

The Israeli-Palestinian Conflict 2010: Obama in Charge

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The Setting: Obama's New Middle East Approach, His "Cairo-Vision" and the Second Term of Benjamin Netanyahu

On 2 September and 14 September 2010, direct negotiations between Israeli Prime Minister Benjamin Netanyahu, Palestinian Authority Chairman Mahmoud Abbas and United States President Barack Obama took place in Washington with the ultimate aim of reaching an official "final status settlement" to the conflict by agreeing on a two-state solution. At the end of the same month, the direct talks ended when Israel failed to renew the 10-month settlement freeze that had been in place since November 2009 and the Palestinians failed to recognise Israel as a Jewish state as a precondition for continuing the peace talks. None of the efforts made by different actors on all three sides over the rest of the year were able to bring the three parties back to the negotiation table.

Obama's speech in Cairo on 4 June 2009 was widely seen as a new beginning for US relations with the Muslim world, not only after the eight years of the proceeding administration but, as Obama stressed at the very opening of his speech, after decades of alienation and mistrust during the Cold War. Throughout the region, hopes for the new president's Middle East policy were high. The Pal-

estinians, especially, hoped for a more "even-handed" approach and an intensified engagement.

In many regards, Obama meant to mark a turning point in US-Middle East relations: he advocated for renewed trust and confidence between the parties and the US, while once again attempting to transform the image of the US into that of a serious and honest broker for peace and democracy. As a consequence, his unusual decision to tackle the Israeli-Arab peace process at the beginning of his term by "actively and aggressively seek[ing] a lasting peace between Israel and Palestinians, as well as between Israel and its neighbours"¹ became a litmus test for his new relations with the Middle East. In one regard, though, Obama used the speech to reinforce a strategic change undertaken by the previous administration. While the Bush administration did not give high priority to the Arab-Israeli conflict until the Annapolis Process, in her last year in office Secretary of State Condoleezza Rice did confirm that solving the Arab-Israeli conflict was in the US administration's strategic interest. The US has been an important player in the region for decades, pursuing three main goals: energy security, Israel's security and regional stability. However, since the deployment of over 230,000 US soldiers in the region,² the third goal has taken on new meaning, particularly with respect to America's global reputation and internal politics. The Arab-Israeli conflict was seen as paramount to US strategic interests because success in achieving peace between Palestinians and Israelis seemed to be key to making progress on pressing challenges for the US in Iraq and Afghanistan, the difficult situation with Iran and, indeed, more sweeping issues, such as the need for political reform in a generally repressive region.

¹ Michael D. SHEAR and Glenn KESSLER, "Obama Voices Hopes for Mideast Peace in Talk with Al-Arabiya TV," *Washington Post*, 27 January 2009.

² www.globalsecurity.org/military/library/report/2010/hst1003.pdf. (The number includes Iraq.)

Obama followed up on this by calling the Arab-Israeli conflict the second-largest cause of tension, ranking behind only the US military missions in Afghanistan and Iraq and before the international conflict with Iran.³

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The US administration was therefore left in the position of not only being first and foremost the guarantor of Israel's security and an overarching regulatory power in the region, but also (somehow) having to voice its own interests. In addition, in his Cairo speech Obama cited what was, in his view, the largest hurdle on the Israeli side – the settlements.

Negotiations Between Israelis and Palestinians on the Washington-Jerusalem Axis

When Benjamin Netanyahu started his second term as prime minister on 31 March 2009, it took him a while to adjust to the new US administration's policy. In June 2009, he responded to the perceived changes with what seemed a significant change in his stance on the peace process. In a speech on 14 June 2009 at Bar Ilan University, he endorsed the building of a Palestinian state. At the same time, he must have been keenly aware that his first term in 1999 ended when he lost his own coalition's support, and he thus reached out to his own constituency by stating that there would be no settlement freeze in East Jerusalem.⁴ This change was widely seen as an outstretched hand towards the US, especially after special envoy George Mitchell had put immeasurable effort into preparing proximity talks. In the meeting between

Obama and Netanyahu on 18 May 2009 prior to the speech, the Obama administration made very clear that support for the Israeli position on Iran was linked to the peace process,⁵ that all building activities in the settlements were to be halted, and that the current administration would not abide by a 2004 letter to former Prime Minister Ariel Sharon in which then President George Bush agreed to allow Israel to retain major settlements. After Netanyahu returned to Israel, he briefed the Knesset on his visit and repeatedly disagreed with a settlement freeze. At the same time, however, he began to dismantle illegal outposts, a decision that was met by resistance from the settlers and arguments with the pro-settlement parties in his coalition. Thus, Netanyahu's Bar Ilan speech represented a compromise between his government and strong demands from the US and was seen as a response to Obama's Cairo speech, coming, as it did, only a few weeks later.

On the heels of strong diplomatic efforts during the fall and faced with resistance from large swathes of his coalition, Netanyahu imposed a 10-month settlement freeze on 26 November 2009. The freeze excluded East Jerusalem, infrastructure, schools and synagogues and permitted the completion of apartments and buildings that were already underway.

From the Palestinian perspective, the substantial pressure on Israel to freeze the settlements can be seen as an instrument of the US administration to regain the trust of both Abbas and the Arab League. While the Bush administration set the tone of negotiations in sync with the Israeli side by demanding a halt to all terror attacks from the Palestinians as a precondition for direct negotiations, the Obama administration turned this formulation around. Agreeing with Abbas, Obama insisted that no direct negotiations should begin before the Israeli side had ceased settlement construction. Throughout 2009, Abbas remained publicly silent and waited for the US to deliver, while the US helped in Sharm el-Sheikh raising funds to rebuild Gaza after the war, supported Salam Fayyad in improving infrastructure and economic develop-

³ See also the comment by US Central Command Chief General David Petraeus that Israel must see its conflict with the Palestinians "in a larger, regional context" having a direct impact on America's status in the region. *Journal of Palestine Studies* 155, Spring 2010.

⁴ During his first term as prime minister, Netanyahu had signed, despite the protests of the right-leaning parties, the so-called Hebron Protocol and the Wye River Memorandum. He was also criticised by the more left-leaning Israeli parties for his "Three No's" policy.

⁵ Remarks by Secretary of State Hillary Clinton as reported in the *Washington Post*, 24 April 2009, by Glenn KESSLER ("Clinton Counters Israeli Stance on Palestinians and Iran").

ment in the West Bank and sent Mitchell to the Arab neighbours to lobby in support of Obama's peace approach. On 3 March 2010, the Arab League endorsed the proximity talks for a period of four months under the condition that they not be continued thereafter if no border outlines had been agreed on.

In early 2010, under pressure from the US, both parties agreed to proximity talks with Mitchell. However, the political strain involved provoked growing tensions between the US and Israel, prompting Israeli Ambassador to Washington Michael Oren to refer to the moment as the worst crisis between the countries since 1975. During a visit to Israel by Vice President Joseph Biden, who wanted to announce the direct talks, Israeli Interior Minister Elyahu Yishai (Shas) announced the approval of 1,600 new houses in Ramat Shlomo (East Jerusalem). Biden and the US administration spoke out strongly against this announcement, which was seen in the United States as an insult to Biden and the president. The Israeli cabinet criticised Netanyahu, and the interior minister apologised for the diplomatic turmoil he had caused. However, from the Israeli perspective, the issue was the timing of the announcement and not the order itself. To the Israeli government, as voiced by Public Affairs Minister Yuli Edelstein, it was clear that "according to Israeli law, Jerusalem is sovereign Israeli territory, so no special commissions are needed to build within the municipal borders of Jerusalem. There will not be in the foreseeable future an Israeli government willing to divide Jerusalem. Normally, our friends in Washington understand that."⁶

This crisis could have served as a chance to revisit Israeli readiness and the number of concessions Netanyahu was actually willing to make, given the delicate nature of his coalition, simply to start proximity talks, let alone the serious compromises that would be required for any final agreement with the Palestinians. It could also have been a chance to assess the new US approach and realise that the diplomatic crisis was not simply an instance of "disagreement between friends" but a

genuine power struggle. On the Palestinian side, it could have served as a moment to reconsider the pitfalls of the narrow preconditions. Indeed, Obama did consider proposing a US peace plan on the suggestion of former National Security Adviser Samuel Berger under a committee headed by General James Jones. Again, the six former national security advisers deemed the Middle East conflict too important in relation to Iran to follow Mitchell's step-by-step approach to bringing the two sides together.⁷ However, this decisive moment passed, and the US administration began to endeavour instead to tone down its actions and focus on bridging the gap, while the Israeli side remained entrenched.⁸

Particularly unusual at this point in the process, was the reaction of the Mideast Quartet. Like the other international actors, such as the European Union, the Mideast Quartet stood on the sidelines during Mitchell's diplomatic marathon and did its best to support the Fayyad Plan of building a Palestinian state within two years (i.e. by September 2011) and to deal with the mounting humanitarian situation in the Gaza Strip. On 19 March, the Quartet released a statement pointing out that the "annexation of East Jerusalem is not recognised by the international community" and admonishing Israel to freeze all settlements, including in East Jerusalem.

The Bilateral Steps

By late April, US Secretary of State Hillary Clinton had announced that the Arab League would re-endorse proximity talks at its upcoming meeting, which it did on 1 May 2010. The talks started on 9 May and were the first peace talks since Ehud Olmert had resigned as Israeli prime minister in September 2008. Two clocks were ticking: the Arab-League clock demanding serious progress on border issues within four months (by 9 September) and the Israeli clock counting down to the end of the moratorium on the settlement freeze (26 September).

⁶ Press statement by Public Affairs Minister Yuli Edelstein, 10 March 2010, cited in www.nytimes.com/2010/03/11/world/middleeast/11biden.html.

⁷ www.washingtonpost.com/wp-dyn/content/article/2010/04/06/AR2010040602663.html

⁸ Off the record, newspapers reported that Netanyahu apologised. Meanwhile, American Jewish organisations lobbied for reconciliation, and, according to Israeli sources, Netanyahu had drawn up a package of confidence-building measures, etc. At the same time, Israeli Foreign Minister Avigdor Lieberman said in an interview with *Der Spiegel* on 21 March 2010, "We never promised to stop building in Jerusalem."

The talks opened with an offer from President Abbas to grant more land from the occupied West Bank to Israel, as the Palestinians had agreed in talks with Olmert in 2008. Using the Olmert offer as the basis for negotiations and tackling core issues, such as settlements and borders, first, the Palestinian side attempted to set the tone.⁹ Mitchell agreed to this starting point, rejecting Netanyahu's idea of starting with water issues. The proximity talks were slowly coming along in their difficult way, with Israel demanding that the Palestinians stop engaging in "incitement" and the Palestinians demanding improvements in the situation in the West Bank, etc., when the clash between the Israeli naval forces and the Mavi Marmara off the coast of Gaza on 31 May 2010 cost the lives of 9 Turkish activists, left 60 people severely wounded (53 activists and 7 Israeli soldiers) and caused an international uproar for weeks to come.

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Faced with this situation, the US administration tried once again, first, to pressure Israel to investigate the incident, alter the Gaza blanket ban and seek contact with Abbas as a confidence-building measure even in this time of crisis and, second, to make sure that the proximity talks did not break down. However, as a consequence of the Mavi Marmara incident, the situation in Gaza, which had previously been excluded from the peace talks because of the ruling Hamas government there, made its way onto the agenda. The Quartet again went one step further and pressured the Israeli government to ease restrictions on the entrance of goods into the Gaza Strip. In a July meeting with Obama, Abbas handed over his blueprint for direct talks as the basis for negotiations in written form, while Netanyahu refused to enter direct talks

with an outline of an agreement. According to the newspaper *Al Hayat*, Abbas proposed an agreement on a Palestinian State within the 1967 borders with a land swap and a compromise on Jerusalem on the eve of Netanyahu's meeting with Obama on 4 July.¹⁰

The Israeli side remained firm in its opposition to entering direct talks with prior written agreements, but did agree to immediate direct talks. During the weeks following the meeting between Obama and Netanyahu, efforts were stepped up to bring the Palestinian side into direct talks. Obama gave his first interview to Israeli television, Netanyahu reached out through US media and think tanks and met urgently with Egyptian President Hosni Mubarak, and Mitchell turned to the Arab League, Egypt and Jordan. Following their meeting on 29 July, the Arab League's Secretary General sent an official response to Obama endorsing direct talks but leaving it to the Palestinians to decide when to enter them. In August, Abbas agreed to enter direct talks and the date was set for 2 September in Washington.

Breakdown and Standstill

The beginning of the direct talks was overshadowed by a killing close to Hebron in which four Israelis lost their lives. Both leaders condemned the cruel incident and reminded each other that extremists trying to stop their negotiations had often emerged during direct negotiations and should not be reason to stop talking. During the direct talks between the two parties, both reiterated their main issues: for the Palestinians, the paramount importance of the settlements and borders; for the Israelis, the importance of security issues, as well as the recognition of Israel as a Jewish state. They did agree to map out the areas in which compromises were necessary in order to start negotiations about the final status issues. They agreed to meet again in Sharm el Sheik on 14 September, continuing to meet every two weeks in order to achieve the ambitious goal of reaching a peace agreement within two years. Like a Damocles sword, the Palestinian threat to walk out of the negotiations if the Israeli side did

⁹ See officially unconfirmed report on YNet, as well as in the *Washington Post*: www.informationclearinghouse.info/article25506.htm.

¹⁰ www.haaretz.com/print-edition/news/on-eve-of-obama-netanyahu-meeting-abbas-offers-jerusalem-compromise-1.299850.

not prolong the settlement freeze loomed over the negotiations and ultimately caused them to break down when the moratorium ended on 26 September. On 11 October 2010, The Israeli side offered to extend the moratorium if the Palestinian side recognised Israel as a “State for the Jewish people,” which the Palestinians claimed had nothing to do with the issue of borders and settlements.¹¹ On 13 October, Yasser Abed Rabbo issued a press statement affirming that the PLO would do so, as long as the Palestinians were granted a state within the 1967 borders, including East Jerusalem. The Fatah movement immediately called for Abed Rabbo to step down. In November, following the congressional elections on 2 November 2010, the US administration made an offer to the Israelis that was seen as a continuation of its former approach – linking its support for Israel’s security to the peace process. It offered a \$3 billion package of military aid and the assurance that it would veto anti-Israel resolutions in the UN (which it generally does already) if Israel would agree to another three-month settlement freeze – it would not be asked to renew it again afterward. The Israeli security cabinet considered the offer and declined it on 2 December. The resumed peace negotiations of the Obama administration thus completely failed in 2010.

The 2010 Negotiations and the So-called “Palestine Papers”

What went wrong this time? Looking at the role of the international community in 2010, it is clear that the former “division of labour” between the US, the EU and the Quartet had remained the same. The EU and the Quartet agreed with Obama’s vision of the new Middle East and thus agreed with his approach of bringing the two sides together in direct peace negotiations. They defined their role as that of providing aid and support to the Palestinians in the West Bank and, as much as possible, to the Palestinians in the Gaza Strip. At the time of writing, Tony Blair is negotiat-

ing with President Netanyahu on how to deal with the Gaza Strip, and questions are mounting regarding how and when, through the EU and the Quartet, negotiations with Hamas might be possible and reasonable.

Obama’s ambitions have come in for criticism as strong as his initial effort, reflecting the high political weight he has given to the process. The criticism focuses on his approach of: a) making the settlements the core issue of the entire process; b) linking support for Israel’s security and with regard to Iran to progress on the peace process; c) giving up too soon when things became difficult; and d) not finding any new approaches to the conflict and the different actors involved. The first point made it extremely difficult for Netanyahu to enter negotiations in the first place, because of his pro-settlement coalition, and made it equally difficult for Abbas to set his own tone in the negotiations, as it left him no room to manoeuvre with his own constituency. He was measured against a parameter that the US had imposed and that both he and the Arab League had accepted early on. The second point was even more difficult for the Israeli side. After the breakdown of the direct negotiations in December, Secretary of State Clinton acknowledged the fact that the Israeli need for security has grown and is now even harder to ensure, as the actual threat no longer comes from the West Bank but from Iran and its proxies in Lebanon and the Gaza Strip.¹² The very last move of offering the Israelis a military aid package in exchange for a settlement freeze was therefore criticised as bribery and an indirect threat to Israel’s security. Looking at the beginning of the direct talks, it is worth noting that the issues that arose in the prior indirect talks had not yet been resolved. While the Israelis did not want to enter the negotiations with a fixed framework, the Palestinian side wanted to start where the negotiations between Olmert and Abbas had ended in 2008. The US administration did not resolve this issue, even though it was indicative of where both actors were coming from: Abbas from a long history of

¹¹ The PLO recognised Israel’s right to exist in 1993. Recognition of Israel as a Jewish State, or a “State for the Jewish people,” as Olmert had put it, is a different issue. The difficulty lies in the character of the State of Israel and the question of the Palestinians (Arab-Isrealis) living in Israel with Israeli nationality. This issue is being debated within Israeli society and also plays a role in the negotiations.

¹² See Hillary Clinton’s speech “Remarks at the Brookings Institution’s Saban Center for Middle East Policy Seventh Annual Forum” (www.state.gov/secretary/rm/2010/12/152664.htm).

negotiation and the – to many Israelis still puzzling – rejection of Olmert's offer, and Netanyahu from a very different coalition and with a different political agenda than his predecessor's. The US administration did not take this sufficiently into account. The influence of the US was limited from the very outset.

The “Palestine Papers” caused turmoil on the Palestinian side, because they raised the question of whether the negotiators were transparent with the constituency about the scope of the compromises

Yet another angle on the 2010 negotiations can be found in the “Palestine Papers” or the so-called “Palileaks.” These documents, published by Al-Jazeera in mid-January 2011, were notes from the Palestinian negotiators taken during the 36 meetings between Abbas and Olmert between December 2006 and mid-September 2008. The publication of these notes forced chief negotiator Saeb Erekat to resign, after he claimed that they had been stolen from his office. The papers themselves show that, over the course of the negotiations, both sides came closer than ever before, and they include far-reaching, although unsigned, compromis-

es by both parties, which were interpreted by surprised analysts as the possible blueprint for an agreement. However, these papers caused turmoil, especially on the Palestinian side, because they raised the question of whether the leadership was negotiating with the full mandate of the people, and whether the negotiators were transparent with the constituency about the scope of the compromises. This turmoil reflects the complexity of Palestinian society and the communication between the leadership and the people. On both sides, the papers contradicted the ongoing assumption that “there is no partner for peace” on the other side. At the international level, they prove that Israelis and Palestinians can indeed negotiate directly, just as they did in over thirty meetings. However, the agreement was never made public or enacted, and the question remains of why Olmert and Abbas did not seize the moment. Looking at the timing, it was clear that Olmert's term was ending. It can thus be assumed that Abbas did not want to continue with an outgoing prime minister on the Israeli side and was hoping that the Obama administration would be more helpful in pushing the agreement through, especially in light of former negotiation processes such as Camp David or the Taba Summit in 2000/01, when both President Bill Clinton and Prime Minister Ehud Barak were at the end of their respective terms of nothing else, it can be seen as a sign that Abbas was coming from a very different starting point when he entered the negotiations with Netanyahu in 2010.