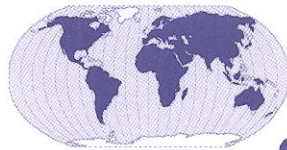


FOREIGN POLICIES TOWARDS THE MIDDLE EAST AND PALESTINE

PASSIA

Meetings & Lectures

1995 - 1998



EDITED BY

DR. MAHDI ABDUL HADI

PASSIA

Palestinian Academic Society for the Study of International Affairs

Foreign Policies

Towards the Middle East and Palestine

PASSIA MEETINGS

1995 - 1999

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Dr. Mahdi Abdul Hadi

PASSIA
Palestinian Academic Society for the Study of International Affairs

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FOREIGN POLICIES TOWARDS THE MIDDLE EAST AND PALESTINE

PASSIA MEETINGS 1995-1999

Introduction

Ever since its foundation in 1987, a major part of PASSIA's work has been dedicated to the promotion of an improved understanding of international relations as they affect the Palestinian struggle for peace and justice. Activities in this context have included academic research, documentation, and the hosting of meetings, the ultimate objective being to encourage wider debate and analysis of contemporary international relations issues related to the Middle East in general and Palestine in particular in their larger historical, cultural, religious and socioeconomic contexts.

One of the activities for which PASSIA has earned a unique reputation is its series of intensive seminars for Palestinian graduates and professionals that form part of the ongoing program on *Training and Education in International Affairs*, which commenced in 1990. The topics of the annual seminars held under the auspices of this program have included to date *Strategic and Security Studies*, *The European Union*, *The Foreign Policies of Arab States*, *Conflict Resolution and Diplomacy in the Middle East*, *The United States and Canada*, and *Japan, Palestine and the Middle East*. Over the years, and as a result of these seminars, many mutually beneficial working connections have been established with scholars and institutes in the Arab World, North American, Europe and Japan. Through these connections, PASSIA, in addition to facilitating the gleaning of in-

formation pertaining to these regions locally, has been able to advertise the situation of the Palestinian people and their society to a wider audience than might otherwise have been possible.

With these activities in the field of international affairs, foreign policy and diplomacy, PASSIA aspires to contribute to an improved knowledge and better understanding of the interplay of Palestinian affairs, regional political powers and systems, and their respective international contexts. This is considered of special significance, as, although Palestine is proceeding on its way to formal statehood and has established numerous diplomatic ties over the past years, there is little material available that relates Palestinian issues to international affairs. In publishing *Foreign Policies Towards the Middle East and Palestine*, PASSIA endeavors to help amend the current situation by providing the full texts of presentations given at PASSIA meetings and other events held during the period 1995-1999. In order to keep the context and scope as diversified as possible, the topics compiled in this publication cover aspects of regional politics involving players such as Israel and Jordan but also the foreign policies *vis-à-vis* the Middle East region in general and Palestine in particular of countries as dissimilar as, for example, India and Germany. It is hoped that the reader will find the selection both comprehensive and informative.

Jerusalem, July 1999

Dr. Mahdi Abdul Hadi
Head of PASSIA

The European Union and the Arab-Israeli Conflict: From Venice to Madrid¹

Dr. Rosemary Hollis

Head of the Middle East Program at the Royal Institute of International Affairs, London

The Venice Declaration, June 1980

The Venice Declaration was issued in the wake of the US-brokered Camp David accords, to signal Europe's intention to play a more active role in the search for a more comprehensive approach to peacemaking in the Middle East. According to the declaration, "The traditional ties and common interests that link Europe to the Middle East oblige [the European Committee (EC) members] to play a special role" in the pursuit of regional peace. The formulation of the declaration was in itself a milestone in the EC's quest for a common foreign policy.

However, the declaration was condemned by Israel, as it explicitly confirmed Europe's sympathy for the Palestinian cause. On the basis of UN Security Council Resolutions 242 and 338, as well as positions expressed by the EC on several previous occasions, the declaration stated that:

"the time has come to promote the recognition and implementation of the two principles universally accepted by the international community; the right to existence and to security of all the states in the region, including Israel, and justice for all the peoples, which implies the recognition of the legitimate rights of the Palestinian people."

The declaration went on to state that the Palestinian problem was not simply one of refugees, that the Palestinian people must be placed in a position to "exercise fully their right to self-determination," and that the PLO would have to be associated with the peace negotiations.

¹ Presentation given at PASSIA on 2 November 1995 as part of the PASSIA Seminar on *The European Union*.

Further, the EC stressed that it would "not accept any unilateral initiative designed to change the status of Jerusalem," and maintained that "settlements, as well as modifications in population and property in the occupied Arab territories, are illegal under International Law."

After Venice: Slow Progress and Poor Relations with Israel

The EC made only half-hearted attempts to follow up the declaration with action. This, in any case, was stymied, by Israeli, Egyptian and American opposition and preference for the Camp David process. Israeli reaction to the Venice Declaration was particularly vociferous.

Two days after the declaration was promulgated, the Israeli Cabinet stated:

"Nothing will remain of the Venice decision but a bitter memory. The decision calls on us and other nations to bring into the peace process that Arab SS which calls itself 'the Palestine Liberation Organization'... all men of goodwill in Europe, all men who revere liberty, will see this document as another Munich-like capitulation to totalitarian blackmail and a spur to all those seeking to undermine the Camp David Accords and derail the peace process in the Middle East."

EU-Israeli relations were further damaged by the Israeli invasion of Lebanon in 1982. The EC condemned the invasion and continues to call for a full Israeli withdrawal from all of Lebanon. The EC imposed an embargo on arms sales to Israel, this being lifted in stages after the opening of the Madrid conference and the signing of the Oslo Agreement.

Development of the EC Position on the Palestinians

The EC progressively moved towards a more forthright endorsement of the Palestinian right to self-determination and the importance of involving the PLO in peace negotiations. The *Intifada*, beginning in December 1987, caused a great deal of adverse publicity for Israel in the EC. In November 1988, the EC formally welcomed the PNC decision to accept UN Security Council Resolutions 242 and 338 as a basis for an international conference, which implied, according to the EC, "the acceptance of the right of existence and of security of all the states of the region, including Israel." The EC also welcomed the Palestinian National Council's (PNC) renunciation of terrorism.

Meanwhile, Israel remained implacably opposed to any dealings with the PLO and continued to oppose an international conference for fear of the involvement of all UN Security Council members, preferring to deal with Arab states individually.

The Israelis remained critical of all EC statements in support of Palestinian rights. In January 1989, for example, Israeli Prime Minister Yitzhak Shamir told the chairman of the European Parliament that it was difficult to conceive of the Europeans as participants in the political process in the Middle East, precisely because the EC had demonstrated a pro-Palestinian bias.

For their part, a delegation of MEPs (members of the European Parliament) visiting Israel in 1989 told Knesset members that the EC could not accept Israel's rejection of any European role in facilitating peace talks. They emphasized that Europe was geographically closer to the Middle East than either of the superpowers and was Israel's largest trading partner.

During the Gulf Crisis of 1990-1991, the US quashed European (notably French) attempts to link the continuation of the search for a solution to the Arab-Israeli conflict with an Iraqi withdrawal from Kuwait.

1991 Madrid Peace Conference

The Madrid Conference was convened by the US, with Russia as co-sponsor, essentially a token role. The EC was invited to attend, as opposed to participate and the UN was invited as an observer only. The EC, though not altogether happy with the arrangements, deferred to the dynamics fuelling the process.

Meanwhile, the Commission and the Chairman of the Council of Ministers argued publicly about which of them should speak on the EC's behalf. In the end, the (Dutch) Chairman of the Council made a speech demonstrating the differences between the positions of the EC and the US, calling specifically for Israel to accept the concept of 'land for peace' and an end to settlement building in the Occupied Palestinian Territories.

The exclusion of the EU from the political aspect of the peace process is in marked contrast to its role as the largest donor of financial support - a fact, which makes continued exclusion of the Europeans from the political side of the process unlikely, if not untenable.

The European Union and the Middle East Peace Process Since Madrid¹

Bettina Muscheidt

European Commission Representative Office, Jerusalem

Prior to the Madrid Conference, the European Union's (EU) involvement in the region was typical of the relationships it had with other countries in the Mediterranean region. There were cooperation agreements with the various countries, with renewable annexed protocols taking care of the practical arrangements of cooperation.

From an early stage, the Union also expressed its political views in a series of declarations issued by the Council of Ministers. These demonstrated the EU's awareness of the core issues, and that the Community had a common opinion on these matters. These declarations, and the EU's subsequent practical involvement, show that the ground for our involvement in the peace process was prepared before the Madrid Conference set a different pace for the development of peace in the region.

A milestone in this regard was the Venice Declaration of the EU's Council of Ministers in 1980. The declaration supported peace on a basis of UN Security Council Resolutions 242 and 338, the principle of land for peace and security for all states in the region. The declaration saw the Palestine Question as one of national rights, advocated Palestinian self-determination, and pointed out the necessity of involving the PLO in negotiations.

The EU has since built its bilateral relations with its partners in the region on this foundation. Development cooperation was implemented along these lines, and, most importantly, a political dialogue established with those parties that were later to enter the peace process.

¹ Presentation given at PASSIA on 6 November 1995 as part of the PASSIA Seminar on *The European Union*.

By the mid-1980s the EU had decided to channel development aid to the Palestinians on the same basis as other states in the region. This was a unique attitude to the Palestinians, and totally independent of developments in the peace process. The first such aid was for ECU three million. Within three years, this had risen five-fold. After the Gulf War, emergency aid of ECU 50 million was sent to the Occupied Palestinian Territories (OPT).

The only country whose relations with the EU were directly tied to progress in the peace process was Israel. For example, the European Parliament insisted on delaying ratification of the EU-Israel Trade Protocol until the Palestinians could trade directly with the Union. (In the end, the Israelis managed to sabotage this provision.)

At this point we can characterize European policy as one of active and continuous support for the peace process and recognition of the centrality of the Palestine Question to a resolution of the conflict. Madrid in this respect represented no major change of policy, but rather gave existing policy a more international framework.

Following the Oslo Agreement, the EU achieved something that it has aimed for since the onset of its involvement in the region: the full involvement of the Palestinians in the process, through their political representative, the PLO, something which had been fudged at the Madrid Conference.

After Madrid

The Madrid Conference was innovative in creating a formal structure of bilateral and multilateral tracks. The EC participated in the bilateral track, but had much more influence in the multilateral, where it promoted regional cooperation, seeing itself as a model for the Middle East to emulate. It was therefore logical that at the first multilateral meeting in Moscow in 1992, the EC took care of the Regional Economic Development Group (REDWG). At the same time, the EC had a very active role in other working groups. In 1992, the multilateral track was believed to have an important impact in facilitating the bilateral negotiations and in furthering regional relationships in regard to issues such as water, economics, security, the environment, and refugees. The bilateral negotiations had their own impetus, however, and the signing of the Oslo I Agreement had little to do with the efforts of the international community.

In practical terms, the multilateral track has not delivered much, despite exceptions such as funding for the Aqaba project. There are various reasons for the slow process:

1. the absence of Syria and Lebanon,
2. the need to wait for progress in the bilateral talks, and
3. the need for feasibility studies to precede financial commitments.

The Future

There continues to be an EU political position expressed in the form of statements and declarations whenever the Council of Ministers sees fit. We can predict a continued upgrading of Palestinian-EU bilateral relations, regularized post-Oslo by the establishment of the PNA. Previously, aid was channeled through Palestinian NGOs, but with Oslo, much larger projects than NGOs could handle were now performed and dealt with by PNA ministries. Of course, setting up and running the PNA itself was helped by EU aid.

Palestinians may have to wait for formal diplomatic representation, which, however, should not be long in coming. In the meantime, there is scope for establishing lobbies in Brussels and across the Union. The Palestinian elections will make a crucial difference in Palestinians' dealings with foreign powers. There is a need for training for PNA officials in professional and technical capacities and in areas such as fisheries and telecommunications where negotiations must be conducted and decisions taken. The EU is active in this area, and intends to continue being so. A major issue in the future will be how the EU balances conflicting claims and needs from its southern and eastern neighbors. The EU is likely to strive for equality of treatment and go ahead with plans for a Mediterranean free trade area. The Barcelona Conference, at which the Palestinians will be present as full partners, will set the framework for this.

The Political Economy of Foreign Policies in the Middle East¹

Dr. Peter Pawelka

Professor of Political Science, University of Tübingen

It is not my intention to give you a lecture on empirical or actual foreign policy in the Middle East, because this would be like carrying coals to Newcastle. I would just like to present to you some academic ideas on a more complex approach of foreign policy analysis. I feel very honored that you are ready to listen to me despite the pressing problems that you have to deal with on a daily basis.

The analysis of foreign policies in the Middle East is a greatly neglected field of social science research. This does not mean that little has been written about the foreign policies of individual countries, regional conflicts, or the region in international politics, but this literature has seldom been systematically occupied with the character and the behavior patterns of the foreign policies of weak, dependent and underdeveloped states.

- Most of the literature is descriptive, and does not highlight regularities, abstract connections, or theories.
- Many writers treat the foreign policies of the Third World only as the object or the reflection of the foreign policies of the great powers.
- Another part of the literature is dominated by the neo-realistic school with their preference for power, influence, geopolitical interests and psychological analysis: the foreign policy of statesmen.
- Just seldomly, we meet the decision-making approach or quantitative analysis.

¹ Presentation given at a PASSIA roundtable on 28 October 1996.

Nobody asks about the special features of the foreign policies of the Third World and the ability of Third World countries to assert themselves in the highly structured international system.

Surprisingly, the yield of the dependency approach for the foreign policy analysis of the Third World was also quite meager. It was recognized that the political economy must be taken into account; but it was precisely this idea of dependency that had a paralyzing effect on the analysis of foreign policy. What scope for action should then be investigated? It was only occasionally mentioned that the developing countries were relatively autonomous in their foreign policies. This general assessment applies equally to the Middle East.

With these problems in mind, we should like to argue for a foreign policy analysis of the Middle East. We begin with a few unusual observations in the Middle East, aspects of the international political economy of this region, which are not found to an equal extent in other parts of the Third World:

- an unusually large transfer of resources from the industrialized countries into the region (North-South),
- frequency and variety of state and social income from outside the national borders,
- a high degree of material integration of the region into the global system,
- extreme conflict-richness of the region, linked with an unusually intensive involvement of the great powers, and
- a long historical tradition of financial policy intervention by the great powers in the political systems of the region.

The Middle East region has been forcibly integrated in the world economic system since the middle of the 19th Century. For the sake of this lecture, we shall assume that there are two periods of integration to be distinguished.

Until World War II, the process of development in the Middle East largely followed the usual pattern in the Third World. Integration into the international system took place on the basis of agricultural raw materials exports to the industrialized countries and industrial consumer goods imports from those countries to the Middle East. These exchange processes were secured, first of all, by political and military influence and later by colonial rule. Following World War I, this task was taken over by domestic regimes, which were recruited from classes created by capitalism. These neo-colonial regimes were unable to cope with the crises occurring in the 1940s and fell victim to revolutionary movements.

Following World War II, a new socioeconomic structure crystallized in the Middle East. The economic interests of the industrialized world have since shifted from the export of agricultural raw materials to minerals, and from the import of industrial goods to a broad spectrum of production equipment, high technology and luxury goods. The political economy of the Middle East differed from that of the other regions of the Third World in that it had at its disposal a strategic resource of the industrialized societies: mineral oil, which is currently the major source of energy.

The position of supremacy of the Middle East in the energy market explained the unusual interest of the big powers in this region. Within the region, the socioeconomic dynamics shifted from the old agricultural areas to the periphery of the Middle East.

The change was reflected on the political level in a division of the region, lasting two decades, between the revolutionary agrarian systems and conservative oil-producing states. The socioeconomic conflict ended in the 1970s in the victory of the oil states. But the homogeneity of the region and security policies of the oil states and the great powers led to a share in oil revenues. In the Middle East, a whole hierarchy of states emerged, whose revenues/incomes consisted of rents from raw materials and various rent equivalents or were highly influenced by them.

This specific type of income, not dependent on capital investment and productive work has produced essential features of the economy, the political structure, the social development and mentality in the Middle East. What we are interested in here, however, is the question of how foreign policy is shaped by the earning of rents.

Rents in the foreign policies of the Middle East can be seen from two angles:

- (1) Foreign policy, in cooperation with trade policy, is the main instrument for obtaining rents and is thus equivalent to tax policy. Foreign policy here becomes the central political field of the elite, because it regulates the acquisition of the material basis of the system. Foreign policy serves to absorb internationally circulating resources by state participants in favor of internal development, clientele formation, self-legitimization and self-privilege.
- (2) Rents, in the foreign policy process, can also be regarded as a means of providing political inputs. External states, international organizations, banks and multi-national corporations intervene in political systems in order, with the help of financial benefits or other material resources, to promote the whole political elite, or parts of them, or individual social groups, or to mobilize or pacify them.

Political rents in the foreign policy process always have two sides: they strengthen their recipients, keep them in power and give them a chance to develop. But they also mold attitudes and behaviors, structures and processes, which not infrequently serve external interests.

There are rent recipients or rentiers, who have no difficulty in influencing the flow of revenues; they have the economic or political means at their disposal, which are so attractive that they can easily mobilize the external income. Others must use all their skills and a great deal of imagination in order not to let the revenues dry up.

However, since all rent recipients are subject to fluctuations on the world markets due to international circumstances, no rentier state can afford abstinence in foreign policy. If producer states have to maintain their material basis through continued investment, rentier states are forced to maintain or to increase their market value by foreign policy.

The modern rentier state in the Middle East is the product of the oil price escalation in the 1970s, the 'regional oil economy' with its allocation policy and the complex integration of the region into the world economic system.

International rents also played an important role in the political culture of the Middle East during prior periods. Our thesis is that international rents in the political culture of the Middle East are a modern equivalent to pre-capitalist tributes, which the political elite generally handle in a similar manner to their predecessors.

The same state of affairs can be formulated differently: the rentier state attitude of large parts of the political elite in the Middle East is the result of world economic superposition and periodically recurring financial 'alimantation' of the political elite from the protagonists of the international system.

The modern history of the Middle East shows that imperialism has paid political rents to the bureaucrats of the Ottoman Empire and the traditional *sheikhs* of the tribal societies in Arabia, while it has given a share in agricultural rents to new social groups in the region: large landowners, non-Muslim minorities, and ethnic and religious groups.

In the course of imperialistic penetration, rents kept traditional bureaucracies alive and strengthened them politically; as a consequence, Ottoman bureaucracy did not find any relationship to its own economic base, so that the alienation between the political and economic elite played a crucial role in the erosion of the empire. Rents also helped traditional tribal leaders to

achieve an unusual concentration of power. Moreover, they helped the European powers to intervene in the social transformation processes of the Middle East and to establish numerous direct ties to individual confessional, ethnic and social groups.

The goal of the imperial powers was to arrange these various forces according to their own interests and to play them off against each other, and in order to do this, political rents, monopolies and economic privileges were granted. To counter this, however, the regional political forces for their part learned to exploit the rivalries of the great powers, to mobilize the lower and middle classes and to bring conflicts to a head through ethnic and religious alliances.

Then, the great powers, too, became the 'prisoners' of their oriental ties and the source of fresh political, economic and military benefits, only in order not to lose influence, prestige, diplomatic positions, economic opportunities and strategic positions.

In the 1970s, the oil revolution put rent policy in the Middle East on a new and very special basis. This new material structure of the Middle East had a lot of consequences. Even in the field of international politics and foreign policy, I can only indicate to some of them:

- The international funding of the whole regional system eliminated the ideological regulative conflict between Ba'athism and Nasserism on the one side and conservative and traditional positions on the other.
- The highly structured regional international system of states transferred to a more multipolar system of competition.
- The fragmentation of the region weakened the region as a whole with regard to its relations with both regional outsiders and the international system in general.
- Foreign policy influence was now exercised above all through economic incentives or material pressures and diplomacy, and only in exceptional cases by force.

Foreign policy in this context is not separable from rent seeking and from the acquisition of rents. We shall base ourselves on two different types of internationally revenue earning states, which differ above all by class of rents and the political conditions of rent acquisition: oil rentiers and recipients of political rents. In the foreign policies of the oil countries, we may distinguish the following functions relating to the problems of rents:

1. Foreign policy serves, firstly, the acquisition of state revenues. Oil producing countries, first of all, need to control, as much as possible, the international energy market.

This has been a very hard task with some success and many failures. We have much research on oil policies of states, international organizations and corporations, but it was not until very recently that academic studies revealed that the oil policies of the OPEC members are subject to rational calculations of interests, which take into account the behavior of partners in recurring decision situations. This required considerable capability of foreign policy action in view of the heterogeneity of the OPEC members.

2. Foreign policy serves the stabilization and extension of rents.

A central aspect of oil rentiers is the defense and improvement of their rent income through diversification; namely investment in capital participation in industries and banks of the industrialized states or the up-and-downstream expansion in the oil business, in which a multiplier effect of rent acquisition is triggered. In their third function, the foreign policies of the oil-exporting countries served to safeguard the flow of revenues. The oil states cannot be interested in oil exports being disturbed by regional political turnovers and radical regimes. By their political influence and their regional allocation policy, they contributed to attaching the region as a whole more firmly to the industrial states.

Certainly not all oil states followed the rules of foreign policy outlined here (Iraq, Libya, and Iran for instance). Thus, the question arises, of whether the fact of being a rentier state determines foreign policy behavior at all. Our answer is that while international rents lead to regularities in foreign policy behavior, intervening variables, such as the character of the regime, the degree of social differentiation or the relation of the quantity of rents and the size of the society, may temporarily interrupt or permanently modify this behavior.

Far more complex and more paradox are the foreign policies of those states in the Middle East, which have no oil (or an insufficient amount), but were drawn into the regional cycles of the 1970s.

Whereas the oil rentiers were, above all, beneficiaries of raw materials rents, which originated under the influence of international markets and world political circumstances, the 'semi-rentiers' tried to mobilize financial resources, which served the political safeguarding of raw materials rents within the region. But they also often lived on the 'fall-out' from raw material rents, contracts and 'jobs' given to them by the oil rentiers.

The opening of the state-centered economic systems in the early 1970s (*infitah*) has been interpreted in various ways as structural adjustment to the private economic and market oriented rules of the capitalist system.

In reality, however, the point was to overcome crises of development and problems of legitimization by creating favorable conditions for access to the regional and worldwide rent flows. The actual goal of the various opening up policies was to mobilize cross-border production factors (capital, labor and technology) in favor of state revenues and economic stimuli.

Under the pressure of economic and social problems, the semi-rentiers therefore began to put their foreign policies entirely in the service of rent-raising. Every regime tried to find its own ways and means to put its own political, military or cultural importance into a favorable light for improving revenues, for example as a front-line state against Israel (Jordan), as a mediator in a regional sphere of influence (Syria), or as a peacemaker and regional great power (Egypt).

Towards the end of the 1970s, all regimes had stabilized politically on the basis of Western credits, financial aid from international organizations, cash injections from the oil states and the participation of the labor force in the development boom of the Gulf.

Yet, access to rents by the semi-rentiers is purchased dearly. In contrast to the oil-rentiers, the semi-rentiers could not rely on one central source of revenue. They had to improve the framework conditions for a number of slim and uncertain rents, not least the unstable political rents.

In addition to this, the governments were not accepted as the only recipients of external help and payments. They now had to make those rents possible, too. This benefited social groups, which were to raise external capital independently with the government's backing and approval. This had to result in additional political problems: inner-societal competition for the external resources and ultimately conflicts over political participation and power.

Since the mid-1980s, the rent receipts in the Middle East have been falling, which can be explained by the following:

- the weakness of the energy market,
- the breakdown of the East-West rivalry,
- the development of new military control mechanisms in the region, and
- the economic pressure from capitalism for structural adjustment.

It was not until the revenue crisis that the capacity of the rentier states came to light. Instead of bowing to the political and economic pressures of the hegemonic power and the international organizations, the semi-rentiers developed considerable capacities and skills as 'survivors.' The policy of rent-seeking continued.

Whereas semi-rentiers had succeeded in collecting sizable war dividends for loyalty and willingness to cooperate in the second Gulf War or as a bulwark against fundamentalism, it is not out of the question that the Middle East peace process will harbor undreamed of possibilities of mobilizing international rents.

No less complex or difficult was the resistance of the semi-rentiers to the internal social and international pressure. With rents diminishing, they were forced to use their resources even more 'economically' and, at the same time, more efficiently than before and to keep the penetration of the system within limits.

The penetration of some semi-rentiers had gone so far that external protagonists cooperated with political parties and organizations and with parts of the state bureaucracies and restricted more and more the decision-making processes of the cores of the elites. Such interventions had to be carefully controlled in order to pre-empt any deprivation of power.

As a rule, however, the elite cores could also profit. Bureaucratic or party political clients of outside interests were also able to raise funds from their external patrons. If used skillfully, then, through balancing bureaucratic or political forces, the external financial backers could be brought into situations of competition. Egypt is a very good example of such a rent acquisition policy between various American, European and Arab interests, intervening in the political system.

My point is not that I regard this as a desirable foreign policy: my intention is to demonstrate a whole spectrum of reaction strategies that weak rentier states can develop in order to assert themselves imaginatively and skillfully, even in apparently hopeless situations.

Foreign policy thus becomes the central political field of the system: the political elite act largely autonomously between the world economic and international system on the one hand and the national society assigned to them on the other. This view from the angle of political economy not only gives extra weight to foreign policy: it opens up to foreign policy analysis – the way to more complex connections and interpretations.

The Arab League and the Arab-Israeli Conflict¹

Dr. Mahdi Abdul Hadi

Head of PASSIA, Jerusalem

Historical Background

After World War II, the political environment in the Arab countries was dominated by the following issues:

1. the notion of *Arab unity*, recalling the first Pan-Arab awakening, the roots of which went back to the establishment of secret societies under the Ottomans, such as Al-Ahad (1909) and the Arab Fateh (1913), and the Arab revolt of 1916;
2. the *Palestine Question*, recalling the Palestinian revolts and uprising during the British Mandate, the culmination of which was the Great Revolt of 1936 that ended with the St. James' Conference in London and the British White Paper of 1939.

In the early 1940s, the Arab capitals witnessed a series of political consultations, followed by public statements, concerning Arab unity on the one hand and the Palestine Question on the other. Against this background, British Foreign Minister Anthony Eden declared the British Government's support for the Arab countries' desire for unity and for their right to strengthen their cultural, economic and political ties. Eden stressed that his government intended to support any agreement the Arabs would reach in this regard.

Eden's declaration met with a mixed reaction in the Arab capitals: the Jordanians welcomed the British position as it supported Prince Abdallah's plans for the unity of Greater Syria; the Saudis were doubtful and cautious; the Yemenis ignored it; Iraq, Syria and Lebanon expressed no enthusiasm; and Egypt called for Egyptian-Sudanese unity (the unity of the Nile Valley).

¹ Presentation given at PASSIA on 11 December 1996 as part of the PASSIA Seminar on *The Foreign Policies of Arab States*.

Two Arab prime ministers, Nuri Sa'id of Iraq and Mustafa Nahhas Pasha of Egypt made intensive efforts - though for different reasons - to draft the framework for a unity plan on which the various Arab governments would agree. Both men were in direct contact with London.

Nuri Sa'id's ambition was driven by his vision of a united Fertile Crescent, as outlined in his *Blue Book* of 1943. He discussed his ideas with British Government officials and introduced the term 'Arab League', which then related to the unity of Iraq with Greater Syria, while it left the door open for any other Arab country that wished to join. Nuri Sa'id drafted a specific plan that foresaw the formation of a permanent council of the League to be responsible for the spheres of defense, foreign policy, finance, currency, taxation, and transportation, as well as for the protection of the minorities. He also recommended that Syria and Lebanon, if reluctant to join such a body, should be forced to do so.

Nahhas Pasha invited Nuri Sa'id to Cairo in July 1943 to officially discuss the issue of Arab unity. Although the two leaders agreed, in principle, on the need for Arab unity, they differed in their priorities and on leadership issues. While Nuri Sa'id opted for Syrian-Iraqi unity first, Nahhas Pasha sought a role for Egypt in any form of unification.

In September 1943, Nahhas Pasha also invited Tawfiq Abu Al-Huda, the Prime Minister of Jordan, and discussed with him the possibility of an immediate unification between Syria and Jordan, with the option to invite, at a later stage, Lebanon and Palestine to join. As a political system for such a future unity a monarchy was envisioned. In October 1943, Sa'adallah Al-Jabari, the Prime Minister of Syria, accepted an invitation by Nahhas Pasha for the same reason, but Damascus insisted on a republican system rather than a monarchy.

The Saudis informed Nahhas Pasha about their objection to the proposed unification and expressed their concern regarding the Hashemite plans and intentions. They clearly limited their support to economic cooperation. In January 1944, the Lebanese President Bishara Khoury notified Nahhas Pasha that Lebanon preferred independence and secure borders for all Arab countries.

The Egyptian-Iraqi attempts to create a unification plan did not succeed but rather led to a political storm in most Arab countries. It became clear that there was a dire need to deliver something in order to meet the people's expectations and aspirations. Having realized this, Egypt called for an Arab conference, which was held in Alexandria in October 1944. The conference

resulted in the *Alexandria Protocol*, which led to the Cairo Conference and the establishment of the Arab League in March 1945.

According to Arab historians, the Arab League was not intended to serve as a federal union but as an institution that would bring independent states together to discuss issues of common interest and possibly to agree on collective action, while recognizing their independence and guaranteeing their sovereignty. It should be mentioned that throughout all the political consultation that took place between Nahhas Pasha and Nuri Sa'id, the Palestine Question was a core issue on which an Arab consensus was easy to reach. It served as a precedent inasmuch as, during the London Conference of 1939, Arab leaders, for the first time ever, dealt with a major cause as one united body. The London Conference exposed their differences in terms of ambitions and interests and revealed how much input each was able and ready to offer in support of the Palestinians.

The Alexandria Conference of 1944 was attended by a Palestinian scholar, Musa Al-Alami, who was chosen to represent all the Palestinian parties since the Arab leaders were against the participation of the Grand Mufti of Palestine, Hajj Amin Al-Husseini. Al-Alami worked closely with the Egyptians and the Iraqis, succeeded in easing the British Government's initial reservations about the participation of Palestine as a full member, and delivered a political statement about the Palestinian cause, which gained the support and sympathy of all member states.

Some historians refer to the historical background of the establishment of the Arab League as a British initiative, while others tend to give the credit to Nahhas Pasha. Nuri Sa'id is mentioned the least as the Iraqi priority was to have its own vision of Arab unity - basically confined to the Fertile Crescent - realized. I have reached the conclusion that because of the awareness of the public and the common call for Arab unity, as well as for the defense of Palestine, all the parties involved were motivated to make, in one way or another, a valuable contribution to the discussions that preceded the eventual establishment of the Arab League.

The Alexandria Protocol placed a special emphasis on Palestine, stating that it is a major component of the Arab entity, that Arab rights should be maintained and defended, and that no peace or stability can prevail as long as Palestine is threatened.

The special resolution on Palestine in the protocol called for the ending of all Jewish immigration to Palestine and the preservation of Arab land. The independence of Palestine was considered a basic Arab right, and the resolu-

tion called for the establishment of an 'Arab Fund', which would be used to save Arab lands in Palestine.

The Arab League: Challenges and Achievements

As a result of the UN Partition Plan for Palestine of 1947 the Arab League held a series of meetings, which concluded with the decision to invite Arab armies to enter Palestine in order to defend its territory and people. This led to the first Arab-Israeli War of 1948, as a result of which Palestine was divided: a major part became Israel, while the West Bank, including East Jerusalem, was under Jordanian control, and the Gaza Strip was ruled by Egypt.

The Arab League's political committee supported the Palestinians' decision to establish a government in Gaza and invited its representative to attend all meetings of the League (1949/50). At the same time, the committee expressed its reservations about Jordan's plan to annex or forcibly unite with the West Bank, stressing that Jordanian rule was only temporary, i.e., pending the ability of the Palestinians to exercise their right to self-determination.

Another issue the Arab League dealt with was the deterioration of Iraqi-Kuwaiti relations in 1960 due to the territorial claims of the former. The Arab League defended Kuwait and succeeded in forcing the Iraqi leader Abdul Karim Qassem to forget all plans of annexing or invading its neighbor. Regarding the border dispute between Yemen and Saudi Arabia, the Arab League failed in achieving a settlement. At the time, it was led by Egypt, which, although having no objection to interfering in the first issue, was far less keen to interfere in the second, being constrained by the fact that its own military forces were in Yemen to support the Yemeni revolt and to fight alongside the new Republican regime against Saudi interference. These examples show that in order to understand and judge the achievements and failures of the Arab League, one should read carefully into inter-Arab politics.

The first Arab League summit in Cairo in 1964 was called for by President Gamal Abdul Nasser of Egypt. The two challenges facing the Arab World at that time were the Israeli intention to divert the flow of the Jordan River and the fate of the Palestinians. During the deliberations, the Arab League decided to establish a military umbrella, headed by an Egyptian general (Ali Ali Amr), with the task to reorganize and enforce the Arab armies to defend Arab territories and to counter Israeli threats. Regarding the Palestine Question, the Arab League decided to establish the Palestinian Liberation Organization (PLO), then headed by Ahmad Shuqëiri, with the goal of mobilizing and uniting Palestinians in the struggle for their land and rights.

Following the June War of 1967, Egypt and Jordan caused a division in the Arab League by accepting UN Resolution 242, which was strongly rejected by Iraq, Syria, Lebanon and the PLO. It took these countries more than a decade to realize the importance of utilizing UN resolutions in order to confront Israeli deception. In 1969, the Arab League held its famous summit in Khartoum where the Arab consensus was not to accept the defeat of the June War. The resolution passed at the summit stated the participants, agreement "...to unite their political efforts at the international and diplomatic level to eliminate the effects of the aggression and to ensure the withdrawal of the aggressive Israeli forces from the Arab lands, which have been occupied since the aggression of 5 June. This will be done within the framework of the main principles by which the Arab states abide, namely, no peace with Israel, no recognition of Israel, no negotiations with Israel, and insistence on the rights of the Palestinian people in their own country."

At the Rabat Summit in 1974, despite Jordan's refusal, the PLO was recognized by the Arab League as the sole representative of the Palestinian people. Also during the 1970s, inspired by Gamal Abdul Nasser, the Arab League succeeded in putting an end to the bloody military confrontation between the PLO and the Jordanians, and, at a later stage, helped in achieving a series of agreements between the PLO and Lebanon. This time, it was Saudi Arabia that accepted responsibility for inviting all parties involved in the Lebanese Civil War to Ta'if in 1975 in order to conclude an agreement.

A major crisis within the Arab League occurred when Egypt went alone and signed a separate peace treaty with Israel at Camp David in 1979. As a consequence, during the course of the Arab League Summit in Baghdad it was decided to suspend Egypt's membership and to move the League headquarters from Egypt to Tunisia. For the very first time, a non-Egyptian was appointed as the General Secretary of the League: Shazili Qulaibi of Tunisia succeeded former Egyptian Foreign Minister Mahmoud Riad (whose predecessors were Mahmoud Fawzi and Abdul Rahman Azzam, both of whom were also former Egyptian foreign ministers).

In the 1980s, despite the Israeli invasion of Lebanon in 1982 and the forced departure of the PLO, which sought refuge in Tunisia, neither a single Arab country nor the Arab League interfered in regard to the plight of the Palestinian or Lebanese people and did nothing to defend Lebanese territory or preserve its unity.

In February 1985, the PLO and Jordan signed the famous accord that stated their intention to work together towards the establishment of a Palestinian-Jordanian confederation. The Arab reaction ranged between Syrian rejection, Saudi Arabian reservation, and silence on the part of the others.

In November 1987, an Arab League summit was held in Amman. It called for economic cooperation and reconciliation between Iraq and Syria and invited Egypt to return to the League; unexpectedly, and for the first time ever, it totally ignored the PLO and the Palestinian agenda.

A month later, however, with the outbreak of the Palestinian *Intifada* in December 1987, all Arab countries with no exceptions expressed their strong support for and solidarity with the Palestinians. A year later, Arab leaders encouraged Jordan to disengage from the West Bank. However, the position of the Arab countries with regard to the peace initiatives of the PLO and their interest in entering political negotiations with Israel was rather disappointing.

Another major Arab League crisis emerged during the Gulf War in 1990. The division among Arab countries was obvious: while some condemned the Iraqi invasion of Kuwait and joined the foreign allied forces to stop the Iraqi aggression, others called for the formation of a united Arab force to maintain security and stability and to preserve the borders of all the countries in the region. The Arab League decided to condemn the invasion and called on Iraq to withdraw its army. At a later stage, the weight of the Arab League's position weakened as it became obvious that each Arab country would eventually decide alone and in accordance with its own interests on what stand to take *vis-à-vis* the Iraqi-Kuwaiti dispute. This was also the case with regard to the level of normalization with Israel some time later, following the commencement of the Madrid Middle East Peace Conference.

The role of the Arab League was also less effective when the US invited various Arab states to participate in the Madrid Conference, which was based on negotiations (both bilateral and multilateral) and on the 'land-for-peace' formula. The Arab League was not invited, even as an observer.

Between 1990-1995, the Arab League barely played a role in Middle Eastern politics. However, it then re-emerged to the foreground and is today as viable as it was half a century ago. With the weak process of political negotiations between Israel, Palestinians and other regional countries, the Arab League serves as a necessary tool to maintain linguistic and cultural links, to preserve the common interests of its member states, and to cope with the changes in the international arena and their repercussions on the Arab World.

Today, Arab leaders are talking about the need to strengthen the Arab economy and develop a common market, as well as to reinforce inter-Arab peace, to safeguard Arab interests, and to fight security and 'terror' threats. The Arab League is now led by another distinguished Egyptian Foreign Minister, Esmat Abdul Majid, whose task, among others, is to lead it into the 21st Century.

The Foreign Policy of the PLO¹

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In this case study, the PLO will be placed in a Cold War context, and we will be dealing with the opportunities and constraints facing the foreign policy of a non-state actor.

Foreign Policy Orientation

The PLO was based on the following key schools of thought:

1. *Arab Nationalist Movement (ANM):*

The ANM called for Pan-Arabism and Marxism (Habash and Hawatmeh) - it sought a big brother figure to aid the Palestinians. It followed a strategy based on a wider alliance and held a strong normative view of policy.

2. *Fateh School:*

This group has its roots in Islamic groups. Most of Fateh's leaders started out with Islamic movements such as the Muslim Brotherhood. Most members of Fateh were middle-class Gazans, with a modern, professional education, and they reflected the highly intellectual oppressed. Many had worked in the Gulf, ending up marginal people in Gulf society as part of the *petite bourgeois*. They sought statehood to attain their own identity and political system. The main tenants of Fateh ideology are as follows:

- *Strong state goals:* The followers of the Fateh school of thought wanted a state, an entity, with their own Palestinian political institution to represent them.

¹ Presentation given at PASSIA on 18 December 1996 as part of the PASSIA Seminar on *The Foreign Policies of Arab States*.

- *Separate identity*: The followers had a pragmatic approach, and did not think of the Palestinian entity as part of the Muslim State.
- *Dislike of political parties*: They absorbed the ideologies and assumptions of the Muslim Brotherhood, which did not favor political parties.
- *Action-reaction theory*: They saw politics in three circles: Palestinian, Arab, and the international arena.

The three circles affected each other: the Palestinian affected the Arab and that, in turn, affected the international. As a result of the war situation in which the PLO was working, there was little in terms of a democratic process. There was no change in the leadership: those with control maintained it and thus had a high degree of influence on foreign policy decisions.

Actual Foreign Policy —

The ultimate aim was the establishment and recognition of a Palestinian state, as elaborated in the *Falastinuna* journal since 1954. The PLO was established in 1964, and when Fateh took over in 1969, it brought its own notions of statehood and guerrilla movements. The PLO thus had a combination of both legitimacy and armed strategy and enjoyed the recognition granted to a state without actually being one.

Early Stages:

The PLO was recognized by the Arab states, and began to lobby the external environment in order to serve its national aims. It was conscious of the fact that it had to interact within an international arena, and it attempted to gain an understanding of its position within this system, searching for a strategy that would have international effects and gain acceptance. After facing rejection from the Soviet Union, the PLO tried to widen its relations with other liberation movements and Third World countries. China offered the PLO material assistance and invited it to open an office, and in 1970, the USSR came to the PLO to establish contacts. The search for a strategy continued, especially after the events of September 1970.

The 1970s:

The PLO was greatly affected by events in the international arena. After Nixon launched his strategic consensus plan - to shift responsibility to local allies - the Soviet Union increased its interest in local allies and the PLO, whilst establishing ties with Iraq and Egypt. The détente and various regional events caused the PLO to fear it was being left out in the cold, and

thus it began to carry out acts to avoid being ignored. With the shift in the balance of powers - in USSR-US relations and in the region (October War, Arab unity, the oil embargo) - the PLO perceived a new regional order. It also realized that there was no support for a total Palestinian state, and it accepted the fact that diplomatic forces limited its aim of a state in all of Palestine: international events suggested that a more moderate policy would be more acceptable to the international community.

Strategy After 1973:

In light of such pressures, the PLO adopted a new strategy: its aim was no longer the destruction of Israel, but the establishment of a state in the West Bank and Gaza. It returned to its notion of three circles to achieve its aims, which were as follows:

1. *Palestinian:* The West Bank and Gaza become more important in PLO thinking. Moreover, leaders from the West Bank and Gaza became members of the PLO Executive Committee and the number of members in the overall organization increased. There was a concerted effort to promote a new awareness of the importance of mass social action in the West Bank and Gaza.
2. *Arab:* The PLO sought to solidify support from the oil countries.
3. *International:* The PLO looked for new, stronger international backers, in addition to closer ties with the USSR, China and the Third World. In 1974, Europe became more active and by 1980 had established ties with the PLO.

The PLO succeeding in putting the Palestine Question - the issue of a Palestinian state with the PLO as the official representative - on the international agenda. It maintained its military role, but only as a tool of diplomacy.

State-Building:

The PLO was beginning to operate at state level. It had a state shell, with an economy larger than that of some Third World countries, a semi-army, and an air force; it even began to train other forces. The PLO backed up friendly states and succeeded in establishing a para-state position in the area, with its own offices in Western Europe. It worked on building and expanding its own institutions, social and otherwise, and was able to build an extensive, worldwide network. In 1979, the PLO received around US\$4 billion in aid, and it seemed that everyone was on the PLO payroll. Everyone became part of the system, strengthening the social process of state-building. Meanwhile, the PLO, like a state, came under pressure from

various angles, such as internal forces, Arab states, and the USSR, whenever it had to decide on important issues, such as the Camp David events.

External Relations:

The Soviet Union became an important dimension in PLO policy and it was a key player in helping the PLO establish its international standing. However, Soviet influence and pressure on the PLO were limited; pressure was most effective only when accompanied by Arab pressure. In Soviet-PLO relations, the PLO was the key to the Soviet position in the region. Because of its Arab Nationalist Movement (ANM) standing, the PLO could enhance or limit the Soviet position. Syria, at one time, had a stranglehold on the PLO because PLO forces were based in Syria - and its position *vis-à-vis* the PLO was thus much stronger than the Soviet Union's. The PLO sought continuously to maintain good relations with all Arab states.

Second Cold War (1978-79):

International and regional events during this period, such as the war in Afghanistan, the Iranian revolution, and the international confidence-building measures in Europe, combined to threaten the strategy of the PLO, which now had less influence on the US through its Soviet relations. The Arab World was also polarized and divided into varying positions: the PLO was thus obliged to choose sides in the conflicts. Pressure was also intensified when the internal Palestinian opposition aligned itself with an Arab or Soviet position.

PLO Factions:

Like many other national liberation movements, the PLO was often fragmented into opposing factions. The major factions were as follows:

- *PFLP*: The Marxist Popular Front for the Liberation of Palestine (PFLP) had its roots in the old ANM and the nationalist theories of Western Europe. The ANM had, in its early stages, been very anti-Communist, and it was not until 1964 that it adopted a Marxist-socialist style. The debate over its approach began in the 1960s and a new school of thought emerged with the entrance of a new, young intellectual elite in 1967. The PFLP was not really Marxist, pro-Soviet or pro-Communist; rather, it was guerrilla-Marxist. Its decision was affected not only by the new generation, but also by external events. It was a time of Third World revolutions and guerrilla wars - Che Guevara, Mao's China, etc. - and the PFLP was undoubtedly influenced by these events and the movements involved.

- *DFLP*: The Democratic Front for the Liberation of Palestine was even more leftist and Leninist than the PFLP. In 1970, after the defeat of the leftist movement, the DFLP came to see itself as pro-Soviet. It became the key Soviet ally within the PLO, bringing in material assistance to the organization.

In 1970, many leftist movements and their slogans were discredited and this allowed Fateh to assert its power over the PLO. Until this time, there had been many divisions within the Palestinian ranks, and there was no total Palestinian recognition of the PLO as a sole representative. With the 1970 defeat came Palestinian unification and Fateh dominance.

End of the Cold War (1985 Onwards):

The end of the Cold War had significant strategic implications for the PLO, for it could no longer play the game. Its demise represented the end of not only an entire political generation, but also a world order, institutions, and a certain logic. The PLO had emerged on the scene in the 1960s, prepared to deal with an international system that was set in a Cold War context. This new period and system challenged the PLO's ability to survive.

Sensing that a change in the system was imminent and hoping to secure Soviet and Eastern Europe recognition, Arafat hurried to declare statehood in 1988. The Palestinian National Council (PNC), meanwhile, recognized UN Resolution 242. Several events had serious implications as far as the PLO was concerned, including the loss of strategic Soviet support and the Gulf War. The war presented Arafat with a two-fold dilemma: that of choosing sides (when he needed both) and that of maintaining political legitimacy with the Palestinians while maintaining international PLO legitimacy. The PLO had to accept several realizations: a peace process with Palestinian, not just PLO participation (presenting Arafat with the threat of alternative leadership), and an interim, not final, arrangement with terms it did not like.

Diplomatic History of the Middle East¹

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The subject of the diplomatic history of the Middle East is a very broad topic and in order to cover it adequately I would need much more time than allocated for this lecture; it could itself serve as the subject for a whole seminar. I want to concentrate here on the period after 1948, but let me give you a little information concerning what happened before 1948 and the concept of the 'Middle East'.

The concept of the Middle East or Near East is a Western concept, developed from the viewpoint of the British Foreign Office. If we look at the region from the viewpoint of the Indian Foreign Office, for example, we would say West Asia, not the Middle East. This is not only a geographical, but also a conceptual difference. Today, the Middle East - according to the British definition - contains the Arab Orient, Egypt, Sudan, Iran, Turkey, Afghanistan and the Arab Peninsula. North Africa is not included in this concept. The Near East encompasses the same territory but excludes Iran and Afghanistan. This geographic concept embraces the perception of the region as an island, isolated from its natural habitat, the Asian continent. It gives the impression that we are orientated towards the West. It is thus contradictory to the actual Arab-Islamic history where our political, religious, and cultural historical relations were at least balanced between the Mediterranean basin and the Asian continent. So, here I would rather tend to stick to the concept according to which we are Asian and Mediterranean; this leaves us with the task of defining our relations with the Western World as well as with the Asian continent. For us, if we want to define the Middle East, it includes all the members of the Arab League, even the Comoros. For the purpose of this lecture I want to refer to this region in its Asian and Mediterranean context.

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The most important event in diplomatic history in the Middle East before 1948 was the breaking up of the Ottoman Empire into three colonial imperial regions with France controlling North Africa, Syria and Lebanon, Great Britain assuming control over Egypt, Palestine, Iraq and the Arab Peninsula and Italy controlling Libya. With the breaking up of the unified political system of Ottoman rule into tripartite domination, a process of development of regional parties and policies set in. Within the spheres of influence of the colonial powers there was still freedom of movement, so that, for example Moroccans could easily go to Syria and *vice versa*. From Ottoman rule to the colonial system, Arab unity was thus transferred to a lower, regional level. This, in addition to the intellectual and social developments, provides the background against which the diplomacy of the time has to be seen.

In order to understand the events before 1948, one has to take into account that the political decision-making process in the region's countries was not independent but took place under the dictation of colonial or mandatory officials. There always existed, however, a local ruling elite of big families - such as the Hashemites, the Mohammed Ali dynasty, the Wahhabites etc. - that had different political strategies. After the end of World War II, there was a rush of diplomatic activity under the rallying cry of independence, the struggle to shed the yoke of European domination in favor of Arab unity. But at the same time, a development concept other than that of Arab unity was propounded by a new generation of educated elites: the concept of social and economic development according to the Western, capitalist style. This happened as a function and a result of the higher level of education offered by private foreign and missionary schools, through collaboration with the occupation administrations and through mutual influences between Western and Arab thinkers. Incidentally, it was not a new phenomenon; since the mid 19th Century, Western ideas had been translated and absorbed by Arab culture and thinking and they constituted an important factor in the period of the 'Arab awakening'.

For the post-1948 period, I want to make two generalizations that have been the driving force behind all diplomatic history in the Middle East. The first one is that all diplomatic activity has been related to the Palestine Question. The other side of this coin is Israel. Israeli policies in the Middle East have equally been the driving force (or the stumbling block, depending on how you want to see it) of diplomatic history in the region. The second generalization is that the concept of Arab unity and the struggle to arrive at it has, on the one hand, been a result of a common identity, whereas on the other, it has also been an answer to the Palestine Question. In every turning point in Middle Eastern history, Palestine was the reason for Arab political and diplomatic activity.

The 1948 *Nakba* (the Catastrophe) and the War of 1967 were not only catastrophes for the Palestinians; they were also Pan-Arab catastrophes, and the psychological and social ramifications of losing Palestine - the heart of the land mass that is called the Arab World, and the joining point between three continents - were felt by every man on the street in every Arab country. Moreover, as a result of the first *Nakba*, the political movements in the Arab countries took independent courses, which led to a 'mushrooming' of Arab countries and the fragmentation of Arab unity into independent political systems, which developed different political courses. There was no unified vision or common plan of action regarding the Palestine Question, the question of Arab unity, the relations with the West or the East or the overall question of economic development, which included the questions of whether the public or the private sector should dominate the economy, or if socialism, capitalism or state capitalism was the appropriate approach to development.

The Arab League was founded, in my opinion, as a ceiling - imposed by Great Britain, as the foreign dominating power - to absorb and limit Arab aspirations of unity. The British, whilst preparing to leave the region, wanted to ensure that the Arab League would be the framework for Arab unity. Another example is the formation of the Islamic Conference Organization (ICO) in 1969. This organization was formed as an answer to the Palestine Question, and, more concretely, to the fire in Al-Aqsa Mosque, and to quell Nasserism, i.e., to 'straight-jacket' Pan-Arab feelings. The whole text of the ICO's basic law is about Palestine and Jerusalem; all the bodies established were designed to further the issue of Jerusalem. Of course, today, these two organizations have changed in regard to their functions, their aspirations, and their results. Here, I am talking about the motivations that were behind their establishment; you will find these motivations reflected in the organizations' early statements and resolutions.

For analytical purposes we may group the major topics in Middle Eastern diplomatic history since 1948 (the Palestinian *Nakba*) according to ten titles or themes. These are, of course, not exclusive, but I think they can highlight events in the area and refresh the memories of students of Middle Eastern politics. The ten themes are as follows:

1. inter-Arab feuds and unions;
2. the water question;
3. the tripartite invasion of Egypt (Suez Canal crisis);
4. the War of 1967;
5. the Lebanese Civil War beginning in 1976;
6. the 1982 Israeli siege of Beirut and the departure of the PLO;
7. the War of the Camps;

8. the Iranian revolution and the Iran-Iraq War;
9. the second Gulf War;
10. the Palestinian and Middle East Peace Process.

If we go through this period since 1948, we can and may elaborate upon these topics in more detail. For the sake of brevity, I will mention them in the form of points as follows:

- The continuation of the 1948 War as the Pan-Arab *Nakba*; the Palestinian refugee problem; the fragmentation of Arab unity into independent political systems and the development of these independent political units on independent courses; inter-Arab feuds because of the absence of a unified vision or plan of action in regard to the Palestine problem, Arab unity, relations with the West (US) and the East (USSR) and economic development.
- The Non-Aligned Movement and its Five Principles of Bandung.
- The development of the regional groupings: CENTO (Central Treaty Organization, encompassing Great Britain, Iran, Turkey and Pakistan, and supported by the US, also known as the Baghdad Pact), SEATO (South East Asian Treaty Organization); demonstrations and counter-movement to CENTO in the Arab World.
- *Fedayeen* activities in Gaza; nationalization of the Suez Canal and tripartite aggression on the part of Britain, France and Israel against Egypt.
- Water question: Johnston Plan.
- Lebanese issue of 1958, US landing and change of government and president in Lebanon.
- Jordanization of the army in Jordan: Glubb Pasha affair; Suleiman Nabulsi government; change of government and the end of infant democratic movement in the Hashemite Union (as answer to the United Arab Republic).
- Revolution in Iraq; repercussions in the Middle East: end of CENTO, apparent failure of US-Western diplomacy, and rising tide of Soviet diplomacy and presence; repression of communist and Marxist ideological trends in the area despite improved relations between existing Arab regimes and USSR.
- Arab Union: Egypt and Syria, and later Iraq and Yemen; the Aref brothers period.

- Independence movements in North Africa: Morocco, Tunisia (1956) and Algerian revolution; popular sympathy, solidarity and anti-French feeling all over the Arab World; quiet Libyan independence under the Senusi dynasty.
- Developments in the oil states: Gulf States under British protection and military presence; migration of Arab, and mainly Palestinian workforce to Gulf countries, first to Kuwait, then to Saudi Arabia and other Gulf countries; Oman closed to outside world; Saudi Arabia getting richer through oil, self-assertion in Arab politics; obstacle in face of spread of Nasserism; Saudi conflict with Abdul Nasser first politically, then militarily in North Yemen; change of monarchs in Saudi Arabia to alleviate political pressure and changing internal conditions and to face Arab (Abdul Nasser) criticism; South Yemen under British rule, war of resistance.
- Breaking up of Egyptian-Syrian unity; Arab conciliation with the driving force of Abdul Nasser and Faisal; beginning of Arab meetings (summits) on a regular basis; and, in 1964, formation of PLO by Arab Summit.
- On the Palestinian scene: dispersion and refugee status; open and hidden 'persecution' of Palestinians everywhere; formation of Pan-Arab parties, such as PAM, Nasserism, PPS, Moslem Brotherhood, Communist parties and formation of an independent Palestinian line: Fateh (1956 in Kuwait); the establishment of the PLO as the Arab states' answer to Fateh, in order to control the Palestinian liberation movement (Fateh's goal was to liberate Palestine, but the Arab states did not like the idea of an underground independent movement beyond their control, so they took the first opportunity that appeared and founded an Arab-led organization, the PLO, at the first Arab summit held in Alexandria in 1964).
- Diversion of Jordan water, tributaries.
- The War of 1967, *An-Naksa* (defeat), has often been portrayed as a successful bid to some Arab regimes and therefore a victory for the Arabs, whereas in fact, the devastating defeat led to the loss of Arab self-esteem. Fateh-*fedayyeen* as the answer to *An-Naksa*; Battle of Al-Karameh and the regaining of Arab self-esteem.
- Palestine Question becomes central to UN activities; Security Council Resolution 242; formation of ICO.
- In September 1970: Jordanian-Palestinian conflict; Arab-Israeli-American intervention on the side of Jordan.
- 1973: October War; important role of the UN Security Council; Resolution 338.

- 1974 Arab Summit: PLO recognized as sole legitimate representative of the Palestinian people; increased PLO role on international scene and beginning of European acceptance of PLO.
- Increased role of the European Economic Community (EEC) in Middle East; discovery of oil as a strategic weapon; Arab Gulf countries experience economic boom; Euro-Arab dialogue as a function of the improved image of the PLO; the EEC Venice Declaration in support of Palestinian rights; the rising economic power of Saudi Arabia and other Gulf countries; demise of the Euro-Arab dialogue on the question of PLO chairmanship of the dialogue; European (and indirectly American) pressure on the PLO to accept Resolution 242; Beirut as a center of diplomatic activities.
- The Lebanese Civil War leads to ethnic cleansing, family cleavages, organization of new parties, spread of militia activity and the breaking up of a functioning Lebanese administration; there has always been an intra-Lebanese problem, not a problem created by the PLO - the PLO contributes to the unity of the country by protecting the economy and providing security (for example, the Lebanese banks and other social and economic institutions were protected by the Palestinian Force 17); PLO-Syrian conflicts in 1976.
- Inter-Arab pressures; Riyadh Conference; first official contacts between PLO and US administration, letter of thanks from then US Secretary of State Henry Kissinger to Chairman Arafat; international mediation efforts to solve the Middle East conflict, such as the Soviet-American statement (1978) and the American-Israeli counter-statement; continuous Israeli air raids on PLO camps in Lebanon; loss of Palestinian refugee camp in Tel Az-Za'atar; international sympathy for plight of Palestinians and condemnation of Lebanese militias and indirectly of the Syrian role.
- Victory of Iranian Revolution hailed in the Middle East and condemned in the West; Iraq-Iran War with the Arab states on the side of Iraq and Western indirect help to Iraq; Iraqi perseverance and Iranian collapse; Khomeini's statement of 'myrrh to be drunk'; after the war: Iraq has great economic difficulties and is not able to repay its debts, which Kuwait refuses to pardon.
- Efforts to ensure peaceful conflict resolution after the October War such as the Palestinian National Council's (PNC) Ten-Point Program and acceptance of Security Council Resolution 242; Geneva Peace Conference; Sadat's invitation and unilateral move to make peace with Israel announced parallel to Egyptian-Libyan conflict and Egyptian threats to overrun Libya; Arafat's conflict resolution methods to solve Egyptian-

Libyan conflict; Sadat announces trip to Jerusalem in presence of Arafat, who knew nothing about the initiative; problems on Palestinian scene; assassination of Sadat by extremist Islam-oriented soldiers.

- Siege and war in Lebanon; Palestinian steadfastness; Israeli losses in the war and PLO departure from Lebanon to Tunis; Israeli occupation of Lebanon and Beirut and massacres in the Sabra and Shatila refugee camps; with the PLO in Tunis, diplomatic activities shift to North Africa, *coup d'état* in PLO with Syrian help and siege of PLO in Tripoli; Israeli-Syrian collaboration against PLO/Arafat; indecisive decision from the Soviet side to support Arafat, but total support from the German Democratic Republic (GDR).
- First Camps War waged by Amal against Palestinian refugee camps with support of Syria, Second Camps War with support of Syria; fall of Sabra and Shatila and of the PLO troops' commander in Shatila, Ali Abu Tok; 6,000 Palestinians imprisoned in Syrian jails; PLO wins international sympathy.
- The Second Gulf War proves the victory of Arab economic power over Arab military power in the international alliance against Iraq led by the US; Arabs are split into two camps: the popular feeling is in favor of Iraq, the Arab official position against it; UN role and sanctions as function of American domination; defeat of Iraq; Arab rift remains: destruction of Arab solidarity and heavy price paid by PLO/Palestinian people for their solidarity with and faith in Iraq.
- The peace process: the PLO adopts the 1988 Declaration of Independence; Bush initiative; Madrid Conference; talks in Washington and on the Oslo track leading to the Declaration of Principles (DoP) in 1993 and the Cairo Agreement in May 1994; return of the PLO to Palestine; Israeli withdrawal from Jericho area and the Gaza Strip, and re-deployment outside the major towns and villages of the West Bank; developments on the PNA side, such as elections, nation and state building, etc.
- Future of Palestinian-Jordanian relations: There has always been a PLO-Jordan love-hate relationship. The PLO advocates a Palestinian independent course and - after independence is achieved - a referendum on the nature of the Palestinian-Jordanian relations. Officially, the Palestinian National Council (PNC) has taken a decision in favor of a confederation with Jordan, and this decision is binding, but in order for there to be a confederation, there first have to be independent states: a Palestinian state, and a Jordanian state.

French Foreign Policy in the Middle East¹

Gilles Andreani

Head of the Planning Staff, French Foreign Ministry, Paris

I am not an expert in Middle Eastern Politics, but I will present here the French perception of the Middle East. It is a difficult topic that I am going to talk about. Firstly, because it is a very emotional subject, and secondly, because it has been distorted so much by history, or what we can call, the 'French Middle Eastern dream'. Let me explain what I mean by saying this. When I was a child, I used to go to the Museum of French Monumental Art, where there was a section on the Middle East showing how the French built and shaped the region. This is a dream; it has never existed like this. The French have had a strong presence and influence, but the Middle East has not been shaped by the French. However, the French leaders, until today, cultivate this Middle Eastern dream and spread this distorted version of history.

What do the French decision-makers see today when they look at the Middle East? They see a range of countries from Turkey to Morocco, having all sorts of different bilateral ties with France. In addition, each of these countries is facing important transitions. France has a responsibility in this, from which it cannot walk away.

What do French decision-makers *not* see? They do not see a threat diffusing from the Middle East, something like a rise of Islamic movements threatening France. They see the process of building post-colonial nation states with the armies having a strong role in this process. And they see that the countries of this region, although of course being very different, share common transitional features.

What do the French decision-makers see when they look at their own country? They see one essential feature, and that is, a community of about

¹ Presentation given at a roundtable meeting held at PASSIA on 2 April 1997.

4.5 million people from the Middle East that came to France to stay. France has by far the greatest Muslim community in Europe and we face the challenge of finding a way to integrate this community into a secular state. The second facet French leaders see is the community of about 600,000 Jews that live in France. What do French leaders derive from this domestic situation? They have a particular sensibility when it comes to the peace process and a special interest in just outcomes.

The second main aspect is that, with the end of the Cold War, transition processes have started in many of the region's countries. How do they affect us? How can we help to make them go as smoothly as possible? When we look at our economic stakes in the Middle East, we see that they are high, but not as high as they were before. Only about four to five percent of our trade goes to the region, but the region is much more important when it comes to market access, investments, etc. Factors usually mentioned in that respect are dependency on energy resources and geographic proximity. Saudi Arabia and Iran are France's main suppliers of oil, but there is no great dependence. In fact, France depends on its outside energy supply much less than might be thought. The geographic proximity to the region is, of course, a fact, which becomes especially important due to what I told you about this Middle Eastern dream that drives the French attitude.

Now, what do French decision-makers believe ought to be done? The key answer is that they think that France should act by shaping European politics for the region. France looks at the region as a whole; it looks at the problems that have much in common all over the region and considers the economic aspects as being the most difficult in the transition process. The 'Marrakesh Agreement' provided for the countries of the Southern rim of the Mediterranean to open up their markets. This, of course, brings fiscal hardships to these economies due to the loss of tariff incomes and an inability to compete. We should try to combine economic and political approaches, the result being a single process. In the Barcelona process, the EU tried to do this at three levels:

1. *Trade* - having bilateral trade agreements with the countries of the region;
2. *Aid* - compensating for the transition process on which the EU will spend 4.2 billion ECU over the next five years;
3. *Political dialogue* - so as to build partnerships and confidence and, eventually, a kind of informal security arrangement between the two regions. In this regard, a 'Security Charter' will be discussed in Malta in a couple of days.

Now, this brings us back to the peace process. Supporting the peace process is an active policy of France and of Europe as a whole. This is symbolized by the recent appointment of the EU Special Envoy to the Middle East, Miguel Moratinos.

Discussion

Adnan Husseini: A few weeks ago, we had a visitor here at a PASSIA roundtable from the French prime ministry [Mr. Guy Sorman] who said: "Israel is more important to France than Palestine." Can you comment?

Gilles Andreani: With respect to trade and economic relations, of course there is a difference in our relations with Israel and the Palestinians, but our position in regard to the peace process is far more neutral than that of other countries.

Dr. Albert Aghazarian: For me it has become clear that the Germans, French and British all have different positions on the Middle East. This has become particularly obvious since the end of the Cold War. I feel that the French leadership have always been allergic to others interfering in their policies towards the Middle East, a good example being the Iraqi experience, when France, in a unilateral diplomatic initiative, approached Iraq just before the outbreak of the Gulf War. Iraq then relied on France, but was deceived. What are your views on this? And then, I want to repeat the previous question but from another angle. We talked about Israel being more important to France than the Palestinians. Now, is France more important to Israel than Europe? Or, is France merely dismissing a European role in the peace process in an off-handed manner?

Gilles Andreani: Let me start with your last question. I am not totally pessimistic about shared European policies, which are clearly in the making, including in regard to coordination and funds. It is true that Middle East initiatives have mainly been started by France, but the other Europeans 'approved'. There is broad agreement on the basics of the peace process. Maybe there is a difference in style but not in substance among the Europeans. The British, for example, under the Conservatives, are reluctant to take a public stand against the US, but they supported Moratinos' appointment in the end. Also, Germany has had its problems with the latest EU actions, but in the end the basic parameters are the same in the EU.

As for Iraq, why did Mitterand go and accept a confrontation? He had in mind the Palestinian issue and wanted to state clearly that one must not invade other countries' territory like that. However, there was no hostility in

his attitude towards Iraq. If Saddam had offered to pull out, Mitterand would have agreed to support Iraq. I really should emphasize that there has never been a deal of the kind you mentioned between Iraq and France.

Adnan Husseini: We are against the ongoing sanctions against Iraq, which has abided by all Security Council resolutions during the last two years. It is time to look after the Iraqi people, the children, the future generation that is growing up now and is suffering from the consequences of the sanctions.

Gilles Andreani: In our opinion, Iraq has not yet fully complied with Security Resolution 687. It has changed for the better and we appreciate that, but not every demand has been fulfilled. In addition, if you talk to members of the Iraqi opposition, you will hear that they are not too happy about the partial lifting of the sanctions under the food-for-oil agreement, as they say this supports the regime. In fact it was France that fought most ardently for UN Resolution 986 while others worked against it. I am sure the economic activities allowed under this resolution will lead to an improvement.

Dr. Mahdi Abdul Hadi: There were three main opinions in Palestinian society at the time of the Gulf War: one saying that occupation is always wrong, another that this was an Arab affair in which the Americans and the Europeans should not interfere, and the third, that of the youth saluting Saddam Hussein in the streets, saying it was time for Israelis to feel the suffering that we had faced under their occupation.

When President Chirac came to Jerusalem, he made it clear that the question of Jerusalem has not been solved until today. How can we build on this? You know that the heart of the problem, the symbol of the conflict is Jerusalem. What is the French policy on Jerusalem?

Gilles Andreani: Legally, we stand on firm ground and our point of view is clear. We accept the international resolutions pertaining to Jerusalem and we think that the issue has to be solved in a comprehensive Palestinian-Israeli peace agreement.

Dr. Abdul Hadi: Would you support the reopening and re-functioning of the Arab Municipality in Jerusalem?

Gilles Andreani: As I said before, we think that negotiations are the only solution; all we can do right now is to criticize the decisions and actions taken by Israel to change the facts on the ground.

Dr. Abdul Hadi: But would you support us if we were to respond to the Israeli actions with a civil society initiative?

Gilles Andreani: As I said before, as long as it falls within legal parameters - it is fine with us.

Dr. Riad Malki: I want to follow up on this. If the Israeli side continues to create facts on the ground in Jerusalem, we will be compelled to do the same. The reaction of the international community has so far only been condemnation, nothing more. Now, if we did the same, if we created facts on the ground, what would be your reaction? Would you also condemn such an initiative, or would you see it as a kind of free competition?

A second question has to do with the goal of a collective European foreign policy, which implies that the EU member states have to give up their national positions. Do you not feel that you would lose your independence with this process?

Thirdly, what is your interest in the transition processes you mentioned and what kind of final result do you envision? It seems to me that you support the establishment of micro-French models everywhere. What about the Algerian crisis, for example? People say that this is not an Algerian crisis, but a fight between France and the US over their values.

Gilles Andreani: I want to skip the first question as it is too vague, too unclear. As I am a French government official, I can only say again that we will support initiatives that have a sound legal basis, but we insist that a solution has to be found through a negotiated process.

Concerning the politics of the EU, I want to remind you that already since 1958, we have given away so many sovereign powers; we have transferred a variety of concerns to the Union. For example, none of the European countries has its own trade policy. We can live with this because in return we receive a much more forceful position e.g., on the world markets. We hope that the same will happen in the field of foreign policy. The problem here is that foreign policy is usually more connected with action, and action is hard to reconcile with compromise. Having a united foreign policy will give us more weight, and EU positions will be more credible.

Regarding the transition processes, as I said in the beginning, the area covers a wide range of different countries, but I will give you one example: In Turkey, we would like to see a consolidated democracy and a sound market economy develop. But there are problems such as the army and the

question of whether the Refah Party will go the right way, integrating itself into the secular Turkish system, but these have nothing to do with France.

Concerning Algeria, I want to emphasize that we know better than to fight with the Americans over Algeria. Yes, at some stage, the Americans bet on the Islamic Salvation Front whereas France never wanted to take sides in the conflict, but there is no contest between France and the US in Algeria.

Dr. Mohammed Jadallah: Recent French policy towards the Palestinians, Chirac's visit to Jerusalem, and the French role in Lebanon, have all raised the expectations of the Palestinians. We now want to see the French support be translated into constructive action on the ground in support of our national aspirations. Also, it is important that each European country should back Moratinos, in order to enable him to fulfill his role.

Gilles Andreani: What we do is that we pursue just outcomes. In the past, the French often took positions that were offensive to Israel. Today, these are more or less European positions, and they are more acceptable to Israel - to the Israeli Government and the Israeli public.

HE Stanislaw de Laboulaye: Let me elaborate a little on this. We try to play the role of honest brokers. Therefore, the improvement in our relations with the Israelis over the past 15 years is important not only for us, but also for you. If we want to act as a broker, we need to be heard by both sides.

I think you need to ask yourself the following question: Do you want an honest broker or do you want a protector? For our part, we want to play the role of an honest broker, not a protector.

Dr. Abdul Hadi: The whole peace process is at stake and no matter what happens next - we need to bring the regional partners, Cairo and Amman, back in. Are you, as an honest broker, ready to have the four players together at a summit in Paris, for example? Can France take an initiative?

Dr. Marwan Bishara: We, as Jerusalemites, example should decide what could be done in regard to Jerusalem. France has already done a great deal, for example, it has frozen the renewal of aid to Israel. There are a lot of initiatives that need to be taken, but first we must specify what we need, what we want from the French or the Europeans. We have to present ourselves as serious partners to France.

Gilles Andreani: This discussion has been going on in France for some time, but we are realistic - we cannot be co-sponsors at the same level as

the US. We cannot play a symmetric role. For example, we cannot engage in the same military commitments as the US, and you do not want to end up with Israel being supported by the US and the Palestinians by the EU. It is only possible to have two co-sponsors, but not two protectors. There is a need for the two co-sponsors to work closely together, not to compete.

Dr. Malki: Only when we talk about a peace process different from Oslo can we expect a new EU role. In Oslo, Russia and the US were installed as official sponsors of the peace process, although Russia has meanwhile dropped out. Moratinos has now reluctantly been accepted by Israel, but not by the US. It is true that the Europeans are not on the same level as the US. It is up to Moratinos now to upgrade the role of the EU in the peace process.

Dr. Nago Humbert: What I want to say is too sensitive for me to express in a foreign language, so please understand that I prefer to speak in French. I am not a Palestinian and I am not a Frenchman. My country has no foreign policy: We are always with the stronger side. I want to take advantage of your presence today and give you an insight into the situation, the current state of the peace process. The circumstances today are terrible, and the Palestinian territories are still occupied. I know what I am talking about since I have worked here all through the *Intifada*. For Palestinians it is hard even to obtain permission to receive treatment in hospital. Yesterday, when I came from Nablus to Jerusalem, I had to pass 12 checkpoints.

For the Palestinians, there is nothing left to negotiate, they have already made too many concessions. A false assessment of the situation prevails in Europe, where it is believed that the Israelis and the Palestinians are at the same level, and that only some effort is needed to come to a negotiated settlement of the problem. The truth of the matter is that we have an occupying power that does not care about international resolutions and International Law. Israel's settlement policy is a provocation. I had the hope that the European representatives would fill the gaps and take initiatives, but here they only try to appease. We see Clinton on TV saying that he is not pleased with the settlements, but then the US vetoes the condemnation of Israel's settlement policy in the UN Security Council. The US is not credible and the Europeans must take the initiative, even if the US does not want this, however, I do not see this happening. Therefore, my outlook is very pessimistic. I think this will end in terrible bloodshed.

Gilles Andreani: Thank you for your very emotional speech. I am not going to repeat what I have said before, but the EU cannot replace the US; that is obvious. But of course, there are things that we, as Europeans, can do.

Dr. A.W. Ata: As I am a psychologist, I want to ask a humanistic, rather than a political question. When Chirac was in Jerusalem, I was in Australia. The Australians were stunned at Chirac's reaction. A lot of people, for the first time, realized that the Europeans have to be more forthright concerning the Israelis. Seeing Chirac's visit to the Old City on TV, it became clear that the Israelis are now pushing us even physically. What was the reaction of the French public?

Gilles Andreani: My best guess concerning what the French laymen think is as follows: It has become clear - at least since the *Intifada* - that one people here has been wronged, i.e., the Palestinian people. This did not only become clear as a result of Chirac's visit to Jerusalem. But you also have to see that the European reaction to Chirac's behavior was not unanimous. It received a lot of bad press in Germany, for example, where France was accused of taking a special stand. So, there were pros and cons in Europe.

Adnan Husseini: If you were to imagine being in the position of Arafat, what would you do under the current circumstances? Continue with the peace process?

Gilles Andreani: I cannot answer this question directly, but I want to tell you what an Israeli told me yesterday when I asked him the same question. He said - and this was right after the two suicide attacks in Gaza - that if Arafat wanted to take the first step now and unilaterally decided to resume cooperation with Israel, Netanyahu would be left with his back to the wall and would come back to the negotiation table. The problem is that Arafat might lose the support of his constituency by doing this.

In the American newspapers, the focus has changed drastically since Arafat suspended the security cooperation with Israel. Now, the press is no longer talking about Har Homa, but only about the question of whether or not Arafat gave a green light for the bombings. You have to be aware of public opinion.

US Foreign Policy in the Middle East¹

Ambassador Richard Murphy

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I am sure that in your view we in the US are not doing the right thing concerning the Middle East. I arrived at a time when tensions were high again. In Amman, people told me that the Oslo process is dead and that it is time for Camp David-style negotiations. Our role in the Middle East has varied over time, but basically, we have stayed on the sidelines. To illustrate this, I want to quote Tom Friedman, who was referring to Reagan's second term: "The US has served as a caterer only." The peace talks have basically been carried out by the Israeli-Palestinian leadership. I was at this impressive occasion on the White House lawn in 1993 as a commentator for a public radio station, sharing the microphone with Daniel Shaw. He interrupted me in my comments and told me: "Look at the faces. These are the faces of two families that have come together at a wedding, but that hate each other." And he was right, as we can easily see now. We stayed on the sidelines because it seemed to be true that only direct negotiations work. Only Oslo worked; all the other mediated channels did not. The Oslo channel blossomed quickly and you arrived at agreements at the highest level, although these are sometimes ignored, as has become obvious with the present crisis. But the leaders have reached agreements, and thus, we think, they should be able to get over the impasse. Nevertheless, it is legitimate to ask if this is still enough in today's situation.

The US has two main interests in the Middle East: security or stability in the region and access to the energy resources of the Gulf. Therefore, the US is in favor of a durable peace as an end to this confrontation. We need the help of moderate leaders to link these two interests. Also, 'Operation Desert Storm' is linked to the peace talks. We have reached agreements with the Gulf Cooperation Council (GCC) states in order to avoid long and danger-

¹ Presentation given at a roundtable meeting held at PASSIA on 8 April 1997.

ous delays in action, as was the case after Iraq's invasion of Kuwait. Our presence in the Gulf is tolerated, which has never been the case in the past. Before, the Gulf States wanted some form of a US involvement, but they preferred that this support come from outside. A visible US presence was seen as an embarrassment. This embarrassment has been reduced with the rising success of the peace process here.

In this part of the Middle East, the process looked irreversible, and I think it is irreversible, even though the level of confidence and trust has decreased. It is irreversible, but very fragile, more fragile than we had ever thought. The current crisis that began with the assassination of Rabin and Netanyahu's election has also meant a return to friction between the US and the rest of the world in both the Security Council and the General Assembly of the United Nations (UN). The US certainly does not feel at ease in this role of the pariah. Now, it has lost its last ally in the Council besides Israel; it is not even joined by Costa Rica in its vetoes. There is an Arab League proposal to be discussed in the UN on reconsidering relations with Israel. Even in the Gulf Countries, there is a re-evaluation of the relations with Israel.

The question is: Should there be a higher level of US action? Will Clinton move in and involve himself as Carter did in the Middle East in 1978? We are still possessive of the peace process, and there is no real coordination of our actions with Europe. We are proud of our relations with Israel and with some of the Arab states and there are still grounds to assume that as far as the Middle East is concerned, there is no better mediator than the US. If you want to make comparisons with Camp David, I have to ask: Can history repeat itself? First of all, there are no clear parallels between the Sinai and the West Bank plus the Gaza Strip. There are not even parallels between the leaders. You cannot compare Clinton and Reagan or Arafat and Sadat. The other question, is if we could define a framework for a final settlement, how could we be useful in this? As you all know, historically, there is strong support for Israel in the US, not only from the Jewish community, but also from the Christian community.

People say, you can tell if a crisis exists when you look at the stock exchange and when you look at the street. When we look at Wall Street, we cannot see an impact of the Netanyahu government. Up to now, there has not been a pull away from Israeli shares and there has not been a dramatic collapse of the exchange rate. When we look at the Arab street, we do not see a second *Intifada*. The Israelis, by moving out of the cities, have managed to avoid a direct confrontation with the Arab street, but there might well be more terror and more lethal attacks.

The US perception is that there is no immediate threat of war in the region and that the differences will be settled. But if there is no peace and no end to the confrontations in sight, the lack of stability will prevail. The Palestinian-Israeli relations are the key and the basis for the normalization of Israel's relations with the Arab states. This process of normalization has now come to a halt. The Syrian-Israeli negotiations were broken off by Israel last March, but the situation seems to have remained stable, and on the Golan, we have not had a single incident since 1967. Lebanon seems to be a more dangerous catalyst for a broader confrontation. We think that a stable situation can only be reached there after both parties withdraw from the borders. The Palestinian issue remains the benchmark. Today, as I understand, the Palestinian income has sunk to about two thirds of what it was before the Oslo process. This is not a great record, and the bad mood can be felt all over. For Israel, security remains the main concern.

Can we set a framework for the final status negotiations? What do we want? What do you want? What do the Israelis want? We know that between the Israelis and the Palestinians, there is no balance in standing - be it militarily or from the point of having a state, etc. How much time do we need for this? In general, I would say, we need time enough for the Israelis to institutionalize a security frame, and enough time to allow for Palestinian institution-building, but we should not wait too long so as not to allow further bombings to derail the peace process.

We have been avoiding the issue of Jerusalem for a long time because it is too emotional. The idea of Oslo was to first build trust and confidence and leave Jerusalem as one of the last issues. I do not have another answer today on Jerusalem. Studies are being done here, in Europe and in the US on the issue. Netanyahu says that he will never tolerate the building of a Berlin Wall in Jerusalem, but who wants this anyway? When I checked and asked people, I could not find a single person. The idea of Jerusalem as the eternal and indivisible Jewish capital brings us to the problem of exclusivity. Jerusalem is and will remain a major challenge. The other issues, I think, will be resolved.

If the atmosphere in general remains one of conflict, however, every Arab leader that gains Israeli trust will lose support at home; only in an atmosphere of peace will it be possible to negotiate with one another and to move forward.

Discussion

Dr. Mahdi Abdul Hadi: Last week, Beilin and his team met with Palestinian (Fateh) figures in Ramallah to discuss how to build bridges between the Palestinians and the Israelis and how to go back to the negotiation table.

During the meeting the Palestinians made it clear that their re-entering the negotiations is conditional on the following:

- the freezing of all Israeli actions that alter the status of Jerusalem;
- the continuation of the Israeli military re-deployment according to the Oslo I and II Accords;
- the opening of the safe passages between Gaza and the West Bank in order to maintain the integrity of the Palestinian territories;
- access by the Palestinians to their two 'lungs' - Amman and Cairo - in order to enable development in all fields without Israeli interference;
- special consideration of the Palestinian security concerns.

Can Washington take such a basket and use it with Netanyahu? What is Washington's stand on this? What do you think?

Amb. Richard Murphy: Washington is and has always been biased towards Israel. Maybe the only exception to that was Camp David, but such a level of involvement as in Camp David is not likely today. You have to realize that only when there are ongoing talks can Washington exert influence. Imposing a basket, of course, would not be welcomed by the Israelis and we would not do that. The basic message is: If you want to see the one-sidedness of the US, then you just have to stay away from the negotiations.

In 1987, there was a remarkable change in the way in which the American public perceived the Palestinians, but if the present situation resulted in a second *Intifada* - I doubt it. I do not think so. You would be accused of only wanting to kill innocent women and children.

Dr. Abdul Hadi: If we want to learn from the Camp David experience: What about a new scenario today to close the gap between the Israeli right-wing government and the Palestinians? I think we should bring in the regional partners, Amman and Cairo, with a US-EU umbrella in order to continue with what has been agreed upon for the interim phase, and at the same time start the final status negotiations. What is the American stand towards such a scenario?

Amb. Murphy: You are setting your hopes too high at all levels. Why should we not just keep up the process that was planned in Oslo - meaning that there is time left until May 1999 for the final status negotiations. This is not a lot of time to solve the four major pending issues.

Awad Mansour: Do you think that the tensions at the regional and the local level are a phase or are they critical?

Amb. Murphy: Maybe, we could say, they are a critical phase. The tensions are at a height right now due to the drop in confidence in Netanyahu. But if these current tensions were solved, there would still remain problems. People have been encouraged to keep up with the peace process for a long time, to make investments, etc. The Palestinians need to catch up with the train before it has gone, and the train is speeding up. Israel has jumped on and it can compete with other hi-tech states - another effect of the Arab boycott, which made Israel concentrate on other parts of the world and on defense industries. Israel has its markets and partners outside the Middle East. The vision of the New Middle East has already been passed by.

Naim Ateek: Sometimes I get the feeling that the problems concerning the final settlement do not originate with the Netanyahu government, but with the US. Maybe the Palestinians should hold direct negotiations with the US about the framework of the peace process. The US has replaced the UN in the peace process, but its position seems to be unclear: Has the US abandoned the UN resolutions as a basis for conflict resolution? Has it decided to accept whatever the two sides agree upon? Is there still an interest in a just solution?

Amb. Murphy: I know of no one in Washington that has dropped these resolutions as the basis of the peace process. The 'land for peace' formula still stands, but there is a desire to have people work things out, and there is a belief that they can do it because they worked things out in 1993. I believe in progress, but this progress can only be based on trust. Unfortunately, there is no evidence at the moment that this is happening - because there is no symmetry in power and status.

The Israelis want peace, but they want it at a fair price the way they perceive it - the same as with you. This means, you both need the process to lead to a lasting peace that satisfies both sides. I think that we should coordinate more with the Europeans.

Yes, we have been one-sided, but we have also proven that we are ready to confront Israel if necessary. Think about the pressure exerted in respect to the Suez Crisis in 1956, the arms program under Nixon and the rejection of loan guarantees under Reagan. However, such pressure is only useful when it can lead to a new phase of negotiations. I assume that you do not doubt that there is a will for peace in the US? I think the question is rather if there is enough will here. Clinton has to be convinced that it is 'do-able.' But even then, he does not have the same personality as Carter; he will not get himself engaged the way Carter did in the Middle East.

Samir Huleileh: The whole Oslo process has been based on an American concept that includes starting with the easiest issues, then, allowing a process of confidence-building before, finally, dealing with the difficult problems. Thus, in phase one and two, we should mainly have measures of confidence building; an environment conducive to peace should have been built during the transition period. But we have not arrived at a stage where the Palestinians can experience feelings of confidence and trust, so it does not make a difference if we negotiate for six months, two years or ten years or forever. With this government, there will be no delivery.

Amb. Murphy: It is true, the measures taken by Netanyahu are partly responsible for the current stalemate and Clinton is very unhappy about that. The process remains fragile, but some achievements are irreversible as you can see on the Jordanian-Israeli track. The Palestinians have the toughest issues of all, one can not just compare the West Bank and Gaza to the Sinai, it cannot be resolved that easily.

As for the confidence issue, I want to remind you of the hatred that had existed between the French and the Germans for hundreds of years before the establishment of the European Community. In the 1920s, nobody could have imagined that the two peoples could live as friendly neighbors; today, nobody can imagine that the two peoples could go to war against one another.

Dr. Abdul Hadi: But we have a totally different case here. We have two peoples in one land. Netanyahu does not want to pull out of the occupied territories. We now face his intention to share with us the West Bank and Gaza - not on an equal basis, but according to an apartheid system.

Dr. Mohammed Jadallah: From my point of view, nobody in the Arab World expects a change in US policy towards the Palestinian-Israeli conflict. There is no illusion about this. Therefore, I am surprised to hear from you that there are elements of influence such as the Palestinian street that can

change the American standpoint. You moved on to talking about terrorism. I want to state clearly that the only terrorism we have here is the Israeli military presence and its actions in the West Bank and Gaza. The US should consider the Palestinian street's reaction legitimate and refrain from labeling it as violence or terrorism.

Amb. Murphy: That is what I said, namely, that the Palestinian street in 1987 changed the American public's perception of the Israeli-Palestinian conflict. Before that, the American public was not able to distinguish between Arab actions, the legal situation and the forceful Arab speeches that it perceived as threatening. I do not think that a second *Intifada* would have the same effect. In your confrontation with the Israelis you are much better off with a non-violent approach than by using violence. The Israeli public relations are much better, more persuasive. They have managed to ensure that in the public opinion the Arab street is identified with violence and terrorism. You need to change this picture.

Dr. Abdul Hadi: Now, we have come to a stage where there is no real Palestinian opposition because there is nothing to oppose; there is no peace process to be against. Nobody delivers anything.

Dr. Joel Peters: I have just come back from a trip to Washington, so I want to make a couple of comments regarding US foreign policy. My impression is that at the moment, there is a paralysis in US foreign policy because at all levels, there are overloaded agendas. The second impression is that in Washington, over the last three years, there has been a development in opposition to the Oslo process. This has been the result of lobbying by people supporting Netanyahu or Arabs opposing the process. This is one of the problems. The other thing is that unlike at Camp David, where we had a clear US policy, a clear situation and a full checkbook, there is still the question of whether or not the US is capable of developing a coherent policy at the present time.

Amb. Murphy: Another thing that is complicating the problem of foreign policy formation in the US is the lack of a big enemy to rally around. You are right; there is no detailed blueprint concerning US policies towards the Middle East, and the checkbook is not ready at hand either. Only when there will be a substantial upgrading of perspectives regarding a solution will it be feasible to expect Congress to take action. Now, Congress is simply not in the mood to get involved. There is a strong feeling that we cannot and should not write the treaty, but I still think we should do more

than what we are doing at the moment. Washington is floating in foreign policy and Clinton is very uncomfortable with this.

Dr. Abdul Hadi: Is there no fear of the 'clash of civilizations' as envisioned by Samuel P. Huntington? Has not Islam become the new enemy?

Amb. Murphy: This clash of civilizations is a mere bubble on the academic's screen. In my opinion, it does not explain anything and it certainly does not determine US foreign policy.

Adnan Husseini: We have only one choice and that is to accept negotiations - in spite of everything that is going on, and in spite of the fact that it will be an unjust peace, that the street will not accept it, and that we will have to deal with all the ensuing problems.

Amb. Murphy: I do not say that you have to accept *the* Israeli peace, but I say that negotiations are the only way to come to any agreement.

Ismail Tazziz: In all this talk about self-determination, democracy, etc. where do the Palestinians fit? What does the US really want for the Middle East? Do you want a balanced solution? After the Gulf War, the US tried to establish the New World Order in the region. You are a biased sponsor. This becomes clear in your vetoes in the Security Council. What can we expect from such a sponsor?

Amb. Murphy: A significant step has already been taken on the White House lawn, but there are no quick solutions, and Washington is not ready to impose answers. Our interests are not identical with Israel's. Do not push us in the UN: you will not succeed this way. This becomes obvious when you look at what happened with Abu Ghneim. We are clearly negative about the building of the settlement. As I understand it, the settlement is part of a master plan that was drawn up in the early 1970s. Again, our interests are in peace in the region and in the free access to energy resources in the Gulf. As far as we are concerned, these two issues are clearly related. In the 1973 boycott, it was the American consumer that suffered because of the Israeli-Arab conflict. Our interest is very clearly a comprehensive peace in this part of the world on the basis of UN Resolutions 242 and 338.

Indian Foreign Policy in the Middle East¹

Ambassador Shivshankar Menon
Ambassador, Indian Embassy, Tel Aviv

I would like to start by delving back into the history of Indian foreign policy to make its motives and stands more understandable.

India already had a foreign policy of sorts before it gained independence. It had some diplomatic experience as one of the founding members of the United Nations and even of the League of Nations. This was good in a sense because when India became independent, it already knew how the world worked. However, India decided to move away from the former British Indian approach to foreign policy and not to simply build on it after 1947. India as an independent nation naturally viewed foreign policy and diplomatic relations in a manner different to that of the colonial powers, especially in regard to the imperial experience in the Middle East.

India's approach at the time of independence was to look for new ways to build on historical relations with the rest of the world, including the Middle East. Nehru put emphasis on a non-imperialistic India with an aim of not engaging in war. Foreign policy was to serve domestic priorities. Life expectancy in India at that time was 24 years, only 14 percent of the population was literate, and more than 50 percent lived below the poverty level. For a democratic government, there was no other option but to have an overriding domestic priority. It was necessary to break with older policies and to try a policy of non-alignment. The essence of this policy, according to Nehru's definition comprised "independence of judgment and freedom of action."

In the beginning, it was hard for India to apply this policy, especially in the Middle East. India was urged in the UN in 1947 to take the same stand as British India had taken on Middle Eastern issues, but India voted against the Palestine partition resolution because it believed it to be wrong. When the

¹ Presentation given at roundtable meeting held at PASSIA on 7 May 1997.

resolution passed, India was willing to accept reality rather than to insist on a purely ideological position. Thus, it also recognized Israel in 1950. One can ask 'Why'? Was India's recognition due to domestic concerns, including the fact that there was a Jewish community living in India (40,000 Jews out of a population of over 360 million)? No, the primary concern was to enable peace to prevail in the region, enable de-colonization and to put an end to imperialism.

The Middle East conflict was perceived by Nehru primarily as a de-colonization problem, a problem of self-determination, and the 1956 events seemed to confirm these perceptions. Then, it was realized that non-alignment could not be pursued by statements only and that it was necessary to gather states having the same policy orientation and to enact policy. In 1956, one part of the problem was dealt with and imperialism's presence in the Suez Canal zone ended. The other part - the Palestine Question - remained unsolved.

India's approach was to build new and strong relations with the states of the Middle East, which basically consisted of economic ties, covering at that time about two-to-three percent of India's foreign trade. Today this figure has reached about ten percent. Another facet was to ensure that Indian nationals living and working in the Middle East be a productive and welcome part of the host state's population.

In 1975, India was the first non-Arab state to recognize the PLO and there has been a Palestinian representative in India since 1976. In 1988, India recognized the Palestinian state immediately after the Algiers Declaration of Independence, and today there is a Palestinian embassy in Delhi. An Indian representative office in Gaza was opened in 1996. Israel has had a consulate in Bombay since the 1950s and an embassy since 1992. India's basic approach towards the Arab-Israeli conflict has been that the people of the region should decide and negotiate the problem. Therefore, India welcomed, for example, the Camp David agreements while stressing that all the people of the region have the right to self-determination and all states the right to exist within secure boundaries. Only after the Palestinians and Israelis embarked on real negotiations and came to a mutual understanding on basic principles did India open an embassy in Tel Aviv.

Did the non-alignment work approach? I believe the answer is 'yes.' This is the case because we have always made our position extremely clear, irrespective of whether or not it meets with the full approval of others. Concerning the Arab-Israeli conflict, for example, we have always made it

clear that we consider the Palestinian Territories occupied and the status of Jerusalem disputed.

In a broader sense, we can also say that the approach worked because it gave India a chance to concentrate on domestic policies. Today, life expectancy is up to 62 years, literacy has risen to 53 percent and only 19 percent of the population live beneath the poverty line. Of course, the younger generation could always say that more should have been done. Nonetheless, I think we have come a long way and India today is at least capable of feeding itself; it even exports wheat to China. This is an achievement, especially in light of the rapidly expanding population, which has now reached almost 930 million.

We have had a period of over 25 years of peace with our neighbors and we hope to establish a free trade area in South Asia by the year 2005. All the countries of the region, including Pakistan, are committed to this. Our security situation is better than it was 40 to 50 years ago thanks to interlocking security balances. We have been widely affected by the events in the Gulf region at the beginning of the decade. Trade with the Middle East accounts for ten percent of our foreign trade, the Middle East provides a major share of India's oil supply, and there are around three million Indians working in the Middle East. Therefore, the Middle East is an important and sensitive area for India.

Is India important for the Middle East? First of all, it is a growing market. Besides, in a world thought to be increasingly multi-polar, India serves as an example of a country that maintains an independent stand and her own judgment. Thirdly, our experience could be useful to our Palestinian friends.

Dr. Mahdi asked about India's relations with Israel and military sales. India maintains science and technology and agricultural cooperation with Israel. Trade last year amounted to almost US\$600 million, mainly concentrated in the fields of diamonds, fertilizers and cotton. Concerning trade in military equipment, India is still discussing and considering this. Israel is one of the major arms sellers in the world. Up to now, there have been no agreements in this field with Israel and no sale of arms has taken place between the two countries. Yes, we are talking to each other, but I can assure you that no Israeli deal involving MIGs has been made with India.

Israel is seen in India as a market. When we asked where our relationship with Israel can lead, it was clear that an apolitical, purely commercial relationship with states in this region was simply not possible. Maybe and hopefully, it will be possible in the future. We are aware that basic issues

need to be addressed, such as the rights of the Palestinian people. It is our hope that the negotiations between the Palestinians and the Israelis will solve these issues comprehensively and justly. We discussed these issues intensively with Chairman Arafat during his visit to India last month.

Discussion

Dr. Mahdi Abdul Hadi: Allow me to thank you for this very interesting and informative presentation. Let me open the discussion by asking you about Indian plans, projects and mechanisms to support the Palestinians. Have special programs been set up to facilitate such endeavors?

Amb. Shivshankar Menon: In fact, Indian officials are meeting tomorrow with the PNA to hear how the Palestinians would like Indian aid them to be spent. The figure involved is not very large, and amounts so far to only US\$2 million. Our policy is that the Palestinians themselves should decide on the kind of programs to be executed. At the present time we have an education and training program under the technical cooperation program ITEC and we support Palestinian institution building by giving training. I would prefer to call this cooperation rather than assistance. For example, we now have proposals for a project to generate software exports from Gaza. As I said, we emphasize that the programs should be guided primarily by Palestinian wishes and choices.

Dr. Abdul Hadi: When the Grand Mufti of Jerusalem went to India in the 1930s, he was encouraged by the Indian leader to establish Al-Quds University at Al-Aqsa, but the project never materialized. I would like to ask you, what is your stand on Jerusalem today?

Amb. Menon: Our embassy is in Tel Aviv and you know why this is so. We will not move it to Jerusalem for as long as the status of the city remains unresolved. Once again, we will make up our own mind and not look at what others are doing. Our position on Jerusalem is very clear: We consider it a final status issue and right now its status needs to be decided.

Dr. Abdul Hadi: When the Palestinians entered the negotiations, they made it very clear that they want a Palestinian state with Jerusalem as its capital. Due to the culture of peace prevailing at that time, they accepted, however, to refer the Jerusalem question to the final status negotiations. Now, we have an Israeli right-wing government that is Judaizing Jerusalem. We have lost our partner in the negotiations, and the Israeli society is divided. There is no international pressure on Israel to bring it back to the negotiation table and to make it fulfill its commitments. We are going through an episode of

frustration: we are isolated, scattered in cities without cohesion, and we continue to suffer because of the weakness of the PNA and an ongoing occupation.

What is your reading of today's situation? Where do we go from here? What is your stand on Jerusalem? What about your property in Jerusalem? Perhaps we should allow Sheikh Munib to tell us something about the actual issues ...

Sheikh Munib Ansari: Concerning Indian property in Jerusalem, there is only the Indian hospice in the Old City, which was bombarded and severely damaged in the War of 1967. For many years, nothing happened and the project of reconstructing the hospice remained frozen because of the lack of recognition between Israel and India. Since the opening of the Indian Embassy in Tel Aviv, however, a renovation project has gradually moved forward without any Israeli interference. To date we have received approximately US\$220,000 in financial support from the Indian Government.

In Jerusalem, there were many Islamic hospices, such as the Moghrabi, the Afghani, the Sudanese and the Pakistani hospices, but the Indian hospice is the only one that has survived. The opening will be announced in the near future but first, we need to resolve the problems that we have with Al-Aqsa School, which has been using some of the rooms.

Dr. Abdul Hadi: My hope is that you will put Jerusalem as a priority issue on your agenda when meeting tomorrow with the PNA.

Dr. Mohammed Jadallah: Thank you for your excellent presentation. I would like to ask you about something I read in the newspapers some time ago that left me stunned. I read that your trade exchange with Israel amounts to US\$600 million. I find this an extremely high figure, considering the fact that diplomatic contacts have only recently been established. Israel talks about arms sales to India amounting to half a billion dollars in the coming years, stressing the Indian search for a bigger military role in the Arab Gulf area and India's desire to put an end to Iranian and Pakistani influence in the Indian Ocean region. I find this whole issue very worrying and I ask, where are the Palestinians in all this?

Amb. Menon: As I said, there is no arms trade with Israel. I can provide you with detailed trade figures, which will confirm that there are no weapons included in our trade of US\$600 million. The motives that you have mentioned do not make sense to me; we have had declining defense budgets

for the last six years and we do not intend to change this trend. Our approach is quite different. We long for cooperation: for example, in the Indian Ocean we hope to create a body of cooperation in the field of security as well as to establish closer economic links. Moreover, we have a steady, normal relationship with Iran. We do not seek a military role in the Gulf.

We have more than enough to do at home. Our interests in the region are the access to oil and the wellbeing of Indian nationals in the Middle East. For example, during the Gulf crisis, we had to evacuate 1.2 million Indians from the region in less than two months. For us, it does not make sense to send troops to the area as you suggest.

Dr. Jadallah: We know that the general director of the Indian Defense Ministry has visited Israel, but the media was instructed not to report on this. There are only Indian representatives in the field of defense coming to Israel, or vice versa; no other visits take place. That gives us enough reason to worry.

Amb. Menon: The real test is to look at what we do. You do not even have to trust what we say. Just look at the record of what has taken place and you will see that there have been a lot of mutual visits in functional fields, such as the visit of the Israeli Minister of Science, agricultural ministers, and so on.

Dr. Joel Peters: Maybe, I can try and bridge this question by reminding you of what the ambassador said earlier: "We, at the moment, look around and see where we can find the best qualities and prices." I can tell you, there are a lot of offers in the market, and the Israeli ones will not be the cheapest. Thus, there is no need to be concerned.

Dr. Fred Halliday: I have two questions: the first one concerns the Indian-Pakistani relationship. I think that the main threat to Indian security today, except China, is Muslim Pakistan. India has maintained security links with the Middle East. To what extent are these Indian links thought to counterbalance Pakistani links with the region?

The second question is as follows: We saw a lot of popular support for Iraq during the Gulf Crisis, both in Middle Eastern countries and in India. What about the Palestine Question? Does it arouse Indian empathy in the same way?

Amb. Menon: Of course, Pakistan played a role in Indian thinking. For the Pakistanis it was more of a religious issue. India was seen as the secular,

democratic alternative to Pakistan. The nature of India's involvement in the Middle East is different to that of Pakistan's. We have never been involved militarily and directly, and Indian troops have never fought in a Middle Eastern state. Our economic stakes are much greater than Pakistan's. On the other hand, Pakistan is much more dependent on remittances from the Middle East. We might have started from similar positions but we have taken different paths. Pakistan's involvement in CENTO was not India's approach.

Concerning public opinion regarding Palestine, the polls in India have shown there has been stable support since the mid-1950s for the Palestinians and their right to self-determination. This has never been controversial issue.

Dr. Peters: I want to make a comment and try to sum up what I have understood so far. It seems to me that we have widely over-estimated the potential Indian role in the Arab-Israeli conflict. Israel had great hopes concerning India. Is India just trying to keep clear?

My other question concerns India's relationship with Israel since 1991. What is the economic capacity of Israel and Palestine for India? Isn't it rather marginal, or can we say that India is using this connection as a jumping board to get into the New Middle East?

Amb. Menon: I do not think that we have kept clear. In fact, we have actually always taken an explicit stand. However, I have to make a frank admission: there are things that we can do and things that we cannot, including, for example, sending troops abroad. I ask you - what more could India have done?

Concerning your second question, I would answer yes, we hope for a new Middle East as does everyone here. When we do so it is in the hope of not facing an 'either-or'-situation. What worries us is that we are now returning to a situation whereby it is possible to talk to only one side. It was not our primary motivation to 'buy into' something; we saw that something totally new was developing and we found it important to communicate with all the states involved.

Laila Carmi: I also expect to see a multi-polar situation in the future. India and Israel are both nuclear powers; is a desire to establish a joint position of strength the reason behind the India-Israel relationship?

Amb. Menon: No, we do not have the bomb. You are right in that we have the capability to build it, but we do not have the bomb. We will maintain communication because we think communication is basic. A multi-polar world is actually something positive that gives us more freedom to maneuver - not only us, but also the Palestinians and all other states, too.

Dr. Abdul Hadi: Maybe, HE Ahmad Kamal, the Egyptian diplomat in Tel Aviv, can add something on the Egyptian-Indian relationship.

HE Ahmad Kamal: The Egyptian-Indian relations have been stable and friendly since Nasser. We have always had a lot of faith in the Asians and their application of the notion that 'right is might.' We both want the peace process to go on and we are both trying to convince the Israelis that they must proceed.

Karin Aggestan: You spoke about the 1950s, the policy of non-alignment and the following period. If you now put aside all the declarations that you then talked about, what was India's practical policy towards the Arab-Israeli conflict?

Amb. Menon: In the 1960s and 1970s, we built up relations with the countries of the Middle East, for example with Egypt, as you have just heard. Concerning the Palestine Question, there was very little happening at that time. We were not here on the ground and nobody asked us to be here. What we did at that time was to respond to Palestinian needs, which they were to build international opinion with declarations and work in the United Nations. We helped.

Today, of course, the situation has changed dramatically. The Palestinians have also improved their position dramatically. I am full of respect for the practice of Palestinian diplomacy.

Palestine-Jordan-Israel: Economic Relations and Treaties – Realities, Constraints, Prospects¹

Dr. Shimon Shetreet

Former Israeli Minister of Economics (Labor); President of the Religion for Peace Organization (RPO), West Jerusalem

Let me start by saying that it is a pleasure for me to be here. I would have loved to see this meeting take place in better times, in an 'envelope' of peace and harmony, but unfortunately, the situation is not favorable. Nevertheless, I am an optimistic person, and I hope that we will move on to better times and a more peaceful environment.

As an Israeli, I have to accept the democratic 'poll' that was conducted in 1996. The same people that supported us [the Labor Party] in the peace process, then voted for Netanyahu. Today, I want to talk about economic relations, although they are only one aspect of the overall relations between Israel, Jordan and the Palestinians.

The economic relations between Israel and the Palestinians are now depending on the revision of the lists A1 and A2, which are part of the agreement signed in September 1995 between Israel and the PLO [Oslo II]; this agreement was the base on which the Palestinian Authority (PA) was established. These lists render it possible for the PA to import basic goods (food items and others) into the Palestinian areas, but they need to be revised in order to expand the number of items. The signing of the revision was supposed to take place in 1996; it was postponed following a suicide bombing involving an Israeli bus and the document remains unsigned until now. With the revision of lists A1 and A2 it would be easier for the Palestinians to import food, consumer goods, cement, and other things that they are imported directly via the Allenby Bridge.

¹ Presentation given at a roundtable meeting held at PASSIA on 13 August 1997.

I think that, sometimes, pragmatic decisions must be taken. In the case of these lists, we are stuck without being able to move, and this affects the well-being of the people here. The items that are mentioned in these lists, such as rice, vegetables, corn, cement, iron for construction, oils, dish-washers, etc., are all items to be imported without customs. On this basis, bilateral Palestinian-Jordanian trade could be developed.

The 1996 level of trade between Israel and Jordan involved exports amounting to US\$8 million, and imports amounting to US\$2 million. The figures in 1997 US\$6.57 million exports and US\$6.12 million imports. But there is a new phenomenon, which might be seen as reflecting negatively on the Israeli labor market: more and more Israeli textile companies, attracted by the low labor costs, are establishing factories in Jordan. Other textile companies, meanwhile, have displayed a similar tendency and moved to Egypt.

The trade between Israel and the PA in 1996 amounted to NIS 5.5 billion in exports and NIS 0.8 billion in imports.

There is a major conceptual difference between the Israeli-Jordanian trade agreements and the Israeli-Palestinian ones. The treaty with Jordan is based on the fact that Jordan is a separate entity; the relations are established according to the principle of most-favored nations with the goal of arriving at a free-trade agreement in the future. The relations are therefore based on several agreements in different fields such as trade, water, transport, etc. The concept of the relations between Israel and the PA is a different one; it is a customs union, which implies that, throughout the whole territory of the union, exactly the same customs apply, including those on imports. There are only minor exceptions; the PA, for example, is exempt from paying taxes on its cars, and there is a slight difference in VAT of up to two percent. As you can see, the Israeli-Jordanian relations and the Israeli-Palestinian ones are entirely different.

The most important agreement with Jordan is the transport agreement. This consists of 'door-to-door' and 'back-to-back' arrangements, meaning that public transport and certain shipments are allowed to travel directly from Amman to Tel Aviv or Haifa (door-to-door), and other goods are transferred by reloading them at the border (back-to-back). In the future, the situation with the Jordanians will become similar - but not the same - as the one with the PA.

With the PA, customs taxes are applied according to the principle of residency, i.e., customs revenues from goods imported to the Palestinian Territories are transferred to the PA after the deduction of administrative costs. The amount of money that is transferred from Israel to the PA comes from various sources (import taxes, direct taxation of Palestinian workers [income tax], VAT, health insurance, petroleum taxes, etc.) and makes up a substantial part - some 60 percent - of the current PA budget.

An important feature of the customs union is the freedom of movement of goods and employees; this freedom, however, due to security considerations is often restricted by closure, which occurs far too frequently. In the 'high times', we had about 120,000 Palestinian employees officially working in Israel; today, the number is only around 30,000. Israel's decision to substantially decrease this number was, in my opinion, a grave mistake. The concept of separation is not compatible with a customs union. Separation is not right, but it is conveniently used to respond to situations such as bus explosions in the streets. Labor, at that time, thought about how to separate the people and decreased the number of Palestinian workers in Israel. But, as I said, the notion of a customs union is inconsistent with the concept of separation; on the contrary, it is embedded in a concept of integration. Israel replaced 90,000 Palestinian workers with 200-300,000 workers from abroad. Thus, we may have solved the problems of Thailand or Bulgaria, but we have aggravated our own situation. The idea of the closure is to make it more difficult for terror attacks to occur, but I do not think that this will be the result.

It is interesting to note that the doves in the Labor Party supported the concept of separation, while the center and the hawks - and I consider myself as belonging to the center - supported integration. The Palestinians, from the point of view of sovereignty, of course, preferred separation, but they understood the economic necessity of integration. This is why, in the end, we agreed upon a customs union. The mistake of the Labor Party was to bring in foreign workers to replace the Palestinians.

Upon comparing the two treaties yet again, between Israel and the Palestinians we have a customs union with freedom of movement for goods and 'normal' movement of workers in normal times. From 1998 onwards, agricultural goods from the Palestinian Territories will be allowed to move freely into Israel. This is not the case with Jordan. The relations with Jordan are built on the principle of most favored nations and include various agreements and joint projects in the fields of water, tourism, trade, and transport, as well as the projects in the JRV [Jordan Rift Valley].

The customs union between Israel and the Palestinians can be seen as the beginning of a sub-regional trade structure, and could become the basis of a regional trade zone, which Egypt, and hopefully, Lebanon and Syria will eventually join. It is a step in the right direction for the development of regional trade. Generally speaking, the scope of trade that Israel has with the region is very limited; it is only about US\$70 million, not counting the oil transactions, which amount to US\$420 million. Thus, it is only a small fraction of Israel's overall trade, and we are not talking about something significant from an economic point of view, but it might well become significant in the future. The customs union could develop into a regional customs union. It is a system that gives rise to cooperation; e.g., as I have already mentioned, all barriers in the agricultural field will be lifted in 1998, although certain standards will have to be met, such as in the area of hygiene. There is the possibility that new economic structures could emerge, such as a Middle East common market, a phrase which I prefer to a 'New Middle East'; the openings and avenues have already been laid down by Labor.

Another difference in the agreements is that Jordanians and Israelis did not face the same political problems in coming to an economic agreement. The Jordanian-Israeli agreement was signed despite the incident at the Israeli-Jordanian border, in which seven [Israeli] girls were killed. I think that a combination of the two concepts would be most promising, but this would only be feasible when there is a positive political and economic climate to make things move in the right direction. At the moment, the economic situation is not too favorable; US and international investments are at a low in the Palestinian areas, despite the fact that the Palestinian economy shows great potential. Nevertheless, there is hope for future positive developments.

Discussion

Dr. Mahdi Abdul Hadi: To what extent do the two treaties affect the Palestinians? Does their existence mean that, in this transitional phase, we are totally dependent on the Israelis, inasmuch as our economy is totally under Israeli control and domination? Is it true to say that Israel is winning in war and winning in peace?

Dr. Shimon Shetreet: You tackled two major points. The first one relates to the issue of sensitivity. Israel has a large and strong economy with a GNP per capita of about US\$17,000, which puts us close to the UK. This might lead to other countries in the region experiencing the feeling that they are in an unequal trade situation, or that they are being dominated. This is what you referred to as 'winning in war, winning in peace.' Israel may be regarded as a dominating power, and Israeli officials must be aware of that. I

think it better, therefore, to conduct triangular projects involving the French, Spanish or Germans to alleviate Palestinian sensitivities. Israel has to be sensitive. On the other hand, I see the strength of the Israeli economy as an asset, a source of strength that can act as a locomotive for the entire region. If there is economic growth, all the parties - not only Israel - will profit. I think you should look at the positive aspects, but provided that Israel is not too insensitive.

Dr. Abdul Hadi: But there are so many constraints on the Palestinians; we feel that we cannot move in any direction without Israeli approval.

Dr. Shetreet: It might be correct that from a national pride point of view, a total separation would have been better, but from a pragmatic viewpoint, this solution is much better. You are just starting to build up a new system; it is only natural that the efficiency during such a phase is low. Do not forget that, in 1996 alone, the sum of US\$520 million was transferred to the PA; your own collection system would have never been that effective. And this is in a phase where the money is badly needed for building up the country. The second issue related to this is that through what you call 'constraints', a culture of cooperation is created. I think, in the medium range, this is the best solution.

Prof. Said Zeedani: First, I think that political separation and economic integration are not necessarily contradictory. Look, for example, at the EU. Second, you said that you are a 'centrist'. What does this mean regarding your stand on the final status negotiations? And thirdly, I want to mention the benefits of peace for Israel: tourism, investments, etc. I think there should be more emphasis on the fact that we, the Arabs, can create an environment conducive to peace but that Israel must pay the political price for it.

Dr. Shetreet: You misunderstood me. I was talking about a contradiction on the economic level, about integration and separation in economics, about the customs union and the replacement of Palestinian workers. There is no discussion about political separation; this issue was agreed upon long ago. Now, there are 300,000 foreign workers in Israel and we cannot easily expel them. The decision to replace the Palestinian workers is irreversible. I do not believe that these Palestinians now have good jobs that allow them to feed their families, and they are no longer contributing to a form of cooperation between Israel and the Palestinians. It is a lost opportunity.

Prof. Zeedani: How can there even be economic separation when there is no political separation, no political Palestinian sovereignty? The Palestinians are economically dependent on Israel.

Dr. Shetreet: As I said before, if the Palestinian leadership had adopted another concept of economic cooperation, it might have been better from a psychological standpoint, but it would have posed many problems with regard to how to act effectively in the formative years, e.g., in the field of collecting taxes. With the current agreement, the ground has been laid for a sub-regional and a regional structure. Once peace is reached, such a structure can hold peace together. I do not say, however, that another option, that of separation, could not have been a solution.

Samir Huleileh: We now have three years' experience of the economic agreements between the PA and Israel. All the problems we witness are, at their core, not economic problems, but problems of control and domination. It has always been a question of who can force the other into an agreement, in the same way as Israel now uses all its power to force the PA to proceed directly to a final status agreement.

But there is another thing: in the economic agreement negotiations, all the options were discussed, including the idea of a free-trade agreement. You did not mention that at all. The Palestinian economy is not yet mature enough for a customs union or relations based on the status of most favored nations. We were forced into this agreement for the interim period, as the Israelis were able to impose the conditions: they said, if you want separation, then you will get total separation, meaning you must take all your workers back and there will be no export or import at all between us.

The real reasons behind this, of course, are political: if you have a free trade agreement or the most favored nations status, you need borders. Israel did not want this, so it rejected the idea of a free trade agreement. The idea was also rejected by the Palestinians as they feared that Palestinian Jerusalemites would thus be isolated from the West Bank economy. Therefore, the Palestinians accepted a semi-customs union that should evolve into a free trade agreement step by step through re-negotiation of the lists A1, A2 and B every six months.

Israel is *de facto* losing with this agreement, e.g., with regard to VAT clearance, and because of this, it wants to stop the process from an economic point of view. But, as I said, most important is the issue of control; Israel wants to remain in political control and therefore always puts an emphasis on its security considerations. We have experienced no problems in negotiating and working with the civil ministries; the problems always come from the army. With the current closure, for example, our cargoes are not being cleared in the ports; today, there are 650 containers waiting to be cleared in Haifa and Ashdod. They have even canceled the back-to-back arrange-

ments that we had at the Bethlehem checkpoint! This is not for security reasons: it is to exert pressure, to control. The problem is neither economic nor financial, but political.

Dr. Shetreet: Your analysis of the different options for an agreement is an exact reflection of the deliberations that took place. I have just been trying to explain the considerations that led to the specific agreement that we have now. With regard to what you said about control, however, the Israeli side is mostly concerned with territory.

To be frank, I do not know what these containers have to do with security. Many regulations like these are adapted by bureaucrats, and often there is no visible connection between the political decisions and the security arrangements made by the responsible security officer. But, Israeli control is first of all concerned with territory at this time. Hopefully, when we pass this period, the rules of the game will be different; when we come to a permanent settlement. I think a joint lobby of Palestinian producers and Israeli importers having mutual interests will develop and put pressure on the authorities to stop the closure and import restrictions.

Dr. Joel Peters: I do not think that you can reduce the problem of security to one of bureaucracy. It is also a political problem as it reflects on the people and on policies. The closure effectively cancels economic integration. Also, I think that maybe you had a domestic lobby against the closure in the beginning, but the more you reduce Palestinian workers in Israel, the smaller this lobby becomes. Where is this lobby that says that the closure is counterproductive now?

Dr. Shetreet: The domestic lobby, unfortunately, is not yet evident. But producers from the Palestinian side and Israeli importers will unite as the flow of products develops. Even today, the parallel economy brings goods into Israel from the Palestinian Territories, including meat. When you make this official, you will have the lobby.

The platform for the lobby is obvious. Look at the following comparison: there is a deficit in the balance of trade of US\$8 billion between Israel and the EU, and a deficit of NIS4.7 billion between the PA and Israel. This is the logical platform for the lobby.

Dr. Peters: I agree that this, logically, could be a platform for a lobby. But the sectors involved here are the least organized and the least structured. I do not think they will organize into a lobby.

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Dr. Peters: I agree that this, logically, could be a platform for a lobby. But the sectors involved here are the least organized and the least structured. I do not think they will organize into a lobby.

Walid Alami: I do not see how we can develop the Palestinian economy under the current circumstances. For example, we organized a business conference in Gaza, but businessmen from the West Bank could not attend. How can you build an economy under such circumstances? We are isolated and dependent on the Israeli economy. This is very well illustrated by the NIS154 million that have not been transferred until now.

Dr. Shetreet: During the Labor government, terror attacks did not affect the peace process; of course, they led to a momentary break, but then, we went on with the negotiations and implementation of agreements, yet they led to Labor losing political and public support. Today, we have a completely different situation. Following a terror attack, Likud does not lose public support, but the peace process is stopped. Of course, also under Labor, closures were imposed as a reaction to terror attacks, but Labor leaders found themselves in a dilemma: even when they took measures, they lost support.

If any of the attendants here can exert influence on the people who take part in such terrorist activities, I want to ask you to do so in order to prevent further terror. Terror is counterproductive to peace. It leads to a chain of measures such as closure, etc. Our answer has to be to make joint efforts to go ahead with the peace process. Also, it would be useful to distinguish between the economic and the political field. Let us proceed in the fields of economics and culture. Perhaps, economic cooperation will give the political field a push in the right direction. I do not have any solution other than to move inch by inch. The important thing is that we try to compromise, that we sit together and talk and work for peace. Networking and joint thinking is necessary to influence leaders and decision-makers.

Dr. Abdul Hadi: Is Labor still our partner in this peace process? What is your position as a member of the Labor center on the final status negotiations? We need this kind of exchange of ideas, but let me ask you: Does the Israeli public understand our situation? Do they see us, humiliated, crippled, pushed into violence? Or do we need another *Intifada* to make them see and understand?

Dr. Shetreet: The situation of the Palestinians is not well perceived at the moment in Israeli public opinion after the Mahane Yehuda attack. Israelis are worried about their own wounds and are not able to see the plight of others. When they are less preoccupied with mourning, they will be far more likely to see and hear the Palestinians.

Concerning a permanent settlement, I share Mr. Beilin's view that we should go directly to final status negotiations now, as both sides feel they are losing more and more as time passes. It is clear that the Palestinians should have a separate, independent entity. How its international legal status will be defined is another question about which, I assume, a lot of doctoral dissertations will be written. At the moment, it is important to pragmatically address the needs of the people, of the Palestinian nation, whilst continuing with efforts to promote peace on the political level.

German Foreign Policy in the Middle East¹

Martin Kobler

Head of the Representative Office of the Federal Republic of Germany to the PNA, Jericho

I. Framework Conditions for German Middle East Policy

German and European policy towards the Middle East is determined by the geographical proximity and the dependence of Europe and the Middle East. It goes without saying that it is not enough to consider the Arab World only as a linguistic-cultural unit; it is also a political factor. Undoubtedly the Middle East is a region with very diverse, even diverging interests. Most importantly, however, we consider Israel and the Arab World our southern neighbors and are aware that political development in this region has an immediate effect on Germany and the rest of Europe. Foreign Minister Klaus Kinkel made this very clear on several occasions during his Middle East tour in March 1997.

In the Middle East, we are confronted with the consequences of regional power struggles, diverging economic and social developments, religious and ethnic conflicts, military armament and a lack of resources, all of which might also threaten the security of Europe. European security interests are also touched by the negative effects of developments in this region on the European economy. The social and economic stability of European states can also be threatened by environmental problems: border violations, migration, the dependence on raw material, the dependence on free trade, the increasing debts of the economies of the region as well as the interdependence of financial markets.

The above explains why Germany and her partners in the European Union have a high interest in peace, stability and security in the Middle East and the Mediterranean and in the development of the political, economic, cultural and social relations of the states of the Middle East, which can benefit

¹ Presentation given at a roundtable meeting held at PASSIA on 26 August 1997.

both regions. It was believed that with the Middle East Peace Process, starting with the Madrid Conference in 1991 and especially with the Declaration of Principles in September 1993, decades of war, terrorism, violent confrontation and animosity in the Middle East could give way to a durable peace and cooperation in the region.

Germany endeavors, both through bilateral measures and in the European framework, to contribute to the peace process. It might be helpful to stress that Germany has enjoyed the friendship and trust of the states of the Arab World; both among large parts of the population and among political classes. These 'positive vibrations', which are probably largely due to the fact that Germany does not have a colonial past, enabled Germany to build up and cultivate solid relations with the states of the region, based on partnership.

The political, cultural and economic relations between Germany and the Arab World have broadened in the last decade. They are no longer limited to contacts between governments and economic relations: city-to-city programs, tourism and modern media of the 20th Century undoubtedly contributed to closer interaction and deeper understanding.

The second determining factor is Germany's special relations with Israel, but I will come back to this issue later.

II. German Contribution to the Peace Process

Assistance for the Palestinians: In the view of the Federal Government, the Israeli-Palestinian confrontation has been the core problem of the Middle East conflict. Without a solution to the final status questions that is acceptable to both sides, a durable peace for the region cannot be achieved. In this context, the political questions have to be addressed and responded to by the two parties themselves. Third parties can only contribute to positive framework conditions.

In the center of our efforts is the improvement of the desperate economic and social situation of the Palestinian population in Gaza and the West Bank. Only if the Palestinians are able to feel that they benefit from the peace process will the support for extremism fade. The German assistance to the Palestinians is thus based on humanitarian as well as political considerations. Our economic assistance is at the center of the German support for the Middle East peace process.

Since 1993, due to the mutual recognition and the direct negotiations between Israel and the PLO - particularly after the beginning of the Palestinian self-administration in the Gaza Strip and the West Bank - German assistance increased by a substantial amount. By the end of 1996, German aid amounted to 427 million DM (US\$237 million), which includes the contributions to UNRWA and UNICEF of 128 million DM (US\$71 million). Including Germany's 30 percent share of the EU commitments, the total of Germany's aid amounted by the end of 1996 to 894 million DM (US\$510 million). In 1997, new commitments to donate over 93 million DM (US\$51 million) were made. German aid is project aid, and due to planning procedures the money is actually disbursed in the years after the commitments. Anyhow, the disbursements increased steadily over the years (1993: 10 million DM, 1994: 20 million DM, 1995: 45 million DM, 1996: 55 million DM). German development cooperation concentrates on infrastructure, vocational training, promotion of private economy and employment creation.

I would be glad if we could have an in-depth discussion about the efficiency of the German and European aid after this speech. Your remarks and views - especially the critical ones - would be of particular value to me at the end of my three-year tour of duty in Jericho.

German-Palestinian dialogue: The Federal Government has, over the last three years, continuously and substantially widened the political, economic and cultural dialogue with the Palestinians. In August 1994, Germany became the first state to open a representative office in Jericho. A German cultural center in Gaza and a 'delegation of German industry and trade' were opened in Dahiet Al-Barid in 1995. A full-fledged 'Goethe Institute' will open its doors in Ramallah in October 1997.

Our task here - what I would call 'political networking', i.e., establishing contacts on all levels, bringing members of governments, parliaments, social and cultural institutions together, making them familiar with the situation here, introducing them to the intricacies and complexities of the Palestinian political life, often for the first time - was considered a priority task.

President Arafat visited Germany three times and met the Federal President, Chancellor Kohl and Foreign Minister Kinkel. Chancellor Kohl came to Jericho as early as June 1995. Federal Foreign Minister Kinkel came here twice and visited Gaza, Jericho, Bethlehem and Hebron. Several other ministers, prime ministers of states, and presidents of German trade unions, social institutions, political foundations and cultural organizations came here for talks with their Palestinian counterparts.

Of equal importance was the establishment of parliamentary contacts underlining our interest in fostering democratic development in the Palestinian territories. The President of the German Bundestag will be coming here for the third time. German members of the Bundestag of all parties visited Gaza and the West Bank. As a result of these visits the 'Palestine Working Group' has been formed within the 'Parliamentary Friendship Group for Relations with Arabic-Speaking Countries'. A particularly cordial relationship developed between the PLC and the German-Palestinian Friendship Group of the Landtag of Northrhine-Westphalia.

German-Israeli relations and the Palestinian Question: German-Israeli relations have to be seen against the background of Germany's responsibility for the Holocaust. In many respects, German politics since the end of World War II and the end of the Holocaust have been a reaction to what took place in the Nazi period. This applies to German-American relations as well as to Germany's active commitment to European unification. It is most evident, however, in the promotion of German-Israeli relations. Aware of the unspeakable injustice and suffering afflicted upon the Jews during the Nazi period by Germans in the name of Germany and desiring to make a fresh start, all German governments since the time of Konrad Adenauer have felt a special responsibility towards the State of Israel. In a certain sense this special responsibility was and is a sort of - as we say in German - '*Wiedergutmachung*'.

It was the desire to learn from the lessons of the Nazi period that determined not only the constitution and the political course of the new Federal Republic of Germany but also the attitude of many Germans towards the Israeli state. Many individuals and social groups in Germany tried to develop links to Israel long before the establishment of diplomatic relations in 1965.

Let me come back in this context to the question of the German support for the peace process. At most of the meetings between German and Israeli politicians and between private individuals over the last two years, one topic has been discussed much more frequently than our bilateral relations or the German-Jewish past: this is the Middle East issue, in particular the Palestine Question. Also, this issue has always been an integral aspect of German-Israeli relations, which must be seen in a new light in view of recent developments in the Middle East.

Let us be honest. For decades German foreign policy was faced with a dilemma - an unsolvable dichotomy between the relations, grounded in history, towards particularly close relations with Israel and the desire for good

links with the Arab World. This dichotomy was already evident when diplomatic relations were established. The German Government opted for diplomatic relations with Israel in 1965 although it was aware of the negative reaction this decision would cause in the Arab World. In fact, ten Arab countries broke off diplomatic relations with Germany at that time.

However, things changed dramatically with the start of the Middle East Peace Process, with the peace treaties Israel signed with Egypt and Jordan and in particular with the mutual recognition of Israel and the PLO and the beginning of the Palestinian process of self-administration. With regard to many important questions, Germany was no longer faced with the choice between supporting Israel on the one hand or Arabs and Palestinians on the other. Germany's Middle East policy was no longer a tight-rope act. Thus, the German Government was for its assistance promoting the economic and social development of the Palestinian territories, not only by the Palestinians themselves but also with almost equal emphasis by the Israeli Government. The promotion of regional cooperation has become a goal of Israel and a good number of Arab states. The fight against the terrorism that undermined the peace process and against those behind it has become a common objective.

The German position is to avoid giving advice - especially in public - to the parties in the region. Only Israel and its Arab neighbors can find solutions to the major political questions of the day. We believe that we must be cautious in expressing views, particularly on matters that have been specifically excluded from discussions up to now - such as the future of Jerusalem, Jewish settlements and Palestinian refugees in the Diaspora. The German Government maintains a balanced position on these matters as do its partners in the EU and other Western countries - an attitude that fully satisfies neither Israel nor the Palestinians. Despite its reticence to express views on these political issues, Germany has endeavored to make a positive contribution to the peace process, in particular by stabilizing the general framework.

The European factor: Mentioning German Middle East policy, the term itself is not entirely correct. German foreign policy in this field, as in others, is to a large extent a matter of the EU. It is not only discussed in detail with the other 14 members of the Union but also agreed upon with them and - wherever possible - presented with one voice. It is dealt with in the framework of Common Foreign and Security Policy (CFSP). Attaining maximum coordination between new partners has a long tradition. Let me just mention the 1980 Venice Declaration in which the basic principles, which are still valid, of the European Middle East policy were laid down.

The principles of our joint Middle East policy as elaborated in the Venice Declaration and subsequent declarations, e.g., the Amsterdam Declaration of June 1997, are as follows:

- the right of all states in the region, including Israel, to exist within recognized and secure borders;
- self-determination of the Palestinian people, (in the Amsterdam Declaration it is mentioned explicitly that this is 'not excluding the idea of statehood'); and
- the need for all parties to the conflict to refrain from violence.

There is no substantial difference of opinion among the member states of the EU on positions to be taken towards the Middle East and Israel. It is no secret, however, that nuances of attitude have arisen from time to time among the partners, nuances which derive from different historical influences, geographical factors and particular interests. It comes, for instance as no surprise that Great Britain with its former mandate over Palestine and its special relations with the Gulf states, or France, with historical links to Syria, Lebanon and North Africa, or Italy, Spain and Greece as countries of the Mediterranean and as direct neighbors of Arab states, sometimes have priorities differing from those of Scandinavia or those of the Netherlands with its strong Jewish connections, or those of Germany with its special responsibility toward Israel.

EU-Mediterranean policy: The Federal Government is of the opinion that both topics - the Middle East Peace Process and the EU-Mediterranean policy - are closely interconnected. Without a permanent peaceful solution to the Middle East conflict, stability in the Mediterranean is unlikely to be achieved. Following the association agreements with Tunis, Israel, Morocco and the PLO, agreements with Egypt, Jordan and Lebanon are also being negotiated. In November 1995, the Barcelona Conference laid the foundation stone for the process of wide-ranging interregional cooperation between the EU and its 12 Mediterranean partners. Approximately 9 billion DM (US\$5 billion) are available for the financial contribution to the Barcelona process.

In the field of multilateral cooperation, the Federal Government is actively participating through bilateral contributions and in the framework of the EU, in the five multilateral working groups of the peace process, particularly in the 'Regional Development Working Group'. The German Government and private companies participated with large delegations in the economic summits of Casablanca in 1994, Amman in 1995 and Cairo in 1996.

The Federal Government pays particular attention to promoting regional projects, including the Israeli-Jordanian water projects or those to supply the infrastructure for industrial parks in the West Bank.

III. Conclusion

Despite the crisis relating to the implementation of the Oslo Accords, the last three or four years witnessed changes on the ground that cannot be reversed. As I tried to make clear, the commitment to pursue the Oslo Accords is a cornerstone of German Middle East policy. Despite Germany's reticence to express views on political issues, Germany has endeavored to make a positive contribution to the peace process, in particular by stabilizing the general framework. Germany, because of historical, moral, economic and political grounds clearly wants the peace process to go ahead, allowing us to reconcile our special responsibility towards Israel and our historical friendship with the Arab states and the Palestinians.

Discussion

Dr. Mahdi Abdul Hadi: In your presentation, you have laid out the German approach and stressed the idea that, in the end, it should be left to the two partners, the Palestinians and the Israelis, to make decisions about the future. The problem is, we do not have a partner anymore. We had a partner in Oslo, but the Israeli right-wing government of today is not a partner, it is not interested in pursuing the peace process, in following the Oslo path. After we heard the positions of Ms. Madeleine Albright, we realized that we might lose another partner in the peace process: the US is not a neutral, honest mediator. We are left alone; Palestinians do not have a partner to continue what was agreed upon.

Martin Kobler: I fully understand what you are talking about. I have lived with you through the last three years of suffering, and I know the frustration everyone is going through. What I have tried to explain in my presentation is that the German stand here is dominated by the German-Israeli relations and history. It is the experience of the Holocaust that has dominated German education and convictions ever since. For this, we have a different approach than the French or the British: we do address our grievances and complaints in harsh words to the Israelis, but we do not do so in public. When Klaus Kinkel [the German foreign minister] was here in March 1997, he discussed the question of building on Jabal Abu Ghneim with Israeli Prime Minister Benyamin Netanyahu and, in no uncertain terms, told him to rethink the issue.

Our position is a very clear one: we firmly stand behind the EU position, e.g., that settlement construction in occupied territories is illegal according to the Fourth Geneva Convention. What I am saying is, that in the end, we are limited to statements; the decisions have to be made by the parties themselves. A lot of Palestinians tell me that 70 percent of Israeli trade is done with Europe and that we should cut these trade relations in order to pressure Israel, but let me tell you that no German, French, British or Italian merchant is ready for this.

Another question in this context is the one of German compensation. Compensation is something totally different than government aid; Germany is not giving *any* aid to the Israeli Government. Compensation is paid to individual persons as a form of '*Wiedergutmachung*' [restitution] for the injuries and suffering afflicted by the Germans in the concentration camps. It is a special case, and it has nothing to do with a backing of the Israeli economy. Prior to the peace process, 140 million DM a year were given as financial aid to Israel. This money was reorganized after Madrid so that today, it is all spent on regional projects, from which the Palestinians actually profit the most, e.g., the sewage plant in Nablus.

Dr. Abdul Hadi: You are saying settlements are illegal and they are an obstacle to peace. We see statements, but we do not see actions. Couldn't you at least put more direct help in other areas in order to empower civil society, e.g., by supporting refugee camps? Or are you still crippled by your past in taking any serious decisions?

Martin Kobler: Basically, the refugee camps fall under the competence of the UNRWA, but if we are asked to put more resources in this field, we are ready to do so. We allocate our aid according to Palestinian needs and priorities, which means, that if the PA decides to tackle the problem of the refugees now, we are ready to support it. To me, it seems, however, that the PA is not willing to do so at the moment, that refugees are not a priority, but considered a final status issue.

Dr. Mohammed Jadallah: You say you want to leave the two parties to resolve the conflict, and you pretend that this is a neutral stand. But in reality, it is not neutral. You do not have a balanced position: you denounce every bad act of the Palestinians but do not condemn Israeli actions.

When Israel was small, your role was to protect and support it. Today, Israel is very strong. We, the Palestinians, are not equal; we are a captive nation, whereas Israel has full control over our land and our resources. If you do

not interfere, you are not being neutral but leaving the results to be decided by the Israelis.

Martin Kobler: So, in your opinion, what should the Germans do? And I mean this seriously, this is an opportunity for me to get to know your concrete suggestions and demands. So, please do not hesitate to tell me, what you, what the Palestinians expect Germany to do. What can you realistically expect us to do?

Let me just add that I did not say that we remain neutral in the conflict: No, we take stands; we are clearly against settlements, for example.

Dr. Abdul Hadi: Let me ask you to think the unthinkable. Could Germany start an economic boycott in order to pressure Israel to stop settlement construction?

Martin Kobler: No. You also have to see the restraints of our policies. Consider what a revolution it was when Klaus Kinkel, during his visit to the region, told Levy in public to stop the settlement policy. What a development! We have to go step by step.

Dr. Jadallah: But you *can* pressure Israel. Palestinian universities, for example, have been reopened due to EU pressure.

Walid Salem: We are the 'victims of the victims'. What has happened to the Palestinians is your responsibility: you, in Europe, made the Jews leave and develop the idea of Zionism. I think, therefore, you should also make a connection between compensation to the Jews and the Palestinians, and you should guarantee the Palestinians' right to return. This is a concrete solution.

Dr. Peter Demant: I want to talk about the same subject, the 'prolongation of history' that has become evident in the Palestinian problem as a result of the German 'solution' to the Jewish problem, but naturally, I see it from another side. However, it needs to be addressed, and something has to be done urgently. I am not in principle against economic pressure against Israel, but I think that there is a danger that this might be counterproductive. We have to take into consideration Israeli public opinion. Remember that it was only a one-percent difference in votes that brought Netanyahu the presidency. How can this public opinion be influenced? An economic boycott will only radicalize the Israeli public. This public is largely unaware of what is going on; it is blind to the suffering of the Palestinian people. Here, the EU and the Germans could play a role, e.g., by supporting joint Palestinian-Is-

raeli initiatives that can work to influence Israeli political consciousness and shift public opinion.

Sheikh Jamil Hamami: In my view, the Europeans read the peace process in a wrong way; they do not play a major role in the process and instead put all the focus on economic aid to the Palestinian areas. We were positively surprised when we first saw the strong French position and their readiness to take serious political stands against the Israelis, but this optimism has diminished because no real action has been taken. The peace process has come to an end due to the politics of Netanyahu, but also because of the pressure put on the PA and the intervention in intra-Palestinian issues. The EU could play an important role in the peace process, and there are a lot of measures that could be taken. This is more than obvious in the strong position taken against Iraq, for example. Today, Palestinians are left without any faith in the current process. The support of the EU is urgently needed if the region is to avoid returning to a phase of instability and bloodshed. We have to reconsider the basic understanding of a peace process, i.e., to allow people to live in honor.

Charles Winnington-Ingram: The German foreign minister Kinkel has been blamed for his public criticism of Netanyahu. But I think you should give much more of a public voice to your positions. This actually is an important debate, not only for the Germans, but for all of us Europeans: Why don't we go public more often with our positions - which are, most of the time, already known? I am thinking about this, for example, with reference to the expected failure of the second redeployment, which is due to take place on the 7th/8th of September. What will we say to the Israelis? It would be an important step to publicly voice criticism.

Martin Kobler: I could not agree more! But such statements should and can be best made by the EU and we discuss such issues in our bi-weekly meetings. Germany can take the EU as a vehicle to transport its messages; it will not object to public criticism in the name of the EU, but it is itself restrained to criticism of the Israelis behind closed doors - which can actually be quite effective. If we went public with our criticism, the Israelis would be so offended that we would lose our leverage.

Charles Winnington-Ingram: But you have to see the increased frustration of the Palestinians, too. What you are saying in fact is that the leverage you have is no leverage at all because you will lose it as soon as you try to use it.

Martin Kobler: Privately, I could not agree more. But we can still ask the EU to take harsh positions.

Dr. Abdul Hadi: Have you reached the stage where you say the peace process is at its end? And where do we go from here now? What is the alternative to Oslo?

Martin Kobler: No, we have not reached that stage. The Israeli Government is still committed to Oslo - whatever they do on the ground - and we go on ...

Dr. Abdul Hadi: But they have been saying publicly that Oslo is not on their agenda any more!

Martin Kobler: Why should we be more loyal than the king? You, the Palestinians want the Oslo path to be followed and thus, why should we abandon it to look for alternatives?

Chris Innes Hopkins: Oslo is an ongoing process. With the Amsterdam Declaration, the EU has addressed the Israeli Government and the people of the region recalling again the principles of Madrid and Oslo and the Palestinian right to self-determination. Germany has been funding this process from the beginning, and it has been especially active through the second track support provided by its political foundations focusing on long-term developments. Apart from this, I think the EU should profit from Germany's special relations with Israel by using them in an effective manner: harsh criticism by the Germans could have more impact.

Maher Daoudi: I want to address once more this question of going public. Many people are frustrated because of the things that are going on and therefore demand that governments be more outspoken. My experience, however, is that Israelis get most upset when they are being publicly criticized. In the case of my government, we feel that it is much more effective to privately convey messages in which we can state our position very clearly.

Claudette Habash: Mr. Kobler, you said that Germany is not neutral, that you are in fact against the Israeli settlement policy and that you mainly support the Palestinians financially. But our major problem is not poverty! You are still restricted by your history. I ask myself, isn't it time for Germany to be liberated?

My second question is as follows: I as a Palestinian have recognized the State of Israel, but that does not mean that I have given up my rights. What

is your position on reparations and compensation for Palestinian property in Israel?

Maher Daoudi: As a student of international relations, I like to look at phenomena from the point of view of *Realpolitik*. Let me ask you therefore: What are Germany's interests here in the region? Is its aim only to open up the trade with Israel? What is the strategy of the German Middle East desk for the next 10-15 years? I agree with you that Germany cannot fight the fight for the Palestinians. I think you can help, you can train to lobby, but you cannot do the lobbying for us.

Dr. Ishaq Al-Qutub: I want to put the issue in a more sociological or socio-psychological context. First of all, there is a need for a better understanding of history, on the part of both the Europeans and the Palestinians. The same books with the same distorted facts are being quoted again and again, there is no real knowledge about Palestinian history in Europe, and the mass media in Europe is controlled by Israel. We know that for a fact.

There are actually two inter-related points that I want to address. The first one is the institutionalization of the relationship between Europe and the Palestinians; this is not only a matter of money, but also one of principles, e.g., the European insistence on human rights issues. The other question is that of aid: Some US\$650 million have been committed by the donor countries, yet according to MOPIC only US\$67 million have been dispersed. I do not think that the donors go by Palestinian priorities, they go by Israeli priorities. But how could the relationship be improved? You want the Palestinians to adhere to principles and human rights, and this is what the EU should do itself, too.

Martin Kobler: I see that the questions mainly evolve around two issues. The first one is politics, and this is actually centering around public opinion. Let me tell you what we do in this respect: we arrange for all official German visitors to go to the Palestinian territories, hoping that they will become multipliers and influence public opinion in Germany. While I was here, 155 German parliamentarians visited, i.e., 30 percent of the German *Bundstag*, and some of them more than once. We just take them on a trip to Gaza, to Hebron, etc. You do not even have to explain a lot; the humiliating procedures at the checkpoints and the Erez crossing speak for themselves.

I want to put this straight: the German press is not influenced by the Jews. It is amazing how much the picture in the media has changed over the last couple of years. In the German media, you now have a picture of sympathy

for the Palestinians: a dramatic change of image has occurred, for the better for the Palestinians, for the worse for Israel. I wonder why nobody has mentioned the abstention of Germany in the UN with regards to the statement on settlements. You should know that this has provoked major unrest in the German Parliament and has been criticized in an over-party consensus.

The other thing is public opinion in Israel. I said that, in the end, Palestinians and Israelis have to decide by themselves. But you are not powerless in this because you can influence Israeli public opinion. I suggest that you see this as a huge election campaign. You have to influence Israeli public opinion, to flood Israel with lectures, you have to go and talk to the people, go to universities, go to party conventions. They are extremely interested in and extremely ignorant about your situation. But it is *your* initiative!

Let me tell you about our experiences with people-to-people programs that we have been trying to set up in a trilateral form. I was not able to organize one Israeli-Palestinian-German soccer game during my stay here. There is great reluctance from the Palestinian side; the Council for Higher Education, for example, issued a decision not to take part in such projects.

Dr. Abdul Hadi: How could we? We live in cantons, fragmented, imprisoned, crippled. How could we go about playing soccer with each other as if there is no occupation?

Martin Kobler: It is a process. You have to strive for it to become better. I know about all the problems involved, but we have to work on it.

Dr. Abdul Hadi: How can we normalize now when there is not even a process, when nothing is delivered, when there are not even negotiations?

Martin Kobler: Because you want to fight to win Israeli public opinion. You must go and talk to the Israelis, you must invite them, you must take the first step.

Dr. Abdul Hadi: I agree that we have to be more creative in our struggle, but there cannot be normalization at the current stage.

Martin Kobler: My grandfather has lived through two world wars, and he grew up with France being our *Erbfeind*, the hereditary enemy. When I grew up, we had all these *jumelage* programs with France. Several times a year, we took part in student exchange programs or spent the vacations in France,

and thus, it was only natural for me to have a French girlfriend. For one generation, the whole relationship between France and Germany changed completely; we cannot even understand the mentality of our grandfathers anymore.

Christian F. Jouret: I have heard this example several times, and I think it is a fantastic example of how to overcome hatred and mistrust between two people. But I do not think it is applicable to the current situation: first, the war has to finish, there have to be equal relations.

Martin Kobler: Here, the basis is inequality, but the principle - of how to bring people together in order to talk instead of killing each other - is the same.

Lisa Heerman: I know how hard this is to accept, but it is the Palestinians who have to make the first step because they want to come to a solution. The problem that they must address is simply that the other side does not know about their situation. The more people know, the more they will put pressure on the decision-makers. There is no other way.

Maher Daoudi: Yes, the problem is we build up relations, we strive to do this, then a bomb explodes somewhere and it becomes clear that our efforts have been in vain, that we have to start all over again.

Martin Kobler: But let me play it back to you once again. What do you expect us to do?

Walid Salem: I agree that people-to-people programs can help to overcome the hatred, but there is another dimension to it: the territorial problem has to be solved first. This is the balance we want and that we expect you to address. The other thing is that you should pressure the Israeli Government with regards to the issue of compensation [for Palestinian property and refugees].

Dr. Abdul Hadi: One of the issues is the withdrawal of help from Jerusalem. Why are you withdrawing your support from the Augusta-Victoria Hospital, for example, and transferring it to another hospital in the West Bank? The core issue is Jerusalem. We need your continued presence and support in Jerusalem; you cannot afford to pull out from Jerusalem.

Instruments of American Foreign Policy in the Middle East: From Diplomacy to Intervention¹

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What exactly do we mean by intervention in the field of foreign policy and international relations? Whilst looking for an answer, we soon realize that there is more than one kind of intervention and more than one degree of intervention, so before looking at the record of American interventions in the Middle East we should distinguish between different degrees and different kinds of involvement. In doing this, we should take an inventory of what international relations students call the 'instruments' of foreign policy; in other words, we should determine how big powers project their influence and how they try to make the things happen that they want to happen.

To begin with, one must ask the question: Is it proper and right to characterize the American involvement in this region as being heavily oriented toward 'intrusive' or 'interventionist' applications of influence as opposed to 'normal diplomacy'? And related to that question is another: Assuming one were assigned the task of advising the top US foreign policy leadership regarding its future Middle East policy, what kind of advice might one give, and in particular, what 'instruments' of foreign policy - from normal diplomacy to military intervention - might one recommend be applied to the various issues that concern America with respect to the Middle East?

In Washington, ever since the end of the Cold War and the disappearance of the Soviet Union, the US has come to be considered the only remaining superpower in the world. If this is correct we should ask ourselves how the US exercises its hegemony in a region such as this one, which, at least from the American perspective, has been extremely troublesome. How has it used its power and its leverage to achieve the results that it wants to achieve?

¹ Presentation given on 24 February 1998 as part of the PASSIA Seminar on *The US and Canada*.

Degrees of Involvement

When we turn to the task of defining intervention in international affairs, I would propose that there are degrees of involvement on a spectrum ranging from normal and ordinary diplomacy to the most intrusive instrument, which is the actual application of military force. One might imagine that we usually begin with what we call normal diplomacy: the proposing of initiatives, the organizing of projects, or the starting of peace processes to deal with particular problems.

In the case of the US, we know that one important instrument has been the application of economic assistance in the pursuit of foreign policy interests. A wealthy country such as the US, if so inclined, can offer grants, loans, technical assistance and so forth so that a friendly government can remain stable or a particular leader will feel a new sense of obligation toward the US and its interests. Over the years, the US has offered economic as well as diplomatic assistance to a number of the key actors in the Arab-Israeli conflict. By far the most has gone to the Israelis, who have received increasing amounts of economic assistance from consecutive governments, whose aim has been to project influence in general and to manage the Arab-Israeli situation in particular. We can become a little more intrusive with the provision of military assistance: for the same reasons that the US gives financial aid, it also finds it useful to use the instrument of military aid, the giving of tanks and planes - or the selling of them if the client government can afford to buy them - to achieve certain kinds of influence. In the case of Israel, the American logic has held that a militarily secure - even superior - Israel will then be both able and inclined to negotiate a durable peace with relatively weaker Arab neighbors.

We can expand the notion of intrusive intervention further by moving along our spectrum toward the instrument of subversion. Subversion can provide the means of getting your way in a particular troubled region. The US Government, especially since World War II, has developed a large intelligence community, which includes the CIA and a number of other agencies. In addition to gathering intelligence, these agencies have also on occasion actively intervened beneath the surface in order to alter the political equation in a particular country. This is the 'dirty tricks' instrument, and it is pertinent to ask to what extent and with what results has the US used the technique of subversion - attempts to undermine governments, arrange coups, and assassinate leaders - over the years in the Middle East?

Finally, we come to the conventional notion of what intervention is all about, namely, the use of military force. This is the ultimate form of intervention

and the instrument of last resort, not to be used very often. Military intervention is an instrument that may have benefits, but it also has risks, and it most definitely has costs. In speaking of it we should differentiate between the indirect use of military force, such as through unmanned missiles, the air force or navy, and the actual placement of troops on the ground in an attempt to occupy territory.

The US Middle East Policy Agenda

Now that we have distinguished various degrees of intervention, we may consider how the US has used these instruments in the Middle East over the years, especially since the end of World War II. What are some of the big, foreign policy or security issues pertaining to the Middle East that have concerned American foreign policy-makers since the 1940s?

Number one, of course, is the Arab-Israeli conflict, which is the centerpiece of regional tensions and American concern going back to the mid-1940s. Another big issue area for the US was the containment of the Soviet Union: how to keep communism and the Russians out of this area in order to prevent them from competing with American influence in the Arab World or in the Middle East in general.

Yet another issue is the need to maintain access to the oil resources of the Middle East and to maintain reasonable prices. Speaking from the point of view of American policy-makers, this is what they, like the British before them, were perhaps most worried about. The oil reserves in the Middle East are important strategically, economically, and commercially, and Americans are unable to ignore the possibility that unfriendly external competitors might somehow get their hands on them or at least find a way to impede our access.

There is a fourth area that has occupied a lot of time on the part of American decision-makers, and that is the question of dealing with nationalism and inter-Arab politics. From the point of view of American foreign policy-makers, as well as all the analysts within the intelligence community in the State Department and the Defense Department, the rise of radical nationalist sentiments was a matter of real concern, as it was in the past to the British Government. Why was it a problem? Because more often than not the nationalist movement in question - and I am thinking particularly of Arab nationalism in the 1950s and 1960s - was targeted at regimes with whom the US Government had good relations and upon whom it often depended for local assistance in the pursuit of its various interests. So if, for example,

the governments of Lebanon or Jordan were under attack or threatened by 'Pan-Arabism' - as they were in the 1950s and 1960s - instability loomed and US policy-makers fretted about preserving the friendly regimes in both countries. US intelligence operatives were active in both countries, and finally American forces intervened in Lebanon (and British forces, in coordination, intervened in Jordan) in 1958. Later, when the Palestinian *muqawama* (resistance) movement posed a challenge to the regime, this situation rang all kinds of alarm bells in Washington. The question policy-makers had to consider in facing these 'alarming' situations was how a very powerful country 6,000 miles away from the scene of the trouble should deploy its resources and intervene to try and assist the beleaguered regime challenged by a nationalist movement.

Case Study: US Policy in the Arab-Israeli Conflict

Let us now look at the instruments of foreign policy that the US has employed in the Arab-Israeli conflict. How has the US dealt with the transformation of Palestine from an Arab land to a Jewish state from 1947 to the present day? What kinds of instruments did the US foreign policy team apply to deal with the consequences of the creation of the State of Israel and the *Nakba* - the displacement of the Palestinians - and the disruption that occurred in the Arab World in general?

In general, the US since the mid-1940s has been very active in taking diplomatic initiatives for a peaceful settlement of the problem. The US had of course supported the Partition Resolution of 1947, which was adopted by the United Nations and represented yet another diplomatic effort to try and resolve the Palestinian tragedy. Of course, it was unsuccessful, being immediately followed by war, expulsion and instability. Once the conflict was over, the State of Israel was established, essentially through military success. It was then up to the US to try to find a way to move from a very unstable and tense standoff between Israel and its Arab neighbors - armistice agreements having been signed on the island of Rhodes in 1949 - to an arrangement according to which the new State of Israel would be accepted by the Arabs. The US supported and accepted the UN resolution after the War of 1948 that called for the repatriation of displaced Palestinians as long as they were prepared to live in peace with their neighbors in the State of Israel, but like so many other diplomatic efforts that the US either initiated or supported, it was not successful, mainly because it was categorically rejected by Israel and not vigorously enforced by either the UN or the powers behind it.

Depending on how you count them, over the years there have been up to 20 or 25 distinct efforts by various American administrations to bring about a diplomatic solution. Among them one thinks of the Eric Johnston Plan of 1954/55, which was not only a diplomatic intervention in itself, but also an attempt to deploy economic assistance in order to persuade the parties to reach a permanent political settlement. This was an effort to encourage joint work on developing the water resources of the Jordan Valley to the benefit of all parties. On another occasion in 1955, the Eisenhower administration, which believed that economic assistance would be able to serve a political purpose, sent out a special envoy to quietly broker a diplomatic process between Nasser and the Israelis, but although the plan showed some promise for a while, it also did not work.

During the period of the Kennedy administration in the early 1960s, Kennedy sent out Mr. Joseph Johnson to work on the refugee question, but although he spoke to the Israelis, the Jordanians, and to practically everybody who would listen, there was still no progress. In this case, as in so many others, it was the stubbornness of the Israeli Government that ensured that those involved were unable to achieve any success. It should be noted that this period witnessed ever-increasing US financial assistance to Israel, although the other countries of the region such as Jordan and Egypt also benefited from US aid.

After 1967, diplomacy was once again on the agenda, and there were serious efforts by the US to engage the help of the Russians, the British and the French, but none were successful. Finally, after the 1973 Arab-Israeli War, the US sent in its 'super diplomat', Kissinger, who engaged in an exercise known as 'shuttle diplomacy' whilst trying to arrange a cease-fire between Israel and Egypt and between Israel and Syria. Although Kissinger succeeded in his immediate purpose, he was unable to move the whole problem very far forward. One of the reasons why Mr. Kissinger's diplomacy basically failed is that it ignored the question of the Palestinians.

We move forward to the era of President Carter, who initially wanted to organize a comprehensive settlement of the Arab-Israeli question through a conference in Geneva, in which all the major parties would participate, including the Soviets. This effort was quickly sabotaged, first of all by the anti-Soviet forces within the American political system, and secondly, by Anwar Sadat. Fearing that Carter's approach gave too much prominence to the Soviet Union, Sadat decided to override the American initiative and go to Jerusalem to try and break what he saw as the psychological barrier between Arabs and Israelis. In the process he bypassed the US as a kind of godfa-

ther of the Arab-Israeli settlement plans. The Carter administration quickly adjusted its policies and built on Sadat's initiative. Carter's Camp David negotiations were a crucial diplomatic initiative and led to the peace treaty between Israel and Egypt. Normal diplomacy, with presidential involvement, scored a victory fully as complete as any US military intervention before or since.

We now come to the Reagan administration, which I imagine is not remembered with great affection here in the Middle East. President Reagan's plan of 1982 put a strong emphasis on Jordan as a kind of custodian of Palestinian interests in the West Bank, and even today the Jordanian option keeps coming up in the American diplomatic arsenal. In any case, such normal diplomacy was entirely overshadowed by the Israeli invasion of Lebanon in 1982, for which Israel was apparently given the 'amber light' by the Reagan administration. But Israel's war went badly and led to an unanticipated military involvement by the US as part of a four-nation multinational 'peacekeeping' force. Actually, it was America's second military intervention in Lebanon, the first having taken place in 1958.

After Israel had occupied about half of Lebanon and besieged Beirut, the US, along with Britain, France and Italy organized a multinational force (MNF), which was to enter Beirut. The Americans were eager to find a way to end the siege that was leading to the deaths of thousands of Lebanese and Palestinians, and they wanted to do this by finding a way to get the Palestinian fighters out of Beirut. So President Reagan assigned the task to Philip Habib, an Arab American diplomat from Washington. Habib's job was to quickly find a way to evacuate the Palestinian fighters and avoid a bloody showdown with the Israeli forces encircling Beirut. But at the same time the great powers decided - I believe with justice and wisdom - that it was important to interpose an international military force in Beirut to secure the safety of the hundreds of thousands of Palestinian civilians left behind and now unprotected by the Palestinian military forces that were being evacuated. Having secured the evacuation of the Palestinian armed forces, the multinational force quickly withdrew, but as soon as it withdrew, the Lebanese Christian militias moved forward and massacred several hundred Palestinian refugees living in the camps of Sabra and Shatila. I remember going there a few weeks later and observing the consequences; it was a very grim and bloody business, especially when one takes into account the fact that throughout the massacre, the Israeli troops who were on the perimeters of the camps abetted the Phalangists by providing search lights so they could find their Palestinian victims and kill them.

The MNF hastily returned but the damage was done, and its commanders must have felt greatly ashamed for having left before its mission was completed and allowing this massacre to occur. Moreover, the MNF soon found itself unwillingly sucked into the ongoing civil war in Lebanon. The American stay in Lebanon ended in a tragic and humiliating manner early in 1984 when a Hizbollah truck bomber broke through the perimeter fence housing the US marines who were part of the multinational force at Beirut International Airport and blew up the truck, himself, and the building in which 240 or so marines were sleeping, killing them all. Meanwhile, another Hizbollah fighter did the same kind of thing to the nearby French multinational forces, killing 60 or so of their number. Following the catastrophe at the barracks, President Reagan, who had originally declared Lebanon a vital national interest, quickly changed his mind, and the rapid evacuation that followed put an end to this particular military intervention. One is left to one's own conclusions about what this specific example tells us about the utility of military intervention in complicated and unstable situations.

Meanwhile 'normal diplomacy' resumed, but to little effect until President George Bush came to power. Bush's Secretary of State, James Baker, was rather more inventive than his predecessors. In 1989, Baker began to take a very active but interventionist role in the Arab-Israeli problem by proposing a plan for bringing the parties together, and it was thanks to his efforts that we witnessed the convening of the Madrid Conference in 1991, which was the result of an unusually well-structured and multi-faceted example of diplomatic intervention. What Baker and his colleagues attempted to do at Madrid was, as it were, to 'square the circle' to get around the extremely big gaps between Israel and the various Arab antagonists.

Baker succeeded in doing this by proposing a comprehensive setting that brought the Syrians, who have always rejected diplomatic initiatives not of a comprehensive nature, into the game. At the same time he satisfied Israeli demands for bilateral face-to-face negotiations with each of the separate Arab parties. Built into the Madrid process was a set of bilateral negotiations. In addition, Baker and Bush sought to generate momentum by constructing a parallel set of multilateral negotiations that would include influential regional powers not directly involved in the Arab Israeli dispute. Various working groups were proposed to deal with several major region-wide issues, including arms control, refugees, water, and economic development. Despite all subsequent setbacks to the peace process, this multilateral structure is still more or less in place and could possibly contribute to the rejuvenation of the now-comatose peace process.

Other Cases: From Lebanon to the Gulf

The US has often used diplomatic initiatives to try and build alliances across the northern part of the Middle East in order to prevent the Soviets from infiltrating what we used to call the northern tier. In 1957, for example, Eisenhower promised modest economic assistance and US protection against the threat of international communism to certain countries such as Jordan and Lebanon and others countries that cared to be included. This was also perceived as an effort to protect friendly regimes, such as those in Jordan and Lebanon, from an indigenous regional threat, which was indeed a kind of nationalist challenge to established regimes. There was at least one case - there may be more - of the use by the CIA of subversion or dirty tricks, whereby the CIA attempted in 1957 to overthrow a Syrian government in order to promote a regime in Damascus that would be more immune to the influence of communism or nationalism, but the attempt was a failure.

□ **Lebanon 1958**

In the 1950s, in another friendly but fragile country - Lebanon - the US entered a phase of close and continuing coordination through the CIA station in Beirut with the government of Camille Shamoun when Shamoun was under attack by local forces and forces that were sympathetic to Gamal Abdul Nasser; the forces were enthusiastic about the recent union between Egypt and Syria and so forth. Later, during the Lebanese War of 1958, the government of Shamoun found itself increasingly besieged and Shamoun called for US military intervention in Lebanon to save him from the communists and the Nasserists who, according to Shamoun, were basically hand in glove with the communists. His pleas finally received a sympathetic hearing in Washington, although it was initially skeptical about his claims, and in the summer of 1958 US troops landed on the beaches of Beirut. Two months or so later, the conditions they set made it possible to bring the Lebanese war to a peaceful conclusion.

Note that the initial trigger for US intervention in Lebanon was not merely or even mainly something that had happened in Lebanon, but the overthrow of the royalist government in Iraq, a pro-British, pro-US government - after all, it was the seat of the Baghdad Pact - by military nationalist forces led by Abdul Karim Qassim. The coup rang alarm bells in Washington more than any number of pleas from a Lebanese president could do because under the circumstances, the Americans and the British felt that they were about to lose control of the Middle East. Pan-Arabism had succeeded in Egypt and spread to Syria, Syria and Egypt had united, and now the third major country in the Mashreq, Iraq, had suffered a bloody coup. American troops

landed in Lebanon perhaps because it was easier to land on the beaches of Beirut than in downtown Baghdad. Simultaneously, British paratroopers landed in Jordan to protect young King Hussein who felt he was on the verge of being swept aside by the Jordanian masses, who at that stage were very enthusiastic about Arab nationalism.

The instrument of last resort, namely the military intervention, was used in this particular case because from the American viewpoint, it looked like the whole region was slipping out from under American influence, offering an opportunity for the Russians to push their way in. Such developments would have led to a real shift in the whole balance of power in the Middle East. The situation was unacceptable to Washington, so the US Government decided it had no choice but to use its ultimate interventionist weapon.

□ The Gulf

Oil, quite obviously, is one of America's most important interests in the Middle East. Worries about the security of Gulf oil supplies to the economies of the US and the other industrialized countries led to what is surely the most dramatic case of American military intervention in the region in recent years - the Gulf War of 1991. The war involved not only the bombardment of Iraq from the air and from the sea but also the application of a massive ground military force, an army presence to drive the Iraqis out of Kuwait and bring a tangible defeat to the trespassing Iraqi Government. The American Government decided that what Saddam Hussein had done was unacceptable and should be opposed with every available resource because oil was - and remains - such a vital national interest. It was not so much a question of protecting Kuwait, which as a state is not a vital national interest of the US, but rather the geopolitical position of a victorious Iraq that concerned Washington. It was feared that if Iraq continued to occupy Kuwait then it would be in a position to dictate oil production and pricing policies for the other Arab Gulf oil exporters and also pose a strategic military-security threat to Israel. Even though Iraq might not have then invaded Saudi Arabia, the Saudis and the other Gulf countries would have been so intimidated by the Iraqi presence on their borders that there would have been a major shift in the *status quo* of the balance of forces. A victorious Iraq would also be in a position not only to threaten Israel directly but also to mobilize other Arab governments toward a more hard-line anti-Israeli policy.

Having the power to do something about it and having the diplomatic influence in the world to mobilize an international coalition in support of this exercise, the US organized what was one of this century's major wars in the Middle East. The intervention far exceeded the level of intrusiveness and

severity of previous US involvement in the region; in fact, it went well beyond the use of the more normal diplomatic, economic or technical assistance or even subversive interventionist techniques that are available to a big power. Seven years after the war, I think we are in a position to conclude that the US intervention succeeded in accomplishing its stated aim - the liberation of Kuwait. It also succeeded in significantly weakening Iraq's power and influence in the region. This success was due in great part to the multilateral nature of the military intervention - President Bush had prudently built up a broad-based coalition that included key Arab as well as European states.

We also know, however, that the post-war continuation of seemingly interminable and weighty sanctions on the Iraqi population in order to accomplish the eradication of Baghdad's capability to deploy weapons of mass destruction has been politically very costly to the US. How costly? An anecdote may provide a clue. Speaking with a Western journalist in Jerusalem in February 1998 - just as it appeared that the US might mount a major military strike against Iraq for its continued defiance of the UN inspection regime - the journalist turned to me and remarked, "Well, I guess that means the end of the Pax-Americana in the Middle East." My journalist friend felt that the US has been out-maneuvered and it had generated so much hostility with its repeated resorts to force and threats of force that it was losing international and even regional support.

A Theoretical Note

At this point it might be worthwhile to note a fundamental principle of international relations - the theory of realism, or - in German - *Realpolitik*. The theory holds that states do what they have to do in the anarchic world of international relations. Sometimes that behavior is not very pretty, because it involves the use of armed force. Another key element is the notion of the balance of power. American strategists had decided by the time of the Nixon administration in the early 1970s, that the best way to have a stable balance of power in the Middle East and one that is favorable to American interests, is not to have an even balance, in which each side has more or less equal military power, because that might not be stable. The reason it might not be stable is that neither side would be sure that it was secure so both might test their strength and get into a fight. So they came up with the idea that if you want a stable region, it is better by far to have an uneven balance of power. This, in theory, is why the US supplied and continues to supply Israel with sufficient superiority in military power and technology, thereby making it irrational for any Arab state or army or any combination of Arab armies to challenge it.

Realpolitik practiced arrogantly can lead to unhappy situations. Perhaps the ultimate test of the success of American or external intervention in this region would be the following: if the people in the area are convinced that they have no choice, that they are unable to build weapons or regulate the price or supply of oil, that they are essentially helpless, then they would lack the will to resist foreign hegemony. Such perceptions could engender or exacerbate fatalism: people would feel that nothing really matters because whatever happens is just a matter of fate, and thus they are powerless to do anything about it. If that attitude were widespread in the Arab World, then those from the outside that would like to in fact manipulate and control people in this area would feel vindicated in their *Realpolitik*.

Obviously, this situation does not sound fair, but realists would respond bluntly, "So what?" The American policy to supply Israel with far more military capabilities than it needs, is (from the *Realpolitik* standpoint) precisely to create inequality in order to achieve that fundamental stability in which one side is clearly very strong and the other side is very weak.

Has US Middle East Policy Been Successful?

In terms of the basic interests that the American Government has set for itself in this region, we seem to have succeeded. Why then, as we contemplate the future, are many of us sharing a real sense of concern over the American position in the Middle East down the road? Is it not a contradiction or a paradox for me to say that when I give a grade to the Clinton administration in the Middle East, I only award it a 'C'? And why is it that so many people express the view that the US might be succeeding at present but it seems to be breeding hatred and contempt on the part of the people in the region in a very widespread manner? One answer to that might be that it is too bad but maybe it does not matter because the people do not really have much control over their governments, and the American Government and most other governments conduct their foreign policies with respect not to the people, but to governments, to the states, the regimes. I see a real problem here: success on one level, but the prospect of failure in the future on another and ultimately more important level.

My personal view is that it would be sensible for the US to change the style and the methodology of its involvement both in the Arab-Israeli conflict and in the Gulf. It also needs to rethink its methodology with respect to Islamism, although political Islam is a very complicated matter without any easy solutions. With respect to the Arab-Israeli conflict and the Palestinian issue, it seems to me that the US record is not very encouraging. The conduct of

American policy since the Madrid process has been mediocre, in my opinion, and is one of the reasons that we have been led into the present impasse. I would make one observation about the Palestinian role: in dealing with the US, remember how important the influence of domestic lobbies is in formulating or shaping or tilting the execution of American policy. The US committed itself as far back as 1947 to certain principles, and through a UN resolution - although no one in Washington remembers this now - to an independent Palestinian state, as part of the UN Partition Plan. In 1967 the US committed itself to UN 242 which by any interpretation means that the Israelis are supposed to get out of territories occupied in the Six-Day War. (I have it from the late Lord Caradon, who was one of the authors of 242, that the wording, while ambiguous, never contemplated anything but minor territorial adjustments in the shaping of a permanent peace.) Why is it then that the US, although it has committed to the resolution, has subsequently weakened and softened its position under strong American domestic pro-Israel pressure and under the pressure of the Israeli Government to the extent that it no longer talks about Jerusalem in clear language? And why has the Palestinian side been so feeble and ineffective in trying to generate counter pressure inside the US to make the American Government stand up to the positions it has already taken? One obvious answer is that there is a strong pro-Israel lobby. But I do not understand why the Palestinian side and the Arab side have been unable to articulate a respectable counter argument that people will listen to. I do not think the blame lies entirely with the Americans. States are not generous by nature, and they are not going to do things that they do not want to do; they have to be pushed.

US Foreign Policy and the Question of Palestine¹

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When analyzing American foreign policy, there are a number of different theoretical perspectives one can employ: bureaucratic politics, rational actor or realism, corporate interest, world systems, national interest, and so on. The perspective one selects, in addition to reflecting personal values and preference, will, to a considerable extent, influence the substantive conclusions of the analysis.

Having said that, I have found it useful over my years of studying US foreign policy to focus on the continuities and consistencies of US policy from a global and historical perspective. Such an analysis diverts our attention from the specificity of any one given event, and places particular circumstances in a continuum that illuminates the patterns, principles, and objectives that underlie policy.

With regard to the Question of Palestine, the most salient aspects of US policy have been its constancy and its absolute negation of fundamental Palestinian rights. I am referring here to the basic right of the Palestinians to self-determination and sovereignty in some part of historic Palestine: either that portion designated in the 1947 UN resolution partitioning Palestine, or the more commonly agreed upon area that has been accepted by the PLO itself since 1974 - the West Bank, the Gaza Strip, and East Jerusalem.

I will argue in this presentation, that despite the appearance of policy shifts, new peace proposals, and initiatives from Washington over the years, the US has been consistent in its rejection of this Palestinian right. The analysis will suggest that there are three basic factors explaining such consistency:

1. Structural and ideological factors in the US system that give rise to opposition to all Third World nationalist movements.

¹ Presentation given on 26 February 1998 as part of the PASSIA Seminar on *The US and Canada*.

2. A concern with Western freedom of access to Middle Eastern oil supplies, which has translated into the promotion of a particularly reactionary *status quo* in the region.
3. The idea that Israel's strategic importance warrants a favorable reaction, or at best non-interference by Washington in Israel's objectives and policies.

Between 1948 and 1967, Palestinian nationalist aspirations were expressed through Pan-Arab nationalism rather than independently. Thus, during that period, Palestinian interests were never considered except as a problem of refugee resettlement - jobs, homes, and so forth for individual Palestinians. Not until the re-emergence of Palestinian nationalism as an autonomous phenomenon in the aftermath of the June War of 1967 was there any consideration of a collective Palestinian issue in American policy. Beginning with that period it is possible to investigate American policy toward Palestine and the Palestinians, although it is worth noting that not even in 1948, nor at any time thereafter, did the US ever attempt to see that the UN Partition Plan, which it had backed so strongly, was fully implemented.

But again, American consideration of the Palestinian-Israeli conflict did not really take shape until after 1967 when, on the one hand, Israel so mightily defeated its Arab neighbors and demonstrated its mammoth military strength, and on the other, the Palestinian nationalist movement re-emerged out of the defeat of the Arab states and began making itself visible on the international scene. The response of the US was immediate opposition and disregard, while the problem for Israel was de-legitimizing and suppressing every manifestation of Palestinian nationalism, be it cultural, political, or military, and that was a campaign in which Washington wholly concurred and fully participated.

Finally, while I am going to be making some comments about American policy toward revolutionary nationalist movements in general, it is worth noting that while the PLO portrayed itself and was portrayed by others as a revolutionary movement, this was not the case in the strictest sense. PLO objectives between 1964 and 1974 were first to regain all of historic Palestine, later to establish a democratic secular state, and after 1974 to accept a state in the newly occupied territories. While the Popular Front for the Liberation of Palestine (PFLP) and the Democratic Front for the Liberation of Palestine (DFLP) raised slogans pertaining to structural changes in an independent Palestinian state, Fateh, the leader in the PLO, evidenced no concern about such issues. Thus, it is reasonable to conclude that had an independent Palestinian state emerged in 1975, it would not have been a revolutionary state but would have become part of the *status quo* in the Arab state system. (Clearly, that is obvious today.) However, Washington's

perceptions, or distortions made the nature of the Palestinian national movement appear otherwise.

As to the original points of analysis, first, regarding opposition to Third World nationalist movements, the US has historically opposed all such revolutionary movements. Whether American policy is understood as being derived from economic determinants or the needs of national security, or even both, the consequences are the same. Since the markets and resources required for the economic supremacy and military superiority of the US are largely to be found in the Third World, US policy-makers have considered it crucial that these states remain stable, integrated into the US economy, and dependent on the US. The 'threat' of nationalist movements to American interests lies in their potential for indigenous leaders choosing to utilize their resources in the service of their own people, developing autonomous economic and political structures responsive to local needs, rather than for the benefit of the US.

Second, regarding Western freedom of access; the US political economy is grounded in corporate economic interests, which, axiomatically, involve continuous external expansion together with a stable environment in which obstacles to limitless growth will be removed or minimized as much as possible. As a result, the US is a *status quo* power committed to maintaining a fixed Pax-Americana over the entire globe. Any 'disorders' within its area of control - nationalist movements, revolutions, elected leftist governments, etc. - are automatically confronted with opposition, containment and annulment.

Now, the importance of US economic and strategic interests in the Middle East has resulted in particularly hostile reactions to nationalist movements in that region. Recall, for example, the marine landing in Lebanon in 1958, or the intense opposition to Nasserism, especially after co-optation failed. US tacit support for Israel's initiation of war in June 1967 was related to American anticipation of Nasser's demise at Israel's hands. Ironically, as I said earlier, Palestinian nationalism re-emerged in the wake of the collapse of Nasserism, and for a period, the Palestinian movement had charismatic influence in the Middle East as well as throughout the Third World. Thus, in the eyes of US policy-makers, in addition to its potential destabilization threat in other Arab states, its plausible demonstration effect elsewhere in the Third World mandated its containment.

The indispensability or perceived indispensability of Middle Eastern oil to the Western economic system has led the US to forge *de facto* alliances with the most conservative regimes in the Middle East; Saudi Arabia is one example. Washington has undertaken to maintain in power the ruling family in Saudi Arabia, the most important state in the oil equation, in exchange for

the monarchy's cooperation in supplying oil, defending the value of the dollar *vis-à-vis* other currencies, and recycling petrodollars back to the US through investments, savings, and the purchase of goods and services. Moreover, a convergence of Saudi and US perspectives on Palestinian nationalism has been highly detrimental to Palestinian interests.

Within Saudi Arabia, and in the Arab state system generally, the normative constraints of Arabism have made it necessary for the ruling elites to appear supportive of the Palestinian cause. In fact, however, the Saudi monarchy (in common with other governments) considered the Palestinian movement - especially in its youthful democratic, secularist phase - a direct threat to the rule of the royal family. This led Riyadh to pursue seemingly contradictory policies: on the one hand, publicly advocating the cause of Palestine, undertaking the brief oil embargo in 1973, and providing Fateh leaders with large sums of money, while on the other forbidding Palestinian political or military activities within Saudi Arabia, insisting that Fateh leaders reign in so-called 'radical elements' such as George Habash, and withholding the use of the oil weapon in a prolonged or meaningful manner as a means of support for the Palestinians. The actual Saudi opposition to Palestinian nationalism as opposed to its rhetorical support for the movement coincided with American antipathy to the Palestinian quest for self-determination. This convergence, together with the full integration of Riyadh into the US-dominated capitalist order by the mid-1970s, relieved the US of concern about a linkage between the realization of Palestinian objectives and favorable Saudi policies on petroleum, financial, and monetary matters. Moreover, after US policy-makers understood the actual objectives of Saudi Arabia, US opposition to Palestinian nationalism was reinforced and further intensified.

The third factor explaining US policy toward Palestine is related to the perception of Israel as a strategic asset: Washington's relationship with Israel is based on the institutionalization of beliefs about Israel's strategic utility to American interests in the Middle East. Israel is considered to be promoting American interests in the following ways:

- by acting as a counter to Pan-Arab nationalist movements;
- by fostering and exacerbating the division/weaknesses in the Arab World;
- by stabilizing the region through its absolute military superiority including its nuclear capability;
- in the past, by containing the spread of Soviet expansionism;
- later, by boldly fighting international terrorism; and
- by ensuring the survival of pro-American Arab regimes.

In my judgment, there is considerable room for debate concerning how effectively Israel contributes to the realization of these objectives. But what

matters are the perceptions and beliefs within private and public policy-making circles.

In this context, it is important to consider both the concrete and the symbolic factors that have contributed to the institutionalization of the beliefs about Israel's strategic role. The main concrete elements include the following:

1. Israel's stunning military performance in the June 1967 War when it defeated three major Arab states in six days.
2. The 1969 Nixon doctrine proclaimed in response to the Vietnam quagmire, which postulated reliance on certain states in crucial areas acting as substitutes for direct US intervention in the defense of American interests. This resulted in American efforts to construct a *de facto* tripartite alliance between Israel, Saudi Arabia and Iran. However, while Israel worked closely with Iran under the Shah, it opposed all attempts to increase Riyadh's military capability. In the end, especially after the Iranian revolution in 1979, Israel was considered the sole significant surrogate.
3. Israel's mobilization (at the request of Henry Kissinger) for possible intervention on the side of Jordan in the September 1970 crisis between King Hussein and the Palestinians. Though Jordan, by itself, crushed the Palestinians and repulsed a Syrian tank force, the Israeli mobilization was enough to serve as a significant legitimization for the argument that Israel is protecting pro-American regimes.
4. Henry Kissinger, with his immense influence and power, and with his intense commitment to Israel and to Israel's utility as a strategic asset, contributed greatly to the legitimization of Israel's role both symbolically and concretely through the massive transfers of technology and the military and economic assistance to Israel that he oversaw.
5. Pro-Israeli forces in American society, which themselves became far stronger and more important in the post-1967 period, contributed time, money, passion, and organizational and other skills to the reinforcement of the strategic asset thesis.
6. Among the concrete elements contributing to the institutionalization of Israel's position in American political culture was a subtle transformation in the nature of policy-making in regard to Middle Eastern issues, in which Congress and the bureaucracy came to play an increasingly important role, combined with the myriad ways in which Israel and her American supporters interfaced with Congress and the bureaucracy.
7. Beliefs about Israel's role in the Cold War anti-communist consensus, manifested in part by the campaign to free Soviet Jews, also played a critical part in the institutionalization of the strategic asset perception. Additionally, during the Reagan administration, Israel's contribution to the 'anti-terrorist' dimension of US policy (personified in the adulation

heaped on Bibi Netanyahu in the wake of his brother's death after the raid on Entebbe) became an integral part of the American ideological superstructure.

The foregoing, then, constitute what are considered the concrete factors that contributed to the strengthening of the beliefs about Israel's strategic utility.

But, as important as any of these elements, independently or even collectively, are subjective symbolic elements. The fact that there were so many attempts to portray Israel as a strategic asset to US interests and that so many elite sources attempted to legitimize this stand explains, in part, why the process of institutionalization was so rapid and irreversible.

'Knowledge' is - and I use this term in quotation marks - often mistaken for truth, but in reality, knowledge is highly subjective because it is a product of human construction. The major 'sources' for 'knowledge' about foreign affairs in American society are as follows: official Washington - primarily the President, but in this case Congress too; mainstream journalism and the media in general; and scholars and the intelligentsia - especially those associated with the most prestigious and influential institutions. However, typically, both journalists and the media, in addition to the intelligentsia, take their information from government sources and reflect the positions and beliefs of governing circles. Indeed, for a free society, we have one of the least independent media in the Western World. Scholars too usually maintain an uncritical posture on foreign policy reflecting and confining their 'debates' to tactics while upholding the official consensus on objectives and interests. In the end, much that passes for independent journalism and scholarship amounts to little more than the reiteration of official positions. Nevertheless, what is produced by these respected institutions is accepted as 'knowledge'.

In particular, the primary sources of 'knowledge' about Israel's strategic utility were government officials such as Henry Kissinger, Alexander Haig, Eugene Rostow and his brother Walter, Senators Henry Jackson, Jacob Javits, Abraham Ribicoff, Stuart Symington, Hugh Scott, and others.

Then, reflecting the opinions of these government officials and, in some cases reflecting personal sentiments (for example, Abe Rosenthal), a secondary source of 'knowledge' was the media, respected commentators, and scholars who espoused the new beliefs about Israel in every possible venue. For example, editorials in the *New York Times*, the *Washington Post*, and other highly regarded newspapers consistently advocated Israel's interests and promoted her strategic importance to the US.

Scholarly texts that became required reading at universities and graduate schools took the same track; books such as, Nadav Safran's *Israel: The*

Embattled Ally and Bernard Reich's *The United States and Israel: Influence in the Special Relationship* were considered bibles on the subject.

The pro-Israeli lobby was also a source of 'knowledge' about Israel, continuously producing documents and studies to bolster American support for Israel as well as generously rewarding those elected officials who adopted their line, and punishing others who did not.

Eventually, 'knowledge' about Israel's strategic value to the US, as well as about its intrinsic moral worth, became part of the paramount reality, which is to say the reality of everyday life for the majority of Americans. In other words, the nature or character of Israel, and of its significance to the US, came to be taken for granted as an objectively existing reality.

Other subjective factors that reinforced Israel's institutional position in US political culture include a host of what sociologists call linguistic 'typifications'.

Language, like knowledge, is a subjective form of human activity and a variety of linguistic constructions, many with extremely powerful symbolic content, have been used in the service of this institution-building process. Linguistic typifications such as America's 'moral commitment' to Israel's 'survival'; the 'only democracy' in the Middle East (indeed, not just a democratic state, but 'a light unto nations'); America's 'sole reliable ally' in the region; the 'restoration' of the 'chosen people' to the 'Promised Land'; courageous 'pioneers' who made 'the desert bloom'; the 'Judeo-Christian tradition'; Israel's 'Western' society in a sea of barbaric infidels - these and other linguistic clichés were so habitually repeated, externalized, objectified, and finally internalized in the collective American social psyche that what began as one opinion about one possible policy for maximizing US interests in the Middle East, was transformed into an objectively existing institution of the social order.

One subtle but significant example may be seen in the fact that the US never merely 'supported' Israel or engaged in 'relations' with it as it does with other states. Rather, the US undertook a 'moral commitment' to Israel's 'right to exist' and to its 'security and survival' (even though, in reality, the security and survival of Israel were never in danger, and never in the annals of real politics has one state undertaken such a commitment to another).

Certainly, the frequent use of the terms 'moral commitment' and the 'right to exist' would imply that America feels it has 'obligations' to the survivors of the Holocaust. Were this not the case, it is unlikely that the 'self-evident truth' of an embattled, mortally threatened state could have been sustained, especially in light of spectacular military performance in June 1967. Despite Israel's image as a beleaguered underdog about to be driven into the sea, and the concept of it as a surrogate power for the US, both images were

upheld. In fact, they both made a significant contribution to the institutionalization of the US-Israeli relationship and the belief that Israel indispensably serves American interests in the Middle East.

With all of these positive inducements and symbols, there still remained a few dissenting voices in the US, which necessitated the development of 'mechanisms of control', so to speak, to ensure that the institutional definition of Israel was maintained. Thus, those who questioned the strategic asset thesis, or worse, expressed concern for the Palestinians were immediately labeled 'anti-Semitic' and/or supporters of the 'terrorist PLO', and placed on a black list - all quite intimidating in American political culture. These efforts were highly effective, resulting in considerable 'spontaneous' self-censorship.

In any case, as a consequence of the institutionalization of the ideas about Israel's uniqueness and its importance as a strategic asset to US foreign policy, the US has not seriously objected to any of Israel's policies, which include the following: the 1982 war in Lebanon, its continuous practice of state terrorism, the brutality used against Palestinians during the *Intifada*, its annexation and settlement of Jerusalem, the occupation of Syrian and Lebanese territory, the relentless confiscation of Palestinian land and concomitant settlement expansion, and its unshakable commitment to deny the Palestinians an independent sovereign state in the West Bank, Gaza, and East Jerusalem.

To the extent that American officials accepted Israeli arguments that a Palestinian state was a threat to Israel's security, the US had no interest in pushing an option that differed from Israel's - in part because it did not wish to see Israel's security and its strategic function weakened. Moreover, since the US also opposed Palestinian self-determination, the convergence of perspectives solidly reinforced the existing American policy.

With regard to US-Palestinian relations, while I have alluded to the issue earlier, it now becomes very important to clearly distinguish tactics or policies from objectives and interests in American foreign policy. While a variety of new tactics or policies to deal with the Palestinians - peace conferences, peace talks, peace initiatives, and so on - have emerged over the years, and much has been made of so-called American efforts to broker a peace agreement, one fundamental US objective has remained constant: there is to be no sovereign, independent Palestinian state. And, that, after all, is the essential interest, and in my opinion right, of the Palestinians. Moreover, each time some new initiative pertaining to the Palestinians has emerged, it has come in response to other considerations - regional or international - rather than to Palestinian needs, rights, or interests.

In the aftermath of the June 1967 War, and in the context of Arab anger over American support for Israel, President Lyndon Johnson outlined a proposal for Middle East peace. Yet, his 'Five Principles for Peace' focused only on the political rights of existing states and referred to the Palestinians merely as refugees. US sponsorship of UN Resolution 242 was more of the same.

After the 1973 war, Henry Kissinger, the chief architect of US foreign policy, decided to convene an 'international conference' to obscure his real policy of divide and rule over the Arab states. Concerns about the oil embargo, Soviet support for Syria and Iraq, and several other factors made such a conference appear useful. Yasser Arafat wrote to Kissinger at the time, asking that the PLO be included in the conference, but for Kissinger that was unthinkable - both from his own personal and political perspective and because he had just accepted a written demand from Israel that the US never recognize or negotiate with the PLO unless it recognized Israel's right to exist.

President Jimmy Carter is remembered for being the first public official to articulate any Palestinian interest. He called for a Palestinian 'homeland', which, I would point out, is by definition quite different than a state. In the end, however, he reneged even on this position in the context of Israeli demands (and Egyptian disinterest) during the Camp David process, which eventually led to a separate Egyptian-Israeli peace that contained nothing for the Palestinians.

Ronald Reagan came to office with utter contempt for the Palestinians, a simplistic perspective of them as merely terrorists, and a declaration that the settlements were not illegal. However, after Israel's war in Lebanon and the massacres at Sabra and Shatila, Washington felt the need to at least give the appearance of 'evenhandedness'. Thus, the peace initiative of the Reagan Plan and its attendant diplomacy - all of which held nothing that could further the Palestinian objective of statehood.

When in December 1988 the US opened a low-level and short-lived dialogue with the PLO, this tactic was designed, as had been others, to deal with problems other than Palestinian interests. There were two fronts:

- First, at the international level, the US sought to improve its tarnished position after George Shultz's November refusal to grant Yasser Arafat a visa to come to the UN, which resulted in the UN going to Mr. Arafat. Moreover, Mikhail Gorbachev had been working the international scene quite effectively and the US was concerned about maintaining its position as the dominant external power in the Middle East.
- Second, and equally, if not more important were regional concerns: the US wanted to bring about a termination of the *Intifada*. It was concerned that Israel's strategic utility was being weakened as its military became embroiled in suppressing the Palestinian uprising. The US was also

concerned about the potential demonstration effect the *Intifada* could have in other Arab countries. And, once more, the US wanted to restore a sense of 'evenhandedness' in the region after its many years of overt support of Israeli interests and policies. Again, the PLO obtained nothing from the dialogue in terms of progress toward its strategic interest; indeed talking with the PLO was seen by Washington as a means of co-opting it, terminating the *Intifada*, and deflecting Palestinian demands for statehood. Nevertheless, as a prerequisite for its participation, the PLO had capitulated to all of Washington's long-standing demands.

The year 1991 brought the Gulf War and in its aftermath, the frantic diplomacy of James Baker culminating in the Madrid Conference. But, if we cut through the multitude of trees constructed during that period, it is possible to see the forest: as firm and unyielding as ever on the fundamental question of Palestinian sovereignty.

Next came the Oslo Accords and the supposedly historic handshake between Yitzhak Rabin and Yasser Arafat on the White House lawn - we have before our eyes this day the consequences of that affair.

In the US, we have a saying that diplomacy stops at the water's edge - meaning that Democrat or Republican, Liberal or Conservative we will be of one mind in our approach to foreign policy. Tactics or policies may be changed and will often be debated loudly, but objectives, interests, or ends remain constant. I cannot think of a clearer example of this maxim than US policy on Palestine. Here we might also note that the same holds true for Israel on so-called security issues - Labor and Likud have had and continue to have the same objectives with regard to the West Bank and East Jerusalem: it is the Land of Israel and it will be so eternally. Everything else is rhetoric, or if you prefer, pomp and circumstance.

In conclusion, I think that it is necessary to be very forthright - US policy on the Palestine Question has been clear and consistent: American policy-makers are unequivocally opposed to the establishment of a sovereign Palestinian state. Moreover, the Arab States have put no real pressure on the US to change that policy. And, given the strategic importance attached to Israel, indeed the institutionalization of that idea, it would be unrealistic to expect Washington to 'pressure' Israel in regard to Palestine. The evidence of this can be found in the fact that the US never put genuine pressure on Israel: the US\$3-6 billion given annually to Israel - without which it could not have settled the West Bank, Jerusalem, and Gaza and attained the high living standard that it has - has never been used, nor even threatened, as a means of altering Israel's behavior. Note too that Israel's annual subsidy is far more certain than that promised to retired Americans as social security.

One final thought is the importance of reflecting carefully on the meaning of the word 'peace'. It tends to be assumed that 'peace process', 'peace conference', 'peace initiative', and 'peace talks' have a substantive meaning that includes a measure of justice for both sides. However, in American lexicology, peace is simply the absence of conflict, regardless of how unbalanced the fruits are for each side. Whether it manifests as a process, a negotiation, in a conference, or as a 'new' initiative - it is simply a tactic to divert Palestinian attention from its fundamental objective of statehood.

Canada and the Middle East Peace Process¹

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The Madrid Peace Process established Jordan-Israel, Syria-Israel, and Lebanon-Israel negotiating tracks and a series of multilateral negotiations that addressed issues of regional concern. The multilaterals, which dealt with issues such as arms control and security, water, the environment, refugees, and regional and economic development, were there for several reasons. One of the reasons was the fact that given the degree of international sympathy the Palestinians enjoyed, particularly that coming from Europe, it was felt that having more countries in the room could only improve their position. The multilaterals also, of course, reflected Israel's desire for normalization.

At the start of the multilateral component of the peace process in Moscow in January 1992, Canada was asked by the co-sponsors of the peace process to assume the role of Gavel Holder of the Refugee Working Group (RWG). One of the reasons why Canada was chosen was that it was seen to be fair-minded, especially by America, which felt that Ottawa had what it took to deal with such a difficult and sensitive portfolio. The RWG was intended to be a kind of incentive for the Palestinians, it being clear that it dealt with an issue, namely refugees, which Israel was not at all keen to talk about. Indeed, the problems began with the initial meeting in Ottawa in May 1992 when the Likud government refused to participate, in part because of its opposition to the participation of Diaspora Palestinians. Nevertheless, the agenda was eventually set in the Israelis' absence but with the Americans doing their best to ensure that it would meet with their approval. The agenda items that were chosen were as follows: public health (Italy), human resources (US), child welfare (Sweden), social and economic infrastructure (EU), databases (Norway), and family reunification (France). Family reunification referred, of course, to the reunification of families within the West

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Bank and Gaza. The Israelis did not like the idea because they were concerned that establishing the humanitarian principle of 'family reunification' would set the groundwork for establishing a broader human right principle of 'right of return', which could then be used to facilitate the return of vast numbers of Palestinians to the homeland. The US, meanwhile, was completely satisfied with the item's inclusion.

Having discovered the cost of not attending, Israel came to Ottawa for the second meeting in November 1992 but then threatened to boycott it due to the participation of Palestinian National Council (PNC) member Mohammed Halaj. The Israelis had been completely willing to ignore his membership as long as no one mentioned it, but when Halaj and his position were mentioned in the press shortly before the meeting, they felt that they had to make a fuss. By way of a compromise, Halaj announced that since the PNC was not in session, he was not technically a PNC member at that moment. The Israelis replied, "That is fine with us," only to turn around the second day of the meeting and walk out of the room.

Although the first two RWG meetings were extremely difficult, changes in the Israeli Government and the Oslo Agreement and so forth meant that problems of this kind more or less came to an end. The RWG held regular meetings through 1993-95, with significant changes occurring after Oslo in September 1993, and whether held in Oslo, Cairo, Turkey, or Switzerland, they continued relatively smoothly. The major problem with the RWG, which operates on a consensual basis, is that the main sessions are unwieldy due to their size; even countries that have nothing to do with the Palestinian refugees want to come, such as South Korea, Romania, and Turkey, not because they have enough money to support the projects or anything useful to say, or any influence over the parties, but simply because they want to be seen as part of the peace process. The large numbers make achieving a consensus almost impossible, and although there are no formal decisions, if the Palestinians or Israelis do not like the direction in which the RWG is going they can simply use their implicit veto, and things come to a halt.

In addition to the RWG, Canada has also been actively involved in the meetings on water and arms control. With regard to water, Canada supported database and research activities, whilst its involvement in arms control has been mainly related to confidence building.

What, if anything, can Canadian diplomacy do, given the framework of the RWG? It is my view that the most we can do is to try and encourage the parties to move in the right direction by doing several things. One is to try

and hold the meetings at a smaller level. For example, we have already divided up the agenda items, each of which is shepherded by a particular country. Smaller meetings attended by only a few countries will reduce the distractions that often result from larger meetings and will allow us to deal with issues such as public health and child welfare, etc., in a more efficient manner. We could also encourage the holding of informal non-official meetings, as it is possible that the informality will encourage the participants to be more flexible when it comes to discussing areas of compromise and so forth. There is, however, a dilemma, inasmuch as many people are concerned that focusing on projects to improve the current living conditions of the refugees could be at the expense of dealing with the difficult political issues. Some Palestinians are concerned that normalizing the conditions of the refugees will reduce their number and weaken their political position in the negotiations; others maintain that their political rights and their human rights have nothing to do with their living conditions and should not be put in one basket. Certainly, the debate on the Palestinian side concerning the dangers inherent in focusing on the refugees' immediate humanitarian, economic and social needs and possibly weakening their political position has made that direction rather difficult to move in.

There is certainly a need for a vast amount of information concerning the refugees, not only on their number, living conditions and present needs, but also on their future needs and the socioeconomic and other consequences of their possible return to Palestinian territory. The Norwegians have done a very sophisticated living conditions survey in Jordan and started to do the same in Lebanon.

Another problem is that the Palestinian delegations simply do not have the support mechanisms that are enjoyed by other parties. When Palestinian academics, such as Salim Tamari and Elia Zureik, were leading the negotiations, they would often only discover a day before a meeting that they were supposed to attend, which meant that they were sometimes obliged to decide upon a position in a hotel coffee shop just minutes before the meeting was due to begin, or discuss it by e-mail, knowing very well that every single word was being read by the Israelis. If the Israelis need information on something, someone from the relevant ministry will supply it, whereas the Palestinian delegation is often left totally in the dark. Now the PLO Department of Refugee Affairs oversees the negotiations, but it is still understaffed and underequipped.

Unfortunately, the PA is being extremely slow in organizing its refugee policy, having chosen in the past to concentrate on land and security issues,

etc. The PLO Department of Refugees has existed for many years, but only last spring did it start moving into its offices and recruiting staff in Palestine. On a more positive note, Arafat established The Higher Council for Refugees in November, a high level inter-ministerial group. Nevertheless, the truth of the matter is that we have been faced with finding a solution to the refugee problem since 1992, and yet only now, in 1998, do we have the beginnings of the infrastructure to think about ways to do this. Another problem is that the Palestinians have been so busy with other matters that they have not been in a position to think about what they can gain from the multilaterals in the way of political points, funding for particular initiatives or increased donor support, etc.

There have been a couple of high-profile so-called 'international missions' to Lebanon involving the 'Gavel' of the RWG and other international actors, during which the delegates talked to the Lebanese Government about the situation of the refugees. Even though the missions did not change anything on the ground, they were able, I am sure, to influence the Lebanese a little. Neither the PLO nor the Palestinian Authority (PA) can do that, because the Lebanese will pay absolutely no attention to them, whereas if the French, the Swiss and the Japanese all show up and say, "We are concerned about the position and treatment of the Palestinian refugees in Lebanon," then the Lebanese Government tends to pay a little more attention.

There are those who argue that the RWG has done very little or that it is even worse than hopeless now that the high-level multilateral track has essentially been halted by the decision of the Arab League. Some would say that there is no longer any point in playing the game, others, that certain things can still be achieved, given that almost all the countries that participate in the RWG sympathize with the Palestinian refugees.

As to Canadian involvement in the RWG, which is the single largest component of Canadian political engagement in the peace process, none of us would dispute the fact that it is extremely hard to move ahead on the refugee file under the Likud. Its coalition agreement, for example, prohibits the return of any Palestinians to west of the Jordan River, including the 1967 territories, in spite of the fact that Oslo talks about the return of displaced persons to the area in question.

Canadian Development Assistance

Canada has been providing \$8-10 million per year in development assistance to the West Bank and Gaza, much of which has found its way to Rafah, partly because of the Canada Refugee Camp, whose name derives from the fact that the Canadian-UN peacekeeping contingent was originally in that camp. Canada has an agreement in principle concerning the return of those Palestinians trapped on the Egyptian side of the fence to their families on the Gazan side. In practice, it is taking forever to move small numbers of people across the fence, largely because of the Israelis, but also because of the Egyptian bureaucracy. Because of the engagement in Canada Camp, Canada's bilateral aid programs included water and waste projects in Rafah, projects on the environment, and elections support.

In addition, two inflatable boats were provided to the Palestinian Coastal Police. The only trouble was that the boats originally went faster than allowed under the Israeli-imposed rules, so the Canadian Government had to slow down their engines before sending them over; even then, when the Israelis tried them out in Ashdod, one was found to go two knots too fast, and I am not sure if they have actually been delivered.

With regard to other support, the highest proportion of Canadian funding - about one quarter of all Canadian assistance to the Palestinians - has gone to the Holst Fund. Canada also gives \$9 million per year to UNRWA. The problem with the Holst Fund, which has allowed the PA to continue functioning, is that no one, not even the people in the PA, know who is donating the money; from the point of view of development agencies, this is rather unfortunate as they would all prefer that their contributions be recognized. There are two major reasons for the existence of the fund:

1. During closure and other difficult periods, such as when the Israelis cut off the tax money to the PA, it provided a very fast mechanism for transferring money to the PA; all it took was two days to get the money to the bank and another 48 hours for the bank to get the money on the ground. It is the only 'rapid aid' mechanism of its kind.
2. The other reason for Holst is that it provides a rapid way to finance income-generating programs under closure.

Holst has been an important part of Canadian assistance and Canada has generally been supportive of the fund, although there are those who have seen it in a less positive light. However, it is unlikely to figure large in future Canadian assistance.

Canada has also been involved in support for NGOs and a considerable number of small projects. The Canada Fund office in Ramallah, which makes very small disbursements with a ceiling of \$50,000 per grant, has been very effective due to the fact that everything is done locally with virtually no reference to headquarters. Most of the other donors do not have an equivalent mechanism for spending their budget - which in the case of the Canada Fund is approximately one million dollars - and the money is usually only available after several months following the exchange of numerous letters, notes and phone calls between the local office and its headquarters.

Other Canadian funding has gone to public health and to Canadian-Palestinian NGO partnerships. A limited amount has also been used for investment cooperation projects, although it is extremely difficult to convince people who are essentially banking officials that Gaza is a great place for investment.

Canadian development assistance in general has not targeted a single area, although the Swiss, for example, tend to concentrate on one particular area in order to establish an opportunity or some kind of presence. Other donors, such as the Swedes, spread their money all over the place based on what they see as good funding opportunities. In other words, there are two models for donors, of whom the majority, including Canada, try to find a balance somewhere between the two.

Canada also serves as a member of the 'steering committee' for international assistance for Palestine. Canada is a member of the Ad Hoc Liaison Committee (AHLC) because it is the RWG gavel-holder and technically the aid coordination structure flows from the steering group to the multilaterals. Canada is also involved in local aid coordination mechanisms.

When we think about Canadian political and aid policy in the coming couple of years, these are some of the issues that we should consider. What happens after 1998? None of the donors who agreed to provide for Palestine for the period 1994 to 1998 have yet committed to providing further support at the end of the five-year period, although this does not mean that no money will be available, only that until now no one has made any promises about what will happen. Between 1994 and 1998, everyone's aid budget shrunk by approximately six percent per year, which means that the aid budgets are in real terms 20 or 30 percent smaller than they were at the time of the signing of the Oslo Agreement in September 1993. The CIDA budget has also decreased, the reason being that the governments are trying to reduce their deficits by cutting virtually everything, including aid

budgets. Can assistance be maintained at its current level? I would not be surprised if the annual level fell a little and loans or more restrictive types of aid replaced some regular aid. When it comes to making decisions about whether to continue supporting the current levels of West Bank and Gaza assistance at the risk of cutting the aid to countries such as Egypt, Jordan or Lebanon because the CIDA Middle East budget has decreased, one has to be very careful to prepare oneself in advance for a lot of argument. Officials involved in the Egyptian program, for example, will be quick to point out that the Palestinian GNP per capita is 2.5 times higher than the Egyptian GNP per capita, and they will be very upset at any suggestion that the Egyptian program should be cut in order to support the one here. Officials working on aid to Yemen will also be quick to point out that Yemeni GNP per capita is one-third of the Palestinian GNP per capita while life expectancies are ten or 12 years shorter and literacy rates are half those of Palestine, and they will bring all these statistics to bear if anyone argues that support to Yemen should be cut in order to allow the financing of the West Bank and Gaza to continue. I do not mean to suggest that the West Bank and Gaza will not receive funds at the current levels, only that the Palestinians will have to come up with some very good counter-arguments about why they are more important than the people in other places in which aid agencies operate.

With regard to donor funding for UNRWA, in Canada and many other countries this is considered 'humanitarian assistance' and is a tradeoff against support for the Red Cross and for the UN High Commission for Refugees (UNHCR). There is only so much money to go around, and you have to make hard choices about who gets it and who does not. You have to make arguments why UNRWA is so important that ultimately you should give assistance not to the refugees in Rwanda or Burundi or Somalia and various other places, but to UNRWA.

It should be noted that many of the donors do not think that UNRWA is a well-run organization from the management point of view. The question is, do you force it to reform itself at a time when it is going through a crisis? And will UNRWA eventually be obliged to increase charges for its services, or will there be a gradual decline in the services it provides due to the fact that its budget has decreased? These are the types of questions that the donors must consider. One thing is clear: UNRWA will not disappear until there is a permanent settlement. On the other hand, it cannot possibly continue to do the job it is doing without making some drastic changes. Frankly, I do not think that UNRWA is capable of carrying out effective internal planning, simply because within a few hours of its decision-makers making any

decision, there is bound to be a leak and half an hour later, people will be out on the streets and the organization will be back at square one, trying to think of other options. UNRWA's current problems are numerous, to say the least. It has some 20,000 Palestinian employees, but due to the fact that its accounts are not very clear the donors often complain that they do not know where the money is going. UNRWA still has its own way of doing things, and every time there is an UNRWA pledging meeting, it comes up with a different figure for its deficit, and the donors turn around and say, "Hang on! You just told us six months ago that this was your figure!"

From the point of view of CIDA, there are several major questions pertaining to UNRWA: What is the appropriate level of funding? How much reform is desirable, and how should that reform be facilitated, i.e., through donor meetings, quiet dialogue with UNRWA, or by paying for a Canadian consultant to help straighten up the organization? The PA, for one, would like donors to pay their full commitment.

UNRWA and a Peace Settlement

It is true that UNRWA was asked to think about how the organization might terminate itself after 1999, i.e. after the final status agreements. In practice, nothing has changed, although there is no doubt that the donors and the PA are probably spending quite a bit of time thinking about what will happen; UNRWA provides a substantial number of services, all of which must be taken over by the PA or else the host governments. Whether or not all this thinking is reflected in the donors' foreign policy, I would not like to say. With regard to UNRWA's 'Peace Implementation Projects', these were an attempt to capture some of the money that was made available as a result of the peace process. The idea was that UNRWA would be able to package up all the things it had wanted to do but not had the funds to do in an attractive parcel and present it to the donors in order to obtain adequate funding. The problem with these projects is that there are substantial operating costs involved; it stands to reason that one cannot simply build a school or youth club and then expect it to run itself, but UNRWA, unfortunately, sometimes failed to include the operating costs in the project amount. In this context, it should be noted that practically no NGOs receive money for regular operating costs; instead, they include their regular operating costs in their project budgets, and UNRWA could certainly have learned a lesson had it looked at what they were doing. UNRWA in a sense was too honest and said here are the exact costs for building a school and we want that much money; it did not take into account the amount of money that was needed

over the next five years to maintain schools, hire qualified teachers, and provide other services.

As to the transfer of the UNRWA headquarters, this was a symbolic decision, made to support the PA. First of all, wages that would have been spent in Austria are now being spent in the West Bank and Gaza, which will most definitely help the current socioeconomic situation. I do not think that the move will make any difference to how the other actors view UNRWA as an international organization; the Lebanese still mistreat the Palestinian refugees in exactly the same way that they mistreated them in the past, the Syrians and the Jordanians still treat them fairly well as they did before, and UNRWA personnel are still UN personnel. But again, it is precisely the kind of issue one must think about when considering the issue of development assistance.

Political Relations between Japan and the Middle East¹

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Japanese policy in the Middle East, especially in regard to Palestine, has had relatively little to do with politics up until very recently. Nearly a decade ago, I had an opportunity to speak very closely with one of our prominent ambassadors who served in various places including the United States and the Middle East. He was once our ambassador to Saudi Arabia and he was telling me about how he had been called back to Japan from Riyadh to lead the trade negotiations with the United States, which were certainly no fun for Japan. In fact, the Ambassador said that it was one of the worst assignments that he ever had, but he added that at least it got him out of Saudi Arabia. Knowing what I did about the Middle East, I was very sympathetic. The Middle East was at the time no fun for anyone and in many ways living there was likely to become more difficult, which is why many people would prefer to live somewhere else.

There is some good and some bad news. The bad news is that Japan is not particularly fond of this part of the world, but the good news is that it still feels tremendous concern in regard to what is going on in the region. What makes the subject so complicated? As with most places, there are two obvious answers. One is geography - in this case post-strategic and economic - and the other is history, with the two being closely connected. If the Middle East were closer to Japan, its history and impact on it would be different. Europe and America are situated farther away in terms of purely geographic distance, but they are the source of the modern civilizations, whereas the Middle East, the cradle of some of the world's oldest civilizations, neither threatened Japan nor provided it with models. China, another ancient civilization, was a threat to Japan as well as a model, but the West gradually re-

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placed it over the past 150 years, during which Japan's record of contact with the Middle East was marginal.

The Japanese image of the Middle East was neither bad nor good. In general, there was a vague sense that something mysterious was happening in this part of the distant world because the Middle East is the point of contact of three of the world's greatest religions, that is to say Judaism, Christianity and Islam, which all emerged in the region. However, all those monotheistic religions were alien to the Japanese, their religious traditions and their way of thinking. Japanese people tend not to accept what are called absolute values or absolute teachings, and they are accustomed to thinking according to a common Japanese expression that means 'In a fight, both parties share the prey'. Some even argue that the era of monotheism had been replaced by the era of polytheism and that what Japan could contribute to the world was, like the case of computer science, this idea about religion.

In those post-Cold War years, there was a decline of Western prestige and ideological influence, which resulted in the rise of multiculturalism. While in the West people talked about the end of history or clash of civilizations, Japanese scholars were arguing that Japan had become a major economic power because of Shintoism and the spirit of tolerance and polytheism coupled with respect for labor. Now that the economic landscape has turned out dramatically black and the economies are being torpedoed one by one, some people are saying that the 'American Century' is likely to go on well into the next century. It is extremely difficult for the Japanese to become familiar with the Middle East. Of course, some Japanese accepted Christianity after encountering the West and deciding to follow its path in the process of our modernization, but this was mainly because the Christian West had conveniently separated the scientific knowledge from the idea of a whole. With regard to communication with other Japanese, the one million Christians in Japan are faced with a great handicap in their attempt to establish a dialogue, and the problem is how to find a common ground in the fundamentals of their respective religions.

In most ways, the Middle East differs from all parts of the world. In Japan, the same people have been settled where they are for thousands of years. In the Middle East, on the other hand, all kinds of different people have been coming and going throughout history, not only people native to the region but also people such as Alexander the Great, Julius Caesar, the Crusaders, Genghis Khan, Napoleon, etc; eventually, all the great conquerors of history left their marks here. In some cases they found or recruited local supporters, and in others, local supporters invited them in. The Middle East has been a theater for other people's wars, which is another reason

why Japan has tended to shun it. In short, the very odd political landscape of the Middle East is so confusing and troublesome that the Japanese prefer not to even think about it.

This lack of interest in the region is facilitated by Japanese ideas concerning Islam and the Moslems. Even in Southeast Asia, Japan, after occupying Malaysia and Indonesia, both of which have a large Moslem population, did not develop a positive attitude *vis-à-vis* Islam. Since then, the Japanese have turned their attention to economic growth and their contacts with the Southeast Asian countries were predominantly seen in economic and technological not religious and cultural terms. With the exception of the particular interests of area specialists, artists and historians, Islam and Moslems were not an object of attention for the Japanese. Although the oil shock of 1973 resulted in a lot of sudden attention being directed towards the Moslem World by the Japanese press, this was for economic and not military or other reasons. Since then, there have been a few international events during which Islam and the Moslems drew the attention of the Japanese, one of which was the report on the terrorist military and political activities of the so-called Moslem fundamentalists. This was of great importance to certain intellectual circles, as were the reports on various cultural conflicts; for example, the destruction of the great Buddha statues in Afghanistan by the Taliban, or the positions taken by the Moslem countries on issues related to the feminist movement. However, generally speaking, the complexities of the situation within which these fundamentalists operate and within which women's rights are discussed are not well reported to the Japanese public.

Another important reality that drew the attention of Japanese public opinion relates to the direct contact with Moslem visitors in different parts of Japan, especially the Moslems from Turkestan who sought political asylum and settled in Japan during the Japanese intervention in Siberia following the Russian Revolution. There are other things as well, such as the mosque built by Moslems in Tokyo, which was the first of its kind in Japan. The main thing, however, is the migration waves from different parts of the Moslem World, mainly from Iran and South Asia. At first, the Moslem refugees were not numerous enough to create a clear image of the Moslems, but the recent inflow of migrant labors in the 1980s and 1990s resulted in the forming of some negative images in the eyes of conservative Japanese. This is not only because some of those workers came to be involved in criminal activities such as telephone card forgery or drug trafficking, but also because there prevailed a distorted image idea that the Moslem workers were religiously handicapped when it came to competing with Japanese workers in the workplace. The fact that they stopped working in order to pray was difficult for the Japanese managers, for whom hard work for the company was

the only religious activity, to understand. One could say that the exposure to Moslem workers did not improve the lack of interest on the part of the Japanese towards Moslems and the Middle East.

However, the presence of the Moslem workers led to a realization that the Middle East as well as South Asia are not far away places with no direct links to Japan. There is even a large park close to the major shrine in the center of Tokyo where one could find signs in Persian indicating that the park closes at 8:00 p.m., the reason being that several hundreds of Iranian workers used to gather there to meet friends and exchange information. However insignificant this appears, it shows that those workers are now a part of the Japanese society and Japanese background. The problem is to make the Japanese fabric realize what this means in terms of human contact. Unfortunately, there are very few examples of contacts between the Japanese and the Moslem World, although they are bound to increase in a world where inter-dependence increases day after day. The question is how to make increased contact a basis for friendship and cooperation and not to fall victim to the racist anti-Moslem attitude that is frequently found in the West.

Here it should be pointed out that there exists a gap between the perceptual incongruity towards the region and actual concern regarding what is happening here. In recent years, Japan has become politically more and more visible in the region. Thus, in the last decade or so people have become used to the idea of Japan as a visible, if not active, political player in the region. Foreign policy is a complicated process in most countries, but the Japanese Constitution makes things even more difficult.

Today, very few Japanese are interested for example in Bosnia and Kosovo or Rwanda, although a few years ago, certain people in Tokyo took them very seriously. The Middle East is different. It is a part of the world that many Japanese take seriously for many different reasons in spite of the lack of familiarity and affinities I have already described. It is also a region where several different agencies make policy: for example, the Prime Minister's Office followed by the Foreign Ministry Office and the Ministry of International Trade and Industry known as MITI, etc. The Federation of Economic Organizations is also implicated in this. Of course, Japan is not the United States and therefore does not have to bother about the Pentagon, the CIA, the media, American Jews, American Arabs, etc. Yet, there are Japanese with an interest in war, peace, human rights, the global threat, the defense budget, the price of oil, the price of the yen, the price of the dollar, etc.

There are two basic components that have constantly played a major role in Japan's policy towards the Middle East. To put it bluntly, there is the American factor on the one hand and the oil factor on the other. When the international conditions were rigidly set by the Cold War structure, Japan was so heavily dependent on the Pax-Americana that people believed it was only natural for Japan to either take its lead unquestioningly from the United States or remain as inconspicuous as possible. In a way, the Japanese had no urge to change the existing framework in the Middle East or anywhere in the world for that matter, being content to merely follow American policy. In this sense, Japan was far more passive than the allies of the United States in Western Europe and it did not even try to lay the groundwork that was necessary in order to establish itself in the region. What happens in the Middle East has a way of affecting America and what affects Americans has a way of affecting other people, including the Japanese, and it is for this reason that the American factor came to represent a predominant political element of the Japanese attitude towards the Middle East.

Securing a stable energy inflow is a necessity of the utmost priority for Japan. This energy factor formulated the dominant economic element of the Japanese approach to the Middle East and up to a certain point in the history, the two factors mentioned above meant the same thing. The world oil market was controlled by major oil companies, which are predominantly American. Japan preferred the cheap oil provided by them rather than to invest in overseas or exploration ventures. There were, of course, exceptions like the case of the Arabian Oil Company, which was established in the late 1950s to produce crude oil in the neutral zone between Kuwait and Saudi Arabia. Japan's oil was perceived as being supplied by the Americans or Euro-American companies to be more precise and not by the Middle East itself. Therefore, Japan did not have to formulate its own stance with regard to the region. Washington expresses its demands and Tokyo complies - the same old pattern repeated itself over and again - and historically this was a reason for Japan to stay away from the Middle East.

What changed all this in a rather complicated way were the two wars in the region, mainly the October War (or Yom Kippur War) of 1973 and the Gulf War of 1991. The October War brought about the oil shock, which resulted in Japan having to face the oil embargo by the producing countries of the Arab World and becoming more than a little aware of its strategic vulnerability. One can argue that at this point Japan started to formulate more conscious policies towards the Middle East as the direct result of the American failure to assure the Japanese share. In fact, the shock led to the most rapid major diplomatic partnering between Japan and the United States since the establishment of their alliance relationship. For the first time, cir-

circumstances forced Japan to deal strictly on its own with a significant portion of the developing world, i.e., the Arab bloc. In other words, this was the beginning of Japanese awareness concerning the fact that it cannot distance itself from world politics such as the Arab-Israeli conflict and the Palestinian problem.

One can easily see that the Japanese interests here were already very complicated. Japan favored national independence for both Jews and Arabs. On the other hand, it wanted to maintain its strong ties with its single partner, the United States, which found it particularly easy to identify with Israel, not only because it is a democracy, but also because it is pioneer country, a country of immigrants. On the other hand, Japan's support for the American policy in the region had never been checked and Japan wanted to assure the flow of Middle Eastern oil for its own economy. The net result of this complication was the policy of the economic high profile combined with the political low profile in the region. Japan learned the lesson and was determined to become a major business player in the region, having realized that it could no longer be taken for granted that oil was something that could be obtained anytime from anywhere and that Japan has to deal with the reality and be more sensitive to the demands of the Middle East and the oil producing countries. Furthermore, the Middle East came to be a large promising market as well as a supplier of energy, so Japan had to decide what to do in order to become economically visible in the region. To find favor with the Arabs, Japan resorted to some sneakiness; official development assistance to Middle Eastern countries rocketed in the years that followed: from US\$10.6 million in 1970 to US\$89.2 million in 1975 and then to US\$339.8 million by 1978. Japan also gave *de facto* recognition to the Palestine Liberation Organization (PLO), which opened offices in Tokyo in 1976, and in 1981, Mr. Yasser Arafat visited Tokyo for the first time. Japan's policy was to consider the maintenance of a balance so as not to hurt the American position nor cause offense. Obviously, Japan attached enormous importance to ensuring that America remained its principal export market and alliance partner. Thus, Japanese policy has gone in some very different directions. In short, the more economically active it has become in the region, the more effort it has made to maintain a low political profile.

With the outbreak of the Gulf Crisis and the wars of 1990 and 1991, the landscape changed again. The Americans probably did the right thing when the Iraqis invaded Kuwait nine years ago - I was in Iraq before the Crisis and I can therefore say, based on personal experience and reliable information, that Iraq at the time was home to one of the most ruthless regimes on earth and probably is much more worse by now. It was a real danger to its neighbors, and the invasion of Kuwait was a clear act of aggression and

was likely to lead to more aggression that could have resulted in a direct confrontation with Israel and possibly non-conventional warfare in the region. I, like many other people, would be happier were an Iraqi opposition to get rid of the current regime, but there are real dilemmas because the concomitant sanctions against Iraq require international support and domestic consensus. Having said that, the mandate was to get Iraq out of Kuwait and make sure it stops threatening its neighbors, not to dismantle the country or overthrow the government. In other words, there is a line between any use of force as a sanction and forceful imposition of the will of one state. It is not easy to distinguish one from the other when it comes to a real situation such as Anglo-American bombing of Iraq, but at the very least, one should be aware that the line exists.

Despite contributing a total of US\$11 billion for logistical support for the coalition forces and an additional US\$2 billion in aid to the neighboring states and being one of the first countries to voluntarily decide to impose general economic sanctions against Iraq, Japan ended up being accused of doing too little too late. The government of Kuwait even failed to put the name of Japan on the list of the nations to which it feels obliged. This was indeed the trauma for Japanese policy-makers that eventually resulted in change. Such a lack of recognition was put down to Japan's traditional low profile policy in the region and it was decided that perhaps the conventional wisdom of keeping our heads down did not pay.

However, this disappointment was followed by a real opportunity for Japan to emerge politically as a visible player in the region. The Americans succeeded in persuading Israel, the Palestinians and other Arab states to come to Madrid in the late autumn of 1991. The same Americans came to ask the Japanese to take part in this Madrid formula and they responded in an uncharacteristic way. Since they had to pay a good part of the bill for the Gulf War, why not get the thanks and respect they deserved? Moreover, why should their financial contribution not be reflected by playing a more responsible role?

The traumatic frustration on the one hand and the modest ambition on the other are two sides of the same coin. Japan became the gavel holder of the Environment Working Groups as well as co-organizer of the working groups on regional economic development, water resources and the refugee problem in the multilateral talks of the Madrid formula. Japan is also a member of the steering committee that supervises the working groups and it takes part in all five.

When Japan paid US\$200 million to the Palestinians over two years following the signing of the Israeli-PLO Declaration of Principles (DoP) in September 1993, it did so in a dignified manner to satisfy its ego and be recognized as one of the agents promoting peace in the Middle East. The fact that Japan is no longer regarded as a bystander *vis-à-vis* the dispute is in itself an achievement, and of course, if the peace process results in success, a sizeable financial burden will be lifted from its shoulders. Nevertheless, Japanese policy-makers still face a puzzle, namely, how to achieve a balance in dealing with two basic aspects of Japan's Middle East policy which have the potential to constantly clash with each other - the American factor and the oil factor.

The Oslo process has in a way absolved the Arabs of responsibility, essentially in the case of the Palestinian problem. The decision of the PLO not only to conclude a separate understanding with Israel, but also to do so as a result of a secret process designed to exclude other interested Arab parties led to its breaking away from the Arab countries - for the first time it became legitimate to strike a separate deal with Israel. Consequently, Jordan was able to conclude its bilateral peace agreement with Israel in October 1994. Apart from Egypt, which has full diplomatic relations with Israel, the process of normalization of relations was at the time underway between Israel on the one hand and Morocco, Tunisia, Oman, Qatar, Bahrain and the UAE on the other. Negotiations between Israel and Syria and Israel and Lebanon were at the time under the direct auspices of the Americans. When this American venture to bring about a peaceful and stable Middle East is realized, Japan will not have to worry about its supply of energy because it can deal with the countries in the region one by one, separating one issue from another just as it does with its neighboring Asian countries or members of the European Union (EU). In other words, Japan will be relieved of its longstanding obsession with the idea that in the Middle East everything is so politicized and interlocked that anything could lead to another oil crisis.

Today, even with all the setbacks in the peace process, it is too difficult for Japan to imagine a return to deep-seated enmity between the Arabs as a block and the State of Israel. Even Syria seems to have no interest in the resumption of military confrontation with Israel and in the long run, Syria's Turkish interests seem to be best protected by maintaining good working ties with the Americans. Therefore, the Japanese think that the course towards peace in the region has already been fixed and that although it is occasionally blocked by a stupid leader of a certain country, it shall never be successfully torpedoed because it has crossed the point of no return.

Thus, as far as the Middle East Peace Process is concerned, the Japanese feel quite comfortable to find themselves in the same boat as the Americans. This does not mean of course that they are happy with the situation as it is now. The Palestinian dimension of the problem is still outstanding and Israel is apparently unable to decide what precisely it is willing to offer to the long-suffering Palestinians. The collapse of the Oslo process would represent a shameless squandering of the best opportunity to date to end the Arab-Israeli problem. The end of the current process would, of course, affect both Lebanon and Jordan, which would destabilize the whole regional game, particularly in Jordan with its large Palestinian population, a young king who has just acceded to the throne and its vulnerable economy. Certainly, Jordan will be the key to containing the regional threat of a decline in the fortunes of the Israeli-Palestinian track of the peace process.

Japan is determined to demonstrate its resolution to promote and consolidate the ongoing peace process, being aware that the success of the process will serve its own interests. However, there are still many problems, including that posed by Iraq. Iran, meanwhile, has been accused of seeking to disrupt the American-sponsored peace process, it has been criticized for insisting that Jerusalem must be Moslem, and the Americans have labeled Iran a prime sponsor of international state terrorism and accused it of seeking to develop weapons of mass destruction as well as conventional weaponry. The Japanese are aware of those accusations, and agree, in most cases, with the Americans, yet they tend to differ on what should be done concerning Iran. Washington has imposed economic sanctions on Iran, but these are only partly responsible for Iran's current economic difficulties, which are due mainly to the Iranian bureaucratic mismanagement and the depressed global price of oil. Japan, together with the European Union (EU) has rejected the American-imposed economic embargo on Iran and remains sharply critical of what it regards as a congressional effort to extend the sovereignty of the United States.

Moreover, Japan needs to plan its own long-term energy security policy with particular emphasis on Iran as it currently depends for more than 60 percent of the total energy consumption upon oil, 80 percent of which comes from the Persian Gulf. In addition, many of the Japanese companies have become multinationals and moved their production bases all over the region. It is time for Japan to face the fact that the American and Japanese strategies each have their own interests with regards to Iran or the Persian Gulf. Admittedly, American policy towards Iran seems to have been changing, although any US-Iranian dialogue is still in its early stages and in spite of the fact that informal means of communication have been established between the two governments, each is waiting for concrete action by the

other. At least both countries are trying to explore the possibilities for a new relationship.

The impact of the firing of a new long-range missile by North Korea late last summer caused everyone to panic. Iran's suspected combat effort to acquire those missiles provided a pathway for the argument that there is a secret axis involving Iran, North Korea and possibly Pakistan, and Japan has realized that assistance to Iran might indirectly help it and its allies to gain the technologies that will eventually threaten Japan's own security. Therefore, in this respect, Japan comes closer to the American position. Nevertheless, it seems unlikely that the potential collision of interests between Japan and the United States will emerge for some time to come, but it is important to bear in mind that differences exist.

Be that as it may, everyone will agree that the Middle East is dangerous and is likely to pose an increasingly dangerous threat to others. Second, some external power is required in the region and this inevitably means the United States, at least for the time being, whether we like it or not. Third, America is determined not to do it alone in the Middle East. As late as the 1970s, America could still afford to dish out billions of dollars for peace between Israel and Egypt, and in 1990, America was willing to deploy half a million troops in the Gulf, but a replay of those past scenarios is rather unlikely. Fourth, and related to this, the Americans need more than ever before reliable and responsible allies to work with in the region. In the case of Japan, one must be aware of the distance between what it can actually do and what people expect it to do, but at least it is moving forward by showing its willingness and determination.

