The Arab-Israeli conflict, and in particular the Israeli-Palestinian dimension at its core, has been one of the main stumbling blocks to progress towards regional cooperation, stability, and economic and political reform in the Mediterranean. It has also severely impaired confidence and trust building between the two shores of the Mediterranean. European policy initiatives for the Mediterranean have also failed to provide approaches and instruments to adequately deal with conflict. Consequently, what over the last fifteen years has proven to be one of the main obstacles to improved Euro-Mediterranean relations and to regional integration is bound to remain a major impediment. If Euro-Mediterranean cooperation is to make tangible progress and if Europeans are serious about fending off ‘soft’ security risks emanating from the region, Europeans have to make peace in the Middle East a priority. This is even more relevant because of the urgency created by the rapidly diminishing feasibility of a two-state settlement and the looming danger of a breakdown of the Palestinian Authority.

Currently all hopes are set on the US administration. While the approach of the Obama Administration to the Middle East peace process has not yet been fully revealed, so far it has concentrated on pressuring both parties to the conflict to fulfil their roadmap commitments. It has, above all, insisted that Israel halt all kinds of settlement activity and that Palestinians end violence. These are hardly new approaches, but the White House has started to pursue them with much more clarity and determination than during the George W. Bush years. In addition, a clear shift in policies has been enacted with regard to Syria, where President Obama has abandoned the isolationist approach of his predecessor and started to engage Damascus.

It would be wrong, however, to assume that the US President will be able to concentrate sufficient energy on the Middle East so as to achieve conflict settlement largely on his own. Europeans should therefore stop claiming a role as a ‘player’, and rather assume that role and vigorously engage in politics. Certainly, Europeans are in no position to substitute for...
the United States as the main power broker in the Middle East and in providing security guarantees, but they can and should assume a supportive role to move the talks forward, to influence the approaches taken and to offer concrete contributions to a final settlement that can help bridge the gaps between the parties in the region.

With regard to the Israeli-Palestinian track, Europeans should aim at giving fresh impetus to the resumption of final status talks. In parallel, they should engage in crisis management and the pursuit of inclusive state and institution building by credibly supporting Palestinian power sharing and ending the blockade of Gaza. Europeans should also stand ready to help advance the other tracks of the peace process, above all by addressing its Israeli-Syrian dimension. Here, Europeans should take measures that aim at long-term stabilisation and socio-economic development and at preparing ‘a soft landing’ for the Syrian regime. That would necessitate quickly ratifying and implementing the Association Agreement and complementing it with an ENP Action Plan.

The Arab-Israeli conflict, and in particular the Israeli-Palestinian dimension at its core, has been one of the main stumbling blocks to progress towards regional cooperation and integration, regional stability, and economic and political progress in the Eastern Mediterranean. It has also been a major impediment to confidence and trust building between the two shores of the Mediterranean. Since early on, the conflict has soured relations and impeded normal proceedings in the Euro-Mediterranean Partnership (EMP). It has moved the region further away from a ‘zone of peace, stability, and prosperity’ as envisioned in the Barcelona Declaration in 1995, rather than bringing it closer to this vision. Of course, other sources of instability and friction exist in the region. However, no single other factor has had so deep an impact.

Repercussions of conflict

Since the beginning of the millennium alone, the conflict has escalated into war or large-scale violence three times – in the Second Intifada, the 2006 summer war in Lebanon and the Gaza Strip and the 2008-2009 Gaza war. Repercussions of the conflict have most immediately been reflected in the form of a large number of refugees and high military expenditures in the region. The degradation of the conflict has also led to a weakening of states and central governments and the persistence and strengthening of armed non-state actors, as well as the inefficient use of both local and international resources for repeated reconstruction efforts and humanitarian aid rather than sustainable development – in particular in Lebanon and the Palestinian Authority (PA). It has also been manifest in the absence of comprehensive regional security structures that would include all relevant parties as well as in the dominance of a culture – prevalent among governments as well as societies – that is averse to Arab-Israeli but also intra-Arab cooperation. This has been concurrent with a majority of states in the Southern and Eastern Mediterranean being ‘strong’ only in terms of their repressive capacities, but not with regard to regulatory quality, government effectiveness, rule of law or control of corruption. The breakdown of the Oslo peace process and the escalation of the conflict has furthermore undermined the legitimacy of those regimes that have peace treaties (or are cooperating closely) with Israel, above all Egypt,
Jordan and the PA. This has prompted repeated restrictions of civil and political rights, the suspension of parliaments, the manipulation of elections through legal and illegal means, and has thus impacted negatively on the political openings enacted in the late 1980s and early 1990s.

In addition, the Arab-Israeli conflict has increasingly been interlinked with other conflicts in the region, above all the war in Iraq and its aftermath (e.g. via refugee communities and returning fighters) as well as the conflict with Iran over its nuclear programme and Iran’s increasingly assertive posture in the region. The most palpable repercussion of the conflicts around Iraq and Iran has been a stark regional polarisation between pro-Western Arab regimes (dubbed ‘moderate’ Arab states) led by Egypt, Saudi Arabia and Jordan (and including the PA) on the one hand and, on the other hand, a camp that embraces Iran, Syria, Hezbollah, and Hamas, all opposed to what they perceive as ‘Zionist and Imperialist schemes’ for the region. The latter like to portray themselves as the ‘front of resistance’ or the ‘front of steadfastness’. Furthermore, this polarisation as well as the Iraqi civil war has elevated the Sunna-Shia divide to new, political relevance. Both developments have not only been reflected in a stark socio-political polarisation in Lebanon and in the Palestinian Territories and negatively impacted on governance capacities there. The regional polarisation has also hindered conflict settlement and regional cooperation – and added another impediment to an effective nuclear non-proliferation regime.

The conflict has also entailed serious repercussions for Europe and for Euro-Mediterranean relations. It has added to the radicalisation of some individuals in Muslim communities in EU Member States (in some more than in others, depending, among other factors, on the national background and level of integration of migrant communities) – reflected in, mercifully to date only a few, terrorist attacks by Islamist terrorists in European cities. The conflict has also fuelled persistent accusations that EU Member States apply ‘double standards’ in their behaviour towards actors in the region and in their judgement of their actions. Among European publics, the recurrence of violence in the Middle East has reinforced the perception of Islam as a religion breeding violence, radicalism and fundamentalism. Xenophobia and Islamophobia have increased, and the conflict has thereby put additional hurdles in the way of overcoming perceptions of a clash of civilisations: a stand-off between the West (supporting Israel) and the Muslim world.

### Lack of conflict management and conflict resolution instruments in the regional initiatives

Not only have European policy initiatives for the Mediterranean suffered from the persistence of violent conflict: the Euro-Mediterranean Partnership (EMP), the European Neighbourhood Policy (ENP), and the latest undertaking, the Union for the Mediterranean (UfM) have also failed to provide approaches and instruments to adequately deal with it. In these frameworks, Europeans have followed an approach that was to be *complementary* to the Middle East peace process and aimed at providing an environment conducive to a durable peace, rather than offering instruments for directly dealing with conflict. In this,
Europeans have rather followed a post-conflict peace building approach aiming at regional cooperation and integration and confidence and partnership building measures. Such an approach certainly appeared to make sense at the time when the EMP was conceived in the first half of the 1990s, when the Oslo and Madrid processes were in full swing and the United States were actively mediating between the parties to the conflict.

However, as peace negotiations quickly ground to a halt – no substantial progress was achieved after the death of Yitzhak Rabin in November 1995 – Euro-Mediterranean relations also started to falter. The main reason being that Arab states did not want to engage in a cooperation that could be perceived as ‘normalising’ their relations with Israel as long as the latter did not end the occupation of lands conquered in 1967 and did not agree to a just solution to the refugee issue. Therefore, a ‘Charter for Peace and Security in the Mediterranean’ has been on ice for almost a decade now, and the few confidence- and partnership-building measures that have been realised within the framework of the Barcelona Process could not prevent the renewed outbreak of violence and the recurrence of war.

None of the latest policy initiatives that seek to adjust and upgrade European relations with the region, such as the ENP or the UfM, introduce any new instruments for conflict resolution or conflict management. Consequently, what over the last fifteen years has proven to be the main stumbling block to improved Euro-Mediterranean relations and to confidence building and regional integration – i.e. the Arab-Israeli conflict – is bound to remain a major impediment to closer cooperation between states on the Eastern Mediterranean as well as between Europeans and the region.

One of the original ideas of the Mediterranean Union, of course, was to get around this stumbling block by allowing for what has been termed ‘variable geometries’, i.e., a framework in which subgroups of countries are free to cooperate more closely on specific projects and policy areas if they so wish while others are free not to be part of these programmes. However, with the institutional set-up and preliminary procedures for project approval adopted in Barcelona and Marseille, regional conflicts will most likely continue to impede cooperation – as has been illustrated by the formal (if half-hearted and partial) suspension of all meetings having to do with the UfM by the Egyptian Co-Presidency in reaction to the war in Gaza. The adjustments made to the institutional framework of the Barcelona Process with the launch of the UfM, such as the introduction of a Co-Presidency and a permanent Secretariat, might be helpful in rectifying to a certain degree the perceived lack of ownership among the EU’s Southern partner countries. Other innovations, such as the recently introduced project areas, might, if indeed enacted, increase the visibility of Euro-Mediterranean cooperation. However, with regard to the region’s core conflict which presents a major stumbling block in the way of closer cooperation, the new structures and procedures (a Southern Co-Presidency; a Secretariat rather than the EU Commission being responsible for project identification, initiation and follow-up; the consensus principle applying to all aspects of the process, thus giving effective veto rights to every partner country) tend to increase the blocking potential than reduce it.

Thus, if Euro-Mediterranean cooperation is to make tangible progress, Europeans have to make peace in the Middle East a priority – even if, it must be said, current circumstances in the region are anything but promising.
Difficult conditions for conflict settlement

After the failure of the latest US-driven initiative for conflict resolution, the so-called ‘Annapolis process’, the breakdown of a six-month ceasefire between Israel and Hamas in December 2008 and the December-January war in Gaza, conditions for conflict settlement in the Middle East have not improved. As a direct consequence of the Gaza war, extremist forces have been strengthened further in both Israel and the Palestinian Territories. The likelihood of the parties in the region enacting a new round of peace talks by themselves is next to zero.

In Israel, following the February 2009 elections, a right-wing government has been ushered into power, for which the pursuit of a two-state settlement certainly is no priority. This remains true even though, under US pressure, Israeli Prime Minister Benjamin Netanyahu in a mid-June 2009 speech at Bar Ilan University finally conceded and spoke of a two-state solution. At the same time he insisted that Jerusalem remain the united capital of Israel, that the Palestinians recognise Israel as the State of the Jewish people, that the Palestinian State be completely demilitarised and that Israel would continue to ensure that settlers in the West Bank could ‘live normal lives,’ indicating his intention to continue building within existing settlements in order to accommodate the so-called ‘natural growth’ of the settler population. He also pointed out time and again that he considers the appropriate (and only realistic) way of dealing with the Palestinian question to be the improvement of living conditions in the West Bank and the achievement of what he has termed ‘economic peace.’

In Gaza, the military campaign did not deal a ‘decisive blow’ to Hamas as had been envisioned by the Israeli leadership. Although Israel largely destroyed Hamas’s military capacities, killed some of its cadres as well as some hundred fighters, and smashed parts of the tunnel infrastructure that connects the Gaza Strip with Egypt, Hamas has remained in firm control of the Gaza Strip. Also, as polls indicate, the overall popularity of Hamas has actually increased since the war and particularly so in the West Bank. There is no doubt but that Hamas remains an actor to be reckoned with.

In the West Bank, while President Mahmud Abbas and West Bank Prime Minister Salam Fayyad enjoy solid backing from the international community, they have been faced with increasing opposition not only from Hamas but also from the Fatah rank-and-file which saw their cadres, once more, underrepresented in a new West Bank government established in May 2009 under international pressure. Also, other PLO factions, such as the Popular Front for the Liberation of Palestine (PFLP) and the Palestinian People’s Party (PPP) have declared their opposition to the new government. In addition, arrangements for Fatah’s long-overdue Sixth General Congress – a meeting equivalent to a party convention, in which Fatah would elect its leadership and decide on changes to the party’s programme, but which has not been held for 20 years – were marred by serious disputes in the preparatory committee concerning the date and venue of the meeting (i.e., whether to hold it in the Palestinian Territories or outside, the latter allowing for representation of the Diaspora), but also over who would be picked to participate as well as the political platform to be adopted. In the end, the Congress took place in early August 2009 in Bethlehem. As expect-
ed, not all nominated delegates felt comfortable about entering the Palestinian territories for fear of arrest by the Israeli army. Worse still, the Hamas government prevented some 300 Fatah members in the Gaza Strip from participating in the Congress by refusing them authorisation to leave – against the backdrop of the arrests of some 800 Hamas members in the West Bank in the preceding weeks. The Congress adopted a new programme stressing negotiations and peaceful means to achieve independence, an end to occupation and the implementation of the right of return. It also elected new representatives to Fatah’s institutions, the Central Committee and the Revolutionary Council. At the same time, it avoided delving into an analysis of the party’s recent failures and problems, an in-depth discussion of the way forward or agreeing on a common stance towards Hamas.

Moreover, the territorial and political rift of the Palestinian body politic has been further deepened. Not only have there been two competing governments in the West Bank and the Gaza Strip, both with questionable legitimacy, since June 2007, but also, on 9 January 2009, the term of office of the Palestinian President expired according to the Palestinian Basic Law. Hamas has since no longer recognised the authority of President Abbas, and rather (as the Speaker of Parliament, who according to the Basic Law would be the Acting President, was imprisoned in Israel until late June 2009) considered the Deputy Speaker of Parliament, Ahmed Bahar, a Hamas figure, to be Acting President.

Reconciliation talks between Palestinian factions mediated by Egypt have achieved some progress, above all, an agreement to hold elections early next year. But so far they have not yielded any tangible results on the most important points of contention: a unified security apparatus, a restructured PLO including Hamas, the electoral system to be adopted for parliamentary and presidential elections preliminarily scheduled for January 2010, as well as the programme of an interim government comprising all factions (or being backed by all factions.) As positions on these issues have seemed to remain irreconcilable, Egypt has proposed to maintain the two Palestinian governments for the time being and to form a coordinating committee in which both cooperate in order to prepare for elections and solve some of the more practical questions, e.g. related to Gaza reconstruction. Palestinian public opinion has strongly favoured national reconciliation and a return to a national unity government. Still, as it seems, the disincentives working against compromise have had a stronger effect. Hamas and Fatah have both been reluctant to engage in a process in which each side fears losing control over the territory it currently commands, this fear being compounded by the deep mistrust between the two parties.

**A new US approach?**

An additional reason for lack of progress in the Cairo talks has been that the incentives offered by the international community have not worked in favour of national unity but have rather entrenched the rift. Not only have the US and the EU officially stuck to the three ‘Quartet criteria’ – renunciation of violence, recognition of Israel’s right to exist, commitment to all agreements signed by the PLO and Israel – as a precondition for dialogue and cooperation with any new Palestinian government or interim body, thus casting doubt on the sincerity of repeated declarations encouraging Palestinian unity. The international community also did not acknowledge the progress contained in the platform adopted by
the short-lived Palestinian National Unity Government (March-June 2007) which was going to de facto work within the Oslo framework and in which Hamas had agreed to empower the Palestinian President to pursue peace negotiations. Rather it has kept on insisting – in a completely unrealistic expectation – on some sort of official and explicit declaration in which a Palestinian governing body bows to the Quartet conditions.

Europeans and Americans have also carried forward their ‘West Bank first’ approach aimed at backing Mahmud Abbas and sidelining Hamas – and have thus, at least implicitly, supported the far-reaching Israeli blockade on the Gaza Strip. While the international donor community showed great dedication to rebuilding Gaza and ongoing support of the PA by pledging some five billion US dollars at a March 2009 donor conference in Sharm al-Sheikh, it has failed to translate that commitment into efforts aimed at establishing the necessary conditions for reconstruction to begin. Rather, it has mainly provided increased support for the Ramallah government. As a consequence, seven months after the war, while some basic goods and materials have been allowed into the Strip, next-to-zero progress has been achieved with regard to a permanent reopening of Gaza’s border crossings. Rather, Gaza has remained almost completely closed off. Serious reconstruction efforts have not even begun and the humanitarian situation has remained dismal. Europeans and other donors have, for months, not even been able to transfer salaries to PA employees in the Strip.

Early in his Presidency, US President Barack Obama announced that he wants to engage ‘aggressively’ in favour of Middle East peace making and he has taken some encouraging steps in that direction. As one of the administration’s first appointments, he nominated Senator George Mitchell as Special Envoy to the Middle East and has meanwhile sent him to the region several times. This appointment has not only raised hopes for a more inclusive approach to the Palestinian scene (based on George Mitchell’s successes with regard to the peace process in Northern Ireland, the decommissioning of IRA weapons, and a power sharing arrangement), but also with regard to tougher stances on Israeli settlements in the Palestinian Territories (based on the recommendations in the April 2001 ‘Mitchell Report’ or ‘Sharm al-Sheikh Fact-Finding Committee Report.’) While the approach of the Obama Administration to the Middle East peace process has not yet been fully revealed (or even conceived), some elements have started to crystallise. It has become clear that the US administration will aim at a settlement of the Israeli-Palestinian conflict on the basis of a two-state approach. President Obama has even defined that as a US national interest. Contrary to Israeli attempts at conditioning progress on the Israeli-Palestinian track on progress with regard to preventing Iran going nuclear, the US wants parallel efforts on both tracks. In this, the new administration wants to build on the shared interest of its Arab allies and Israel in blunting the perceived threat from Iran so as to advance confidence building in the region. It is thus encouraging Arab states to amend the 2002 Arab Peace Initiative, by advancing the process of ‘normalisation’ with Israel even before peace agreements are signed or implemented, in view of making it more palatable to Israel and with the aim of encouraging the Israeli government to take practical steps towards the establishment of a Palestinian state. At the same time, the US has concentrated on pressuring both parties to the conflict to fulfil their roadmap commitments. It has, above all, insisted that Israel halt all kinds of settlement activity (i.e., freeze all settlement construction, including so-called ‘natural growth’ and remove all settlement outposts established since March 2001) and that Palestinians end violence. It has also started to attend more to the humanitarian situ-
ation in the Gaza Strip and continued its efforts at strengthening the security apparatus of the PA in the West Bank. These are hardly new approaches, but the White House has started to pursue them with much more clarity and determination than during the George W. Bush years – in particular with regard to the settlement issue. In addition, a clear shift in policies has been enacted with regard to Syria, where President Obama has abandoned the isolationist approach of his predecessor and started to engage Damascus.

The US President has also incorporated these policies into a more comprehensive approach which stresses the linkages between the conflicts in the region and therefore, after the disastrous policies of the Bush administration, not only seeks a new beginning between the US and the Muslim world in general but, in more concrete terms, aims at mid-term troop withdrawal from Iraq, stronger engagement in the fight against terrorism in Afghanistan and Pakistan, and diplomatic efforts at resolving the nuclear issue with Iran, to name but the most important objectives. In his June 2009 speech in Cairo, he therefore stressed mutual respect rather than conflict, his reading of Islam as a religion of tolerance and progress, his willingness to engage in diplomacy without preconditions and in pragmatic cooperation based on mutual interests. This demonstrates a clear shift away from the ‘with us or against us’ approach of the Bush administration. He has also paved the way for a renewed, more even-handed US engagement in the Middle East peace process. While stressing the strong and unbreakable bonds between the US and Israel, he expressed strong empathy with the Palestinians – acknowledging the suffering of the Palestinian people as a result of dislocation and occupation and stressing that such suffering as well as the humanitarian crisis in the Gaza Strip do not serve Israel’s security. He reiterated his clear commitment to a two-state settlement and promised to personally pursue this outcome based on the roadmap. He also stressed that both sides had to fulfil their roadmap obligations and, above all, that Palestinians – including Hamas which he acknowledged as a political actor supported by a sizeable part of the Palestinian population and who he urged to act responsibly – had to abandon violence, and that Israel had to stop settlement building.

It would be wrong to assume, against the backdrop of the plethora of foreign policy challenges with which the US President is faced, that he will be able to concentrate sufficient energy on the Middle East so as to achieve conflict settlement largely on his own. Europeans should therefore stop claiming a role as a ‘player’, and rather assume that role and vigorously engage in politics. Certainly, Europeans are in no position to substitute for the United States as the main power broker in the Middle East and in providing security guarantees, but they can and should assume a supportive role to move the talks forward, to influence the approaches taken and to offer concrete contributions to a final settlement that can help bridge the gaps between the parties in the region. With Barack Obama, they have a President in the White House who is willing to engage in cooperation with the EU and its Member States in order to pursue a two-state solution and comprehensive peace in the Middle East.

A precondition for a more active European role would not only be close coordination with the new American President, but, first and foremost, the willingness and capability of Europeans to jointly take on responsibility. So far, the EU track record has been anything but convincing in this respect. After the US elections, Europeans hesitantly stood back rather than attempting to fill the vacuum between administrations. Also, during
the war in Gaza, the EU as a whole proved incapable of acting swiftly, vigorously and cohesively and thus working convincingly towards bringing about an early end to the bloodshed and ensuring respect for international humanitarian law. Since the advent of the new US Administration, European government officials have been in close contact with their American counterparts. They have tried to influence the American policy review and offered to back up a renewed US engagement with complementary activities. In this endeavour, they have, however, failed to forge a united EU stance on issues on which they are deeply divided, above all, on how to deal with Hamas and the situation in the Gaza Strip and on how to push the peace process forward with a more effective European diplomacy. Europeans should think about tasking a group of states – be it the Quintet (France, Great Britain, Germany, Spain and Italy) or the Trio Presidency – together with the High Representative for Foreign and Security Policy with leading the effort of rethinking their policy approaches and seeking a more effective coordination and division of labour with the new US administration.

This is even more relevant because of the urgency created by the rapidly diminishing feasibility of a two-state settlement and the looming danger of a breakdown of the PA. Not only are intensified efforts needed to reinvigorate Israeli-Palestinian negotiations, but Europeans should also stand ready to pursue Palestinian state-building efforts and help advance the other tracks of the peace process, above all, by addressing its Israeli-Syrian dimension.

### Making Middle East peace a priority

With regard to the Israeli-Palestinian track, three policy revisions concerning the way in which Europeans (and their partners in the Middle East Quartet, the US, Russia and the UN) currently deal with the conflict are crucially important. They should aim at reinvigorating final status talks in parallel with crisis management and the pursuit of inclusive state and institution building by credibly supporting Palestinian power sharing, ending the blockade of Gaza and moving to comprehensive conflict settlement.

### Credible support for Palestinian power sharing and inclusive institution building instead of isolation of Hamas

Efforts at conflict management will hardly be successful if Europeans (and their Quartet partners) keep on trying to work around Hamas and stick to a formal acknowledgement of the Quartet criteria as pre-conditions for dialogue and cooperation. Rather, Europeans should clearly support a renewed power-sharing arrangement between Hamas and Fatah in order to clear the way for the preparation of elections, to provide the President with renewed backing for negotiations and to find an understanding on the manning of the Palestinian side of the Rafah crossing. Such an arrangement, even if only partial, would be one of the necessary conditions for the reopening of the border crossings, an eventual redeployment of European border monitors (EU BAM Rafah), and for reconstruction to begin.

In this context, European support for Egyptian mediation efforts between the Palestinian factions should be more explicit than to date by signalling a clear preference to coop-
erate with a Palestinian (interim) body supported by all relevant factions. Also, contacts with Hamas, even if the movement remains on the European list of terrorist organisations, should not be conditioned on them declaring their adherence to certain stances. While, for some time, individual European politicians have started to talk to Hamas representatives, the June 2009 Council Conclusions for the first time signal a shift in the official European attitude as they no longer insist that the Quartet criteria be met as a precondition for cooperation and instead ‘... call[s] on all Palestinians to find common ground, based on non-violence, in order to facilitate reconstruction in Gaza and the organisation of elections.’ Europeans should follow through with this line and clearly signal that EU cooperation with a Palestinian (interim) body will first and foremost depend on ‘a cessation of violence’ and on this body undertaking ‘visible efforts on the ground to arrest, disrupt, and restrain individuals and groups conducting and planning violent attacks on Israelis anywhere,’ as has been formulated in the 2003 Roadmap to peace in the Middle East. Also, ‘such actions should be accompanied by supportive measures undertaken by Israel.’ If the US administration could be convinced to be on board for such an approach, the signal, of course, would be much stronger.

So far, Europeans and Americans have refrained from changing their stance on Hamas mainly on the grounds that the inclusion of Hamas – as Israel has warned – would prevent progress in Israeli-Palestinian talks. The fact of the matter is, however, that Mahmoud Abbas cannot continue to talk peace with the Israelis when they are at war with Hamas (or the Gaza Strip), and he will always be discredited as lacking control and not being able to muster support for and implement any agreement as long as he is not empowered by a majority of the factions and does not have the backing of a substantial part of the population. In addition, Hamas has the power to spoil any progress in talks – if such progress were indeed to occur – as long as it does not have a stake in it. Inclusion in a national unity government and participation in elections, based on a system that would ensure that the loser would remain part of the political game and the results of which the international community would not undermine but endorse, could provide such a stake.

Moreover, institution building in the Palestinian Territories – an endeavour which Europeans have supported since the early Oslo years in view of building the nucleus of a Palestinian State – cannot make real progress as long as the split within the PA continues. Palestinian security services are a case in point here. Over the last few years, Europeans and Americans have concentrated on building Palestinian capacities in the security sector. This, while restricted to the West Bank, for sure, has been an important and necessary endeavour to enable Palestinians to maintain law and order, to fulfil their roadmap commitments and to prepare for statehood after much of the Palestinian security infrastructure had been destroyed in Israeli reprisal raids in the Second Intifada and against the backdrop of the plethora of Palestinian security services – a legacy of Arafat’s security governance. And indeed, the progress made with regard to ensuring order in the West Bank has been impressive. However, the legitimacy of these efforts has been strongly undermined in the eyes of many Palestinians as the process has largely been controlled externally and Pales-

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2. ‘A Performance-Based Road Map to a Permanent Two-State Solution to the Israeli-Palestinian Conflict by the Quartet (The European Union, United States, the Russian Federation and the United Nations),’ 30 April 2003.
tinians have perceived it as primarily serving Israeli security interests and as bolstering one Palestinian faction against another rather than aiming at ending the occupation and building a Palestinian State.

The hope expressed by the Europeans that the Palestinian civil police – on which European efforts concentrate – would evolve into an efficient, legitimate, and democratically controlled body will hardly be realised in a political context of a defunct parliament, contesting governments in the West Bank and Gaza Strip and continued Israeli military operations in Palestinian cities. Thus, while support for Palestinian security forces is crucial, it cannot be seen separate from the ongoing occupation and the Palestinian power struggle. Such support will only be perceived as legitimate if it takes place in view of preparing for independence and if accomplishments with regard to fulfilling roadmap commitments can be translated into political gains in negotiations with Israel. On top of this, as long as the split in the Palestinian polity endures, no effective oversight or democratic control of the security services can be established, which in turn will continue to undermine the reputation of the Palestinian police. In a more general sense and as a principle, European institutional support should not follow the dictates of political opportunism but should rather be oriented toward transparency, adherence to the rules of democracy, and the strengthening of government structures rather than political figures.

Revising the ‘West Bank first’ approach and ending the blockade on the Gaza Strip

Some seven months after the end of the Gaza war, while there has been some European and US support to combat arms smuggling into the Strip, and while billions of euro have been pledged, humanitarian aid and reconstruction efforts have lagged behind terribly – above all, because the blockade on Gaza has remained in place. So far, no tangible progress has been achieved on a mutual ceasefire between Israel and Hamas and on an exchange of the kidnapped Israeli soldier Gilad Shalit and Palestinian prisoners. The blockade, in turn, has not weakened Hamas. On the contrary, it has generated additional income for Hamas through taxation of the tunnel trade, and it has further increased Hamas’ control over the Gaza Strip’s population – by controlling imports and by cutting off almost completely independent reporting on the situation in the Strip. It is hard to imagine that the continued blockade and the prohibition on any non-essential items legally entering the territory through the Karni and Kerem Shalom crossings will lead to a moderation of views and restore hope among Gazans that a future is possible in which two states live peacefully side by side.

It is also an illusion that genuine stabilisation could be achieved or peace be made without including the Gaza Strip – the people in the West Bank and Gaza are too closely interlinked, and the repercussions of actions and events in Gaza on the West Bank and vice versa are too strong.

Europeans and Americans therefore should strongly back Egyptian mediation efforts between Israel and Hamas for a mutual ceasefire and work with Israel towards the implementation of the 2005 Agreement on Movement and Access (which is to safeguard movement
of people and goods to and from the Gaza Strip and maintain connections between Gaza and the West Bank) rather than pouring ever more funds into the Palestinian Territories. As assessments of the World Bank and other international financial institutions point out, regardless of the amount of foreign support, there will not be any sustained economic upturn in the Palestinian Territories unless the blockade on the Gaza Strip is lifted and restrictions on movement in the West Bank are drastically reduced. While Israel has, under US pressure and in accordance with Benjamin Netanyahu’s approach of an ‘economic peace,’ lifted a considerable amount of road blocks in the West Bank since June 2009, so far, no tangible progress has been achieved with regard to the blockade on the Gaza Strip.

Moving from conflict management to conflict settlement

Europeans should strongly back the US President in his endeavour to re-open a political perspective, i.e., the negotiation and implementation of an Israeli-Palestinian peace accord in the foreseeable future, without which it is rather unlikely that another round of violence will not erupt soon, without which those Palestinians that stand for a negotiated solution will be unlikely to survive politically much longer and without which a negotiated settlement might no longer be achievable at all.

In fact, we are faced with a paradox situation here: while a two-state arrangement has by now been internationally acknowledged as the only realistic way to settle the Israeli-Palestinian conflict and is, in principle, supported by a majority in both societies, its realisation is fast becoming elusive. This is not only the case because the territory foreseen for a Palestinian State is becoming ever more fragmented due to continued construction of settlements and settlement infrastructure and the separation barrier in the West Bank as well as the territorial and political separation of the West Bank and the Gaza Strip. It is also the case because over the last few years, with each war, the radicalisation of societies has increased, radical forces have gained popularity, and the room for manoeuvre and compromise of those engaged in negotiations and attempts at peaceful conflict management has been reduced. In this context, alternatives to the two-state option have been increasingly discussed. The binational state, i.e., both people living on equal terms in one state, may seem an attractive model – but it is not a realistic option to end the conflict as an overwhelming majority of Israelis rejects it because it fears that in the mid-term, due to demographic developments, the character of Israel as home and safe haven for Jews would be endangered. Other alternatives, such as an Egyptian trusteeship of Gaza and a similar Jordanian role in the West Bank would not satisfy the national aspirations of the Palestinians, would not solve other final status issues (Palestinian refugees, Jerusalem, water, etc.) and would run the risk of jeopardising existing Israeli-Egyptian and Israeli-Jordanian peace agreements and so further de-stabilising the region. Ultimately, while a two-state settlement is no guarantee of an end of the conflict, it is the only option that takes into account both people’s national aspirations and – with international support – security interests.

Experience shows that the international community will have to come up with a more effective approach than it has managed to do to date if it wants to see success. Parties in the region, if left to their own devices, have demonstrated that they are not able to reach a consensus with regard to a final status settlement and are most unlikely to be able to extract themselves from the vicious cycle of violence and mutual mistrust in the future. Therefore,
the international community should step in more forcefully and inject hope - and provide a platform around which those longing for peace in both societies can assemble. In more concrete terms, there is a need for much stronger external mediation and chaperonage of the process, that actively and consistently helps the parties overcome their differences and move towards a settlement. Most importantly, such a new approach would involve moving from crisis management (or administration) to crisis solution (or settlement) on the Israeli-Palestinian track – as has been suggested by the EU High Representative for the Common Foreign and Security Policy Javier Solana in a July 2009 speech in Oxford.

This would include three main elements:

1. the provision of a bridging proposal or a blueprint for a final-status document, i.e., a draft agreement that sketches out the main elements of a settlement – the contours of which are well known – based on the relevant UN resolutions and derived from earlier negotiations (the 2000 Camp David II talks, the 2001 Taba negotiations, as well as the unofficial 2003 Geneva Accords) that can serve as a foundation, leaving the parties to negotiate the details rather than the principles of a settlement;
2. monitoring of the parties’ compliance with interim commitments leading to a final settlement and sanctioning non-compliance; and
3. concrete offers of security guarantees as well as a presence on the ground to oversee, and, if need be, help to enforce, the implementation of a final-status agreement as well as support for addressing other final-status issues, such as the refugee question. While security guarantees for Israel would have to be provided by the US, Europeans should think about their contribution in terms of troops and/or monitors in the West Bank to oversee the implementation of a two-state settlement.

The approach that Javier Solana suggested in July, i.e., to pursue negotiations with much stronger mediation by the international community than to date and, in the case that the conflicting parties would not make sufficient headway towards an agreement by a fixed date, to endorse an internationally-backed agreement and proclaim a two-state solution through a Security Council resolution, is definitely worth considering. However, a Security Council resolution as such would not solve the problems that have hampered progress so far. Not only would there still be a need for strong and effective mediation to sort out all the details of a final status, but there would also have to be a mechanism to guarantee implementation. Manifestly, there is no lack of Security Council resolutions on the Middle East. There has been a lack, though, of political will for implementation. Consequently, first and foremost, such an approach would require that Quartet partners be willing to see the implementation of an agreement through. That would imply sanctioning non-compliance and the use of force. In this context, Europeans and Americans should think about incentives and disincentives to influence the parties’ behaviour by increasing the cost of occupation and the use of violence while raising incentives for conflict settlement. On the EU side that would imply, for example, linking the upgrade of relations with Israel, that was decided in principle in December 2008, to a complete cessation of settlement construction and concrete steps to ending the occupation. In fact, EU foreign ministers took a first step in this direction when, in June 2009, they postponed the implementation of the upgrade
for the time being. It would also necessitate thinking about how to better enable the Palestinians to fulfil their roadmap commitments.

In the end, Europeans have the choice between, on the one hand, taking a back seat and administering the conflict (with continued inefficient spending of tax payers’ money) and, on the other, taking on responsibility and strongly engaging in efforts towards a two-state settlement and elevating peacemaking to a top priority in their relations with Israel and the Palestinians.

In the same spirit, others could add to the enticements: Arab states’ representatives, for example, could restate the 2002 Arab Peace Initiative and their offer for recognition of Israel as well as detail what peaceful, good-neighbourly relations with it would look like in the context of a final status settlement. However, to set one’s hopes on the Arabs going out of their way to make conciliatory gestures by offering symbolic steps strong enough to reassure Israeli public opinion and the Israeli government, such as high-level visits to Jerusalem or diplomatic recognition, not in return for peace but as an advance, indicates little understanding of realities in the Arab world and the strains the war in Gaza has brought to bear on the so-called moderate Arab states.

Comprehensive peace

Efforts on the Israeli-Palestinian track should be complemented by engaging on the Israeli-Syrian track. Here, several rounds of indirect negotiations facilitated by Turkey took place in 2008. The Obama administration, while maintaining sanctions on Syria, has begun to de-freeze relations with Damascus by repeatedly sending high-level envoys to the Syrian capital, by announcing the nomination of an ambassador after the post had remained vacant for four years in June 2008 and by backing a continuation of Israeli-Syrian talks. Indeed, no substantial progress is to be expected in such talks as long as they remain indirect and as long as the United States is not involved. As is the case with the Israeli-Palestinian track, Europeans might be able to assume a supportive role to move the talks forward and to influence the approaches taken, but they will not be in a position to substitute for the United States as the main power broker and in providing security guarantees.

It is definitively worthwhile exploring options for a peaceful settlement in direct negotiations between Israel and Syria. Indeed, not only do both sides have an interest in such a process. A peace agreement would also positively reflect back on the region as a whole. In this context, Israel, the United States and Europe should avoid the mistake of making Israeli-Syrian negotiations conditional on an end to the close Iranian-Syrian relationship. The logic of Middle East dynamics works, in fact, the other way round: if Syria makes peace with Israel, this will contribute to an overall calming of the region, it will have a restraining effect on the militant Palestinian groups based in Damascus and it will make a permanent pacification of the Israeli-Lebanese front possible. Also, the interests of Iran and Syria would automatically converge less strongly than is the case today. In addition, it is in the interest of Europeans, the US and the region to stabilise rather than to destabilise Syria – a country that is geographically sandwiched between several conflict zones, that suffers from the repercussions of these conflicts, above all through the massive influx of refugees, and whose stability must be ensured to prevent a regional flare-up.
Therefore, Europeans should continue to support measures that aim at long-term stabilisation and socio-economic development and at preparing ‘a soft landing’ for the Syrian regime. For Europeans that would mean quickly ratifying and implementing the Association Agreement which has been negotiated and initialled already several times and complementing it with an ENP Action Plan. EU-Syria relations based on an Association Agreement and an Action Plan would also put Europeans in a better position to push Syria to accelerate administrative and economic reform. In this, Europeans can also be helpful in devising and applying urgently needed targeted social policies to alleviate the effects of structural adjustment, effectively fight against poverty and fend off social unrest. At the same time, economic and administrative reform is unlikely to see tangible progress without accompanying steps towards establishing the rule of law, greater accountability, and a less authoritarian climate than that currently prevailing and which stifles creativity, entrepreneurship and networking. Once enacted, Europeans should therefore make use of political dialogue in the framework of the Association Agreement to push for a gradual opening up, the implementation of steps towards political reform and human rights guarantees while at the same time using opportunities to engage carefully in capacity building among civil society organisations and supporting reform-oriented actors in the administration.