

# LESSONS IGNORED, OPPORTUNITIES LOST

*One hundred, two hundred years from now, historians will look back at American foreign policy towards the [Arab-Israeli] conflict ... and wonder why we let this thing drag on, bleeding and damaging us, when we had so much potential influence over the parties.*

—Former senior National Security Council  
official

When the United States Institute of Peace published Ambassador Samuel Lewis and Professor Kenneth Stein's *Making Peace among Arabs and Israelis* in 1991, there was great hope for progress toward a comprehensive Arab-Israeli settlement. With the end of the Cold War, the U.S.-led victory in the first Gulf War, and the general decline in opposition to peace throughout the region, the strategic environment seemed propitious for the United States to lead the Middle East peace process into a new phase. Earlier U.S. successes in mediating Israeli-Egyptian peace and Israeli-Syrian disengagement were a promising record on which to build. From the early 1970s, U.S. leadership, agile diplomacy led by the president and secretary of state, and the sustained and judicious deployment of the full range of U.S. diplomatic resources led reluctant parties to negotiated agreements. By the early 1990s, a comprehensive Arab-Israeli peace—actively promoted by the United States—seemed more real than at any time in a half-century. But nearly twenty years later, the record is largely one of failure.

At the height of the Cold War, the need for a U.S.-led Arab-Israeli peace process was unmistakable. Washington responded, and our achievements helped to tilt the strategic balance to the United States' favor. In 1970, Secretary of State William Rogers developed a cease-fire plan that brought the Egyptian-Israeli "war of attrition" to an end. Out of the devastation and destruction of the October 1973 Arab-Israeli war, the Richard Nixon and Gerald Ford administrations fashioned a U.S.-led peace process based on a step-by-step strategy rather than on grand designs and comprehensive formulas. When these negotiations over interim arrangements broke down, Washington often stepped in and provided political assurances, economic assistance, or security guarantees, in effect offering the parties what they could not obtain directly from each other. This negotiating formula yielded two Egyptian-Israeli disengagement agreements and a Syrian-Israeli disengagement accord. Egyptian president Anwar Sadat's surprise visit to Jerusalem in 1977 and his address to the Israeli parliament demonstrated that leadership remained a critical precondition to peacemaking. But even bold leadership could not bridge all the divides. Israeli-Egyptian peace would require intensive U.S. mediation, including the direct intervention of President Jimmy Carter at the Camp David summit in 1978 and in the months that followed. With Egypt firmly in the American camp, and a new "special" relationship with Israel, the Egyptian-Israeli peace treaty helped to shift the political tide in the region away from Moscow and toward Washington.

Still, for years, the Arab and Muslim worlds would remain split between rejectionist forces and those willing to recognize Israel and support an Arab-Israeli peace process. The very notion of incrementalism and step-by-step negotiations came under attack. The second part of the Camp David accords—the provisions for Palestinian autonomy—went unfulfilled. As the Cold War in-

tensified in the 1980s and instability increased in Lebanon and the Persian Gulf, the setting for Arab-Israeli peacemaking again turned hostile. President Ronald Reagan in 1982 and Secretary of State George Shultz in 1988 tried to jump-start peace talks through U.S.-drafted plans, but both efforts failed to win Israeli or Arab support. Following nearly seven years of peace process inactivity, Palestinians launched the first Intifada in 1987, reflecting their frustration over continued occupation and the absence of movement toward peace.

With the end of the Cold War and the U.S.-led victory against Saddam Hussein in 1991, the strategic balance once again shifted in the United States' favor and conditions were amenable to reviving the peace process. Determined U.S. diplomatic leadership brought Arabs and Israelis together in the 1991 Madrid peace conference, which cemented the U.S. role as the sole power broker in the region, launched a region-wide peace and reconciliation effort, and resulted in direct bilateral and multilateral negotiations between Israel and its Arab neighbors. In 1994, Israel and Jordan signed an enduring peace agreement, but the rest of the process remained deeply troubled and ultimately witnessed the spectacular collapse of both the Israeli-Syrian and the Israeli-Palestinian peace processes at the end of the decade, the latter leaving thousands dead in its wake.

Today, the aftermath of the terrorist attacks of September 11, 2001, the deepening crisis in Iraq, and the looming confrontation with Iran suggest a similar strategic need for an active U.S. approach toward what is undoubtedly one of the world's most pernicious regional conflicts. On the surface, the George W. Bush (Bush 43) administration seems to have belatedly acknowledged the need for U.S. leadership in the Arab-Israeli peace process. But this came after six and a half years of neglect and a high toll in human suffering.

An analysis of the entire period since the end of the Cold War—the focus of this study—reveals an alarming pattern of mismanaged diplomacy. Missteps in U.S. diplomacy have been both strategic and tactical, and it is essential for the next generation of U.S. negotiators to learn from them and improve the United States' ability to negotiate Arab-Israeli peace. Flaws in U.S. diplomacy stretching back to the Clinton administration have contributed to the worst crisis in Arab-Israeli relations in a generation. This devastating failure has hurt U.S. interests and damaged our ability to gain cooperation from allies and key regional players. At the popular level, it has weakened the U.S. position in the region and on the world stage. It has also jeopardized our long-term investment in Arab-Israeli peace.

Failed diplomacy, combined with regional players' own missteps, has cost the region even more. With the collapse of the Oslo process in 2000, thousands of Israelis and Palestinians lost their lives and tens of thousands were injured in waves of violence that deeply scarred both societies. The so-called peace camp in Israel collapsed. Increasing lawlessness, abject poverty, and civil strife came to define the Palestinian territories. Instability in Lebanon, where Israel and Hezbollah fought a month-long war in mid-2006, continues to threaten the regional order. Syria and Israel have failed to resume negotiations, broken off since 2000. The diplomatic landscape has been altered so dramatically that the Bush 43 administration for a time actively discouraged Israel from responding to Syrian peace overtures.

The very fabric of the peace process—the formal peace treaties between Israel and Egypt and Israel and Jordan—is increasingly under pressure. On each track, the peace has turned colder, with few meaningful civil-society or business links. In Jordan, the crisis in the Palestinian territories together with the U.S. occupation of Iraq and the resulting influx of Iraqi refugees have weakened King Abdullah and destabilized the kingdom.

The failure of peacemaking is most noticeable, however, on the Israeli-Palestinian track. The accession of Hamas to power in the Palestinian legislative elections in January 2006 and its violent takeover of Gaza in mid-2007 highlight how dramatic the deterioration has been since Madrid and Oslo. Many people are talking about the end of the possibility of a two-state solution to the Israeli-Palestinian conflict. In the 1990s, it was suggested that the Arab-Israeli peace process was progressive—that is, that advances were irreversible. But events since 2000 have challenged that notion. The process is far more fragile than was previously believed. The clock can indeed be turned back.

How did we arrive at such a sorry state of affairs? Since the Madrid peace conference in 1991—a watershed in Arab-Israeli peacemaking—failures of U.S. diplomacy have outweighed successes. Stronger and more effective diplomacy could have increased the prospects for successful peacemaking during the 1990s and stemmed the steep deterioration in Arab-Israeli ties following the collapse of the Oslo process in 2000–2001. Instead, Washington disengaged, allowing the conflict to fester and deepen. U.S. involvement has been characterized by fits and starts, errors of omission and commission, and fundamental weaknesses in policy formulation and execution. Rhetoric all too often has replaced action. Washington has tried quite hard to keep the process, feeble as it may be, under its control, but the lack of effective, adept diplomacy—coupled with deteriorating conditions on the ground—has invited increased activity, largely directed against peace, from a wide range of regional actors and third parties, including Iran. The lessons of earlier diplomatic achievements have been ignored or unlearned. When diplomacy stumbled and new lessons could have been absorbed, more often than not the United States failed to adapt. Opportunities were squandered, potential breakthroughs missed, and meaningful advances stalled unnecessarily.

Fortunately, this is not where the story ends. Despite the setbacks of recent years, Washington still has an enormous reservoir of influence with the parties. Our earlier successes in Arab-Israeli peacemaking are a reminder—to both the parties and ourselves—of what effective diplomacy can accomplish. Public opinion in the region continues largely to support a renewed peace process. The steep decline in relations between Israel and the Palestinians may be reversing, as politics realign on both sides and interest in negotiations resurfaces after a seven-year hiatus. Should the United States resume an active diplomatic role, it will enjoy the support of a wide array of actors, from the European Union and the United Nations to key regional players such as Saudi Arabia and Egypt. Rejectionist forces, be they Palestinian groups such as Hamas and Palestinian Islamic Jihad, or Hezbollah in Lebanon, or Iran, remain formidable. But rarely has there been such a groundswell of untapped regional and international support for the United States to mount a major diplomatic initiative.

The task will not be easy, however. Success will depend on heeding the lessons of the past—laid out in the body of this study—and will also require U.S. negotiators to have a clear sense of the changing context that surrounds Arab-Israeli peacemaking, on the ground, across the region, and within the broader strategic environment. Last and perhaps most important, our negotiators must approach their task with a keen understanding of the indispensability of the United States to the process and the unique role we can play in resolving the Arab-Israeli conflict.

## Changing Context

From a historical perspective, U.S. negotiators face a set of Arab-Israeli relationships that has become more complicated over time, particularly on the Israeli-Palestinian track, as the

sheer complexity of the issues that remain to be resolved—such as Jerusalem and borders, as well as the potential spoiler role of Hamas—pose a greater challenge than in earlier periods. The exponential growth of Israeli settlements over the last two decades, to take just one example, suggests that negotiated solutions will be harder to achieve, not to mention more costly. These complications also extend to the role of the United States and other third parties on the ground, whether in peacekeeping or humanitarian assistance, in which outside interventions are likely to be far more intensive than they were in earlier phases of the peace process. Whether in the Palestinian territories, on the Israel-Lebanon border, or on the Golan Heights, more robust third-party involvement will define future negotiations, agreements, and interventions.

As the Arab-Israeli relationship has become more complex, political power has also become more fragmented, both within societies and across the region, making peace negotiations more difficult. It was easier for Sadat, the established leader of a regional power, to recognize Israel's legitimacy and receive all of Sinai in return than it was more than a decade later for the Palestine Liberation Organization (PLO) leadership to negotiate with Israel, to say nothing of today's post-Yasir Arafat Palestinian leadership, which has ruptured along generational and ideological fault lines. Similarly, it was easier for Israel to return Sinai—an area of strategic and economic importance, but with little religious or historical significance—in exchange for a peace treaty with Egypt than it was (and remains) for Israel to compromise with Palestinian leaders on territory, Jerusalem, and other issues with deep religious and ideological overtones that cut to core definitions of national identity. On the Syrian track, the contrast in leadership is also notable, as the regime of Bashar Assad is firmly in control, but weaker, less predictable, and more narrowly based than was his father's rule.

The difficulty in peace negotiations brought about by political fragmentation extends to U.S. diplomacy. The Carter administration dealt with Sadat and Menachem Begin, strong leaders capable of compromise. The Clinton administration worked with Yitzhak Rabin and King Hussein of Jordan, similarly determined leaders who could conclude a permanent Israeli-Jordanian peace. But since the late 1990s, the leadership stratum has weakened. The Israeli and Palestinian political systems have been torn apart by domestic divides and violent conflict, leaving leaders on both sides less able to make the kinds of compromises that earlier Middle Eastern leaders made. The fragmenting of political power is seen most dramatically in Iraq, Lebanon, and the Palestinian territories. As the importance of nonstate actors continues to grow, the challenge for an outside party such as the United States is not merely to contain and defeat extremist and rejectionist groups, but also to engage and moderate those actors—including Islamists—whose support will be needed to achieve durable solutions.

With fragmentation has also come greater interconnectedness among the region's conflicts, including Iraq, the Arab-Israeli sphere, Lebanon, and Iran. These conflicts are increasingly linked not just to each other but also to shifting power trends in the region, such as the economic rise of the Arab Gulf and the surge in Iranian and Shia power. Although the changing context may appear daunting to future negotiators, it also underscores why Arab-Israeli peacemaking is so vital.

For the United States, Arab-Israeli peacemaking is crucial to our own national security interests. Counterterrorism priorities since the September 11 attacks would be easier to pursue if the Arab-Israeli conflict could be alleviated. Washington's interest in economic and political reform in the greater Middle East is complicated by Arab-Israeli strife. The U.S. interest in mitigating Islamist militancy would also be better served by a renewed



peace process, as would the need for greater regional cooperation on Iraq and nuclear nonproliferation. Moreover, the conflict has destabilized other parts of the region that remain critical to the United States, such as Lebanon. Most obvious, the U.S. commitment to Israel's security and well-being is best served by moving toward, rather than away from, a comprehensive Arab-Israeli peace settlement.

## Why the United States Remains Indispensable

In addition to our own strategic interests in achieving a comprehensive Arab-Israeli peace settlement—including our commitment to Israel—there is another reason why the U.S. role is indispensable, particularly on the Palestinian track, which remains the heart of the conflict. Simply stated, large asymmetries of power require a robust third-party role. Power dynamics in the Israeli-Palestinian conflict are deeply unbalanced, leaving the parties unable to reach viable negotiated arrangements on their own. In this respect, the U.S. role toward the Palestinians adds a dimension to our diplomacy between Israel and its neighboring Arab states.

Israel is an established sovereign state with a robust, thriving economy and a world-class military; Palestinians remain under occupation, bereft of effective public institutions, highly dependent on international economic assistance, lacking basic security, and incapable of providing the full measure of security to which Israelis are entitled. The eventual collapse of the Oslo process—which was initiated and defined by the parties without U.S. intervention—best exemplifies the general rule that, left on their own, the parties cannot address the deep, structural impediments to peace.

That is why the United States is indispensable. As the principal

outside actor, it is the task of the United States to facilitate, mediate, and to some degree arbitrate and oversee the negotiations, to cut through the asymmetries and help the parties address each other's needs. For Israel, the core issue has long been security. In earlier eras, U.S. diplomacy was successful because we found ways to provide Israel with the security goods it required—that is, security assurances, military aid, economic assistance, and peace-keeping resources—while also addressing the requirements of the Arab side. These U.S. inducements allowed Israel to take risks for peace, including risks designed to assure both its security and the character of the state. As a result, and despite long-standing negative attitudes toward other outside actors, Israeli leaders and the Israeli public have developed an intense and profound sense of confidence and trust in the United States. For Palestinians, the core issue remains the establishment of an independent, viable state, and the United States must help address the asymmetry of power toward this end.

However, throughout much of the period from the early 1990s to the present, Washington has reinforced rather than ameliorated some of the most fundamental asymmetries between Israel and the Palestinians. In 2002, the United States explicitly recognized the Palestinian need for a viable state and made repeated references to such a goal. But since then, the United States has watched as developments in the region seriously undermined that objective. The United States did not push back when Israel redefined contiguity of territory to mean transportation linkages between Palestinian areas instead of territorial linkages.

On the Syria-Israel track, the United States has done nothing since 2001 to promote a settlement or offer ideas on the complex set of issues that still divide the parties. Not only do both sides need Washington to get back to where negotiations left off, but the United States is central to each side's vision of implementation and a post-conflict peace and security regime. Before 2001,

the United States pushed the parties aggressively toward peace, though at key junctures Washington simply conveyed the position of one party to the other, adding no value in bridging proposals.

In some circles, it has become fashionable to downplay the role of the United States in Arab-Israeli negotiations; according to this view, the conflict and its possible resolution are largely issues between the parties. The Begin-Sadat, Peres-Arafat, or Rabin-Hussein channels are sometimes cited as proof that the U.S. role is not critical. But such a perspective belies political realities, not to mention the lessons of decades of diplomacy.

To be sure, the parties themselves bear primary responsibility for resolving the conflict, but the United States has long held an outsized role. When the parties have created their own momentum in the negotiations, as was the case with Sadat's visit to Jerusalem or the signing of the Oslo agreement, they have always leaned on Washington to help them bridge differences, walk the last mile, provide off-the-table incentives to reach agreement, and to be an involved stakeholder in implementing accords. When the parties have been far apart, as they have been in recent years, U.S. involvement can be the difference between conflict escalation and conflict management. When the United States steps back, as it did during the second Intifada and the 2006 Israel-Hezbollah war, conflict can widen and be prolonged. Unlike other outside actors, Washington is already deeply enmeshed—politically, strategically, and economically—across the entire set of Arab-Israeli relationships.

## Origins of the Study

Given Washington's central role, not to mention the growing chorus calling for greater U.S. diplomatic engagement, the Institute

placed a great deal of importance on appraising the U.S. negotiating experience. More than fifteen years had passed since the publication of an earlier Institute study, further strengthening the case for a new effort. In fall 2006, the Institute established the Study Group on Arab-Israeli Peacemaking, chaired by Ambassador Daniel Kurtzer, former U.S. ambassador to Egypt and Israel, currently a professor at Princeton University's Woodrow Wilson School of Public and International Affairs. This book, which focuses solely on the U.S. role since the end of the Cold War, offers the project's first set of findings. As the study suggests, there is a great deal more that can and should be done to promote U.S. interests and improve the prospects for Arab-Israeli peace. The parties themselves, not to mention other outside actors, share the blame for the failures in peacemaking, and by itself, U.S. involvement does not dictate the course of events. That said, Washington is far from being a bystander. Our influence in determining the course of Arab-Israeli relations remains substantial.

From the project's inception, Ambassador Kurtzer has served as both project chair and codirector, together with Scott Lasensky, a senior research associate and acting vice president of the Institute's Center for Conflict Analysis and Prevention. They are the authors of this book.

Members of the core study group include three of the leading and most well-respected academic experts on the conflict, professors William B. Quandt (University of Virginia), Shibley Telhami (University of Maryland), and Steven L. Spiegel (University of California, Los Angeles). Through a year-long process of consultation and fact finding, the study group met with over one hundred decision makers, diplomats, and civil-society figures, including several former secretaries of state, national security advisers, and members of Congress. We examined an array of primary and secondary sources, consulted informally with a range of outside

experts, and traveled to the region to meet with a wide range of personalities in Egypt, Syria, Jordan, Israel, and the Palestinian territories. All five members of the team were deeply involved at every stage of the project. A list of consultations and interviews, as well as a more detailed description of the study group and its activities, is included in this publication.<sup>1</sup>

The book is organized as follows. Following this introduction is a short chapter that examines each of the three most recent U.S. administrations: George H.W. Bush (Bush 41), Clinton, and Bush 43. The third section—the core of the book—puts forward a series of lessons, organized thematically and intended to guide the next generation of U.S. negotiators. The book concludes with a set of recommendations for future administrations.

In addition to the lessons laid out in this publication, the study group may continue its work and offer in-depth examinations of several pivotal periods in Arab-Israeli negotiations. The focus would be on historical moments about which the first crop of memoirs has left more questions than answers, and about which the initial wave of analytical work remains incomplete. Given that the study group's extensive consultations shed new light on a number of pivotal moments in the negotiations, members felt that a need still exists for additional contributions. Debates in recent years have produced great disagreement about what transpired at key decision points after Madrid. For a conflict so laden with history, in which the diplomatic record weighs heavily on future negotiations, a detached, detailed, and dispassionate account of recent diplomacy is sorely needed.

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1. During its deliberations, the study group reached out to an even wider variety of personalities. When we were unable to confer directly with key players, published interviews, memoirs, and the personal accounts of study group members were consulted.