

The Saban Forum 2011 פורום סבן A U.S.–Israel Dialogue

Strategic Challenges in a
New Middle East

Washington, D.C.
December 2-4, 2011



FRONT COVER:

TOP (LEFT TO RIGHT): Secretary of Defense Leon Panetta and Chairman of the Saban Forum Haim Saban.

BOTTOM (CLOCKWISE): Palestinian Prime Minister Salam Fayyad, Secretary of State Hillary Rodham Clinton, Israeli Deputy Prime Minister Dan Meridor, Jordanian Foreign Minister Nasser Judeh, Israeli Leader of the Opposition Tzipi Livni, President William J. Clinton.

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פורום סבן

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U.S.-Israel Relations:
Strategic Challenges in a
New Middle East

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Speakers and Moderators

ELLIOTT ABRAMS	RAHM EMANUEL	MARTIN INDYK	NANCY PELOSI	NATAN SHARANSKY
GABI ASHKENAZI	SALAM FAYYAD	NASSER JUDEH	KENNETH M. POLLACK	ARI SHAVIT
HOWARD BERMAN	THOMAS L. FRIEDMAN	JOSEPH LIEBERMAN	ITAMAR RABINOVICH	JAMES STEINBERG
HILLARY RODHAM CLINTON	DAN GILLERMAN	TZIPI LIVNI	HAIM RAMON	STROBE TALBOTT
WILLIAM J. CLINTON	DAVID GROSSMAN	DAN MERIDOR	CHARLIE ROSE	GEORGE TENET
MEIR DAGAN	MOSHE HALBERTAL	ANDREA MITCHELL	DENNIS ROSS	LEON WIESELTIER
THOMAS DONILON	JANE HARMAN	LEON PANETTA	HAIM SABAN	AMOS YADLIN

ABOVE: Martin Indyk, President William J. Clinton, Haim Saban, and Cheryl Saban speaking before President Clinton's remarks at the Gala Dinner.

FACING PAGE: Top: Tzipi Livni, Ambassador Daniel Shapiro, and Shai Feldman talk during the first day of the Forum.
 BOTTOM: Strobe Talbott speaking at the Folger Shakespeare Library.



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Our Forum came a year after protests first erupted in Tunisia and spread across the region, a time when the new landscape of the Middle East was only beginning to take shape and many questions remained.

A Letter from the Chairman



IN DECEMBER 2011, THE SABAN FORUM CONVENED leading government officials, journalists, and members of the think tank community for two days of discussions about the challenges facing the United States and Israel in the new Middle East. Our Forum came a year after protests first erupted in Tunisia and spread across the region, a time when the new landscape of the Middle East was only beginning to take shape and many questions remained.

We met as developments in the Middle East brought uncertainty for Washington and Jerusalem, and even tested the U.S.-Israel relationship itself. The political strength of Islamist parties in Egypt and Tunisia, and Syria's descent into civil war elicited concern, but also varying opinions for how to respond, from our two capitals. At the same time, the peace process remained hopelessly stalled after President Mahmoud Abbas sought Palestinian membership to the United Nations and Israel resumed settlement construction in the West Bank. International debates over what to do about Iran's nuclear program became more vociferous, and disagreement between the United States and Israel became more apparent. While there was much to consume our attention abroad, social justice movements at home—Occupy Wall Street and the Rothschild Boulevard protests—raised important questions about income inequality and the social contract in our two societies.

The issues before us demanded careful consideration. In this task, we were helped by Secretary of Defense Leon Panetta, who delivered keynote remarks, and President William J. Clinton, Secretary of State Hillary Rodham Clinton, Prime Minister Salam Fayyad, Foreign Minister Nasser Judeh, Deputy Prime Minister Dan Meridor, Leader of the Opposition Tzipi Livni, and House Minority Leader Nancy Pelosi, who all joined us for our discussion sessions. We were honored to have them with us.

The Forum has become a unique venue for leaders from around the world to engage each other in honest, frank dialogue. In order to promote a candid exchange of ideas, we hold the Forum under the “Chatham House Rule,” meaning that participants are free to use the information discussed, but neither the identity nor the affiliation of the speakers may be revealed. What follows is our summary of the discussion, as well as the transcript of Secretary Panetta's keynote address.

I hope these proceedings offer insight into not only the strategic challenges in the new Middle East, but also some of the policy options available to officials in Washington and Jerusalem.

A handwritten signature in black ink, appearing to read 'Haim Saban'.

Haim Saban

American Participants



ELLIOTT ABRAMS

Senior Fellow for Middle Eastern Studies, Council on Foreign Relations; Former Deputy National Security Advisor.



WILLIAM J. CLINTON

42nd President of the United States; Founder, William J. Clinton Foundation.



ALAN BATKIN

Vice Chairman, Eton Park Capital Management; Former Vice Chairman, Kissinger Associates, Inc.; Honorary Trustee, The Brookings Institution.



ROBERT DANIN

Eni Enrico Mattei Senior Fellow for Middle East and Africa Studies, Council on Foreign Relations; Former Head of the Jerusalem Mission of the Quartet.



HOWARD BERMAN

United States Representative (CA-28); Ranking Member, Committee on Foreign Affairs.



THOMAS DONILON

National Security Advisor.



DANIEL BYMAN

Director of Research, Saban Center for Middle East Policy at Brookings; Professor, Security Studies Program of Georgetown University.



MICHAEL DORAN

Roger Hertog Senior Fellow, Saban Center for Middle East Policy at Brookings.



ADAM CHESNOFF

President and Chief Operating Officer, Saban Capital Group, Inc.



MICHAEL EISNER

Founder, The Tornante Company, LLC; Former Chairman & CEO, The Walt Disney Company.



HILLARY RODHAM CLINTON

Secretary of State.



KHALED ELGINDY

Visiting Fellow, Saban Center for Middle East Policy Brookings.

American Participants (continued)



RAHM EMANUEL
Mayor of Chicago.



JEFFREY GOLDBERG
National Correspondent, *The Atlantic*.



ALFRED ENGELBERG
Trustee, The Engelberg Foundation; Trustee, The Brookings Institution.



DAVID GOLDER
President and Treasurer of the Golder Family Foundation; Former Founder and President of Lightfall Interactive Media.



EDITH EVERETT
President, The Everett Foundation.



JANE HARMAN
Director, President, and CEO, The Woodrow Wilson International Center for Scholars; Former United States Representative.



SHAI FELDMAN
Director of Crown Center for Middle East Studies and Professor of Politics, Brandeis University.



ROGER HERTO
President, Hertog Foundation; Chairman, Tikvah Fund; Member, Foreign Policy Leadership Committee, The Brookings Institution.



THOMAS L. FRIEDMAN
Foreign Affairs Columnist, *The New York Times*.



DAVID IGNATIUS
Columnist, *The Washington Post*.



FRED GLUCKMAN
Senior Vice President and Chief Financial Officer, Saban Capital Group, Inc.



MARTIN INDYK
Convener of The Saban Forum; Vice President and Director of Foreign Policy at Brookings; former U.S. Ambassador to Israel.

American Participants (continued)



BENJAMIN R. JACOBS

Senior Advisor and Founder, JBG Companies; Trustee, The Brookings Institution; Member, Foreign Policy Leadership Committee, The Brookings Institution.



SUZANNE MALONEY

Senior Fellow, Saban Center for Middle East Policy at Brookings.



EDWARD LAMONT

Chairman, Lamont Digital Systems; Member, Foreign Policy Leadership Committee, The Brookings Institution.



DAVID MENTON

Managing Partner, Synova Capital.



STUART A. LEVEY

Adjunct Senior Fellow, Council on Foreign Relations; Former Undersecretary for Terrorism and Financial Intelligence, U.S. Department of Treasury.



ANDREA MITCHELL

NBC Chief Foreign Affairs Correspondent.



JOSEPH I. LIEBERMAN

United States Senator (CT).



VALI NASR

Senior Fellow, The Brookings Institution; Professor, the Fletcher School of Law and Diplomacy, Tufts University; Former Senior Advisor to Ambassador Richard Holbrooke.



NITA LOWEY

United States Representative (NY-18).



LEON PANETTA

Secretary of Defense.



DAVID MAKOVSKY

Ziegler Distinguished Fellow and Director of the Project on the Middle East Peace Process, Washington Institute for Near East Policy.



NANCY PELOSI

Democratic Leader, United States House of Representatives; United States Representative (CA-8).

American Participants (continued)



KENNETH M. POLLACK

Director, Saban Center for Middle East Policy at Brookings.



KARIM SADJADPOUR

Associate, Middle East Program, Carnegie Endowment for International Peace.



CHARLIE ROSE

Editor and Anchor, *Charlie Rose*.



GARY SAMORE

Special Assistant to the President and White House Coordinator for Arms Control and Weapons of Mass Destruction, Proliferation, and Terrorism.



DENNIS ROSS

Former Special Assistant to the President and Senior Director for the Central Region, National Security Staff, Executive Office of the President.



DAVID E. SANGER

Chief Washington Correspondent, *The New York Times*.



TRUDY RUBIN

Foreign Affairs Columnist, *The Philadelphia Inquirer*.



DANIEL SHAPIRO

United States Ambassador to Israel.



CHERYL SABAN

Founder, Self Worth Foundation.



JAMES STEINBERG

Dean of the Maxwell School and University Professor of Social Science, International Affairs and Law, Syracuse University; Former Deputy Secretary of State.



HAIM SABAN

Chairman, The Saban Forum; Chairman and Chief Executive Officer, Saban Capital Group; Trustee, The Brookings Institution.



STROBE TALBOTT

President, The Brookings Institution.

American Participants (continued)



PUNEET TALWAR

Senior Director for Iran, Iraq, and the Gulf States, National Security Council.



LEON WIESELTIER

Literary Editor, *The New Republic*.



SHIBLEY TELHAMI

Nonresident Senior Fellow, Saban Center for Middle East Policy at Brookings; Anwar Sadat Professor for Peace and Development, University of Maryland.



TAMARA COFMAN WITTES

Deputy Assistant Secretary for Near Eastern Affairs, U.S. Department of State.



GEORGE TENET

Managing Director, Allen & Company; Former Director of Central Intelligence.



POJU ZABLUDOWICZ

Chairman and CEO of Tamares; Member, Foreign Policy Leadership Committee, The Brookings Institution.



ANDREW H. TISCH

Co-Chairman of the Board of Directors and Chairman of the Executive Committee, Loews Corporation; Trustee, The Brookings Institution.



EZRA K. ZILKHA

President, Zilkha & Sons; Honorary Trustee, The Brookings Institution.

Israeli Participants



GABI ASHKENAZI

Chairman of the Board of Directors of Shemen Oil and Gas Resources, Ltd; Former Chief of Staff of the Israel Defense Forces.



AVI GIL

Senior Strategic Advisor, S. Daniel Abraham Center for Middle East Peace; Senior Fellow, Jewish People Policy Institute.



NAHUM BARNEA

Political Columnist, *Yedioth Ahronoth*.



DAN GILLERMAN

President, Gillerman Global; Chairman, Markstone Capital Group; Former Permanent Representative for Israel to the United Nations.



BEN CASPIT

Senior Columnist, *Ma'ariv*.



DAVID GROSSMAN

Author.



MEIR DAGAN

Former Director of the Mossad.



MOSHE HALBERTAL

Gruss Professor, New York University School of Law; Professor of Jewish Thought and Philosophy, Hebrew University.



SHLOMO DOVRAT

Co-Founder, Viola Group; General Partner and Co-Founder, Carmel Ventures.



EFRAIM HALEVY

Head, Shasha Center for Strategic Studies at the Federmann School of Public Policy and Government at the Hebrew University of Jerusalem; Former Director of the Mossad.



YAAKOV EILON

Anchorman, *Channel 10 Nightly News*.



AYALA HASSON

Diplomatic Correspondent and Analyst, Channel 1; Anchor, *Yoman*, Channel 1; Anchor, *Reshet Bet*, Israel Broadcasting Authority Radio.

Israeli Participants (continued)



ISAAC HERZOG

Member of Knesset (Labor).



CHEMI PERES

Managing General Partner and Co-Founder of Pitango.



DALIA ITZIK

Member of Knesset (Kadima); Chairperson, Kadima Parliamentary Group.



ITAMAR RABINOVICH

Distinguished Nonresident Senior Fellow, Saban Center at Brookings; Professor Emeritus, Tel Aviv University; Distinguished Global Professor, NYU.



YNON KREIZ

Former Chairman and Chief Executive Officer, Endemol.



HAIM RAMON

Former Member of the Knesset (Kadima); Former Vice Prime Minister; Former Minister of Justice.



TZIPI LIVNI

Head of Kadima Party and Leader of the Opposition.



ELON SHALEV

Senior Advisor, Saban Capital Group.



DAN MERIDOR

Deputy Prime Minister and Minister of Intelligence and Atomic Energy.



MEIR SHAMIR

CEO and Principal Stockholder, Mivtach Shamir Holdings Ltd.



MICHAEL OREN

Ambassador of Israel to the United States.



NATAN SHARANSKY

Chairman, Jewish Agency for Israel; Former Deputy Prime Minister.

Israeli Participants (continued)



ARI SHAVIT
Senior Correspondent, *Ha'aretz*.



EHUD YAARI
Middle East Commentator,
Channel 2 News; Associate
Editor, *The Jerusalem Post*.



YOSEF VARDI
Principal, International
Technologies Ventures.



AMOS YADLIN
Director, The Institute for
National Security Studies
(INSS); Former Chief of Israel
Defense Intelligence.



DANA WEISS
Moderator, Channel 2 News's
Meet the Press.



Foreign Minister Nasser Judeh and Haim Saban meeting during the second day of the Forum.

International Participants



RONALD COHEN

Chairman, The Portland Trust; Member, Foreign Policy Leadership Committee, The Brookings Institution.



NASSER JUDEH

Foreign Minister, Hashemite Kingdom of Jordan.



DINO PATTI DJALAL

Ambassador, Republic of Indonesia.



YUSEF AL-OTAIBA

Ambassador of the United Arab Emirates to the United States.



SALAM FAYYAD

Prime Minister, Palestinian National Authority.



SALMAN SHAIKH

Director, Brookings Doha Center; Fellow, Saban Center for Middle East Policy at Brookings.



IRMAN GUSMAN

Chairman, Republic of Indonesia's Regional Representatives Council.



HARY TANOESOEDIBJO

Chairman of the Board, Linktone; President & CEO, MNC Group.



JON HANSSEN-BAUER

Special Representative for the Middle East, Norwegian Ministry of Foreign Affairs.



Top: Dan Gillerman, Elliott Abrams, and Nahum Barnea before the Gala Dinner. BOTTOM LEFT: David Ignatius. BOTTOM RIGHT: Kenneth M. Pollack confers with Haim Saban.



Haim Saban, Ambassador Daniel Shapiro, and Thomas L. Friedman speaking before the Gala Dinner.

Program Schedule



Friday, December 12, 2011

5:00 PM Reception
Willard Intercontinental Hotel

6:00 PM WELCOMING REMARKS: Haim Saban,
Chairman, The Saban Forum

**Keynote Address: Secretary of Defense
Leon Panetta**

MODERATED BY: Kenneth M. Pollack, *Director
of the Saban Center for Middle East Policy at
Brookings*

7:00 PM Dinner

**8:00 PM A Conversation with President
William J. Clinton**

MODERATOR: Charlie Rose, *Editor and Anchor,
Charlie Rose*

Dan Gillerman, *President of Gillerman Global
and Chairman of Markstone Capital Group;
former Ambassador to the UN*

Martin Indyk, *Convener of the Saban Forum;
Vice President and Director of Foreign Policy,
The Brookings Institution*

Haim Ramon, *former Member of the Knesset
(Kadima); former Vice Prime Minister; former
Minister of Justice*

**12:00 PM A Conversation with Secretary of State
Hillary Rodham Clinton**

MODERATOR: Martin Indyk, *Convener of the
Saban Forum; Vice President and Director of
Foreign Policy, The Brookings Institution*

**1:00 PM Luncheon Session: To Bomb or to Live with
the Bomb: Israel's Security Dilemma**

MODERATOR: George Tenet, *Managing
Director, Allen & Company; former Director of
Central Intelligence*

Lt. Gen. Gabi Ashkenazi, *former IDF Chief of
Staff*

Maj Gen. Meir Dagan, *former Director of the
Mossad*

2:30 PM Break

The Folger Shakespeare Library

5:30 PM WELCOMING REMARKS: Strobe Talbott,
President of the Brookings Institution

**A Conversation with David Grossman,
Author of *To the End of the Land***

WITH: Leon Wieseltier, *Literary Editor of The
New Republic*

6:30 PM Intermission

Saturday, December 3, 2011

8:00 AM Registration
Willard Intercontinental Hotel

**9:00 AM A Conversation with Leader of the
Opposition Tzipi Livni & Democratic
Leader Nancy Pelosi: The U.S.-Israel
Relationship in a World in Turmoil**

MODERATOR: Andrea Mitchell, *NBC Chief
Foreign Affairs Correspondent*

10:00 AM Coffee Break

**10:15 AM Dialogue Session 1: He Loves Me, He
Loves Me Not, the Future of U.S.-Israel
Relations**

MODERATOR: Howard Berman, *United States
Representative (D-CA); Ranking Member,
Committee on Foreign Affairs*

Elliott Abrams, *Senior Fellow for Middle
Eastern Studies, Council on Foreign Relations;
former Deputy National Security Advisor*



7:15 PM *Occupy Wall Street! Occupy Rothschild Boulevard! The Social Justice Agenda in the United States and Israel*

MODERATOR: Ari Shavit, *Senior Correspondent, Ha'aretz*

Rahm Emanuel, *Mayor of Chicago*

Moshe Halbertal, *Gruss Professor, New York University School of Law; Professor of Jewish Thought and Philosophy, Hebrew University*

8:15 PM **Dinner is Served in the Old Reading Room**

Sunday, December 4, 2011

Willard Intercontinental Hotel

8:30 AM **Registration**

9:00 AM **Dialogue Session 2: The Arab Awakenings: A Regional Perspective**

MODERATOR: Thomas L. Friedman, *Foreign Affairs Columnist, The New York Times*

Prime Minister Salam Fayyad, *Palestinian National Authority*

Foreign Minister Nasser Judeh, *Hashemite Kingdom of Jordan*

10:00 AM **A Conversation with National Security Advisor Thomas Donilon**

MODERATOR: Martin Indyk, *Convener of the Saban Forum; Vice President and Director of Foreign Policy, The Brookings Institution*

10:45 AM **Coffee Break**

11:00 AM **Dialogue Session 3: The Arab Awakenings: U.S. and Israeli Perspectives**

MODERATOR: Itamar Rabinovich, *Charles Bronfman Distinguished Nonresident Senior Fellow, Saban Center for Middle East Policy at Brookings*

Senator Joseph Lieberman, *I-Connecticut*

Natan Sharansky, *Chairman, Jewish Agency for Israel; former Deputy Prime Minister*

James Steinberg, *Dean of the Maxwell School, Syracuse University; former Deputy Secretary of State.*

Maj. Gen. Amos Yadlin, *former IDF Director of Military Intelligence*

1:00 PM **Concluding Luncheon Session**

A Conversation with Deputy Prime Minister Dan Meridor & Dennis Ross, former Special Assistant to the President and Senior Director, National Security Council

MODERATOR: Jane Harman, *Director, President, and CEO, The Woodrow Wilson International Center for Scholars*

CONCLUDING REMARKS: Haim Saban, *Chairman, The Saban Forum*

2:30 PM **Saban Forum 2011 formally ends**



Top: Efraim Halevy, Robert Danin, and Ambassador Daniel Shapiro at a dialogue session. MIDDLE LEFT: Jon Hanssen-Bauer and Martin Indyk at the Gala Dinner. MIDDLE RIGHT: Dana Weiss. BOTTOM: David Makovsky.



Keynote Address by Secretary of Defense Leon E. Panetta

Thank you. Thank you very much for that kind introduction and thank you to my fellow Californian, Haim. Haim is someone who I think has really served his country by bringing the cause of the United States and Israel together. He has served that cause with tremendous distinction. He's provided vision and support for this very important conference.

But more broadly I'd like to thank you, Haim, for your commitment to strengthening the bond between the United States and Israel—a cause that is a key priority for me as secretary of defense. For that reason, it is truly an honor to be here tonight and to join all of you and so many distinguished guests in helping to open this year's Saban Forum.

My personal connection to Israel dates back to my days as a member of Congress. For more than ten years I shared a house with a group of fellow congressmen right here in the District of Columbia. If you've seen the movie "Animal House," you'll have some idea of what this was like.

One of the members of that exclusive fraternity was Chuck Schumer, someone that many of you know and that many of you understand has a tremendous passion for Israel that is deep and infectious. We slept on the bottom of this house—the living room area—and every night before we went to sleep, he made me say the Shema. I made him say the Hail Mary. He learned from my passion as an Italian, and I learned from his passion for Israel, particularly when I think it was a little over twenty years ago he and I and some of our dearest friends had a chance to travel to Israel together.

That visit—I believe it was in August of '91—left a very deep and lasting impression on me. At a time when hundreds of thousands of Jews from the Soviet Union were making aliyah and fulfilling a dream to live a free and more prosperous life in their historic homeland, that trip gave me an even stronger appreciation for Israel's promise as a Jewish and democratic state. And coming just once after Saddam Hussein's SCUD missiles had attacked Tel Aviv and Haifa, the visit also underscored the complex array of security threats facing Israel by virtue of geography, by virtue of politics, and by virtue of history.

As chairman of the House Budget Committee and OMB director, I had the opportunity to work on budget issues regarding military assistance to Israel. And as a member of President Clinton's cabinet, as chief of staff, I had the opportunity to be present at that historic moment on the South Lawn when Yasser Arafat and Yitzhak Rabin shook hands in the effort to advance the peace process. And then, tragically, after Rabin's death I had the opportunity as President Clinton's chief of staff to fly with him so that he could pay tribute to the memory and to the dedication to peace of Rabin.

In the years since, as director of the CIA and now as the secretary of defense, I've worked closely with a number of Israeli leaders—the prime minister, many intelligence and military leaders, one of whom I understand is hear this evening.

“There are risks in the changes taking place across this critical region, but we will work with Israel to reduce and to mitigate those risks in the effort to achieve something worthwhile.”



Meir Dagan, who I often work with at Mossad and I understand is participating in this forum. Ehud Barak is also a friend that I've known for years, and we've already had the opportunity to meet a number of times in our capacities and to discuss our shared efforts to strengthen Israel's security.

I was pleased to make my first trip to Israel as secretary of defense just a few weeks ago, and meet with Israeli leaders including my friend, Prime Minister Netanyahu. Over the course of my career, I have witnessed periods of great progress in these efforts, and periods of great challenge and uncertainty for Israel and our shared security interests in the region.

Yet nothing I have seen compares to the dramatic events of the past year—one of change, one of promise, one of uncertainty, one of turmoil; a year we hope of Arab awakening, a year of setback for al Qaeda, and a year we believe of frustration for Iran. Entrenched leaders were overthrown by peaceful protests in Tunisia and Egypt, and by force in Libya. In Yemen, President Saleh has agreed to step down. We believe it is a very positive development. And yet the terrorist threats from Yemen still persist, and extremists are seeking to gain a foothold across the region.

In Egypt, the country has held its first elections on the road to democratic transition—another positive step. But as we all know, Egypt will require great leadership in the weeks and months ahead if it is to successfully transition to a fully civilian-controlled government that respects democratic principles and maintains all of its international commitments, including the treaty of peace with Israel.

On terrorism, repeated operations have decimated al Qaeda's leadership. Bin Laden, Awlaki, and many others have been successfully targeted by military and intelligence operations. Al Qaeda remains dangerous, make no mistake about it, but the world is safer as a result of these successes.

These largely positive trends were also accompanied by some dark ones. A discredited regime is still violently clinging to power in Syria, though the pressure against it is increasing dramatically each day. I want to condemn in the

strongest possible terms the Bashar al-Assad regime's murder and torture of children that the U.N. reported this week in Geneva. Assad's conduct has deservedly brought scorn and pressure and punishing sanctions not just by the United States and Europe, but now by the Arab League and Turkey as well.

In addition, Iran's continued drive to develop nuclear capabilities, including troubling enrichment activities and past work on weaponization that has now been documented by the IAEA, and its continued support to groups like Hezbollah, Hamas, and other terrorist organizations make clear that the regime in Tehran remains a very grave threat to all of us.

All this upheaval—all of this upheaval is posing new challenges for Israel regarding its security position in the region. But in this time of understandable anxiety, I would like to underscore one thing that has stayed constant over the

“Nothing I have seen compares to the dramatic events of the past year—one of change, one of promise, one of uncertainty, one of turmoil.”

past three years of this administration: The determination of the United States to safeguard Israel's security. And that commitment will not change.

I want to be clear that Israel can count on three enduring pillars in U.S. policy in the region, all of which contribute directly to the safety and prosperity of the Israeli people. First, our unshakable commitment to Israel's security. Second, our broader commitment to regional stability. And third, our determination to prevent Iran from acquiring nuclear weapons.

These are not merely rhetorical assurances. These are firm principles—principles that are backed up by tangible action, a commitment of resources, and demonstrable resolve. Let me explain what I mean in each of the areas I've just defined.

First, this administration has pursued and achieved unprecedented levels of defense cooperation with Israel to back up our unshakable commitment to Israel's security. Next year, the U.S. armed forces and the IDF will conduct the largest joint exercises in the history of that partnership, enhancing the ability of our militaries to operate together and also testing our new ballistic missile and rocket defense capabilities. Those new capabilities are themselves a product of this unprecedented defense cooperation.

We are especially proud that above and beyond the annual foreign military financing that we provide to Israel, the Obama administration has provided more than \$200 million for the Iron Dome rocket defense system—support that recently enabled the fielding of a third battery. This system—this system has already saved the lives of Israeli civilians facing rocket barrages from Gaza.

Our work together on these defense capabilities represents only one part of our core commitment to maintaining Israel's qualitative military edge—an advantage that we are determined to expand even further as we continue to enhance our defense cooperation.

As just one example, the United States will ensure that Israel continues to enjoy unquestioned air superiority by delivering to Israel the advanced fifth-generation fighter aircraft, the F-35 Joint Strike Fighter.

Yet we recognize that Israel's security cannot be achieved by its military arsenal alone. It also depends on the security and stability of the region, which is the second key pillar of U.S. policy. The success of our efforts in Iraq permits us to redouble the long-term commitment of the United States to the security and stability of the Middle East. The Middle East is a vital interest to the United States, and we will not let our commitment to its security and stability waver. That is why we maintain a significant military presence throughout the region to defend our partners, to counter aggression, and to maintain the free flow of resources and commerce that are so vital to the fragile global economy.

The United States will continue to have some 40,000 troops in the region to support these goals. We are also implementing our long-term strategic partnership with Iraq, including security ties between our two militaries, facilitated by a robust Office of Security Cooperation that will start on January 1, 2012. And we are building a wider regional security architecture in the Gulf, forging bilateral and





multilateral cooperation to confront the common challenges of terrorism, proliferation, ballistic missiles, maritime security, and threats to critical infrastructure.

No greater threat exists to the security and prosperity of the Middle East than a nuclear-armed Iran. And that's why the third pillar of our approach to this region—this critical region is our determination to prevent Iran from developing nuclear weapons, and more broadly to deter its destabilizing activities, particularly those that could threaten the free flow of commerce throughout this vital region. That is a redline for the United States.

Our approach to countering the threat posed by Iran is focused on diplomacy, including organizing unprecedented sanctions and strengthening our security partnerships with key partners in the Gulf and in the broader Middle East.

Last September I met in New York with members of the Gulf Cooperation Council to underscore the importance of those partnerships. Iran must ultimately realize that its quest for nuclear weapons will make it less, not more, secure. These efforts are increasing Tehran's isolation and I continue to believe that pressure—economic pressure, diplomatic pressure—and strengthened collective defenses are the right approach. Still, it is my department's responsibility to plan for all contingencies and to provide the president with a wide range of military options should they become necessary.

That is a responsibility I take very seriously because when it comes to the threat posed by Iran, the president has made it very clear that we have not taken any options off the table.

Our deliberate and focused approach to Iran, our efforts to enhance regional security and stability, and our unshakable commitment to Israel's security make clear that even at this time of great change, our determination to safeguard Israel's security is steady and sure. Indeed, it is stronger than ever.

But in every strong relationship built on trust, built on friendship, built on mutual security, it demands that both sides work towards the same common goals. And Israel, too, has responsibility to pursue our shared goals to build regional support for Israel and the United States' security objectives.

I believe security is dependent on a strong military, but it is also dependent on strong diplomacy. And unfortunately, over the past year we have seen Israel's isolation from its traditional security partners in the region grow, and the pursuit of a comprehensive Middle East peace has effectively been put on hold. I want to be clear: This isolation is due to a number of factors. Indeed, there is an international campaign underway to isolate Israel. President Obama has stood steadfastly in the way of that effort, especially in the United Nations. But I have never known an Israeli government, or an Israeli for that matter, to be passive about anything, let alone this troubling trend. And so I've been working with the leaders there, Minister Barak and others, to find ways to help Israel take steps which are profoundly in its interests.

For example, Israel can reach out and mend fences with those who share an interest in regional stability—countries like Turkey and Egypt, as well as Jordan.



This is an important time to be able to develop and restore those key relationships in this crucial area. This is not impossible. If gestures are rebuked, the world will see those rebukes for what they are. That is exactly why Israel should pursue them.

Like all of you, I've been deeply troubled by the direction of the Turkish-Israeli relationship. Turkey is a key NATO ally and has proven to be a real partner in our effort to support democratic change and stand against authoritarian regimes that use violence against their own people. It is in Israel's interest, Turkey's interest, and U.S. interest, for Israel to reconcile with Turkey. And both Turkey and Israel need to do more to put their relationship back on the right track. That's a message I've taken to Jerusalem, and it's a message I'll be taking to Ankara later this month.

Meanwhile, even as turmoil continues to rock the region, Egypt's current leaders, along with Jordan, have made very clear to me privately and publicly that they are committed to their peace treaties with Israel. We have been clear to all parties in Egypt that sustaining a peace treaty with Israel is in the critical interests of the United States. While we share Israel's legitimate concerns about instability in the Sinai Peninsula and the attack on the Israeli embassy in Cairo, the best way to address these concerns is through increasing communication and cooperation—increasing communication and cooperation with Egyptian authorities, not by stepping away from it.

Diplomacy—the real essence of diplomacy is not that you have to love one another. The essence of diplomacy is that you respect each other so that you can talk to each other when you must.

I also remain firm in the belief that it is profoundly in Israel's long-term security interest to lean forward on efforts to achieve peace with the Palestinians. I was pleased to see the Israeli government announce that it will release the tax revenues to the Palestinian Authority, averting a situation that would have undermined Israel's security and damaged the important institution-building work of Prime Minister Fayyad and strengthened the hands of extremist Palestinian factions.

Rather than undermining the Palestinian Authority, it is in Israel's interest to strengthen it by contributing and continuing to transfer Palestinian tax revenues and pursuing other avenues of cooperation. For example, the security cooperation between Israel, the Palestinians, the U.S. security forces led by United States security coordinator Lieutenant General Mike Muller, has paid real dividends. Israel should look for ways to bolster this cooperation. And President Abbas must take the difficult steps to do exactly the same thing.

Ultimately, the dream of a secure, prosperous, Jewish and democratic Israel can only be achieved with two states living side by side in peace and in security with full confidence that the United States is willing and capable of ensuring that Israel can safeguard its security as it takes the risks needed to pursue peace. Now is the time for Israel to take bold action and to move towards a negotiated two-state solution.

“Diplomacy—the real essence of diplomacy is not that you have to love one another. The essence of diplomacy is that you respect each other so that you can talk to each other when you must.”



I recognize that there is a view that this is not the time to pursue peace and that the Arab awakening further imperils the dream of a safe and secure, Jewish and democratic Israel. But I disagree with that view. I believe Israel will ultimately be safer when other Middle Eastern states adopt governments that respond to their people, promote equal rights, promote free and fair elections, uphold their international commitments, and join the community of free and democratic nations.

I believe it is the only real long-term path to security and prosperity and to realize the vision of Yitzhak Rabin for a sustainable peace in the Middle East.

Peace requires some difficult steps. And, yes, it will involve risks. But my Italian father used to say that you cannot achieve anything worthwhile without taking risks. All Israelis should know that the United States will always stand behind their country, providing a secure safety net as it takes those necessary risks.

“Peace requires some difficult steps. And, yes, it will involve risks. But my Italian father used to say that you cannot achieve anything worthwhile without taking risks.”

I would close by noting that last year, speaking at this forum, my friend Ehud Barak recalled the famous statement by Winston Churchill, who said, and I quote, “A pessimist sees the difficulty in every opportunity. An optimist sees opportunity in every difficulty,” unquote.

There are risks. There are risks in the changes taking place across this critical region, but we will work with Israel to reduce and to mitigate those risks in the effort to achieve something worthwhile in that region. But even as we have seen the challenges across the region grow in this past year, I would urge my Israeli and American friends to remember these words, to see these changes as an opportunity and to take the steps needed to secure our shared interests for peace in the long term. To secure that peace, Israel will always have the unshakable backing of the United States. And the United States must always have the unshakable trust of Israel.

That bond—that bond is the fundamental key to stability and hope in the Middle East, and it is a bond that must never be broken.

Thank you.

KENNETH POLLACK: Thank you very much, Secretary Panetta. We’ve already collected a number of questions. Please feel free to continue to provide some.

Mr. Secretary, you probably won’t be surprised to hear that a great many questions I already have are all related to the same topic. That said, you probably would be surprised that most of those are about the personal life of Chuck Schumer. I’ll see if I can find something else to do here other than Chuck Schumer’s personal life.

Iran. Iran is growing more and more aggressive, encouraging attacks on U.S. forces in Iraq and Afghanistan, threatening Israel, thumbing their noses at sanctions in the U.N., backing Syria, and now trying to kill the Saudi ambassador to the U.S. here in the U.S.

What level of Iranian aggressiveness should make us pick up the military option from off the table?

SEC. PANETTA: Well, as I said, we have to approach this—as the president said, with all options on the table. But at this point we believe that the combination of economic and diplomatic sanctions that have been placed upon Iran have had a serious impact. That Iran is isolating itself from the rest of the world. It is truly becoming, particularly as a result of the attack on the British Embassy, a pariah in that region. Their own government is off balance in terms of really trying to establish any kind of stability even within Iran.

The combination of that and efforts to make sure that they do not develop a nuclear capability—all of those efforts are having an impact. We have a common goal here. Let's understand we have a common goal. The common goal is an Iran that does not develop a nuclear weapon. And working together, working with Israel, working with our allies in the region, working with the international community to continue to isolate, to continue to put pressure on, is an effort that we must continue. That's the best way to put pressure on them. It's the best way to, I believe, ultimately weaken this nation so that ultimately they have to make a decision about whether they continue to be a pariah or whether they decide to join the international community.

We always—as Prime Minister Netanyahu said, force should be only a last resort, and if that is truly the case, then I believe it is incumbent on us to implement all of our diplomatic and economic pressure as possible to try to continue this effort to make clear to the world that we are dealing with an international pariah in Iran.

POLLACK: Mr. Secretary, Egypt is undergoing an historic change, but there is no guarantee it will be a positive one. How can America use its strong relationship with Egypt's military to ensure a good outcome there?

PANETTA: I think it is important to continue to work closely with the Israeli (SIC) [Egyptian] leadership at this time in order to ensure that they do move forward with the democratic reforms that they have promised their people. They have in fact now implemented elections. Those elections have taken place. We have rolling elections and they will go on for the next few months. At some point they will establish a constitutional change and at some point this next year they will have a presidential election.

What we should be about is to ensure that they stay on course and that they continue the efforts to move forward to implement these democratic reforms. In many ways—look, the Egyptians have to decide their future, and they have to try to implement this in a way that fulfills the promise of the revolution that took place at the time that Mubarak was brought down.

Our best course is to continue to put pressure on them to make sure that they stand by the promises that they made to the Egyptian people that they will implement these changes and convert to civilian control. That's something we'll do and when they do form a government, we have an obligation to stay with them to make sure that they abide by the commitment to respect the treaty that was





signed with Israel and that they abide by the other redlines that we've established with regards to Egypt.

POLLACK: Mr. Secretary, the U.S. backed—intervened in Libya to stop the regime from killing its people. Why not in Syria?

PANETTA: You know, I think I've been asked this question a number of times, as do others. You can't simply take a cookie-cutter approach to that region and decide that—I mean, apply force in one area, you know, makes sense in another area. I think right now my sense is that, by virtue, again, of the economic and diplomatic sanctions the international community has imposed, the fact that the Arab League has imposed sanctions, the fact that Turkey is imposing sanctions—all of this I think is, again, isolate the government in Syria.

And, you know, I can't tell you when, but clearly it's a matter of time before Assad is taken off of his position of leadership in Syria.

We are—I mean, it is tragic, obviously, that there are people who are dying, but the key right now is to continue to put pressure on him, to continue the international unity that is continuing to make the effort to replace Assad. That, I think, is working. It's working effectively. Let's give that some time and we will always join the international community if it's felt that further steps are necessary.

POLLACK: Because of America's disastrous economic situation, a lot of people and a lot of presidential candidates are talking about cutting off all U.S. foreign aid. As secretary of defense, how do you think this would affect American and Israeli security?

“We are at a time now when for whatever reason there seems to be an inability to be able find those essential compromises in order to govern this country.”

PANETTA: Well, you're coming into a town right now in which my greatest concern is with regards to leadership on Capitol Hill and its ability to deal with the issues that confront this country. You know, I served in the Congress and I've served in administrations. I—my time in the Congress—I always felt that while there were always political differences, that when it came to national issues, both parties would work together to try to compromise and find solutions, particularly to the crises that face this country.

We are at a time now when for whatever reason there seems to be an inability to be able find those essential compromises in order to govern this country. If I had men and women who were putting their lives on the line, who were fighting and dying for this country in battle and they had the courage to do that, then surely our elected leaders on Capitol Hill ought to be able to find just a little bit of courage to find the solutions to help solve the problems in this country.

Now, when it comes to—I've indicated my concerns about this approach on sequestration where because of the failure of the committee of 12 to be able to find the necessary deficit reduction that they were required to do, they've now implemented this automatic trigger that will take effect not now but in January of

2013. I've indicated, obviously, that if it's put into effect, it would decimate our national defense and tear a seam in our ability to effectively defend this country.

But at the same time, I'm also concerned about what it does on the domestic side of the question. National security is not just dependent on military power. It's dependent on diplomatic power. It's dependent on the State Department being able to provide foreign aid, being able to work with countries, being able to provide development money, being able to provide education money. It's also dependent, frankly, on the quality of life in this country—to educate our kids, to provide health care. All of that is part of our national security. And it's for that reason that I think it's essential that the leadership of the country find the solutions to dealing with the deficit without having America have to pay a price that it will regret in the future.

POLLACK: Mr. Secretary, how long do you believe a military attack on Iran would postpone it from getting a bomb?

PANETTA: Part of the problem here is the concern that at best, I think—talking to my friends—the indication is that at best it might postpone it maybe one, possibly two years. It depends on the ability to truly get the targets that they're after. Frankly, some of those targets are very difficult to get at.

That kind of, that kind of shot would only, I think, ultimately not destroy their ability to produce an atomic weapon, but simply delay it—number one. Of greater concern to me are the unintended consequences, which would be that ultimately it would have a backlash and the regime that is weak now, a regime that is isolated would suddenly be able to reestablish itself, suddenly be able to get support in the region, and suddenly instead of being isolated would get the greater support in a region that right now views it as a pariah.

Thirdly, the United States would obviously be blamed and we could possibly be the target of retaliation from Iran, striking our ships, striking our military bases. Fourthly—there are economic consequences to that attack—severe economic consequences that could impact a very fragile economy in Europe and a fragile economy here in the United States.

And lastly I think that the consequence could be that we would have an escalation that would take place that would not only involve many lives, but I think could consume the Middle East in a confrontation and a conflict that we would regret.

So we have to be careful about the unintended consequences of that kind of an attack.

POLLACK: Mr. Secretary, a quick follow-up on this comment. Obviously—capable American policy towards an Iranian nuclear weapon—(inaudible)—also be consequences of Iran firing a nuclear weapon. What do you think the consequences of Iran's acquisition of a nuclear weapon would be and why do you—(inaudible)?





PANETTA: Well, you know, again, as I made clear, this is a common goal. This is something that the United States, Israel, the international community does not want Iran to obtain a nuclear weapon. Why? Because obviously Iran's entire effort of using the IRGC, supplying terrorists in the world, underlining governments throughout the world, clearly supporting terrorists in part of the world—a nuclear weapon would be devastating if they had that capability.

In addition, once Iran gets a nuclear weapon, then they're not—you will have an arms race in the Middle East. What's to stop Saudi Arabia from getting a nuclear weapon? What's to stop other countries from getting nuclear weapons in that part of the world? Suddenly we have an escalation of these horrible weapons that, you know, I think create even greater devastation in the Middle East.

So a key for all of us—for all of us is to work together—together—to ensure that that does not happen. We have made good progress in these efforts. We continue to make good progress in these efforts. That's where we ought to continue to put our pressures, our efforts, our diplomatic, our economic, experts working together to make sure that that does not happen.

You always have as a last resort—as the prime minister said—the last resort of military action, but it must be the last resort, not the first.

POLLACK: Mr. Panetta, is the chief priority of U.S. policy toward Iran to moderate the nuclear ambitions of the Iranian regime, or to change the Iranian regime? Will this regime be willing to change its behavior?

PANETTA: I think the effort that we're concerned about is to make sure that Iran does not obtain a nuclear weapon, first. Secondly, we would like to have an Iran that becomes part of the international community and that it decides that it is going to engage with the rest of the world, as opposed to isolating itself, as opposed to supporting terrorists, as opposed to trying to influence and support those that attack our country and attack others in that region.

That is our fundamental goal—to try to ensure that we have an Iran that becomes part of the international community and that understands its obligations as part of the international community. But most importantly—most importantly—we have to do everything we can to make sure that they never obtain a nuclear weapon.

POLLACK: Back to Egypt, Egypt just had elections, as you discussed, obviously Islamists and particularly Salafist parties did very well in that election. Do you believe this was—this unexpected rise of the extreme religious right in Egypt is a threat to regional security? What would U.S. policy towards an Egypt which is controlled—(inaudible)?

PANETTA: Well, I guess we can all jump to conclusions, right now, but I think we need to let this play out a little bit. This is the first part of a rolling election. Clearly we need to see what the results are of this first part of the election. They haven't been announced yet. We'll probably get a formal announcement tomor-



row. And then they have additional elections that will take place in the parliament that will occur throughout the rest of Egypt. We then will have an election for the upper body that will take place. We then will have, you know, as a consequence of that, a constitution will come together and then we'll have a presidential election.

I mean, all of that will take place. All of that occurs. This is a democracy. In democracies, we have to allow the Egyptian people to express themselves in that process, and ultimately the pressures within a democracy will have some impact as to its direction. For our purposes, when they come to the conclusion of this process, the United States has to engage with whatever government is established in Egypt and ensure that they abide by their obligations, ensure that they abide by the treaty with Israel, ensure that they abide by international standards, ensure that they continue to be a partner to us in that part of the world.

That's what democracy is all about. Let's give it a chance because they are at the beginning of this process, not at the end.

POLLACK: And this will have to be your last question. Mr. Secretary, you made a strong statement about Israel's responsibility towards peace. What steps should it take now? Withdraw the Israeli army from the Palestinian territories? It's a suggestion and a question. It's a suggestion in the form of a question.

PANETTA: Just get to the damn table. Just get to the table. The problem right now is we can't get them to the damn table to at least sit down and begin to discuss their differences—you know, we all know what the pieces are here for a potential agreement. We've talked it out, worked through, we understand the concerns, we understand the concerns of Israel, understand the concerns of the Palestinians. If they sit at a table and work through those concerns, and the United States can be of assistance in that process, then I think you have the beginning of what could be a process that would lead to a peace agreement.

But if they aren't there—if they aren't at the table, this will never happen. So first and foremost, get to the damn table.

POLLACK: Mr. Secretary, thank you so much.

“The problem right now is we can't get them to the damn table to at least sit down and begin to discuss their differences—you know, we all know what the pieces are here for a potential agreement.”



The United States should allow the indigenous forces of the region to shape the trajectory of change. At the same time, it should not assume the role of a passive bystander.



A Conversation with President William J. Clinton



THE SABAN FORUM'S FRIDAY EVENING PROGRAM featured a conversation with President William J. Clinton, moderated by Charlie Rose, that focused on the Arab Spring, and in particular, how it would affect the Israeli-Palestinian peace process. Participants discussed what role the United States should play in the new Middle East, and how the international community should react to the dire situation in Syria.

The conversation began by addressing the events of the Arab Spring. Given the complexity of the situation and how little time has passed since revolutions first erupted, the effect of the Arab Spring on Israel is uncertain. Israel is concerned about the popularity of Islamist parties, many of which are quickly filling the political vacuum that has existed in the wake of the regimes' departures. If the governments that are emerging are willing to democratize their political systems and modernize their economies, accommodation between these countries and Israel will be easier. If the governments show signs of the opposite, Israel should prepare for the worst, while working for the best—meaning that Israel should ready its military forces for contingencies, while it tries to rekindle the Mossad's relationships with the intelligence services of other Middle Eastern states and engages the new regimes in diplomatic dialogue.

But new uncertainty in the region does not mean that the peace process should be put on hold. It is in Israel's national security interest to resume negotiations and thus preclude Arab countries undergoing transformation from using the Israeli-Palestinian conflict as an excuse to pursue antagonistic agendas and to avoid political and economic reform. It is crucial that Palestinians and Israelis talk to at least clarify the contentious issues involved in any potential agreement. Israel should offer to start talks and ask Palestinians to enter negotiations without preconditions. Palestinians, in turn, should recognize that they can ensure the security and prosperity of the West Bank only by reaching an agreement with Israel, because the Palestinian National Authority does not have an army, police, or any other means to control and protect the West Bank and its population.

The parties cannot assume that it is the responsibility of the United States to jumpstart the peace process. It is up to the Israelis and Palestinians to engage in negotiations and maintain dialogue. Mediators can only help mitigate the risks and maximize the rewards to the negotiating sides. Unless there are formal negotiations that would allow Israelis and Palestinians to clarify for themselves, as well as for the international community, the elements of an agreement, the two sides cannot count on a third party to be effective in helping them solve the impasse.

In terms of the Arab Spring, the United States should allow the indigenous forces of the region to shape the trajectory of change. At the same time, Washington should not assume the role of a passive bystander. The United States should exercise its leverage in the Middle East and North Africa by forging economic partnerships and offering development aid to the new governments. There is a danger that new regimes may fail to exercise democratic governance, economic reform, and respect for minority rights. This could generate unrest and be consequential

MODERATOR:

CHARLIE ROSE

Editor and Anchor, *Charlie Rose*

SPEAKER:

WILLIAM J. CLINTON

42nd President of the United States



for Israel, because instability may cause the newly elected governments to pursue aggressive policies in a bid to win over their people.

The protracted confrontation between the Syrian regime and the main opposition faction, the Syrian National Council, threatens the region's security. The potential of a spillover of violence from Syria into neighboring states would be profoundly destabilizing. If, or when, the Asad regime is removed, it will be highly unlikely that the next Syrian government will be hospitable to militant groups like Hizballah or rejectionist states like Iran. At the same time, the next Syrian government may not be as supportive of secular values or education for women as the Asad regime has been. Therefore, the international community should take proactive steps by developing policies to ensure that a new government in Syria is moderate and forward-looking.

Regarding Iran, if the International Atomic Energy Agency discovers new information that unequivocally implicates Iran in developing nuclear weapons, the military option should be carefully considered. But the likelihood of a military operation's success must be a factored in the decision process. The fact that Iran's nuclear sites would be very difficult to destroy should be one of the primary considerations, perhaps more so than consequences like a rise in oil prices. If an attack is ordered, it would be critical to avoid collateral damage, such as civilian fatalities and destruction of property, that would turn the Iranian population against the West.



Top: President William J. Clinton and guests of the Saban Forum Gala Dinner. BOTTOM: Gary Samore, Trudy Rubin, and Vali Nasr at the Gala Dinner.



The fall of Israeli allies like former Egyptian president Hosni Mubarak underscores the fact that things can change in an instant, and opportunities that currently exist should be seized.



A Conversation with Leader of the Opposition Tzipi Livni & Democratic Leader Nancy Pelosi: *The U.S.-Israel Relationship in a World in Turmoil*



SABAN FORUM 2011 OPENED WITH A CONVERSATION THAT focused on the state of the U.S.-Israel relationship within the context of the new Middle East. Participants agreed that the U.S.-Israel partnership is strong, despite perceived tensions between President Obama and Prime Minister Netanyahu, and called for a resumption of long-stalled Israeli-Palestinian peace negotiations.

An American participant said that while the relationship between Israel and the United States is in America's national interest, the partnership is enhanced by Israeli overtures toward peace with the Palestinians. An Israeli participant picked up on this point and said that in light of the changes in the region, it is in Israel's own interest to pursue a two-state solution as soon as possible. While the Arab-Israeli conflict is not the source of extremism in the region—religious ideology is—the conflict is used by radical elements to gain support. For this reason, the participant said, Israel should consider that the price of not having an agreement is higher than the price of any concessions it will have to make in forging peace.

There is currently a Palestinian partner for Israel—President Mahmoud Abbas—something that should not be taken for granted, particularly since it is uncertain how long he will stay in office. One participant argued that the real problem is not the absence of a partner, but the failure of both parties to progress far enough in negotiations to reach the point where difficult decisions must be made. The Palestinians accept Israel's security needs and agree that a future Palestinian state will be demilitarized. This may not be enough for the Israelis, and some questions remain about the possible presence of international forces and the exact delineation of the border, but these issues will be resolved in future negotiations. Still, there are broad understandings on most issues and private statements made between the parties need to be tested. It is true that in a future election there is concern that Hamas will assume power, but even Hamas is looking to end the conflict, and any future Palestinian government will have to renounce terror and accept previous agreements.

Despite the need to progress in negotiations, one participant said, there is no way to induce the current Israeli governing coalition to take positive steps toward peace; the coalition needs to be changed. Israel also needs to make internal changes, like adopting a constitution and resolving the different definitions of what it means to be a Jewish state. Yet, another participant said, Netanyahu has the ability to take steps toward peace, or take action that reduces Israel's hold on occupied territory; former prime minister Ariel Sharon proved this through his Disengagement Plan.

An Israeli participant said that the Arab League is a critical component of any peace process. Arab support of the peace process bolsters the strength of the Palestinian leadership and helps provide incentives for Israel. The fall of Israeli allies like former Egyptian president Hosni Mubarak underscores the fact that things can change in an instant, and opportunities that currently exist should be seized.

MODERATOR:

ANDREA MITCHELL
NBC Chief Foreign Affairs
Correspondent

SPEAKERS:

TZIPI LIVNI
Head of Kadima Party and
Leader of the Opposition

NANCY PELOSI

Democratic Leader,
United States House of
Representatives; United
States Representative (CA-8)



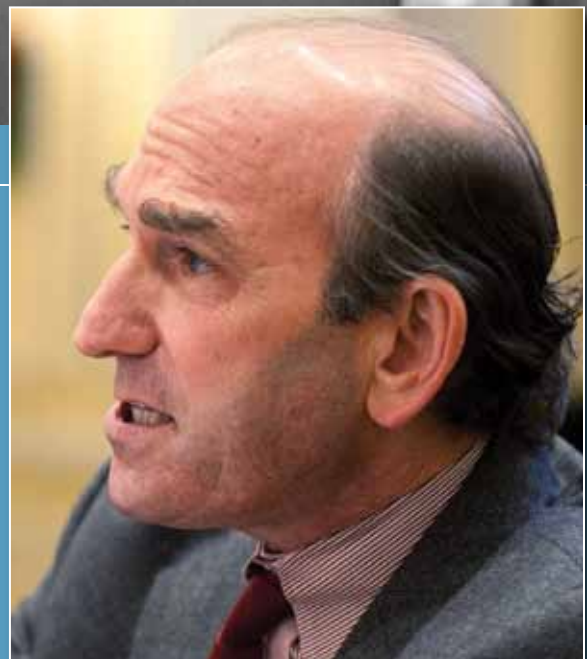
While some participants argued that there appears to be tension in the relationship between Obama and Netanyahu, particularly in comparison to Netanyahu's relationship with Congress, an American participant disagreed. Whenever an Israeli leader addresses Congress, as Netanyahu did in May 2011, the leader enjoys accolades as a result of the closeness between the two countries; this is not unique to Netanyahu. Furthermore, Obama has made a strong, substantive commitment to the strategic strength of Israel, and any perceived gap is a "difference of style" between the two leaders. The participant discussed President Obama's record of support for Israel, saying that while Obama has been criticized for not yet traveling to Israel, President George W. Bush did not visit Israel until his eighth year in office. The participant argued that the relationship between the United States and Israel is important to America and to the president, and noted that the Obama administration has supported legislation that secures Israel's qualitative military edge and ensures the country's security.



Top: Nancy Pelosi and Tzipi Livni meeting before their panel. Bottom: Ronald Cohen.



Several participants agreed that while there is close military and intelligence cooperation between the two countries, the Israeli public has reservations about President Obama. But other participants said that while the two countries may not see eye-to-eye on several issues, these differences of opinion do not weaken the overall partnership.



He Loves Me, He Loves Me Not, the Future of U.S.-Israel Relations



IN THE FIRST DIALOGUE SESSION OF SABAN FORUM 2011, participants discussed the trajectory of the U.S.-Israel partnership. Several participants agreed that while there is close military and intelligence cooperation between the two countries, the Israeli public has reservations about President Obama. These participants saw a fundamental divergence in the U.S.-Israel relationship, arguing that the two governments have significant differences over matters like the pursuit of peace. But other participants said that while the two countries may not see eye-to-eye on several issues, these differences of opinion do not weaken the overall partnership.

An American participant began the session by saying that the Obama administration has demonstrated support for Israel by fortifying Israel's "qualitative military edge," expanding intelligence sharing, and fighting de-legitimization of Israel at the United Nations and in other international forums. In addition, the administration has done more than its predecessors to put pressure on the Iranian nuclear program, and the president personally intervened when Israeli embassy personnel were threatened in Cairo in September 2011.

The participant said that President Obama's opponents exploit false or exaggerated controversies in the U.S.-Israel relationship for domestic political gain. Still, the participant conceded, there are important issues that have caused some strain. Specially, the fact that President Obama has not yet visited Israel, and the fact that his administration emphasized freezing settlement construction as a precondition for negotiations created unease in Israel; the Arab Spring and the Iranian nuclear program—and the different way the Obama administration and Netanyahu government view these—only complicate that dynamic.

Another American went further, saying that unforced errors by the Obama administration have caused a real rift in the U.S.-Israel relationship. Peace talks stalled in part because of the administration's demand for a complete settlement freeze. In addition, though the military and intelligence relationships are strong, the administration has chosen to publically distance itself from Israel. This is problematic, the participant said, because U.S.-Israel relations are monitored closely by Arab capitals around the world, as well as by Tehran. Therefore, as the gap between the United States and Israel grows, so too does the gap between Arab states and Israel, only wider.

The participant said that tension in the U.S.-Israel relationship is not a U.S. problem but rather an Obama administration problem. The participant argued that the American people and Congress remain committed to Israel, with the Republican Party more supportive of Israel than ever, but elements of the Democratic Party less so. Other American participants disagreed with this assessment, with one saying that it is a mistake to turn Israel into a partisan issue. Another American said the foundation of the Republican Party's support for Israel is Evangelicals, who will not support the conditions necessary for a two-state solution. In this way, the Republican Party is not pursuing what is in Israel's best interest. One Israeli participant summed up the conversation by saying that the United States seems to have a domestic policy regarding Israel, not a foreign policy.

MODERATOR:

HOWARD BERMAN

United States Representative (D-CA); Ranking Member, Committee on Foreign Affairs

PANELISTS:

ELLIOTT ABRAMS

Senior Fellow for Middle Eastern Studies, Council on Foreign Relations; former Deputy National Security Advisor

DAN GILLERMAN

President of Gillerman Global and Chairman of Markstone Capital Group; former Ambassador to the UN

MARTIN INDYK

Convener of the Saban Forum; Vice President and Director of Foreign Policy, The Brookings Institution

HAIM RAMON

Former Member of the Knesset (Kadima); former Vice Prime Minister; former Minister of Justice



An Israeli participant agreed with the conclusion that any problem in the U.S.-Israel relationship seems tied to the current U.S. administration, saying that in the past the U.S. and Israeli governments settled their differences in private. By publicizing disputes, the Obama administration has created a situation where other Middle Eastern nations have looked to undermine the U.S.-Israel bond, which no longer seems unbreakable.

The participant went on to say that the U.S.-Israel relationship comes down to trust, and the Israeli government and Israeli people do not trust President Obama: he has not shown them the kind of passion, backing, or support that they desire. One American participant referred to this as Israelis not having a “gut-level” connection with President Obama. But another American participant responded that the Israelis must get over their desire to be loved—President Obama may not love Israel, but he is doing the right things, such as supporting Israel’s security needs and countering efforts to isolate Israel. An Israeli participant picked up on this point and disagreed with the assessment that there is animus between President Obama and Prime Minister Netanyahu, arguing that reports to this effect are merely media folly. The relationship between the United States and Israel is strong, particularly with regard to security issues, and diplomatic relations are closer than in previous years. The two sides do not see eye-to-eye on everything, but their differences are on tactical aspects of how to reach a two-state solution, rather than on the broad goal of achieving peace.

Another participant felt that the problem is not necessarily President Obama. Rather, there is a real sense that the United States and Israel are on divergent paths: the Obama administration, like administrations before it, considers peace between Israel and the Palestinians a vital U.S. interest, but the current Israeli government does not view it as an urgent priority. In addition, views diverge over how to stop Iran from attaining a nuclear weapons capability because, if it has to, the United States can live with a nuclear Iran, whereas Israel cannot. On the Arab Spring, the Obama administration has supported democratic transitions, but Israel has been wary of the impact that democracy in neighboring countries will have on its security. This anti-democratic sentiment in Israel has not only run counter to American policies, it has alienated American Jews. An Israeli participant agreed with this view that the two countries are diverging, saying that Israelis view the U.S. push for peace as detached from reality, whereas Americans see Israel slipping into a dark religious and nationalist version of Zionism. As for the future of U.S.-Israel relations, an American participant said, the relationship needs to be redefined based on the common goals of ensuring Iran does not acquire nuclear weapons and of achieving peace between Israel and the Palestinians. An American said that the Arab Spring will strengthen U.S.-Israel ties because of the loss of stable, long-term dictators; the resulting uncertainty will cause Washington and Jerusalem to work together to address both old and new challenges.



An American participant pointed to projected demographic trends over the next fifteen to twenty years as troubling for the U.S.-Israel relationship. Influential constituencies, such as the ultra-Orthodox in Israel and mainstream Jewish communities in the United States, seem to have less knowledge of, familiarity with, or interest in the other nation's society or well-being. Therefore, engaging these people is necessary to ensure strong U.S.-Israel relations in the future. But another American participant said that the root of the challenge is elsewhere. The United States is turning away from the Middle East, recalibrating its focus toward the Pacific. Two other American participants agreed that the U.S. focus is changing, but offered another reason—the United States is increasingly exploiting energy reserves in its own hemisphere. If the free-flow of Middle Eastern oil and gas ceases to be a vital national security interest for the United States, the country's relationship with Israel will shift.





The United States will support countries in transition if they pursue the democratic course, but countries like Egypt must also abide by existing agreements with Israel and meet security expectations.

A Conversation with Secretary of State Hillary Rodham Clinton



THE SABAN FORUM HELD A CONVERSATION with Secretary of State Hillary Rodham Clinton on the transformations sweeping the Middle East, the shifting balance of power in the region, and Iran's pursuit of nuclear capabilities. In addressing these challenges, participants said that Israel and the United States must navigate the region's new environment adroitly and work together to pursue common goals.

Many Arab countries face an important choice: enacting real reform or allowing undemocratic forces to entrench themselves in the early stages of the transition process. Depending on what each country does, an historic opportunity will either be fulfilled or missed. While these societies will shepherd their own destinies, the United States has the resources and capabilities to promote democracy and human rights. Free and fair elections are essential but insufficient if they empower authoritarians or disenfranchise minorities; elections must not bring one person or one party to power permanently. As much as possible, therefore, Israel and the United States should take steps that promote stable, democratic Arab societies.

The United States will support countries in transition if they pursue the democratic course, but countries like Egypt must also abide by existing agreements with Israel and meet security expectations. The United States has addressed risks to Israel that have resulted from the Arab world's move to democracy (such as securing the safety of Israeli officials in Egypt when the embassy was stormed in Cairo) and will continue to help Israel protect itself, by supporting project such as the Iron Dome air defense system along the Lebanese border, conducting joint military exercises, and providing aid to Israel's military. Still, Israel's security requires not just a qualified military edge but also strong relationships with traditional partners like Egypt and Turkey. To this end, the peace process is especially important; despite considerable obstacles, it cannot be put on hold. Therefore, the United States opposes actions that undermine the process and is committed to strengthening Palestinian parties seeking peace.

On the issue of Iran, the regime has violated international law, from plotting the assassination of the Saudi Arabian ambassador to storming the British Embassy in Tehran. At the same time, the democratic wave sweeping the region has damaged Iran's regional ambitions; Ahmadinejad's popularity is declining and sanctions are having an impact. In Syria, the United States has worked to strengthen the opposition and has persisted in calling for President Asad to resign. A post-Asad Syria will bring its own challenges, but it will also pose a setback for Iran and Hizballah.

American diplomacy and international pressure has rendered Iran more isolated than ever. The pressure has compounded the internal challenges that Tehran faces, which include infighting within its leadership ranks, rising inflation, and postponed energy projects, as well as a nuclear enrichment program that has not performed as expected. Additional measures are being considered, but sanctioning the Central Bank of Iran is the last step the United States wants to take

MODERATOR:
MARTIN INDYK
Convener of the Saban
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SPEAKER:
HILLARY RODHAM CLINTON
Secretary of State



because the ramifications for America's economy and international trade could be severe. In the meantime, the United States is imposing new sanctions to increase pressure on the energy sector, especially petrochemicals, and is leaving all options on the table.

There is a divergence in American and Israeli perspectives regarding the security calculus in the face of a democratizing Middle East. The United States has worked to build a strategy that will allow democracies to flourish, while acknowledging that some uncertainty remains about the willingness of Islamist parties to respect fundamental components of democratic governance; but it is important to note that moderate Islamist groups have offered promising messages of tolerance. These groups need to be brought into the fold, though not all will be acceptable to the United States. Many Israelis have viewed this outlook as naïve and dangerous, seeing the growing strength of Islamist parties as threatening.

The United States has worked to mediate tensions between Israel and Turkey, with some, limited progress. Turkey's ill feelings are a result, in part, of the fact that Ankara felt it should have been warned in advance of Israel's Operation Cast Lead because of the long history of ties between the two countries, including Turkish mediation in the Israel-Syrian peace process. In addition, in the aftermath of the Gaza flotilla crisis, in which Turkish citizens attempting to break Israel's embargo of Gaza were killed, Ankara thought an apology was necessary.

While there are candid conversations between Israel and the United States, and close cooperation on issues like Iran, the two governments do not always agree. For instance, recent developments in Israel, including laws meant to weaken left-wing nongovernmental organizations and practices that discriminate against women, are troubling to the United States.

Moving forward, Israel will benefit from taking steps to advance the peace process and capitalize on its partnership with President Abbas and Prime Minister Fayyad. Jerusalem should think less tactically and more strategically. Sometime, this means doing things like offering an apology.



Top: Deputy Prime Minister Dan Meridor speaking with Secretary of State Hillary Rodham Clinton after her remarks.
MIDDLE: Dana Weiss and Yaakov Eilon. BOTTOM: Ambassador Dino Patti Djalal.



While some question whether Iran would be irrational enough to incur devastating retaliation by attacking Israel with a nuclear weapon, the stakes are too high to risk the possibility.



To Bomb or to Live with the Bomb: Israel's Security Dilemma

THE SABAN FORUM'S SATURDAY LUNCHEON session featured a discussion of policy options for preventing Iran from acquiring nuclear weapons capabilities. Participants assessed the prospects of several potential measures, including sanctions, covert action, and military operations. While the majority of participants characterized a nuclear Iran as "unacceptable," there was disagreement over the strategy the United States, Israel, and the international community should pursue to prevent this from happening.

One Israeli participant said that, given the costs of military conflict, sanctions are the preferable course of action. However, this participant wondered if the sanctions in place at the time of the Forum were too weak to exact a change in Tehran's nuclear policy. This participant argued that the West would need to tighten the sanctions to avoid having to attack Iran—a last resort should Iran approach the threshold of nuclear weapons capabilities. Bolstering sanctions would mean going beyond proposed measures on the Central Bank of Iran and putting strict restrictions on finance and insurance, while emphasizing that a military strike is still an option. Another participant said that only the credible threat of military confrontation would ultimately prevent Iran from trying to develop nuclear weapons, noting that Iran suspended uranium enrichment in 2003 upon the American invasion of Iraq.

An Israeli participant agreed with much of this but expressed qualms about the use of military force. The participant said that there is still time for sanctions to affect Iran's calculus, but the sanctions must be strengthened; the participant suggested targeting them against certain individuals and government operations in order to exacerbate power struggles within the Iranian regime. Noting that the Iranian nuclear program remains under International Atomic Energy Agency (IAEA) supervision, the participant argued that any move toward weaponization would be evident to the international community.

Participants examined what the implications of a nuclear Iran would be. One Israeli participant said that Iran obtaining nuclear weapons would be the biggest threat to the state of Israel since Israel's establishment. While some question whether Iran would be irrational enough to incur devastating retaliation by attacking Israel with a nuclear weapon, a participant said that the stakes are too high to risk the possibility.

Another Israeli participant said that Iran would be unlikely to launch a nuclear strike against Israel. Therefore, the consequences of Iran having a nuclear weapon would not be an attack, but a bolder, brasher foreign policy. Specifically, this would mean that Iran would feel free to pursue its interests throughout the region. This could entail an increased effort to transmit the Islamic Revolution among the Shi'i populations in Kuwait, Bahrain, Oman, Yemen, and Saudi Arabia. Iran would also be emboldened to gain further influence in Iraq, something that many Iraqis would see through the prism of the long war the two nations fought in the 1980s. An American participant argued that even if Israel were to agree to tolerate Iran's nuclear weapons development, the presence of many triggers for conflict in the Middle East would make such a situation unacceptable.

MODERATOR:

GEORGE TENET

Managing Director, Allen & Company; former Director of Central Intelligence

PANELISTS:

LT. GEN. GABI ASHKENAZI

former IDF Chief of Staff

MAJ GEN. MEIR DAGAN

former Director of the Mossad



Several participants agreed that while a military strike could be used to disrupt Iran's nuclear progress, ultimately it would not be a panacea for preventing the country from acquiring nuclear weapons in the years to come. Participants also examined the potential consequences of a military strike. One Israeli participant said that Iran would take any attack on its facilities as an act of war. The participant outlined possible Iranian responses, such as having Hizballah launch rockets and mount cross-border operations into Israel. If the regime of Bashar al-Asad in Syria remains in turmoil, Damascus would relish the opportunity to deflect its internal problems by getting involved in a conflict with Israel. Having Syria mobilize its army against Israel or sponsor cross-border attacks would precipitate a regional war. Another Israeli participant acknowledged that an Israeli attack on Iran would probably lead to a costly war with Hamas or Hizballah, or both. That said, the participant argued, Israel will probably have to fight another war with those groups eventually and would much rather do so if they were not under an Iranian nuclear umbrella. An American participant said that any Israeli decision to attack Iran without first informing the United States would put America in an extremely uncomfortable diplomatic and strategic position. Thus, the participant expressed the belief that the U.S.-Israel relationship would necessitate some degree of coordination between the two countries.

The discussion then addressed the role of Iran's Arab neighbors. One Israeli participant spoke of information revealed by the WikiLeaks cables that high-ranking figures in various Persian Gulf monarchies are in favor of an attack on Iran. The participant noted that such nations may be helpful in funding a military effort, but are not likely to send any soldiers, choosing to leave such a job to the more advanced American (or Israeli) military. The participant said that Israel, too, would prefer that any military action be taken by the United States, but stressed that Israel, unlike the Arab monarchies, would not be able to find an uneasy *modus vivendi* with a nuclear Iran. This is why Israel would act alone if necessary.

An Israeli participant examined how the current standoff with Iran might change if—or when—Asad falls from power. While the participant did not express hope that a new government in Damascus would immediately make peace with Israel, the participant did argue that Iran would suffer from a diminished operational reach in the region; its ally, Hizballah, would no longer receive the direct military assistance it currently does from Syria. Another Israeli suggested that if Asad were to fall, Iran would be more easy to contain.



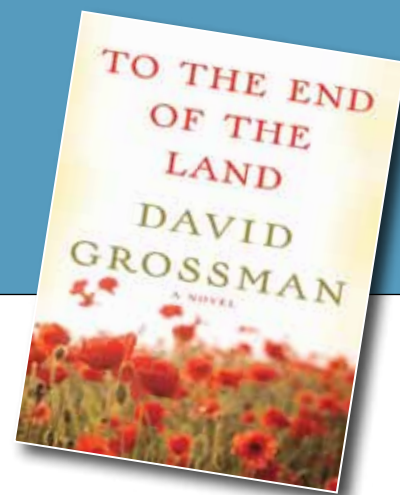
Top: Jane Eisner, Michael Eisner, and Representative Howard Berman. MIDDLE LEFT: Representative Nita Lowey, Suzanne Maloney, and Vali Nasr. MIDDLE RIGHT: Ynon Kreiz. BOTTOM: Member of Knesset Dalia Itzik.



There is a growing sense of fatalism—that no matter what Israel does, there is no real partner on the other side. For Grossman, this fatalism is the hardest thing to accept, given that Israel was founded on the principle of Jews being in control of their own destiny.



A Conversation with David Grossman, Author of *To the End of the Land*



THE SABAN FORUM'S SATURDAY EVENING PROGRAM at the Folger Shakespeare Library began with a conversation with David Grossman, author of *To the End of the Land*. The discussion was moderated by Leon Wieseltier, literary editor of *The New Republic*, and focused on the dichotomy in Israel between the vibrancy of Israeli society and the deep unease felt by many citizens about the country's place in the world.

Leon Wieseltier began by asking how much the main character in *To the End of the Land*—a mother who embarks on a hike in order to avoid the possibility of hearing news that her son has been killed while serving in the army—is a parable for Israeli society. Grossman said he did not write the character of Ora, the mother, as a symbol, but concurred that in Israel there is a great deal of denial and avoidance of reality. Israel, while vibrant and healthy, is a society on the edge of an abyss, with a subculture of existential fear. Grossman lamented that Israel cannot see that it is acting against its own self-interest and expressed frustration that it is unwilling to do what it takes to change the current path.

Wieseltier countered that it is too easy to describe Israel as just in denial. People in Tel Aviv have good lives and exhibit a unique vitality. While there is this ability to find a rich life in the present, there is also dread that no progress is being made to prevent “an inevitable disaster” that many people believe will soon come. This is something reflected in Israeli literature—the juxtaposition of vibrant life against the “situation.”

Grossman suggested that Israelis live with such richness because of the looming abyss. They cope by constructing mental barriers between their daily lives and the Israeli-Palestinian conflict. But there is a trend in Israel that is cause for concern: there is a feeling that things cannot change; there is a growing sense of fatalism—that no matter what Israel does, there is no real partner on the other side. Because of this, Israelis have become apathetic. For Grossman, this fatalism is the hardest thing to accept, given that Israel was founded on the principle of Jews being in control of their own destiny. Israel grew out of a bold idea, yet the country today is not pursuing a vision, it is being fed fear by its political leaders. Very rarely do current Israeli leaders build hope or promote a forward-leaning agenda, instead they resurrect past fears. These same leaders are surprised that when they do want to effect change, people are afraid to rally behind them.

Wieseltier brought up the issue of growing right-wing forces in Israel, asking if such a development has been limited to the political realm, or reflects a broader shift in Israeli society. Grossman said that there has been no serious public or political backlash to the strength of the right and to its actions, many of which he felt will undermine Israel as a democracy. The growth of the right, Grossman said, reflects how the vibrant, innovative, modern state is being absorbed into the “Jewish tragic wound” of suspicion and fear. As a result, Israel will be “fossilized” and unable to address all the challenges it faces.

Grossman said that nobody knows where the Arab Spring will lead—it is difficult to predict what “democracy” will mean in each country or if minority rights will be protected—and this is a cause for concern for some Israelis. However, for him, there

MODERATOR:

LEON WIESELTIER

Literary Editor, *The New Republic*

SPEAKER:

DAVID GROSSMAN

Author, *To the End of the Land*



is something more appropriate in dealing with officials who represent the views of the people than with dictators. Wieseltier suggested that Israel's apprehension may be a mistake, arguing that David Ben-Gurion, Israel's first prime minister, would have worked to forge connections and build partnerships among the developing democracies.

On the state of the U.S.-Israel relationship, Grossman said that relations between countries are not about love, they are about interests. Therefore, while Israelis may complain that President Obama does not love them, the United States, along with all the big powers, has supported Israel. Even the Arab League—a traditional adversary of Israel—offered a peace proposal that would have built ties between Arab countries and Israel. The Arab League presented this because it deemed the resulting partnerships as beneficial to its member states. It is important to keep this framework in mind as change sweeps the region—Egypt may not love Israel, but both countries have shared interests.

Wieseltier said that the implication of the Arab Spring is that, for the first time, Israel will need to understand Arab societies. He noted that historically Jews in exile preferred “vertical alliances”—partnerships with their leaders. This was the case because Jews never felt safe trusting their security to the masses. To a certain extent, Israel's relationship with Arab dictators reestablished that phenomenon by having Israel only deal with leaders. Now, Israel needs to forge “horizontal alliances”—connections with people. Israel has pursued horizontal alliances effectively in the United States because the bedrock of the strong U.S.-Israel partnership is the support for Israel among millions of Americans.

Grossman asked, given how heavily the United States finances Israel, why can't the United States pressure the Israeli government to reach a peace agreement with the Palestinians? Wieseltier noted the limits of U.S. power. He said that the idea that the key to peace rests in Washington is an expression of despair among Israelis. Israelis and Palestinians may not be able to make peace without the United States, but that does not mean the solution rests in Washington. Grossman responded that this is unfortunate because Israel cannot move forward without U.S. pressure. The current government's narrative for Israel's future does not include a Palestinian state. Therefore, Grossman said, by not intervening in an active way, Washington is abandoning Israel. Wieseltier countered that one may argue that the United States should use a blunt instrument to direct Israeli policy—such as withholding aid—but doing so might not achieve anything in the end. Israel is a sovereign nation and the responsibility for making progress on the path to peace rests in Jerusalem and Ramallah, not Washington.

In discussing the peace process, Grossman said he wants to witness Palestinians using their energies and talents to build a nation and live normal lives. But, as an Israeli, it is more important for him to witness the benefits that peace will bring to his own society. The first would be established borders. Grossman compared living in Israel today to living in a home with mobile walls, saying that it is hard to determine where one's identity ends and the identity of the neighbor begins. Established borders, Grossman said, would give Israel a sense of future, a comfort in discussing long-term policies, an ability to break from living only to survive. It would also give Israel the deep-rooted legitimacy in the word that it feels it lacks.



David Grossman speaking with Leon Wieseltier at the Folger Shakespeare Library.



Americans are traditionally suspicious of government and believe in the power of the free market to solve problems. Israelis believe it is the government's duty to use its resources to provide for citizens and care for the vulnerable.

Occupy Wall Street! Occupy Rothschild Boulevard! The Social Justice Agenda in the United States and Israel



THE SABAN FORUM'S SECOND SESSION ON SATURDAY EVENING addressed political and societal trends in Israel and the United States. Participants discussed the similarities and differences between the Occupy Wall Street movement and Rothschild Boulevard protests, and examined how these demonstrations have influenced the social contract in each country.

An American participant said that the Occupy Wall Street movement has had a big impact on the political debate in the United States, bringing to the fore previously taboo topics like income disparity and inequality. The movement is not being driven by low-income or unemployed individuals, but rather by those who traditionally would have been thought of as having the means to live well, but today cannot. From 2005 to 2008, the United States experienced economic growth, and yet the standard of living for the middle class declined, which was then worsened by the recession. For families who relied on home equity as a second source of income, the loss was even deeper. Perhaps ironically for some Americans, there were strong similarities between the protests in the Middle East and the protests in the United States, as each was triggered by the aspirations of the middle class not being met. An Israeli participant said that in both the United States and Israel it is difficult to decipher exactly what the protesters want; the protests reflect deep sentiments about social injustice without articulating specific recourses.

Despite many similarities between the movements in each country, an Israeli said, there are deep differences, owing to the diverging views each society has of the role of government. Americans are traditionally suspicious of government and believe in the power of the free market to solve problems. Americans assume that the rich have earned their wealth through hard work, that taxation is tantamount to theft, and that there is a connection between failure and sin. In contrast, Israelis believe it is the government's duty to use its resources to provide for citizens and to care for the vulnerable. Israelis also have a deeply held belief that success comes from the infrastructure of the community, and that one owes one's society, which has fostered one's prosperity. While the current generation of Israeli youth has not articulated this, and has not offered policies that reflect this, it still has deep seated communal instincts and a desire to reinforce social unity.

The protests in Israel were rooted in disdain over the state of the relationship between the individual and the community. There has been a sense that there is shrinking communal solidarity and an explosion in the market economy that has left gaps between the very wealthy and everyone else. An Israeli participant criticized the Netanyahu government for assuming that Israelis would overlook the government's economic policies, and what many see as widespread political corruption, because of security matters, particularly the ongoing threat of Hamas in Gaza. The protest movement was as much a demand for economic improvements as a demand for civic integrity. The participant said that the protest movement has created a space in Israeli society for political activity that is not related to the Israeli-Palestinian conflict. As a result, people can press for improvements to things

MODERATOR:

ARI SHAVIT
Senior Correspondent,
Ha' aretz

PANELISTS:

RAHM EMANUEL
Mayor of Chicago

MOSHE HALBERTAL
Gruss Professor, New York
University School of Law;
Professor of Jewish Thought
and Philosophy, Hebrew
University



like education—the state’s neglect of public education is deeply troubling, and globalization has only made the need to improve the state of schools more urgent.

An American participant agreed that although the protest movements in Israel and the United States have some similarities—both have been marked by young people camping out in tents and speaking out against economic injustice—the situation in each country is very different. In Israel, the economy is growing healthily, but these gains have not reached large segments—perhaps the majority—of society. In the United States, the economy is still struggling, and the burden of the financial meltdown was shouldered by a large portion of the country. Americans view the government as culpable in their losses because proper regulation failed to keep up with a modernizing financial sector.

Despite the profound challenges Israel faces, there is an absence of true leadership, an Israeli participant argued. At the same time, new leaders are unlikely to be born out of the movements because the Israeli protest movement—like the American one—displays a disdain for politics. Since no constructive path forward has emerged out of the protests, the result may be growing feelings of hopelessness among those who took part, which will further drive people away from participating in the political process and building new political leaders.



Top: Senator Joseph Lieberman and Yosef Vardi during dinner at the Folger Shakespeare Library. MIDDLE: Moshe Halbertal and Mayor Rahm Emanuel speaking before dinner. BOTTOM: Itamar Rabinovich.



The international community may have been caught off guard because it did not want to entertain the fact that many countries in the Middle East were ripe for change; change involves uncertainty.

The Arab Awakenings: A Regional Perspective



THE SECOND DAY OF THE SABAN FORUM opened with a conversation about the Arab Spring, focusing on events in Egypt, Syria, and the Palestinian territories. There was some disagreement about the implications of the growing strength of Islamist parties in places like Egypt, but one participant stressed that it is imperative that the United States respect the outcome of elections, even if it means Islamist parties coming to power.

The session began with participants examining the results of the first round of Egypt's parliamentary balloting in which Islamist parties (including the Muslim Brotherhood's Freedom and Justice Party and Salafi parties) garnered an overwhelming majority of votes. An American participant viewed that outcome as a wake-up call for liberal forces in Egypt and elsewhere in the Middle East and North Africa, and felt that it was a necessary warning to compel pro-democracy reformist forces to join efforts, organize themselves, and take action. The participant said that the decades of oppression of liberal forces in Egypt would make it difficult for Arab countries to transition directly from dictatorship to democracy without first undergoing a religious-political phase. The participant invoked Iraq, where sectarian parties had prevailed in the initial elections but after failing to provide jobs, basic services, and stability, lost popular support. Therefore, the question for Egypt is: How long will this religious-political phase last and what are the consequences?

There was some disagreement with this premise, and another participant said that Arab countries may not necessarily go through an extremist "Khomeini phase" that would reverse the democratic change brought about by the secular revolutionaries. The participant pointed to Jordan as a successful example of a place where an Islamist party was brought into the state apparatus, and is part of the government. The participant said that in Jordan, the Muslim Brotherhood is treated like any other party in the political system.

Another participant said that the Arab Spring was a unique event in that it united diverse forces pursuing a common cause: rejection of the status-quo. The participant suggested that the international community may have been caught off guard because it did not want to entertain the fact that many countries in the Middle East were ripe for change; change involves uncertainty. But, the participant said, even if the United States is not pleased with what change has brought, such as the election results in Egypt, it is important that the U.S. administration respect the outcome. Similarly, it is important that Americans and Europeans be patient with the newly formed governments and avoid demanding that they function immediately as mature democracies. Yet, it is reasonable for the United States to expect the new regimes to adopt non-belligerent postures and pursue peaceful policies. The United States should judge the new regimes not by their rhetoric but by their performance: how effectively they govern, how responsive they are to the grievances of their people, and how committed they are to enforcing peace.

The discussion then turned to the Palestinian territories, and one participant noted that in 2007 both the West Bank and Gaza Strip suffered from a lack of

MODERATOR:

THOMAS L. FRIEDMAN
Foreign Affairs Columnist,
The New York Times

PANELISTS:

PRIME MINISTER
SALAM FAYYAD
Palestinian National
Authority

FOREIGN MINISTER
NASSER JUDEH
Hashemite Kingdom of Jordan



law, order, and security—a well as economic deterioration—that threatened both territories with collapse. Restoring security was a prerequisite for the government in the West Bank to be able to function and deliver services. By focusing on the basics of governance, security, and economic reform, and by using assistance from the United States and Jordan, the Palestinian Authority (PA) was able to improve security and government services in the West Bank. As a result, today the PA commands eight police battalions (roughly 3,500 security personnel) deployed mainly in the West Bank's Area A, which includes major Palestinian urban centers. To sustain these achievements, the PA needs Israel's cooperation and for Israel to cease raids into the West Bank, because those raids delegitimize the PA in the eyes of Palestinian people and reinforce Israel's image as an occupying power. These raids also undermine the prospects of peace between Israelis and Palestinians: to be sustainable, a peace agreement must be made between equal political partners.

While praising the PA's achievements, one Israeli participant took issue with the way in which the subject of raids had been framed. The participant said that the Israel Defense Forces (IDF) tries to avoid incursions into the Palestinian territories at all costs. The IDF conducts raids only when it has information about an imminent terrorist attack on Israeli cities and if the Palestinian security forces are not able to prevent it in a timely and effective fashion. With regard to the feasibility of resuming Israeli-Palestinian peace negotiations, one participant felt that even if both sides dropped their preconditions, the likelihood of resuming negotiations would still be low. This is the case because domestic politics in Israel, the West Bank, and Gaza are not conducive to negotiations, and the international community's attention is focused elsewhere—particularly on the ongoing financial crisis in the Eurozone.

In addressing events in Syria, an American participant said that it is important to understand the differences between Syria and other countries where regimes fell. Unlike in Syria, both Tunisia's and Egypt's armies were autonomous institutions that helped bring an end to the regimes. By contrast, in Syria, the army depends on the Asad regime for its survival, and has fought to protect its patron. The participant said that the international community's initial call for the regime to reform was unrealistic because, in essence, such a call was asking the regime to end itself. This means that unless a dramatic event happens—for example, a split within the regime or the army turning against Asad—the status quo will persist.



Prime Minister Salam Fayyad and Haim Saban speaking after the prime minister's panel.



Tehran has been under more economic pressure and has been more isolated than ever because of a unified international community and tough United Nations Security Council measures, such as Resolution 1929.



A Conversation with National Security Advisor Thomas Donilon



THE SABAN FORUM HELD A CONVERSATION with National Security Advisor Thomas Donilon that focused on U.S. policy toward Iran. Participants discussed the region's landscape in the wake of the Arab Spring, and assessed U.S. policies and policy options for preventing Iran from acquiring nuclear weapons.

The United States has pursued a dual-track approach toward Iran, feeling that pressure and engagement can influence Iran's policy calculations. The U.S. approach has aimed to reverse what it saw as two disturbing trends that occurred before Obama took office: the expansion of Iran's nuclear development (in 2003, Iran had an estimated 100 functional uranium centrifuges, which increased to 5,000 in 2009), and the perception that the United States was the intransigent actor since it was unwilling to speak with Iran. The administration has shown it has been open to the possibility of dialogue, but because of Iran's pattern of deceit, the international community has come to agree that Tehran is obstructing the path to a peaceful settlement. By changing global opinion, the United States has sought to build international support for the other track of its Iran policy—pressure. Therefore, while keeping the door open to the possibility of dialogue, Washington has sought to use the good faith built by its diplomatic approaches to convince allies to join in imposing ever-stricter sanctions on Iran.

Tehran has been under more economic pressure and has been more isolated than ever because of a unified international community and tough United Nations Security Council measures, such as Resolution 1929. It should be noted that countries that have traditionally opposed sanctions, like China, supported many of these measures. Washington is putting additional pressures in place—sanctioning the Central Bank of Iran and encouraging allies to cut off imports of Iranian petroleum, both developed in conjunction with European allies. Washington hopes that a damaged Iranian economy and diplomatic isolation will make clear to Tehran the high cost of continuing to enrich uranium.

Washington estimates that Iran's economy is currently contracting, a condition that will exacerbate political infighting that intensified after the 2009 election and has included rifts between the office of the supreme leader and the president. Abroad, Iran has become less popular among the neighbors it seeks to influence; Iran has tried and failed to turn Iraq into a client state and failed to intimidate the nations of the Gulf Cooperation Council. While many Arabs in the past looked to Iran as an ideological model due to its mantra of resistance, the Arab Spring has shown a much more attractive democratic model for popular change, leading to a drastically tarnished image of Iran among the region's population.

Iran has only two true allies left in the region: Syria, under the regime of Bashar al-Asad, and Hizballah in Lebanon. At the same time, because of its support for Asad when he killed his opponents, Tehran will be in a perilous position if the revolutionaries gain power. If the Asad regime collapses, not only will Iran be further isolated, but Hizballah will be weakened as well; the military support it receives from the Asad regime will likely dry up. This is why the United States has sought to mount international pressure on Asad to step down. The United States'

MODERATOR:

MARTIN INDYK

Convener of the Saban Forum; Vice President and Director of Foreign Policy, The Brookings Institution

SPEAKER:

THOMAS DONILON

National Security Advisor



efforts gained new traction when Turkish prime minister Recep Tayyip Erdoğan abandoned a decade's worth of efforts to bolster Turkish-Syrian ties and called for Assad to give up power.

Some have accused Washington of being too weak with Iran, but the United States has left all options on the table, including a military option. Nevertheless, Washington feels that there remains significant time and space to increase pressure before considering deploying force. Joint American, British, and French efforts helped discover the nature of the covert nuclear plant being assembled near the city of Qom. Such information-gathering efforts will enable the international community to take appropriate and timely measures when needed.



TOP LEFT: Shibley Telhami speaking during a dialogue session. TOP RIGHT: Amos Yadlin, Stephanie Glakas-Tenet, and George Tenet talk after a dialogue session. BOTTOM: Ambassador Michael Oren.



Holding elections does not constitute having a democracy, and therefore the strategic interests of the United States and Israel will be best served if they help strengthen civil society in the Arab world.



The Arab Awakenings: U.S. and Israeli Perspectives



THE THIRD DIALOGUE SESSION OF SABAN FORUM 2011 focused on the Arab Awakening from the perspectives of American and Israeli policymakers. Because the events of 2011 have different implications for each country, the two governments have diverged over how to respond to the changes underway. While one Israeli participant articulated worst-case scenarios relating to the Arab Spring, most participants agreed that the United States and Israel should help transitioning countries by bolstering their economies and civil societies.

An American participant said that despite several shared interests, the United States and Israel will likely continue to view the Arab Awakening in different lights. This is largely a function of geography—the United States is not located in the Middle East, whereas Israel is part of the region. Although the United States does have a strategic interest in seeing a stable Middle East, the participant stated that the United States is at its best when it abides by its ideals and values, which in this case means supporting democratic movements.

The same participant said that the Arab uprisings were shaped by internal factors—a desire for dignity, economic opportunity, and an end to corruption—and future developments in the region will similarly be shaped by what occurs within the given countries. The uprisings were not, the participant said, about religious ideology, and the United States must distinguish between those Islamists who will abide by democratic rules and those who will not. Although Islamists have had electoral successes, depending on their performance in government, they may not do as well in later elections. Consequently, the political landscape that exists today may shift over time.

An Israeli participant said that the Arab Spring upended conventional wisdom about democracy in the Arab world. Although many Western governments and analysts had been caught off guard, democracy activists had been saying for years that the authoritarian regimes of the region were doomed to fall—not from external intervention but from bottom-up pressure. Experts were also wrong when they said that after the fall of the Mubarak regime in Egypt, Syria would be immune to the shockwaves because the Asad regime was structurally much stronger than Mubarak's had been. While Asad has held power for the time being, the public condemnation of him in Syria that began in March 2010 was in itself remarkable, since criticism of the regime had previously only happened underground.

The participant said that holding elections does not constitute having a democracy, and therefore the strategic interests of the United States and Israel will be best served if they help strengthen civil society in the Arab world. If civil society is not strengthened throughout the new Middle East, Israel and the United States may have to revert back to looking for dictators to maintain stability, however flawed this strategy may be.

The Israeli participant continued to say that the Arab Awakening broke an unspoken agreement between the West and the Arab regimes, where the former provided support for the latter in return for stability. When both Western and

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Minister

JAMES STEINBERG
Dean of the Maxwell School,
Syracuse University; former
Deputy Secretary of State

MAJ. GEN. AMOS YADLIN
former Director of Military
Intelligence



Arab government officials were challenged about this relationship in the past, many would respond that if their regimes were to fall, Islamists would come to power. Many of these people failed to realize that keeping the repressive regimes in power fueled the popularity of the Islamists.

In constructing policies toward the new Middle East, an American participant said that the United States should not take a one-size-fits-all approach. But whatever policies are constructed, Washington must realize that its ability to shape events is rather limited. Perhaps most important, then, the United States should make sure it is seen as being on the side of the people. In addition, it should be conscious of the economic situations of the countries undergoing change, and assist accordingly.

Another Israeli participant outlined a number of events, albeit unlikely, that could occur and that would have profound consequences for Israel and the United States, such as Egypt dissolving its peace treaty with Israel. Even if that happened, it is unlikely that Israel and Egypt would go to war, since Egypt's major challenges in the near term will be economic, and waging war would be costly. The participant also raised the possibility of instability in Jordan having an effect on the peace accord between Jordan and Israel. Although the kingdoms of the region coped fairly well throughout the turmoil, this could possibly change in 2012 and alter Israeli-Jordanian relations. The speaker then spoke about an emerging alliance between Turkey, Jordan, Egypt, and Gaza that could be much more influential and cause more problems for Israel than the so-called "Shi'i Crescent." The United States and Israel are in a critical moment precisely because the implications of all these issues are unclear. The participant concluded by saying that the best way to ensure stability in the region is to help transitioning countries build democratic institutions, maintain law and order, and restore their economies.

The session concluded with several participants agreeing that there must be some form of engagement with Islamist parties when they come to power, as long as they are not involved in belligerent or extremist behavior. One participant noted that the Arab Awakening has begun to spark debates in Arab countries about previously sensitive topics, such as religion, gender issues, and minority rights. Another participant said that the international community does not have to prop up liberal parties, but instead should focus on helping ensure that the political process in democratizing countries is seen as credible, transparent, and accountable.



Top: Salman Shaikh and Tamara Cofman Wittes. MIDDLE: Itamar Rabinovich and Representative Nita Lowey. BOTTOM: Dana Weiss.



Israelis are conflicted about what has occurred in the Middle East. Specifically, there is concern that some countries may strive for the rule of the majority without abiding by democracy's liberal values.



A Conversation with Deputy Prime Minister Dan Meridor & Dennis Ross, former Special Assistant to the President and Senior Director, National Security Council



SABAN FORUM 2011 CONCLUDED with a luncheon discussion that touched on many of the topics addressed throughout the Forum: the Arab Awakening, the state of U.S.-Israeli relations, the future of the peace process, and the implications of a nuclear Iran. It allowed participants to bring all these issues together, and many agreed that while the United States and Israel may have differences of opinion on how to achieve specific goals, ultimately, many of their interests align.

An American participant began the discussion by saying that a main takeaway of the Forum is the point that the United States and Israel have viewed and reacted to the Arab Awakening in different ways. Israel has watched the uncertainty that has engulfed the region, especially in Egypt, with trepidation. While these worries are justified, because the Arab Awakening has been about self-determination and dignity—two notions that have widespread international resonance—it is in Israel's interest not to be viewed as opposing reform, or worse, as a source of or contributor to the injustice felt throughout the Arab world.

An Israeli participant said that the fall of dictators and the spread of freedom is laudable, but Israelis are conflicted about what has occurred in the Middle East. Specifically, there is concern that some countries may strive for the rule of the majority without abiding by democracy's liberal values. Therefore, if Israelis had to choose between having a peace treaty with an authoritarian regime or being at war with a democracy, many would likely choose the former.

A participant said that while there may be policy differences between the United States and Israel regarding the Arab Awakening, the long history of U.S. support for Israel should not be taken lightly. The relationship between the two countries is based not only on shared interests, but also on shared values. For this reason, the participant said, it is clear why many in the United States were discouraged by legislation in the Knesset that is aimed at restricting the work of nonprofit groups. The participant said that an important tenet of liberal democracies is restricting the power of the majority. This notion should be especially meaningful in Israel because Jews, have been a minority throughout their history.

In terms of the long-dormant peace process, an Israeli participant said that it is important to restart talks. The participant said that the Israeli government is ready to negotiate, and criticized the Palestinian leadership for placing preconditions on talks—namely, that it would not return to the negotiating table until settlement construction is halted. The participant said that Israel should be able to build beyond the 1967 border, as long as it is within the settlement blocs that most agree will be part of Israel in any future agreement. What is needed now, the participant suggested, is a two-track approach: restarting negotiations and helping Prime Minister Salam Fayyad with his state-building efforts. Still, the participant raised the question of whether President Mahmoud Abbas can deliver and implement peace if there was an agreement between the two sides.

On Iran, an American said that there are no differences between the United States and Israel on what the end-result should be. Nonetheless, there have been

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Director, National Security
Council



differences of opinion over how to confront Iran, mainly because Israel sees Iran as an immediate existential threat whereas the United States does not. The main point of contention, therefore, has been about timing. The participant said that Israel likely sees the window of opportunity for halting Iran's nuclear ambitions to be about six months. For its part, top U.S. government officials have said there will be more U.S. efforts to ratchet up the pressure on the Iranian regime and that pressures already applied on the regime have had an effect on Iran's behaviors. Another participant said that a nuclear Iran will have major consequences, including an unstable Middle East and effects on oil prices. Therefore, U.S. and Israeli leaders must make it clear to the Iranian regime that it will not, under any circumstance, acquire a nuclear weapon.

An American participant then addressed the peace process, saying that the status quo is not sustainable. Israel should not take actions that may seem beneficial in the short term but that would undercut its long-term strategic interests. It should also be cognizant of decisions or actions that may put the United States in a difficult position, especially since the United States is often asked to support Israel on the international stage. At the same time, the United States should not adopt specific positions on key issues, since doing so may create problems and not help the parties advance toward an agreement.



TOP LEFT: Natan Sharansky, Tamara Cofman Wittes, and Martin Indyk speaking after the final dialogue session.

TOP RIGHT: Deputy Prime Minister Dan Meridor. BOTTOM LEFT: Dennis Ross. BOTTOM RIGHT: Haim Saban and Amos Yadlin walking to the closing luncheon.

The Saban Center for Middle East Policy

THE SABAN CENTER FOR MIDDLE EAST POLICY WAS ESTABLISHED on May 13, 2002 with an inaugural address by His Majesty King Abdullah II of Jordan. The creation of the Saban Center reflects the Brookings Institution's commitment to expand dramatically its research and analysis of Middle East policy issues at a time when the region has come to dominate the U.S. foreign policy agenda.

The Saban Center provides Washington policymakers with balanced, objective, in-depth and timely research and policy analysis from experienced and knowledgeable scholars who can bring fresh perspectives to bear on the critical problems of the Middle East. The center upholds the Brookings tradition of being open to a broad range of views. The Saban Center's central objective is to advance understanding of developments in the Middle East through policy-relevant scholarship and debate.

The center's foundation was made possible by a generous grant from Haim and Cheryl Saban of Los Angeles. Ambassador Martin S. Indyk, Vice President of Foreign Policy at Brookings, was the founding Director of the Saban Center. Tamara Cofman Wittes is the center's Director. Within the Saban Center is a core group of Middle East experts who conduct original research and develop innovative programs to promote a better understanding of the policy choices facing American decision makers. They include Daniel Byman, a Middle East terrorism expert from Georgetown University, who is the center's Director of Research; Kenneth M. Pollack, an expert on national security, military affairs and the Persian Gulf, who served on the National Security Council and at the CIA; Bruce Riedel, a specialist on counterterrorism, who served as a senior advisor to four presidents on the Middle East and South Asia at the National Security Council and during a twenty-nine year career in the CIA; Suzanne Maloney, a former senior State Department official who focuses on Iran and economic development; Natan Sachs, an expert on Israeli domestic politics and the Arab-Israeli conflict; Stephen R. Grand, Fellow and Director of the Project on U.S. Relations with the Islamic World; Salman Shaikh, Fellow and Director of the Brookings Doha Center; Ibrahim Sharqieh, Fellow and Deputy Director of the Brookings Doha Center; Shadi Hamid, Fellow and Director of Research of the Brookings Doha Center; and Shibley Telhami, who holds the Sadat Chair at the University of Maryland. The center is located in the Foreign Policy Studies Program at Brookings.

The Saban Center is undertaking path breaking research in five areas: the implications of regime change in Iraq, including post-war nation-building and Gulf security; the dynamics of Iranian domestic politics and the threat of nuclear proliferation; mechanisms and requirements for a two-state solution to the Israeli-Palestinian conflict; policy for the war against terrorism, including the continuing challenge of state sponsorship of terrorism; and political and economic change in the Arab world, and the methods required to promote democratization.



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