

EXECUTIVE SUMMARY

President Obama's "Israel problem" is not one of public relations, but of inadequate success. This was the key conclusion arrived at by a distinguished group of some twenty former and current Israeli officials, analysts and academics during an in-depth, off-the-record Roundtable discussion convened by Israel Policy Forum (IPF) in Tel Aviv on October 25, 2009. This discussion revealed that Israelis view America's current policy vis-à-vis the peace process as outdated, almost fossilized in the year 2000; limited in scope, imagination, subtlety, and consistency.

What to do about the Obama administration's failures thus far? The majority of the group IPF gathered together did not believe that negotiations alone would succeed, but thought that Obama could achieve success either by combining negotiations with other supporting efforts, creating a multi-tier process, or by substituting a different process for the currently conceived bilateral talks under the chairmanship of Envoy George Mitchell.

Under the first conception, the majority view, talks would be accompanied by an acceleration of a smorgasbord of activities from security to economics; from settlements to territory that would be designed to build confidence by both Israelis and Palestinians in the viability of a Palestinian state. The assumption here is that if a Palestinian state appears practical and feasible for the first time that will inevitably and inexorably impact the political atmosphere on both sides and the viability of negotiations.

The second, and compatible, initiative that gained traction with this group was to revive the second phase of the roadmap, which advocates the creation of a provisional Palestinian state. The Palestinians have long been skeptical of this idea because they feared the temporary would become permanent. In order to mitigate these fears, several participants embraced the notion of a statement by President Obama on behalf of his administration that the territory of the Palestinian state will be the same size as the territory of the West Bank and Gaza before the Six Day War. Certainly, combining the roadmap, which Israel has already accepted, with this kind of Obama statement would provide the Palestinians with greater confidence of future progress and Israeli concessions than simply depending on the tenuous results of their own unilateral declaration of independence.

Finally, some of the Roundtable participants see the original Fayyad Plan with its provisos of two years of further Palestinian institutional development followed by the unilateral declaration of a Palestinian state, as a potential vehicle for progress, with aspects that should be supported and encouraged by the United States.

Under each of these options, some of the group would substitute incrementalism, a provisional Palestinian state, or the Fayyad plan for wide-ranging bilateral negotiations, but the majority would combine one or more of the options with American negotiations and the presentation of US principles and proposals as appropriate.

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The Problem: It has been well-publicized that less than a year into office, President Barack Obama's favorability rating among Israelis is dismal.

Israelis overwhelmingly resented the portrayal of Israeli history in the President's June 4th speech in Cairo, where his description of the Holocaust as the reason for the creation of Israel omitted Israel's connection to the biblical Jewish homeland and its success as a Zionist national movement. This description played right into the hands of those who blame the West's response to the Holocaust for Israel's existence. And these Israelis feel slighted that Obama has spoken directly to the Arab and Muslim worlds and not to the Israeli public, making a distinction between the Israeli people as opposed to the Israeli government or the American Jewish community.

The Israelis who attended the meeting believe the administration's early focus on freezing settlements was misplaced, the demands were excessive, and the strategy was foolhardy. The policy created a precondition, on which Abu Mazen inevitably picked up, President Obama then retreated, settlement construction continues, and the negotiations remain stuck. All this, they argue, was eminently predictable. Some Israelis attending the meeting believe that the Obama administration chose the wrong issue on which to get tough since a very strong Administration position should have been applied to getting the core issues back on the table with movement toward their resolution. They also fear that U.S. policy toward Iran will fail.

In short, Israelis view America's current policy vis-à-vis the peace process as outdated, almost fossilized in the year 2000; limited in scope, imagination, subtlety, and consistency.

How can President Obama reverse his position with the Israeli people?

The Answer: Israel needs President Obama to not only demonstrate a more sophisticated and sensitive understanding of the Jewish state and her neighbors but also – and even more importantly – he needs real results: a sophisticated policy that works, understandings with both sides, and movement on the road to end the conflict.

In short, if President Obama and his team achieve forward momentum that is discernible and tangible, the Israeli people will support him.

This report reflects some of the key ideas developed by the participants of the IPF Israel Roundtable regarding U.S. policy approaches to the Israeli-Palestinian conflict. If pursued, these actions could ameliorate President Obama's standing among Israelis – and Palestinians – as well as regain momentum toward a lasting two-state conflict-ending agreement.

The Policy:

1. Focus on the Feasible, Not Negotiable

Some steps on the ground must be taken in the West Bank (and in Gaza, where new strategies should be considered) in order to improve the atmosphere and prospects of negotiations. A variegated process is necessary to initiate steps to enhance the perception and reality of ongoing progress. The group discussed a variety of possible steps. It is not so much that any particular actions are so novel, but that a combination should be designed to create a momentum toward fundamental changes, minimally on the West Bank, that will facilitate negotiations leading to a Palestinian state. The assumption here is that if a Palestinian state appears viable and doable for the first time that will inevitably and inexorably impact the political atmosphere on both sides and the viability of negotiations. Some of these initial steps could include a sample of the following measures or others:

- Substantially freezing settlement construction;
- Removing illegal outposts;
- Halting Israeli building in Arab areas of Jerusalem;
- Moving or “adjusting” the security fence, particularly in Jerusalem;
- Transferring parts of Area C to the Palestinians;
- Expanding Palestinian security forces;
- Additional enhancing of Palestinian movement and access;
- Reforming Palestinian judicial, economic, and political institutions at an accelerated pace;
- Exploring and implementing measures to improve the humanitarian situation of civilians in Gaza;
- Developing a new approach toward Gaza and Hamas with innovative strategies that will end the current stalemate in Gaza and resolve an intolerable situation in which Hamas rules, the people are largely miserable, and American and Israeli interests are not served;
- Fulfilling pledges from Arab countries to aid construction and development on the West Bank and in Gaza;
- Using the Quartet team under Tony Blair more effectively to help with specific steps on the ground to assist the lives of Palestinians.

These are amongst the steps necessary to create and sustain progress toward a Palestinian state, a process that has already begun with a modicum of success. This is not just about settlements—there are many important steps that are necessary to improve the environment for negotiations. An end to settlement construction is but one.

The point is that the feasible would replace the negotiable as the central focus of activity on the West Bank, serving to enhance the atmosphere and prospects in the actual trilateral negotiations.

In this arena of incrementalism, each move would make more and wider future steps possible. And if this process worked, it would either improve the chances of the success of Mitchell's talks or protect them if the talks broke down. This parallel process of Palestinian nation-building would have both external involvement, and require deep regional engagement and support.

This approach can be differentiated from the Fayyad Plan, which is unilateral, and concentrates on announcing a Palestinian state in two years after further steps toward institutionalization are taken.

The majority of IPF's Roundtable participants believe that parallel negotiations will strengthen this effort, yet some think it would be better to wait for these incremental steps to bear fruit before negotiations are initiated. In particular, advocates of this approach tend to favor concentrating efforts on aiding the success of the Fayyad Plan for creating the institutions of a Palestinian state in two years. This policy direction has the additional advantage of reflecting Netanyahu's explicit support for economic improvements in the West Bank. In fact, some of the Roundtable participants see the original Fayyad Plan with its provisos of two years of further Palestinian institutional development followed by the unilateral declaration of a Palestinian state as a potential vehicle for progress, with aspects that should be supported and encouraged by the United States.

2. Build a Simultaneous Process

The Roadmap calls for a provisional Palestinian state in its second phase, but the Palestinians have long expressed the fear that even if they were recognized around the world, provided a seat at the United Nations, and had formal ambassadors in most countries, they would never gain their full territory and rights. To mitigate this fear, the US should make clear, based as well on the statements of former US presidents, that the territory of the Palestinian state will be the same size as the territory of the West Bank and Gaza before the Six Day War.

Under this construct, three processes would then be at work simultaneously: the functioning of a provisional state, the new state growing and deepening over time, and continuous negotiations on all final status issues. The result would be the rapid existence on the ground of a dramatic change, a functioning Palestinian state, and the clear horizon of future permanent borders. This outcome could cause thousands of settlers to move voluntarily as they saw the handwriting on the wall. To encourage this process, financial compensation for settlers should be seriously considered.

Meanwhile, under Phase 2 of the Roadmap the Arabs are obligated to reopen previous Israeli interest offices in five Arab countries and to resume the multilaterals of the 1990s. Utilizing the Roadmap, Arab actions would not be confidence-building measures, but responsibilities inherent in the same document that demanded Israeli concessions and increasing Palestinian political maturity. These steps are particularly important because they would maintain the momentum of Israeli engagement in this process and also demonstrate clear benefits to Israel. The administration has already discovered how difficult it can be to balance between the two sides, but if demands are being made on Israelis and Palestinians in terms of the Roadmap, the Arab

states must adhere to their responsibilities as well or the fragility of the process will be intensified.

Negotiation efforts would inevitably be strengthened to the extent that Israelis are confident that the United States approach to halting Iranian nuclear ambitions can succeed.

3. Demonstrate American Leadership

In the course of our Roundtable discussion, various forms of American activism were advocated. At appropriate junctures, President Obama ought to be prepared to:

- a. **Articulate American Principles.** The Obama administration should be prepared to present principles around which negotiations should be organized, perhaps reiterate the Clinton parameters or a revised version, either prior to negotiations or after problems emerge once discussions have begun.
- b. **Offer Bridging Proposals.** The United States should be prepared to offer American bridging proposals when Envoy Mitchell concludes that they are necessary to maintain and advance negotiations.
- c. **Present an American Plan.** The United States should also be prepared to present a detailed U.S. plan on specific issues such as borders, Jerusalem and refugees. Roundtable participants who favored this approach advocated its implementation during talks, not before, especially as the possibility of such a step might coax the Palestinians into talks without preconditions.
- d. **Demonstrate America's Seriousness.** Verbal pressure has not been successful to this point with either the Israelis or Palestinians—but it should not be abandoned entirely. Rather, statements should be made cognizant of the sensitivities each public faces and coupled with practical, tangible incentives. Israelis in particular must have a clear understanding of what they “get” in the peace process, not only what they “give.” And these efforts must include providing practical measures such as increased military assistance to maintain Israel's qualitative superiority in the regional military balance. Others stressed that the Palestinians must also see tangible gains, particularly practical advances toward a state. Some also argued that more than verbal pressure could help, while security assurances should come as part of a deal to reassure Israel. According to this view, whatever pressures may occur along the way, public opinion in Israel regarding Obama is not the point—success will win over public opinion.
- e. **Build in Regional and Muslim Components.** The Israelis need to see practical steps from their neighbors as they make concessions. In essence, the Israelis need to have hope and the expectation that they will have future acceptance in the region. The need to have a regional Arab context is critical to Israeli actions concerning the Palestinians. In this regard, the Arab Peace

Initiative (API) and outreach to Syria should be encouraged. Some of the participants advocate expanding the definition and utilization of the API to include the entire Muslim world, most of which endorsed the original document. They believe that broadening and deepening the API in this manner would make it more meaningful to Israelis, because many Muslim states are more moderate on Israel than their Arab counterparts and because Israeli disillusionment—so profound in this decade with most Arab states does not apply to their Muslim partners.

Conclusion: To surmount the mistrust that currently characterizes the Obama administration’s relationship with the Israeli public, the United States needs to not only prove that it recognizes the unique challenges facing Israel—but also that it is capable of helping Israel overcome them in a way that advances our shared interests and strengthens our bilateral relationship. This demonstration will also enable the administration to regain momentum toward a lasting two-state resolution of the Israeli-Palestinian conflict.

The current Obama administration approach suffers from an inadequate multiplicity of safeguards and levels to protect against inevitable setbacks and to promote an actual Palestinian state on the ground. Indeed, if a Palestinian state begins to emerge through “natural development” and international nurturing, that process will necessarily determine the direction in which negotiations move. This new state will have to be guaranteed to be the same size as the West Bank and Gaza before 1967 once an agreement is reached. However difficult the pathway to that point may be, prospects for a better future and conflict-ending agreement for the Israelis and Palestinians can be realized if most of the steps advocated above are pursued.

November 20, 2009

The following were among those in attendance at the October 25, 2009 meeting in Tel Aviv. They do not necessarily agree with all of the views that are delineated above; rather this document represents IPF’s interpretation of the discussion only. IPF notes with gratitude the willingness of all who participated in this discussion, among them:

Yossi Alpher
Brig. Gen. (Ret.) Shlomo Brom
Nadine Baudot-Trajtenberg
Ambassador Oded Eran
Prof. Galia Golan
Koby Huberman
Eti Livni
Prof. Moshe Maoz

Prof. David Menashri
Prof. Gabriel Motzkin
Brig. Gen. (Ret.) Israela Oron
Atty. Talia Sasson
Roberta Fahn Schoffman
Brig. Gen. (Ret.) Ephraim Sneh
Ambassador Shimon Shamir

Israel Policy Forum’s Israel Roundtable was moderated by IPF National Scholar Dr. Steven L. Spiegel and introduced by IPF Executive Director Nick Bunzl.

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