

BROOKINGS

SABAN FORUM TRIP REPORT

*By Martin S. Indyk
Vice President and Director, Foreign Policy
The Brookings Institution*

From November 14 to 16, 2009, I participated in the Saban Forum, an annual dialogue between high-level Americans and Israelis organized by the Saban Center for Middle East Policy at Brookings. We convened this year's Forum in Jerusalem and Ramallah, the administrative capital of the Palestinian Authority.

Participants on the Israeli side included Prime Minister Benjamin Netanyahu, Defense Minister Ehud Barak, Foreign Minister Avigdor Lieberman, former Prime Minister Ehud Olmert, Leader of the Opposition Tzipi Livni, Head of Military Intelligence General Amos Yadlin, Head of the Internal Security Agency (Shin Bet) Yuval Diskin, and Israel Bank Governor Stanley Fisher.

The American side included Bill Clinton, Deputy Secretary of State Jim Steinberg, Governor Arnold Schwarzenegger, Senator Joseph Lieberman, Senator Lindsey Graham, Chairman of the House Foreign Affairs Committee Howard Berman, Chairman of the House Energy and Commerce Committee Henry Waxman, Chairman of the House Appropriations Sub-Committee on Foreign Operations Nita Lowey, and Dan Shapiro, Senior Director for Arab-Israeli Affairs at the National Security Council.

As part of the dialogue, the American and Israeli participants traveled together to Ramallah to engage in a dialogue with Palestinian Prime Minister Salam Fayyad – the first time an Israeli delegation was permitted to enter Ramallah since the outbreak of the intifadah in October 2000. The American delegates also participated in a meeting with Palestinian chief negotiator Saeb Erakat.

Because the majority of the sessions were held under the Chatham House Rule, the following account captures the main points covered and the perspectives represented, while identifying sources only when they were speaking on the record.

1. Iran:

There was a surprising consensus among Israeli and American policy-makers that the approach pursued by the Obama administration should be given a little more time to work, and that if the Iranians did not respond positively, the next step should be more sanctions rather than military action – although that should never be taken off the table:

- Israelis were surprisingly relaxed about Obama’s approach, expressing satisfaction with the close consultations and the common strategy that had been developed for dealing with Iran’s nuclear ambitions.
- Israeli policy-makers seemed satisfied at the way the international community was now spotlighting Iran’s behavior. Tehran had been caught red-handed at Qom and would have a lot of explaining to do about a clandestine enrichment facility too small to serve any civilian nuclear purpose.
- Israeli policy-makers were also comfortable with the TRR initiative (the P5+1 proposal to take 75 percent of Iran’s low enriched uranium out of the country for processing and fabrication into fuel rods that would be used to make medical isotopes in the Tehran Research Reactor). They felt that the regime’s unwillingness to accept the proposal had demonstrated to those countries that had been unconvinced of Iran’s intentions, that its nuclear program was designed for other than peaceful civilian purposes.
- The more relaxed Israeli attitude is also a product of indications that Iran’s centrifuge cascades are crashing on a regular basis, demonstrating that they are experiencing real technical difficulties which are slowing their march to a “breakout” capacity.
- American and Israeli policy-makers agreed that since a positive response from Iran was currently unlikely, preparations were now necessary for a new sanctions resolution in the Security Council. The U.S. wanted to target the regime and its supporters with new sanctions and believed there were good prospects for Russian support for that approach.
- Israelis welcomed Obama’s new approach to Russia, which they had reinforced through their own diplomatic channels. The Russians were clearly embarrassed by the revelation of the Qom enrichment facility which they knew nothing about. The Russian refusal to supply Iran with S-300 air defense missiles, the announcement of a further delay in starting the Russian-built Bushehr nuclear reactor and the willingness of Russian President Medvedev to speak openly about the possibility of new sanctions were all seen as indicative of a change in Russian policy.
- Both sides were less certain about China’s willingness to cooperate with additional steps to pressure the Iranian regime. However, the acceptance that U.S. “core interests” needed to be addressed, as well as China’s, represented an opening that could presage progress there too.
- Some Americans expressed concern that the Obama administration had not been vocal enough in supporting the Iranian people in their protests against the regime. The Israelis tended to be more focused on curbing Iran’s nuclear program than attempting to promote regime change at this stage.

2. Israeli-Palestinian Issues:

Among Israeli policy-makers, there was a wide spectrum of views on how best to deal with the Palestinian issue:

- Some believed that no settlement was possible at the moment and the best that could be achieved was a modus vivendi based on improving Palestinian conditions in the West Bank while Palestinian politics sorted themselves out.
- Others argued, on the basis of past experience, that it is still possible to achieve a two-state solution with the current Palestinian leadership. One Israeli participant who had taken part in previous negotiations argued that, contrary to conventional wisdom in Israel, Palestinian President Mahmoud Abbas (Abu Mazen) had not turned down Prime Minister Olmert’s offer of

a “95 percent solution” (i.e. a Palestinian state in all of Gaza and 95 percent of the West Bank) and that he should now be asked again whether he accepted what a sitting Israeli prime minister had put on the table.

- Another experienced negotiator argued against the idea of a “borders first” negotiation, arguing that the Palestinians will quickly demand to know what the border will be in Jerusalem. It was better to put all the issues on the table to facilitate the necessary trade-offs that would make an agreement possible.
- Others favored an arrangement whereby the Palestinians would declare their state in provisional borders negotiated with Israel. However, one of the major proponents of this idea admitted that the Palestinians showed no interest in it.
- Prime Minister Netanyahu, who spoke on the record, proclaimed his desire to begin final status negotiations immediately and promised that he would make surprising, substantive moves in that context; he provided no specifics. However, he warned that if the Palestinians took unilateral steps to declare a Palestinian state, “Israel would know how to respond.”
- Other Israeli policy-makers warned that Israel was now approaching “a moment of truth” and the Prime Minister needed to make a strategic decision – whether to save Palestinian President Abbas by negotiating a substantive solution as quickly as possible or let him “throw in the towel.” If Abu Mazen were left to do that, it would create a leadership vacuum that could only be filled by a power struggle between ineffective Fatah leaders and/or an eventual Hamas takeover of the West Bank.
- One Israeli security expert observed that the Gilad Shalit/prisoner swap nearing completion would be a boon for Hamas, and Israeli decision-makers therefore need to see that decision as strategic in its consequences because of the likely impact on Abu Mazen and those Palestinians who want to make peace with Israel. He assessed that it was only a matter of time before Israel would have to go back into Gaza again.
- Palestinian interlocutors confirmed the sense of desperation that Abu Mazen feels after 16 years of negotiations with no tangible results. His desire is for meaningful final status negotiations that yield quick results but he has no confidence that can be achieved with the current Israeli government and he does not feel he can risk beginning negotiations without some clear guarantees about where they will end.
- The idea of going to the UN Security Council for a resolution that would declare a Palestinian state is designed as leverage to get the United States and Israel to take negotiations seriously. The Palestinian leadership well understands that it would be counterproductive actually to declare the state unilaterally.
- Salam Fayyad, the Palestinian Prime Minister, is engaged in a different kind of unilateralism, designed to build the state from the ground up by getting Palestinians to assume their responsibilities for creating transparent, accountable governing institutions and a capable and responsible Palestinian security service that maintains order and fights terror.
- Considerable progress is being made in these areas. Four battalions of Palestinian police have already been trained, equipped, and deployed to all the major cities of the West Bank where they are maintaining order. (The Saban Forum delegates were treated to an impressive display of the new troops as they guarded the route from the Bet El border crossing to the Grand Park Hotel in Ramallah where the meeting with PM Fayyad took place.)
- Another four battalions are in training now. When that is completed, the Palestinian security forces will have the capability of maintaining order in all of the “A” and “B” areas that the IDF

re-entered as a result of the intifadah. At that point, the Palestinian Authority wants the IDF to withdraw and not re-enter. This would demonstrate to West Bank Palestinians that security cooperation with Israel produces tangible progress toward statehood. The hope is that this concept can be applied as well to some of the “C” areas that Israel still controls, perhaps as part of a third further redeployment provided for in the Oslo Accords.

- The Palestinian economy in the West Bank is booming, with seven percent growth achieved in 2009, and double-digit growth expected in 2010.
- Instead of going to the UN Security Council now for a resolution declaring a Palestinian state, some Palestinian leaders would prefer to wait until the state-building exercise is completed some two years from now. At that point, it would be reasonable for Palestinians to say to the international community: “We’ve done our part, where is the independent state you promised us?”
- Gaza remains a fraught problem for the Palestinian Authority, Israel, and the United States. Israeli security officials are concerned that Egypt is still not doing enough to stop the smuggling of arms through the tunnels but express greater understanding of the complex calculations the Egyptian government must make: it doesn’t want to be accused by its own Muslim Brotherhood opposition of strangling the Gazans; and it doesn’t want to spark a confrontation with Bedouin tribes in the Sinai Peninsula who depend on the smuggling for their livelihood.
- The Palestinian Authority would prefer that Israel open the passages to Gaza to reduce the dependence of its citizens on the Hamas regime. As long as the passages are closed they have no choice but to resort to smuggling goods through the tunnels, which are controlled and taxed by Hamas. From the PA’s perspective, Israeli policy is counter-productive.
- Part of the reason the passages remain closed is to pressure Hamas to return Gilad Shalit, the Israeli hostage. The deal apparently has been finalized and is ready for implementation. However, with Abu Mazen threatening to resign, implementation of the deal now would likely be the last straw since Hamas would claim victory for liberating large numbers of Palestinian prisoners and opening the passages. Abu Mazen would likely conclude that Netanyahu wanted to replace him with Hamas. It was clear that Israeli policy-makers were grappling with this impossible dilemma – whether to place the life of one Israeli soldier ahead of strategic imperatives in Israel’s war on terrorism.

3. Israeli-Syrian Negotiations:

- A previous Israeli negotiator with recent experience argued that the price of peace with Syria is very clear – full Israeli withdrawal from the Golan Heights. No Israeli leader should enter negotiations with the Syrians unless he/she was prepared to pay that price. An American policy-maker currently engaged in talks with the Syrians confirmed this judgment.
- President Asad of Syria well-understood the price that he would have to pay in terms of breaking Syria’s relations with Iran, Hezbollah, and Hamas. Whether he would be willing in the end to make such a break could only be tested through negotiations.
- One current Israeli policy-maker disagreed with this approach, arguing that as long as Iran’s stock was high, Syria would not be willing to break away. In that case, it would be better for Israel to abandon the idea of a “grand bargain” and seek a partial deal with Syria, in which Israel would withdraw from less territory and Syria would still retain some ties with Iran.

- In the meantime, it was clear to those Israelis who had engaged in the previous negotiations with Syria that Assad was the decision-maker in Damascus and had demonstrated on a number of occasions an ability to exercise restraint and good judgment about his country's interests. Other Americans and Israelis viewed Assad's decision to build a clandestine nuclear reactor as indicating that the Syrian leader is actually a gambler and risk-taker.
- Nevertheless, he is currently pursuing a two-track policy. By day he talks peace and reaps the benefits in terms of the increased attention of the United States and the EU. By night he solidifies his relationship with Iran, supplies weapons to Hezbollah (against UNSC resolutions), and supports Hamas. He also allows an Iranian presence in Syria that his father would never have tolerated.
- Absent Israeli-Syrian negotiations, there is a limit to how far U.S.-Syrian relations can advance. Cooperation is improving over preventing Arab insurgents from crossing the Syrian border into Iraq. But without the changes in Syria's relations with Hezbollah and Hamas that might be generated by a breakthrough to peace with Israel, U.S. legislation essentially prevents any breakthrough in U.S.-Syrian relations.
- One Israeli policy-maker pointed to the recent Syrian decision to turn down a trade agreement with the EU, which had been years in the making, as evidence of how difficult it would be for Syria to make peace. It demonstrated how threatened the regime and its supporters feel when faced with a choice of opening Syria to the West.

4. U.S.-Israel Relations:

- One American participant contrasted the close coordination achieved between the Obama administration and the Netanyahu government on the Iranian nuclear issue with the strong disagreements between them over how to pursue peace.
- An Israeli participant argued that President Obama appeared to the world as weak and ineffective and this was deeply worrying to Israelis because of their dependence on the United States to project strength and leadership. A number of Americans rebutted this criticism, arguing that the President was trying a new approach because the Bush strategy for the region had clearly failed to curb Iran's nuclear program or generate an Israeli-Palestinian breakthrough. These participants maintained that it is too early to judge whether Obama's approach has failed.
- President Clinton, in on-the-record remarks, argued that Israelis were making a mistake in viewing President Obama as against them just because he was seeking to improve relations with the Arab and Muslim Worlds. He believed that both the president and the secretary of state were committed to helping Israel achieve a meaningful and secure peace deal.
- Clinton said he still believed strongly in the two-state solution and that Israelis should not give up on that hope. He noted that they were "the chosen people" but now the time had come for them to choose whether to go forward with peacemaking or allow their doubts and fears to guide them.