus on here.

So I think what we'd like to do with this panel is to address what President Obama's strategy of engagement means for dealing with terrorist groups, particularly Hamas and the Taliban in Afghanistan.

We have as usual, nearly as always, a perfect panel for doing that.

Just on my left, we have Olivier Roy, who is the Director of Research at the French National Center for Scientific Research and also this year a visiting professor at the University of California, Berkeley, and a world-renowned expert on the Muslim world.

On my right, we have Vanda Felbab-Brown, who is a colleague of mine here at Brookings and an expert on the nexus between insurgency and illegal economies.

Over here, we have Gideon Rachman, who is the chief foreign affairs columnist for the Financial Times. And on my far left, and only that sense of the term, is Tamara Wittes, another colleague at the Saban Center for Middle East, and an expert on democratization in the Middle East.

So we're going to go in that order, just to sort of jump around the panel and keep you on your toes.

So we'll start with, Olivier, the floor is yours.

MR. ROY: Thank you very much. I have a tendency to think that this debate is a bit outdated, you know. War on Terror is a slogan which simply didn't work. We have been unable to suppress the so-called terrorist groups, and by not engaging some radical groups, we just missed an opportunity to do something on that field.

To (inaudible), you know, the concept of terror as a (inaudible) of the definition of some political groups precludes any political approach of the problem.

And I think a policy should first be I would say political, you know, to have a political approach of the different crises.

Of course, some of the groups you mentioned -- all of the groups you mentioned at a time did use terror. But could we define them only by this dimension?

It depends on the group, so we are putting, you know, under the (inaudible) of terrorist groups which are totally different. Al-Qaeda is a character, because al-Qaeda has nothing, you would say, has no basis, you know, no legitimacy, except terrorism. You do not have a society. You do not have a nation. You do not have a state.

The political agenda is very weak. They have no, you know -- valid -- a political party in the sense of the word, true sense of the word.

So al-Qaeda, yes. Al-Qaeda is just a character, but it's the only one coming up.

Take Hamas, Hezbollah, and the Taliban. First, we have three different groups, but all of them have a political agenda. Hamas and Hezbollah are rooted in a society. Like it or not, it's a fact.

You know, Hezbollah does now represent the bulk of the Lebanese Shi'a. I mean, it's a fact. It's done.

Hezbollah is a political actor of the Lebanese scene, and it's a legitimate actor from the Lebanese point of view. They are represented in the Lebanese parliament now.

And thirdly, Hezbollah a strong connection with Iran, and, of course, we do not consider Iran as a friend now. So Hezbollah is used as a tool by Iran to put pressure on the area.

And that's the point we don't like with Hezbollah. But Hezbollah has an agenda, has a political agenda; has a society. And I would say it's a nationalist party. And we cannot ignore, you know, nationalism in the Middle East.

Hamas is the same thing. Hamas is first of all a Palestinian nationalist party. It has replaced now in our imaginary the PLO. The PLO was the Palestinian terrorist organization in the '70s, as you said.

Now the PLO people are the nice guys. You know, the same thing with Nasser and Sadat. You know, Nasser was Hitler, if you look at the Western press of the '50s and '60s. And now Sadat is a hero of peace. But Sadat is just a successor of Nasser, was just a successor of

Nasser -- so if we wanted to see the things in some sort of historical continuity.

The agenda of Hamas is first of all a nationalist agenda. So the issue is Palestinian nationalism. How do we deal with Palestinian nationalism?

And we have to deal with Palestinian nationalism. It's a big problem, because, for me, the conditions on the field now make the two-state solution almost impossible.

So how do we do with a people, the Palestinian people, that, in fact, we know they will never have a real state. So how do we manage that?

And if we want to manage that, well, of course, we have to engage with Hamas, you know.

We have no choice than to do that. And if we put some preconditions, it will not work, because they will not care. They don't care, you know, like the Iranians.

We asked the Palestinians to go for elections. They went for elections. They elected Hamas, and then we said, no, sorry, you didn't elect the right people, you know. We have to be (inaudible), you know.

So, for me, there is no doubt about that. We have, of course, to discuss with Hamas and Hezbollah.

The Taliban is a very complex case. Now the Taliban is put, you know, under the tag of a terrorist group, but the Taliban were not born as a terrorist group.

On the contrary, I would say, the Taliban were born as a political movement who wanted, you know, to restore law and order in Afghanistan. And that's the reason that they won. Never forget that the

fall of Kabul in the hands of the Taliban was greeted by the State Department as a positive step, you know.

Then we have two problems with the Taliban, you know. The winning issue, which is a real issue, but it's not terrorism, and the issue of Al Qaeda.

So the problem is that with the Taliban is that they hosted Al Qaeda, you know. But the Taliban, as such, were not terrorists.

The problem to engage the Taliban is not terrorism. The problem is to define the political agenda, you know. We know, roughly speaking, the political agenda of Hamas, the political agenda of Hezbollah. We may disagree. We (inaudible) disagree, and we have to disagree with parts of his political agenda. But at least, you know, there is something we share in common -- the concept of nation, territory, borders, flags, states, and all that.

With the Taliban, they don't care about the state, you know. They just want to establish Sharia where they are, and we have a problem to find a common basis for negotiation. That's a big issue.

The Taliban is a very complex phenomenon. For me, the Taliban is first of all the expression of a Pashtun identity. The Pashtuns are the only ethnic -- big ethnic groups without a state in the (inaudible) who never tied, you know, roughly speaking, to have their ethno-national state. The Balochis and the Kurds now want to have a state.

But, in fact, the Pashtuns always have been politically represented by identical political parties -- the (inaudible) Communist Party in Afghanistan, and now the Taliban movement.

And in Pakistan, the so-called Taliban are Pashtun, too, you know.

So they ignore (inaudible) local movements. They have a local basis. They have a social basis now, the Pashtun tribal society. But they don't care about nation state.

And it's our big problem. What can we negotiate, you know?

And they are directly, if I can say connected with the global (inaudible), with global networks, including, by the way, business networks, migration networks to the Gulf, and things like that.

So we have a problem to find some things, you know, some stakes in common with the Taliban. And I think that now it's a bit difficult to do that. We have to bring the Taliban back to some kind of realism, and we cannot do that without the help of the Pakistani army, which has been more of an (inaudible) about his attitude towards the Taliban.

So we have a very specific problem with Afghan-Pakistan, which is not linked with the issue of terrorism, no.

Of course, if we can solve something with the Taliban, then that will contribute to weaken Al Qaeda, and that's the big issue.

And just to conclude, with Al Qaeda there is nothing to negotiate. Absolutely nothing.

If Al Qaeda gives up terrorism, Al Qaeda stops to exist. So should we engage Al Qaeda doesn't make sense, you know. There is no society at stake, no political agenda, no territory, no stakes -- nothing in terms of power. Al Qaeda is a concept, you know, and a concept and some bombs.

But the issue of negotiating with Al Qaeda just doesn't make sense.

So, if we take these four examples -- Hamas, Hezbollah, Taliban, and Al Qaeda -- we say that every case is specific, and we should

not, you know, use this big tag of terrorism. It's just not effective to understand what is going on and to define a policy.

MR. SHAPIRO: Okay. Vanda?

MS. FELBAB-BROWN: Well, thank you. I am going to echo in my comments some of the statements that Olivier made I think on the broader issues, and perhaps diverge with him on some of the specifics.

I'll first talk about what engagement really means, how it can be deconstructed and then apply it to both Afghanistan and Pakistan into the groups there that call themselves Taliban.

I think we have to realize, first of all, that engagement with terrorist groups or belligerent groups also includes the military option. And that's frequently the least controversial part of the portfolio tools of engagement that an administration has. It's certainly going to be the least controversial one for the Obama administration on at least the Afghan side of the conflict. It might be more problematic on the Pakistani side. And certainly has been very problematic from the perspective of the Pakistani government and engaging the various (inaudible) and jihadi groups that call themselves Taliban and on that side of the border.

The second form of engagement, though, is some sort of links of communications. And, again, most the time these exist with just about every group, even groups that are intensely hostile. These communications exist indirectly. We have such exchanges with Al Qaeda. Every so often bin Laden releases a video informing us of what's to come, and to be also engage with these groups via strategic operations.

But these links frequently exist directly, whether covertly or more visibly.

For example, when the (inaudible) in Algeria in the early 1990s, an Islamist group that almost won the elections -- were very about to win the elections that were then cancelled it looked like they would win the civil war, the United States government had direct exchanges with the group, even though the government of Algeria defined them as a terrorist group and so did the government of France.

Now we (inaudible) to drop these communications, but for a while we maintained them. And the reason why one would have these exchanges is, of course, at minimum for intelligence gathering, and not simply sort of immediate intelligence -- where is the latest IED, but more strategic picture of what the goals and objectives of the group are.

Now this is not completely costless, because, as Jeremy indicated, even such engagement for intelligence purposes carries some -- possibly carries some legitimation of the group. But this is visible at the international level, but more importantly it's frequently highly irritating to the local governments that are opposed to the groups, such as in the case of Algeria, as I mentioned.

The third form of engagement is strategic or even just tactical negotiations. And this is indeed at the crux of the problem for the Obama administration lies in South Asia, in Afghanistan, Pakistan.

And I'll return to this in detail.

And the fourth form of engagement is engagement with the group the purpose of using the group for some strategic objectives. We had use groups like the Hakani and the (inaudible) networks during the 1980s and more broadly Al-Mujahedeen groups to prosecute our strategic competition with the Soviet Union, and this was certainly seen as highly beneficial to our strategic objectives.

And, of course, we now don't have that attitude to the groups today, but we are very worried that the Pakistani government still maintains this view, that many of the groups, the Taliban certainly, but maybe even (inaudible) Mohammed that operate in the area still continue to be useful for strategic purposes; and that the Pakistani engagement with them goes to beyond intelligence gathering, as they maintain, and are still useful for strategic purposes of preventing sort of two nightmare scenarios for Pakistan.

One is a strong Afghanistan that is very closely aligned with India, and that would pose a possibility of encircling or dismembering Pakistan from both sides, or a collapse in Afghanistan, and a sort of civil war like conditions of the early 1990s, with many groups and many powers, including India, competing for influence.

But, you know, less controversially, we can look at the (inaudible) of Iraq and our move there from first strategic negotiations with them to actually actively using them in the fight against Al Qaeda in Iraq.

So the question really is not in my view whether we engage. The real question is how we engage. And this cannot be answered in the abstract. It really is highly context dependent, chief objectives dependent. It depends on the order of battle between the groups, the local government, and international actors; the character of the terrorist group,, the character of its objectives, and its demands, its goals; as well as, of course, the particular timing

Now ideally, we would negotiations from a position of power, of strength, but very frequently it is the prospect of (inaudible) or at least deadlock that brings one or several of the parties to the negotiating table.

So the real issue is how each particular movement in each specific context one analyzes the costs and benefits of the various tools of engagement, including military options, that are at the disposal of the administration.

And depending on the context, they all might be appropriate.

So, for example, there should have been strategic engagement with the Islamic (inaudible) in Somalia in 2006 in my view, even if that option was not available was not available and would have been a appropriate with (inaudible).

And, you know, recently take the position that we should not have any engagement with a group that's hostile to our interests, we might very well preclude the possibility of finding some overlapping, at least minimal, interest and pushing groups to be much more radicalized and really leave them all in the space of you illegality and terrorism.

All that said, today is not the time to have strategic negotiation is with the Taliban or the groups that call themselves Taliban either in Afghanistan or in Pakistan.

Let me just say here that both groups really are a conglomerate of various actors. On the Afghan side, the core is the Mullah Omar core Taliban that we remember from the 1990s.

But in addition to them, there are various loose militias of the Halkani as well as Hekmatyar. There are various Pashtun tribal rebellions, frequently motivated by highly local conflicts over water or land, as well as various international jihadis attracted there from the larger Middle East and crime groups.

Similarly, on the Pakistan side, the core of the organization today is (inaudible) Taliban run by (inaudible) Masood, but in addition to

them there is the second groupings, which is Tariq Nafar (inaudible) Sharia Mohamady in Swat. Those -- this is the (inaudible) and Suki Mohammed people .

Then there are various Punjab jihadists -- Jashi Mohammed (inaudible) and Washkalitaiba , again various local Pashtun rebellions frequently overlapping Sunni-Shi'a relations, such as (inaudible).

So, in other words, it's a very highly mixed group of people, and since there is a sense of momentum for the people who call themselves Taliban on both sides of the border, any band of young males with arms and some grievances will have a tendency to call themselves Taliban at this point.

And so in deciding whether we engage with them or more specifically how we engage with them, it's really highly important to understand the precise nature of the group.

Let me now focus, though, on the two big core groups, which is the core Taliban around Mullah Omar on the Afghan side, and both Tariqs on the Pakistan side.

There are three forms of engagement with the Taliban in Afghanistan, three forms of negotiated engagement, apart from the military wants.

First, there is an amnesty program for individual fighters. This has been in progress for many years, and it's a sort of no harm program. It's brought out several hundred fighters, but has made really no strategic difference in changing that in annex of the conflict or the intensity of the conflict. And it should continue. But in many ways, the process is moribund, partially because the Taliban and feels that there is momentum on their side.

A second form of engagement is a new policy that can become much more controversial and that certainly has its own controversy right now. And that's the desire to peel off tribes or possibly militias from the Taliban.

To some extent, this is presented, perhaps inaccurately, as replicating some of the processes used in Iraq. You know, this policy might have some potential, because, as I mentioned before, many of the tribal groups especially have highly local grievances, frequently genuine grievances and legitimate grievances, where clearly one tribal group, say, the (inaudible) Urisgan have been discriminated by the (inaudible) systematically both historically and by current government.

And so engaging with them, ascertaining the nature of the grievances, and then seeking to address the grievances may very well be a productive approach.

The question is then what you do with these tribal militias or these tribes, I should say, that you peel off?

Does one intend to use them as tribal militia in the process analogous to Iraq? Or simply to remove them from conflict?

And I argue that the form of the militia option is especially problematic, and will likely be ineffective and counterproductive in Afghanistan. Ineffective, because I'm skeptical that the militias can achieve the tactical objectives of defeating Taliban core.

Tribes are frequently highly fractured, highly weak. The (inaudible) have been systematically eliminated by the Taliban.

And problematic, because even if they achieve the tactical objectives in the short-term, we are likely to set ourselves up for long-term and even medium-term centrifugal problems in Afghanistan, once again,

weakening the state, undermining stability and perhaps pushing the country to a situation of the early 1990s, up to a brink of civil war.

The third and most controversial aspect of negotiated engagement with the Taliban are strategic negotiations with the people around Mullah Omar.

These are underway. There has been a lot of reporting on them in the press over the past few months, but, in fact, they have been underway for several years now. But certainly we have seen a lot of pickup in activity.

They are conducted by the Afghan government with the knowledge of both the Bush and the Obama administrations.

And in my view, they are is extremely problematic and pose costs and offer very little prospect of any benefits.

At the core of the problem, as Olivier indicated, is that there is really very little to negotiate with Mullah Omar about, given that he has still stated that the precondition for negotiating with the outcome of negotiations is that there is full withdrawal of U.S. and international troops from Afghanistan.

So in other words, the negotiation position is lose the war, lose the fight.

And, of course, abandoning Afghanistan will be highly problematic for counterterrorism objectives. It will be usually regional destabilizing and will make it much more difficult to stabilize Pakistan, which today is closer to collapse than it has ever been since independence.

Now at the same time, even if we know then the talks are not productive but they raise real difficulties in assuring other audiences that

we have. They make it very difficult for us to persuade the population that NATO (inaudible) will stay the course; that we are not going to abandon Afghanistan in the same way that we have done before or that the international community has done before.

And then why should a population risk siding with us, risked their lives and blood and treasure, if they are uncertain of the prospect?

But, nonetheless, these negotiations are continuing, because they're politically convenient for President Karzai in the upcoming elections. They allow him to split up sides in the South. They allow him to portray himself as a good Pashtun, offering the olive branch, even though he knows that it's not going to be taken.

The Southeast have vested interest in it, as does Pakistan. And, in fact, many European analysts are calling for such negotiations as a way to withdraw from Afghanistan.

On the Pakistan side, the preoccupation since February has been with the deal in Swat negotiated between Tariq (inaudible) and Shariot Mohamady.

And, however, it's important to understand that the latest deal is just one in many deals, peace deals, that were negotiated in Fatah and the WP since 2004. Many of them have collapsed, as has this final one.

And the focus in the Western media has been on the Sharia aspect of the deal, where the Pakistani government agreed to Mullah (inaudible) and to (inaudible) Mohammed that Sharia would be implemented in Swat, and then we saw some really brutal extreme examples of perversions of Sharia that generated a lot of outrage and the deal collapsed.

That in my view is somewhat misleading us from the real problems with the deals, including the Swat deal.

And that is the fact that the Pakistani state each time completely abdicated all decision-making governing responsibility for the area and in saying in the latest Swat deal it also allowed the (inaudible) there to take over other areas of (inaudible) and Mardan to a large extent.

So what's been problematic about the deals? Well, first, is the total abdication of the state, the fact that these groups would be allowed to determine whether there will be any military police, judicial presence of the state.

Secondly, largely came after the defeat of the Pakistani military in each case. And in each case, they further and further emboldened both the particular group that negotiated the deal, as well as other Selafi groups in Pakistan.

And third, in each case, the group systematically violated the terms of the deal, and yet the government of Pakistan would then again fall into agreeing to the deals.

Now why has the government of Pakistan in the military taken this attitude? One is the real lack of capacity in conducting counterinsurgency. And this problem has not been resolved, and the operations that are underway in Swat are just very heavy-handed. We are applauding them, because we are happy that they have finally taken action, but it's certainly not the optimal way to conduct counterinsurgency, and the suffering for the population has been tremendous.

Second is that the Pakistani establishment, both military and political, has had a really very ambivalent attitude toward these areas,

almost not seeing them as part of Pakistan and were having a real reluctance to be engaged there militarily or otherwise.

This overlays Pashtun-Punjabi relations goes beyond that and that we have not resolved yet or they have not resolved for themselves.

And finally, it's the orientation of the Pakistani military toward its eastern front, towards India, as its primary geo-strategic preoccupation.

The government of Pakistan has argued that they have to agree to these peace deals before they can take (inaudible) operations, military operations so they can mobilize the population to agree to them.

And, you know, indeed for counterinsurgency the support of the population is critical, and certainly the popularity of these efforts have been minimal and they have been largely seen as imposed on Pakistan by the United States.

And so that I think it's a valid, really valid reason. I would argue, however, that the Pakistani government has other ways of motivating the population and persuading them why this really matters for the very territorial survival of the country, for the survival of the government, of the character of the country that they have foregone.

And finally, even if they had agreed to peace deals, they have not had to agree in the form, in the total withdrawal and abdication of the state that they had been doing at least until now.

So, you know, it's good that they have finally taken the military engagement to the various groups there, but we will need to ask ourselves whether after the operations are finished in Swat whether they'll be able and willing finally to hold. And if not, how many times can we put the population through these highly destructive kinetic operations, then

withdrawal, fall back to the insurgent groups and then coming back again with military force.

And will the peace deals that are negotiate it in between ultimately we can even the military engagement option. Thank you.

MR. SHAPIRO: Thanks, Vanda. Gideon?

MR RACHMAN: Thanks very much, Jeremy.

And thanks to Brookings for having me over here.

When Jeremy first explained to me my role in the session, reading between the lines, I got the impression that my role really is to be the European appeaser was repaired to talk to any terrorist group no matter how appalling.

MR. SHAPIRO: I knew I could put that on you.

MR. RACHMAN: Yeah. I'm perfectly happy with that role. That's fine. But seriously, I've been fortunate enough the course of the past year, past six months, to visit both Afghanistan and then Israel and the West Bank and to state the obvious that the situations are very, very different.

But there is this common thread, this common dilemma that you see in both areas, which is what do we do about talking to these groups that we dislike, distrust, disapprove of what they track record of terrorism and militant Islamism -- in Afghanistan, the Taliban, and then Hamas in Palestine.

In both cases, I do actually think that it's worth talking in exploring the negotiation option.

Now at the risk of compensating matters still further, I said that those two situations are very different. I'd now like to draw an analogy with yet a third place, which is even more different, which is Northern

Ireland. It's a natural analogy for somebody such as myself who grew up in Britain where this whole question of what do you do with a terrorist organization. Do you talk to them? And what stage do you talk to them? The moral compromises involved, the political difficulties involved.

That was a very live issue for a very long time. And I was thinking, you know, is this analogy too far-fetched. But then I think it is an analogy that is in the minds of the people who are having to deal with Afghanistan and certainly with Palestine, because, after all, we see George Mitchell as a common denominator who, you know, made his reputation as a peacemaker in Northern Ireland and has now been dispatched off to try something a little bit harder.

And the other common denominator is Tony Blair, who really perhaps his greatest lasting achievement will have been the achievement of peace in Northern Ireland, and he had developed a relationship with Mitchell, which one hopes will be fruitful as they work together on this current problem.

And again, thinking about this analogy, I bumped into recently a British minister who had been the minister for Northern Ireland, but that (inaudible) started the process of talking to the IRA and who now amuses himself in semi-retirement by talking to the likes of Hamas and Hezbollah.

And I -- he was, in fact, just back from Damascus. And I said to him, did he see any analogy between what he was doing now and what he had been doing 10, 15 years ago with the IRA.

And he said, no, actually, it’s not what I was doing. It's more like what the Americans were doing. And I said, well, how do you mean? And he said, well, our reaction -- we went through a long period when we

wouldn't talk to the IRA. And it was the Americans who are pushing us to do it and to doing it behind the scenes. And they would come to our offices in London, and we would say, don't interfere. Don't do this. You are legitimizing terror. These groups are irreconcilable. They're engaged in violence.

And he said, but, in retrospect, they were right.

And actually, what they were doing turned out to be very useful for us, because when we started to talk to the IRA, we were starting from a position of zero knowledge. Actually, the Americans had mapped out the ground quite well. They had a very good sense of, you know, what the debates within the organization were, where the possible areas of movement were. And that, I think, is one of the strong arguments for very low-level exploratory talks, because, at some point, you will want to talk to somebody, and you don't want to start from a position of total ignorance.

And because the Americans had made the move for us, that was actually quite beneficial.

Now there was obviously some thinking behind the American engagement with the IRA, which again I think read across to the other situations that we're talking about today.

I think the American initial insight which was then adopted in due course by the British was firstly that this was a war that wasn't going to, in the end, be brought to a close through a purely military solution; but this was -- there was going to have to be a political solution.

The second was the IRA, no matter what one thought about them, at the political roots in the community that they grew up out of, and so they couldn't simply be ignored or wished away or imprisoned. Eventually, they represented something, and you had to deal with that.

I think the third point was that you were never going to find out what might be possible unless you actually did speak to them, because once we got into the process, you discovered that actually there were all sorts of debates going on inside the IRA and different factions and you could work on that.

But while they were simply the enemy who we were either trying to gun down or imprison, then it was difficult to get a handle on that.

And I think the fourth point was that very process of talking offers the chance that people's positions evolve, because they start with a very maximalist position, but then as we do, as you get involved in the talks, different possibilities open up and your position changes.

So even if their starting position sounds, you know, absolutely impossible, it doesn't mean that obviously that's going to be the ending position, because clearly that's the point of the negotiations is to draw people out and to get them to adopt things that might be more palatable to you.

And so as to continue my conversation with this former British minister, again, I said -- asked him if he saw talking to Hamas and Hezbollah now, if he saw any chance that this kind of political evolution that we have seen with Irish, and he said, again, he said something I thought was quite interesting.

He said, on this question of preconditions, you know, with Hamas we say at the moment, the Quartet precondition is you've got to renounce violence and you've got to recognize Israel, and then perhaps we can talk.

He said that would have a bit as if we had said to the IRA throw away all your guns and recognize British sovereignty over Northern Ireland, and then we can talk.

And he said if we had said that at the beginning, we would never have begun talks. They couldn't have agreed to that. They would have lost their constituencies immediately, and it was just asking too much at the beginning.

But over the course of the negotiations eventually actually that's more or less where they got to, even if they didn't actually openly acknowledge, that's what they accepted.

And then I said, well, you know, what about these -- the people you're meeting from Hamas and Hezbollah. I mean, is there, you know, it gets a little bit far-fetched, but are there Jerry Adams, McGuiness (inaudible) people who might be drawn down the political line.

And his impression again, and you hear it from other people who talked to these groups was, again, very much so. I mean, he felt that the leadership of Hamas that he had met were ultimately interested in running a Palestinian state. That's what they want; that their goals are political, that they are politicians with kind of normal political power ambitions and not talking about establishing a massive caliphate across the whole of Europe or the Middle East; and that, but that again, that if you said to them now renounce violence, except Israel, they cannot do that and partly for their own sense of who they are, but also because they would lose their constituency very, very quickly. And they'd simply be replaced by the next militant group.

So it's pointless -- or it's not pointless but it's a mistake to make these very maximalist demands as a condition of talking to them.

And I think that this whole question of who they represent is also very, very important and because it's fine or it's possible to refuse to speak to a terrorist group which represents a very small minority, who can be ostracized. But with Hamas, it's now clear that they represent a very large section of Palestinian society. You know, they won the elections, as Olivier said.

As far as we can tell from what opinion polls were taken after the Gaza incursion, if anything, they've become more popular since then.

And so if you talk to, as I've been this week, to some American diplomats and you raise this possibility, they will say, oh, well, no; but we've been to Ramallah, and we really like Abbas and we like Solomon Fayad.

Well, you may like them, but, you know, the fact is if they can bring -- if they can't deliver their society, it's not really worthwhile simply to talk to them.

You've got to, as I think with Shimon Peres famously said, "You make peace with your enemies, not with your friends."

And the same again, I think goes for the Taliban, where, to many of us, they're a fairly kind of horrifying organization because of the treatment of women, destruction of cultural artifacts, education, you name it.

But they are clearly rooted in Pashtun society. They are a representative of Pashtun nationalism, and if you say, well, we're going to wage war without (inaudible) on the Taliban, I think in a century saying we're going to wage war without (inaudible) on the highly conservative traditional Pashtun society. And that really is a formula for being in Afghanistan forever.

And I think with both groups, there is obviously -- there is a whole difficult moral ground about, you know, where do you stake out compromises. At what point, do you say, well, you know, this is -- we can't -- there's certain things we can't accept.

But that's I think again you test your own dividing lines and we can go no further than this during the course of the negotiation, but I think that as far as the Taliban go, there will be groups that make, as Vanda said, I mean, demands that we simply can't accept.

But talking to, say, American commanders in Afghanistan, which I did a bit when I was out there, there is oppression was a lot of the foot soldiers of the Taliban are essentially fighting for a wage rather than for, you know, an ideological reason. And as one of them put it, "Part of the aim of the reconstruction work and of all the aid projects is to put a shovel in their hands rather than a gun."

And that suggests that it must surely be possible to start creating dividing lines within these groups, within the Taliban, and the goal must be in Afghanistan and as it is with Hamas to somehow separate the sheep from the goats, to use that silly analogy, and say that, of course there will be irreconcilables, but the point is to shrink down that group to the group that you can't deal with the group that are going to fight for goals that you can't accept to as small a group as possible, and separate out the group that might be willing to come to some sort of political agreement.

And that can only be done through the process of offering political inducements to the intelligence gathering that happens to the process of negotiation.

And I think there is, again, some evidence of splits within the Taliban. The Taliban is a very, very amorphous organization, as we just

heard. But there were reports when I was there of actually pro-and anti-election groups within the Taliban, that there were people who were registering for the election that this actually caused violence within the Taliban, registering to vote for the election.

And that, it seems to me, the kind of indication that there is scope for political agreement, for bringing at least part of what we think of as the Taliban into the political process.

But to conclude, I mean, the -- this question of talks, you know, of talking to can cover a huge amount of different formula and different ways of proceeding.

And I think that nobody when they talk about negotiating with Hamas or the Taliban at the moment is talking about sort of high-level summitry or, you know, thinks necessary that even take place in the public eye. That kind of thing would be politically unfeasible and probably very unproductive, because as what little I know of these high-level negotiations, the ground has to be prepared very carefully beforehand.

I mean, sometimes, was with in actually Northern Ireland, it does work to get the top people in the room and lock them for a week and hope that they can hammer it out. But I (inaudible) we are miles from that at this stage.

What we're about at the moment, or should be about, is getting to know these organizations much better through low-level contacts conducted by people who won't be negotiating in the public eye, but who will be at the first level simply gathering political intelligence and working out where the deals might be struck, what the divisions are within the groups themselves.

And that -- it doesn't necessarily have to be done by -- you know, it's politically problematic obviously for the American government to start talking to Hamas, but then they can do it and indeed are through third parties, through people like my British ministerial friend. That probably is how it starts.

And how formal it gets, and how -- who reports to who -- and so on and what kind of promises, I mean, that all evolves during the course of discussion.

But I think that the important point is that it really is worthwhile to talk, to discuss, to negotiate, if you will, and that that process has to start quite soon.

MR. SHAPIRO: Thanks.

So, Tammy, is Gideon a sniffling European appeaser?

MR. WITTES: Well, now I understand why you put me on the far left of the panel.

Actually, I'm delighted to follow Gideon because I think that the IRA analogy is a fascinating one to explore, and I think there is a very close analogy with dialogue with Palestinian militant groups, especially in the fact that the United States actually initiated a dialogue and pushed its ally then to make that direct contact. That's what happened with the PLO. And the fact that we have been through one round of this and the Israeli-Palestinian conflict, I think really changes the dynamic fundamentally when we contemplate engagement with Hamas, it makes it much more difficult. It raises the costs, not just for the parties on the ground, but for third parties who sponsored an Israel-PLO Middle East peace process for quite a while now.

So that's really what I want to explore with you today not so much the question of engagement with Hamas, but who should talk to Hamas and to what end, because it strikes me that how any discussions with Hamas relate to the extant Israel-PLO peace process is really the key question we need to consider.

It seems to me it's one thing for Israel to engage with Hamas and we should recognize that Israel does engage with Hamas at a variety of levels to negotiate cease-fires, to deal with access to Gaza, to put together prisoner exchanges, and at that tactical level there has been actually quite a bit of engagement.

Israel is not looking at an other about which it has no knowledge. And through the history of Israeli occupation and Israeli intelligence gathering in the Palestinian areas, there's actually quite a bit of Israeli understanding of Hamas as a movement, other structure, of its leadership, of its constituency, to the point where Israel has at various times, been very effective in eliminating elements of that leadership.

So I think the first thing is that if one of the, if one of the goals of dialogue is to provide a window for the other side of negotiations, to provide a window into the group that might be their interlocutor, I'm not sure that that's as necessary in this case.

But more particularly, I think it's a very different thing for third parties to engage in dialogue with Hamas. It seems to me that third party engagement is only useful when the other side of the conflict, that is when the Israelis are interested in the results.

Now, as you noted in the IRA case and as indeed was true in the Israel-PLO case, initially Britain and Israel were not interested, and the third-party dialogue kind of brought enough in terms of intelligence and

ultimately moderation in the positions of the IRA and PLO to entice the interest of the U.K. and of Israel.

What happened in Israel ultimately was that after a number of years of third-party engagement, the Labor Party in Israel was enticed and wanted to pursue dialogue and when they won the elections in 1992, they went ahead and opened a direct channel.

So I think, you know, the question for the United States and for any other potential third party is do we have an independent state in engaging with a movement like Hamas or would we be doing it merely to carry water on behalf of peace with Israel?

And if we're doing it on behalf of peace with Israel, is it water the Israelis want us to carry?

And looking at the Israeli government today, not just the current government, but that recently came to power, but the previous government as well, looking at the position of the Labor Party leader Ehud Barak as well as the Israeli prime minister from the Likud B.B. Netanyahu, neither of them are seeking Hamas' Reformation. I don't think either of them would welcome it.

Both Barak and Netanyahu believe that Hamas can be militarily defeated. And I think as long as that's the predominant position within the Israeli political leadership of right and left, there is probably not a lot that we can gain even if our dialogue should produce some results.

I think we also have to ask why Hamas would want to engage with us? What is attractive to them about engagement with a third party or particularly with the United States. And legitimacy is often cited here, and for the PLO, it was a very powerful motivator.

I'm not sure it is for Hamas for the reasons that Olivier stated. They don't need American legitimacy or international legitimacy to preserve, protect, or expand their political support at home. They have very strong political support at home, they are probably certainly the most organized and probably the most popular political movement among Palestinians, and that's not likely to change in the near future.

So I think unless A, there's a viable peace process that begins to make Palestinians change their minds about the worth of violence or, B, Fatah somehow miraculously resurrects itself as a grassroots political movement, I think Hamas is likely to feel it doesn't actually have a lot to get out of an engagement with a third party.

I think talks will be attractive to Hamas when it believes its domestic political support is declining. And I think one of the questions we have to ask is how we can make that happen.

I would argue that revitalizing the extant piece process is one of the best ways we have of making that happen.

And that leads me to my third point, which is that it seems to me the real danger in independent engagement with Hamas, that is, third-party engagement with Hamas independent of the existing peace process, outside the structure of that process and a side channel, which is really what has gone on so far, this kind of engagement is probably the most dangerous type of engagement with respect to the prospects for peace.

It doesn't only undercut Palestinian moderates and the PLO, and let's remember it took 30 years of work by many third parties to transform the PLO into a moderate and legitimate initiating party.

But it also undercuts the principles that undergird this peace process that we've all spent so much time sponsoring; the principle that

violence is incompatible with co-existence; the principle that independent statehood entails responsibility not only to your own citizens, but also to your neighbors.

So I think what we have to recognize is that engagement with Hamas without a sense that they are ready to contemplate embracing those principles is really, in effect, dumping the PLO for another dance partner. It's really, in effect, jettisoning the existing peace process in the hopes of ginning up a better one with a new Palestinian partner.

And that's why I view those independent efforts outside the extant piece process as very damaging to the prospects for peace.

So, let's just agree for a moment that the goal of engagement with Hamas if we engage with Hamas is to bring it into the formal peace process somehow. That means how do we do that, practically speaking -- what does it mean? What would it require from Hamas? What would it mean sort of structurally?

I think fundamentally to bring Hamas into the existing peace process would mean getting it first to accept an indefinite cease-fire, not a long-term cease-fire, not a temporary cease-fire -- an indefinite cease-fire, and getting them to accept a two-state solution, which implicitly means accepting the existence of Israel.

I think without these two conditions, which are sort of a de minimis version of the Quartet condition, without these two things, bringing them into the existing peace process is essentially the same thing. It is inviting in a party that would then de-legitimize the existing Palestinian partner, the PLO.

And since the PLO has made these commitments to Israel of rejection of terrorism, acceptance of the two-state solution; and has made

agreements that it accepted as binding on the PLO and the Palestinian people, if Hamas comes into an Israel-PLO process without accepting the same conditions, I think we have a legitimacy problem for the process.

And that really bodes ill for our ability to implement or guaranty an agreement.

Now can Hamas make this transformation? I really don't know. I'm pessimistic. I'm particularly pessimistic it could do it as a movement, but I would agree with you, Gideon, that there are those inside the movement whose primary interest is in governing Palestinians, whose primary interest is in local political power and not so much militancy or in an ideological commitment to confrontation with Israel.

So I think, you know, the likeliest outcome of any effort to engage with Hamas and bring it into the process would be in essence a splitting off more moderate elements within Hamas that you can then fold into the talks with Israel.

Not bringing in Hamas per se I think, as I said, that's unlikely.

Now how do you this structurally? I think if United States wanted to go down this road, and if Israel were willing to make this gesture, the first thing that would be necessary would be to make clear that the U.S. is not resolutely opposed to Hamas per se and that it could join the peace process if it indicated its acceptance of an end to violence at its acceptance of a two-state solution.

I think right now the Obama administration may be leaning very tentatively in the direction of exploring that option. Why do I say this? Because it seems to me the best way to do this, if you're going to try to do

this, is through the existing negotiations -- the Israel-Hamas cease-fire negotiations and the Palestinian Unity talks.

If Hamas is ever going to accept these principles, because of what you say about the split -- the identities of those within Hamas who would push for this, it's going to be within the context of Palestinian Unity talks I think that it will happen.

And so what the Obama administration has done is, through statements by Hillary Clinton and through proposed legislative language for assistance to the Palestinians, opened the door a crack to American acceptance of a unity government.

And that is a change from the previous administration's position. They've basically said if there is a unity government where the members of the government accept the Quartet conditions, we will deal with that government.

The prior ministrations basically said if there's Hamas and the government, we won't deal with it.

So this is a change. Maybe you'll call it a marginal change, but I do think it opens the door to explore whether it might be possible to bring Hamas into the existing process.

But I think if our goal is anything but to do that, I would argue we are making a mistake. And I guess that puts me on the right of our panel.

Thank you.

MR. SHAPIRO: Okay. We'll shuffle the seats. You know, I never thought I would say this to a Brookings panel, especially one that included a French academic, but I think we've been a little bit too practical here, and I don't feel as if the question legitimation, especially in terms of

legitimation of violence, was actually addressed by most of the panelists at least in the way that I was trying to niggle you to do, which is to say that it's at the heart of these sort of pronouncements that we hear from world leaders over the years, certainly from the American and the Israeli, even the French very often, about not dealing with terrorists, is this very strong notion that we are not just trying to not legitimize the group, we're trying to not legitimize the method, the violence, the terrorism; and that if we do deal with them, particularly before they were announced these methods, that we have in essence legitimized the method, that we've and, therefore, created an incentive for further groups into the future to use this method. So, therefore, he would not be an accident of history that the willingness to legitimize the PLO gives rise to an organization like Hamas which sees this method is very profitable, and, in fact, does profit greatly from this method.

And now obviously I think if you are -- if you're sort of dealing with a particular problem, if you have a particular group in front of you, you can see that the idea of worrying about the next iteration of groups is probably not foremost in your mind, so it's a certainly unfair question.

But, nonetheless, I want to ask you. Is there anything to this notion that we risked legitimating this method by this engagement process. And, if so, what should we do about it?

Does anybody want to address that? We'll start with Tammy at the end.

MS. WITTES: Okay. I might actually flip it around the other way, again, drawing on the PLO example, which is if you engage with the group and get it to the point where it sets aside violence and enters into a political process and then the iteration comes along and you go ahead and

engage with them, but on a different, reduced set of criteria, what does that say to all those other movements out there about the utility of moderating their position?

I mean, they actually -- it suggests that they're going to do much better to stick to their guns, and I think that legitimacy aside, I think it's the practical value of legitimacy that I worry about; that what we need to enforce is the notion that you get something valuable when you give up violence.

And if we erode that, we do a lot of damage.

MR. SHAPIRO: Gideon?

MR. RACHMAN: Yeah. Just -- I think this whole question of legitimacy, who confers this and so on, is very central to our discussion. I mean, on the connection between legitimacy and violence and do you lose legitimacy question you know, I don't think that the British when they were talking to the IRA were saying implicitly or explicitly that terrorism was legitimate. That was beside the point. We were trying to achieve peace.

And we were making a moral statement about what the IRA was doing. It was a very practical process. And, as a matter of fact, IRA terrorism continued throughout the peace talks. It was punctuated every now and then -- there was a huge bomb in Canary (inaudible), and everyone's -- but, you know, we do a deep breath and after while we went back to the talks, because we could see there was something there.

And if you say every act of violence, oh, it's all off; you actually give a veto to the groups who have an interest in violence and that is what we realized in northern Ireland, because it's -- if you say the talks are off, there's always going to be a group that wants the talks to

end. They're going to be the ultras, and if they can end it by setting off a bomb, well, that's actually handing them a veto over the talks.

On this question of do we confer legitimacy on Hamas or any other terrorist group by talking to them. I think it is an interesting one, but I think it's a mistake to think that it's up to us who -- to decide who's legitimate within Palestinian society. The reason that Hamas are legitimate is because they clearly represent a very large section of Palestinian society. And we may dislike them, and probably do. But it's not really going to be our decision one way or another who is truly representative of the Palestinians.

Clearly that is going to be decided by the Palestinians themselves. And finally, I do take your point that they are not some sort of others, the Israelis know nothing about. Of course, they've got good intelligence on them. And again, to return to this Northern Irish analogy, the British actually talked to the IRA throughout the war, you know, about these kind of tactical issues. There were secret talks going on, and they also, like the Israelis,, imprisoned a lot of them and killed a lot of them, but simply to say, yeah, yeah, we've got great intelligence on them. I mean, we bump them off all the time.

It's not -- you know, it's not an answer. And I think that again, where the third-party comes in is that thinking back to that period one of the reasons that we, the Brits, were not able to build upon that level of tactical discussion into a broader peace discussion is that, of course, these conflicts engender incredible bitterness, you know, you're prepared to discuss sort of small issues with them, but there is this legitimacy question, this question of, you know, to put it frankly, you think of them as a bunch of bastards. Of course, you don't want to deal with them, and it

sometimes requires an outsider -- in the British case, the United States, and maybe in the Palestinian case, the United States whose blood is slightly less up, who can come in and take a step back and actually explore political possibilities that it's difficult for the people who have been killing each other for 20 years to explore.

MR. SHAPIRO: Vanda, do you want to address this question of legitimation?

MS. FELBAB-BROWN: Like Tammy, I'll flip it around. You know, I argue that there are, in fact, cost of legitimacy by engaging with the groups in my talk, by engaging them with negotiations, whether this is central intelligence gathering or actually (inaudible) strategic negotiation is.

It is, of course, legitimation costs as well just from failing in military operations. And while groups might be emboldened by a very bad deals that amount to concessions like the groups in Pakistan on the various Taliban incarnations in Pakistan have been, they will similarly be emboldened by successes on the military battlefield even short of engagement.

So the issues of what the legitimacy costs are in my view is not linked solely or per se to the exact tool, but to once again the cost-benefit analysis of what the smallest legitimacy costs are in each specific case.

MR. SHAPIRO: Olivier?

MR. ROY: Yeah. I think the -- we don't engage them because they use terrorism, so it's not a reward, you know. It's not because they are a threat on the field of terrorism, but we say we should

discuss with them. We discuss with them because we need them to solve the local crisis, to solve the problem. So it's not award.

And the attitude towards terrorism, towards the (inaudible) terrorism is complex, you know. For them, terrorism is a means, not an end.

So they have also an approach in terms of cost-effectiveness. Does it work?

What are the negative side effects? What are the consequences for the people we are supporting, for the own population, you know? And especially when they are in charge of administration de facto or de jure a population, then they have some new responsibilities.

It's clear, for instance, that for me the fact that Hamas is de facto in charge of Gaza has something to do with the fact that Hamas is less involved in terrorism inside it's (inaudible) and the same for Hezbollah.

Hezbollah, you know, has reduced its level of pressure on the Israel territory. It's not because they want to negotiate, but it's because they have to take many things into considerations -- the consequence of an Israeli attack, for instance, their status as national party in Lebanon, their status as a regional actor, and things like that.

So it's part of the whole picture. And, as it has been said, these people are political people, you know, they are not fanatics. You know, they think in terms -- in political terms, and they are themselves transformed by the political process. If you negotiate for years and for years, it has an effect on you, you know.

It's not just confronting to absolutely opposing a position. The case of Ireland is, for me, very interesting, you know.

Obviously, the IRA people have changed, you know, in this process of negotiations, you know, because they had suddenly a new perception of a possibility of what could be achieved and things like that. They have to get out of the ghetto (inaudible), you know.

When you are with a radical group underground, you have the group of facts, you know, and the group effect makes the guy who makes the point is the most radical -- the more radical inside the group.

But when the group is open first to negotiate, to negotiate, and so then usually -- not always, of course -- and we are never sure -- the more radical people (inaudible) changed, you know, of become a minority in among the political group.

So it's not a matter of terrorism wins and we gave legitimacy to terrorism. No, it's a political process that we have to look through in the process and also I would say in the course of time, not just something we do like that.

MR. SHAPIRO: Okay. Maybe I can open the floor to questions, and we can discuss. We have about 20 minutes. Stanley in the back?

Please, as always following the Dan Benjamin memorial rule, please state your comment as a question and please state your name.

MR. COVERT: Okay. Stanley Covert with the Cato Institute.

When people say that there is no military solution -- you negotiate with your enemies, I look back to Vietnam. Right? We tried that. We had the Paris Peace Accords, Nobel peace prizes, and what

happened? Two years after that, North Vietnam sent its entire army south practically; conquered South Vietnam -- military solution.

Why isn't that model? Why is that -- you know, I'm puzzled. Why is that the neglected?

MR. SHAPIRO: Anybody want to take the military solution?

MR. RACHMAN: Well, you know, I hesitate to go all those years back to the Vietnam War, but it was my understanding that the -- that you know, North Vietnam was not a terrorist organization. It was a state, and once the, you know, the U.S. had withdrawn, the balance of power changed, and they were able to win a conventional war by invading the South. So I don't think that you can and conventional wars by peace treaties or by one side winning.

I think it's quite rare to win a complete victory in a war on a terrorist organization.

MR. SHAPIRO: Although it happened last week in Sri Lanka.

Well, we'll see.

MS. WITTES: This is the question.

MR. RACHMAN: That's a really interesting question, because, I mean, I think the Sri Lankan example, you know, maybe they will demonstrate that you can eradicate a terrorist organization. My guess is that it will come back in some form.

MS. FELBAB-BROWN: Well, I was about to also bring the Sri Lankan example. And I think we have another example, which is Columbia, where certainly the FARC is not defeated, but has been very seriously weakened as a result of your military pressure and in the counterinsurgency setting that is not the nice hearts and minds

counterinsurgency, but it is pretty much a solely brutal and effective military force.

Now again, the FARC is not fully crushed. They're still very strong. But certainly pure military pressure has been effective. The question is under what circumstances does either the belligerent groups of the state achieve such a preponderance of military power that negotiations don't have to take place.

And the real issue is that frequently they don't, and then some form of negotiated settlement might be necessary. That's why I am leery of engaging in such strategic negotiations in Afghanistan. By the way, they are underway. It's not simply the exploratory talks, but very much of what President Karzai and his brother, Qayum, are trying to structure our strategic negotiations via the Saudis, even though they're well aware that it's not going to work. It's a political ploy. But it's very much with the trappings of strategic negotiation is. But I'm very leery and doing that, because that really means that we are to factor signaling that have very little hope and confidence that the military search will be effective.

And that's why timing is crucial, and fortunately or unfortunately there have been circumstances where the preponderance of military power leads one party to win.

MR. RACHMAN: Yeah. But I think maybe we're making to strong opposition between talks and fighting and generally they go on at the same time. And, of course, both sides try to shift the calculus as to where balance of interests lie, and so it wasn't simply that the British concluded that they couldn't win in Northern Ireland. The IRA had also concluded, and that was that there was going to -- they weren't going to

blast the British out of Northern Ireland. So they, too, had come to the conclusion there was no military solution.

And it's probably that -- it's only at that point that you do get a peace.

MR. SHAPIRO: First, extinguish all hope.

MR. RACHMAN: Yeah.

MR. SHAPIRO: Yeah.

MR. STRAUSS: Hi. I'm Ira Strauss, Committee on Eastern Europe and Russia and NATO.

I have a question about global context of this argument. It seems to me that it's very helpful to have all these arguments which try to distinguish individual cases and separate them from global context, but the global context is fair. The Northern Ireland issue became resolvable after the Cold War ended, partly because the Cold War ended, and a hinter ground, a psychological backdrop of extreme leftism struggle against the Western world disappeared from part of the psychological terrain for a certain time.

That also helped convert the PLO to a partner that could be negotiated with. Unfortunately, not enough was done with that, and we encouraged elections which brought Hamas into the position to fight.

Is there a global context as there was in the early '90s which would support the disappearance of these fantasies of endless struggle or is there a new global context of Islamist jihad against the West which supports continuation of them instead, and will make it much harder to assimilate Hamas, as hard as it was to assimilate the PLO during the Cold War, for example?

MS. WITTES: I think Olivier may be.

Well, I --

MR. SHAPIRO: You're putting it off to someone else.

MS. WITTES: I'm really interested to see what Olivier has to say in response to this. My -- I mean come on Hamas and Hezbollah, I think, you know, there's clearly an ideological line to be drawn, although there are also some ideological similarities between groups like Hamas and Hezbollah and groups like Al Qaeda. So I don't want to sort of speak in a very broad-brush way. I guess what I would say is not so much a global context, but a regional context.

Within the Middle East today, there is clearly an ideology of resistance that some people find very compelling, that these -- that Hamas, Hezbollah, and Iran articulate constantly in the mass media as well as to their constituents and to their cadres. And they are able to use this ideology of resistance not only in their local context, but also as a way of influencing other states in the region by affecting their public opinion.

So if you look, for example, at the way Hezbollah was lambasting the Egyptian government during the 2006 Lebanon war, during the Gaza war, you see that kind of impact.

And so, to the extent that those concerned to beat this back and come up with an alternative -- compelling alternative to a resistance ideology, I think that would help.

But I'm not sure that you can -- I'm not sure how you might say that that resistance ideology will ever be defeated. Olivier?

MR. ROY: Yeah. I agree with you. There is no international context. There is a regional context and some local actors, you know, playing on this resentment of the public opinion, this anti-imperialist feeling, you know, which is very old. It's so.

And now it's recast more in Islamic terms than it used to be 30 years ago. Thirty years ago, it was on leftist terms -- revolution, national liberation, Third World and things like that.

Now it's more about Islam, but if you listen to Ahmadinejad, I mean Ahmadinejad is closer, you know, to the Chavez kind of anti-American resentment than to Sharia-minded Taliban, for instance, on this point.

MR. SHAPIRO: Other questions? In the back there?

MR. ARNOLD: Jeff Arnold from the State Department?

My question is particularly to engaging the Taliban in Afghanistan. Do you see any differences between attitudes between U.S. and non-U.S. NATO allies on the ground there? I mean, it does seem to me on the local level with elements of the Taliban is certainly part of the toolkit that American commanders have learned the hard way in Iraq, and do you think Europeans on the ground there involved in Afghanistan would have the same attitude towards using local negotiations with Taliban elements to try to split them off?

MS. FELBAB-BROWN: Mm-hmm. There are differences, and they are frequently rather complicated and shift from time to time. So I think that more broadly there is much more buy-in for strategic negotiations in at least some capitals in Europe than is on the U.S. side.

And, as I said, there are (inaudible) sponsored by the Saudis. For Saudi Arabia, this is an avenue to get back into Afghanistan and balance the influence of Iran there.

They're also sponsored by Pakistan, but there is certainly a perception at least in some capitals in Europe this is a way to and conflict and disengage.

On the local issues, the British are much more in the forefront of splitting of the local militias. They have been for while, and we have interestingly evolved. And the same first time they negotiated in Musa Qala in 2004, 2005, we were deeply troubled, and each case is only emboldened and strengthened the Taliban. They can negotiated within two months ago, and just split off the Taliban commander, and now we are seeing this as a good thing, and as a procedure to be emulated elsewhere.

I seem quite skeptical that once again the Musa Qala current situation is really something to be emulated. But our own position, the U.S. position, has shifted.

I think more broadly there is consensus that you should explore ways to peel off some of the tribes.

The real disagreement is to what extent they are then going to be mobilized for militia akin to the Sons of Iraq, whether we call them Sons of Afghanistan or Sons of Kandahar or whether we call them the Afghan Population Protection Force.

And certainly, there is recognition that need to engage with the Pashtuns. And I really think that we need to avoid falling into the trap of allowing the Taliban to define itself as the representative and spokesman for the Pashtuns.

They are not. They are not fully representative of the Pashtuns. Their primary basis, Ghilzai Pashtun or Durrani Pashtuns, to start with, but even within the Ghilzai, they are not necessarily representative. There are very many Ghilzai, both at the individual and the tribal level or village level that oppose the Taliban.

And so we in the West should not kind of give the Taliban a big gift by saying, yes, the Taliban is the Pashtun movement, even though they strongly tap into particularly those (inaudible) Pashtun resentments, because they're genuine resentments.

But what you do with the engagement? What do you do with the groups that you manage to split off? Do you use them for fighting or do you then simply actors to be removed from the conflict? I think this is where a lot of the disagreement on the local level is.

MR. SHAPIRO: Olivier?

MR. ROY: I think that about Iraq, there was an in-depth disagreement, you know, and debate between most of the Europeans and the Bush administration.

And Afghanistan, it's not the case. You know, the issue is not should we engage or not engage or things like that. The Europeans don't propose and over alternative policy, and that's why they are following the Americans, by the way.

Just the concern now is rising in Europe maybe we should get out of the mess before it's too late. So it's not an alternative policy, you know. It's just the idea of (inaudible) is no alternative policy at all, and we may -- maybe we should just withdraw from the area.

So the Europeans tend to have a more pessimistic view than the Obama administration on Afghanistan and Pakistan.

But I think that if something is to be done, then Obama is coherent. He's right. Maybe it will not work, but that's the issue, you know. But there is no alternative proposal except just leaving, and everybody knows that it might be worse.

MR. SHAPIRO: Gary?

MR. MITCHELL: Thanks. Gary Mitchell from the Mitchell Report.

I've been doing something you probably shouldn't do in particular at 3:25 on a long Friday.

I've been sort of thinking through the three panels, and I'm struck by -- I've been sort of looking for, you know, is there a thread, what have we learned, and here's the best I can do and think of this as a question.

It seemed to me we ended the panel on Iran by sort of understanding that there are it seemed to me like three strategic options that are engagement, sanctions, and military. Then we got to the Russia panel, and it seems to me there were at least a couple of things that came out of that. One is Strobe's notion about and others talked about it that Russia has a zero sum approach; that the word for security in their language defines how they think about strategy. And then we come to this panel where we've essentially try to address the question about does engagement -- is engagement a practically sensible and morally defensible strategy with terrorist groups, and unless I'm missing something, I think the answer seems to be it depends.

And so I want to sort of pose the question this way: Is that the best -- and that's not to put it down -- is that the best we can do today specifically on engagement with terrorists? It depends.

And secondly, does the -- do the lessons that we've sort of learned in the course of the three panels today suggest that that's about all you can do in any of these kinds of conversations, which is to just kind of keep working on the, you know, working the problem and working the problem and working the problem?

MR. SHAPIRO: Yeah. Thanks, Gary. I'll -- we're going to have to ask you not to listen throughout the whole conference.

I think that have sort of gotten at the heart of the question. We were trying to ask is there an engagement strategy or is it all context. And, you know, I mean, I think the Brookings model should probably be it depends. That's what we tend to do, but that's not the best answer for the policymakers very often who need guidelines. So I ask you to take up this challenge.

So fine. It depends. What -- can you put in more general terms what it depends upon?

MS. WITTES: Well, I would say that in the case of terrorist groups, it has to depend. And it has to depend, because, as Olivier said, terrorism is a means. For very few terrors, it's an end in itself.

And those people do exist. And engagement with them is undoubtedly futile. But for the rest of them, it's a means. And so what you have to weigh when you're weighing whether to engage is whether you can persuade them to adapt another means.

And, you know, there are lots -- we've talked about different ways to assess that. We've talked about what partial success looks like. Partial success is when you can split off some of them, but then others continue. Partial success is when you get them to abandon it for a while, but they might go back to it.

And, you know, particularly on the toughest element of your question, which is the moral value, you know, there are different ways to think about what the moral end is.

One way to think about moral end is end of conflict. Well, that's a really high bar; okay? Most negotiations fail most the time.

But another way to assess a moral end is are fewer people dying, and there I think you can say that there is -- if you can get a movement that's engaged in terrorism to adopt another tactic for however long you can get them to do it, that has some moral value. And if you can make a transformation from a violent process to a political process, that political process has some moral value in itself, because it's keeping people from dying.

Now there are others things to weigh. And legitimacy, I think, is one of them. But I wanted to bring up those aspects of how you weigh, because you asked about the moral question.

MR. SHAPIRO: Vanda?

MS. FELBAB-BROWN: To add to Tammy's criteria, another one obviously is the nature of the demands of the group. And is there some level of accommodation possible? Here the Taliban example is very good. Can we negotiate with these Ghilzai faction in (inaudible), for example, or do we negotiate with the Taliban about withdrawal of all NATO -- the Taliban (inaudible) about withdrawal of all NATO forces.

So the nature of the demands critical depends, as does the order of battle. Do we have a viable option, a viable military option other than negotiations? And if they come to power like the Islamists (inaudible) did in Somalia, what do we do then? Do we then say, no, it's the military option? I would have argued that even though they won and even though we were coming in the negotiations with the weak positions, we would have been any better strategic situation today, with less danger of terrorism and (inaudible) in Somalia had we engaged -- at least in some engagement with the ICU and not see the rise of the (inaudible) as a result of the military action that we pushed on them.

MR. SHAPIRO: Okay. Take a last question. Back there?

MR. CHIN: Yeah. Chao Chin, freelance correspondent.

I will go much further with my friend Mitchell. I think I will pose this question to everybody on the panel. You should not disengage with the so-called terrorist groups for the sake of world peace, when you talk about terrorist group, it's on whose terms; let's look before Israel and in earlier Israel. Israel group is a terrorism, but that is for the -- that's also in the East people that's a liberation group.

And if we talk about Hamas, we turned them as a terrorist group. But in the eye of Palestine, they are the liberation group. So when you say this is a terrorist group or this is a liberation group, it depends on whose term.

So I'm saying is for the sake of world peace, you have to engage with the so-called terrorist groups. I would like to -- everybody answer this question. Thank you.

MR. SHAPIRO: Well, I'm not sure I heard a question there actually, but, I mean, I think it's --

MR. CHIN: My question is, should you disengage with so-called terrorist groups?

MR. SHAPIRO: Maybe, I mean, I think one of the things that that brings up, and which has been floating around, if this label a terrorist group useful at all or is it just an impediment for what we want to do? So maybe you can address that, too, in your closing comments as well? Olivier?

MR. ROY: Yeah. I agree with that. It's an impediment, you know. A good way to get out of the dilemma, the moral dilemma -- should we engage terrorists? We may just drop the term terrorists, and replace it

by radical or things like that, you know? And then we have no more -- any more moral dilemma.

It's an interesting proposal. I buy it.

MR. SHAPIRO: Tammy, should we engage with freedom fighters?

MS. WITTE: Look. I think I'll build off what I said before, which is that when you use the word terrorism, you're talking about a tactic. You're not talking about an identity. And you're not talking about a mission. You're not talking about the end for which these groups. And the legitimacy of that and it's something that's going to be controversial and debated and discussed. But the tactic is the tactic.

Now we've seen in history movement, shifts from peaceful liberation movements to terror -- to liberation movements that employ terrorism to insurgent movements.

The Tamil Tigers, you know, have shifted back and forth. Sometimes they are terrorists. Sometimes they are insurgents, because they are holding territory. It's an empirical definition that doesn't relate to the end, the purpose for which they're using violence.

What I've tried to do in my discussion today is talk about the use of violence as it relates to engagement, not -- I'm not talking about the legitimacy of their ends, because they, of course, they're going to believe in the legitimacy of their ends. And, of course, the other side of the negotiation is going to reject the legitimacy of their ends. But that's really beside the point of at least my part of today's discussion.

MR. SHAPIRO: Gideon?

MR. RACHMAN: Yeah. No, I'm with you terrorism is tactic rather than as a defining characteristic of an individual or a movement.

I mean, which I think brings us back to your thing of it depends. I would guess in, you know, if we all kind of position ourselves on this panel, I'm (inaudible) of most what I had to say has been pro-negotiation, but not at any cost or in any situation. I mean, I think Olivier made a very important distinction right at the beginning of the discussion, which is very some groups with whom there is nothing to talk about, because they don't have an identifiable political or they don't have an identifiable political end that you could at any circumstances compromise with. And Al-Qaeda is the obvious example at the moment.

And perhaps at some point they'll morph into some recognizable political organization. But at the moment, what would you talk to them about? There really is no grounds for discussion. But, in a way, if you use them as a sort of defining organization that you can't talk to, you can then see how different a Hamas is, which does have identifiable political ends and could perhaps be drawn into a process.

Just finally on the moral question. I mean, inevitably these things involve very difficult moral compromises by -- and I agree with what was just said here, that the end of creating peace and ending violence is a very moral one in itself, although it can involve things that make you very uncomfortable to come back to in Northern Ireland. One of the things that was very difficult was that a lot of people had been involved in terrorism and done pretty appalling things had to be let out of prison. And the families of the victims were outraged, and one could understand their outrage.

And yet, for the broader goal of establishing a piece, it probably had to be done.

MR. SHAPIRO: Vanda, do you want to?

MS. FELBAB-BROWN: Yes, the label terrorism can be an impediment to engagement, but sometimes appropriately so. I think they're good reasons to sanction certain behavior and not have a very tolerant attitude toward outrageous acts that target civilians and to take a strong condemnation stance against that.

You might still conclude that the side effects that the behavior is variable, and the (inaudible) is not inappropriate. You might still conclude that dialogue, discussion, even strategic negotiations at some point might be appropriate.

So that's why I don't think it's practical for an administration to take a doctrinaire stance whenever negotiate with terrorists. But there are good reasons to use the label, and using the label might very well structure and define the negotiations in ways that might be difficult, but sometimes also appropriate and useful.

MR. SHAPIRO: Okay. So it depends. Thank you very much. Thanks for attending the whole conference and please give a round of applause.

(Applause)

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