

**THE RUBIK CUBE
OF THE
WIDER MIDDLE EAST**

**MICHAEL EMERSON
AND
NATHALIE TOCCI**

**PREFACE
BY
CHRIS PATTEN**

**CENTRE FOR EUROPEAN POLICY STUDIES
BRUSSELS**

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ISBN 92-9079-418-6

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Centre for European Policy Studies
Place du Congrès 1, B-1000 Brussels
Tel: 32 (0) 2 229.39.11 Fax: 32 (0) 2 219.41.51
E-mail: info@ceps.be
Website: <http://www.ceps.be>

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PREFACE

BY
CHRIS PATTEN *

At a time when the world's attention is drawn to the pressing crisis in Iraq, this CEPS report comes as a welcome and important contribution to the debate on the political future of this volatile region. Whatever the present preoccupation with Iraq, we must never lose track of the wider political landscape and the geographical and historical context in which current events are taking shape. This report conveys very clearly the extent to which today's crises in the Wider Middle East are inter-linked, and calls for a comprehensive strategy – I could not agree more.

We all share concerns about how the Iraqi crisis may affect the long-term development of the region. Of one thing I have no doubt. There will be no peace in the wider Middle East without a settlement of the Israeli-Palestinian conflict. The EU has played a central role in building the emerging international consensus about the broad outlines of a lasting settlement. Last year, for the first time, the United Nations Security Council unanimously supported a two-state solution that guarantees an end to the Israeli occupation, a viable state for the Palestinians and security for Israel within its borders. This must offer hope. The EU – not least through practical encouragement of the Palestinian reform process – is striving to realise that vision.

Our work for a peaceful solution to the Middle East conflict is underpinned by policies to address other wellsprings of discontent in the region. The Barcelona process is a major long-term asset for the Mediterranean littoral and has proved its resilience against a difficult political background. The recent launch of negotiations on an agreement for trade and cooperation with Iran is being pursued in parallel with an intensive political dialogue including human rights, disarmament issues and counter-terrorism. All this reflects a growing determination on both sides to develop constructive relations. The same goes for the EU's enhanced cooperation with the states of the Gulf Cooperation Council.

Last year's important UNDP report on Human Development in the Arab World drew attention to major shortcomings in the region – not least in the fields of governance, gender-discrimination and education. That report confirmed what has long been the view of the European Union: that regional peace and stability is only ever likely to be achieved on the basis of respect for human rights and democracy, the encouragement of broader educational

* Member of the European Commission for external relations.

opportunities, further initiatives to broaden women's role in society – and to foster trade and investment, and an intensified dialogue between our societies.

Against that background, this CEPS paper reaches a number of interesting conclusions. Above all it makes clear that while the progressive transformation of the region is, in the last resort, a responsibility of the countries concerned, the international community has an obligation to support an effort that matters desperately to us all.

13 February 2003
Brussels

ACKNOWLEDGEMENTS

We are grateful to many people who have participated in our work on this project since May 2002 through workshops held at CEPS in Brussels, a conference on Halki island in Greece in September, and conversations on the occasion of missions made to Egypt, Israel, Jordan, Lebanon, the Palestinian territories, Syria and the United States.

We thank in particular: Adnan Abdelrazek, Samih Abid, Ziad Abu-Amr, Juliette Abu-Iyun, Maen Areikat, Hanan Ashwari, Ron Asmus, Rev. Habib Badr, Samia Bamieh, Saab Bamyra, Walka Barnada, Gershon Baskin, the late Basssiouny, Klaus Becher, Yossi Beilin, Shlomo Ben Ami, Christian Berger, Ian Boag, Fares al-Braizat, Paul Brenton, Jean Breteche, Rachel Bronson, Sergio Carrera, Pascal Charlat, Giancarlo Chevellard, Csaba Chikes, Bruno Coppieters, Anthony Cordesman, Alain Dieckhoff, Thanos Dokos, Oded Eran, Jafar Farer, Shai Feldman, Gamal Gawad, Shimrit Golan, Mirian Gonzalez, Daniel Gros, Mustafa Hamarneh, Heba Handoussa, Naom Hoffstater, Rosemary Hollis, Robert Hunter, Efraim Inbar, Lironne Franck Bar-Ladeh, Bassil Jabir, Britta Bjerg Jensen, Issa Kassassieh, Hisham Kassem, Geoffrey Kemp, Craig Kennedy, Farid Khazen, Kemal Kirisci, Menachem Klein, Stephanie Koury, Andrew Kuhn, Riad Kouri, Theodoros Koutroubas, Anat Kurz, Stephen Larrabee, Christian Leffler, Debby Lerman, Daniel Levy, Lee Litzenberger, Patricia Llombert-Cussac, Amichai Magen, Christopher Makins, Habib Malik, Riad Malki, Robert Malley, Miriam Manchin, Wahid Abdel Meguid, Reuven Merchav, Maggie Mitchell, Bjorn Moeller, Daniel Mokady, Edward Mortimer, Roaul Motika, Wahid Moubarak, Hasssan Nafaa, Amir Oren, Joel Peters, Eric Philippart, Elena Prokhorova, Ron Pundak, Ghaith Omar, Samir Rantisi, John Richardson, Raheek Rinawi, Paul Rivlin, Melinda Robson, Mustafa Kamel Sayyid, Abdel Monem Said Aly, Tanja Salem, John Sawers, Paul Scham, Gary Schmitt, Patrick Seale, Hanna Siniora, Haider Abdel Shafi, Mohammed Shaker, Charles Shamas, El-Shayed Amin Shalaby, Dan Schueftan, Henry Siegman, Raji Sourani, Steven Spiegel, Arnon Soffer, Charlotta Sparre, Gerald Steinberg, Nabil Sukkar, Asher Susser, Khalil Tofakji, Alfred Tovias, Nicholas Tsenios, Anna Wechsberger, Michael Yaffee, Judith Yaphe, Valerie Yorke, Richard Youngs and Said Zidani. None of these people is of course in any way responsible for views expressed in this paper, nor in some cases – such are the realities of the Middle East – do we find ourselves always in agreement with their views.

We are grateful for support from the Compagnia di San Paolo, Turin, and the Department for International Development, London, without their being responsible of course for any of the opinions expressed in this report.

Brussels, 13 February 2003

ABSTRACT

A comprehensive regional initiative for the Wider Middle East is called for because of the four separate but overlapping crises: the Israeli-Palestinian conflict, Al Qaeda terrorism, Iraq, and the general social, economic and political plight of the Middle East.

Opinion polls show that:

- *72% of Israelis and 72% of Palestinians would accept peace with the 1967 borders and cessation of violence.*
- *Arab peoples want democracy – 98% of those polled in Egypt, 95% in Morocco, 90% in Jordan.*
- *Over 80% of Europeans are either against a war over Iraq, or would only support it if mandated explicitly by the UN Security Council.*

Instead the world could well see the complete opposite: no peace in Israel-Palestine, no democracy in the Arab world, but war over Iraq. Western strategies towards the region are currently in a state of confusion.

The Israelis and the Palestinians are locked in the mad logic of escalating violence. The facts on the ground point to an Israeli policy of cantonisation (Bantustanisation), which together with the Palestinian suicide bombing response, hold out no prospect except a living hell for both the Israeli and the Palestinian peoples as far ahead as the eye can see. The case is made in this paper to move to a two-state solution faster and more resolutely than suggested in the draft three-year Roadmap of the Quartet, and to plan to merge this later into a wider regional Mashreq Confederation, supported by an offer by the EU to create a Euro-Mashreq Community.

A fresh initiative for the Wider Middle East should further comprise a re-launching of multilateral regional cooperation, building on the important experiences of the Madrid and Barcelona processes, the offer of normalisation by the Arab countries and a new emphasis on the progressive long-term democratisation of the region. The EU is well placed to advance such proposals in the context of its emerging post-enlargement 'neighbourhood policy'.

The EU must be prepared to strengthen both the 'carrots' and the 'sticks' in its policies in the region in any case. The best-case scenario is for the US and the EU to work through the Quartet to an expanded agenda immediately upon dénouement of the Iraqi crisis, to resolve the Israeli-Palestinian conflict once and for all and to launch a fresh Wider Middle East initiative for the long-term transformation of the region as a whole.

The point of the three dimensions in the image of Rubik's Cube is to stress the need for a coherent vision for all three regions of the Wider Middle East (Maghreb, Mashreq and the Gulf), for all three major vectors of policy (politics, economics and security), and for all three major external participants (the US, Europe and the international organisations).

SUMMARY

The four crises of the Wider Middle East. The West is involved in the Middle East like never before, with violence and extremism posing an unprecedented threat. Europe may ultimately be even more at risk than the US, being less able to insulate itself. The crises of the Wider Middle East area are four-fold:

- *the Israeli-Palestinian conflict*
- *the continuing Al Qaeda threat*
- *the crisis over Iraq*
- *the development crisis of the Wider Middle East.*

The first three crises are quite different in their nature, yet they are connected through the general political, economic and societal plight of the Wider Middle East. These multiple crises call for a comprehensive and consistent Western strategy.

Ideologies of Western approaches. The definition of a strategy has to reach deeply into the ideologies of international relations, raising issues of consistency between the approaches of Europe and the US. There are three broad ideas that could govern Western responses:

- *Strategic realism*, in which the essential concern is to eliminate strategic security threats coming from a given region, rather than with the nature of the political system there. This implies intervention or commitments appropriate to the level and nature of the threat, and being wary of entanglements with the internal affairs of other states.
- *Democratic transformation*, which represents a more positive political ideology, to foster political, social and economic change in the region as a matter of conviction as much as self-interest. But there are major differences between those who envisage short and sharp external interventions to secure regime changes on the one hand, and those on the other who see the need for long-term investment in the processes of nation-building in cooperation with and support of progressive indigenous developments.
- *Harmony of cultures and regional integration*, where the concern is with the stability of regions that have complex ethnic, cultural and religious structures, and in particular the challenge of securing harmony between the three religions of the Holy Land. This implies rejection of all fundamentalism (Christian, Jewish and Islamic), which are incompatible. In terms of political organisation, this may involve forms of regional cooperation, including variations on Europe's regional integration

model. This may be extended beyond the forthcoming enlargement of the EU into the challenges of conflict resolution in Europe's South-Eastern periphery.

The issue is one of differing blends or emphasis between these three strands, rather than categorical choice. The discourse of US policy is driven more by the first and second approaches. European policies are driven more by the third approach, with mild interpretations of the first and the second as well. This fits with the huge investments made by the US in military power, whereas the EU has made huge investments in political, economic and legal structures. It makes the EU and the US potentially complementary powers.

For the Wider Middle East the question is not whether a coherent Western approach is needed, since this is dramatically obvious, but whether it is possible. There will have to be a major sorting out of ideas in the US and the EU to achieve an effective complementarity of roles in the Wider Middle East arena.

The US, in its present post-September 11 mood and with its unprecedented monopoly of military power world-wide, debates furiously what kind of foreign policy to have. One narrative espoused by many in both the Republican and Democratic parties (dubbed 'democratic imperialists' in some commentaries) argues that an attack against Iraq is not only to destroy its weapons of mass destruction but also to transform the regime into a pro-western flourishing democracy. It would also be just the first step in a full US engagement to achieve transformation of the entire Wider Middle East. Meanwhile the Israeli-Palestinian conflict recedes into the background, whereas before it dominated the Middle East agenda.

Europeans tend not to follow the simplistic democratic imperialist argument that war in Iraq will trigger a cascade of regime changes throughout the region. This is partly because of Europe's contiguous borders with the region and indeed its overlap with partly Muslim countries or with Muslim minorities. They also see the unresolved Israeli-Palestinian conflict as a serious impediment in the way of achieving reasonable harmony between Western and Middle Eastern cultures. It aggravates the political climate in the Arab world, and interacts with the other societal ills of the region. The Al Qaeda phenomenon is seen as an outgrowth of the complex of political and economic factors that have inhibited the modern development of the region.

Given the failure of the authoritarian regimes of the region to deliver sound progress, however, there is growing support also in Europe for the argument that these countries can no longer ignore the challenge of democracy and respect for human rights. At the level of ideas, there is potential overlap here between regime change and nation-building, and this is of course what happened in Central, Eastern and South-Eastern Europe on a huge scale in the last decade. The Middle East countries, however, while close to Europe

cannot be seen as candidates for accession to the EU. In terms of EU policies, this means a delicate and long-term process of encouraging reform without wholesale export of the European model, as has been the case for Central and Eastern Europe. Yet the EU itself is drawing closer to integrating European countries that are bordering the region and are either predominantly or partly Muslim by culture (Cyprus, Turkey, Bosnia and Albania). Europe's concern for achieving a harmony of cultures becomes more vivid and politically relevant for its interests in the Middle East.

Solutions for the Israeli-Palestinian conflict. Everybody agrees in principle that a solution has to be found for the Israeli-Palestinian conflict since its continued escalation is a humanitarian tragedy, and it also pollutes the political environment of the whole region. The parties are locked into a pathological condition, one of a mad logic of escalation. Both the many destructive actions by the government of Israel in the Palestinian territories and the politically inspired crimes against Israeli civilians by extremist Palestinian groups may constitute crimes against humanity under generally accepted tenets of international law. For neither party is it legitimate under international law to invoke the crimes of the other as an excuse or justification.

The appalling intractability of the conflict is reflected in the extraordinary range of outcomes advocated by different parties or authors.

- ***One-state solutions***

- *Cantonisation/Bantustanisation.* This is the place to start, since it is what is actually happening. The West Bank is currently divided into small localities by the Israeli military occupation in the West Bank, with the possible occupation of the Gaza Strip also discussed in the Israeli government. The ongoing construction or expansion of Israeli settlements and construction of strategic roads, fences and checkpoints are the infrastructure of cantonisation. This construction activity has been a long-term policy by Israel, before and after Oslo, with or without intifadas. The Palestinian-controlled localities lack contiguous borders or control of external borders. The people lack freedom of movement between localities, or indeed within them when under curfew. The regime increasingly resembles the Bantustans of South Africa under apartheid. The investments in settlement infrastructure investments become so important – especially now in the Greater Jerusalem area stretching across the middle of the West Bank to Jericho – that at some point, maybe in just a few years, it will become practically impossible to revert to a viable two-state solution, so inter-twined will be the networks of Israeli settlements and Palestinian communities.
- *Transfer/expulsion of the Palestinians.* The unspeakable scenario of 'transfer' is spoken about in Israel. It means expelling the entire

Palestinian population out of the area west of the Jordan River, leaving an entirely Jewish Greater Israel. This has an alarming degree of support in the Israeli public (around half according to opinion polls), as can also be seen on banners in the streets of Israel. It is advocated explicitly by political parties on the extreme right, and is considered desirable in principle but impractical by many in right-wing parties. It is considered implausible on the grounds that the US would not permit it. However, to the despair and amazement of many in Europe and the Middle East, a large Christian evangelical (or Christian Zionist) lobby in the US supports the idea for 'biblical' reasons (in order to facilitate the second coming of Jesus Christ at the end of the world). In principle Islamic fundamentalists call for the establishment of Islamic regimes in the whole of historical Palestine and the wider region, in which Jews could live but without meaningful forms of self-determination. This scenario is even less plausible given the huge disparity of power.

- *Single democratic state.* This old idea, which had support at the time of the creation of the state of Israel and up until the late 1980s, returns now as a logical scenario to follow the cantonisation currently under way. The argument is that cantonisation cannot be sustained in the long-run because it would deny political and human rights to the Palestinians, whereas a return to a two-state solution would have become impossible, and with a transfer policy remaining categorically unacceptable internationally. The struggle of the Palestinians for self-determination would therefore change in approach, away from the pursuit of separate statehood, in favour of the struggle for full political and human rights in a single state. This would put the Jews in a minority, which is what Israel is above all concerned to avoid.
- ***Two-state solutions***
 - *Separation, fence and withdrawal.* This has considerable support in Israeli public opinion. The Gaza Strip is already completely fenced in, while a new fence is being built to the east of the north-western edge of the West Bank. This idea is also flawed, however. If the withdrawal from settlements were to follow something close to the map discussed at Taba in January 2001, it would be preferable to revert to an agreed solution that meant peace with the entire Arab world, including of course Syria and Lebanon. If the fence followed a path that gave much less land back to the Palestinians, and/or if the settlements to its east were not abandoned, there would still be no end to the conflict as this would amount to a variant of the cantonisation policy.
 - *Bilaterally negotiated solution.* The two parties significantly narrowed their differences on certain final status aspects at Taba in January 2001, after the period of heavy mediation by President Clinton. A return to

where the Taba negotiations ended would seem acceptable to the Palestinians, as would be some version of the Saudi plan for a two-state solution based on the 1967 green line. For Prime Minister Ariel Sharon, however, 'Taba is off the table', and he refers only to very reduced Palestinian territories and distant time horizons for Palestinian statehood. With the disproportion of power between the two parties and the depth of mistrust that recent times have brought, there seems to be little prospect of a bilaterally negotiated solution in the foreseeable future, unless political strategies change drastically.

- *Multilaterally pushed solution.* The Quartet seeks to push for a comprehensive solution within a three-year time horizon. However its draft Roadmap is unclear in terms of the destination (e.g. where to draw the two states' frontiers). It leaves the Israeli occupation to be withdrawn only conditionally and progressively 'as security performance improves', which is open to the objection that the Israeli army's occupation and destructive acts are what sustains Palestinian violent resistance. The timetable is vulnerable to being wrecked by the continuation and indeed the provocation of violence. Nonetheless the Quartet's Roadmap may be the framework within which to craft a more forceful and accelerated move to resolution of the conflict, with heavier involvement by the international community (political, economic, monitoring, policing, military), and clearer definition and enforcement of the obligations of both parties to the conflict. Proposals are made in more detail below.

Confederal, multi-state solution. This would assume that a breakthrough had been achieved for a two-state solution, and on this basis there would be worked out a cooperative regime shared by Israel and its immediate neighbours, at least with Egypt, Jordan, Syria and Lebanon initially, possibly to be joined by Iraq. The Madrid process in the early 1990s worked in this direction. It is proposed that a more clearly structured approach should be envisaged, however, possibly leading in due course to a Mashreq Confederation (or Confederation of the East Mediterranean), in which the component states would remain sovereign in international law. There would be progressive liberalisation of movement, residence and employment for its citizens and common policies where important for economic progress and confidence-building between peoples. The Palestinian people would all have the right to become citizens of the new state of Palestine, although some (maybe even many) of the refugees would obtain citizenship and full rights in their host country if they stayed there or would return and become citizens of Israel. Some may instead be nationals of one state residing in another and would not have the right to vote there. The citizens of the Confederation living outside the state of their passport would be in a similar position to such people in the European Union. A Mashreq Confederation would also be a key step in a new political architecture of the Wider Middle East, which

should be supported by an offer from the EU in the shape of a Euro-Mashreq Community, to which we return below.

Western strategies for the Wider Middle East. The US and Europe between them have been, are or could be involved in a complete spectrum of strategies towards the countries of the Wider Middle East, which is a reflection of the diverse ideologies that have already been discussed. In summary these can be stylised as follows:

- *Acquiescence* and support for the status quo,
- *Soft engagement* for political and economic modernisation,
- *Stronger engagement* for political, social and economic transformation,
- *Sanctions* against objectionable actions, or
- *War* against the most dangerous regimes.

The US has for much of the post-war period been *acquiescing* in, and indeed supporting the political status quo in the region. The major case of Saudi Arabia has seen agreement to exchange strategic security supplied by the US for security of oil supplies. However this deal may now be in question, not least because Saudi Arabia proved to be the breeding ground for Al Qaeda. The US is now preparing a 'US-Middle East Partnership Initiative', designed to provide aid for a cocktail of objectives including political reform, education, civil society, private sector initiative, etc., which may be seen as a move into the *soft engagement* category of policy.

The EU through its Euro-Mediterranean Partnership has organised an extensive but *soft engagement* with the Barcelona group of countries, concentrating on achieving economic advances first, with political advances supposed to follow. This Barcelona process has been an important investment in the fabric of partnership, but it is time now to recalibrate it into a policy of *stronger engagement*. The EU is already engaging more widely in the Wider Middle East region, notably with the states of the Gulf Cooperation Council, and an agreement for trade, cooperation and political dialogue is under negotiation with Iran.

The EU and the US have both applied *sanctions* against Iraq for many years. But over Iran the approaches divide, with the US still applying economic sanctions, whereas the EU does not, and is proceeding with negotiations for more extensive cooperation. The US is determined to overthrow the Saddam Hussein regime by *war* if necessary, with limited support from EU member states unless a fresh and explicit mandate is agreed in the UN Security Council.

If the common objective now were to be the progressive transformation of the Wider Middle East region, the EU and the US could, after clarification of

the Iraq situation, converge on a more uniform approach of *stronger engagement* in the Wider Middle East region as a whole. But there are three pre-conditions to make this plausible. One is resolution of the Iraq question in a manner that makes US and Western cooperation with the Arab world feasible. The second is making real progress with the Israeli-Palestinian peace process. The third is to work out sound guidelines for a stronger long-term engagement, avoiding simplistic ‘democratic imperialism’.

Under a strategy of *stronger engagement*, the West would be more explicit in supporting a broad agenda of human development, progressive transformation of political, economic and societal realities in the direction of political and economic modernisation and development. The emphasis would be on incentives, not forceful pressure. The agenda for political dialogue, however, would include sharper emphasis on issues of the protection of civilians, human rights and the commitment to move progressively towards democracy.

Prepared by a Summit-level meeting of the Quartet (or G8) convened very soon after clarification of the Iraq question, the EU and US would propose to the states of the region a comprehensive review of multilateral regional cooperative structures. The countries of the region would be invited to assume maximum responsibility for making specific proposals in the light of present structures and past experiences. The experience of the Madrid multilateral process would be recalled, but now it would have to be dovetailed with the EU’s Barcelona process that has survived and developed since the Madrid process was suspended together with the Israeli-Palestinian peace process. A new regional co-operative architecture could be designed by region and sub-region, by sector according to the well established triple baskets (economic, security and political/human dimensions) and by degree of external participation (EU, US and the international organisations). At the sub-regional level there would be a presumption in favour of four groups: Maghreb, Mashreq, the Gulf Cooperation Council and Iran (as a state on the scale of a sub-region).

These ideas about regional structures in the Arab world and the Wider Middle East could receive steady Western advocacy and support. Yet the pace of progress along these lines cannot be forced, as the frustrated experience of various Arab initiatives over the last 50 years has shown. Real progress along these lines has probably to go hand-in-hand with the progressive and convergent political, social and economic change of the states in question.

The role of the EU would also be critical in promoting regional and sub-regional cooperation, however, as part of its new ‘neighbourhood’ policies to follow its imminent enlargement. Some of the lessons learnt from the conflict zones of the South-Eastern periphery of Europe (Balkans, Cyprus, Caucasus) suggest that local regional integration in post-conflict situations

tends not to be seen as offering sufficient advantages to overcome the legacy of former or ongoing conflicts, and therefore has to be supported externally, notably in some cases by the incentive of integration with Europe itself (e.g. as in the Balkans). Therefore the EU should not only advocate a new Mashreq initiative possibly resulting in a Confederation to accompany a peace between Israel and its neighbours, but also propose a joint Euro-Mashreq Community to deepen the association between the EU and the region. This would be the most urgent case, but an analogous Euro-Maghreb Community and a Euro-Gulf Community could follow in the same logic in due course. This offer of deepened cooperation would be based on three conditions: that the states in question were at peace with each other, that they were democratic or seriously heading in that direction; and that they were willing to advance with their own regional organisations. These initiatives could begin with 'advance guards' of some but perhaps not all of the states of the sub-region, acquiring further members in due course.

In general terms, the EU would be building on the Barcelona process by a) focusing more on the Mashreq and Maghreb sub-regions separately, b) emphasising more strongly the political and human rights criteria of progress and c) offering better market access, expanded and improved aid and wider association possibilities with the entire range of EU policies. The proposed Euro-Mashreq Community (or Euro-Maghreb, or indeed Euro-Gulf equivalents) would not comprise perspectives of full EU membership as offered to the Balkans, but could offer open-ended opportunities for mutual integration short of full membership of the EU institutions. Israel, post-conflict, could be in a highly favourable position to profit from these possibilities because of its advanced economy. It could for example accede to the European Economic Area, and in due course become a 'virtual' member of the EU through extremely deep and wide association arrangements.

On Iran the US would have to make a switch of paradigm, more than just an adjustment in policy, suspending economic sanctions (except for sensitive commodities that can be used to develop weapons of mass destruction), and working with the EU to support the reform, development and the aspirations of the young generation.

Potential for convergence and complementarity. Is it plausible that European and US policy-makers could build a convergent strategy and action for the Wider Middle East, notwithstanding the differences in ideologies on display as between Washington and European capitals?

Secretary of State Colin Powell argued forcefully at Davos on 26 January 2003 that 'the world can trust America' to execute its foreign policies according to the highest political values. He also speaks now of intensifying work on the Roadmap. Yet other speeches made in high places in Washington in the last year are disquieting, for example Vice President Dick

Cheney's view that UN procedures over Iraq are a waste of time, Defence Secretary Donald Rumsfeld's remarks about the Palestinian territories to the effect that the Arabs lost a war and a lot of real estate, and former Republican House leader Dick Arme's statement that it would be good for all the Palestinians to go live elsewhere in the Arab world. These latter speeches, if confirmed at the highest level, would mean that the US would lose its allies in Europe as well as the Arab world. While these wild arguments have not been set out in official policy, they hardly help to dispel ambiguities, for example, over whether the passing of the Iraq affair through the UN and the diplomatic energies put behind the Roadmap for an Israeli-Palestinian peace process are more than token gestures.

Nevertheless, there is an impressive set of arguments to the effect that US-EU policies could become seriously convergent and complementary in the Middle East following the Iraq crisis:

- There is increasing agreement over the need for domestic policies of economic, social and political change, for which the UNDP (2002) has recently produced a template in its Arab Human Development report.
- There is a structural complementarity between the dominant military power of the US alongside the EU's strengths in regional integrative processes focusing on political, economic and legal aspects. There have been positive experiences of this complementarity of roles in the Balkans in recent years. After the Iraqi crisis and the Afghanistan campaign, the US administration may set aside aggressive regime change ideas for the Wider Middle East, recognising the inevitability of steady long-term engagement to support a transformation of the region.
- The US should see a strong interest in rebuilding its political reputation in the Arab world, through an unambiguous commitment to achieving a just settlement of the Israeli-Palestinian conflict, as indeed is argued by Secretary of State Powell. This should be seen also as necessary to avoid counterproductive effects on the war against Al Qaeda. Furthermore, the US has a debt to pay to its closest European ally, since the UK has clearly stated its preference for a serious return to the Israeli-Palestinian peace process *before* a possible Iraq campaign.
- The US tends to have limited political stamina for permanent engagement and nation-building, and has a strong interest in getting synergies from working together with the EU, which has a growing, long-term commitment to working towards the region's transformation.

What if no convergence with the US is possible?

This is a second-best situation, but the realities of US domestic politics make it necessary to think through this ‘what if?’ question. The EU’s precautionary thinking should have three elements.

First, the EU can set out its own ideology and strategy towards the Wider Middle East, along the following lines:

- Permanence of EU involvement, no return to US diplomatic exclusivity. Bilateral relations with Israel and the Palestinians in accordance with its formal treaty engagements and rule-bound structures, thus favouring an environment that would allow a viable peace process to be concluded.
- Rejection of all fundamentalism applied to Middle East international relations (Christian, Jewish and Islamic), promotion of harmony of the cultures, welcoming in this regard the Alexandria Declaration of Christian, Muslim and Jewish church leaders in January 2002 (see Chapter 12).
- Stronger emphasis in bilateral relations on the protection of civilians from criminal abuse, fundamental human rights and progressive democratisation.
- Permanent commitment to comprehensive contractual relations with the whole region, with a flexible blend of multilateral, bilateral and sub-regional approaches, with encouragement for regional schemes where possible.
- Inclusion of the Wider Middle East in the shaping of new post-enlargement neighbourhood policies, with offers of Euro-Mashreq, as well as Euro-Maghreb and Euro-Gulf initiatives for deepened association stretching eventually to ‘virtual’ membership of the EU.

Second, the EU should also argue with great clarity in private and public that certain lines of US and Israeli policies are myopic and cannot succeed in the long run. Israel’s cantonisation policy, if sustained, leads only to horrific scenarios as far as the eye can see, increasingly resembling South Africa’s former apartheid regime. A weak US policy in this regard, i.e. one of complicity that let this scenario happen by default, would damage the US reputation in the Arab and Muslim worlds even more, be counterproductive in the attempt to stem global terrorism and further undermine the transatlantic alliance. The EU should thus be intensifying the public international argument in order to get sound views to prevail in world public opinion. It is obviously important for the US to sustain a position of moral-political leadership in the world, rather than come to be perceived as an amoral military power that applies double standards (e.g. over implementation of UN resolutions by Israel and Iraq).

Third, there should be an increasing determination within the EU and its member states, following their disarray over Iraq, to endow the EU's own mechanisms of external policy with stronger qualities of robustness and autonomy. The constitutional Convention under way is addressing this.

Box 1. Proposals for the Wider Middle East in outline

Quartet Summit on the Wider Middle East. Following a UN-mandated resolution of the Iraq crisis, the Quartet would meet at Summit level to adopt a concerted strategy towards Iraq, acceleration of the Roadmap for Israeli-Arab peace, and launch of a cooperative strategy for Wider Middle East.

Regional architecture. Presumption in favour of Western cooperation with four regional groupings of Wider Middle East:

- *Mashreq* – strong needs for cooperation post-conflict, possibly leading to a Mashreq Confederation in the medium term
- *Maghreb* – to be re-activated post-Sahara conflict resolution
- *Gulf Cooperation Council* – support development
- *Iran* – EU negotiates new agreement, US to follow

Policy thrust. Comprehensive three-pillar approach:

- *Culture and Politics* – unified Western message: (a) harmony of the Christian, Muslim and Judaic cultures and (b) reforms along lines of UNDP Arab Human Development report
- *Economics* – emphasis on complementarity of (a) domestic and external economic liberalisation, and (b) economic, social and political reform
- *Security* – (a) specific post-conflict regimes for Iraq, Israel-neighbours, Sahara and (b) upgrade NATO-Mediterranean agenda

Israel-Arab peace. Quartet moves to accelerate implementation. Keys: (a) Palestinian switch to non-violent resistance, (b) Israel respect for IHL and redeployment, (c) final status talks on the basis of Camp David/Taba/Beirut Declaration and (e) in due course a Mashreq Confederation to embed peace with all Israel's neighbours.

Wider Europe meets the Wider Middle East. (a) Inclusion of Wider Middle East in conceptualisation of new EU 'neighbourhood' policies; (b) within Barcelona process aim at stronger focus on sub-regional Mashreq and Maghreb, offering new concept of Euro-Mashreq Community and Euro-Maghreb Community; (c) Turkey to associate fully with EU offer towards Mashreq, and Iraq, Iran and Gulf policies; (d) offer to Israel of 'virtual membership' agreement, post-conflict; and (e) EU policies with stronger 'carrots' and 'sticks'.

US-Middle East Partnership Initiative (MEPI). Assuming MEPI is given serious level of funding, possibilities exist for synergies with EU policies.

Part I. Crises and Confusion

1. Crises of the Wider Middle East and the West

1.1 Four crises of the Wider Middle East

The Wider Middle East¹ is host to four overlapping conflicts or crises, which are all different in nature but which feed off each other. Historically the West – be it the Europeans in the colonial period or the United States since World War II – has a considerable share of responsibility for the situation as it has emerged. The most direct responsibilities come from the ambiguity of the Balfour declaration of 1921, the policies of the British- and French-mandated powers in the inter-war periods, the holocaust with World War II, the irresolute disengagement from mandatory Palestine in 1948, and subsequent energy-driven strategies led by the United States.

Be that as it may, the political regimes of the region are now all independent sovereign states, with the singular exception of the Palestinian case. Fundamentally the peoples of the Middle East have to work out for themselves what kind of societies they are to have. Yet at this point the region is cursed with a huge set of crises:

- *The Israel-Palestine conflict.* The issue now is not so much to define a viable and just solution, the essence of which was emerging between Camp David II in July 2000 through to Taba in January 2001. The issue is rather to immediately ensure the respect of international humanitarian law in the occupied territories and get back into final status negotiations fast, since time is running out for a just two-state solution. This is because of the rapidly advancing physical ‘cantonisation’ of the West Bank, with continuing investments in the West Bank by Israel in settlements, roads, walls and military cordons and checkpoints. The draft ‘Roadmap’ proposed by the US to the Quartet needs to be more front-loaded on the fundamentals, with a better specification of the obligations of both parties and those of the international community. If not the conflict is set to go on for as far as the eye can see.
- *The global hyper-terrorism.* With huge terrorist acts in Moscow, Bali and Kenya following in the year after 11 September 2001, Europe could be a next target. On the Western side the unity of purpose between the US, the EU and Russia is solid at the level of defensive policies,

¹ The ‘Wider Middle East’ will generally be used to mean North Africa and Arabia, plus Israel and Iran. Some authors are using the term ‘Greater Middle East’ to stretch even further east, into Afghanistan and Pakistan. See, for example, Asmus and Pollack (2002).

especially for policing and intelligence work. Less attention has been paid to the root causes of global terrorism, however. While policing and intelligence work is necessary to address the symptoms of the phenomenon in the short term, they cannot wholly eradicate the problem alone. Long-term strategies aimed at transformation of the region are imperative.

- *Iraq.* The unanimous passing of the UNSC Resolution 1441 on 8 November 2002 gave Saddam Hussein a last chance to work with the inspectors for a solution without war. The next days will see whether there is to be war or more time for the inspection process to continue. The case for a ‘just war’ against Iraq is reviewed in detail below according to well-established criteria. The case is highly dubious on several accounts, and especially so in the absence of clear legitimisation by the UN. Nonetheless the status quo in Iraq is likely to be overthrown in one way or another, and preparations should be made now for the inclusion of Iraq in a new multilateral cooperative initiative for the Wider Middle East.
- *Reform of the Middle East.* The common underlying theme is the political, economic and societal plight of the Middle East region. While divided by huge differences in wealth and ideologies, the common factor is the need to find a sound path for human development.² As also now argued by analysts from the region itself,³ a comprehensive movement is called for at the three levels: the domestic politics of the states of the region, fresh cooperative initiatives at the regional level, and well-structured engagement of the West. Such an approach would have to be willed by the countries of the region and supported by the international community. The approach should be quite the contrary to the idea of an aggressive regime change policy aiming at a domino effect in the Arab world at large beyond Saddam Hussein. This may or may not be intended US policy, but it is the message that is being received, as several American scholars are warning⁴

The nature of the interactions between the four crises is controversial, yet an interpretation has to be attempted. The crisis of modernisation of the region at large is fundamental in itself, the product of pre-colonial, colonial and neo-colonial history, society and the interaction of the world’s civilisations in a time of globalisation. We consider this crisis to be the root cause of global terrorism. The Israeli-Palestinian conflict is an aggravating factor, since the

² This is well illustrated by the considerable resonance registered by the recent UNDP report on *Arab Human Development* (2002).

³ See for example Zanoian (2002).

⁴ See Ottaway et al. (2002).

Palestinian struggle for independent statehood is a just cause, with which all Arabs associate. The violence of the second intifada is essentially a manifestation of a local struggle over land, survival and ideology in the small space west of the Jordan River. However the extent of US support for Israel aggravates the feelings of resentment of the Arab world at large in the inter-civilisational context. Various linkages are made between the local Palestinian cause and the international Islamic terrorist agenda, including the Hezbollah supported by Iran, and more recently the attack by Al Qaeda against Israeli tourists in Kenya. Hezbollah and Al Qaeda claim to support the Palestinian cause and use it to legitimise their violent actions. By bringing Israel into the loop, Al Qaeda evidently attempts to rally Arab support for its cause and actions. The PA has repeatedly denounced this attempted linkage. Hamas and the Palestinian Islamic Jihad are, however, not acting internationally and as such are not part of the global terrorism. Many US and Israeli speeches advance the picture of a single 'terror', but this is a misleading simplification or self-interested tactic. The essence of the Iraq problem, and the regime of Saddam Hussein, is also quite distinct, in that the US fears that his weapons of mass destruction (which may now be either destroyed or concealed, partly or wholly) might at some point get into the hands of international terrorists. However a war by the US against Iraq, particularly without clear UN legitimisation, would exacerbate the anger of the Arab and Islamic worlds, feeding support for violent extremists. The 'axis of evil' idea of President Bush, embracing both Iraq and Iran specifically, alongside the 'war against terror', further contributes to these risks.

Thus the four crises of the Greater Middle East have become deeply inter-related, and feed off each other, all tangled up in a diabolical dynamic. This is the reason why political leaders, in the region and in the West, have to find the way to untangle the separate issues and carefully assess the sequences of cause and effect, and then move on to create positive dynamics and synergies. The most positive development recently have been the formation of the Quartet (EU, Russia, US, UN) with links to the Arab Follow-up Committee (Egypt, Jordan, Saudi Arabia) over the Israeli-Palestinian conflict. These developments could be the springboard for launching a comprehensive initiative, not only looking ahead to a post-conflict era for the region, but also helping engineer it. However Western ideas are still seriously confused.

1.2 Confusion of Western strategies

American ideas. The attacks of 11th September 2001 dramatically affected the psyche of the American people. The sense of threat and vulnerability caused by 9/11 led to an overwhelming support for any policy to avoid similar tragedies from re-occurring. In terms of US foreign policy, this translated into increasingly critical US attitudes towards the Muslim and

Arab worlds, a parallel rise in the support of Israel, as well as the legitimisation of the concept of pre-emptive force. In the realignment of US foreign policy since 9/11, three broad strands of thought are apparent.

1) *Strategic realists*. The starting point for this traditional school is that US interests alone should provide the basis for US foreign policy, and that foreign policy decisions should be based upon careful risk assessment and cost-benefit analysis. The assessments tend to be cautious over anything smacking of nation-building. Spreading democracy and reshaping the global order as a mirror image of the American model is both beyond US obligations and would be in any case a near impossible feat. Some would argue that the specific culture, history and religion of the region makes the Middle East an unpromising environment for democracy.

Some, including Vice-President Richard Cheney, Secretary of Defence Donald Rumsfeld, and National Security Council 'Middle East tsar' Elliot Abrams stress the use of military power to defeat threats to US security.⁵ Hence, the US should invade Iraq, oust Saddam Hussein, destroy all weapons of mass destruction and secure redevelopment of the oil sector. Once these objectives are fulfilled it would be up to the Iraqi people to decide for themselves whether to develop a liberal democracy. To some extent sharing the optimism of the democratic imperialists (see below), the strategic realists probably expect the collapse of the Iraqi regime to weaken other authoritarian and uncooperative regimes in the region or movements hostile to US interests.

Others of the strategic realist camp, including both Republicans and Democrats, reach opposite conclusions on 'what to do'. They are sceptical

⁵ Elliot Abrams (2001) set out his views in 'Israel and the Peace Process': "As the advances in the peace process since the Cold War and Gulf War have demonstrated, progress on individual issues depends less on the brilliance of our negotiators than on the overall balance of forces in the region. ... Here, as elsewhere, our military strength and willingness to use it will remain a key factor in our ability to promote peace", p. 239. Given Mr. Abrams appointment to the National Security Council in November 2002, the following extract is also relevant: "The real story of the Middle East peace process in the 1990s is really one of deep – and deeply disturbing – continuities. On the American side, both the Bush [senior] and Clinton administrations have pursued a consistent strategy aimed at pushing Israel into a 'land for peace' deal with Yasser Arafat's Palestinian Liberation Organisation that would inevitably result in a Palestinian state. ... And the theory underlying [Dennis Ross's] approach has been as unvarying as his influence in the State Department and at the White House: that Palestinian radicalism was based in legitimate grievances and could not be vanquished until those grievances were satisfied by Palestinian statehood. ... The suggestion that Palestinian irredentism would only be nourished by these successes was dismissed as obstructionism by the Clinton administration as it had been by Bush [senior]".

over a US military attack against Iraq, not primarily because of ethical considerations or international law, but because of a more sober risk assessment of its consequences. The more pessimist strand of strategic realists would argue that a military operation in Iraq could be long and messy. The US might well fail to establish rapidly a stable US-friendly regime in Iraq, and might have to remain on the ground for years, entailing high costs to US taxpayers. Moreover, a long and messy confrontation with Iraq, leading to a large number of casualties and refugee flows, could lead to a serious destabilisation of the region, hitting currently pro-US regimes in Jordan, and possibly Egypt and Saudi Arabia as well as Turkey.

ii) *Democratic imperialists*. This terminology, which will obviously be considered provocative within Europe and the Middle East, is nonetheless in vogue in Washington, and so seems to have some relation to current thinking there.⁶ The rhetoric coming from a large section of the new conservatives in the Republican Party argues in favour of a forceful US engagement in the world and most notably in the Middle East. Their positions and policies are driven by the aim – in some case almost messianic zeal – to reshape the Middle East in line with the interests and ideology of the ‘free world’. A military attack on Iraq would be relatively fast and painless, as the oppressed Iraqis rise to join with the American ‘liberators’. By attacking Iraq, the despotic regimes surrounding it (Iran, Syria and possibly also Saudi Arabia and Egypt) would either implode or be spurred to transform radically. In other cases the ‘fear of being next’ and/or an awakening of the ‘oppressed peoples’ would lead to a domino effect throughout the Middle East, à la Europe of 1848 or 1989. The argument also suggests that radical Islamic groups would be weakened significantly. With a radical transformation of Saudi Arabia and an ‘implosion’ of Iran and/or Syria, groups such as the Palestinian Hamas and Islamic Jihad and the Lebanese Hezbollah, currently financially supported by these regimes, would be severely weakened. This would not only work in favour of the peoples of the region, but would also coincide with US interests. As put by Deputy Defense Secretary Paul Wolfowitz: ‘if people are really liberated to run their countries the way they want to, we’ll have a world that will be very congenial to US interests’.

Ideologues of this school tend to reject ‘orientalist views’, believing instead that similar features characterise state-society relations and wider international relations throughout the globe. The counter-argument from a scholar of the Middle East is ‘democratic imperialism ... , far from revitalising the Arab world, it is likely in some regions to breed frustration and paralysis in some regions, threatening fundamentalist take-over,

⁶ See Kosterlitz (2002) and I. Daalder and J. Lindsey, ‘It’s Hawk vs. Hawk in the Bush administration’, *The Washington Post*, 27 October 2002.

sectarian and ethnic conflict, political instability, military intervention and, ultimately, the restoration of autocratic rule'.⁷

Others with similar ideological imprint and similar alleged objectives are more sober in their assessments. While arguing that attacking Iraq is probably necessary if not imperative given Saddam Hussein's weapons of mass destruction (WMD) and the impossibility to transform the Iraqi Ba'athist regime into a flourishing democracy, they claim that Iraq should be only the first step in a full US engagement in the democratisation and transformation of the wider Middle East⁸. A military attack on Iraq should be followed by a full and long-term US engagement in the country, aimed at gradual nation-building and democratisation. While sharing the starting point (military invasion of Iraq) and the objectives (democracy and change), this strand of imperial democrats is more sober in its assessment of the complexity of the task the US global hegemon is confronted with. Following this argument, work is currently underway in the State Department on a US initiative labelled the Middle East Partnership Initiative (MEPI), announced by Colin Powell on 12 December 2002. MEPI is intended to shape the form of long-term engagement in democracy promotion in the region⁹.

iii) Christian evangelists. The Christian evangelist movement, a vocal lobby with strong influence in parts of the Republican party, enters into the world politics of the Middle East in alliance with the Zionist Israeli lobby, forming a broad Christian-Zionist bloc. The Christian evangelists give uncritical support to Israel because of their literal interpretations of the scriptures.¹⁰

While religious tolerance means respect for diverse spiritual beliefs, including even the most exotic ideas, it is a different matter when evangelists are not content to pursue their beliefs discretely in biblical seminaries, but seek actively to influence world politics and in particular the politics of the

⁷ R. Joseph, 'Why the American dream can lead to a nightmare', *Financial Times*, 22 January 2002.

⁸ See Indyk (2002).

⁹ For a careful State Department presentation of the thinking behind MEPI, see the speech of Haass (2002).

¹⁰ While precise positions vary, a main idea is that the return of the Jews to the entire Eretz Israel will facilitate the second coming of Jesus Christ on the occasion of the Armageddon that destroys the earth and sees the moment of 'rapture' when born-again Christians will rise painlessly into heaven. Christian Zionists therefore push US diplomacy to support the Greater Israel agenda with Jerusalem as an undivided capital of the Holy Land. Any partition of Eretz Israel to establish a Palestinian state would go against the 'will of God'. Christian fundamentalists also tend to be anti-Islamic, as illustrated by Franklin Graham, President of the Billy Graham Evangelistic Association, branding Islam as 'a very evil and wicked religion'. For a thorough account, see Sizer (2002a and 2002b).

Middle East. It is with dismay that many in Europe and the Middle East read, for example, in May 2002 of the then-Republican majority leader of the House of Representatives, Mr Dick Armey, publicly advocating ethnic cleansing, without apparently being denounced politically: 'I am content to have Israel occupy the entire West Bank and to have those people who have been aggressors against Israel retire to some other arena'.¹¹ While most American politicians are more careful in their statements, it seems beyond doubt that Christian Zionist lobbying power in the US hampers efforts to have an even-handed policy over the Middle East.¹²

How do these camps overlap or combine? To what extent is there an overlap between the 'strategic realists', the 'democratic imperialists' and the 'Christian evangelists'? To be sure, individual politicians rarely accept being put in simple analytical categories, and statements may be open to various interpretations. The fundamental stance of US policy-makers can only be assessed as developments on the ground unfold. With the framing of policies within the paradigm of 9/11 and justifying positions on the grounds of national security, President Bush may secure adequate support for a military operation against Iraq, but the thrust of future American engagement in a 'post-war Iraq', in the Israeli-Palestinian peace process, and in the Wider Middle East remains subject of ardent debate.

Meanwhile Prime Minister Sharon has exploited the paradigm of 9/11, together with underlying support from the Christian Zionist coalition, in portraying Israel's struggle against the Palestinians in the context of the US-led 'war on terror'. While initially cautious about Sharon's parallels between the US war against the Al Qaeda/Taliban and the Israeli struggle against the Palestinians, with the intensification of suicide bombings, the Bush Administration in the course of 2002 came by and large to accept this narrative of the conflict. This was manifest in the weak American criticisms of Israel's disproportionate use of force and rising condemnation of the Palestinian Authority (PA) and Arafat in particular, and effective US disengagement from the Israel-Palestine conflict. The mantra is that Clinton's engagement failed to deliver, and therefore, until a new Palestinian leadership emerges, which accepts compromise and categorically rejects violence, the US will continue to stand by and refuse to pressure Israel.

¹¹ One may contrast this with the case of Senator Trent Lott, whose political career was instantly ended after making dubious remarks about race relations in the US.

¹² Some of Defense Secretary Rumsfeld's remarks also raise European concerns: "My feelings about the so-called occupied territories are that there was a war ... they (the Arabs) lost a lot of real estate to Israel because Israel prevailed in that conflict ... they've made some settlements in various parts of the so-called occupied area, which was the result of the war they won", press interview, 6 August 2002.

European ideas. We cannot claim to say that there is a clearly formalised European ideology towards the Middle East, yet there are sufficiently substantial strands of thought or tendencies in policy to justify a sketch of a European view alongside these various, and in some cases alarming, American ideas. We identify three strands.

i) Harmony of cultures and religions. The histories of Europe and the Middle East have been intertwined for centuries, from the days of the Roman Empire through two World Wars and European colonialism. Despite the repression and huge human suffering that much of such history entailed, it can also bring a certain underlying understanding between the peoples of the Middle East and Europe, which could lay the foundations of a different future. In sharp contrast to the positions and policies of fundamentalist Christians, Muslims and Jews, it is generally accepted in Europe that inter-communal and inter-religious dialogue, cooperation and respect should lie at the core of relations within and between the Middle East and the West. While Europe becomes a 'post-religious' society to a considerable extent, it retains deep respect for promoting the harmony of cultures. The recent Alexandria Declaration by Christian, Judaic and Muslim church leaders is exemplary in this respect (see Box 12 below). With the huge expansion of the European Union to the East now underway, the 'Wider Europe' meets and indeed overlaps with the 'Wider Middle East'. The EU and Russia both overlap with the Muslim world within their own territories and at their borders. Present and future accession candidates include 70 million Muslims in the case of Turkey, as well as about 5 million Muslim citizens in the Balkans. The accession of Cyprus and Malta and the progressive integration of Turkey means that the Union is going to directly neighbour not only the Maghreb, but also the Mashreq, Iran, Iraq and the Caucasus. The growing communities of immigrants in Europe from the Maghreb and Mashreq, as well as the wider Islamic world, brings the Wider Middle East in Europe. The second generation of Europeans of Middle Eastern origin is also a growing phenomenon, which could become an additional powerful element promoting a harmony of cultures and civilisations. The European model of multi-cultural society compares and contrasts with the US melting-pot model. We do not argue that one model is preferable to the other, only that the difference matters for policy.

ii) Notions of partnership. There has been a consistent appreciation amongst EU leaders of the need to forge closer long-term contractual partnerships with its southern neighbours, as evidenced in important political and economic investments already made in the Euro-Mediterranean Partnership ('Barcelona process'). These tendencies seem sure to strengthen. In a recent speech in December 2002, Commission President Romano Prodi spoke of the desirability of a 'ring of friends' surrounding the Union, from Morocco all the way around the Mediterranean and Black Sea to Russia. Together with its ring of friends, the Union would deal with common threats, regional

conflicts and encourage cultural exchanges and regional cooperation. In substance this entails that the EU would be increasingly extending its policy reach towards its new neighbours to the South, East and North, blurring the distinctions between being 'in' and 'out' of the EU. It would mean a greater willingness to offer 'partial membership arrangements for long-run accession candidates, to extend 'stability pact' methods into the conflict zones of the South-East European periphery, and increasing 'cooperative regionalism' in borderland regions that have a natural geographical and historical identities, but whose states today are politically heterogeneous in their relationships with the EU.

iii) Post-modern, security community. Europe is also evolving into a complex system of multi-level governance, which fosters cooperation and integration and also prevents or eases conflict. Moving beyond the modern state system, with clear-cut sovereignty, citizenship and territorial frontiers, the EU is evolving far more into a 'post-modern' structure, which breaks up this simple model. Government has multiple tiers, with an increasingly wide dispersion of powers between local, regional, national/federal, European and international domains. Legal sovereignty is dispersed, especially in states that are both federal and members of the EU. Economic structures are also highly internationalised, as are many non-governmental activities. Subjective identities of the individual become multiple, and the legal rights of citizenship are also becoming Europeanised. Frontiers are highly permeable, even non-existent for many practical purposes. Europe has worked out a model type of 'security community' after centuries of war on the continent, which it wishes to extend progressively into its wider neighbourhood, and indeed into the Middle East.

Values. While the US and Europe have common bed-rock values in terms of liberal democratic culture, it is now questioned how far these underlying values may be diverging. The World Values Survey¹³ notes on the basis of many years of opinion poll findings that while the US and EU are comparable in feelings about material well-being, they divide on one particular scale of values, with Americans tending towards traditional-religious values, whereas Europeans tend towards secular-rational values. Concrete examples of transatlantic divergences over value-laden subjects include several cases (gun laws, capital punishment, and public health care) that are not relevant to foreign policy. However the differences between American Christian evangelism and mainstream European Christianity is relevant for Middle East policy. In terms of broad foreign policy philosophy, one noted contribution to the debate over the last year, from R. Kagan, an American scholar of Republican persuasion, is pessimistic, arguing that 'it is

¹³ World Values Survey, University of Michigan, with summary findings reported in 'Special report – American values', *The Economist*, 4 January 2002.

time to stop pretending that the Europeans and Americans share a common view of the world, or even that they occupy the same world'.¹⁴ However this view is based more on the asymmetries of military power between the US and EU, which – while very real – are not so much a matter of values as of political structures and organisation. Yet divergences in values are also now perceived at the political level, as the following recent quotation from Javier Solana shows: 'The moral certainty of religious America is difficult to replicate in a largely secular Europe. A religious society perceives evil in terms of moral choice and free will while a secular society seeks the causes of evil in political and psychological terms'.¹⁵

Yet all is not lost. While the divergences and confusion of Western strategies are certainly serious and dangerous for world peace at the moment, they are not irreversible, for several mutually supporting reasons:

- The swings of the US political pendulum can be strong and quite fast under the impact of learning experiences, especially in the foreign policy field;
- The EU develops a steady and deep philosophy of international relations, especially with regard to its near neighbours, and is extending its reach and capacity to act, and this could both constrain the US and help achieve convergence;
- The US and EU remain the world's two massive and ultra-stable liberal market democracies, and their differences are still only nuances if the comparison is made with the world's undemocratic regimes;
- The logic of globalisation of the 21st century is that the world is heading for cosmopolitan democracy, rather than anybody's democratic imperialism.

However the immediacy of today's hazards mean that the EU must act more forcefully for a Wider Middle East order now.

¹⁴ See Kagan (2002).

¹⁵ Javier Solana quoted in 'Solana laments rift between Europe and religious US', *Financial Times*, 8 January 2003.

Part II. The Israeli-Palestinian Conflict

2. The mad logic of escalation

2.1 Israel and Palestine

Ariel Sharon's promenade on the al-Aqsa esplanade on 28 September 2000 dealt the final blow to the moribund Oslo peace process. Since then, Israelis and Palestinians have been locked in a vicious circle of violence and counter-violence, with mutual accusations of fundamental force.

Israel has carried on expanding settlements contrary to the Oslo agreement as well as reoccupying militarily the West Bank, or in Oslo terminology making redundant the distinction between areas A and B.¹⁶ The reoccupation, devastating use of force, curfews, closures, checkpoint and human rights and humanitarian law violations, are resulting in a rapidly rising number of civilian Palestinian casualties. Furthermore, the infrastructure of the Palestinian Authority (PA) is progressively being destroyed, marking a clear reversal in the path towards Palestinian statehood. A new reality is the construction of the 'fence', i.e. a physical barrier that will assume different forms in different locations (walls, electric fences, physical obstacles, monitoring systems and military and police forces kept on high alert) to separate Israelis and Palestinians.¹⁷ The fence is supposed to be part of a separation system, aimed at preventing any infiltration into Israel from beyond the 'green line'. This fence is not being built on Israel's border and thereby de facto annexes more Palestinian land (7% of the West Bank) and cages in 290,000 Palestinians (including East Jerusalemites) finding themselves living between the fence and the 'green line' (see Map 4 in Annex P)¹⁸. Israel also isolates Palestinian population centres from one another by building electric fences around Areas A, restricting freedom of movement of individuals and goods and services. Currently the Palestinian population of the West Bank is divided in 54 enclaves separated by checkpoints and fences. The present plans do not include withdrawal from the settlements; hence, the internal forms of separation in addition to the external one. In addition there is the expanding network of settlements and highways connecting them, which are being built at an alarming pace. This is leading to the envelopment of East Jerusalem and its isolation from the rest of the West Bank as well as the separation of the northern from the southern parts of the West Bank.

¹⁶ In areas A, the PA was in control of civilian and security affairs, while in areas B Israel retained control of security.

¹⁷ See Brom and Shapir (2002) and Baskin (2003).

¹⁸ Conversations with the Jerusalem Task Force, NAD, October 2002.

The mainstream Israeli narrative is that the Palestinians foolishly rejected the generous offers made by Barak at Camp David in July 2000 and opted for a violent strategy as an alternative means to reach the objectives of a single state in historical Palestine. The Barak offers at Camp David can be criticised as not providing for a viable Palestinian state, notably because of lack of contiguity between the north and south of the West Bank (see Map 1 in Annex P), yet this was later being corrected between Camp David and Taba in January 2001 (see Map 2 in Annex P). More fundamentally, many Israelis regard Palestinian suicide attacks on civilians as the confirmation of the view that the Palestinians are not striving for an end of occupation, but are still determined to destroy the state of Israel itself.¹⁹ The rhetoric of Hamas and Islamic Jihad and their rising support, especially among younger Palestinian, is cause of considerable concern and mistrust. While different messages can be heard from Islamic leaders and supporters, the consistent rhetorical line remains that Hamas has not abandoned the objective to liberate all of Palestine, i.e. the 'Palestine from the river to the sea'.²⁰ A hudna or truce could follow a full Israeli withdrawal from the West Bank and Gaza Strip including East Jerusalem, and the evacuation of all settlements and the right of refugees to return to their homes. However the hudna would not entail a recognition of the state of Israel. During the truce, of maybe 10 to 20 years, the movement would gather its forces to prepare for the final jihad to liberate all of historical Palestine and establish an Islamic state. However the Jews could continue to live and practice their religion among the majority of Muslims.

According to the Mitchell report, it was only after the disproportionate use of Israeli force that the Palestinians increasingly endorsed violent means, including the suicide bombings. However, for the majority of the Israeli public the suicide bombings within Israel's 1948 frontiers confirm their most dreaded fears.²¹ The fact that many Palestinians doubt whether the extremist Islamic movements would retain public support following a two-state solution cuts no ice with the Israeli public. The struggle with the Palestinians has once again become an existential one justifying all means of attack and reprisal. The minimum level of public trust necessary to reach a negotiated deal has dissipated.

Hence, the vicious circle of the last two years. On the one hand, as Israeli violence intensified disproportionately, positions put forth by the Palestinian Islamic movements gained increasing support. The Islamic movements argued that in so far as 'Israel only understands the language of force', violence aimed at the greatest possible damage to Israel is the only means to

¹⁹ See Levy (2002).

²⁰ See el-Hamad and al-Bargothi (1999).

²¹ See Levy (2002).

achieve the end of occupation. Alternative approaches condemning suicide attacks as ethically repugnant and 'war crimes', as well as counterproductive to the Palestinian cause, gained increasingly less sympathy in the light of Israeli actions. On the other hand, the greater the levels of Palestinian violence, the greater the support for Israeli extreme right-wing views, both secular and religious, who implicitly reject the notion of negotiations with the PA and the end of conflict through a viable Palestinian state on the 1967 borders.

Both societies and the Palestinians most critically, have suffered tremendously in the last two years. The Palestinian economy is in a state of collapse, the humanitarian situation in the occupied territories is disastrous, and exacerbated by the constant curfews and closures. The intifada and the segregation of the Palestinian communities both from Israel and from each other have dramatically increased the unemployment level to about 50%, leading to a situation in which approximately 60% live below the poverty line. In addition the curfews and closures have also prevented the smooth delivery of humanitarian aid principally through UNRWA and other agencies. One of the great tragedies of the conflict is that in the 1970s and 1980s the Palestinian economy was advancing most positively. From 1969 to 1992 the average rate of growth per capita of the West Bank and Gaza was 5.7%. Real Palestinian income nearly quadrupled during this period. This increasing prosperity was however heavily dependent on around half employed Palestinians working in Israel, many as commuter labourers. The Palestinian economy is now shattered.

During the 1990s Israel was growing fast, at 5% per year, led by foreign investment and the high-tech sectors. From the beginning of the intifada there has been recession, with GDP now likely to fall in 2003, the third year in a row. Tourism has declined catastrophically. The shekel's exchange rate has dropped over 20% from 2000 to January 2003. Inflation has risen from under 2% in 2000 to almost 7% by the end of 2002, with unemployment rising to 10.5%. Early 2003 saw signs of a serious deterioration in the budget balance, such that the rating agencies discuss a possible downgrading of Israel's sovereign rating. Seeking to defend its financial situation, towards the end of 2002 Israel requested large-scale financial assistance from the US (\$4 billion of grants and \$10 billion of loan guarantees), but Washington seem not yet to have decided its response.²²

Tragically, 'gains' are being calculated by assessing the losses inflicted on the enemy. After over two years of intifada, the death toll stands at approximately 600 Israelis and 2,000 Palestinians. The objectively higher

²² See 'Prolonged recession adds to voters' dependency', *Financial Times*, 23 January 2003; and N. Strasler, 'On the road to financial ruin', *Ha'aretz*, 5 February 2003.

number of Palestinian deaths, lead some Israelis to believe that they are 'winning' the struggle. The relative 'gains' made by Palestinians in terms of Israeli casualties mean to some Palestinians that the intifada is paying off. In the first intifada the ratio of casualties was approximately 10:1, whereas in the second intifada as a result of the suicide bombing this ratio was lowered to 3:1. Body counts are tragically defining success.

2.2 Syria and Lebanon

With the failure of negotiations between Israel and Syria in 1999-2000 and the outbreak of the second intifada in 2000, all Israeli-Syrian peace efforts were interrupted. Faced with the intifada, Israel set aside the Syrian track. Bashar Assad's regime is also reluctant to engage in any bilateral initiatives with Israel. The current media coverage of the intifada in the Arab world makes it far too costly to engage in serious bilateral efforts with the Israelis. Nonetheless, a final Arab-Israeli peace accord based on the Beirut Arab League Initiative would require an Israeli-Syrian, as well as an Israeli-Lebanese, peace treaty in addition to agreement with the Palestinians.

The unresolved conflict between Israel and Syria over the Israeli occupation of the Golan Heights aggravates regional instability. Syria's support for radical militant groups such as Hezbollah in Lebanon and Hamas in Palestine, are evident reprisals against Israel's occupation of the Golan Heights as well as the WBGs. Despite the withdrawal of the Israeli army from southern Lebanon in 2000, Hezbollah, effectively in control of many regions of the south and the Beka valley, continues its struggle against Israel. It claims to fight the Israeli occupation of the Cheba farms, as well as supporting the Palestinians in their struggle for freedom. While Israel asserts that the Cheba farms belonged to Syria and would therefore be discussed in the framework of Syrian-Israeli negotiations, both the Syrian and the Lebanese governments claim that the Cheba farms are Lebanese. Hence, the alleged justification for Hezbollah's actions. Hezbollah is unlikely to deliberately trigger a war with Israel, primarily because its supporters in Syria and Iran are fully aware of the costs and dangers of a war. However the ongoing tensions and skirmishes in southern Lebanon, in addition to the rising dispute between Israel and Lebanon over water rights in the Wazzani River, could trigger an unintended escalation within a regional crisis.

The Palestinian intifada has a potentially destabilising role in Syria, as it has often become the general banner used by Syrians (as by Egyptians and Jordanians) to protest against the regime's domestic shortcomings. In a different way from the people, the Ba'ath regime has also linked the Arab-Israeli conflict to the lack of reform in Syria's political and economic systems. The fear of destabilisation resulting from reform within a fundamentally unstable region due to the ongoing Arab-Israeli conflict has been one of the most frequently cited reasons for domestic stalemate in

Syria. While some link no doubt exists, the Arab-Israeli conflict is to a large extent a pretext to avoid embarking upon a potentially costly path of reform. But whether a pretext or a valid reason, it is clear that removing the Arab-Israeli conflict would add considerable momentum to the forces of change in Syria and the rest of the Arab world.

The Arab-Israeli conflict is also in part linked to Syria's continuing control over Lebanon. The Lebanese civil war, the PLO's role in that war and the Ta'ef agreement, the Israeli occupation of Lebanon up until three years ago, and the fear of a bilateral Lebanese-Israeli peace since then, as well as the colonial history of the region are all root causes of Syria's pervasive presence in Lebanon. This has naturally created new vested interests and resistance to change. Syria's political control in Lebanon has allowed Syria's controlled economy to benefit considerably from the Lebanese market. Lebanon is an attractive market for cheap Syrian goods. Moreover one million workers from Syria either live or commute daily to work in Lebanon. While these vested interests exist independently of the Arab-Israeli conflict, following an Arab-Israeli peace there are reasons to suppose that Syrian-Lebanese relations would gradually transform for the better.

The Iraq crisis could have major repercussions on Syria. Amongst the most important effects is the probable interruption of trade including illegal oil trade via pipeline from Iraq amounting to approximately \$2 billion per year, which in turn allows Syria to exports its own 600,000 barrels of heavy oil. In June 2002, following the collapse of a major dam in Syria, Iraq donated a further \$18 million in oil to Syria. Still there are signs that Syria could become a co-operative partner in a new Middle East equation. Syria already cooperates with the US over al Qaeda, it worked within the UNSC on Resolution 1441 concerning Iraq, and continues to seek co-operative relations with the West and particularly with Europe (e.g. EU-Syrian negotiations over an association agreement, and Bashar's visit to Prime Minister Tony Blair in December 2002).

3. Time running out for a two-state solution

The impasse over the Israeli-Palestinian conflict is so intractable that it seems at times difficult for the warring parties to imagine any way out. However there has to be a future. What could it be? As many as seven quite different scenarios are supported by some party or interest group.²³ The conventional idea is for a two-state solution, which today would be pushed through a multilateral negotiation sponsored by the Quartet. However the status quo is not a static one, and time is running out for a just two-state solution. That is why one has to look at the one-state solutions, if only to draw the conclusion that the pursuit of a just two-state solution is all the more urgent.

Box 2. Israeli-Palestinian solutions

One-state solutions

- Cantonisation/Bantustan
- Transfer/expulsion
- Single democratic state

Two-state solutions

- Bilaterally negotiated peace
- Multilaterally pushed peace
- Separation, fence and withdrawal

Multi-state, confederal solution

²³ The seven scenarios presented here are our attempt to give structure to the discussion of options. Many different shadings and combinations in hybrid solutions are possible. For two contributions by Israeli scholars on multiple scenarios that largely overlap with ours, see Feldman (2002) and Halper (2002). Feldman identifies four scenarios: (a) Re-conquest of the West Bank and Gaza Strip, which has two variants, one leaving the pacified Palestinians where they are (=Cantonisation), the other 'more extreme version' calls for 'encouraging – if not compelling – Palestinians to emigrate' (=Transfer), (b) Separation, (c) Bilaterally negotiated peace, and (d) Multiaterally negotiated regional peace. Halper discusses six scenarios: (i) bilaterally negotiated peace; (ii) cantonisation (Bantustan), (iii) single federal binational state, (iv) single democratic state, (v) single apartheid state, and (vi) multi-state, regional confederation.

3.1 One-state solutions

The default scenario: cantonisation.²⁴ This is what is actually happening on the ground. Unless current dynamics are dramatically reversed, the scenario that may prevail by default is one of a cantonised set of physically separated Palestinian localities, with local Palestinian government for municipal services, but subject to overarching Israeli military occupation and rule over all else of importance. The construction of the fences, the expansion of Israeli settlements and the progressive destruction of the Palestinian Authority fit with this model. This means that the longer the continuation of the status quo, the less likely becomes a peace settlement based on a viable, sovereign and territorially contiguous Palestinian state.

While virtually nothing in politics can be labelled as irreversible, it seems highly plausible that in two to three years time the 'costs' to Israel of withdrawal from the occupied territories may come to be too high a 'price' to pay for even the most dovish of Labour governments. The scale of ongoing investments in the Israeli plan for the Greater Jerusalem area would make it meaningless to return to the Clinton parameters for Jerusalem (giving Israel what is Jewish and Palestine what is Arab), as there would no longer be a real Palestinian East Jerusalem. These realities are being increasingly discussed by Israelis, Palestinians and international commentators.²⁵

The extent of the present investment in *Cantonisation* has to be seen to be believed. The Gaza Strip is already completely enclosed and segmented by fences, security zones and militarily controlled corridors and check-points. It has been described as the world's largest prison.²⁶ Movements within the Gaza strip for Palestinians are impeded by checkpoints. Commuter labour movements into Israel have been reduced to small proportions, or at times are completely stopped. International travel or movement of Gaza citizens to the West Bank is almost impossible. The Israeli settlement areas are not only defended with fences, but wide bands of scarce Palestinian agricultural land around them have been razed (i.e. bulldozers have ripped up fruit trees and plantations, leaving a cleared space preventing any penetration or use). The airport and the beginnings of a new seaport have been destroyed. The Palestinian population is about 50% unemployed, and increasingly reliant on

²⁴ See Ilan Pappé, 'A fence at the heart of Palestine', *Al-Ahram Weekly*, 11-17 July 2002.

²⁵ PLO Negotiations Affairs Department, 'Israel's Pre-emption of a viable two-state solution', November 2002; T. Roed-Larsen, 'Before it's too late', in *Ha'aretz*, 17 October 2002; and A. Haas, 'Settlement tightens the noose on Jerusalem', in *Ha'aretz*, 10 October 2002.

²⁶ The British Ambassador to Israel has described the occupied territories as the 'largest prison in the world' during a meeting with Israeli officials, *The Palestine Chronicle*, 14 October 2002.

survival rations from UNRWA (of rice, vegetable oil and flour). Blockaded and segmented, there is no chance for economic revival, or for political and social progress. The Israeli settlers for their part are able in a few minutes to drive freely through militarily protected corridors into Israel proper, reaching Tel Aviv or Jerusalem in little over an hour.

The West Bank is currently divided into 54 militarily controlled areas, including sub-divisions of the so-called 'A' areas, which are the areas around the main Palestinian cities such as Nablus, Jenin, Ramallah, Bethlehem and Hebron, and which the Oslo agreements placed under full Palestinian control. Movements within these tiny areas are limited by frequent curfews, and between them by checkpoints. Even as and when there will be withdrawal of the military occupation from 'A' areas, there will remain segmentation of the Palestinian communities into non-contiguous areas, separated by strategic highways open only for movement by settlers and the Israeli Defence Force (IDF), and closure of minor road connections by a dense network of checkpoints.

Box 3. Settlement expansion in the Greater Jerusalem area

East Jerusalem is being separated from the rest of the West Bank through the construction of settlements within the 'inner ring', i.e. within the Israeli-determined municipal borders. This includes the expansion of the Gilo, Har Homa and Giv'at Hamatos settlements between East Jerusalem and the Bethlehem area and the construction of a ring road around the inner circle.

Settlement expansion within the Jerusalem outer ring will both separate East Jerusalem from the West Bank and separate the northern from the southern sections of the West Bank.

In the southern part of the outer ring, the Gush Etzion bloc is being expanded both westwards (connecting to West Jerusalem) and eastwards (connecting to the Tekoa settlement). A tunnel connecting Gilo (in the inner ring) and the Etzion bloc has been constructed and a road connecting the inner ring settlements to Tekoa in the outer ring is planned.

In the eastern section of the outer ring, the separation of the northern from the southern parts of the West Bank is proceeding with the expansion of the Adumim bloc (with a capacity to grow to the size of Tel Aviv) and the E1 plan (which includes planned business and housing centres).

In the northern section of the Jerusalem outer ring, both the Binyamin and the Givon blocs are being expanded, with the latter linking to the Greater Jerusalem area. The new Anata by-pass road is also being constructed to link the Binyamin bloc to the French Hill and West Jerusalem, thus attracting new settlers to the bloc.

In the Greater Jerusalem area Israel is racing to complete huge investments in settlements, roads, tunnels and walls. The apparent strategy is to achieve de facto a reversal of the logic of settlement policy. Initially the West Bank settlements were isolated enclaves in Palestinian territory. Now it is the Palestinian towns that become isolated enclaves in Israeli territory. For example to the north, south and east of Jerusalem, multiple sets and phases of settlement construction have been strung out so as physically to enclose or separate Palestinian communities (see Map 3 in Annex P). This is the onward march, unimpeded by international pressures, of the process of making the 2-state solution physically impossible. The map is being redrawn month by month.

According to some Israelis on the right of the political spectrum, the establishment of cantons (which some would define as the Palestinian 'state') could be an end in itself: i.e. the establishment of a 'peaceful hegemonic order'.²⁷ The proponents of this approach argue that the strategic objectives of Israelis and Palestinians are mutually incompatible and thus conflict 'management' rather than 'resolution' has to be the practical objective. Conflict management would be achieved through the 'cantonisation' of the occupied territories. Palestinians would self-administer themselves within their non-contiguous homelands, but would be deprived of all political, social and economic rights accorded citizens of Israel. Israeli settlements, except for dismantlement of various minor outlying anomalies, would remain. Given Israeli military and economic superiority, Israel would succeed in establishing order in the Palestinian *Bantustans*. The Palestinians would come to accept overwhelming Israeli power, and live submissively in poverty without any political rights. This concept may indeed overlap with Prime Minister Sharon's concept of a long-term interim state on approximately half the territory of the West Bank Gaza Strip (WBGs).

Short of this 'peaceful hegemonic order', the second-best option for some 'less optimistic' Israelis would be that of 'managed chaos'. Palestinians would persist in their resistance. However, their relative weakness would mean that the costs to Israel would be 'bearable' even over the long-term. There would be no submission and stability, but the violence and chaos would be contained to a low level. A grimmer perspective, but maybe the most plausible one, has been described by Yezid Sayigh.²⁸ This would be the spectre of violent disintegration of Palestinian society in the context of deepening economic and social crisis, with the breakdown of civilian government. The result could be 'a Somalia-style militia phenomenon', with increased risks of extortion, random violence against Israelis and vigilante attacks on Palestinian collaborators. It could further lead to increased *pied*

²⁷ Reported in conversation with Israeli academics, not wishing to be quoted.

²⁸ See Sayigh (2002-03).

noir violence by Jewish settlers against unarmed Palestinian civilians. Both during the first intifada in the WBGS and in southern Lebanon, there have already been swings in this direction. At the time they were held in check by Israeli control as well as indigenous Palestinian governance (prior to the establishment of the PNA). Sayigh concludes 'whether or not such disintegration takes place among the Palestinians, the present status quo is inherently degenerative'.

The option of long-term cantonisation is dismissed by most, as both ethically deplorable and politically unrealistic. The South African precedent demonstrates that while individual human rights may be deprived for decades, apartheid is not a viable long-term option. Yet if apartheid cannot be the long-term solution, what are its alternatives?

Transfer or expulsion. The most repulsive is that of 'transfer'. This term has been used both to refer to the idea of expelling the Palestinian citizens of today's Israel in order to achieve an 'ethnically pure' Jewish state, and/or to the idea of expelling the entire Palestinian population to the East of the Jordan River in order to secure a Jewish 'Greater Israel'. The proponents of this idea see it as the last act of the wars of 1948 and 1967. The establishment of the Bantustans could be viewed as just an intermediate step. 'Transfer', once unspeakable in Israel itself, has become part of the public discourse in the last two years. Demonstrators in the streets as well as various politicians openly speak about such 'solution'.

How would the proponents of such a 'solution' intend to carry it out? Explicit public references to tactics are rarely if ever made. Today the idea of a militarily enforced comprehensive transfer seems only a remote possibility. Most Israelis and Palestinians do not deem this a realistic scenario, even if some 46% of the Israeli population support the idea in opinion polls.²⁹ Israel is formally at peace with Jordan and Egypt, which would not accept new waves of refugees. Furthermore, the international community would be unlikely to remain silent under such a catastrophic scenario.

Yet forced transfer through military means is not the only option for the expulsion of the Palestinian population. In the long term, the same result could be attained gradually and more discreetly, and therefore avoid overwhelming international opposition. 'Sociocide' is a more realistic prospect than that of forced expulsion. The current policy of cantonisation and collective punishment (fences, settlement construction, closures, harassment, curfews, razings, demolitions, killings of civilians, extra-judicial assassinations, etc.) create very strong incentives for the Palestinian population to seek normal lives elsewhere. It has been estimated that over the last two years approximately 100,000 Palestinians emigrated from the West

²⁹ See Arian (2002).

Bank and Gaza Strip, many of whom were affluent Palestinians of Christian origin with family connections in Europe or the US. In October 2002, the residents of the small village of Yanoun abandoned their homes following settler harassment.³⁰ Furthermore, discreet forms of transfer have already been occurring within Palestine, where some families have been expelled from their current homes and relocated within the borders of Palestine but further to the East, thus facilitating the progressive Israeli annexation of Palestinian land. The fence could be used as a *fait accompli* to transfer Palestinians who now find themselves sandwiched between the 1967 green line and the fence currently under construction (i.e., approximately 70,000 depending on the final tracing of the wall, excluding East Jerusalemites³¹) further to the East of the West Bank (see Map 4 in Annex P).

Given the significant support in Israeli public opinion for 'transfer', it is hardly surprising that Palestinians reflect on the conditions under which such a policy might happen. Some speculate that as the intifada would continue to rage on and possibly intensify in parallel with a US war in Iraq, Israel might use the pretext of general chaos and regional war to expel the Palestinian population, creating new waves of refugees. Others argue more plausibly that Israel would not carry out such an option during an American military campaign, not least because surrounding countries, unlike 1948 would not accept new waves of Palestinian refugees. The Palestinians themselves typically declare that there would never be a repeat of 1948 or 1967, since on a next occasion they would refuse to become forced refugees again, and rather stay to fight to the death.

Single democratic state. The alternative logic would be to revert to the idea of a bi-communal democracy. This old idea now returns into the debate in the specific context of thinking through the long-term implications of the current cantonisation, which could not be sustainable in the long run. In the light of the huge human and physical investments made in the settlements and cantonisation infrastructure, it will become increasingly implausible, if not impossible to return to any viable two-state solution. If forced or 'silent' transfer is not an option, the issue would be human rights for the Palestinians. Faced with the impossibility of establishing a viable Palestinian state, the Palestinian struggle would thus revert into a struggle for the individual's political, social and economic rights within a single democratic state. As the South African precedent showed, this is not an option that can be altogether excluded.

A single democratic state could take various forms. One frequently mentioned idea is that of a federal bi-communal state. Palestinian and Jewish

³⁰ See Eldar (2002).

³¹ As noted above, the inclusion of East Jerusalemites would raise the number of Palestinians in between the green line and the 'wall' to 290,000.

cantons would exist throughout historical Palestine/Greater Israel. However in this model the Palestinian entities would be more like real Swiss cantons and not like the former South African Bantustans. The cantons would enjoy sovereign competences in certain areas of government (certainly including education, culture, religion and personal status). The federal centre, in which Jews and Palestinians would be fairly represented according to a power-sharing formula, would control other policy areas (such as fiscal and monetary policy, foreign policy, etc). Jewish settlers presumably could remain in their present settlements, while Palestinians could be free to reside within the current boundaries of the state of Israel.

A second variant of the single democratic state is that of a secular unitary state, as proposed by the PLO before its current two-state approach. In this case, the Palestinians would simply claim their individual social, political and economic rights within the Greater Israel/historical Palestine, rather than collective demands for self-determination. Given the trends in demography between Palestinians and Jews in the Greater Israel/Palestine, the Palestinians would be in the majority.

The international community could not object to either of these options. Despite its current preference for the two-state solution, it would naturally prefer a single democratic state to a single state with Bantustan-type cantons, not to mention transfer. However, both options, while theoretically appealing, suffer from huge difficulties in current circumstances. Both scenarios could represent desirable outcomes in a long-term future when animosities and fears would have subsided, but they seem inconceivable in present circumstances. Today both Jewish Israelis and Palestinians consider themselves well identified nations and not ethnic communities in search of limited autonomy. The federal variant unrealistically assumes that ethnic communities would inhabit well defined territorial spaces. However the present political geography, in view of the Israeli settlements in the West Bank and the presence of Palestinians in Israel, is that the two groups are highly intertwined territorially. The unitary secular state on the other hand denies the perceived importance of religious and linguistic differences between the two peoples and as such any claim for separate self-determination. Finally to contemplate either model at present would be to underestimate the level of animosity between the two peoples, and oversimplify the jump from the current situation of violence and counter-violence to the establishment of a peaceful and well functioning single state. This is not to say that such models could not become relevant in the long term.

Faced with the choice between Bantustanisation or transfer on the one hand versus any variant of a single democratic state on the other, the Palestinians would naturally opt for the latter. But this is not their preferred option

today.³² For well over a decade, the Palestinian national movement has been striving for separate self-determination within an independent Palestinian state on the West Bank and Gaza. The preference for individual rights or limited communal rights would only re-emerge as the two-state option faded away.

Today the idea of a single democratic state is anathema to the vast majority of Israelis. As and when the legitimate individual rights of the Palestinians in the Greater Israel would be won, Israel would find itself with precisely the scenario that terrifies it most, that of living together in a single state with a demographic majority of Palestinians. Yet its policies may be heading it in precisely this direction. How can a nation head towards a long-run option that is fundamentally against its perceived interests? The only explanation would seem to be that the nation is collectively myopic because it is heavily burdened with its unique and tragic history, and with its short-run political choices continuously subject to political compromises in a hugely complex and conflictual domestic party political environment.

3.2 Two-state solutions

If cantonisation and one-state solutions are ruled out as peaceful solutions in the short and medium terms, then we inevitably return to the pursuit of a two- (viable) state solution, as the only peaceful way out of the current impasse. How would such an agreement be reached?

Separation – with wall and unilateral withdrawal. The concept of separation has for a long time existed within the Zionist peace camp, with its roots deep in classical Labour Zionist ideology.³³ There are those who have spoken about separation as a concept to describe the process of establishing an independent Palestinian state alongside Israel in the West Bank and Gaza Strip, and in this context the meaning of ‘separation’ was political rather than physical. There are others, including some from the Israeli ‘peace camp’ such as former Prime Minister Ehud Barak, who have referred to ‘separation’ not only in political terms, but also in demographic and economic terms. ‘Separation’ for them would mean the creation of a Palestinian State

³² According to a public opinion poll taken in December 2002 by the Jerusalem Media and Communications Centre, 46.5% of Palestinians prefer a two-state solution, 26.2% prefer a bi-national state in historic Palestine, and 11.2% prefer a single Palestinian state with one nationality (<http://www.jmcc.org/publicpoll/results/2002/no47.htm>).

³³ Such as that espoused by A. Gordon, one of the leaders of the Second Aliyah (or immigration wave). Through its positive advocacy of ‘normalising’ the Jewish people by transforming them into workers of the land, Second Aliyah ideologues preached the philosophy of ‘Jewish labour only’ and fought against the land owners of the ‘First Aliyah’ who relied heavily on local Arab labour in their farms.

alongside Israel and the construction of a hard boundary that would put an end to Palestinian physical presence within Israel.³⁴

Dan Scheuftan (1999) has made the latest and one of the most explicit arguments for this second strand of modern Zionism.³⁵ Scheuftan contends that Israel should close off its borders completely to the region as well as to the Palestinians. There should be no Palestinian cross-border movements of commuter labour, and minimal other movements of people or even goods. Scheuftan's logic is both economic and demographic. In economic terms, he argues that Israel cannot allow itself to be part of the Middle East because it is one of the most corrupt, anti-democratic and backward parts of the world, from which the Palestinians are no exception. He argues that standards of living will always be much higher in Israel and that a hard border would thus be necessary to fend off economic immigration from neighbouring countries.³⁶ 'If Israel can compete with the Silicon valley, why should it compete with the Nile Valley?'³⁷

Linked to this economic argument is an explicit demographic logic. Hard separation is intended to reduce the numbers of Palestinians in Israel to the lowest possible levels, a vital condition for the long-term survival of the 'Jewish state'. Following this logic Scheuftan argues that as long as there will be a Palestinian demand for the 'right of return' for Palestinian refugees and there is an open border that allows Palestinians to enter Israel, the state of Israel as a Jewish state will be under threat.

The argument also extends to cover the 1.2 million Palestinian citizens of Israel. According to the demographic logic, developed in detail by Arnon Soffer (2001), the mere presence of these citizens is a 'threat' to Israel given their significantly higher birth rates. Hence, the wall that Israel should construct, even in Jerusalem, should remove as many Palestinians as possible from the Israeli side. In particular reference is made to the idea of placing the entire area of the Little Triangle inside Israel (an area adjacent to the North-West of the West Bank, including Arab Israeli towns such Taybe and Um el Fahm) within the area that would be on the other side of the fence. Israel would instead annex the largest Jewish settlements in the West Bank,

³⁴ For a general presentation of the 'separation' plans and its implications, see Baskin (2003).

³⁵ See Schueftan (1999). His book was adopted as the background for the Separation policy adopted by Israel's National Security Council where Scheuftan serves as an advisor. This book seems to be the working manual for the IDF and wide Israeli political circles for the implementation and the construction of the unilateral construction of walls and fences.

³⁶ Explicit also in Scheuftan's argument is the premise that the economic and political state of the Arab world is strongly linked to religion and culture.

³⁷ Conversation with Scheuftan, Tel Aviv, June 2002.

carefully though to minimise the number of West Bank Palestinians included in the annexation.

Both Schueftan and Soffer see security problems as supporting their ideology and having actually triggered the Israeli public and government to support the construction of the wall on the ground. Being built slightly to the East of the green line (see Map 4 in Annex P), the wall is sold to and supported by the majority of the Israeli public as a security measure intended to fend off suicide bombers. However Sharon and the Likud party explicitly reject the idea of the wall marking the future political boundaries of Israel. By contrast, the leader of the Labour Party, Amran Mitzna, has spoken in favour of unilateral withdrawal of all settlements to the east of the wall, thus indeed making it into the new political frontier.

If unilateral withdrawal was simply a means to annex substantial parts of the West Bank and leave unsettled the Jerusalem, refugee and other final status dossiers, it would not represent a fundamental departure from the current bantustanisation reality. However if the wall and unilateral withdrawal would result in an economically and politically viable and territorially contiguous Palestinian state, then the logic of unilateralism becomes questionable. The Palestinians declare that they would be prepared to negotiate and sign a peace treaty with Israel that provided for a Palestinian state along the 1967 borders (with minor revisions), with East Jerusalem as its capital and a just solution for the refugees. Such a negotiated agreement would in principle provide Israel with no less land than a unilateral withdrawal. If Israel were to insist upon a relatively hard border with Palestine, there is little reason to believe that the Palestinians would refuse a deal on these grounds, so long as they were left with a viable state on the other side of the 'fence'. On the other hand a negotiated deal would bring with it a much-enhanced degree of political security, together with normalisation with the Arab world as proposed in the Arab League peace initiative. Hence, if the concept of separation and unilateral withdrawal would entail the will to withdraw to close on the 1967 borders, then a negotiated agreement would be much more in Israel's interests.

Bilaterally negotiated peace. Both the content and the method have been well tried. For the content a 'return to Taba' would be the starting point, with a map based on the 1967 green line, and deals for Jerusalem and the refugees, and separate peace treaties also on the Syrian and Lebanese fronts (see Map 2). The detail of such an agreement was not fully worked out, but it is quite possible to extrapolate through to a complete picture of the solution on the basis of the directions evident in the Taba talks.³⁸ The problem is that the two parties are seemingly incapable of entering into a negotiation process, with the current Sharon government refusing to negotiate with an

³⁸ This has been done by the International Crisis Group (2002b).

Arafat-led PA. Both are legitimate leaders. Both are fiercely criticised by their political opponents at home for poor leadership and alleged corruption. There is a well known dictum: 'if Sharon were a de Gaulle and Arafat a Mandela, all could be different'. Maybe. Yet former Israeli Foreign Minister Shlomo Ben Ami diagnoses that the two societies now have mindsets that make bilateral negotiations impossible.³⁹

Multilaterally negotiated peace. This might have the same content, but the negotiating environment would be multilateral, for which the Quartet now offers at least some prospect. It is far from clear however whether the Quartet can develop both unity and strength of purpose, given the imbalance of power between the two parties, while the US says it will put Israel under no pressure to redress this. Nonetheless this is the scenario that must be examined more fully, which is done in Chapter 7 below. Beyond forceful pressures to negotiate a deal, the role of third parties could be heavily engaged in monitoring, verification, peacekeeping, security guarantees and enforcement. The Palestinian state might for a transitional period accept a strong international presence, not going as far as the Balkan UN-mandated regimes in Bosnia or Kosovo, but nonetheless welcoming substantial resources (political, economic, police, military) to help keep order and get the new state onto a constructive reconstruction and development track.

3.3 Multi-state, confederal solution

We now assume a two-stage process, starting with a multilaterally negotiated two-state solution just outlined. This would be paralleled by bilateral peace treaties between Israel and Syria, and between Israel and Lebanon. Wider Arab-Israeli normalisation would also be initiated.

Should that be an end to the peace process at the level of treaty making? There would be reasons not to stop there, but instead to raise the level of ambition from the outset as a matter of intentions and planning, in order to aim at a regional multi-state confederation.⁴⁰

The idea is that in due course, as confidence was restored after peace agreements, there would be a Confederation of the Mashreq (or Confederation of the East Mediterranean). This could coincide roughly with the old Greater Syria under the Ottoman Empire, including today's Israel, the future Palestinian state, Jordan, Lebanon and Syria; it might also include Egypt. If Iraq became a congenial neighbour, it too might join later. The essence of the confederal formula is that the component states would remain

³⁹ Speech in Brussels, 20 January 2003.

⁴⁰ The present argument is naturally plausible to Europeans. However we are interested to see a similar argument developed by Halper (2002). An analysis going in the same direction also comes from a Kuwaiti source: Zanoan (2002).

sovereign in international law, but the confederation would organise extensive cooperative policies. More precisely the major reasons for cooperation would be:

- (a) *The Palestinian refugees.* This huge diaspora will need absolutely to have its citizenship regularised. In principle all would be eligible for Palestinian citizenship, while a considerable number might retain or acquire the citizenship of their state of residence or of return. However there will be strong reasons to ensure for these people fresh opportunities to move, reside and work throughout the territory of the confederation. The confederal formula would allow its citizens such freedoms without endangering the future ethno-political balances of the host states: they would have full citizens' rights, except that their rights to vote and be elected would be limited to the state of citizenship. This is equivalent to the actual situation within the European Union.
- (b) *Economic integration.* The region badly needs cooperation and openness to trade, tourism, cross-border networks for water and energy supplies, transport and telecommunications and communications, etc. The Madrid process began to explore these possibilities, but in the event of a real peace there should be a serious investment in institutional structures to promote proposals, supply the legal basis for cooperation or joint policies, and provide a credible political framework capable of attracting financial resources.
- (c) *Transforming structures of interests and mindsets.* The value of regional integration, coming out of a conflict situation, is also to create tangible new perspectives, political structures and economic interests, with the logic of the positive sum game. If a structure with general integration potential can be created, the confederation can learn to gradually build up its own security community. It provides also the framework for attracting political support from the international community, both diplomatic and potentially in terms of security arrangements.
- (d) *A basis for deeper association and ultimately integration with the EU.* It is still open to question whether the states of the Mashreq region could work up sufficient motivation to overcome the heritage of the past, and to make a serious project out of this sub-regional group. Experience of the Balkans and the South Caucasus, which are natural sub-regions, has shown examples of unwillingness to engage in meaningful regional cooperation as part of the conflict resolution package unless that were to be inserted into a wider, more powerful and attractive integration system, notably that of the EU (for the Balkans this formula seems to work, for the Caucasus it is lacking). We therefore return to this wider aspect of regional integration later (Chapter 13).

Relevant to the above is a study of different scenarios for Jordanian-Palestinian relations by Hamarneh, Hollis and Shikaki (1997), which examined three hypotheses under the assumption that Palestinian statehood had been secured: confederation, federation and unity. The confederation envisaged is along the lines that we here suggest as a long-term prospect for the Mashreq region as a whole. The confederation would retain separate state sovereignties, joined together by a treaty, and supported by coordinating bodies. There would be a single market, but separate currencies and budgets. Citizens would have a single confederal 'national card', separate passports and local identity cards (or one could suggest something analogous to the EU model of passports bearing double identities, in this case of the confederation and the sovereign state). There would be national parliaments and a joint parliament with limited authority. In an opinion poll conducted in 1995, it was found that about 50% Palestinians of the West Bank and Gaza preferred 'confederation', whereas 'federation' and 'unity' were much less supported. However in Jordan about 50% preferred 'unity' and among those in Jordanian refugees camps the preference was even higher at almost 70%.

4. Evolution of political stances

4.1 US power, bias and ambiguity

With the outbreak of the intifada, the failure to clinch an agreement in Taba, the election of Ariel Sharon and the end of the Clinton Presidency, American foreign policy towards the Middle East underwent key changes. The first and most visible change was the relative disengagement from the Middle East conflict of the Bush II administration compared to that of his predecessor. The last thing George W. Bush wanted was to be associated with Clinton's legacy. The idea of 'beginning from where Taba ended' was not only unlikely because of the intifada and Sharon's rejection of the Oslo accords, but equally important was Bush's reluctance to proceed along a path so heavily set by Clinton.

This did not entail a complete absence of the US from the region. On the contrary, there have been numerous efforts and initiatives since 2001. However none of them enjoyed the direct and sustained efforts of the President, the Vice President or the Secretary of State themselves.

The first of such initiatives, which was in fact initiated during the Clinton administration, was the Mitchell Report (Annex E). Senator Mitchell's fact-finding mission into the roots of the intifada and the possible moves and tactics to return to negotiations published its report on 30 April 2001.⁴¹ The report concluded that Israel and the PA should reiterate their commitments to existing agreements, actively discourage incitement, immediately implement an unconditional cease-fire and resume security cooperation. The PA should clearly condemn terrorism and make maximum efforts to prevent and punish it. Israel should immediately freeze all settlement activity including 'natural growth', it should ensure that IDF pursues only non-lethal action against unarmed civilians, and it should lift closures, transfer all PA tax revenues, allow Palestinian workers to return to their jobs in Israel, and prevent all destruction of Palestinian property. The end of violence and implementation of the above 'confidence-building measures' would generate the necessary 'cooling off' environment for a resumption of final status talks. The Mitchell recommendations were never implemented, not least because of the absence of any American pro-active effort at highest levels.

The Mitchell report was followed by the 'Tenet Plan', which was an Israeli-Palestinian ceasefire and security plan proposed by CIA Director George Tenet on 13 June 2001 (see Annex F). Israel and the PA would immediately resume security cooperation, take immediate measures to enforce a cease-fire

⁴¹ The report was signed by its principal members: Senator George Mitchell, former Senator Warren Rudman, EU High Representative Javier Solana, former Turkish President Suleyman Demirel, and Norwegian Foreign Minister Thobjern Jagland.

and provide each other, as well as the US officials, with information on terrorist threats. Israel and the PA would then forge, within one week of resumption of security cooperation, an agreed schedule for the complete redeployment of IDF forces to positions held before 28 September 2000, for minimising checkpoints, lifting internal closures as well as for the reopening of internal roads, the Allenby Bridge, Gaza Airport, the Port of Gaza and border crossings.

Following the Mitchell and Tenet initiatives, there was a lull in high-level US initiatives in the Middle East conflict. America was absorbed by the shock of 9/11 and the ensuing Afghanistan campaign throughout the autumn and winter of 2001-02. However the post-9/11 environment also saw a reinforcement of US inclinations towards the conflict already present in 2001, i.e. disengagement in favour of Israel. As the US became more reluctant to exert pressure on Israel, it abandoned a prerequisite for a resumption of any political process.

The next high-level US initiative on the Israel-Palestine conflict was President Bush's so-called 'vision' speech on 24 June 2002 (Annex K). In practice the strategy of disengagement in Bush's 'vision' was the demand that the Palestinians fulfil a long list of preconditions before the establishment of a provisional Palestinian state. In the words of President Bush: 'when the Palestinian people have new leaders, new institutions and new security arrangements with their neighbours, the USA will support the creation of a Palestinian state whose borders and certain aspects of its sovereignty will be provisional until resolved as part of a final settlement in the Middle East'.

On the one hand Washington became increasingly preoccupied with Iraq, the next target in the US 'war of terror'. On the other hand, the Bush administration increasingly viewed Israel as engaged in its own 'war on terror'. Bush called for reform in the security and finance sectors of the PA in particular, viewed as critical in 'fighting terrorism'. The President also explicitly demanded a replacement of the Palestinian leadership, and confirmed this by refusing direct contact with Yasser Arafat. Only following 'progress' on security would Israel be called on to withdraw to the 28 September 2000 lines. The Bush speech avoided any definition of the benchmarks of 'progress' in Palestinian reform. Moreover, it sequenced the demands made on Israel and the Palestinians without acknowledging the link between the extent of possible PA reform and end of Palestinian violence on the one hand and Israeli withdrawal on the other. The Bush 'vision' could allow the US to disengage from the conflict for as long as it deemed desirable, leaving Israel *carte blanche* to deal with the situation through its *de facto* policy of 'cantonisation'.

Since October 2002, following the Danish/EU work on a 'Roadmap' to final status negotiations, the US began working on its own version of the

Roadmap, which then became the basis of the Quartet's present draft Roadmap (discussed at length below). Whether the Roadmap indicates a genuine American commitment to re-engage in the Israel-Palestine conflict, during or immediately following the Iraq crisis remains unclear. In a commentary by the Jaffee Centre for Strategic Studies, Abraham Ben-Zvi (2002) argues that 'all that Bush really sought was the ability to demonstrate to such pivotal regional parties as Saudi Arabia and Egypt that Washington was still committed to help resolve the Palestinian problem, while avoiding any commitment to risky initiatives in the short-run'. If such an analysis were correct, the US Roadmap would not necessarily indicate an American willingness to 'return to Jerusalem', either before or after 'Baghdad'. American insistence to withhold the publication of the Quartet's Roadmap scheduled for December 2002 until after the Israeli elections on 28 January 2003 can be read as a further confirmation of this hypothesis.

4.2 EU: Clarity in principle, compromising in practice

Since the 1980 Venice Declaration (Annex B), EU member states have supported the right for Palestinian self-determination, which in due course translated into the demand for an independent and viable Palestinian state in the West Bank and Gaza Strip. In recent years virtually all EU declarations on the Middle East expressed unequivocal support for Palestinian statehood and the condemnation of Israeli settlement activity. Equally the Union has consistently condemned Palestinian violence as a means to achieve Palestinian national objectives.

Following the 1991 Madrid conference European involvement, while remaining secondary, was nonetheless visible. The EC chaired the Regional Economic Development Working Group and co-chaired several other working groups. Following the 1993 Oslo Accords the Union pledged €250 million in grants in the period 1994-98. By the end of 2001, the Union had committed approximately €1 billion in grants and loans, in addition to €407 million in contributions to UNRWA operations supporting Palestinian refugees. Following 1995 the PA also benefited from MEDA funds in the context of the Barcelona process. In total since 1993, the Union has spent approximately €1 billion directed towards the peace process. EU finance to the Palestinians since 1994 was primarily based upon 'institution-building'. However since the 1999 Rocard-Sayigh-Shikaki report on Palestinian governance, Commission finance has been increasingly conditional upon PA reform.⁴²

With the outbreak of the second intifada and the end of the Clinton Presidency, and given also the disengagement of the Bush administration, the EU stepped up its involvement in the region. During most of the 1990s

⁴² See Sayigh and Shikaki (2001).

Europe was principally preoccupied with the reunification of Europe and the stabilisation of the Balkans. While important challenges stemming from these regions of the wider Europe remain, by and large their futures in Europe have been determined. On the other hand, the consequences in Europe of conflict, instability and poverty in the Middle East have become increasingly evident. This is seen in relation to the rising numbers of Middle Eastern minorities in Europe (now exceeding 12 million) and their political tendencies in the aftermath of the Palestinian intifada and 9/11, as well as rising right-wing extremism and xenophobia in European politics.

The EU stepped up its involvement in the Middle East conflict in two ways. First, it increased its financial assistance to the Palestinians. In the light of the economic collapse and humanitarian crisis in the Palestinian territories and the Israeli refusal to transfer tax receipts owed to the PA, the EU committed €32 million to the Palestinians in 2000-01. Since June 2001 the Union has transferred €10 million per month as budgetary support to the PA, acting as an important element to the very survival of the Authority. Conditionality attached to financial assistance and budgetary support in particular has been increasingly stringent. Budgetary aid since June 2001 has been directed at reform in the financial, administrative and judiciary sectors. In order to increase transparency, the Commission insisted that all PA finances should be deposited in a single account and that all expenditures should be paid from a single account. The Commission succeeded in furthering work on a Palestinian audit system and in encouraging the PLC to pass a Law on the Independence of the Judiciary.

The EU enjoys institutionalised relations with both Israel and the PA in the form of association agreements, which were signed in the case of the PA and upgraded in the case of Israel in the context of the 1995 Barcelona process and the initiation of the Oslo peace process. These 3^d generation agreements include a human rights article (Article 2) opening the door for dialogue and potential influence on these issues. In addition, as in the case of all the EC's external trade agreements, association agreements include a rules of origins protocol and a territorial clause defining the territorial scope of applicability. A deliberate and systematic violation of such essential provisions of the agreements represents a 'material breach' as referred to under Article 60 of the Vienna Convention on Treaties (1969). Unless the situation is rectified through measures other than suspension, the material breach entitles the party to take measures that may constitute a partial or full suspension of the agreement.

Compared to the EU's influence over the Palestinians, the EU's influence over Israeli policies is significantly more circumscribed. The EU concluded association agreements with Israel and the PLO in the context of the initiation of the Oslo process. With the end of the peace process in September 2000, it found that it had no new instruments to wield influence

on Israel. Historical reasons, transatlantic relations and the fear of losing a place in the a 'peace process' have deterred the EU from using the instruments at its disposal, and thus back up its rhetorical condemnation of the excessive use of force, human rights violations and persistent settlement construction. Furthermore, Article 2, while being in principle a technically modulated measure, it is a politically blunt measure, requiring Council unanimity. It has therefore never been used to suspend any association agreement in the Barcelona group, despite the gross human rights violations throughout the region.

But the EU has also failed to correctly implement its association agreement with Israel. Article 83 of the current association agreement limits preferential treatment to products originating from the 'territory of the State of Israel'. The Government of Israel states that 'there are no recognised borders between Israel and the territories'. However UNSC resolutions hold the West Bank and the Gaza Strip to be territories 'occupied' by and not 'part of' Israel. While products from Israel proper are entitled to preferential treatment, settlement products are not.⁴³ Neither could those settlement products qualify for EC preferences under the EC-PLO interim association agreement, given that while potentially falling within the agreement's territorial scope, the PA is actually unable to exercise its administrative authority over the settlements.

Since 1976, Israel has exported settlement products as 'Made in Israel'. Since then the Commission and member states have failed to rectify the violation of the agreements. In 1998 the Commission publicly declared it had 'indications' of Israel's breaches, but claimed it had insufficient information to establish conclusively that Israel was committing a 'material breach'. In 2000 after a Commission 'notice' to European importers, the Commission coordinated verification with member states. On the basis of the questions posed and the answers provided by Israel (in accordance to its policy of considering the occupied territories as falling under its territorial scope), the member states persisted in granting preferences to settlement products. This was followed by a second set of verifications in 2002. Since then the customs services of the member states continue to rely on the general information provided by Israel, and deny preferences only in a small subset of cases of a well founded suspicion (*doute fondée*) of goods originating from settlements.⁴⁴ Since then Israel has effectively capitalised on the continued inaction of the Community to establish that its practice under the agreement, although in contravention of public international law, was both known to and uncontested by the Union. Under the law of treaties

⁴³ In the event of an final status agreement on the basis of UNSC resolution 242 parts of the WBSG in principle could be included within Israel's territory.

⁴⁴ Conversations with Charles Shamas, Mattin Group and Commission officials.

this leads to the EC's loss of right to require Israel to document properly the origin of its exports as well as the loss of right to have recourse to unilateral measures aimed at eliminating the malpractice.

Both the Commission and the member states now find themselves in an increasingly complicated and legally/politically costly situation. On the one hand the Commission is failing to fulfil its duty as the guardian of the treaties. It abstains from taking action mandated under EC law in these circumstances on the grounds that it wishes to avoid 'prejudicing the position of any of the parties'. It has therefore described the problem as one of 'difference of interpretation',⁴⁵ thus effectively putting on a par Israel's definition of the territories as 'disputed' with its own position that the West Bank and Gaza Strip constitute 'occupied' territories, as set out in UNSC resolutions. By doing so, the Commission is conceding its right of unilateral enforcement in this matter. In other words it has neither notified the Council of Israel's material breach and its inability to rectify the situation within the margin of technical manoeuvres available to it.⁴⁶ Nor has it recommended any unilateral technical adjustment to the application of the Rules of Origin Protocol that would enable the member states to fulfil their responsibilities.

On the other hand, the member states, as High Contracting Parties to the Fourth Geneva Convention, are defaulting on their legal obligations by extending benefits to settlement enterprises. It is indeed the obligation of each member state (acting independently if necessary) to require the Commission to act, given that the Commission's default places the member states in violation of their obligations under the Convention. In addition under the EC law's principle of *pacta sunt servanda*, the member states have a duty to do everything in their power to ensure the respect of the treaties.

The Commission justifies its inaction on the grounds of its politically undesirable consequences and argues in favour of a technical resolution of the problem. With the failure to resolve the problem through technical measures, it argues that the political aspects of the problem should be dealt with by the Council. The Council however is not compelled to act in the absence of a Commission proposal given the 'Pillar I' nature of the agreement. Moreover, EU institutions claim that even if it were to act, partially suspending the association agreement, they would not stop the settlement activity given their minimal leverage.

⁴⁵ Article 75 of the association agreement was designed to help parties who both wish to arrive at resolution of some difference that has not already been juridically settled. If invoked in this case, it would place the member states' customs services in a situation where they could not easily defend even the limited recovery of duties they are now attempting because the question of interpreting the territorial clause of the Agreement would become indefinitely *sub judice*.

⁴⁶ Under Article 79 of the agreement.

Indeed trade from settlements is relatively small in monetary value, amounting to not more than a few million euros. However the significance of the issue is political rather than economic. The very existence of settlements is the result of cumulated passivity from the international community towards the ongoing settlement activity. Regardless of the extent of their leverage, the EU institutions and the member states have legal obligations under both EC and international humanitarian law. Their defection from their legal obligations seriously undermines the EU's credibility in the region.

4.3 Birth of the Quartet and its Roadmap

The Quartet was born at a meeting of foreign ministers in Madrid in April 2002, in response to Israeli army incursions into the Palestinian territories and to try to give a fresh impetus to Western efforts to revive the lapsed Middle East peace process. The Quartet consists of the EU, Russia, the US and the United Nations. Given the relative passivity of the Russian and UN participants, the Quartet is effectively being driven by the US and EU. While not yet successful in re-activating the peace process, for the EU it confirms that since the end of the Clinton period there is in principle no longer exclusive US ownership of the peace process, and the US appears to welcome a more active European role as political player, rather than just a payer of aid.

Since President Bush's speech of 24 June 2002, the Quartet has been engaged especially on the question of Palestinian reform. It has sponsored an International Task Force on Palestinian Reform, which includes the four Quartet members, joined by Canada, Japan, Norway, the IMF and the World Bank. The Task Force has set up seven working groups, tasked with civil society, financial accountability, local government, the market economy, elections and judicial and administrative reform. The Quartet is also meeting with the Arab League's Follow-up Committee, consisting of Egypt, Jordan, and Saudi Arabia joined now by Lebanon and Syria.

Since the summer of 2002, the Quartet has also been busy working on the concept of a Roadmap for a renewed peace process. The first draft Roadmap adopted by the Quartet on 17 September was based on a text proposed by the Danish EU presidency, which was heavily influenced by the speech of President Bush on 24 June (Annex K) and subsequent discussions in the Quartet. The main features of the Roadmap of 17 September were a three-stage process that should deliver the final settlement within three years, i.e. by 2005. Compliance with specific performance benchmarks would be monitored by the Quartet. The three stages had the following main features:

I – 2002 to first half of 2003: cessation of violence, security reform, settlement freeze, Israeli withdrawal to the pre-intifada (28 September 2000)

lines 'as the security situation improves', and Palestinian elections in early 2003.

II – second half of 2003: creation of a Palestinian state with provisional borders.

III – 2004-05: Israeli-Palestinian negotiations leading to a permanent status solution.

The Quartet's paper work has been impressive and its inception creates the potential for a valuable multilateral framework for the resolution of the Middle East conflict. Yet so far, as expressed by Commissioner Patten himself, its work has been 'virtual'. With Israel's military occupation of the West Bank and the PA barely kept alive by foreign donations, much of the Quartet's work is at best theoretical. At worst it may be counterproductive in undermining the credibility of the process. The Roadmap has been through several stages of revision throughout the last months of 2002, resulting in the draft of 20 December (see Annex N). Although this text is widely available publicly, the US has refused to adopt and publish it officially, ceding to pressure from Sharon on grounds that it would interfere with the Israeli elections of 28 January 2003. So far the Quartet in action has not really marked a break from the past. As will be analysed in more detail below its Roadmap is ambiguous, providing multilateral cover for a weak US policy.

4.4 Developments in the Arab world and Israel's reactions

In the course of 2001-02 there has been a sequence of statements and positions from the Arab world over the Israeli-Palestinian conflict, effectively re-opening the debate that had been suspended since the inconclusive talks at Taba in January 2001. These statements in 2002 became further hallmarks of the current Bush/Sharon periods in office.

In the aftermath of the 9/11 attacks, in which 14 of the 19 hijackers were found to be Saudi Arabian citizens, Crown Prince Abdullah made a landmark proposal by which Saudi Arabia would be prepared to normalise its relations with Israel if Israel were to withdraw from the occupied territories allowing for the establishment of a viable Palestinian state along the 1967 frontiers. On 28 March 2002, the Arab League Summit in Beirut endorsed a variation of the Saudi proposal (Annex H). Thus the entire Arab world was willing to normalise its relations with Israel in the context of a comprehensive peace in which Israel withdrew from all of the territories occupied since 1967, including the Syrian and Lebanese fronts, allow for the establishment of a sovereign and independent Palestinian state and find a just solution to the refugee problem in accordance with UNGA resolution 194. The precise meaning of normalisation was not specified and it remains unclear whether this would mean normal relations along the current Israel-Egyptian lines, or substantially greater levels of cooperation.

Chairman Arafat published on 3 February 2002 an article in the western press confirming his commitment to a two-state solution with the pre-1967 borders (Annex G). He also included a notable remark on the refugee issue that had remained furthest from resolution at Taba, to which we return below. A Palestinian ‘non-paper’ of 12 June 2002 confirmed the outline of a two-state solution consistent with the Arab League declaration, but went into more detail (Annex J). The boundaries between Israel and Palestine would be those of 4 June 1967 with possible minor and equal revisions that would not affect territorial contiguity and a permanent corridor linking the West Bank and Gaza Strip. Jerusalem would be the shared capital of the two states and it would be open to all peoples. Israel would control the Jewish quarter and the Wailing Wall while the rest of the old city would be under Palestinian sovereignty. The two states would establish security cooperation and refrain from participating in military alliances and efforts against each other. There would be a just and agreed solution to the refugee problem based on UNGA resolution 194.

In spite of the considerable impact of the Arab League declaration on international public opinion, Israel responded with little enthusiasm to the proposal. Prime Minister Sharon published an article on his position in the western press on 9 June 2002 (Annex I). This made three key points. First he contested that the UN resolution 242 called for withdrawal from all the territories occupied since 1967. It is widely appreciated that the English text of this resolution was deplorably ambiguous, since ‘*withdrawal of Israeli armed forces from territories occupied in the recent conflict*’ can as a matter of semantics mean either *the* or *some of the* territories. However the French, Russian and Spanish versions all unambiguously mean *the* territories.⁴⁷ Sharon in his article of 9 June goes on to say explicitly that ‘Israel will not return to the vulnerable 1967 armistice lines’. Second, he stated that ‘the only serious option for a successful negotiated settlement is one based on a long-term interim agreement that sets aside for the future issues that cannot be bridged at present’. Third, there could be a rigid timetable for the long-term interim agreement.

In a subsequent speech on 4 December 2002, Sharon gave a more detailed view on how to resolve the conflict. Four-fifths of the text amounted to what he considers the Palestinian side should do to halt violence and improve its governance. As regards what expectations he offered to the Palestinian side for what they would get in return, Sharon said: “The second phase of President Bush’s sequence proposes the establishment of a Palestinian state

⁴⁷ In French: “*Retrait des forces armées israéliennes des territoires occupés lors du récent conflit*”; or in Spanish: “*Retiro de las fuerzas armadas israelís de los territorios que ocuparon durante el reciente conflicto*”; or in Russian: “*А́уа́й èçðàèèüñèèð àííðóááííúð ñèè ñ òàððèèòíðèè, íèèóíèðíáàííúð àí àðàìÿ íááááíáí èííóèèèðà*».

with borders yet to be finalised, and which overlap with territories A and B, except for essential security zones. ... Israel will continue to control all entries and exits to the Palestinian state ...". As regards the permanent borders of the Palestinian state to be fixed in the third phase of the Roadmap, Sharon was not willing to say anything of substance beyond his familiar line: "Israel is prepared to make painful concessions for a true peace".⁴⁸

As regards the Quartet and its Roadmap, the Palestinian side has been generally supportive. Sharon for his part, as already mentioned, pushed the United States into deferring publication of the Roadmap during the Israeli election campaign, and has been quoted as saying "Quartet is nothing!", and (from his aide R. Gissin) "the Quartet's plan is not realistic. There is nothing in that program that can be implemented".⁴⁹

The Israeli elections leave Sharon in a strengthened position personally (as well as the Likud Party), but nonetheless still far from an absolute majority in the Knesset, and subject to the intricacies and instabilities of Israeli coalition politics. With Labour refusing so far to join the new government, Sharon is facing the task of building a coalition out of a fragmented cocktail of smaller parties (see Table 1).

Whatever his coalition, Sharon might be expected to use his newly strengthened position to go more directly now for some clear resolution of the conflict. However it is as yet not evident how he might do this. As to how to reconcile the contradictory pressures and ideas in circulation, one example advocated by an independent Israeli academic, G. Steinberg, is that Sharon might be tempted to pursue some kind of compromise between the Roadmap process and gradual unilateral withdrawal behind the fences under construction.⁵⁰ The conditions for Labour leader, Amran Mitzna, to join the coalition appear to include withdrawal of all settlements from the Gaza Strip and completion of the border fence for the West Bank, whereas Sharon asserts that for him the retention of the Gaza settlements remain of 'strategic importance'.⁵¹

⁴⁸ Sharon's speech is doubly more restrictive on the map questions than either President Bush's speech or the Quartet's draft Roadmap. Neither of these sources gives any indication of the possible interim borders in the second phase, whereas Sharon refers just to areas A and B of the Oslo process, which amount to 42% of the West Bank and Gaza Strip prior to the 1967 war. For the future permanent borders, both Bush and the draft Roadmap refer to the UNSC resolutions and ending the occupation that began in 1967, whereas Sharon makes no such references.

⁴⁹ Ha'aretz, 20 January 2003.

⁵⁰ G. Steinberg, 'Israel's Tortuous Path to Disengagement', *Financial Times*, 30 January 2002.

⁵¹ Sharon calls in particular for the settlements of Netzarim and Kfar Darom in the Gaza Strip to be retained. These two isolated settlements, together with their

Table 1. Results of the Israeli elections of 28 January 2003

<i>Election results</i>	<i>28 January 2003</i>	<i>1999</i>
Likud	38	19
Labour	19	26
Shinui (secular, right)	15	6
Shas (religious, right)	11	17
National Union (extreme right)	7	4
Meretz (left, peace camp)	6	10
National Religious Party	6	5
United Toran Judaism	5	5
Am Ehad (centrist)	3	2
Hadash/Arab Movement	3	3
Balad (Arab nationalist)	3	2
United Arab List	2	5
Yisrael Ba'allya (Russians)	2	6
Center Party (Meridor/Miloh) *	-	6
Yisrael Beytenu (Liberman) **	-	4
Total	120	120

* Joined Likud in 2003.

** Joined National Union in 2003.

militarily protected access roads linking them to Israel, serve only to divide the Gaza Strip physically into three parts.

5. Requirements of international law⁵²

The conflict in Israel and the West Bank and Gaza Strip has at its core disregard for the international legal order. The non-fulfilment of UNSC Resolution 242 of 22 November 1967 calling for Israeli withdrawal from ‘territories occupied in the recent conflict’ given the absence of a peace settlement was followed by Israel’s breach of international humanitarian law (IHL) governing the laws of occupation. The disrespect of IHL, which was not redressed by the international community, led to a long and oscillating escalation of violence, leading to mounting breaches of international humanitarian law and human rights law.

Two different legal regimes are directly relevant to Israel’s obligations in the occupied West Bank and the Gaza Strip, as well as the responsibilities of the internationally recognised Palestinian institutions. Israel’s responsibilities derive from its status as a recognised state within the international system, and those of the PA as an institution with limited control over its population, which attempted but was not permitted to ratify the Fourth Geneva Convention. The first legal regime is that of International Humanitarian Law (IHL), as codified in the Geneva Conventions and the Hague Conventions. IHL was designed to regulate situations of armed conflict and occupation to ensure that if the capacity of the state to fulfil its protective duty is interrupted, other states (e.g. the belligerent and third state parties) take over the provision of that essential service, and so avoid reprisals carried out independently of the institutions and law of states.⁵³ Under this body of law Israel has the status of the ‘Occupying Power’ in the ‘Occupied Territories’ of the West Bank, the Gaza Strip and the Golan Heights captured during the 1967 war. The second legal regime is that of human rights and policing standards applicable during situations of civil unrest, in particular the UN Basic Principles on the Use of Force and Firearms by Law Enforcement Officials (1990), the UN Code of Conduct for Law Enforcement Officials (1979) and the UN Measures to Eliminate International Terrorism (1996).

IHL not only assigns rights and obligations to the parties in conflict, but also to third states. Internationally recognised states, as signatories to the Fourth Geneva Convention, have the duty to ensure all other states’ respect of that Convention ‘in all circumstances’. In the event of the occupying state’s default on its obligations, the third states have a right to take any lawful measures to ensure the basic level of protection of civilian populations. By fulfilling their duties, third states would maintain the role of the state as the sole protector of civilian populations with a monopoly on the use of force.

⁵² This section was written with the help of Juliette Abu-Iyun, CEPS, and Charles Shamas, Mattin Group.

⁵³ See Pictet et al. (1949).

By doing so they would also preserve the institutional environment necessary to achieve peace and prosperity.

The two legal regimes do or should complement and reinforce each other. IHL sets out the rules of conduct of the occupier vis-à-vis the occupied population and territory, rules for which the international community of states should ensure respect. Violation of such rules is criminal and as such creates fertile ground for criminal responses by populations unprotected by any state. In other words the respect for such rules is intended to serve the fundamental rights of both occupier and occupied peoples. The complete breakdown of this system of rules lies at the heart of the failure of the Middle East peace process. Contrary to the belief that diplomatic peace initiatives should work around the law as if it were unrealistic or over-idealistic, the failure of the peace process and the deteriorating situation on the ground should be a stark reminder of the continuing importance of those rules and the need for them to provide the essential discipline upon which fruitful diplomacy can be conducted.⁵⁴

Israeli breaches of international humanitarian law. Israeli governments have taken the position that, although Israel is party to the Fourth Geneva Convention, it is not binding on Israel's actions in the occupied territories. It bases its position on the argument that the territories are not occupied, because Egyptian and Jordanian sovereignty over the land that Israel occupied in 1967 was never recognised. However, Israel has stated more than once that it will honour the 'humanitarian provisions' of the Fourth Geneva Convention. This approach is inconsistent with the opinions of international law experts and the position of the International Committee of the Red Cross (ICRC), the international body charged with monitoring and promoting adherence to the Geneva Conventions. According to the ICRC, the Fourth Geneva Convention fully applies to Israel's conduct in the West Bank and Gaza Strip, and Israel is obliged to comply with the Convention in its entirety and without reservation.

⁵⁴ The Oslo process was conducted on the premise that, while Israel cooperated in the peace process, the international community would accept its 'right to differ' with them on the interpretation and application of international law. Although a peace process would ultimately determine the borders of the State of Israel, respecting IHL in the transitional conduct of the occupation was erroneously viewed as incompatible with the peace process rather than complementary to it. A comment by then Secretary of State James Baker several months before the Madrid Peace Conference in 1991 is interesting in this respect. Baker asked his Palestinian interlocutors whether they wished to "end the occupation" (through a negotiated settlement) or just "clean it up" (via the enforcement of international humanitarian law). According to Baker, the Palestinians could not have both. The international community failed to recognise that their demands on the Palestinian side (abstention from all forms of belligerency) required that IHL was rigorously applied.

Israel's appropriation of land and property for the purpose of establishing settlements to be populated by Israeli nationals following the 1967 war has been in clear violation of the Fourth Geneva Convention provisions. Article 49, paragraph 6 of the Fourth Geneva Convention states that "the occupying power shall not deport or transfer parts of its own civilian population into the territories it occupies." The commentary to the Convention explains that the prohibition of settlements is "intended to prevent a practice adopted during the second world war by certain Powers, which transferred portions of their own population to the occupied territory for political and racial reasons or in order, as they claimed, to colonise those territories. Such transfers worsened the economic situation of the native population and endangered their separate existence as a race". Since the beginning of the Oslo peace process settlement population in the occupied territories rose by 95%. Such growth was induced by government incentives including income tax breaks, housing grants, subsidised mortgages, free schooling, and business grants.⁵⁵

Israel continues to violate the human rights of residents of the occupied territories, and its human rights violations have deteriorated considerably since the second intifada.⁵⁶ Israeli forces have been responsible for use of excessive force against unarmed demonstrators, indiscriminate and disproportionate fire in response to Palestinian attacks, unlawful or suspicious killings by Israel Defence Forces soldiers, closures and curfews on Palestinian communities amounting to collective punishment, confiscation and/or razing of Palestinian land, and 'liquidation' of Palestinians suspected of planning or carrying out attacks on Israeli security forces and civilians.

Israel has placed a number of sweeping restrictions on movement of the Palestinian population in the West Bank and Gaza Strip. Closures, blockades, and curfews severely impaired not only the right of freedom of movement, but also have had a devastating impact on all aspects of Palestinian life and affected other human rights, such as the right to work and make a living, the right to education and the right to proper medical treatment. According to reports published by local and international human rights organisations, decisions to relax the restrictions were unrelated to pure security considerations. The nature of the restrictions, their length and the timing has

⁵⁵ Negotiations Support Unit of the Negotiations Affairs Department of the PLO, *Israeli Settlements and the Quartet Roadmap*, November 2002. For a very clear presentation of both legal-political considerations alongside maps of the real estate developments see: B'Tselem (2002a).

⁵⁶ See reports by Palestinian NGOs such as LAW (www.lawsociety.org) and the Palestinian Centre for Human Rights (www.pchrgaza.org), Israeli NGO B'tselem (www.btselem.org) and international NGOs Human Rights Watch (<http://hrw.org/reports/world/is-ot-pa-pubs.php>) and Amnesty International (<http://web.amnesty.org>).

clearly shown that their objective was collective punishment for violent acts perpetrated by individual Palestinians against IDF soldiers or Israeli civilians. Restrictions have also been imposed on Palestinian medical teams and journalists, also in contravention of international law.

A report published by the Israeli NGO B'Tselem (2002b) in October 2002 found that Israeli security forces has used live ammunition to enforce the curfew and fired live ammunition at civilians who were outside their homes during curfew. From June to October 2002, soldiers have killed 15 Palestinian civilians in these circumstances. None of those killed endangered the lives of soldiers. The use of gunfire to enforce curfew constitutes a breach of international law.

The IDF has routinely coerced civilians to perform life-endangering acts that assisted IDF military operations. For an extended period of time, the IDF has been using Palestinians as human shields and ordering them to carry out military tasks that pose a threat to their lives. These tasks were forced upon civilians who were chosen at random and could not refuse the orders given to them by armed soldiers. Israel agreed to change its policy on the use of human shields only after petitions filed in the High Court of Justice.

Israeli forces have also implicated in carrying out a number of targeted assassinations as part of a policy of 'liquidations' carried out by Israeli forces throughout the West Bank and Gaza against Palestinian militants whom Israel suspects of planning or carrying out attacks on Israeli security forces and civilians. The IDF used snipers, helicopter-fired missiles, tanks, and explosive devices to carry out the assassinations. Extra-judicial executions are strictly prohibited under international law. Israeli officials argue that the individuals designated for 'liquidation' are legitimate military targets because of their involvement in attacks against Israeli military personnel and civilians. When first introduced, Israeli authorities justified the policy as necessary to prevent a "clear, specific and imminent terrorist threat," but then expanded it to include those considered responsible for planning or carrying out attacks on Israelis. In some cases, however, it appeared that those targeted were killed in circumstances where Israeli forces could have arrested them.

Attacks by Palestinians against Israeli civilians. A comprehensive account was published by the international NGO Human Rights Watch in October 2002,⁵⁷ according to which about 415 Israeli and other civilians were killed, and more than two thousand more injured, in the two years since the second intifada began at the end of September 2000. Four groups have been responsible: Hamas, Islamic Jihad, the Popular Front for the Liberation of Palestine (PFLP) and the al-Aqsa Martyrs Brigade. The first three of these

⁵⁷ See Human Rights Watch (2002).

are in political opposition to the leadership of the Palestinian Authority. The fourth supports Yasser Arafat and the PA.

Protocol No. 1 additional to the Geneva Conventions governs wars of national liberation against colonial or other alien domination. It states that 'civilian population ... shall not be the object of attack', and that 'acts of violence the primary purpose of which is to spread terror among civilian population are prohibited'. Since these provisions are widely regarded as international customary law, they should be applicable to intifada-related violence. Israeli settlers also have to be regarded as civilians, even if their settlements are illegal, as long as they do not participate in hostilities. However the Additional Protocol only refers to the obligations of states and state-like actors in situations of armed conflict. In addition, the Protocol was not ratified by Israel.

Nevertheless, under human rights and international criminal law, persons and groups engaged in armed attacks against innocent civilians should be subject to criminal prosecution. If such crimes are carried out systematically, deliberately and under the responsibility of a political/military command they may constitute crimes against humanity.

The criminal provisions of international humanitarian law and other international criminal law are based on the doctrine of command responsibility, according to which people in positions of authority over those who commit crimes, and fail to take adequate preventive measures, are also held accountable. An issue therefore is to what extent the PA might be held responsible, especially for the suicide bombing of the al-Aqsa Martyrs Brigade. Human Rights Watch investigated this question. It did not find evidence that Arafat and the Palestinian Authority planned, ordered or carried out suicide bombings or other attacks on Israeli civilians. Indeed much of the violence was instigated by individuals and groups that also express strong criticism of the PA and its performance. Neither was the PA considered responsible for the suicide bombings of the al-Aqsa Martyrs Brigades, which it judged to have only a loose relationship with Arafat and the PA. Such a relationship was judged by Human Rights Watch not to meet the criteria of command responsibility and therefore criminal liability.

However the PA leadership is criticised by Human Rights Watch for regarding the prosecution of those responsible for armed attacks against civilians as contingent on Israel's compliance with its undertakings in the Oslo Accords. This argument is based on the extent to which Israel's non-compliance with the Oslo Accords reduced the PA's ability and responsibility to repress human rights violations perpetrated by persons not acting under its instructions. Indeed the proportionality between institutional empowerment and responsibility to repress the criminal acts of private actors is a fundamental premise of international law.

However, this does not impinge upon the reality that under international law such practices constitute criminal acts and that states, state-like actors and any private actors should exercise all lawful means at their disposal to repress the violations. In other words both Israel and the PA, within the limits of their ability and control, and naturally within the confines of international law, should do their utmost to repress the violations and thereby assure security and public safety. In a context in which humanitarian law is being violated and there is no well-defined and well-functioning state control, the ensuing emergence of criminality and human right abuses also creates a general duty for the international community to intervene. The UN could exercise its right to intervene under article 1 of the UN Charter by sending peace-keeping forces on the ground. In doing so the peace keeping mandate would either enforce both human rights and humanitarian law (implying that Israel would renounce its occupation) or they would only act to prevent criminality and human rights violations provided that Israel, as the occupying power, respected IHL.

Overall, since the eruption of Al-Aqsa Intifada in September 2000 until end of 2002 there have been serious and sustained violations of international human rights and humanitarian law on both sides. Civilians have been the main victims of violence, 466 Israelis and 2,044 Palestinians having lost their lives, and many more injured on both sides.⁵⁸ The grave breaches of international humanitarian law impose obligations on third countries to respond. Suspension of economic aid or preferential trade regimes are possible actions. The EU could suspend its association agreements with either or both Israel and the PA, with the trade policy aspect important for Israel and the aid aspect for the PA. The US has a big instrument in its ongoing economic aid to Israel.

For the international community, supposing even-handedness of political position, there is a political-moral dilemma. Grave breaches of international humanitarian law are being committed by people on both sides, yet juridically and institutionally the actors responsible for the violations are disparate. Israel is a state actor, whereas the Hamas/Jihad orchestrators of suicide bombings are not, and they are in political opposition to the PA. Efforts of third states to ensure the respect of international law through economic measures could be effective vis-à-vis the state of Israel, and also the PA. However they cannot reach the non-state Hamas/Jihad groups. If the PA were sanctioned as if it was Hamas/Jihad by proxy, this would probably have a perverse effect, increasing the chances for Islamic militants to win their internal political struggle. This in turn aggravates the lack of political

⁵⁸ Middle East Policy Council Resources, *Conflict Statistics* (number of people killed from 29 September 2000 to 31 December 2002) (www.mepc.org/public/resources/mrates.html).

will to ensure Israel's respect for IHL, even if Palestinian support for violence has been inspired by the desire for reprisals in the absence of the lawful protection by states. But the international legal order that was designed to ensure this fundamental protection was undermined by third states well before the intifadas in their conduct of relations with Israel in a manner that conspicuously signalled their unwillingness to uphold IHL themselves.

6. Shaping up for the Palestinian state

The question of Palestinian reform gained international prominence in the aftermath of 9/11 and the intensification of Palestinian suicide bombing campaign during the spring of 2002. Palestinians had for years been aware of the necessity of reform.⁵⁹ Indeed, the argument goes, the second intifada was launched in response to the failure of the Oslo process to deliver peace and independence by groups and people that were also frustrated by the failure of the PA to provide democracy, good governance and economic development. The hopeful expectations of the early days of the peace process had already been dampened by 1996 with the election of Netanyahu and the acceleration of settlement construction. By July 2000, with the failure of the Camp David talks, support for violence had risen to 52%.

Many Palestinians have come to feel the need for a rejuvenation of the political class, whose elites came predominantly from the PLO diaspora.⁶⁰ Embedded in a revolutionary and authoritarian mentality, the leadership methods of Yasser Arafat and his senior colleagues have been seriously lacking in transparency and democratic accountability. While endorsing the idea of a two-state solution since the late 1980s, and thus no longer fighting for the liberation of the entire historical Palestine, the leadership failed to revise its methods of governance and organisation. New emerging personalities, typically civil society leaders, members of the Palestinian Legislative Council and local political party leaders, are desperately striving for sound governance and the rule of law together with a two-state solution, and demand reform of the Authority intended to represent them.

International interest in PA governance was first manifest in the initiative of the EU Commission to mandate a high level group under the chairmanship of M. Rocard to explore the subject matter. The resulting report, published in 1999 was authored principally by two Palestinian scholars, Yezid Sayigh and Khalil Shikaki.⁶¹ This text still stands today as a clear statement of a desirable political reform programme. Its contents are summarised below in Box 5.

The US and Israel did not pick up on the question of reform until 2002. In the aftermath of 9/11, Sharon attempted to align Israel's actions in the framework of the US-led 'war on terrorism', and so delegitimise the PA and Arafat as a 'partner for peace'. Up until the spring of 2002 the US was cautious in drawing explicit parallels. However as the Palestinian suicide

⁵⁹ See Shikaki (2002).

⁶⁰ Conversations with Riad Malki, Ramallah, June 2002; and International Crisis Group (2002c).

⁶¹ See Sayigh and Shikaki (2001).

bombing campaign intensified, Sharon's visits to Washington seemed to have effect. President Bush's 24 June speech explicitly called for a change in the Palestinian leadership and reform of the PA as precondition for renewing the peace process.

Thus, after years of Palestinian demands and complaints about the Authority, the question of reform had finally reached the international agenda. The reasons, however, were markedly different. Palestinians had been preoccupied about the state of democracy, power-sharing and corruption as ends in themselves as well as to further the peace process. The US and Israel on the other hand were insisting on reform in the context of Israel's security needs, hence the strong focus on security sector reform and financial accountability, in addition to the emphasis on the Palestinian leadership.

Box 4. Strengthening Palestinian institutions

Recommendations of the Task Force sponsored by the European Commission, chaired by Michel Rocard MEP, and organised by the (US) Council on Foreign Relations under the direction of H. Siegman. The report was largely written by Y. Sayigh and K. Shikaki.

Executive

1. Reduce the number of public institutions attached to the president's office.
2. The president's office to devolve to appropriate ministries and agencies all programs and projects that involve disbursements, but which do not relate to the conduct of the president.
3. President should delegate the powers not essential for its functioning.
4. Reforms in the Cabinet: clear program of government; meetings separate from other bodies; more power to co-ordinate government policies; submission of the budget to the legislature for review and approval in a timely manner.
5. The PA should enhance the role of the local government.

Legislative

1. PLC should adopt a multiyear legislative agenda as a more realistic means of organising and completing its primary function.
2. PLC should be empowered to exercise oversight over the executive.
3. Consolidation and integration of the body of Laws in the WBGS.
4. PLC should play role in preparing permanent settlement.
5. PLC empowered to review the general budget more effectively.
6. PLC should ensure that its members have appropriate constituency offices, with appropriate technical and administrative support.

Judiciary

1. The Judicial System Law is to be promulgated by the executive.
2. Re-establishment of an independent Supreme Judicial Council.
3. Powers and responsibilities of the Minister of Justice to be fully defined.
4. Accelerated implementation of recommendations in the Rule of Law Strategic Development Plan issued by the Ministry of Justice in 1996.
5. State security courts should be abolished.
6. Need for independent, qualified, and protected judges, and a proper infrastructure.
7. Specialised courts should be established in order to reduce the caseload of regular courts and provide better adjudication.
8. The post of the head of the supreme court in WB and GS should be filled.
9. Bar association should be unified and be based in democratic functioning.

Constitutional

1. The president of the PA should either promulgate the draft Basic Law as a whole, or at least promulgate parts of it and pass them into law separately.
2. Establishment of a Constitutional court by the PA (ensure constitutionality).
3. Clarification of the relationship between the PA and the PLO.
4. The PA should stop applying the British emergency regulations of 1945.
5. Bill of rights to safeguard citizen's rights.
6. Freedom of expression and freedom of press.

Source: Recommendations of the Independent Task Force of the Council on Foreign Relations.

Following President Bush's speech, the Quartet began working intensely on the Palestinian reform process in the second half of 2002. Within this context the PA drew up what became known as the '100 days reform plan.' By working on reform, not only would the Quartet prepare for Palestinian statehood, but it would also generate momentum for a re-launch of the peace process, presumably by triggering a change of US and/or Israeli positions. By August 2002 the Quartet had set up an international task force on reform, with seven working groups to support Palestinian reform efforts and guide the donor community. The main issues on the agenda included:

- Greater financial accountability in order to tackle the problem of corruption
- Judicial reform to ensure the independence of the judiciary
- Free and fair elections (both parliamentary and presidential)
- Local government reform to ensure effective disbursement of emergency assistance
- Economic and regulatory reform to improve the functioning of the market economy

- Strengthening civil society and its participation in the reform process.

A further area of considerable discussion has been that of security sector reconstruction and reform. The declared objectives, also spelt out in the Quartet's Roadmap, are the consolidation of security services into three divisions reporting to the Minister of Interior, the resumption of cooperation between the IDF and the reconstructed Palestinian security services, as well as the rest of the recommendations of the Tenet Plan. Americans, Egyptians and Jordanians have been heavily involved in this field.

Some progress has been made particularly on financial accountability. This has seen the consolidation of budget lines into a Single Treasury Account under the Ministry of Finance and the creation of a Palestinian audit system. In addition there has been some progress on judicial reform with the President's ratification of a Law on the Independence of the Judiciary, already approved by the PLC. Intensive drafting work is being carried out on a constitution that could include greater power sharing with the creation of a prime minister post and a bill of rights.⁶²

But on the whole, results have been relatively disappointing. Arafat's first decision [June 2002] was to reconstitute his government, reducing its members. With few exceptions, old faces remained in control, some rotating into different positions. Several of the new mandates were also highly unclear. The new cabinet drew up the '100 day reform plan' as advocated by the Quartet. Yet as the 100 days went by, little visible changes could be detected. While not all blame can be attributed externally, two key factors go a long way towards explaining relative failure: President Bush's personalised argument that Arafat should go, and the military occupation by Israel of much of the West Bank, with its accompanying acts of destruction and restrictions on the movement of people through curfews and checkpoints, etc.

President Bush's offensive against Arafat perversely served to strengthen his political position as the symbol of Palestinian nationalism and independence. The home-grown desire for reform had been gaining momentum in Palestine, and could well have led to a change in leadership, or appointment of a prime minister as a natural outcome of Palestinian politics. The US pressures may have simply served to extend Arafat's rule, and to encourage a few ostensible changes to respond to the international community, thus introducing some new faces acceptable to the west without significantly altering the balance of power within the system.

⁶² A draft constitution was already published in 2001 by a task force appointed by Chairman Arafat, and directed by K. Shikaki, Palestine Centre for Policy Research and Survey Studies, *The Draft of the Palestinian Constitution*, Ramallah.

Moreover, the huge amount of paper work produced by the Quartet on the question of reform has had minimal practical impact given circumstances on the ground. New laws on the independence of the judiciary, or on fiscal accountability, constitutional drafts and reforms of the Palestinian security sector remain in the realm of 'virtual politics' so long as bulldozers persist in destroying Arafat's compound in Ramallah and the PLC is unable to meet because of curfews and closures.

Paper work and legislation is indispensable for a reformed PA. But if attention is distracted away from real developments on the ground – the cycle of violence, the humanitarian crisis and the eroding prospect of a viable Palestinian state – then focus on the reform of an Authority on the verge of collapse becomes pointless at best and counterproductive at worst. As put by current PA Minister of Labour, Ghassan Khatib, 'how can we talk of the separation of powers when we don't have any?'⁶³ Moreover, so long as states or state-like actors failed to ensure the basic protection of civilians from externally-induced crimes against them, even the best functioning and cleanest of institutions of a reformed PA would be unlikely to succeed in preventing criminal acts of reprisal by private individuals or groups. Despite the importance of reform and strengthening of the currently collapsing PA, it should not be translated into an unfulfillable precondition for a restart of a peace process.

This is neither to say that reform is a secondary matter nor that the international community cannot play a useful role in it. Attention can and should be paid to the reform of the PA so long as this is based on specific benchmarks and commitments on both the Palestinian and the Israeli side to allow for a practical implementation of the reforms on paper. The consolidation of government finances under the Ministry of Finance and the establishment of mechanisms for financial management transparency and accountability need to be sustained in order to eradicate corruption. The Judiciary Law should be correctly implemented and a Supreme Judicial Council should be appointed. The effectiveness of local government particularly under present circumstances of humanitarian crisis should be improved. Security services should be reconstituted and unified. Legislation covering trade and the economic regulatory system should be pursued.

Greater attention should perhaps be paid to the method through which the reform process is carried out. In order to be effective and have a long-term impact, the reform process should be home-grown and the international community should play as much as possible a supportive role rather than dictate the terms of change. One method to support home-grown reform initiatives is to encourage greater involvement of the vibrant Palestinian civil society. Rather than to induce a process whereby the PA would draw up

⁶³ Conversation held in Ramallah, November 2002.

reform plans primarily in response to international requests, incentives should be created to ensure greater responsiveness to the Palestinian public and civil society. The Quartet has already foreseen a separate track on civil society. But the reform process could benefit if civil society leaders were invited to present their views on reform and the way it should be carried out.

A further pressing issue is the question of Palestinian elections. The last and only PA parliamentary and presidential elections were held in 1996. With the mounting importance of the reform agenda within the international community, the original idea was to hold elections in January 2003. Palestinians are demanding their right for new elections, a right pending since 1999, when the second elections were initially foreseen. In addition, Palestinian political and civil society actors have felt that elections could open the way for more pro-active American and European roles in the conflict (both diplomatically and possibly through monitors on the ground), as well as generate pressure on Israel to ease restrictions in the occupied territories and ultimately re-engage in the peace process. By the autumn of 2002 the PA had set up an election commission. Plans were discussed to establish an election administration and review the 1995 Electoral Law.

However the huge problems of holding elections quickly became clear. Under present circumstances of closures, checkpoints and curfews how could elections be conducted? Election day itself would naturally require free mobility of all Palestinian citizens to vote. More fundamental, however, would be the political climate preceding elections, in which candidates must have the opportunity to travel throughout Palestine and to their constituencies. Under present conditions of the military occupation these conditions for free and fair elections could not be met. The existing climate would also distort results in favour of extremists, as is evident from the rising support for Hamas in particular. Indeed, in January 2003 Hamas declared that if and when national elections were held they would be ready to stand.

For these and other reasons it seems that the question of Palestinian elections has now been suspended from the international agenda.

One final aspect linking the question of reform to the possibilities of a re-launch of a peace process is the relationship between Palestinian political factions. Many Palestinians see the need for greater intensity of political dialogue between the PLO parties and the opposition, most notably Hamas and Islamic Jihad. This is viewed as pivotal for a change in Palestinian liberation strategies and complementary to the efforts by Palestinian civil society actors to shift Palestinian public opinion in favour of non-violent resistance. Equally important, many see the need for greater coherence in Palestinian views regarding the final objectives of the Palestinian national movement, i.e. the establishment of a Palestinian state in the West Bank and Gaza Strip versus the liberation of the entire historic Palestine. In addition to the benefits such dialogue would bring to the Palestinians, were it to succeed,

it could also represent a psychological reassurance to Israelis. (The mirror argument can be made of Israeli politics, with regard to the desirability of greater coherence within the Israeli political spectrum over the conduct of the occupation and ultimate acceptance of a Palestinian state along the 1967 borders).

Several Palestinians have in mind a far more structured form of dialogue. Some such as veteran Palestinian negotiator Heider Abdel Shafi, call for the creation of a National Unity Leadership; i.e. a joint temporary leadership of all Palestinian factions to take key decisions up until elections. The idea is that by including radical extremist movements in ordered political processes and giving them a stake in the decision-making, their extremism might be moderated. Such a National Unity Leadership would not replace either the PA or the PLO, but rather act as a temporary structure to help prepare for elections by taking position on such issues as:

- Inclusion of non-PLO parties in the elections
- Intifada strategy and the question of a non-violent or defensive strategy within the borders of 1967
- Reform of key sectors such as public finance and the legal system
- Ultimately, convergence over the ends of Palestinian resistance on acceptance by all movements of a two state solution.

Many view such ideas with considerable scepticism. Leading members of the 'old guard' resist the idea of power-sharing, while many Islamists appreciate the advantages of operating outside the system. Most within the Palestinian intelligensia are in principle supportive of the idea, but sceptical of its realism given the huge political differences and animosities between factions. Yet most Palestinians would equally recognise the importance of national dialogue, maybe with softer variants. The international community and Europe and the Arab world in particular might play a supportive mediation role as and when appropriate, while avoiding heavy-handed interference.

Communication between Palestinian factions does exist. On some occasions efforts towards a cease-fire appeared on the verge of success. Indeed in July 2002 talks involving the PA (Nabil Sha'ath), the Tanzim, Hamas and Col. Mohammed Dahlan from the Palestinian security services was underway with the mediation of Europeans, led by Javier Solana, and appeared to be progressing towards a ceasefire. These efforts were reportedly torpedoed by the Israeli raid into the Gaza Strip assassinating Hamas leader Salah Shehadeh and killing over a dozen civilians. More recently, during the fall/winter of 2002-03, talks have taken place in Cairo. Although, the Cairo talks failed to secure an agreement, discussion was reportedly based on the

following six-points:⁶⁴

- An independent Palestinian state with its capital in Jerusalem
- The PA would work to stop attacks from against any Israeli targets, while Israel would pledge not to pursue Palestinian militants
- Tit-for-tat violence would stop ‘as a first step toward resuming negotiations’
- Israel would refrain from measures that undermine the PA's ability to guarantee security in the Palestinian areas
- Israel would release jailed Palestinian leaders as ‘a basic step to prove good will and promote trust between the two parties’
- Israel would stop incursions into the West Bank and Gaza Strip.

Were such an agreement to materialise it would represent a momentous step forward.

⁶⁴ The substance of the possible cease-fire plan is disputed. The following is drawn from ‘Arafat Aide: End Terror attacks to be announced in Cairo’ *Ha'aretz* 16 January 2003, which was in turn based on reports in the pan-Arab daily *Asharq al-Awsat* on 15 January 2003.

7. Roadmaps and final destinations

7.1 The Quartet's Roadmaps

The Quartet's draft Roadmap of 20 December 2002 has many of the necessary elements for progress towards a just solution of the Israel-Palestinian conflict – end of violence in all its forms, freeze of settlement activity and Israeli withdrawal, reform of Palestinian governance, security cooperation, commitment to a two-state solution and birth of a sovereign Palestinian state, and successive international conferences to negotiate solutions and final status settlements between Israel and Palestine as well as with Syria and Lebanon (see Box 6).

Box 5. Checkpoints on the draft Roadmap of 20 December 2002

Palestinians

1. Cessation of violence
2. Reform of governance, elections
3. Security sector reform and cooperation with Israel
4. Declaration of right of Israel to exist
5. Declaration of sovereign statehood

Israel

1. Cessation of violence, destruction, collective punishment
2. Transfer of Palestinian tax revenues
3. Cessation of all settlement activity
4. Withdrawal of occupation to pre-September 28
5. Declaration of right of Palestinian state to exist

Bilateral/multilateral

1. Agreement by Quartet on the Roadmap
2. Monitoring
3. Recognition of Palestinian state, with provisional borders
4. Final status: 'based on' UN resolutions and Beirut declaration
5. Final status details
 - Exact borders and settlements
 - Jerusalem holy places
 - Refugees
 - Security regime
 - Water
6. Agreement over Lebanon and Syria
7. Multilateral regional initiative

Source: Extracted from draft Quartet Roadmap of 20 December 2002 (Annex N). This is already the case today, in view of current US policies in the region. Its reputation may suffer further following its long-term presence in another country in the heart of the Arab world.

All this would be well and good if the stages of the Roadmap were soundly balanced as between the two parties, and supported by the Quartet with adequate mechanisms of implementation and enforcement to guard against default by either party. But sequencing, substance and enforcement are key to a Roadmap intended to provide the mechanisms to exit from violence and proceed to a settlement. These issues are not adequately handled in the draft of 20 December 2002. While some useful revisions were made compared to the October draft, it still has flaws that are likely to lead to its failure, and these become evident in a closer look at the sequencing of actions through the three phases (see Box 6).

Settlements freeze brought into Phase I An essential improvement in the draft Roadmap of 20 December, compared to the October version, is the bringing forward of the freeze in Israeli settlement construction or expansion to Phase I. Settlements are the most vivid manifestation of the occupation as well as the most evident signal to the Palestinians of the Israeli unwillingness to allow a viable Palestinian state. The continuation of settlement construction, including ‘natural growth’, during Phase I would seriously undermine Palestinian trust in Israel and the international community and so would reduce the likelihood of a cessation of Palestinian violence. It will also raise further the political and economic costs of a final settlement based on the 1967 borders.

Other key requirements are also rightly in Phase I, such as the need for Israel to ease travel of PA officials, the transfer withheld revenues to the PA, easing of conditions affecting the humanitarian crisis (curfews, checkpoints) the end of illegal actions such as attacks on civilians, the destruction or confiscation of property and deportations (effectively the respect of IHL).

Withdrawal to 28 September 2000 lines unclear. The draft Roadmap says this would occur “as comprehensive security performance moves forward”. This makes the Roadmap vulnerable to sabotage by an Israeli government that did not intend to end the occupation and progress to a viable two-state solution. Concern for this risk is warranted, since Prime Minister Sharon currently advocates only an interim cantonised Palestinian ‘state’ in less than half of the West Bank, and has a track record of provoking Palestinian violence (e.g. the visit to the Al Aqsa mosque in September 2000, IDF escalation since then).

The PA is cannot yet be considered a state actor. It is a nascent and to a large extent crippled authority only marginally capable of governing a population, since the occupation prevents even the movement of Palestinians outside small localities. Palestinian commitments to prepare for democratic statehood and to end violence are imperative both as a direct contribution to a peace settlement and as an indirect contribution, through the effect this could have on the Israeli public. However, demands made on the PA should be commensurate to its capabilities. Given the weakness and dependence of

the PA upon the international community, the latter is prone to accept any conditions imposed upon them. However, pressuring the PA to accept obligations that it cannot fulfil will only erode further the confidence of Israeli and international public opinion. The Roadmap should thus distinguish more carefully between those conditions that can and should be met by the PA immediately, those that could be met following the easing of Israeli occupation, and those which could only be taken with the support of the international community. Specific reforms in the security services and to some extent in the finance and judicial sectors are important to an end of Palestinian violence. Other more general demands (e.g. elections, governance, constitution and institution-building) are part of the long-term process of state building. While this does not argue for their postponement, it does suggest that they should not be made preconditions of a peace process.

Box 6. Sequencing of the draft Roadmap of 20 December 2002

Phase 1. present-May 2003 – Ending violence and building Palestinian institutions

Start:

- Palestinian declaration Israel's right to exist
- Palestinian cessation of violence against Israelis
- Israeli support for Palestinian state
- Israeli cessation of violence against Palestinians

Security:

- Palestinian security apparatus rebuilt, aided by US, Egypt and Jordan
- Palestinian action against terrorism
- Israel refrains from undermining trust (destruction of property etc.)
- Israel withdraws occupation to 28 September 2000 'as security performance improves'
- Quartet begins informal monitoring

Palestinian institution building:

- Preparation of constitution and elections, interim prime minister appointed
- Judicial, financial, administrative reforms
- Israel facilitates travel of Palestinians for above purposes
- Palestinian elections as soon as possible

Humanitarian: Implement Bertini report, easing constraints on delivery of external aid

Civil society: Donor support

Settlements:

- Israel dismantles illegal outposts
- Israel freezes construction/expansion, including natural growth

Phase II. June 2003-December 2003 – Transition

Start: Upon consensus judgement of Quartet and after Palestinian elections

First international conference:

- Convened by Quartet to launch process
- Leading to Palestinian state with provisional borders
- Aiming at comprehensive peace (*viz.* Syria and Lebanon)
- Reviving multilateral regional cooperation (Madrid process)

Palestinian reforms: New constitution; security performance continued

Palestinian state:

- Created through process of Israel-Palestinian engagement
- With provisional borders having maximum territorial contiguity
- Quartet promotes recognition with ‘possible’ UN membership

Monitoring: Enhanced with support of Quartet

Phase III 2004-2005 – Permanent agreement, end of conflict

Start: Upon consensus judgement of Quartet, at beginning of 2004

Second international conference:

- To endorse provisional borders
- To launch final status negotiations (borders, refugees, Jerusalem and settlements)
- To support progress for comprehensive peace (*viz.* Syria and Lebanon)

Palestinian reforms: Ongoing

Final agreement:

- In 2005, based on UN resolutions, ending occupation begun in 1967
- Settlement with Syria and Lebanon
- Normalisation of Arab-Israeli relations

Source: Draft Quartet *Roadmap* of 20 December 2002 (Annex N).

Back-loaded on final status issues. Learning from the deficiencies of Oslo, it is critical to specify the ‘map’ at the end of the ‘road’. As argued by Henry Siegman⁶⁵ in a recent article: ‘the most important reason for the collapse of the Oslo Accords and of subsequent initiatives – the Mitchell Report, the Tenet proposals, the Zinni mission – was their failure to spell out what the Palestinians would get at the end of the process. Oslo was clear about what Israel expected to gain, and not just by the end of Oslo’s five-year term but immediately – security. Palestinians had to renounce immediately and unconditionally any recourse to violence in pursuit of their objectives....The

⁶⁵ See H. Siegman, ‘A Map without a destination’, *International Herald Tribune*, 30 October 2002.

Oslo Accords obligated Israel to engage in negotiations of final status issues, but the accords provided no hint as to what Palestinians had a right to expect as an outcome of those negotiations.’

The current draft Roadmap says that the final settlement would be ‘based on’, inter alia, UNSC resolutions and the Beirut Arab League declaration. Better than Oslo, it also explicitly calls for the establishment of ‘an independent, democratic and viable Palestinian state living side by side in peace and security with Israel and its other neighbours’. Yet by simply stating that a settlement will ‘end the occupation that began in 1967’, the Quartet does not take any meaningful position on the basic contours of a settlement, given that any reference to ‘territories’ in the English version of UNSC resolution 242 (as opposed to the Arabic, French, Russian and Spanish versions) has been interpreted by Prime Minister Sharon as meaning some rather than all of the land occupied in 1967.⁶⁶ The December draft of the Roadmap also mentions some principles regarding settlements over Jerusalem and refugee issues, but these could be made more substantive. As far as refugees are concerned the international community could add to Resolution 181 the idea that refugee rights should be recognised and implemented either through return or compensation, accounting for the fundamental needs and interests of the refugees, the principal parties and the host countries. Regarding Jerusalem, the quartet could add its support for the Clinton parameters concerning the sharing of the city.

Monitoring. The 20 December draft specifies that in the first phase “relying on existing mechanisms and on the ground resources, Quartet representatives begin informal monitoring and consult with the parties on establishment of formal monitoring mechanism and implementation”. Informal monitoring may be better than none, but if the Quartet is determined to make the Roadmap succeed, then the establishment of a monitoring mechanism should be a first order priority and could be included in the list of commitments at the outset of Phase I. Important questions should be immediately addressed. How would the Quartet monitoring mechanism operate, whom and how many international officials would be present on the ground and what would be their precise mandate? The Quartet should prepare a role for armed observers or peacekeepers, particularly to parallel the withdrawal of Israeli forces from the occupied territories in Phase I and the evacuation of settlements in stages II and III.

Enforcement. How might the international community strengthen the incentives for the parties to comply with their obligations? How should the international community react to non-compliance by one side? Would this justify non-compliance by the other? What would be the international reaction if non-compliance by one side was deliberately hampered by the

⁶⁶ See section 4.4 on the different language versions of UNSC 242, and Annex G.

actions/inactions of the other? In a recent commentary, PLC member Hanan Ashrawi argues that ‘...the process becomes subject to an endless reservoir of Israeli preconditions that are essentially impossible to fulfil, given the fact that Israel can pursue a policy of destroying precisely those conditions that would allow Palestinian compliance’.⁶⁷

As signatories to the Fourth Geneva Convention third states have a duty and consequently a right to intervene in the event of clear violations of international humanitarian law using the full range of non-military foreign policy instruments available to them. These would include the judicious yet effective suspension of economic aid or cooperation agreements (or aspects of those agreements such as MEDA and budgetary aid to the PA, trade preferences, public procurement, scientific cooperation with Israel). Of fundamental importance would be the conditioning of US aid to Israel upon respect of its obligations under the Roadmap (as pointed out above Israel has a request for \$14 billion of aid from the US currently pending).

7.2 Accelerated Roadmap

The draft Roadmap of 20 December 2002 is still a hugely complex construction. Judging by the current political will of the principal and third parties and the ongoing developments on the ground, it has small chances of success. What developments, in the region and the international community, could open opportunities either for a faster and surer way forward?

- *Palestinian shift from the militarised intifada to non-violent resistance?* A first opportunity might arise with a Palestinian acceptance of an unconditional end to violence against any Israeli targets along the lines proposed by the intra-Palestinian cease-fire talks in Cairo facilitated by Egypt. This could emerge with a continuation of dialogue between Palestinian political factions with Arab and European mediation. It could be spurred by changing public opinion in Palestine and a declining support for the armed intifada. According to a poll commissioned by Search for Common Ground, 72% of Palestinians are willing to embrace non-violent resistance to the Israeli occupation.⁶⁸ However, so far a unilateral Palestinian ceasefire, without being matched by Israeli commitments, appears unlikely.

- *Policy change in Israel?* The election of 28 January returned Prime Minister Sharon to power, with an impressive personal victory, yet still faced with the hazards of coalition building. With enhanced personal authority at the beginning of his second and no doubt last term of office,

⁶⁷ See Ashrawi (2002).

⁶⁸ H. Amr, ‘When non-violent majorities don’t count’, *International Herald Tribune* 4 February 2003.

Sharon may well want to become the man who settled the conflict once and for all. The question would be how, noticing his dismissive remarks about the Roadmap and his plans for a truncated 'Palestinian state'. However there remains a latent majority favouring a just peace. According the same poll reported above 72% of Israeli Jews would accept a Palestinian state along the 1967 borders if Palestinians would stop violence.

- *More substantive peace plans from Europe and/or Arabs?* The EU and the leading Arab states could further strengthen these tendencies by promoting more explicit and substantive proposals both for solving the Israel-Palestinian conflict and for fleshing out the Beirut Declaration in the context of a new Wider Middle East initiative (ideas for which are suggested below).

- *Change in the US policy, post-Iraq crisis.* The US conception of the Roadmap, largely reflected in the draft of 20 December 2002, represents the maximum the US felt able to promote without entering into sharp disagreement with Israel. However after a resolution of the Iraqi crisis, the US could adopt a more pro-active position. The Iraq crisis should surely have raised US awareness of its need to improve its reputation in the Arab/Islamic world, without which its war against Al Qaeda is undermined. Some combination of the other possible movements described – in Palestinian and Israeli politics and EU and/or Arab diplomatic initiatives – could tip the balance of arguments among US policy makers. Indeed, already Secretary of State Powell speaks of putting more drive behind the Roadmap 'soon after Iraq'.

Outline for an accelerated Roadmap. Supposing some combination of events might re-open the peace process, how might they be translated into an accelerated and surer implementation of the objectives of the Roadmap? An outline might be as follows (Box 7 summarises):

- Start with passing of a new UNSC resolution to strengthening of the legitimacy of the Quartet's leadership of the peace process, clarify past UNSC resolutions on [the] occupied territories, give more substance on the principles for the final status, and outline international monitoring, peace-keeping and enforcement mechanisms.
- On the key issue of the future map of the Palestinian state there is no legitimate basis except a clarified reference to the 1967 green line, leaving open adjustments to this frontier with the aid of minor mutually agreed land swaps.
- The Quartet would be mandated to organise a comprehensive and co-ordinated structure of monitoring, peace-keeping, security cooperation and assistance of all kinds (humanitarian, economic, governance). This international regime in the future Palestinian state would be a *sui generis*

model, reflecting Palestinian realities and thus would not replicate any particular experience.⁶⁹ However the international community would take up critical responsibilities during the transition, as Israeli forces are withdrawn. There will be risks in such an operation, but that will be a natural reflection of the present impossibility of the two parties to manage a peace process bilaterally.

- Quartet parties would be authorised to take appropriate measures, such as suspending economic aid or cooperation agreements, in the event of grave default by either of the parties in their obligations. However such measures could not be automatic, and would have to be judged in the light of the political context.
- The process of international conferences would be more front-loaded with substantive outlines of the final peace agreement and the recognition of Palestinian statehood.

Box 7. Proposals for an accelerated Roadmap

1. New UNSC Resolution, proposed by Quartet (or EU), sets out principles of a settlement, immediate obligations, and conditions for international monitoring and enforcement

2. Principles.

- The establishment of a Palestinian state along the borders of 1967 and the evacuation of all Israeli settlements within the Palestinian state, but allowing for negotiated 1 for 1 land swaps in adjusting the green line.
- East Jerusalem as the capital of Palestine and endorsement of the Clinton parameters for the sharing of Jerusalem.
- A just and realistic solution to the refugee problem, conciliating the principle of the right of return with Israel's concerns.

3. Immediate obligations

Palestinian Authority

1. Enforcement of the cessation of violence
2. Reaffirmation of right of Israel to exist
3. Reform of governance
4. Security sector reform and lawful cooperation with Israel
5. Preparation of constitution and elections

⁶⁹ The cases of Bosnia, Kosovo and Afghanistan have been important experiences. But, by comparison with Bosnia and Afghanistan, Palestine will be a much more homogeneous state, and unlike Kosovo its state sovereignty will not be in question. Hence, an international protectorate of the kind seen in Bosnia or Kosovo is unlikely, even if some Israelis argue for this. However with withdrawal of Israeli forces there will be a need for a separating force provided by the international community.

Israel

1. Respect for IHL in the conduct of the occupation (including end of all settlement activity, violence, destruction and collective punishment),
2. Declaration of right of Palestinian state to exist on the WBGS
3. Transfer of Palestinian tax revenues
4. Redeployment to the 28th September 2000 lines
5. Assumption of responsibility of the human welfare of the population in areas remaining under occupation.

4. Quartet monitoring and peacekeeping

- International presence with Special Representative for coordination of:
- Monitoring of performance and conduct of parties
- Technical assistance for governance reforms
- Conditional macroeconomic assistance
- Humanitarian assistance
- Police/security support unit
- Military peacekeeping force

5. Symmetrical conditionality by members of the Quartet

If either Palestinian Authority or Israel default on their obligations, Quartet parties may take appropriate measures, including reducing or suspending economic assistance and/or cooperation/association agreements. Quartet supports implementation by PA where needed.

6. First international conference

- Recognise new UNSC Resolution on principles
- Agree immediate start to withdrawal from settlements, e.g. all of Gaza and maximum contiguity of Palestinian communities in the West Bank
- Agree Palestinian statehood
- Agree international presence

7. Second international conference

- Revive regional cooperation working groups
- Begin negotiations on refugees
- Begin negotiations on Lebanon and Syria

8. Third international conference

- Conclude final status negotiations

7.3 Final destinations

During final status talks between Camp David and Taba significant progress was made on several important dossiers, most notably borders, settlements and Jerusalem. Positions have diverged since, with Israeli leaders stressing frequently that 'Taba is no longer on the table', whereas the Beirut declaration of the Arab states of 28 March 2002 and the Palestinian non-paper of 12 June 2002 are explicit about the 4 June 1967 armistice 'green line' being the only basis for negotiation.

However the achievements of those last months of the peace process up to Taba in January 2001 appear to be the only logical place to start, if and when final status talks resume. The content of this legacy has been thoroughly presented in recent documents of the International Crisis Group, with some updating and filling in of missing elements.⁷⁰ For the most part we can refer to this work, but feel the need to try to go further with respect to the refugee question, which was the least close to solution.

Settlements and borders. Much has been written about the Camp David II negotiations of July 2000 and the ensuing talks up to Taba in January 2001.⁷¹ Apparently no map was on the table at the Camp David talks, but approximate maps have been drawn up reflecting the discussions (see Map1). What emerges from the literature is that while Barak's offers at Camp David went beyond those of any other Israeli leader before him, they did not amount to a viable Palestinian state along the 1967 borders. Israel would have annexed approximately 8% of the West Bank, including 97 Palestinian villages (370,000 people). Most important, the annexation of settlement blocs from Jerusalem across to Jericho and the Jordan valley, and further north from Ariel to Shilo would have effectively cut the West Bank into three Palestinian cantons, adding of course the separation from the Gaza Strip as a fourth. The Israeli proposals excluded Palestinian effective control over their borders, given insistence on continuing Israeli presence along the Jordan river border.

The Clinton parameters and the negotiations between Camp David and Taba progressed significantly on the question of borders and settlements. Israel accepted Palestinian sovereignty over the Jordan valley and the reduction of annexed territories in a manner that provided for greater territorial contiguity of the Palestinian state. Israel presented a map including a 6% annexation of territory, while the Palestinians proposed a maximum 3.1% annexation in combination with a land swap. A corridor, or 'permanent safe passage', connecting the West Bank to the Gaza Strip was also foreseen, allowing a link between the two Palestinian zones for the movement of people, goods and the provision of services. The corridor would not have been sovereign Palestinian territory over a strip of land cutting across Israel. The concept of land swaps was also discussed, the Clinton parameters later proposing that land swaps between Israeli settlement annexations and territory currently within Israel should take place on a 3:1 basis.

A sustainable two-state solution will necessarily require a viable Palestinian state, which in turn calls for Palestine's territorial contiguity and control over its borders. This implies a state along the 1967 cease-fire lines with only minor revisions. It would need also the internationally guaranteed

⁷⁰ See International Crisis Group (2002a and 2002b).

⁷¹ See Pundak (2001).

‘permanent safe passage’ corridor between the West Bank and the Gaza Strip. Any land swaps allowing Israel to annex select settlements should attempt to maximise the number of settlers but without disrupting the viability of the Palestinian state. Following the logic of the UNSC resolution 242 and Arab peace plan the annexation of settlements areas would be compensated on a 1:1 of equal value land. Given Palestinian acceptance of a state on 22% of mandatory Palestine, there would be little reason why they should be expected to accept an even smaller share. The question of equal value land is particularly important since many of the Israeli settlements are constructed on the best agricultural land of the West Bank, and located in water shortage areas.⁷² Tentative proposals for land to be swapped from Israel in favour of the Palestinians include areas adjacent to the Gaza Strip and areas south west of the West Bank. Some Israeli analysts, on the other hand, hint at swapping the ‘little triangle’, an area adjacent to the north west end of the West Bank, which is home to approximately 200,000 Palestinian citizens of Israel. Such proposals are motivated by a demographic logic, disregarding the wishes of the people in question. Territorial swaps should cause minimal disruption to those legally inhabiting one state or the other, unless of course these were to correspond to the wishes of the people in question.

Remote as it appears at the present time, a re-launching negotiations on the basis of progress made up until Taba appears to be the most plausible way to get a just and sustainable outcome, and maybe the only way. However the continuing growth of settlements, especially in the greater Jerusalem area, is fundamentally altering the socio-political and economic landscape of the region and threatening the likelihood of a future settlement along these lines (see Map 3). The only somewhat hopeful signal noted in recent years have been the surveys carried out by Israeli research centres and peace organisations, documenting the Israeli public’s growing support for the evacuation of settlements as well as the willingness of many settlers to leave, provided suitable economic compensation was offered by the government.⁷³

Jerusalem. At the Camp David-Taba talks, Israel also broke the taboo over Jerusalem as the ‘undivided capital’ of the state of Israel. The notion of Jerusalem as the shared capital of the two states was endorsed by both parties. The Clinton parameters set out the general principle for the sharing of the city: ‘what is Arab should be Palestinian and what is Jewish should be Israeli. This should apply to the old city as well’. The parties agreed that Jerusalem would be an open city with a soft border regime and cooperation and coordination over the provision of services and policing.

⁷² Settler water consumption is 850cm³ per capita as opposed to the Palestinian 82cm³ per capita.

⁷³ See report by the NGO Peace Now (2002).

With the regard to the Holy sites the Clinton parameters proposed Palestinian sovereignty over the Haram al-Sharif and Israeli sovereignty over the Western Wall. Amongst other disputes there was disagreement over precise definition of the latter, as Palestinians made the distinction between the Wailing Wall and the rest of the wall of the Haram. Mutual consent was foreseen for excavations under the Haram or behind the wall.

The Clinton parameters concerning the sharing of Jerusalem continue to be a useful reference principle for the final status agreement on the issue. However, the ongoing settlement activity within the Jerusalem Metropolitan area renders the application of the principle in current circumstances increasingly inapplicable. Box 3 and Map 3 document the continued settlement construction in the Jerusalem area, in particular since the outbreak of the second intifada. In addition to settlement construction there has also in recent years been an expansion of the Jewish quarter in the Old City. As time passes Palestinian East Jerusalem is gradually disappearing.

Syria and Lebanon. Peace remains to be made between Israel and both Syria and Lebanon, even if Israel unilaterally withdrew its forces of occupation from Lebanon in May 2000, such that there is no longer a major territorial issue remaining on this front. The two cases are of course connected in several ways: both Syria and Lebanon have Palestinian refugee communities; Syria maintains a hegemonic military and political presence in Lebanon, and has supported the Hezbollah militias there, and there is a small piece of contested land on the Lebanese-Syrian frontier (Cheba farms) where there are still Israeli forces.

Israel's outstanding conflict with Syria is over the Israeli occupation of the Golan Heights since 1967. Apart from the territorial issue are questions of use of water resources and a post-settlement security regime. Attempts were made to settle the Israeli-Syrian front during the 1990s, initially in parallel with the Oslo process. These failed to reach agreement, and between 1996 and 1999 were effectively suspended. When Barak became Israeli prime minister he quickly attempted to achieve a breakthrough with Syria, given the impending Israeli withdrawal from Lebanon, and President Clinton engaged also as mediator between Barak and Assad. These talks broke down over proposals from Clinton that did not wholly restore the 1967 border, and which Assad refused.

The International Crisis Group (ICG) has proposed draft treaties of peace between Israel and Syria and Lebanon,⁷⁴ and we see no need to take a different view on their detailed proposals. In the draft treaty proposed for Israel and Syria the border of 4 June 1967 would be restored, subject to fine details to be worked out by the UN's chief cartographer. The area to be

⁷⁴ See International Crisis Group (2002b).

vacated by Israel would be demilitarised. The US would maintain surveillance and early warning facilities, and there would be monitoring by US/EU/Russia. There would be a bilateral Joint Water Consultative Committee to regulate the use of water resources.

In principle the Israeli-Lebanese frontier is not contested since the Israeli withdrawal in 2000, and is based on the boundary drawn up in 1923 by the British and French mandatory powers, and confirmed in 1949 in the Israeli-Lebanese armistice agreement. Technical details of the precise frontier remain to be marked out. The uninhabited Cheba farm area (25 square km) involves an arcane element in the Israel-Lebanese-Syrian dossier. At the time of the Israeli withdrawal from Lebanon this small area, formerly part of Syria, was declared to be part of Lebanon by both the Lebanese and Syrian authorities. Since the Israeli army had not withdrawn from this area, the political argument made by Lebanon and the Hezbollah is that the Israeli withdrawal has not been completed. While this small piece of land has still the potential to cause a lot of trouble, for example by inducing escalating military clashes, it is obvious that upon peace settlements on the two fronts Israel will withdraw from the Cheba farms, and Syria and Lebanon will be free to decide together where its future lies. The Hezbollah maintain hostilities along the Israel-Lebanese frontier, which seems certain to continue until and unless an Israeli-Palestinian peace is agreed.

The ICG draft treaty proposed for Israel and Lebanon also foresees extensive bilateral cooperation between the two countries (economic cooperation, transport and communication links, tourism etc.), exclusion of irregular forces from the frontier zone, maybe an extended UNIFIL monitoring mandate on the frontier for a while still, and a Joint Water Consultative Board to regulate use of water drawn from the Hasbani River, which flows into Lake Tiberias (Sea of Galilee). The importance of the water issue was highlighted once again in the autumn of 2002, when Lebanon announced new pumping facilities at the Wazzani springs, which feeds into the Hasbani river. Sharon declared this to be a '*casus belli*', and diplomats were deployed by the US and France to calm the affair down.⁷⁵

Refugees. The number of Palestinian refugees (original refugees from Israel and their descendants) today may be viewed minimally as numbering 1,3 million people in UNRWA refugee camps in Jordan, Lebanon, Syria, and the West Bank and Gaza Strip, or 4.0 million registered by UNRWA in these same locations living in or out of the camps, through to an estimated registered 5.9 million if one counts all the families of refugees now residing anywhere in the world (Table 2).⁷⁶

⁷⁵ See International Crisis Group (2002e).

⁷⁶ For a detailed presentation, see Salem (2003).

During the Oslo process, negotiations only scratched the surface of the refugee dossier. Israel has been unwilling to acknowledge the gross injustice felt by Palestinians at Israel's refusal to accept its responsibilities for the emergence and continuation of the refugee problem. As Ilan Pappé (1999) points out, "it is immaterial whether people leave their homes 'voluntarily' in times of war, or whether they are actually physically forced to leave. What is material is that they were never allowed back". The Palestinians in turn for a long time refused to appreciate Israel's concerns at the prospect of refugee return. The prospect of becoming a minority within their state is amongst the greatest collective fears of Israelis. Beyond the specific 'demographic' concern is the general fear of Arab intentions, especially since the suicide bombing campaign of the second intifada.

While Palestinians cannot be expected to endorse these Israeli fears, it is important that they recognise them, as appears to be increasingly the case. In his article in the *New York Times* on 3 February 2002 (Annex G), Yasser Arafat stated 'we understand Israel's demographic concerns and understand that the right to return of Palestinian refugees, a right guaranteed under international law and UN Resolution 194, must be implemented in a way that takes into account such concerns. However, just as we Palestinians must be realistic with respect to Israel's demographic desires, Israelis too must be realistic in understanding that there can be no solution to the Israeli-Palestinian conflict if the legitimate rights of these innocent civilians continue to be ignored.'

Table 2. Palestinian refugee population, as of 2002

Place of residence	Number
Israel	276,250
Gaza Strip	876,196
West Bank	746,654
Jordan	1,992,049
Lebanon	466,628
Syria	508,845
Egypt	46,282
Saudi Arabia	314,239
Kuwait	39,308
Other Gulf	120,747
Iraq, Libya	84,957
Other Arab countries	6,340
US	197,913
Other countries	252,022
Grand Total	5,928,430

Source: Abu-Sitta (1998). Figures are updated to 2002, using a 3.5% population growth rate.

While a full convergence of narratives of the past and the present may never be achieved, it is imperative that any agreement encourages an ongoing dialogue between the parties or in public debate. This would both contribute to addressing the injustices of the past, to encourage an agreement and its implementation and to provide guarantees that the events of the past would not be repeated. The Palestinian elites will also have to deepen their dialogue with the refugee communities, both hearing their demands and discussing with them realistic prospects for the future. Throughout the Oslo period the PA failed in this respect. The refugees were excluded from the political process and no mechanisms to prepare the grounds for a just and sustainable solution were established. The refugee communities will need to be represented more effectively in the conduct of negotiations on refugees and in the implementation of any future agreement. Finally, with the majority of Palestinian refugees living in neighbouring countries, and many likely to remain in their present locations, negotiations on several of the key issues (numbers of refugees, citizenship, social, economic and political rights, development assistance) will have to involve these countries in the negotiation processes, bilateral or multilateral.

The negotiations from Camp David in July 2000 through to Taba in January 2003 did see some progress in defining the framework. In particular President Clinton's 'parameters', which he presented in December 2000 (see Annex C) set out the logical options that would no doubt return to the table with renewed negotiations.⁷⁷ These are:

1. Return of refugees to their homes and properties in Israel
2. Return to future Palestinian state
3. Return to territory transferred to Palestine from today's in Israel
4. Resettlement in the present country of residence
5. Resettlement in third countries

The most difficult issue of principle and practice is how to reconcile the right of return with Israel's concerns. An outright quota of small size decided by Israel would contradict the right of return and individual choice. Is it possible to square this circle? This may not be completely achieved as any restrictions (whether explicit though quotas or implicit through incentives) would

⁷⁷ The Clinton parameters are in essence what were later presented in the Israeli non-paper at the Taba talks. According to President Clinton, "Israel is prepared to acknowledge the moral and material suffering caused to the Palestinian people as a result of the 1948 war". On how to handle the Right of Return (ROR), "the president knows the history of the issue and how hard it is for the Palestinian leadership to appear to be abandoning this principle. At the same time, the Israeli side could not accept any reference to the ROR that would imply a right to immigrate to Israel in defiance of Israel's sovereign policy on admission or that would threaten the Jewish character of the state".

represent a departure from the implementation of a right to return to one's own property. However, while right-holders may not be divested of their rights, others with interests and subordinated rights may take measures (devoid of coercion) to affect the right-holders' choice. In other words, while not all refugees would exercise their right of return, they would exercise their right to choose. In practice, the closest to a resolution of this issue might come from an agreement with Israel over an annual quota of refugee returns, but for an open-ended number of years. Such a solution would also work towards addressing over time the current Israeli suspicions of the returnees' political agenda. At the same time the other options of the Clinton parameters would be made explicit in terms of their conditions. When the refugees studied all these options, and noted the length of the queue before return to Israel might be possible, many would probably turn to the other options. In this way supply and demand might be brought into equilibrium on the basis of individual choice.

For all locations other than Lebanon a large fraction of the total might stay where they are, of course with an end to camp life, regularisation of citizenship (mostly host country, with some cases of double Palestinian and host country citizenship), and normalisation of economic, social and political status. In Jordan the 1948 refugees already have Jordanian citizenship and they are relatively well integrated. The 1967 refugees could presumably be granted citizenship. In Syria the refugees are relatively small in number and fairly well integrated, and citizenship could presumably be granted. Most of those with refugee status in the West Bank and Gaza Strip would presumably become Palestinian citizens with full rights.

Israel began to discuss how many refugees it would be prepared to accept during the Taba talks, for example 25,000 over three years, or 40,000 over five years, according to the Moratinos non-paper (see Annex D). These numbers were not accepted by the Palestinians. Israel has been receiving annual immigration inflows of about 100,000 per year for the last 10 years.

Box 8. Principles of a possible settlement of the refugee problem

The mechanism

- Step 1: The Refugee Commission explains the conditions attached to each of the options (Clinton parameters), so that individual refugees can express their free and informed preferences.
- Step 2: Refugees indicate their rank-ordered preferences.
- Step 3: The Commission analyses preferences of refugees alongside possible destinations.
- Step 4: The Commission returns to refugees indicating the possible timetable of acceptance by possible destinations (e.g. up to N refugees per year), and priority categories (e.g. family reunion cases, camp residents, Lebanon or other, etc).

- Step 5: Refugees, having considered this information, may confirm or change their choice among the options.

Development assistance and rehabilitation costs

Host countries would also be provided with development funds to absorb refugee communities. Present UNRWA operations would be transformed into a development fund, as camps would be phased out or converted into normal residential housing. Present UNRWA budget in the Middle East of \$350 million would be transformed, possibly with a temporary doubling of the budget, supplemented by other bilateral and multilateral projects.

Compensation

Individual compensation would have to be calculated on the basis of the values of the property in 1948/67 plus multiplier to be agreed. An international fund would be established. Amounts from Israel of the order of \$5 to 10 billion have been mentioned in some studies, bearing in mind gains from confiscation of refugee properties.

For the official ‘priority’ case of Lebanon, the most acute needs are for those still in refugee camps, numbering about 200,000. At some point there will have to be a burden-sharing ‘moment of truth’ particularly as between Israel, Palestine, Lebanon and the rest of the world. Lebanon in general resists the idea of the refugees acquiring permanent right of residence, or Lebanese citizenship. Yet many Lebanese refugees retain Lebanon as second preference if return to original home is impossible over a reasonably short time horizon (45% in one survey). Considering that many Christian and Shi’ite Palestinian refugees have actually received Lebanese citizenship (about 100,000), it could be expected that Lebanon offers citizenship to some of the other predominantly Sunni refugees. In addition, existing forms of legal and practical discrimination would end. A third-best alternative would be that some refugees would remain in Lebanon with regular Lebanese residence/employment rights, but as foreigners with Palestinian citizenship. These people would have normal rights as Palestinian citizens to move at any time to the Palestinian state, but this would be a matter of normal individual choice.

The rights of Palestinian citizens in their host countries should in any case be progressively normalised, and protected by Treaty level obligations between the states concerned. Such rights could be included in the jurisprudence of a Confederation of the Mashreq, as argued above, alongside policies defining the rights and rules for the movement of persons, and their residence, employment and acquisition of property.

Offers from the rest of the world might be related to the actual immigration flows of recent years, which amount to a revealed indicator of absorption capacity rather than political statements of the type “we are full up”.

Hypothetical annual quotas for Palestinian refugees from Lebanon, for example of only 1% of total recent number of immigrant inflows for Europe and US/Canada/Australia/New Zealand, would build up to 100,000 people over five years, or half the Lebanon camp refugee population.⁷⁸ A 1% norm is of course arbitrary, except to show that a very small number for the countries of immigration could add up to a considerable contribution to a solution. A 1% norm would amount to an annual flow of 6,800 for Western Europe and 13,500 for the new world countries indicated. It also is to be noted that these countries at present have open quotas for the reinstatement of refugees from all sources of about 100,000 per year, but this number is largely dependent on the huge US commitment to 75,000 refugees per year.

Palestinian citizens of Israel While not forming part of the agenda of the peace process, there is a remaining Palestinian issue of importance internal to Israel. While Israel's democracy is a vibrant one to say the least, it is also an incomplete one. The Palestinian citizens of Israel lack constitutionally entrenched guarantees of legal and political equality. The actual issues are described in Box 9, and involve serious legal discrimination as well as more general problems of relatively disadvantaged development. A rapid normalisation of the situation of this community should come with if not before a peace settlement. The EU should also make this a condition of deepening its association with Israel (discussed in section 13.3 below).

Box 9. The Palestinian citizens of Israel

In 1948 there were 900,000 Palestinians living in today's Israel. With the war 750,000 fled to become refugees, with only 150,000 remaining, their families now representing 19% of the population of Israel. They have Israeli citizenship in some fundamental respects, including the right to have Israeli passports, to vote in national parliamentary elections, and to be member of the Knesset. However they are a disadvantaged group compared to the Jewish population, suffering legal discrimination in a number of ways, as well as according to the main indicators of economic and social development.

The Palestinian minority lack constitutionally entrenched guarantees of legal equality. The Proclamation of Independence speaks of the Palestinian citizens "participating in the upbuilding of the State on the basis of full and equal citizenship", but in the absence of a formal constitution this has never been securely entrenched legally, and there are many distinctions made in law and policy between the Jews and non-Jews. At least twenty laws discriminate against the Palestinian minority, including those that authorise expropriation of land and restrict land use and ownership. The Palestinian minority therefore seeks formal

⁷⁸ Recent immigration inflows from all sources have been 685,000 per year into Western Europe, and 1,350,000 into the group of new world countries (Australia, Canada, New Zealand, US).

recognition as a national minority, with full recognition and guarantees for equal citizenship and land rights.

In the past year several legislative proposals have been submitted that would further limit the rights of the Palestinian minority. These concern the ejection of Bedouin villagers off farmlands, exclusion from national referenda, denial of citizenship to spouses of Palestinian citizens, and – most alarming of all- even a bill to legalise the physical transfer of Palestinians from Israel to the West Bank or Gaza. While these bills have not been passed, they are indicative of what is debated in Israeli politics and of the climate of growing friction between the communities, aggravated by the reciprocal violence of the second intifada.

The socio-economic situation of the Palestinian citizens is disadvantaged compared to the Jewish community, although on average more favourable than for most Palestinians in the West Bank and Gaza. The average monthly salary is 60% of that for the Jewish population. The level of educational achievement is lower, for example with an 18% qualification rate for university admission, compared to 40% for the Jewish population. Under-development is extreme in the so-called unrecognised Bedouin villages. Out of 46 such villages in the Negev and north of Israel, eight have been recognised in recent years, but the remainders are disqualified from receiving municipal services.

Source: Kamm et al. (2002).

Part III. The Wider Middle East

8. Crisis of the Wider Middle East⁷⁹

Fundamental changes are under way in the narratives about the political, economic and societal condition of the Middle East. This concerns both the nature and objectives of human development in relation to the currently authoritarian political regimes, and the role of Western policies in influencing political and economic strategies.

A landmark document recently has been the UNDP's *Arab Human Development report* for 2002, written by Arab experts. The Arab reference here refers to the peoples of the 22 member states of the Arab League. However the political context is also the Islamic world. This brings in Turkey, Iran, Afghanistan and Pakistan in terms of closest geographic proximity and political relevance, before stretching down into Africa and across to Indonesia, ultimately including all the member states of the Organisation of the Islamic Conference. Since our own focus is with a European policy perspective, we give special attention to a Middle East that embraces all the Gulf, including Iran, as well as the Euro-Mediterranean partner states. We have this area in mind under the heading of the Wider Middle East, although this name has no official recognition.

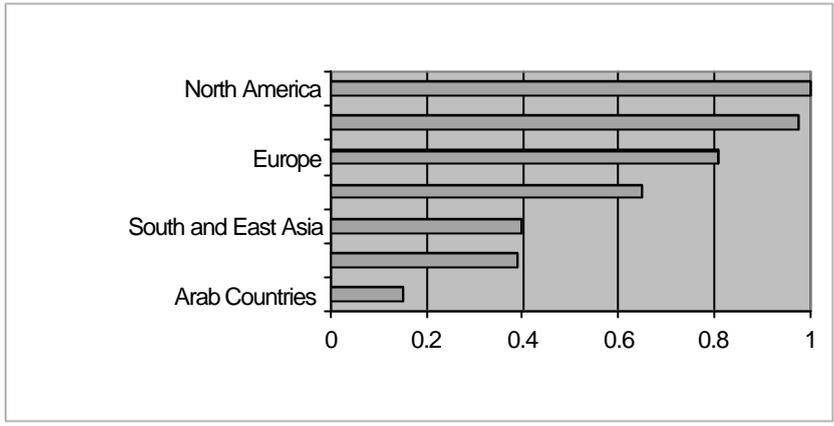
Time has run out for the status quo in the Middle East because of the extraordinary accumulation of crises in the region, notable the four noted at the beginning of this report. Of these four crises three are all too sharply identified – Israel-Palestine, Iraq and Al Qaeda. But the economic, political and societal crisis of the region is quite different in nature. It is deep, diffuse and differentiated, yet with pervasive common features. It presumably links to the underlying cause of the global terrorism, even if the definitive interpretation of Al Qaeda and associated movements remains to be written. At the level of aggregate indicators for the Arab world, one of the simplest but most telling is that 51% of the 'older youths' have expressed the desire to emigrate, mainly to Western countries.

The UNDP report emphasises societal factors at work, or the 'three key deficits' that are considered defining features of Arab socio-economic malaise:

- *The freedom deficit.* A number of synthetic indicators have been constructed, going way beyond the formal mechanics of elections and constitutions, including notably civil liberties, human rights, political rights, media freedoms and the rule of law and the functioning of the

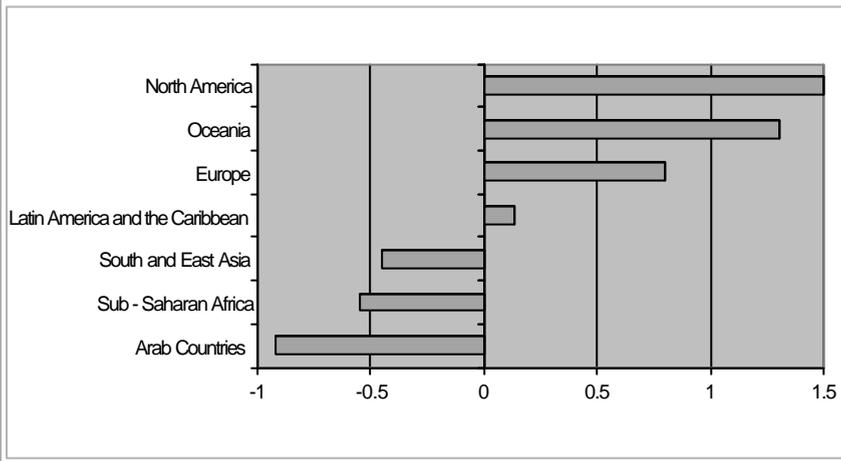
⁷⁹ In this section the authors are grateful for the contribution of F. al-Braizat. See also his paper, *'The EU and Democracy Promotion in the Southern Mediterranean – Is it working?'*, forthcoming, (2003).

Figure 1. Average value of freedom scores, world regions, 1998-99



Source: UNDP (2002).

Figure 2: Average value of 'voice and accountability' indicators, world regions, 1999



Source: UNDP (2002).

judiciary. Here the comparison of the Arab world with all other world regions is devastating, with Arab countries trailing even behind the poorest regions - sub-Saharan Africa and south Asia (Figures 1 and 2).

- *The women's empowerment deficit.* Political and economic participation by women in government and key positions in the private sector remains the lowest in the world. In Saudi Arabia women account for only 5% of the labour force, which the extraordinary ban on women driving cars both symbolises and aggravates.
- *The human capabilities/knowledge deficit in relation to income.* About 65 million Arabs are illiterate, two-thirds of them women. Education systems are leaving a gross mismatch between results and the demands of the modern world. This is now emphasised by the very poor diffusion of information technology with only a 1.2% penetration rate for personal computers, and 0.6% for internet use (the latter appears to be the lowest of all world regions).

Conventional economic measures are also part of the story.⁸⁰ The overall incidence of absolute poverty is relatively low because of oil wealth, yet one person in five lives off less than \$2 per day. Economic growth per capita over the last two decades has been the lowest of world regions with the exception of sub-Saharan Africa. Integration with the world economy has not advanced in line with world-wide trends towards globalisation. Papers submitted to the Mediterranean Development Forum analyse these tendencies in detail. For example one study of the Middle East-North Africa (MENA) region concludes with these key messages:⁸¹

- The region's declining or stagnant openness (depending upon the chosen measure) during the late 1990s is contrary to trends of increasing openness across other regions, indicating that the region is effectively losing market share to other countries.
- Evidence is compelling and robust that trade protection is high for the developing countries in the region relative to income levels. Trade barriers have been the slowest to come down and possibly the only region where some reversals have occurred in reform in the early 1990s.
- Failure to build a strong coalition for reform is behind the continued inertia to trade reforms, reflecting a dependence on rents from as transfers and natural resource abundance.
- The region's resource endowments relative to other regions imply a comparative advantage in resource intensive manufactures, where the

⁸⁰ For an overview of economic performance see FEMISE Network (2002).

⁸¹ See Srinivasan (2002).

region would have to contend with Latin America in high value-added goods, and sub-Saharan Africa in lower value-added goods. However evidence to date does not confirm that this potential has been realised.

A synthesis of societal, political and economic explanations is beyond the formal modelling capacities of the social sciences. Nonetheless an intuitive feel for the complex inter-relationships of cause and effect can be sketched, as in Figure 3. This portrays how a set of initial conditions, including underdeveloped civil society, state control of the economy, low and highly unequal incomes and low exposure to other cultures, leads on to a set of results, including weak economic growth, high emigration, political violence, regional conflicts and racism and xenophobia.

Western policies have on the whole been based on the idea that regime stability was the priority, implying passive acceptance or active support for autocratic and often repressive regimes. Western policies have come in two variants, one essentially American and the other more European. The US paradigm may be viewed as starting after the second world war, when the leaders of the US and Saudi Arabia entered into the basic deal of security of oil supplies for the West in exchange for strategic security guarantees for the regimes. The set of policies of course became much more complex over time, with US strategic support also for Israel, alongside important economic support to Egypt and Jordan. The more recent European paradigm, as in its Euro-Mediterranean Partnership, has been to foster economic progress in the region as the leading agent of general development, which in due course should facilitate political progress in the direction of human rights and democracy. This in turn would favour Europe's security interests, both in terms of energy supplies and abatement of pressures for migration (the latter especially from North Africa).

Both these paradigms of Western policy have now to be questioned. They are confronted with the objective facts that the Arab world has performed poorly under virtually all measures in the last decades, both absolutely and relative to most other world regions. While these trends have been evident for a long time, it took 11 September for the world to see that the region had become the breeding ground of Al Qaeda terrorism. The policies of securing 'stability' as overriding priority, or of favouring economic development first under authoritarian regimes with minimal consideration to the political, social and human rights impact, has backfired. The issues for strategic clarification thus become matters of stark contrast between old and new doctrines:

- Is a strategy of economic development as pre-cursor of protection of human rights and political freedoms correct for the Middle East? Or, do human rights and political freedoms come as part of a holistic process of

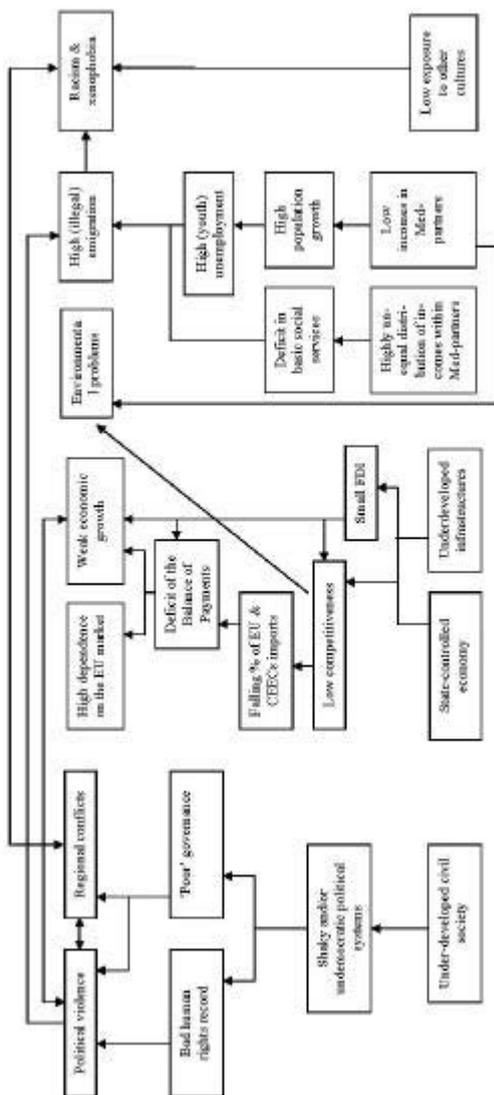
human development? New doctrine should be saying ‘no’ to the first question and ‘yes’ to the second.

- Is Islam inherently antithetical to political freedoms? Or, is it the poor performance of secular and autocratic regimes compounded by the effect of western foreign policies that have made radical Islamic tendencies popular? New doctrine should be saying again ‘no’ to the first question and ‘yes’ to the second.

Evidence on whether democracy favours economic growth has been a contested matter on both theoretical and empirical grounds. It is clear that democratic structures bring certain benefits, such as promoting the rule of law, an open society, freedom of choice, as well as discouraging corruption. Empirically it is also clear that with few exceptions developed states are also democratic. While the empirical evidence has been unclear when based on cross-country regressions, new evidence comes from examination of the growth performance of a large sample of countries (40 in total) that made the move from authoritarian to semi-democratic or democratic regimes in the last two decades. The findings of J-G. Shen (2002) are that in the years preceding moves to more democratic regimes states have tended to suffer deteriorating economic growth performance, whereas after such moves growth performance has improved (the data was based on 5- and 10-year averages preceding and following the regime changes). The paradigm of the holistic development process – political, economic, societal – acquires increasing support.

Still, however, remains the question how to evaluate the alleged cultural specificity of the Arab (and/or Muslim) world for policy purposes. The absolutely conservative view, supported by several Western orientalist, may be represented by a speech King Saud of Saudi Arabia in 1992: “The democratic system prevalent in the world is not appropriate for us in the region. Our peoples in their make-up and characteristics differ from that of the rest of the world. The election system has no place in the Islamic creed, which calls for a government of advice and consultation and for a shepherd’s openness to his flock, and holds the ruler fully responsible before his people” (al-Braizat, 2003).

Figure 3 Problem Tree underpinning the EMP



Source: E. Philippart

However opinion surveys show a strong discrepancy between the democratic aspirations of Muslim peoples and the autocratic political regimes under which they live. Many scholars of the Middle East have overlooked this discrepancy, arguing that the problem of undemocratic regimes was a cultural one.

This view, as argued by Fares al-Braizat (2003), is methodologically and theoretically reductionist. "Methodologically the state was taken as the unit of analysis and it was identified with the powerful autocratic regimes lacking legitimacy. If we were to make generalisations about Islam/Muslims our unit of analysis must be the 'individual Muslim', not the 'allegedly secular' regimes, which were identified as 'Muslim' for 'analytical reasons'". As illustrated in Table 3 there is no contradiction between the religiosity of Muslims and their interest and support for democracy. Overwhelming majorities are found viewing democracy as better than any other form of government alongside comparable majorities who consider themselves to be religious (from example 97.7% and 98.7%, respectively, in the case of Egypt, or 90% and 86% for Jordan).

Table 3. Attitudes towards religion, politics and democracy in 11 Muslim countries, %

Country/year	Religious person	Politicians who don't believe in God are unfit for public office (strongly agree, or agree)	Comfort and strength from religion	God is very Important (reported 10 on 10 point scale)	Democracy better than any other form of government (strongly agree, or agree)
Bangladesh 01	96.9	71	98.9	93.3	98.3
Egypt 01	98.7	87.8	99.9	81.6	97.7
Albania 98	94.9	NA	58.8	16.5	96.8
Azerbaijan 96	88.3	NA	87.6	60.9	96.1
Morocco 01	NA	90.1	99.8	99.2	95.4
Jordan 01	86.2	81.3	99.7	98.5	90.3
Bosnia 98	69.8	NA	64.7	30.3	89.4
Turkey 01	78.4	57.3	91.1	76.7	88
Indonesia 01	84.5	88.7	100	96.9	71.2
Iran 01	94.9	NA	96.3	82.9	69.3
Pakistan 97	NA	NA	84.6	74.2	NA

Source: 'World Value Survey', in Fares Al-Braizat (2002).

In another survey conducted in 8 Arab countries (Zogby International/Arab Thought Foundation, 2002), the rank ordering of political issues by importance showed the following to be the top three out of ten options:

- Civil and human rights
- Health care
- Palestine.

This survey is suggesting that the best way for west as a whole to gain popularity and respect in the Arab world would be to put democracy, health care and resolution of the Palestinian conflict at the top of their agendas. In the same survey it was shown that for the United States in particular, the single most important thing that the US could do to improve its image in the region would be to change its policy towards the Arab-Israeli conflict.

If it is to be accepted now that human development, sound governance and democratisation have to be part of a holistic development process, and that Islam in general has no inherent cultural incompatibility with these features of modernity, the issue becomes how to envisage a new era of profound reform of the region. Here there are two broad conceptions on offer. One view that seems to have some exponents in the US might be styled the 'regime change domino effect', envisaging a rapid sequence of categorical regime changes, starting in Iraq with military intervention. The advocates of this view may have in mind some important historical episodes when there have been a cascade of revolutions, for example in Europe in 1848, and again in 1989-91.⁸² We doubt whether these analogues are valid.

A second view would be that there need to be switches in strategy, but that democratisation can only be a long-term process that is built up gradually, together with progressive inclusion of all indigenous movements including Islamist parties and foundations in the political system and civil society. The potential advantages of this, as argued by Fares al-Braizat (2003), would be:

- Islamists would turn out in due course to be social conservatives (which is the wording used by the AK party in Turkey that has just won the general election there).

⁸² US Deputy Defence Secretary Paul Wolfowitz, at the heart of the neo-conservative element of the spectrum of opinions in the Bush administration, argues a more precise scenario, with Iraq becoming the 'first Arab democracy, ... post-Saddam Iraq secular, middle class, urbanised, rich with oil that will replace the autocracy of Saudi Arabia as the key American ally in the Gulf, allowing the withdrawal of United States troops from the kingdom. The presence of a victorious American army in Iraq would then serve as a powerful boost to moderate elements in neighbouring Iran, hastening that critical country's evolution away from the mullahs and towards a more moderate course. Such an evolution in Tehran would lead to a withdrawal of Iranian support for Hezbollah and other radical groups, thereby isolating Syria and reducing pressures on Israel. This undercutting of radicals on Israel's northern borders and within the West Bank and Gaza would spell the definite end of Yasser Arafat and lead eventually to a favourable solution of the Arab-Israel problem'.

- Participation of Islamists in the political game, given their strength, would oblige other groups to regroup, unite and engage in political debate, based on competitive politics.
- Brought into the political system, Islamists would be transformed in the eyes of public opinion from mystical figures to mere politicians.
- Inclusion of Islamists would make current parliaments, often hardly more than an element of pseudo-democratic décor, more effective as the prime mechanism of political pluralism. Government legitimacy would be enhanced.

However this would be just one feature, albeit a crucial one, in a recalibration of political strategies in favour of the comprehensive agenda for human development and sound governance. The Arab states would be aiming at progressive modernisation of their societies and educational system, and at respect for recognised standards of human rights, and development of democratic institutions. The West would pledge their support for these objectives, respecting the potential for specific Arab models of societal and political development, and the need to adopt plausible sequencing and time horizons for the strategies of individual countries. We return to the role of the West below, especially within the framework of ideas for re-invigorated regional initiatives.

9. Iraq as cause for a just war?

At the time of writing crucial decisions over war against Iraq, or continued inspections, are imminent. The inspectors Hans Blix, Mohammed El Baradei and colleagues have been at work for three months in execution of UNSC Resolution 1441 of 8 November (see Annex M). The inspectors reported their interim findings to the Security Council on 27 January. On the nuclear side they had found no sign of restart to work to create nuclear weapons, but needed a few more months to be sure. On biological and chemical weapons, however, the inspectors criticised Iraq for incomplete declarations and unsatisfactory cooperation. On 5 February Secretary of State Powell presented further evidence to the Security Council to the effect that Iraq had been concealing weapons and deceiving the inspectors, amounting to further material breach of UNSC resolutions. On 14 February the UN Security Council is due to hear a new report from the inspectors. Meanwhile France, Germany, Russia and China have been indicating their preference for continued and strengthened inspections (see Annex O).

A just war or not? The case for war against Iraq may be assessed according to well established principles of the just war tradition.⁸³ We summarise what these principles are, and how the US case against Iraq looks in this light. Just war theory relies first and foremost on whether the party declaring war has a 'just cause' or not, and then there are a set of five further considerations that have to be fulfilled in order to consider a war as just. All these principles are decisive. If their fulfilment is disputed a war is not justifiable.

A war should have a *just cause*. This means that the injustice to be prevented or corrected should be severe enough to justify the use of force. Self-defence, or defence of an ally against aggression, or the protection of another people against genocide are typical just causes for war. Pre-emptive action against an enemy nation may also be justified as a kind of self-defence against aggression, but only if (1) the enemy has manifest intentions to aggress, (2) has mobilised its military forces with that aim, and (3) any postponement of the use of force would likely to have irreversible negative consequences on the possibility of a country to defend itself against subsequent attack.

The official US indictment of Saddam Hussein was levied on seven accounts⁸⁴: (1) development of weapons of mass destruction (WMD), (2) defiance of UN resolutions, (3) repression of the Iraqi people, (4) support for international terrorism, (5) refusal to account for Gulf War prisoners, (6) refusal to return stolen property, and (7) circumvention of economic sanction.

⁸³ For an extensive presentation of the theory and its application, see Coppieters and Fotion (2002); for a shorter presentation see Evans and Sahnoun (2002).

⁸⁴ See US Government (2002).

According to the US, the fact that Iraq has a WMD program in violation of UN Security Council resolutions represents a primary justification for a war. The official argument of the US and UK concerning Saddam Hussein's intentions is that since he has used them already both internationally (against Iran) and against his own people (notably the Kurds), there is every reason to suppose he might do so again. It is feared that Iraq's stores of nuclear, chemical or biological weapons could somehow pass into the hands of international terrorist groups such as Al Qaeda. The argument of prevention figures at the heart of the present debate on the pre-emptive use of force. From this perspective, a regime change provides the strongest guarantees to prevent new investments in weapons of mass destruction, and is perceived by some as a legitimate cause for war irrespective of whether weapons of mass destruction are found.

A main problem, however, is to prove the existence of such a WMD program and its extent. Several independent studies are available. The IISS assessment of Iraq's weapons of mass destruction, published in September 2002, was that Iraq does not have nuclear weapons, but could construct some fairly quickly if it obtained sufficient fissile material.⁸⁵ Iraq was assessed to have extensive biological weapon capacities and a smaller chemical weapons stockpile, though delivery means for both are limited and uncertain. Iraq probably has a small force of ballistic missiles with a range of about 650 km.

A more fundamental problem, even assuming the Iraqi regime has an extensive WMD programme, is the fulfilment of the three conditions for pre-emptive action. Given that the West would neither be acting in self-defence, nor in the defence of an ally, nor for the immediate protection of a people, a war could only be justified on the grounds of a clear fulfilment of the conditions of pre-emptive action. Yet even if Iraq has an extensive WMD programme, it has not manifested intentions to aggress, nor has it mobilised its military forces with that aim. In principle, as for any regime possessing or preparing such weapons, the postponement of an attack could have irreversible negative consequences on the possibility for self-defence against a future attack. However, in order for this condition to be met, a war could only be a 'last resort', another condition to which we return below. Otherwise Article 51 of the UN Charter⁸⁶ could be stretched to such an

⁸⁵ See International Institute for Strategic Studies (2002). Another detailed account, whose essential findings appear to be similar, is available in Cordesman (2002).

⁸⁶ Article 51 of the UN Charter permits a country with or without prior Security Council approval to defend itself against armed attack, or, by accepted extension, to act pre-emptively against threatened attack when that attack is imminent.

extent that 'the whole international order so painstakingly established since 1945 would be seriously undermined.'⁸⁷

Only a *legitimate authority* may launch a war. In the case of self-defence, this is typically a sovereign state under attack and, when international peace and security are threatened. In other cases covered by the just war theory it would normally require a clear international legal mandate (such as an international treaty or a UN resolution under Chapter VII of the Charter authorising force in response to a 'threat to international peace and security').

As demonstrated during the Kosovo crisis, there can be strong disagreements among the members of the UNSC on the question who may constitute a legitimate authority when using force. The US government considers that it has in principle a right to act unilaterally when its vital interests are at stake. Those who are defending this thesis do not necessarily agree, however, to what extent the present Iraqi regime constitutes such a threat to the vital interests of the US, particularly if it is compared to other crisis regions such as North Korea. Moreover, if a state has legitimate authority to wage war only as an act of self-defence, then a US assessment of its 'vital interests' would not, alone, constitute a legitimate authority.

The US also claims that it already has legitimate authority under UNSC Resolution 1441 of 8 November 2002 to attack in order to enforce previous UN resolutions. However UNSC 1441 was not unambiguous on whether a further UN resolution would be required to justify war. UNSC 1441 decided that "Iraq has been and remains in material breach" of previous resolutions, but that it is afforded "a final opportunity to comply", and that the security Council will, after receiving the inspectors' report "consider the situation and the need for full compliance ...". If Iraq failed to comply it would face 'serious consequences'. It certainly does not exclude the use of force, and indeed allows for its possibility. However the resolution itself does not mandate the use of force. Neither does its wording appear to authorise war in a situation in which other peaceful means (i.e. the inspections) have not been exhausted.

Right intentions. This principle is respected when the party using force does so for reasons that correspond to a just cause such as self-defence, and not primarily for some ulterior motive, such as acquiring mineral resources. The official discussion on the motives of the US has focused most on the case to disarm the weapons of mass destruction. However many side arguments are being made about other objectives. The argument is being made that America's primary motives are to secure control over Iraq's oil resources. There has been also discussion about whether a regime change in Iraq could

⁸⁷ G. Evans, 'The Question for Powell', *International Herald Tribune*, 3 February 2003.

trigger a wave of regime changes throughout the Middle East region, thereby changing the global balance of power in US interests. There is a potential interconnection between these three ulterior motives. A collapse of the Iraqi Ba'ath regime and the coming to power of a pro-western regime would clearly secure US control over Iraq's oil reserves. This in turn would strengthen US hegemony in the region. A further strengthening of the US-Israeli axis in the Middle East could, according to this argument in turn trigger either changes or a serious weakening of those regimes (or groups) viewed as hostile to American interests.

The principle of *likelihood of success* says that the party going to war should not do so unless it has a reasonable chance of achieving its objectives. Naturally, this depends on what its objectives truly are. In the case of US attacking Iraq there is little doubt that it would win the war. There are more doubts, however, to which extent it would achieve ulterior objectives, such as a regime change without, either imposing another highly repressive regime or/and disintegrating the Iraqi state along ethnic and religious lines. Further risks as viewed from an American perspective would also be the possible destabilisation of the region and in particular of US friendly regimes in the region. In short whether the US would also win the peace is much less clear.

The principle of *'last resort'* means that all diplomatic efforts, including sanctions, boycotts and inspections, in the case of Iraq, should have been considered or tried before resorting to force. The ongoing inspections in Iraq critically relate to the condition of last resort. In so far as a war is justified only if all other peaceful means have been exhausted, the ongoing inspections suggest that war today could not be considered as a last resort. Without international consensus on the failure of the inspections, war is not a last resort to disarm the Iraqi regime.

However, those in favour of a new Gulf War argue that the Iraqi regime has never demonstrated any interest in constructive cooperation with the UN. This argument is countered on the grounds that Saddam Hussein has effectively been deterred from new aggressions in the last decade. Two American academics, J. Mearsheimer and S. Walt of Chicago and Harvard Universities respectively, argue that Saddam Hussein has learned certain lessons since the first Gulf War, and could be successfully 'contained' for the length of his future career.⁸⁸ As regards the Iraq-Iran war of the 1980s their narrative is that Iraq as the weaker state attacked in order to resist the hegemonic aspirations of Iran, whose leadership was seeking to export Islamic revolution. Iraq received considerable support from the US and others in this war. As regards the Gulf War of 1990-91, the narrative is that Saddam Hussein launched an unjustified attack on Kuwait, but not a reckless

⁸⁸ See Mearsheimer and Walt (2002).

one. Apparently he had interpreted a conversation with the US ambassador in Baghdad at that time as meaning a 'green light'. When the war was at its height Saddam launched some conventionally armed rockets at Israel and Saudi Arabia, but refrained from loading them with the chemical or biological weapons at his disposal. For the eventuality that Saddam might acquire nuclear weapons Mearsheimer and Walt quote a succinct statement from Condoleezza Rice in an article in *Foreign Affairs* in January/February 2000, before her move to the White House: "The first line of defence should be a clear and classical statement of deterrence – if they do acquire WMD, their weapons will be unusable because any attempt to use them will bring national obliteration". On the question whether Saddam Hussein might make such weapons available to Al Qaeda, the authors point out that as a secularist leader he is in categorical opposition to radical Islamic fundamentalists such as Osama bin Laden or the late Ayatollah Khomeini. By transferring such weapons to fanatical Islamic groups he would lose control over their use, possibly even against his own regime.

The principle of *proportionality* says that the anticipated moral costs of the war should not be out of line with the anticipated benefits. The removal of the risk that Iraq would be able in the future to use WMD would be the main benefit of this war. But the potentially high number of Iraqi civilian casualties as well as Iraqi and American military casualties, and the collateral damage to urban infrastructures could be considerable. Further huge costs could result from the use of weapons of mass destruction by Iraq itself, or on a more modest scale from the use of conventional weapons by its allies such as the Lebanese Hezbollah against Israel. If a war were to trigger a further destabilisation of the region, the moral costs of war could be incalculably higher.

A comprehensive compilation of estimates of the possible economic consequences of a war against Iraq have been published by William Nordhaus, of Yale University, and former member of the US President's Council of Economic Advisors.⁸⁹ His estimates for two extreme scenarios were calculated only for the US, with the total costs ranging from \$121 billion to \$1,595 billion. However some of the major impacts will apply also and additionally for the EU (oil market and macroeconomic impacts), whereas some costs may be shared (nation building, peace keeping and reconstruction). We therefore add to and revise the estimates of Nordhaus in Table 4. Also we felt some of Nordhaus' assumptions to be too high to be plausible, and have therefore adopted different parameters in some cases, while following broadly the same methodology.

⁸⁹ See Nordhaus (2002). Also available in fuller form at www.econ.yale.edu/~nordhaus/iraq.html.

Table 4. Estimates of the cost of a potential war in Iraq, in \$ billions (total for the decade following the conflict, in 2002 prices)

	US - Low costs	US - High costs	EU - Low costs	EU - High costs	Total - Low costs	Total High costs
<i>World economy:</i>						
Oil market	-50	500	-50	500	-100	1,000
Macroeconomic	30	300	30	300	60	600
<i>Costs in Iraq:</i>						
Military action	50	140	10	30	60	170
Peacekeeping	20	30	5	20	25	50
Nation-building	15	20	10	30	25	50
Reconstruction	15	20	10	30	25	50
Total	80	1,010	15	910	95	1,920

Note: In 2003 the GDP of the US and EU will each be around \$10,000 billion at exchange rates of February 2003.

Source: Daniel Gros, extending and revising the estimates of Nordhaus (2002).

Oil market. In the most favourable case there is a reversal of the present price peak, by an assumed \$5 per barrel. In the high cost case the oil price jumps by \$50 per barrel, and this only reverses itself at a rate of 33% of the remaining price rise per annum. Since both the EU and US consume about 3.3 billion barrels of oil per year, each \$5 on the oil price cost each about \$17 billion per year, and the total cost of the price rise (or fall) profile of ten years amounts to about three times the initial annual impact.

Macroeconomics. The impact on the world economy is in the high cost case is similar to the first Gulf war, with a loss of 2% of GDP in the first year, and a further 1% in a second year. 3% of \$10,000 billion = \$300 billion. In the low cost case the war would be over quickly and the economy would hardly suffer at all beyond the uncertainty costs of the 'war of words' of the last year.

Military action. We take Nordhaus' estimates, and add a margin for European participation at about 20% of the US costs. The military spending covers only additional costs of deployment. Two Congressional studies are used by Nordhaus. A 'short war' is estimated to last between one and two months for heavy military action, followed by two and a half months 'post-victory' presence. It would involve up to 370,000 military personnel in or near to Iraq. A 'protracted war' is supposed to last for a year. The basis for the estimates comes from recent experiences of the first Gulf war in 1991, and Bosnia and Kosovo. This gives the range of estimates for the US of \$50 to \$140 billion, to which we add \$10 to \$30 billion for the EU member states that join in (UK and maybe some others).

Peacekeeping. We retain some of Nordhaus' parameters in assuming 75,000 peacekeeping forces, costing \$0.2 million per capita per year = \$15 billion. We assume a low cost of \$25 million for two years, and up to \$50 million for four years. In practice the numbers of peacekeepers would decline gradually. In the low cost case of a short stay we assume that the US would predominate, but that over the longer run the EU participation would become more important.

Nation-building. This comprises support for Iraq's current budgetary needs. In Bosnia there were costs of this type amounting to \$500 per head per annum for some years, and this scaled up for Iraq's population amounts to \$12.5 billion per annum. In a low estimate we assume two years of costs at this rate, with a high estimate based on four years. In practice the annual amounts would reduce gradually. In the low case we assume that the US would bear more than half the total because of a faster engagement, but over time the EU contribution would become larger, partly because of their greater total share in the IFIs (international financial institutions).

Reconstruction. We retain the figure of \$1,000 per head of the population for rebuilding the capital stock of infrastructure and investment (Nordhaus quoting World Bank estimates for Bosnia and Lebanon). Depending on the extent of war damage we assume a range of \$1,000 to \$2,000 per capita = \$25 to \$50 billion. We assume that the US takes somewhat more than half the costs in the short run, but that the EU takes more for a longer reconstruction effort, again reflecting in part its higher share in the IFIs.

Total costs. Of course estimates such as these can be no more than an assembly of some relevant information based on experiences elsewhere and scaled for some parameters of the Iraq case. On this basis the conceivable outcomes for the US and the EU together might then range from a low cost of a little under \$100 billion to a high cost of \$1,920 billion. This huge range is predominantly explained by the consequences for the world oil market and macroeconomy. By comparison the costs arising in Iraq itself range from \$140 billion in the low cost case to \$330 billion in the high cost case. In the most favourable case the total cost to the EU would be quite small (\$15 billion). However in the case of a long and protracted war that disrupted the world economy the EU would bear a huge cost of \$910 billion, little less than the US.

Nordhaus argues that the US is underestimating the possible costs of its apparent commitment to war over Iraq, given that the administration has not prepared the public with estimates of its possible costs. In the history of war, according to Barbara Tuchman in *The March of Folly*,⁹⁰ there have been so

⁹⁰ See Tuchman (1984).

many cases of war entered into with irresponsible assessment of its likely costs in terms of human life as well as economics.

What kind of regime might follow a war? Three scenarios for the immediate future are described by R. Rahim Francke: i/ a *continuity government*, in which reformist elements of the Ba'ath leadership would take over after a palace coup, leaving the structures of government and power largely unchanged; ii/ a *military government* that would dissolve some civilian institutions of the state, and would preserve law and order; and iii/ a *national unity government*, which would dismantle organs of the Saddam regime and prepare a constituent assembly leading to a new constitution.⁹¹ A return of the monarchy has also been mentioned by American analysts. Neither the first two scenarios would be appealing to the US, since the enormity of the risks it would have been taking in launching the war would require a high level of political achievement as its outcome.

Alternatively a recent report of the US Council on Foreign Relations (2002) has suggested a three phased approach for the transition from initial military occupation through to a return to full Iraqi sovereignty. For a first two months the US force commander would be in charge. From month 3 to 24 there would be an Afghanistan-type system with a new Iraqi leadership working closely with a UN-mandated high representative, supported by a US deputy. After two years full Iraqi sovereignty would be re-established, with a democratically legitimate government.

This leads to the question of the future constitution, and in particular its degree or type of federalism. Key features for the new system would presumably be a/ that the Kurds would be able to retain much of their gains of the last decade in terms of autonomy; b/ the Shi'ite majority would be assured an end to repression and massive under-representation politically; and c/ that the Sunni minority would be assured that they do not become new victims of discrimination and reprisals.⁹² On the form of federalism there seems to be a general understanding that this could not viably be based on cantons defined by ethnicity. The basis could be the existing 18 provinces, many of which have very substantial ethnic mixes, and these could be given significant autonomy. Given the small size of these provinces the model might resemble the advanced regionalisation of Spain or Italy, rather than a conventional federal model. Given the special case of the Kurdish north of Iraq, one Iraqi commentator, L. Kubba⁹³, has suggested that the provinces be able to decide to merge where they want to, and that three mainly Kurdish provinces might choose this formula. There would also be a case for a hybrid

⁹¹ See Francke (2002).

⁹² See Francke (2002).

⁹³ L. Kubba, 'How to stop the disintegration of Iraq', *Financial Times*, 9 December, 2002.

model of federalism, with territorial rather than ethnic political constituencies in the legislature, but with some competences devolved to cultural communities, notably on matters of language, education and religious matters. There are further techniques developed in ethnically complex societies, such as power sharing formulas in parliamentary representation or other political institutions. There is rich experience to draw on, including the case of nearby Lebanon (in spite of its recent civil war), current proposals from the UN for Cyprus and within the EU the Belgian federal model (a hybrid case of territorial and personalised federalism).⁹⁴

However there is a further lesson of experience of federative solutions for ethnically complex societies where these have to cope with the special burdens of conflict resolution or prevention. This is that subtle federative compromises will often prove too delicate to survive in an environment heavily loaded with recent animosities, unless there is an accepted overarching power to hold the delicate structure together, either for a transition period, or indefinitely. Bosnia is one example, with the NATO presence having lasted now for almost a decade, and giving way progressively to an EU presence, which is due to provide a structure for permanent integration. By contrast the unresolved conflict of the Southern Caucasus have seen failed attempts at federal solutions, notably because of the absence of an acceptable overarching power. The need for an overarching power in Iraq is easily illustrated by the Kurdish question. While the Kurds of Iraq maintain politically correct language about seeking a federal solution within Iraq, there are credible reports that the real underlying aim is indeed independence, which if attempted would likely lead to a Turkish invasion.⁹⁵

These examples support the view that the US and its allies could be faced with a major long-term operation in supporting security and stability of a new Iraqi regime. Given the difficulty entailed in replacing an entrenched and centralised regime like the Iraqi Ba'athist one, its rapid replacement could lead to destabilisation and potential disintegration without a heavy international presence. However, this in turn would require the legitimacy and popular acceptability for a post-war US or international presence in Iraq, both internally within Iraq and in the surrounding region. Put another way the US would have to secure that its operation be a 'liberation strategy'. Otherwise, the US troops and civilian personnel would become obvious targets for local terrorists or guerrillas groups.⁹⁶ Yet, the ability of Western

⁹⁴ See Emerson and Tocci (2002).

⁹⁵ See Judah (2002-03). Judah writes, after spending July to August 2002 in the region: "The Kurds ... are long-practiced at avoiding any public declaration of what they admit, in private, is their real aim – an independent state, towards which federalism is simply a stepping stone."

⁹⁶ See Tripp (2002).

powers to enjoy such acceptability is questionable. If the foreign presence became politically untenable, and was quickly withdrawn, the scene would be set for the post-war order to descend into anarchy and violence.

What is the overall balance sheet of the case for or against war according to the six criteria of just war theory? The arguments set out above may be reduced to the following summary:

1. *Just cause.* There is no evidence that Iraq is currently preparing to attack another state. However it is arguable that postponement of enforcement of disarmament now could lead to greater dangers later.
2. *Legitimate authority.* If following UNSC 1441 and the reports of inspectors, military action were explicitly mandated by yet another UNSC resolution, then the legitimate authority would be generally recognised; if not it would be disputed.
3. *Right intentions.* The intentions of the US seem to range from the specifics of disarmament through to the desire to impose its conception of political order in the region, which would also improve security of oil supplies. The disarmament argument may be an acceptable intention for war, but the wider objectives are not.
4. *Likelihood of success.* Winning the war is highly likely, winning the peace is much more uncertain.
5. *Last resort.* There has been over a decade of attempts to get earlier UN resolutions implemented by means of inspectors, together with air strikes enforcing the no-fly zones. Warnings of a 'last chance' for peaceful compliance have been explicit. However it remains arguable that containment policies could still continue to work.
6. *Proportionality.* There would seem to be possibilities that the costs of a war become disproportionate, from loss of life and harm to civilian population, to destruction of property in the event of sustained aerial bombardment and urban warfare, through possibly to huge costs for the world economy.

Table 5. Opinion poll data on war against Iraq (dated 1 February 2003)

	No	Only with UN mandate	US alone OK	Don't know
US	21	34	33	12
Canada	36	46	10	8
Denmark	45	38	10	7
Finland	44	37	6	12
France	60	27	7	6
Germany	50	39	9	2
Ireland	39	50	8	3
Luxembourg	59	34	5	2
Netherlands	38	51	7	5
Portugal	53	29	10	8
Spain	74	13	4	9
UK	41	39	10	10
EU	50	38	8	8
Bulgaria	59	26	5	8
Estonia	64	20	9	7
Romania	42	39	11	9
Russia	59	23	7	11
All Europe	56	27	8	9

Source: Gallup-international.com

Opinion poll data are in agreement with the dubious findings of our ‘just war’ enquiry. Only in the US is there a substantial percentage of the population willing for the US to go to war alone (33%). In the EU the average unweighted ‘NO’ vote is 50%, whereas weighted by population it is 55%, which is very close to the three candidate states and Russia, giving an all Europe ‘NO’ vote of 56%. The ‘Only with UN mandate’ (interpreted to mean a further explicit mandate for war) vote is about one-third in most countries, including the US. The combination of ‘NO’ and ‘Only with UN’ had a small majority of 55% in the US, but an overwhelming majorities of well over 80% in Europe. While there are some large differences between the ‘NO’ and ‘Only with UN’ votes, these tend to offset each other in the total. This leaves quite uniform similar small percentages, ranging from 4 to 11%, in favour of war by the US without UN legitimacy. These results of the Gallup poll are much more consistent than the diverse positions being taken by European political leaders.

10. Iran as partner or pariah?

US and EU policies see Iran as the glass half empty or half full. Iran is indeed a deeply divided society, with the conservative and fundamentalist interest groups constantly restraining the reformist dynamics and modernisation requirements that led to President Mohammed Khatami's repeated election. With 50% of the electorate under the age of 30 and a voting age of 15 no-one doubts that Iran's youth represents a formidable driving force for modernisation and reform., and the need to provide jobs and an economic perspective for them dominate Iran's political agenda⁹⁷. The EU begins negotiations to establish permanent contractual relations in economic and political domains. The US maintains sanctions against the regime, which was branded by President Bush in his January 2002 State of the Union address to be with Iraq and North Korea part of an 'axis of evil'. These divergent policies surely undercut each other.

The EU began in December 2002 a first round of negotiations with Iran on a dual track, first for a trade and cooperation agreement and second for political dialogue and cooperation against terrorism. The EU expects that that these deepening relations, including increased economic exchanges, will contribute to the processes of economic and political reform in Iran. It expects there to be parallel progress on the economic and political tracks, and that these are indissociable and mutually reinforcing elements of the overall approach. A human rights dialogue is also part of the process, and December 2002 saw a first session in Tehran of EU and Iran officials and academics and non-government organisations to discuss questions of torture. Javier Solana has also identified as obstacles to closer relations Iran's possible acquisition of weapons of mass destruction and its approach to the Middle East conflict.

The US first embargoed sales of weapons and advanced technology to Iran following its 1979 revolution. Wider sanctions embracing all financial investment and imports from Iran were established in the early 1990s and largely remain in force. The Iran-Libya Sanctions Act of 1996 seeks to restrict both domestic US and foreign enterprises from investing in Iran's oil sector, which raises European objections over the principle of extra-territoriality. In addition the Iran-Iraq Non-Proliferation Act of 1992 sanctions any person or foreign government that transfers goods or technology that would help develop chemical, biological or nuclear weapons. In March 2000 Secretary of State Albright stated that the US "will not remove its embargo until Iran abandons its pursuit of nuclear weapons and ends its support for terrorist groups opposed to the Middle East peace

⁹⁷ Space does not here permit analysis of Iran's highly complex political structures and tendencies, for which see International Crisis Group (2002f).

process”, and there is no indication that the Bush administration takes a different view.

A case for a change in US policy has been made by two American scholars, K. Schake and J. Yaphe at the National Defense University in Washington, D.C.⁹⁸ Since the Clinton administration failed to deter India and Pakistan from becoming nuclear powers, the US cannot realistically stop Iran from developing its nuclear weapons if that is its intention. It is possible to imagine a military strike against main nuclear facilities, bearing in mind Israel’s strike against the Osirak reactor in 1981. But such a strike would entail severe political costs, both within Iran by undermining support for Western-oriented reformers and increasing animosities towards the US in the Muslim world. It would likely no more than delay Iran’s nuclear programme. While the best outcome for the US would be for Iran to abandon its nuclear weapon plans, the more realistic objective can be to delay this and create political conditions in which these weapons would be reserved for legitimate purposes of state survival in the face of an external threat.

To this end the recommended strategy would be to normalise relations with Iran, ending the campaign of vilification of Iran as a rogue state, ending broad economic sanctions, and retaining only specific sanctions restricting supplies for the nuclear facilities, and building diverse societal linkages with Iran for which much of the younger generation of Iranians is very keen. The US would also reassure its allies in the region, confirming support for the states of the Gulf Cooperation Council, for example by improving anti-missile defences in the region and sharing intelligence information.

Another American scholar, R. Takeyh⁹⁹ argues that US policy towards Iran needs “not just a policy adjustment but a paradigm shift”. He regards the past US policies of punitive measures as “futile”. The Bush administration should lift most economic sanctions and objections to Iran’s accession to the WTO and loan requests to the IMF, and thus favour the integration Iran into the global economy. A re-launched peace process would be the most practical way to secure Iran’s support for combating international terrorism and initiate a regional security dialogue more broadly. It is noted that there is still a real debate going on within Iran over the wisdom of crossing the nuclear threshold, even if there is consensus over nuclear weapons research to retain Iran’s strategic options. These propositions for a new US policy towards Iran could be entirely consistent with EU policies under negotiation, and form a valuable module for a coherent Western policy towards the Wider Middle East region as a whole.

⁹⁸ See Schake and Yaphe (2001).

⁹⁹ See Takeyh (2002).

11. Experiences of regional cooperation

11.1 Assessment of Arab initiatives

The Arab world has remained a tantalising case of potential but unrealised integration. It has many of the prerequisites for becoming one of the world's major regional projects, with commonality of language, religion and history as well as geographic contiguity.

The member states of the Arab League have been trying most possible formats for regional integration, which usually find analogues in the European experience (see Box 10). The Arab League started in 1945, shortly before the Council of Europe, as an organisation with high level political ideals and objectives. It has widened in membership, but failed to deepen in its operational achievements. As a result there have been sub-regional initiatives (Maghreb, Mashreq, Gulf), but only the Gulf Cooperation Council has managed to remain active, whereas both Maghreb and Mashreq have been blocked by their respective conflicts over the Sahara¹⁰⁰ and Palestine. An alternative approach is also tried by restricted groups of like-minded rather than geographically contiguous states. For example the Agadir Group brings together four countries that are non-contiguous geographically (Egypt, Jordan, Morocco, Tunisia), but have political interests and inclinations in common. This group seeks to move faster towards trade and maybe broader cooperation. Another current example is the Arab Follow-up Committee, comprising Egypt, Jordan, Saudi Arabia, that has become the diplomatic

¹⁰⁰ When Spain decided to withdraw from its West Saharan territory in 1975, it signed an agreement with Mauritania and Morocco whereby these two countries would divide the territory among themselves. However, the liberation movement Polisario wanted independence for the territory on the basis of the principle of self-determination. The Arab Democratic Republic of the Sahara (République Arabe Sahraouie Démocratique or RASD) was proclaimed on 27 February 1976 and a war of liberation was launched with the support of Algeria and Libya, among others. In 1979 Mauritania decided to give up its share of the territory, and Morocco moved immediately to occupy it. Eventually, the RASD was admitted as a full member of the ex-OAU (Organisation of African Unity) – prompting Morocco's withdrawal from that organisation – and was recognised by scores of countries. Throughout the 1970s and in the first half of the 1980s, the Sahara conflict dominated Maghrebi relations. Each of Algeria and Morocco tried to make alliances that would isolate the other. For example, Algeria signed in March 1983 a twenty-year treaty of brotherhood and concord with Tunisia, to which Mauritania became party in December of that year. At present, the wide support that Polisario enjoyed is declining. Even the United Nations and Algeria seem to be moving away from the principle of organising a referendum in Western Sahara and favour the US-inspired solution of granting the territory an internal autonomy while keeping it under Moroccan sovereignty. However, the position of the other North African countries on this option remains unclear.

advance guard of the Arabs in relation to the Israel-Palestinian conflict following the Arab League's adoption in May 2002 of Prince Abdullah's peace initiative. This group now works alongside the Quartet (EU, Russia, US, UN).

Some observers are extremely sceptical about the prospects for Arab cooperation, given the long history of political tensions in the Arab League. In addition Arab analysts make critiques at the bureaucratic level such as: 'All Arab specialised organisations without exception suffer from insufficient budgets and inadequate high-level staffing, and counter-productive interference or outright neglect by ministers within whose field of authority they operate. ... [There] is no shortage of studies, strategies, programs and plans, nor insufficient understanding of the problems..., but insufficient determination within the government system, misdirected action and discontinuity of effort...'¹⁰¹

More fundamental interpretations are surely warranted, as for example suggested by M. Hudson,¹⁰² who lists i/ the low level of political legitimacy and democracy of Arab states, ii/ divergent economic structures between oil producers and others with little intra-Arab trade, iii/ the lack of any accepted regional leadership promoting Arab integration, and iv/ the divisive strategies of the external powers, notably the US which has remained wary of pan-Arab groupings.

These arguments lead necessarily to the basic questions whether Arab regional cooperation is necessary for success in the modern world, and if so whether or how such developments might become more feasible for the future than has proved to be the case so far. The argument of the UNDP Arab Human Development Report is that Arab regional cooperation will indeed be a necessary part of a successful development strategy, and that this in turn will require convergent political movements in the states of the region, and that the only feasible direction for convergence is political and economic liberalisation. We for our part find this general argument to be convincing, and indeed it seems that the present plight of the Arab world reflects the negation of all three of these propositions.

However there are some arguments¹⁰³ that are not unencouraging for those who look for renewal of Arab regional cooperation, or even cautious progress towards integration. The spread of international media and information technologies and mass education reaches into Arab societies and is irreversible. Statist economic systems are inexorably being liberalised, and cannot deliver adequate performance otherwise. To the extent that there is

¹⁰¹ See Sayigh (1999).

¹⁰² See Hudson (1999).

¹⁰³ Presented in more detail in M. Hudson (1999).

also a trend towards civil society and pluralist political institutions, an interest-based integrative process may gather momentum, drawing also on the European model of multi-layered governance systems that share and dilute but does not destroy state sovereignty. Last but not least the external actors may help, rather than obstruct the process. The EU already tries to do this, and the US would do well to try to do so too. This will become all the more feasible as and when the processes of democratisation advance. Political and economic liberalisation and regional integration are all to be seen as parts of holistic process.

Box 10. Arab and Islamic initiatives

The Arab League was created in 1945, with Cairo as its headquarters. Its membership has expanded from 7 at the beginning to 22. Its aim is to foster cooperation between member states and arbitrates in the event of conflicts. In early years it sought to develop the ideological framework of Pan-Arabism. While an important political forum, the Arab League has not been able to become a motor or mechanism of integration. Among recent positive achievements, it did succeed in 2002 in multilateralising Arab support for the Saudi peace plan for the Israel-Palestinian conflict. The **Euro-Arab Dialogue** (bring together the EU and the Arab League) was initiated in 1974, but political tensions in the region have prevented it from becoming an effective process. From an EU perspective a re-activated Euro-Arab dialogue would now compete and overlap as a forum with the Euro-Mediterranean Partnership (Barcelona process, which includes Israel).

The Council for Arab Economic Unity was established in 1957 under the auspices of the Arab League, leading in 1964 to the decision to establish the **Arab Common Market**. This was limited however to Egypt, Iraq, Jordan, Syria and (later) Libya, but became blocked with the Gulf war. There has since 1980 been a wide-ranging programme entitled **Joint Arab Economic Action (JAEA)**, subordinated to the **Economic and Social Council** of the Arab League. This has led to a huge number of specialised working groups and joint venture projects. A fresh initiative was launched in 1998, with a project for an **Arab Free Trade Area (AFTA)**, signed by 18 Arab states, with commitment to eliminate import tariffs in 2008, but this appears to be behind schedule. Its secretariat is in the Arab League's economics department.

Sub-regional initiatives have been tried also, partly responding to the failure of pan-Arab initiatives. The **Gulf Cooperation Council (GCC)** was founded in 1981 with six member states (Saudi Arabia, United Arab Emirates, Bahrain, Kuwait, Oman and Qatar, with Yemen recently joining some GCC Councils). The initial motivation was the perceived common threat coming from the fall of the Shah's regime in Iran. The GCC established institutionalised cooperation with the EU in 1988. The EU offered to negotiate a free trade agreement on condition that the GCC made a Customs Union. In December 2001 a GCC

summit decided to bring a customs union into force on 1st January 2003, which has now been confirmed in practice, instead of the earlier plan for 2005. As a result the Joint Council of EU and GCC of February 2002 noted that all the conditions for rapid progress in free trade negotiations were now present, the EU having decided a negotiating mandate in July 2001. The GCC decided in 2002 to establish a GCC Defence Council. The EU Commission decided to open a Delegation in Riyadh in 2002, responsible for all 6 GCC states.

The **Arab Maghreb Union** was initiated in 1989 by Algeria, Libya, Mauritania, Morocco, Tunisia with the Treaty of Marrakech, which provided an institutional structure. The decision was taken in principle at summit level to establish a free trade area by 1992 and a common market by 1995, but no implementing decisions followed, and in 1995 Morocco called for a suspension of the Union because of its dispute with Algerian over territory in the Sahara (see footnote 81). The EU has tried to support the Arab Maghreb Union, for example by agreeing to 'cumulation' between states of the Arab Maghreb Union under the rules of origin for free trade with the EU, but this has remained theoretical. Morocco and Tunisia have effectively defected from the Union in favour of the Agadir Group.

The **Arab Cooperation Council (ACC, or Mashreq)** was founded also in 1989 but has hardly existed at all, since its two most important members - Egypt and Iraq – soon found themselves on opposing sides of the Gulf War. In principle the ACC would have included also Jordan, Syria, Lebanon and the PLO.

Since 2001 the **Agadir Group**, consisting of Egypt, Jordan, Morocco and Tunisia, has sought to progress faster in trade liberalisation (free trade area by 2006), with a view to other initiatives as a 'pioneer group'. The free trade objective may be achieved early, in 2005.

The **Organisation of the Islamic Conference (OIC)** was founded in 1970, and currently consists of 55 member states. Its secretariat is located in Jeddah, Saudi Arabia. It meets at foreign minister level once a year and summit level every three years. The EU began a dialogue with the OIC at Helsinki in December 1999, followed by a meeting of 30 foreign ministers of the EU and IOC in Istanbul in February 2002. This meeting focused on the objective of inter-civilisational harmony and conflict resolution.

11.2 Assessment of the Madrid process¹⁰⁴

In 1991 the Madrid Conference, apart from its primary concern with bilateral Israeli-Palestinian peace negotiations, initiated multilateral talks to bring together Israel, its immediate neighbours and a wider set of Arab states from the Maghreb to the Gulf, as well as the main Western parties. The objective was to develop a strategic vision for the future of the region, as well round off the peace negotiations.

¹⁰⁴ This section draws heavily on the work of Peters (1996) and (1999).

Five working groups were set up, under the umbrella of a steering group co-chaired by the co-sponsors of the peace process US and Russia. The steering group met roughly each half year from 1992 to 1996. Invitations were extended by the co-sponsors to:

- from the East Mediterranean: Jordan, Israel, Lebanon, Syria, and Egypt, with a Palestinian delegation included in that of Jordan; However Lebanon and Syria consistently refused to participate in the absence of peace settlements between them and Israel;
- from North Africa: Algeria, Mauritania, Morocco and Tunisia;
- from the Gulf: Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, United Arab Emirates and Yemen;
- from the rest of the world: Canada, China, the European Community (Presidency and Commission), Japan and Turkey.

Activity was formally suspended in November 1996. Nonetheless a certain experience was accumulated, which will become relevant as and when the peace process is seriously relaunched. The five working groups and their experiences were as follows.

1. *Arms control and regional security (ACRS)*. This divided into two separate baskets, the first 'operational', addressing military and confidence building measures, and the second 'conceptual' addressing long-term issues of the arms control process. The group became profoundly divided over two basic issues: whether there was sense in confidence building measures before resolution of the conflict, and over Israel's nuclear weapon capability. Result: impasse.
2. *Regional and economic development (REDWG)*. This divided into sub-groups for finance, trade, regional infrastructure and tourism. This became a huge activity, with a hundred meetings in the first year, focusing on common regional economic interests of the four core parties (Egypt, Israel, Jordan and the Palestinians). This activity is considered to have been promising.
3. *Refugees*. This aimed to define the scope of the refugee problem, encourage dialogue on the issues, and to mobilise resources to handle immediate needs. However the group was never really able to engage on the basic issue of implementation of the refugees' right of return, or other solutions.
4. *Water*. The group focused on enhancing data availability, water management and conservation, and developing new concepts of regional cooperation. A research centre was set up in Oman. However the work was suspended without advancing far.

5. *Environment.* This group focused on maritime pollution, treatment of waste water, desertification and environmental management.

The most positive aspect of the process was that Israel and the Arab states had an 'alternative diplomatic space' for unprecedented contacts between the parties, in which the main method was to solve common problems, rather than bargain over mutual concessions. It was also often an arena where experts working in relatively depoliticised setting (notably in the REDWG, water and environment groups) could find a common language. The potential for beneficial cooperation could at least be seen more clearly in many fields, if not yet implemented.

The weakness was that the meetings could only serve a secondary purpose while the principal issues of the peace process were not resolved, and tended towards the academic seminar mode as a result. Also the cost and extent of the process in terms of scarce time of key people was considerable. An issue of coordination was also developing in relation to the EU's Barcelona process, which involves much the same topics and people, and this issue would be much more acute if the Madrid and Barcelona processes were both to be active at the same time.

It may be noted that the membership of the Madrid process corresponded closely to the Wider Middle East map discussed in the present paper. This links, however, to a serious weakness of the Madrid process, which was its lack of any institutional structure, or permanent secretariat or location for the conferences. Only the regional development group created its own secretariat, located in Amman. These institutional limitations would have become increasingly serious had the Madrid process continued. The wide geographic participation, from Morocco to the Gulf, is a reason why institutional developments would have been extremely difficult to organise, even if the peace process had matured to a successful conclusion.

These are reasons why we would be inclined to favour a different structure for a new Wider Middle East initiative, namely one that would give more weight to the sub-regional groups, and especially a Mashreq group that should be intended to evolve over time towards a confederal structure. The plenary activity at the level of the Wider Middle East as a whole would be much more restrained and occasional, intended to facilitate overall political guidance and cohesion. We return in chapter 12 for a more detailed consideration of these issues.

11.3 Assessment of the Barcelona process¹⁰⁵

The system. The Euro-Mediterranean Partnership (EMP, or Barcelona process) is the general framework for the relations between the European

¹⁰⁵ This section draws heavily on Philippart (2003).

Union, its 15 Member States and 12 countries situated in the South and East of the Mediterranean area (referred to as the 'Mediterranean partners').¹⁰⁶ At the close of the Barcelona conference, in November 1995, the parties adopted an agreement made of a Declaration and a Work Programme launching a triple partnership:

- a political and security partnership aiming at establishing a common area of peace and stability;
- an economic and financial partnership aiming at creating an area of shared prosperity through free trade mainly; and
- a social and cultural partnership dedicated to human resources development, better understanding between cultures and exchange between civil societies.

The Barcelona process soon established an elaborate institutional structure, which is summarised in Figure 3, with its multilateral, bilateral and unilateral dimensions. The multilateral dimension functions at ministerial, senior official, parliamentary and non-governmental levels, involving all participating states and the EU institutions. Much of the more substantive negotiation takes place bilaterally between the EU as a whole and each Mediterranean partner state. The unilateral dimension refers to the EU's own policy making and management structures.

Following the launching of the Barcelona process in 1995 the main action consisted of negotiating a new set of bilateral agreements with the partner states, replacing the prior generation of Cooperation Agreements with the much more extensive and ambitious Euro-Med Association Agreements. The timetables of negotiation, agreement and ratification are set out in Table 4 for all the partner states except Cyprus and Malta (in view of their imminent accession to the EU). While the agreements with Turkey, Israel, the Palestinian Authority, Tunisia, Morocco and Jordan have entered into force, those with Egypt, Algeria and Lebanon are signed but await ratification, whereas for Syria the negotiations are still underway.

The implementation of the Work Programme is overseen and prioritised by the Euro-Mediterranean Conference of Foreign Ministers and a 'Euro-Med Committee' of senior officials, which meets six times per year. *Ad hoc* sectoral meetings of ministers, senior officials and experts provide follow-up for the various activities listed in the work programme. Other countries or organisations may be involved, and Libya, Mauritania as well as the Arab League have been regularly invited as observers. The US government

¹⁰⁶ Algeria, Cyprus, Egypt, Israel, Jordan, Lebanon, Malta, Morocco, Syria, Tunisia, Turkey and the Palestinian Authority.

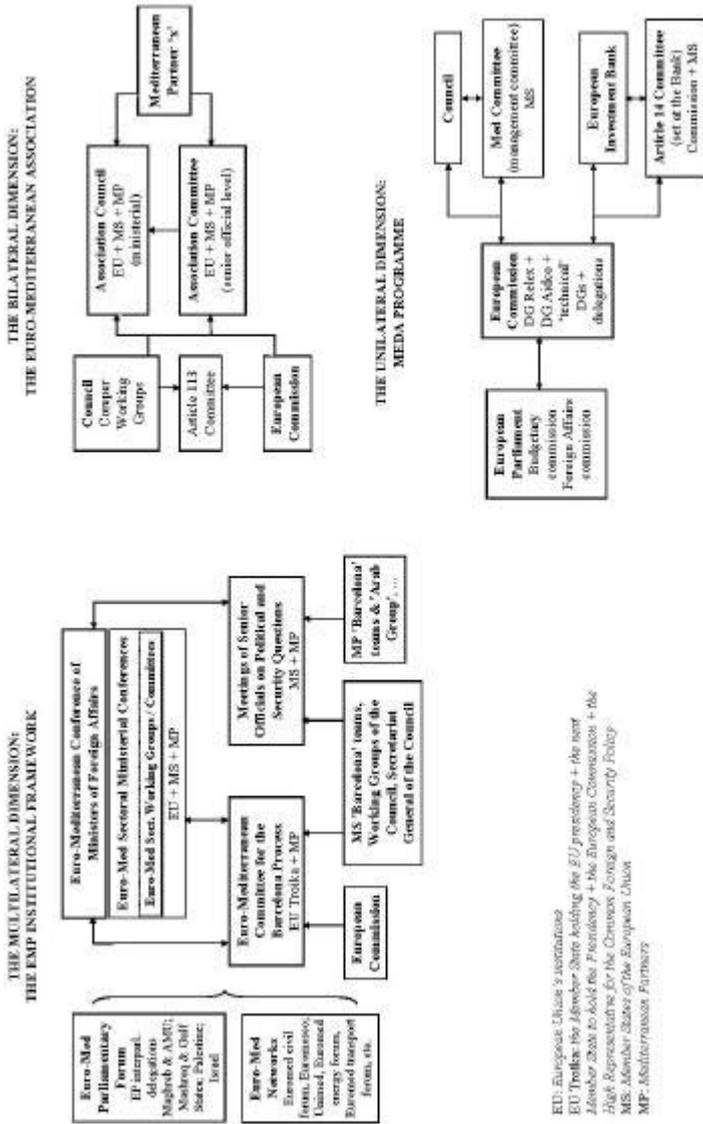
initially expressed its interest in attending those meetings but was never invited.

No 'Barcelona secretariat' as such was established. Preparation and follow up work for the meetings is largely in the hands of the European Commission, which is also in charge of the general programming and project management. The Commission prepare country and regional strategy papers, defining long-term objectives and priority areas (currently for 2000-6), national and regional indicative programmes based on the strategy papers for three-year periods, as well as annual financing plans including a list of projects to be financed. The Council, together with the European Parliament, set the general political orientations, the financial perspectives and the annual budget for external relations.

Since the launch of the Barcelona process the size of the budget allocation under the MEDA programme was €3,424 million of grants for 1995-99; and €3,350 million for 2000-6. The European Investment Bank offers loans for slightly larger amounts. Some 90 per cent of the MEDA funds are for bilateral actions, with the remainder for sub-regional and regional projects. The MEDA regulation has established the principles of political and economic conditionality. Funding can be suspended in the case of a violation of democratic principles and the rule of law, as well as human rights and fundamental freedoms. In a number of cases the EU has reacted to such violations by modulating the allocation of funds without activating the formal provisions of the regulation.¹⁰⁷ The allocations may be influenced by 'progress towards structural reform'.

¹⁰⁷ For instance, in the case of Turkey funding was for a while restricted to civil society projects. As for Algeria the EU made practically no payments between 1995 and 2000, except for 1998.

Figure 4. The three organizational dimensions of the Euro-Mediterranean Partnership



Source: E. Philippart, "The Euro-Mediterranean Partnership: the unique features, first results and forthcoming challenges", 2002

Euro-Mediterranean institutions have also developed among Parliaments, economic actors and civil society. The activity of the Euro-Mediterranean Parliamentary Forum, launched in 1998, has led foreign ministers in April 2002 to recommend the creation of a Euro-Med Parliamentary Assembly, as proposed by the European Parliament.

Table 6. Bilateral agreements between the EC and Mediterranean partners, 1 January 2003, ranked according to the level of integration with the EU

Partner	Post-1995 situation
Turkey	Customs Union, entered into force on the 31 December 1995. Recognition of its status as a candidate Member State to the EU in December 1999; decision on the date for the opening of negotiation to be taken in 2004 if the Copenhagen criteria are met at that time
Israel	Euro-Med Association Agreement, signed on 20 November 1995, entered into force on 1 June 2000. (Interim Agreement on the implementation of trade and trade-related matters entered into force on 1 January 1996; 1996 and 1999 agreements on scientific and technical cooperation; 1996 agreement on public procurement)
Palestinian Authority	Interim Agreement, signed on 24 February 1997. EC + Palestinian Authority ratification only, entered into force on 1 July 1997
Tunisia	Euro-Med Association Agreement, signed on 17 July 1995, entered into force on 1 March 1998
Morocco	Euro-Med Association Agreement, signed on 26 February 1996, entered into force on 1 st March 2000
Jordan	Euro-Med Association Agreement, initialled on 16 April 1997, signed on 24 November 1997, entered into force on 1 st May 2002
Egypt	Euro-Med Association Agreement, formal opening of negotiations in May 1994, initialled on 11 June 1999, signed on 25 June 2001
Algeria	Euro-Med Association Agreement, exploratory talks finished in 1995; formal opening of negotiations February 1997, initialled on 19 December 2001, signed on 22 April 2002
Lebanon	Euro-Med Association Agreement, negotiations concluded in December 2001, initialled on 10 January 2002, signed on 17 June 2002. Interim Agreement signed on 17 June 2002 on the immediate effect of the economic and trade-related provisions of the Association Agreement
Syria	Euro-Med Association Agreement, formal opening of negotiations May 1998

Evaluation. A frequent expression word in evaluations and recommendations about the Barcelona process is its ‘relaunching’. This signifies a widespread feeling among those who know the system well that it should not be abandoned, but receive fresh momentum and orientation. Its scope of action, ambition, logic of intervention, organisational settings or policy output – has received mixed reviews.¹⁰⁸

Organisational settings. The Euro-Mediterranean Partnership is the only political institution in the region ‘where competence, legitimacy and resources are present’.¹⁰⁹ None of the other pre- and post-Barcelona schemes in the region have its scope, scale and depth. Most attempts to bring together countries from different sides of the Mediterranean were either still-born or quickly disbanded, such as the ‘Council of the Mediterranean’ and the ‘Conference on Security and Cooperation in the Mediterranean’. The ‘Mediterranean Forum’ launched in 1994 becomes a place where EU and non-EU Mediterranean countries can deliberate informally over their problems, and discuss initiatives that could be presented for EMP endorsement. The ‘5+5’ Western Mediterranean Forum, launched in 1990, frozen in 1992 and re-launched in 2001, has no other ambition than developing dialogue and consultation.¹¹⁰ None have any infrastructure or operational ambition. The EMP for its part is progressively gathering momentum.

The EMP’s shortcomings are well-known: relative complexity, limited visibility and popular legitimacy, imbalance in favour of the EU. Admittedly, with its multilateral, bilateral and unilateral dimensions, the EMP architecture is relatively complex. Nonetheless, the EMP displays relatively good institutional performance, and certainly by comparison with alternative schemes in the region and elsewhere. It has clearly lowered transaction costs among partners and to a lesser extent reduced uncertainty and lengthened ‘the shadow of the future’ (i.e. functioning as a repeated game, it creates an incentive to abide by agreements). This is due to the presence of coordinating bodies, the frequency of the meetings and the opening to new categories of public actors; because of the opportunity to play simultaneously at multilateral and bilateral level; because the EU assumes leadership and

¹⁰⁸ There is a considerable literature evaluating the Barcelona process, including: Philippart (2000) and (2003); D. Schmidt (2002); Institut Catala de la Mediterrania (2001); Bertelsmann Foundation (2002); and EUROMESCO (2002).

¹⁰⁹ See Brauch (2001).

¹¹⁰ The ‘5+5’ West Mediterranean Forum (1990 French initiative regrouping five Southern European countries – France, Italy, Malta, Portugal and Spain – and the five Arab Maghreb Union countries – Algeria, Libya, Mauritania, Morocco and Tunisia, frozen in 1992, relaunched in 2001 by Portugal). See Calleya and Heller (2003).

controls finance; and because the EU has dramatically streamlined and shortened its procedures. With all its limitations, the partnership approach is important because it gives to the countries a direct say in terms of region-building rather than imposed from outside as before.

The logic of intervention. The EU has proposed – and to some extent imposed – an intervention logic that puts great emphasis on economic liberalisation and opening to international trade. Several elements indicate that, if strongly inspired by liberal views, the EMP is not following a neo-liberal logic: the choice of a multi-dimensional approach, the affirmation of the principle of ‘special and differential treatment’ based on objective differences, the inclusion of anchoring devices, and the priority given to poverty reduction. Security, socio-economic and cultural problems are conceived as multi-faceted and interlinked. The EMP has therefore embraced a multi-dimensional logic banking on several spillovers between those different domains. The difficulty lies in the obligation to have a proper overview of several logics of intervention unfolding simultaneously.

The EMP policy mix made of economic and political liberalism combined to a developmental agenda centred on poverty reduction is very much in line with the Bretton Woods institutions (the Washington consensus) and the UN (the Monterrey consensus). The emergence of a dominant paradigm means indeed less energy spent on theological debate and the possibility of defining a division of labour among donors based on their respective comparative advantages.

The Barcelona declaration sets no less than 39 branches of policy, listed in Table 7. The *scope of action* has been criticised for being too wide. It is certainly true that the items listed for debate or action are very numerous. The length list is partially the result of package dealing, issues being added to have everybody on board. Each of the 39 lines of activity is rated, noticing first that all have seen some activity, which at least translates into a huge amount of interaction at the personal and professional level. Table 8 is based on a more detailed assessment by E. Philippart.¹¹¹ Here we interpret Philippart’s ratings in the table as follows: 0 means ‘very limited, if any’; 1 means ‘slow and limited progress’, and 2 means ‘substantial, a fair speed of progress’. Overall the score is 3 cases rated 0, 12 cases rated 1, and 24 cases rated 2. The strongest performance appears in the economic and cultural sectors, and the weakest in the political and security sphere. Overall these results would seem to be not unfavourable in the circumstances.

¹¹¹ See Philippart (2003).

Table 7. Policy domains of the Barcelona process, and ratings (0, 1, or 2)

Political and security partnership			20	Science and technology	1
1	Human rights and freedoms	1	21	Environment & water policy	2
2	State-civil society relations	1	22	Agricultural policy	2
3	Public administration I		23	Fisheries policy	2
4	Terrorism	1	24	Transport	2
5	Drugs, crime, corruption	1	25	Telecommunications & IT	2
6	Civil protection	2	26	Statistics	2
7	Non-proliferation	0	27	Macro-economic policy	2
8	Defence	0	28	Budgetary policy	2
9	Crisis prevention	1	29	External debt	0
Economic and financial partnership			Social, cultural and human affairs		
10	Trade in goods and services	2	30	Culture	2
11	Customs policy	2	31	Cultural heritage	2
12	Competition policy	1	32	Religion	2
13	Investment policy	1	33	Education and training	2
14	Banking	1	34	Audio visual sector	1
15	Industrial policy	2	35	Illegal immigration	2
16	Regulatory policy	2	36	Migration policy	2
17	Employment policy	2	37	Social policy	2
18	Tourism	2	38	Youth policy	1
19	Energy policy	2	39	Health sector	2

Legend: 0 = little or no progress; 1= slow and limited progress; 2= substantial and fair speed.

Source: Philippart (2003).

The long list of economic sectors included in the 39 lines of Barcelona activity is a reflection of the agenda of the EU's own single market. Whether this agenda is too long and an excessively Euro-centric may be discussed. The answer depends basically on the question of political choice whether the EU's Mediterranean partner states choose strategically to become – progressively over a considerable number of years – part of the wider European economic space, or to live in comparative autarky. As an earlier chapter pointed out, the Arab world is not performing well in terms of economic development, while it has remained relatively closed to the outside world economically, including to Europe. Moreover, with the EU's own huge expansion and developing relations with Russia and Ukraine, the Arab world is actually in the course of falling further behind relatively. In this respect the launch of the 'EuroMed Internal market Programme' decided at Valencia in April 2002 signalled an intention to move towards deeper economic integration.

The trade policy field has seen important developments, with the target to complete a free trade area by 2010 across the whole of the region. Each of the bilateral association agreements contains a tariff reduction schedule in line with this objective. These schedules are being followed more or less, but the 2010 objective will not be completely met (e.g. Egypt's association agreement has not yet entered into force, before which the tariff reduction schedule for 12-15 years does not begin). The rules of origin issue has been subject to recent advances with agreement in 2001 that the whole of the region would move to adopt the pan-European rules, and so become a region with 'diagonal cumulation' possibilities among Barcelona partners and other European non-EU member states that apply the same system.¹¹²

The MEDA programme for grant aid, while endowed from the beginning with substantial funds, was notoriously slow in execution in the first years. This reflected two chronic tendencies observed in the politics of the EU. First is the tendency for the EU institutions to decide at the highest level adoption of ambitious new programmes and objectives for the EU (or EC) to take on, but starting from a non-existent (or quite inadequate) management infrastructure for the organisation of projects. Second is the tendency for the member states of the EU, even while charging its institutions with complex new tasks, to try still to micro-manage, control and lobby spending decisions. This results in extremely laborious inter-institutional procedures. To this may be added the considerable difficulties of sustaining partnership relations with the beneficiary states, whose own administrative structures have their own weaknesses and hazards. However, after a few years of painful experience of very slow disbursement, the Commission has for its part made a serious effort at management changes, including separation of the aid executive (EuropAid) from the policy function (Directorate General for External Relations), and considerable decentralisation of project management to the Commission Delegations in the region.

A main frustration has been the work in the security domain to develop confidence-building measures, including the draft the 'Euro-Mediterranean

¹¹² To benefit from tariff preferences the exporting state has to have made a significant transformation of the product (either a change in tariff nomenclature, or a sufficient amount of value-added, for example 50%). Within a system of 'diagonal cumulation' the critical transformation may be made at an earlier stage in the production process in another state in the system. 'Diagonal cumulation' is less liberal than 'full cumulation', which allows the adding up of different slices value added made in different states of the system in order to achieve the critical requirement, such as 50% valued added. A joint 'Pan-European Working Group on Rules of Origin' organised within the Barcelona process reported in December 2001, concluding that there were no major obstacles to extending the Pan-European system to the EU's Mediterranean partners as long as adequate technical assistance was supplied.

Charter for Peace and Stability’ intended to institutionalise political dialogue among partners, as well as establishing crisis prevention and crisis management procedures. An agreement was reached on the contents of the draft Charter in 2000. However, in the light of collapse of the Middle East peace process, it was decided by foreign ministers in November 2000 to defer its adoption *sine die*. The blame for failure of the peace process can hardly be placed upon the Barcelona process, but it may have been an implausible investment of effort to develop the Charter in the meantime. For defence cooperation the EU will have to cooperate with NATO to allow the latter’s NATO-Mediterranean Dialogue room for development, while the EU’s security and defence policies will also surely acquire a growing Mediterranean dimension.

In considering a recalibration of the priorities of the Barcelona process, there are two outstanding candidates: political and human rights issues on the one hand, and the terrorism-illegal immigration range of issues on the other. In the field of human rights the Barcelona process provides the institutional infrastructure and mechanisms, but these have hardly been used so far, notably invocation of Article 2 of the Association Agreements that provides the legal base for ‘appropriate measures’ in the event of serious breach of internationally human rights standards. In contrast to the criteria used by the EU in negotiations with its accession candidates, human rights objectives have been placed largely outside the reform-oriented policy focus. There has been no systematic procedure or attempt to include human rights concerns in the implementation of reform programmes. For example, within structural adjustment programmes, there are no provisions to suspend direct budgetary support to states that engage in serious violations of human rights. There are no coherent mechanisms and procedures to benchmark and monitor the human rights performance of the partner country. Human rights appear to be an accompanying objective, with its separate projects, rather than a principle to accounted for in all assistance programmes.¹¹³

The time seems now to have come for a multiple recalibration of EU policies in this regard:

- willingness to raise issues of human rights and questions of adequate democratisation strategies more forcefully in political dialogue,
- establishment human rights objectives and benchmarks and systematic assessment of performance, including economic and social rights,
- finer and more coherent application of MEDA aid projects and programmes for improvement of human rights protection, governance and civil society development. In the context of

¹¹³ See Byrne and Shamas (2003).

structural adjustment, greater thought could be given to the conditioning of budgetary support to the partner's respect for human rights in its policies and systematic practice,

- systematic consultation with civil society, in particular with movements and organisations embedded in society and those working in controversial areas such as civil and political rights.
- ensuring that principles of international law are carefully applied and adhered to in the design and implementation of EU external policies and engagements

Cooperation over terrorism and illegal immigration is already rising on the Barcelona agenda, as seen in the orientations adopted at the Valencia meeting of foreign ministers in April 2002, which is a positive indication of the ability of the partnership system to take on new and sensitive challenges.

Finally there is the issue of the *geographic scope* of the Barcelona process, and the possible use of subsidiary groups for closer cooperation. This involves at least three distinct issues: the extensiveness of the Barcelona group, its sub-regional formats as for the Maghreb and Mashreq groups, or its 'advance guard' variant as in the Agadir group of like-minded but not necessarily contiguous states.

On the first issue one question is whether it would have been better to include other Arab states, and/or to exclude Israel. The present judgement on the EU side is that Barcelona should not be converted into a renewed Euro-Arab dialogue, by including the Gulf states and non-Mediterranean African Arab states. This is justified on grounds of not making the group even more unwieldy and heterogeneous, and since the EU-Gulf Cooperation Council relationship seems to have found a convenient format, whereas the other African Arab states are installed in the different basket of EU development policies for African, Caribbean and Pacific states. The EU is also little inclined to follow the argument of some Israelis that their country should quit Barcelona and simply have a bilateral relationship with the EU. The argument against this idea is that at some stage Israel will have to normalise its relations with its Arab neighbours, and the Barcelona process should anticipate and if possible facilitate this. Overall this set of arguments in favour of the existing Barcelona geography seem to us to be persuasive, recognising of course that Cyprus, Malta and later perhaps Turkey will be moving to the 'northern side of the table'.

On issue of sub-regional groups – Mashreq, Maghreb and Agadir – there are open issues of choice, on how much weight the Barcelona process should give to promoting or accompanying sub-regionalism versus work at the plenary Barcelona level, and if sub-regional the choice between the geographic Mashreq and Maghreb groups versus the 'like-minded' Agadir group. All these options are possible under the Barcelona umbrella. The

weighing of the options is heavily interdependent with the future of the peace processes, especially for Israel-Palestine, but also the Sahara. Our own view is that a positive solution to the Israeli-Arab conflict should as a matter of priority comprise an important Mashreq dimension, leading even to the creation of a Mashreq Confederation, as already argued. Moreover if this peace process advances according to the Roadmap, there will be in any case a re-launch of some variant of the former Madrid multilateral process. Therefore we argue in more detail below for the Barcelona process in that case to give greater weight to a Mashreq initiative, and hopefully for this to become accompanied also be a renewal of the Maghreb Union. We also argue below that these sub-regional groups could become the vehicle for the EU to propose raising the level of integrative ambition of the Barcelona process, sufficiently to justify its restructuring into the offer of a Euro-Mashreq Community and a Euro-Maghreb Community. In the event that these tendencies would prevail, then the Agadir group would fade away. If on the other hand the peace processes remained stuck indefinitely, then the Agadir format should be promoted more strongly by the EU.

Overall our assessment of the Barcelona process is more positive than some of its critics. It depends of course what the standard for evaluation is. If the standard were to be that the Barcelona process should have transformed the region's economic and political trends in little more than five years since the original Barcelona Declaration, and virtually instantaneously upon entry into force of the new Association Agreements (some of which are not yet in force), then Barcelona has failed. But this would be to formulate the standard of evaluation unrealistically. If the standard were whether or not Barcelona had created a political and institutional infrastructure of comprehensive partnership, which had the potential to be built upon and further strengthened in the early decades of the 21st century, then Barcelona has already been a considerable achievement. As argued above and elsewhere in this report the Barcelona process should nonetheless be seen as open for considerable re-weighting of priorities and even restructuring, so as to get more deeply into helping achieve the long-run political, social and economic transformation of the region.

12. Options for regional strategies and organisation

What are the problems to be solved? The agenda is quite clear:

- Resolution of the regional conflicts, and then embed the peace
- Turning of the tide against violent extremism, terrorism and the clash of civilisations
- Promotion of sound modernisation and human development of the region, including progressively its democratic transformation.

However the approaches of the US and Europe to the region that have been practised in the past, or are now discussed for the future span a huge range. They may be categorised as follows:

- Model 1: *Acquiescence*, with priority given to regime stability, even when the regime is authoritarian and repressive. A blind eye is turned to objectionable regime features. It is now appreciated that such regimes have not only failed to deliver economic and social progress, but have de facto contributed to the environment that produced the new global terrorism. The conclusion has to be that the time has run out for Model 1.
- Model 2: *Passive engagement*, with political dialogue over democratic values and human rights, but without significant incentive measures or pressures. Principal support for economic development is seen as forerunner to democratisation. This has been the EU's approach under the Barcelona process so far, which has some merits, but neither has it seen impressive results.
- Model 3: *Active engagement*, in a more holistic approach, calling for political, economic and human development in parallel, strengthening the emphasis on democratic values and human rights, with more significant incentives. This may be the model for the period ahead, but it has so far not been really tested in the region.
- Model 4: *Sanctions* against objectionable regimes. The track record in sanctions policies world-wide is poor (Iraq and Iran), although not universally so (overthrow of the apartheid regime in South Africa), and the reverse logic of counterproductive effect is well known.
- Model 5: *Forceful regime change*, engineered by political pressures, or war in the extreme case. While Iraq is the present issue, the workings of this model are uncertain and hazardous. In particular there is the huge difference between the case when the regime overthrow has popular support and international legitimacy, and that in which the external party is regarded as the enemy, rather than liberating hero.

In the post-11 September climate it is evident that US policy has switched from Model 4 to some version of Model 5 for Iraq. It remains on Model 4 for

Iran. It could move off Model 1 up the scale as a general policy for the Arab world, and possibly head towards Model 3 as a general norm. Some voices in Washington seem to envisage a cascade of regime changes in the Middle East, following the application of Model 5 for Iraq, but others advocate a long-term process of democratic transformation¹¹⁴, resembling Model 3.

EU policy in the Barcelona process has been of Model 2. It has supported Model 4 for Iraq, but not Iran. While there is no common position on Iraq beyond support for the UNSC Resolution, European diplomacy seeks to restrain the US's use of Model 5 to the UN legitimised action. EU policy should now be recalibrated, shifting basically from Model 2 to Model 3. The US should join it there.

In what follows it is indeed assumed that Model 3 should become the main strategy. This in turn assumes a resolution of the crisis over Iraq. It further assumes that US policy towards Iran is revised, and comes closer to EU policy. The Israel-Palestine peace process is revived. It would also be helpful if the Moroccan-Algerian dispute over the Western Sahara were finally put to rest. Supposing all this to be done, one may examine the possible designs for constructive regional initiative.

A common framework is needed to order the different ideas and options. The starting point is an inchoate complex of past regional and international initiatives, some lapsed and some continuing, as was reviewed above: the various Arab regional projects, the lapsed experience of the international 'Madrid' multilateral process, the EU's more recent 'Barcelona' process, and continuing activities of the international organisations (for example the World Bank's Mediterranean Forum). A systematic approach is needed, and this is now outlined, first as a skeletal structure, followed by a review of some main operational features and options.

Box 11 sets out the inevitable three dimensions¹¹⁴ of a future system, or of the Rubik Cube of Wider Middle East:

- 1/ the policy domains, with the sub-headings where operationally relevant
- 2/ the regional groups or sub-groups, and
- 3/ the main external actors.

This '3D' aspect is why even the task of analysis is highly complex, even before introducing many matters of political sensitivity and bureaucratic organisation. We take the listing of relevant policy domains – security, economics, politics – as the way to organise some comments on possible options, and discuss the questions of choice of regional groupings and the role of external actors as we proceed.

¹¹⁴ See Ottaway et al. (2002).

12.1 Security

Inter-state security. Debate about military security regimes in the Middle East have alternated between ideas of comprehensive multilateral arrangements versus a bottom-up process of confidence building at bilateral levels, the latter transforming gradually into wider regional networks. The former approach was attempted in the Madrid process in the Arms Control and Regional Security framework, and has drawn inspiration from the CSCE/OSCE experience in Europe. The latter approach has been favoured particularly by Israeli analysts, unsurprisingly in view of the demise of the Madrid process and Israel's incomplete peace with the Arab world.¹¹⁵

Under the hypothesis of resolution of the Israeli-Arab conflict there would be the opportunity to consider again the design of a regional security system, with Treaty level commitments for the inviolability of state frontiers, and development of a wider array of co-operative programmes. A first level of focus would be that of sub-regional groups – Mashreq, Gulf, Maghreb.

For the Mashreq area, a comprehensive peace between Israel and its neighbours would no doubt include military guarantee provisions as well as peace-keeping arrangements. Israel would naturally seek a primary reliance on bilateral US military assistance and security guarantees, as an extension of this existing bilateral alliance or axis. However that would be lacking in multilateral balance and legitimacy at the regional level. A second variant would be for multilaterally supported peace-keeping arrangements and security guarantee provisions. UN peacekeeping forces already exist on the Lebanese frontier. However a breakthrough to achieve a comprehensive and lasting peace may require deployments with higher military credibility. NATO-led forces, operating under UN mandate, could offer an acceptable compromise between Israel wanting a very strong US presence versus the Arab states wanting a more balanced multilateral presence.

The Gulf Cooperation Council started in 1981 for improving defences vis-à-vis Iraq and Iran. Its actual defence cooperation has really developed beyond regular consultations between defence ministers, the sharing of intelligence information and exercises of the military, and the adoption in 2001 of a formal defence pact. However the region has sufficient geographic and political coherence to make a deepening of defence cooperation plausible.

¹¹⁵ See Steinberg (2002) and Yaffee (2001) for a detailed account of extensive 'track 2' activity in the field of Middle East security in the absence of breakthrough at the official level.

Box 11. Three dimensions to a regional cooperative system of the Wider Middle East

Policy domains

1. Security
 - 1.1 Inter-state
 - 1.2 International terrorism
 - 1.3 Visas, asylum, illegal migration, trafficking
2. Economics
 - 2.1 Macroeconomics
 - 2.2 Trade in goods and services
 - 2.3 Structural, poverty reduction
 - 2.4 Energy
 - 2.5 Regional infrastructures (transport, water, power, etc)
 - 2.6 Legal movement of people/labour
3. Governance and human development
 - 3.1 Governance (democratisation, judiciary, anti-corruption)
 - 3.2 Civil society, media and human rights
 - 3.3 Education
 - 3.4 Culture

Geographic/political groupings

1. Maghreb
2. Mashreq
3. Barcelona group (1 + 2)
4. Agadir group (some from 1 + 2)
5. Gulf Cooperation Council
6. Arab League
7. Iran
8. Wider Middle East (3 + 5 + 7)
9. Islamic States (Conference of)

External actors (as in Quartet)

1. EU
2. US
3. Russia
4. UN (plus IMF, World Bank, WTO, and maybe NATO)
5. Others (associated with Quartet, e.g. Norway, Japan)

For the time being the US with its bases and naval forces in the Gulf supplies the essence of the hard security umbrella, and with a set of bilateral agreements between the US and all GCC states except Saudi Arabia. Assuming a favourable regime change in Iraq, the major defence concern of the GCC is Iran. If Iran becomes a nuclear power the GCC states will be even more earnestly looking for US defence guarantees – formal or informal. If the US normalised relations with Iran, even reluctantly with a nuclear-

armed Iran, there would be an important agenda for confidence building measures between Iran and the GCC¹¹⁶, and eventually discussion of widening the regional security architecture to include Iran.

In the case of the Maghreb, resolution of the Saharan conflict between Algeria and Morocco is a first prerequisite for defence cooperation in the Arab-Maghreb Union. The time may come soon for a US or EU mediated solution, to be supported maybe for a time by monitoring or peacekeeping forces. But there would also need to see sufficiently convergent political reforms, with changes most obviously awaited in Algeria.

As for a supporting role of external actors a main candidate seems now to be NATO, for several reasons. It is actually offering its services beyond the frontiers of Europe under the heading of the NATO-Mediterranean Dialogue¹¹⁷, with a set of programmes modelled on the Partnership for Peace relationships with non-NATO states of the OSCE area. Going beyond soft cooperation of this present type, NATO would be capable of supporting a regional security regime with peace-keeping operations and with strategic security deployments or guarantees, assuming that these actions would be clearly legitimised and mandated, for example by the UN as well as the countries of the region. However it seems inevitable that as the EU builds up its integrated foreign, security and defence policy capabilities that this will be reflected in the agenda of the Barcelona process, even if its recent attempt at a Charter for Peace and Stability failed. The issue of EU-NATO coordination to avoid inefficient and expensive overlap of these processes in the defence domain will have to be confronted.

International terrorism. It is likely that there will be principal reliance on bilateral cooperation between the US, EU (and/or its member states with the strongest intelligence and counter-terrorist services) with individual countries of the region, although the EU embarks also on a partly multilateral approach.

The US is deploying the large resources and institutional capabilities of the CIA and FBI, with integrated policing, intelligence, diplomatic activity. Naturally much of this activity is secret, although the outlines of US policy have been described by investigative journalists. Following 11 September, the CIA secured exceptional delegated authority and additional resources to conduct covert operations against Al Qaeda and other international terrorist groups. This apparently involves additional funding of hundreds of millions

¹¹⁶ These issues are thoroughly discussed in Schake and Yaphe (2001).

¹¹⁷ The NATO Mediterranean Dialogue is currently working at the levels of 19+1 and 19+7 (i.e. bilaterally and multilaterally) with Algeria, Egypt, Israel, Jordan, Mauritania, Morocco and Tunisia.

of dollars for new covert actions, with the CIA buying key intelligence services, funding agent networks etc.¹¹⁸

For its part the EU member states have reportedly made a categorical improvement in opening up cooperation between their intelligence services to a degree previously unprecedented, as also cooperation between them and the US. However in the framework of the Barcelona process the EU agreed with its Euro-Mediterranean partners at Valencia in April 2002 the outline of a multilateral approach. This leads to the establishment of joint bilateral working groups with individual partner states to explore how best to proceed, and the EU allocating significant budgetary resource in support. These efforts are only at an early stage, and it may be expected that ‘variable geometry’ will apply here, given the possibility to progress faster or earlier with selected countries.

Visas, asylum, illegal migration, trafficking. This also is a new domain for EU cooperation with its Euro-Med partners, with agreement made at Valencia to put these issues firmly on the agenda. The EU itself is still at a formative stage in developing its own internal policies in the Justice and Home Affairs domains. It becomes therefore a new learning process on both sides, but one that seems certain to mature into a large block of policy for the Barcelona process.

For the Maghreb countries the issue of migration policy, both for the rules of its control and conditions for legal migrants into the EU, is of exceptional importance. It is to be expected that this be a privileged issue therefore at the level of EU-Maghreb sub-regional dialogue.

The movement of persons, and related matters of visas, and rights to residence and employment, are fundamental issues for relations between the states of the region. There have been efforts in recent years at the level of the Arab League to achieve visa free travel within the region, but several factors have impeded progress, including the fallout of 9/11 as well as the older problems of Palestinian refugees. The sub-regional groupings, with

¹¹⁸ See Woodward (2002). The following passage from page 78 is a sample from an alleged record of the meeting of the war cabinet on 15 September 2001. “The CIA director turned then to another TOP SECRET document, the *Worldwide Attack Matrix*’, which described covert operations in 80 countries either underway or that he was now recommending. Actions ranged from routine propaganda to lethal covert action in preparation for military attacks. Included were efforts to disrupt terrorist plots or attacks in countries in Asia, the Middle East and Africa. ... Because the CIA had been working aggressively against terrorism for years, Tenet said, the agency had done extensive target development and network analysis. What it needed was money, flexibility and broad authority – so that it could move quickly, instantly, if it discovered targets. ... Rumsfeld was enthusiastic about the broad concept, but he still wanted the order to be more carefully written and restrictive.”

contiguity of frontiers, may the most promising levels for progress for the foreseeable future, and the Gulf states have achieved visa-free travel between themselves. On the key questions of citizenship for Palestinian refugees a sub-regional Mashreq solution may be envisaged, linking to the ambitious idea of a Mashreq confederation.

12.2 Economics

Economic policy for poverty reduction. This is the language of the World Bank, which seeks to define strategy at the regional level for the Middle East and North Africa. Such strategy has to recognise that the region spans extreme diversity, with twelve low income countries of North Africa and East Mediterranean, which benefit from external financial aid, and eight relatively high income countries, essentially the Gulf states, which are not in need of financial assistance, but do face serious human development challenges. In the aggregate the region registered GDP growth per annum of 3.1% between 1991 and 2000, only marginally higher than the 2.4% registered in 1981 to 1990, and leaves little advance in average per capita incomes after taking into account annual population growth 2 %. The result of the World Bank's analyses on desirable strategy focuses on five so-called priority domains¹¹⁹:

- Public sector efficiency and governance
- Private sector development and employment creation
- Education for a global world
- Water
- Gender

It has to be remarked that most of these domains are so wide that they together can encompass virtually the whole of the economy and society, which is an inevitable reflection of the nature of the problem. The World Bank is proposing guidelines both for its own operations and partnerships with the network of other financing agencies operating in the region (IMF, EU, bilateral programmes and the regional agencies such as the Islamic Development Bank, the Kuwait Fund, etc.). In other regions, for example with the Stability Pact for South-East Europe, the World Bank has come to work in close cooperation with the EU and major bilateral donors.

Macroeconomics. This is mainly a matter for bilateral dialogue and negotiation between individual states and the IMF, and major aid donors (US, EU). However there are matters of monetary policy to consider regionally. Some sub-regional groups may consider monetary union, as do the Gulf states, but this is surely not advisable for the wider region given its primary division between the oil rich states and the others. However the issue

¹¹⁹ World Bank, *Middle East and North Africa Region Strategy Paper*, 2002.

of future relations with the Euro area is of growing interest, and multilateral consultations begin to develop between the European Central Bank and the Barcelona group and GCC.

Trade in goods and services. Here there is a long-standing agenda, with multiple initiatives that have been attempted at different times. The most operational initiatives are the Arab Free Trade Area (AFTA), which has set 2008 as its target date for elimination of tariffs, the Gulf Cooperation Council (GCC) which initiated its customs union on 1st January 2003 with a common external tariff of 5% (still subject nonetheless to long lists of exemptions), the new Agadir group, and the Euro-Mediterranean free trade project with the EU whose target date is 2010 for the elimination of tariffs.

There are evident choices of strategy to be made here, to be reviewed afresh in the event of resolution of the Israel-Palestinian conflict. There is widespread agreement on the desirability of south-south openness and well as north-south. The Arab League might be encouraged to deepen and speed up its ambitious AFTA project, with open options regarding whether or which sub-groups of countries might take the lead. Israel could become associated to this, partly in the context of Arab-Israeli normalisation, partly through the development of the Euro-Mediterranean free trade area. The question of Iran's association with the process should be raised at the right moment. This would open up the prospect of a Wider Middle East economic area. The Barcelona free trade area and that of the Gulf Cooperation Council's customs union could effectively be merged, which would be only logical if the AFTA project also was to advance. The whole of the region could adopt the Pan-European *rules of origin*, as part of the process of establishing 'cumulation',¹²⁰ possibilities in the trade among the countries of the region, and between them and the EU as their leading trading partner.

The agenda for trade policy liberalisation has three further key elements. First there is for the EU the issue of further liberalisation for agricultural exports from the Mediterranean especially. The EU still practices very high and complex effective tariff levels, which denies the Mediterranean part of their natural comparative advantage. Also the EU is itself a major exporter of agricultural and food produce to the region (basically exporting cereals, livestock and dairy produce, while importing fruit, vegetables and flowers). Thus agriculture is very much a two-way trade for the EU and Mediterranean, with EU exports of €5.3 billion and imports of €4.7 billion in 1998-99.¹²¹

¹²⁰ In order to deepen this free trade system the 'diagonal cumulation' could also be replaced in due course by 'full cumulation'. For details see footnote 105 above.

¹²¹ For a detailed assessment see dell'Aquila and Velasquez (2002).

Second, there is the liberalisation of a wide range of services (financial markets, travel, tourism, professional services) in the countries of the region, where existing protectionist policies are now understood to be extremely harmful for the development of competitive industry and commerce, including export industries. Protection of services is thus serving as negative protection for industry. This issue links deeply into the issue of internal economic liberalisation, and is therefore of exceptional importance.¹²²

Third, the countries of the region have to catch up with the fact that the rest of the wider European economic area is advancing fast in the area of harmonisation of technical standards and regulations affecting trade. Apart for the EU's own expansion, the current waves of new Stabilisation and Association Agreements with South-East Europe and Partnership and Association Agreements with former Soviet Union states are all likely to progress along the lines of deeper convergence of these technical standards. Thus the Arab world is today falling further behind these and other reform movements in the wider Europe.

The US also supports regional trade policy initiatives, and this should be coordinated with the EU.

Energy. Especially with the return of Iraq into the regular international oil trading and investment system, there would be renewed impetus for energy sector cooperation in several respects. Of great concern to both producers and importers is the behaviour of the oil price, which is notoriously difficult for policy makers to influence. Nonetheless there is already a growing concern to try to find a way between 'too high' and 'too low' prices, especially to avoid huge oscillations between the extremes. Discrete adjustments of the OPEC system of production quotas, with which Russia and Norway may unilaterally and informally associate at times, is the main mechanism of policy.

Less controversial lines of policy action are the regimes for investment, trade and transit for energy products. Rational transit routes have continuously suffered from the conflicts of the Middle East, to the point that in recent decades every international pipeline was shut down at least once, and in total they were inactive 53% of the time.¹²³ In this connection the European Energy Charter should have considerable potential of interest to the Middle East producers, and notably the transit protocol for pipelines. Accession of Middle East states to the Charter, beyond the observer status of some today, could be envisaged. This could be of interest to all producing and transit countries, Wider Middle East and the Wider Europe (including the EU, Russia, the Caspian and Norway) together.

¹²² See Brenton and Manchin (2003).

¹²³ See Abi-Aad (2002).

Regional networks and infrastructures (transport, water, power, tourism, etc). These are the domains that are intrinsically linked to geographic proximity, and are the natural core material for mutually beneficial cooperation between states with common borders. There has to be flexibility in the choice of groupings for partnerships, and in the distribution of responsibility between official policy making bodies and private sector projects. The Maghreb, Mashreq, Gulf sub-regional groupings have natural vocations in this context. The external actors will bring resources as incentives to rational economic schemes.

Many projects will offer positive-sum-game advantages, as long as political conditions allow them to be exploited. However tough issues of allocation of resources in zero-sum game conditions arise in some cases, most dramatically in the case of water supplies. The issue is one of existential importance for Israel and Palestine, with huge disparities in water consumption per capita at present, and acute problems of equitable access to common aquifers. Israel consumes ten times as much as the Palestinian territories per capita, and accesses common aquifers disproportionately. The issue is also sensitive to the point of being almost a *casus belli* at present on the Lebanese-Israeli frontier. Turkish control over waters flowing down the Tigris and Euphrates are of huge concern to Iraq and Syria. In the context of a regional peace there should be an ordered regime for water, with negotiated rules and structures of common governance. Ideas in the category of an East Mediterranean Water Authority are needed, going beyond the limited agenda of the former water working group of the Madrid process. With problems as acute as these, part of the strategy has to be to transform a zero-sum problem into a positive-sum game. Fortunately there are some possibilities for this, with the economics of desalination of seawater improving considerably with technological advance, as well as more careful environmental and agricultural policies. There are also possibilities for the shipping or pipeline transport of Turkish water to the East Mediterranean, which should become more a matter of economics than politics. An East Mediterranean Water Authority should thus have the means to create additional water supplies, to facilitate its work to divide river and aquifer resources.

12.3 Governance and the human dimension

Considerable experience of rapid transformation of political regimes has been acquired over the last decade in Europe in the switch from communism to Western democracy. The Arab context has been set out in the UNDP Human Development Report already referred to. To a degree these are universal issues of human development, especially in a world of irreversible trends in global communications and integration. The agenda of interlocking issues is formidable: the formal institutions of governance, political pluralism and democratisation, the legal/judicial/penal system, the human

rights and their protection, civil society, the educational system, cultural identity, the tolerance of minorities and the harmony of cultures.

Promotion of sound governance and democracy. A key point at the present juncture is the overriding political message to be communicated by the EU, US and development agencies (bilateral and multilateral) to the states of the Middle East. As already argued in more detail in chapter 8, the message should be that the time for turning a blind eye to authoritarianism that fails to respect human rights is over. The earlier argument, which may or may not have been valid, to the effect that such regimes were to be given the benefit of the doubt because they brought geo-political stability, has run out of plausibility. The counter argument is that the policies of exclusion, or denial of political pluralism, have both been inefficient at delivering economic, social and political progress to the peoples of the region, and they have generated the support for the terrorist activities of Islamic fundamentalists.

The EU and US now have the opportunity to coordinate their policies in this context. The EU's Barcelona process and relations with the GCC and Iran can all be given a stronger thrust on the set of governance, democratisation and human rights issues. The new US-Middle East Partnership Initiative, if endowed with sufficient budgetary resources to be significant, could be highly complementary.¹²⁴

Beyond the primary political messages come a chain of implementation issues for the external actor. These issues are: (a) definition of yardsticks to specify expectations and understandings over the nature and pace of political and institutional reforms, (b) the design of assistance development across the range of parliamentary, judicial, governmental, educational and civil society institutions and the underlying cultures, (c) the design of incentive measures and conditionality policies for all other aid programmes, and (d) issues of coordination between the EU, US and international organisations.

The question of yardsticks of performance will require a major effort by both sides. One current example is the effort being undertaken in the case of the Palestinian Authority and the Quartet's Roadmap to define performance criteria for the reform of governance. Multiplying up for scale one may imagine the implications of a serious engagement of the West with a view to

¹²⁴ The US-Middle East Partnership Initiative was launched by Secretary of State Powell in December 2002, with the intention of supporting a wide range of educational, governance and private sector developments. The initial budget however is only for \$20 million, which can only support pilot schemes. For a region that extends from Morocco to the Gulf this budget would need to be multiplied ten times or more to be significant. Expansion could become possible as of FY 2004, beginning in September 2003. Whether this will happen is unknown at this stage, depending on Congressional support (Congress already cut the initial budgetary endowment).

the democratic transformation of the Wider Middle East. The EU's experience with democracy promotion in the Mediterranean region, as reviewed in some detail by R. Youngs,¹²⁵ points to the need for improvement in the sophistication and professionalism of the methods of inserting external assistance, including support for progressive indigenous civil society initiatives. This involves the issues of conditionality and incentives, which must however be carefully calibrated so as to avoid undesirable distortions in the system. There is little encouragement from experience for the use of crude sanctions as an instrument of political reform. A gradual intensification of arguments in political dialogue, and finer focusing of aid efforts on key parts of the transformation process is to be aimed at. There has to be time and sustained activity for the external party to build up pressure on the targeted authorities and provide encouragement for progressive domestic movements.

Human rights. All the EU's association agreements include an Article 2 that makes respect for human rights an essential part of the relationship, including the possibility for either party to take 'appropriate measures' in the event of disregard for these commitments. The official text launching the Euro-Mediterranean partnership in Barcelona in 1995 defines these responsibilities as follows: "respect human rights and fundamental freedoms and guarantee the effective legitimate exercise of such rights and freedoms, including freedom of expression, freedom of association for peaceful purposes and freedom of thought, conscience and religion, both individually and together with other members of the same group, without any discrimination on grounds of race, nationality, language, religion or sex."

A recent report by Amnesty International¹²⁶, submitted to the Valencia meeting in April, reviewed the current human rights record of the partner states of the region, and deplored that the spirit of the Barcelona declaration is not being given effect. Almost all partner states are the subject of critical reports, and the criticism is extended to the EU with the words "the value of the human rights clauses contained as common Article 2 in all agreements is nearing zero". It is argued that assessments of compliance with Article 2 should be a set agenda item in all political dialogue meetings between the parties, including the bilateral Association Councils, and that more adequate monitoring mechanisms be established.

The time to take these provisions more seriously has indeed come. At the level of formal political relations between the EU and the Mediterranean states, the agreements and mechanisms of the Barcelona process initiated since 1995 are only now coming into legal effect following the conclusion of negotiations and ratification of the bilateral Association Agreements. While

¹²⁵ See Youngs (2002).

¹²⁶ See Amnesty International (2002).

this process is still far from complete, a critical mass of operational agreements now exists. The opportunity now arises to move now on to a more intense and explicit phase of political dialogue over human rights issues, as well as a more comprehensive focus on human rights in all aspects of bilateral and multilateral relations. Moreover the link between the treatment of human rights at the micro level of ‘individual rights’ and the objective of progressive democratisation is exceedingly important. There are many ways of designing democratic institutions, and respect for well identified and codified human rights is a major ‘results criterion’ for assessing any given system. It may be more legitimate and feasible for the external party to address the specifics of individual cases than the precise shape of a recommended institutional reform.

The Arab League states have at times discussed setting up an Arab Court of Human Rights, in which case they could consider at least technical cooperation with the European Court of Human Rights in Strasbourg.

Education and harmony of cultures. This already a conventional line of aid and cooperation, coupled however to the case for genuine partnership (i.e. for increased investments in Arabic and Middle Eastern studies by Western students, as well as scholarships and programmes for young people from the region). For the EU there will be interest in developing programmes at the level of the Wider Middle East, rather than restricting them to the Barcelona region. This would be coherent with the new US Middle East Partnership Initiative, which will run from Morocco to the Gulf. In the case of the EU the approach would be to develop specific programmes in the framework of cooperation with the Gulf (GCC) and bilaterally with Iran.

The Valencia conference of Euro-Mediterranean foreign ministers in April 2002 endorsed an Action Plan for the Dialogue between Cultures and Civilisations, establishing certain principles and organising future actions. The principles agreed are:

- Respect for pluralism and cultural specificities
- Equality and mutual respect
- Avoidance of prejudices and stereotypes
- Understanding of the ‘other’
- As goal, not to change the ‘other’, but to co-exist peacefully.

The action programme focuses on youth, education and media.

12.4 Variable geometry architecture of the Wider Middle East

How might the system as a whole shape up? The long list of regional groupings already discussed means that the answer is not self-evident. What activity should there be at the level of the Wider Middle East region as a whole? How should the Barcelona process relate to a possible renewal of the

Madrid multilateral process. How much of the accent should be placed on the sub-regional groups? Should the Barcelona process, with Israel becoming the only non-Arab participant on the south side, remain as it is? Or should there be a revival of the Euro-Arab dialogue instead? How much regionalism is called for at all, as opposed to the bilateralism that has been the main mark of US policy?

Wider Middle East level. Supposing favourable developments in Iraq and for renewal of the Israeli-Palestinian peace process, a Wider Middle East process could be initiated with a summit level political *conference* of the Wider Middle East states, consisting of the three sub-regional groups (Maghreb, Mashreq, Gulf) plus Iran, as well as the Quartet principals and associates on the Western side, and relevant international organisations. To begin with this would be analogous to the Madrid conference of 1991, or the Balkan Stability Pact conference of July 1999 at the end of the Kosovo war. However, unlike these earlier examples, there would not be a new comprehensive structure of working groups subordinated to the *conference* of the Wider Middle East, in view of the importance of other sub-regional and other structures (see further below).

The purpose would be to create a common sense of purpose for the long-term transformation of the region as a whole, as a cooperative endeavour between the countries of the region and the main external interested parties. The initial political declaration would define objectives and underline the comprehensive approach envisaged (political, human, economic, security) and the promotion of regional cooperation and ultimately integration. It would advocate flexible variable geometry in the mechanisms of cooperation at its several levels (Wider Middle East, sub-regional groupings, bilateral actions, ad hoc groupings, and linkages to relevant initiatives of wider organisations including the Arab League and Organisation of Islamic Countries, and the Euro-Mediterranean Partnership). The conference of the Wider Middle East would gather only occasionally, but would have a steering group that could meet more frequently consisting of the Quartet, the Arab Follow-up Committee, plus Israel and Iran as soon as political circumstances permitted.

Sub-regional groups. The Wider Middle East initiative would recognise and encourage important tiers of activity at the following sub-regional levels:

- Mediterranean states (of Barcelona process)
 - Maghreb. This would anticipate revival of the Arab-Maghreb Union at some stage, with its five members (Morocco, Algeria, Mauritania, Tunisia, Libya).
 - Mashreq. This would embrace Israel, Palestine, Egypt, Lebanon and Syria, possibly with Iraq also to associate with or join the group. Mashreq would have tasks of conventional regional cooperation to

organise with resolution of the Israeli-Arab conflict, but the level of political ambition would be greatly increased if confederation became the long-term objective.

- Gulf Cooperation Council, to which Yemen would progressively associate.
- Iran, a single state or course, but one of comparable dimension to the three groups.

The Mashreq case could be singled out for special encouragement to aim in due course, as trust was rebuilt in the conflict resolution process, for more ambitious integration objectives, possibly in the form of a Mashreq Confederation. This would be both because of the natural logic of cross-border economic cooperation in such a small and complex area, and the special problem of providing an adequate legal basis of the citizenship and rights of movement, residence and employment for the substantial Palestinian refugee diaspora.¹²⁷

However the experience in the conflict zones of the South-Eastern periphery of Europe (Balkans, Cyprus, Caucasus) is that local regional integration in post-conflict situations may not be seen as offering sufficient advantages to overcome the legacy of former or ongoing conflicts, and therefore has to be supported externally, notably (in the Balkans and Cyprus) by the incentive of integration with Europe itself. The role of the EU would also be critical in promoting regional and sub-regional cooperation in the Wider Middle East as part of its new 'neighbourhood' policies to follow its imminent enlargement. The EU should therefore not only advocate a new Mashreq initiative possibly resulting in a Confederation to accompany a peace between Israel and its neighbours, but also propose a new framework for the deeper integration between this Mashreq Confederation and the EU itself. This initiative could consist of creating a Euro-Mashreq Community, whose status and policy content would be more advanced than the present association agreements, although falling short of perspective of EU accession. It would provide especially strong support for the nascent institutions and policies of the Mashreq Confederation. This would be the most urgent case, but an analogous Euro-Maghreb Community and Euro-Gulf Community could follow in the same logic in due course. This offer of deepened cooperation would be on three conditions: that the states in question were at peace with each other, that they were democratic or seriously heading in that direction, and that they were willing to advance with their own integrative organisations. These initiatives could begin with 'advance guards' of some but maybe not all of the states of the sub-region, acquiring further members in due course. The policy content of the proposed Euro-Mashreq Community model is suggested by the deepening and

¹²⁷ See also Moeller (2002).

widening of the EU's association agreements in other areas, such as the case of the Balkans. The institutional arrangements could derive some inspiration from the European Economic Area, which has its own surveillance and implementation authority and court for dispute settlement, as well as joint committees of senior officials and ministerial councils¹²⁸.

In general terms the EU would be adapting but not dissolving the Barcelona process by (a) focusing more on the Maghreb and Mashreq sub-regions separately, (b) emphasising more strongly the political and human rights criteria of progress, and (c) offering better market access, expanded and improved aid, and wider association possibilities with the entire range of EU policies. The proposed Euro-Mashreq Community (or Euro-Maghreb, or indeed Euro-Gulf equivalents) would not comprise perspectives of full EU membership as offered to the Balkans, but could offer open-ended opportunities for mutual integration short of full membership of the EU institutions. Israel, post-conflict and together with progressive transformation, would be in the most favourable position to profit from these possibilities because of its advanced economy. It could for example accede to the European Economic Area, and in due course become a 'virtual' member of the EU through extremely deep and wide association arrangements (see next chapter for a more detail).

Coherence with US policies. The new US Middle East Partnership Initiative, from Morocco to the Gulf, is not conceived as a multilateral structure. However it would fit perfectly with a Wider Middle East initiative of the type here described. The US would coordinate bilaterally with the EU on many issues both political and technical. It would be desirable for the EU, with considerably more experience regional transformations and holistic approaches to development, to engage in dialogue with the US on these questions.

Sorting out the allocation of functions by level. This has been discussed in some detail above. Functions that could plausibly develop at some stage at the top Wider Middle East level could include trade policy, inter-cultural dialogue and aspects of security cooperation. The Israel-Arab normalisation process might first advance at the Mashreq level first of all, but could also be an important agenda item for the Wider Middle East.

Renewal of the Madrid process? This would not be renewed exactly in the form of the Madrid Multilateral process for three reasons. First, the EU's Barcelona process has developed too substantially to be sunk into a new, single multilateral process. Second, there should be a priority for a more territorially focused Mashreq, given the need for this sub-region to with local economic issues as well as the refugee question, and possibly even to

¹²⁸ See Emerson, Vahl and Woolcock (2002).

develop into a confederation in due course. Third, some aspects of the broader political dialogue of the old Madrid process would be taken up afresh in the Wider Middle East conference.

13. The Wider Europe meets the Wider Middle East

13.1 Europe's experiences of regional transformation

If 'transformation' becomes the name of the new Middle East agenda, what do we know of what this ambitious word means in practice? The wider European area has seen in recent times three examples of highly complex regional transformations, all born out of terrible preceding episodes that combined the devil's full agenda of war, ideological and ethnic conflict, genocide, and criminal dictatorships. The Wider Middle East seems thus to be waiting for its turn to make its historic transformation. This seems overdue indeed, since the Arab League was founded at the end of the Second World War just like the early European initiatives.

Difficult as such a proposition may now seem for the Wider Middle East, these earlier European episodes all seemed impossibly difficult before the transformations really began. The three European examples are the ongoing story of the European Union itself, and in the last decade the post-communist transformations of Central and Eastern Europe, and of the Balkans.

These three episodes all combined regional integration with external international participation. Increasingly relevant for the Wider Middle East, these episodes have recently been moving beyond the confines of Western Europe, and across the Christian-Muslim divides into the lands of the former Ottoman empire. These learning experiences are getting closer to the Wider Middle East, and even beginning to overlap with it as Cyprus and Turkey move into or closer to the EU.

The European Union itself may seem the most distant in terms of relevance to the Wider Middle East, yet its experience of functional integration and the progressive pooling of sovereignty may be compared with that of the unsuccessful early attempts at pan-Arab unity, which never found the way to reconcile unity and national sovereignty of its members.

Of the post-communist transition of central and Eastern Europe, several features are worth noticing in the present context. The EU, US and international organisations learned how to work together, with several specific institutional developments, including a more active role for OSCE in the security and political fields, expansion of membership of the Council of Europe, and creation of the EBRD and European Energy Charter in the economics). However the regional structure split between one group successfully preparing for EU membership, and the other group (C.I.S.) becoming only a warning example of how a regional organisation can fail, with several features unfortunately in common with the Arab League (e.g. the huge number on non-implemented political declarations).

The Balkans also became an important experience, with an immediate burst of political energy after the Kosovo war in 1999, and following the twin track of regional reconciliation alongside integration into the EU. With the Stability Pact initiative there was again a joint venture led by the EU, US and the international organisations. The Stability Pact initiative has had its critics for an over-extended structure of working groups and over-ambitious (or at least imprecise) political ambitions. However it built on and essentially confirmed the pertinence of the three-basket approach developed in the OSCE for security, economic and political/human dimensions. It also learned how to break down these three large categories into more precisely targeted policy domains. It has constantly been confronted by the issue of balance between the region's own internal tasks for cooperation, versus the pull of integration into the EU, the latter in fact becoming the dominant dynamic. It was also an important learning experience for the EU and US together. The EU developed its own track (Stabilisation and Association Process) alongside the wider international activity under the Stability Pact. Coordination was at times awkward, but still a necessary reflection of the fact that the EU and US are different types of external actor, especially in the Wider European area. This experience is relevant in the present context, notably as one may envisage how to combine the ongoing Barcelona process with a fresh Wider Middle East initiative.

From the Balkans, the Southern Caucasus and Cyprus there emerge consistent lessons of the desirability of regional cooperation as part of the conflict resolution formula. In all cases there are on offer considerable benefits to be had from regional re-integration after conflict and separation. Yet in all cases the incentive of regional integration was not enough to be decisive, unless it was attached to a wider scheme of strategic advantage, i.e. with the EU itself¹²⁹. In practice this has meant that the Balkan states have given priority to European integration, and accept to pursue regional cooperation only within this wider framework. In the case of the South Caucasus the absence so far of a stronger and wider framework means that there has been no resolution of the regional conflicts and no regional integration. Cyprus may be on the point of re-unification on the basis of the UN's recent proposals, but if this succeeds it will only be because of the overarching benefits of simultaneous accession to the EU.

These several episodes are all different, yet they suggest some general messages: the empirical fact that complex regions can sometimes manage to engineer huge changes in their collective politico-economic-societal trajectories, from conflict and disaster to peace and recovery, with the aid of

¹²⁹ See a series of studies from CEPS on these three cases: Emerson, Gros and Whyte (1999), *The CEPS Plan for the Balkans*; Celac, Emerson and Tocci (2000), 'A Stability Pact for the Caucasus'; and Emerson and Tocci (2002), *Cyprus as Lighthouse of the East Mediterranean*.

regional structures meshed with external support. Experience is pointing to a certain robustness for the three-basket approach (security, economics and political/human dimensions).

13.2 Enter the Wider Europe

The EU enters the year 2003 having just decided at Copenhagen last December to proceed with the accession of ten new member states in 2004, with a target date of 2007 also set for Bulgaria and Romania, and the date of 2004 also set for a decision when to open negotiations with Turkey. It seems not yet fully appreciated how this huge expansion to the South-East stands to affect the political geography of Europe. By 2007, assuming that Bulgaria and Romania join then as new member states, the EU's Eastern land frontier will be extended 1000 km to the East. As and when Turkey accedes a further 1,500 km extension to the East will be added. By then the EU's Eastern frontier would consist of Georgia, Armenia, Azerbaijan, Iran, Iraq and Syria. Already in 2004 the accession of Cyprus will mean a sea distance of 70 km from the EU to Syria or 120 km to the Lebanese-Israeli frontier. Further to the South, Malta's accession will mean a sea distance of 150 km from the EU to Tunis or 200 km to Libya, whereas in the West Mediterranean Spain actually touches Morocco on land.

It is hardly surprising therefore that even before the Treaties of Accession with the new member states are signed attention turns within the EU to its future relations with its new neighbours. The current lexicon of EU foreign ministers reveals the search process now under way to define 'new neighbourhood policy', or 'proximity policy', or 'wider Europe policy'. President Prodi speaks of the need for a policy for a Ring of Friends surrounding the EU to the North, East and South.¹³⁰

At the level of policy mechanisms the intentions of the EU are rather clear, even if their full operational development will take years. The EU assembles a complete set of economic, political and security instruments to be available for integrated use in partnership arrangements with its neighbours. The economic instruments cover trade, aid and aspects of (euro-related) monetary policy. The political instruments cover conventional foreign policy dialogue as well as concern for human rights and democratisation. The security instruments cover both justice and home affairs as well as the beginnings of a military capability for peacekeeping operations. At the level of overarching institutional relationships there is a spectrum of partnership and association arrangements, which offer considerable possibilities also for inclusion of partner states, or regional groups of states, in some of the EU's internal policies.

¹³⁰ Speech on the Wider Europe in December 2002, available on the Europa website. For a survey of this field see also Emerson (2002).

The EU's new crisis management capabilities are now to be tested in the Balkans. The EU Police Mission to Bosnia was inaugurated on 1 January 2003, and the experience might become relevant for Palestine at some stage. Since Bosnia has a similar population size to Palestine, the scale and cost of the operation may be noted. The Mission has a staff of 900, of which 600 are police officers from the EU (80%) and other European countries including Russia and Turkey (plus Canada). The annual budget is 30 million euro. The tasks are for training, monitoring and inspection of the Bosnian law enforcement institutions. However the terms of reference include the authority to dismiss inadequate or non-cooperative Bosnian police officers through recommendation to the High Representative. The EU's first deployment of its military 'rapid reaction force' is due to start in 2003, taking over NATO's mission in Macedonia. It is further envisaged that the EU will take over from NATO the larger military mission in Bosnia. This activation of the EU's military function comes after reaching agreement in December 2002 with Turkey the terms for the EU to have access to NATO's planning assets.

At a more fundamental political level the EU seems now to be coming to terms with the prospect for inclusion of Muslim states. It works hard for the simultaneous accession and re-unification of Cyprus, with its Turkish Muslim north. All Balkan states are recognised as prospective members, with Bosnia of partly Muslim culture and Albania predominantly so. These cases are dwarfed by that of Turkey, whose candidature is now given a more solid roadmap, despite some rearguard arguments put on behalf of the Christian Europe concept¹³¹. The EU and Turkey now have every opportunity to work together to promote the ideals and practice of the secular multi-cultural society, with Turkey leading the way as a model of a modernising, secular, democratic and European state of Muslim culture. The extension of these ideas and ideals into the complex societies of the Middle East is a task ahead.

The EU also brings as part of its experience the art of conflict resolution in ethnically complex societies. These experiences have usually been long and painful, and at times seemingly impossible to imagine solutions. If there is a positive strand that emerges from experiences ranging from Northern Ireland via the Balkans to Cyprus, it is that of carefully calibrated federative and multi-tier solutions, in which integration into the EU political structure, or at least in anticipation of this, helps transform the interests and powers surrounding the old conflicts, and thus help their resolution.

The EU has become accustomed now to developing long-term, comprehensive and evolutionary contractual relationships with all its neighbours. The Euro-Mediterranean Partnerships, the relationship with the

¹³¹ It is noteworthy however that Giscard d'Estaing's personal remarks in this sense towards the end of 2002 encountered a barrage of objections in public comment.

Gulf Cooperation Council and the new agreements under negotiation with Iran are examples of this approach.

However these valuable developments need now to be the basis for more ambitious propositions, given the gravity and dangers of the crises of the Wider Middle East. In particular it is extremely doubtful whether the Mashreq states could on their own move from a long period of conflict into a new era of regional reconciliation and integration. The wounds of the past are too deep, while the incentive benefits from local economic integration would be useful but not that big. Therefore the EU has to consider what stronger incentive it could offer, and our answer was already set out above (section 12.4), favouring a Euro-Mashreq Community to fit together with a possible Mashreq Confederation. Similarly the EU could offer a Euro-Maghreb Community to accompany a re-launching of the Arab-Maghreb Union. The Barcelona process is retained as an overarching framework, and for some specific policies, but the most intense and operational new initiatives take place at the next level down, of the sub-regions. The EU develops in any case its ideas for deepened association with its 'ring of friends' for future 'virtual members', and the most urgent priority in the Wider Middle East should be to foster birth of a Mashreq Confederation with the offer of a parallel Euro-Mashreq Community. Analogous developments should remain part of the design for both the Maghreb and Gulf, for as and when these states are ready for it.

13.3 Future of Israel-EU relations

This section assumes a just and final settlement to the Israeli-Palestinian conflict as well as the progressive democratic inclusion of the Palestinian citizens of Israel, without which Israeli-EU relations will be at best strained, and certainly closed to any important advances. We also now assume positive developments along the lines just described for cooperative re-integration among the Mashreq countries, and between them and the EU together. However the case of Israel remains a special one, even when fully included in these regional schemes, since it is already an advanced high-tech globalised economy and a lively (if incomplete) democracy.

An Israeli scholar, Alfred Tovias, has analysed options for Israel's future post-conflict relations with the EU under three scenarios¹³²:

- Building on the present association agreement in the framework of the Barcelona process
- Acceding to the European Economic Area (as Norway today)
- Aiming at full EU membership as a long-term objective.

¹³² See Tovias (2003).

The Barcelona process will itself have to adapt to the forthcoming enlargement of the EU in the case, and probably more fundamentally in the hypothesis of resolution of the conflict, as already argued above. The fabric of multilateral regional cooperation both within the region, and between the region and the EU and the West, would surely be given a fresh boost. Israel would have every interest, as argued by Tovias and we share his view, in seeing these processes of Mediterranean cooperation advance in the framework of normalisation of Israeli-Arab relations and also to enhance the general economic and political progress of the region. However, Israel is so different from its Arab neighbours that it is unlikely ever to regard the Barcelona process as something central to its economic or political future.

The second option, that of acceding to the European Economic Area (EEA), could on the other hand be regarded as coming closer to Israel's main economic interests. The EEA, which currently brings together the EU and Norway, Iceland and Liechtenstein, consists of full accession to the EU's single market without political membership of the EU. It requires adoption of the whole mass of EU internal market legislation. It is therefore extremely intrusive in many domains of microeconomic policy. In exchange the member state gets full and guaranteed access to the EU market, although with some exceptions (agriculture is one that is of importance to Israel). The complete alignment on EU technical and regulatory norms could be expected, in the case of Israel, not only to boost trade but also to encourage direct investment from the EU, the US and Asia for business strategies aiming at the nearby EU market. Indeed, with the EU enlarging towards the South-East, certainly to Cyprus and maybe to Turkey, the economic argument for inclusion will get stronger. Otherwise there is a risk of diversion of foreign direct investment to Israel's disadvantage. Since Israel is already an advanced economy it would have no difficulty in implementing EU laws if it chose this route. While non-EU participants in the EEA have to be policy-takers rather than policy-makers, and so the system can for these countries be criticised as lacking democratic legitimacy, the institutional system of the EEA (with a separate implementation agency and court for dispute resolution) embodies a serious attempt to limit this shortcoming.¹³³

While the EEA system is a very well defined model of association to the EU, there are other variants to consider, particularly if one anticipates continuing development of the EU's policies towards its neighbours. Switzerland almost joined the EEA, but because of a negative referendum was forced to renegotiate, and pursued the model of a set of sector-specific agreements taking in much of the content of the EEA, but with more selectivity. Other recent developments have been the association of some states (again Norway and Iceland) to the Schengen area for the free movement of persons and

¹³³ For a detailed analysis see Emerson, Vahl and Woolcock (2002).

aspects of the Justice and Home Affairs policies of the EU, which develop rapidly now in the context of the combating global terrorism; and association of non-EU NATO countries to the European Security and Defence Policy of the EU (which includes both Norway and Turkey). There is the issue of possible unilateral accession to the Euro zone, which can be analogous to the dollarisation of parts of the Western hemisphere. The EU presently discourages unilateral euro-isation by non-member countries, but the option will remain, and maybe become more actively pursued in due course. Finally there are more specialised policy domains where association is possible, including scientific research (already activated with Israel under the present Association Agreement), and such areas as energy, transport and environmental policy.

These several domains of possible association with the EU are the inevitable toolbox of the EU's future system of relations with its neighbours. The forthcoming huge enlargement of the EU already results in increasing attention being given within the EU on how to organise its 'neighbourhood' policies in the large geographic arc that stretches from Northwest Russia down to the Mediterranean. These issues are judged by the EU important for the future of Europe, to the extent that the present constitutional Convention of the EU considers defining in its future constitutional treaty the terms of 'a privileged relationship between the Union and its neighbouring states' (Article 42). Ideas in circulation include institutional provisions, like establishment of joint institutions (as already in the EEA model) or associate participation of representatives of the non-member states in the work of the institutions.¹³⁴

The idea of Israel's accession to the EU as full member state has recently emerged in political debate. While many in both the EU and Israel would consider this as so remote as not to be worth discussing, others take the contrary view. In particular a group of parliamentarians from the Knesset and European Parliament signed a manifesto in 2002 advocating that EU membership for Israel be regarded as a long-run objective. In the campaign preceding the elections of 28 January 2003 both S. Peres of Labour and B. Netanyahu of Likud spoke in favour of EU accession. Among European politicians, former Polish Foreign Minister Geremek favours the accession of both Israel and Palestine as the ultimate conflict resolution formula. This thought experiment may be further stimulated by the actual case of nearby Cyprus, where EU accession could spur the re-unification of the island (thus linking to the old idea of a bi-communal state for Israelis and Palestinians).

This debate stretches the imagination. Yet it is still of the essence to the extent that it is shorthand for the fundamental debate about the future

¹³⁴ As for example in a proposal of the PPP party group of the European Parliament. For a detailed discussion see Emerson (2002).

character of the state of Israel. The idea could embrace several key elements: 1/ the return of Israel to Europe from whence most Israelis came in the first place without detachment from the Middle East, 2/ the secular state that seeks to be fully part of the modern globalising world, 3/ the fully democratic state that is able to accommodate minority groups with full respect for their rights and culture.

Attitudes within the EU towards this question would be divided. On the one hand there would be widespread support for the considerations just listed, which goes with rejection of the alleged anti-Semitism in Europe. In particular Geremek's point about methods of conflict resolution is understood in the EU, namely that EU integration has become a way to transform political structures and interests to the point of providing the basis for peace and reconciliation in complex multi-cultural societies.

On the other hand the EU is presently running considerable risks of over-expansion, or at least over-hasty expansion, as the number of member states grows from 15 to 25 tomorrow, and continuing maybe up to 35 by the year 2020. The EU is therefore deeply concerned about the definition of its future outer boundaries in all its geographic, political and cultural aspects. It is certain that the EU will not be soliciting new accession candidates as far ahead as the eye can see. Yet the EU still has to resolve a dilemma. Its own future security is bound up in the first place by the stability of its surrounding environment, and its own political philosophy has to be coherent, in being open to all European democracies that can meet the well known Copenhagen criteria. Hence the perceived need to develop privileged neighbourhood partnerships or associations. The challenge for the EU policy maker is to give sufficient substance to these relationships so as to bring the neighbours into the EU's system of values and structure of economic interests, without so overextending itself to become unmanageable.

To conclude, there would certainly be opportunities, for many years ahead, and assuming resolution of the conflict, for deepening the EU-Israel relationship in ways to be negotiated, and drawing on the toolbox that has been alluded to above. How far such advanced association arrangements might evolve into a stable system of 'virtual', but not complete EU membership is open to speculation. Some Israeli variant of the Norwegian model of multiple lines of inclusion into major policy domains is certainly conceivable. Political leaders should be able to devise a formula that gives a respected place to sincere aspirations for closer integration with Europe, without creating implausible expectations for the foreseeable future.

13.4 Muslims within Europe and the harmony of cultures¹³⁵

The tragic events of 11 September 2001 have affected the Muslim and Arab communities living in the European Union, whose number is estimated to exceed 12 million, or about 3% of the total population.¹³⁶ The prevailing discourse of the mass media in relation to the ‘war against terrorism’, while moderate by US standards, has fostered generalised assumptions among parts of the population about the aggressiveness of Islam.¹³⁷ The support for xenophobic and anti-democratic political groups and/or ‘zero tolerance’ policies towards immigrants, along with the persistence of the difficult socio-economic conditions Islamic populations in Europe are often faced with, has led also some European Muslims, especially youths, to radical reactions, thus pointing to an incipient vicious cycle of explosive tensions.¹³⁸

In the past year there have been several ugly manifestations of these tendencies: for example violent clashes between Muslim immigrants and extreme right wing youngsters in the United Kingdom, and the considerable impact in elections of populist Islamophobic leaders in France and the Netherlands. In Antwerp a growing fundamentalist Islamic movement amongst the immigrant community has deployed its own para-police patrols, which clashed in November 2002 with the police forces following the murder of a young teacher of Muslim religion by a Belgian. Some violence

¹³⁵ The authors are grateful to T. Koutroubas for his contribution to this section. See also Koutroubas (2003).

¹³⁶ The number of Muslims is uncertain because a number of countries exclude matters of religious affiliation in census questionnaires. D. Pipes & K. Duran (1993), estimated the number of the Muslim population in the EU to be approximately twelve million, with over 3 million in France, about 2 million in Germany, 1 ½ million in the United Kingdom, almost 1 million in Italy, 500.000 in Belgium and 200.000 in Spain. *The Economist* on 20 October 2002 estimated the Muslim population in the EU to be 12.5 million, with more than 4 million in France (7.5% of the country’s total population), approximately 3 million in Germany (3.9% of the total population), 2 million in the United Kingdom (3.3% of the total), almost 500.000 in Belgium and the Netherlands (4.4% of the total) and about 500.000 in Italy and Spain (1.2% and 1.8% of the total population respectively). The recent report of the Open Society Institute (2002) highlights the need to “devote resources toward developing acceptable methodologies for the collection of data based on ethnic and religious affiliation, while ensuring respect for privacy and protection of personal data”.

¹³⁷ The Belgian – Flemish newspaper *Laatste Nieuws*, for example, has published a survey on the impact of the 11 September attacks on the relations between the Muslims and the other communities in Belgian Flanders. According to this survey, which was based on a sample of 1000 Flemings, half of the non-Muslim population is afraid of Islam and believes that it is a dangerous and aggressive religion. *Le Soir*, 16 September 2002.

¹³⁸ See a new report on *Islamophobia on the Rise in Europe* by the European Monitoring Centre on Racism and Xenophobia (2002).

against Jewish synagogues in France by Muslim youths has also raised charges of a resurgent anti-Semitism in Europe, even if these charges largely emanate from Israel and the US, and have not been supported by serious enquiries. However these examples are at least suggestive of threats now posed to social peace in European multicultural societies.

There is a tendency in Europe to consider all immigrants coming from the Middle East and North Africa as being Muslim, and thus members of a supposedly uniform community. However this common view has to be corrected on four accounts. *First, not all Arabs are Muslims.* In Europe, parts of the Arabic immigration are members of the Oriental Christian Churches, or of other Christian denominations. This is particularly so for Palestinian refugees, with a disproportionately large number of Christian Palestinians having reached Europe. *Second, not all Muslim share the same values and vision of the world.* To begin with, one needs to take into consideration the important differences dividing the Sunni, the Shiite, the Alevi, the Druze and the Ismaili communities, all of which consider themselves as being (the true) Muslims. In Europe today Islam varies from fundamentalist and aggressive approaches to extremely discreet and mystical approaches of this religion. Muslims should therefore be encouraged to enjoy to the full all the rights they are entitled to by virtue of the European and national laws, rather than stress 'special cultural needs' as if religious affiliation was a dominant criterion requiring recognition of minority status.¹³⁹ *Third, not all Muslim immigrants in Europe are Arabs.* Immigrants of Turkish, Kurdish, Berber, Pakistani, and Bangladesh origin constitute the majority of the Muslim communities in several EU countries, and have their own cultural approaches to Islam. At the political level, these Muslims are often far from sharing all the political sensitivities of the Arabs. *Fourth, there is no sacerdotal authority in Islam.* Many European scholars, decision-makers or policy planners tend to believe that imams, ulama and theologians in general enjoy a legitimacy to represent the Muslim community similar to the one of the bishops and the clerics in the case of most Christian Churches. However, imams, ulama, muftis and other persons of certain knowledge in religion have no sacerdotal authority in most Islamic denominations.¹⁴⁰ This point is

¹³⁹ Most of Europe's Muslim citizens, especially those of second generation, have the same mother tongue as the other citizens of their countries of birth and share the same values and general culture. Granting minority status on the basis of religious affiliation could promote community isolationism and damage the efforts to achieve a truly multicultural society where different communities productively interact.

¹⁴⁰ The hierarchical organisation of the Shiite ulama in Iran and the office of Agha Khan in the Ismailite community are the closest to the Christian conception of a divinely ordained clergy. The majority of the European Muslims however, recognise themselves in various tendencies of the Sunni Islam, where ulama, imams or theologians have no sacerdotal or representative role.

important since in inter-religious or inter-cultural dialogue activities, fundamentalist preachers and theologians are often invited as if representatives of all Muslims, when in reality their views are shared by a rather small and often marginal part of the Islamic communities of their country or town. Moderate theologians and ulama, who may be more discreet than their fundamentalist colleagues, represent better the vast majority of the Muslim citizens or immigrants of Europe, who are struggling to succeed in their everyday lives to combine intelligently European elements of life with their original customs and traditions.

The promotion of harmony between the three cultures within Europe as well as within the Wider Middle East is already part of the official policy agenda of the Barcelona process. It is quite correctly seen as a symmetrical partnership, concerning not just aid from north to south, but also the condition of immigrant communities within Europe and the promotion of knowledge about the Muslim world and Arabic culture within Europe. The design of national and European policies and programmes to these ends are often only in their infancy. The key ideas have yet to be set out and tested, to provide robust foundations for a long-term and indeed permanent dimension to political, educational and societal developments.

Despite the progress of legislation in condemning and prohibiting racism, revisionism and/or the cultivation of hatred against any of the components of the society, European authorities and democratic political parties often seem to tolerate fascist and hateful discourse under the coverage of the freedom of religion. While the strict respect of the freedom of religion which constitutes one of the basic human rights, our democracies most simultaneously counter both secular fascist or xenophobic movements, as well as the efforts of those who try to cultivate hatred and racism by means of a religion-based discourse.

The popularity of extremist groups among a part of the European youth and the revival of community-based isolation tendencies in many European countries, are indicators that not enough emphasis is being given in cultivating the values of democracy, equality and human rights among the younger generations, including the young immigrants. School curricula should be progressively revisited in order to examine the optimal way to combine the teaching of democracy, civic values and of human rights in genuinely tolerant multi-cultural societies. At the same time, school curricula should highlight the positive elements present in all cultural/religious traditions in order to combat prejudice and stereotypes.

Islamic preachers and theologians are still largely imported from countries with very poor democratic traditions. Schools and universities to form such people in Europe simply do not exist, leaving the way open to those who

promote Islam in socially divisive terms, such as the Arab European League in Belgium¹⁴¹. It is time for the European Union to favour and encourage the emergence of a genuinely European Islam, which could become an example to propose in the framework of its efforts to promote democracy, peace and the respect of human rights in the Middle East and in the world in general. Elected Islamic representative bodies, recognised by the authorities, have been recently established in Belgium and France. However, the functioning of these bodies is not without problems, notably because of the difficulties of ensuring their truly representative character. At the same time, the visibility of and scope for those citizens of immigrant origin who hold elected positions at the national or regional level in various European countries should be raised.

It is also of capital importance for European Union and its Member States to work for the improvement of the socio-economical conditions of life of immigrants, to evaluate the results of current integration policies and revisit them when needed and to make anti-discrimination and equality of rights policies an absolute priority. Education methods and structures should be catered more carefully to the needs of the communities they are intended to serve. In addition education and information policies aimed at the broad public should focus more on issues related to immigration.

Finally, inter-cultural and inter-religious dialogue initiatives should be further encouraged and promoted as a means to combat the ignorance of the 'other', which is often at the basis of the perpetuation of hostile attitudes and stereotypes. The extension of such inter-religious dialogue into the Holy Land itself is greatly to be welcomed. Of this the 'Alexandria Declaration' of the Religious Leaders of the Holy Land of one year ago is an eloquent example (see Box 12). Such initiatives need to be promoted and supported at all levels by public authorities, academia and local civil society organisations, including a more unified denunciation of destructive fundamentalism (Christian, Jewish and Islamic). The signatories of the Alexandria Declaration have formed a Permanent Committee for the Implementation of the Alexandria Declaration (PCIAD), which meets regularly and has become active in practical efforts to de-escalate violence. During 2002 the committee had delegates involved in the crises at the Church of the Nativity in Bethlehem and at the Mukarta in Hebron. The committee aims to develop a constructive inter-religious pillar in support of a

¹⁴¹ The "Arab European League", led by the controversial Dyab Abou JahJah in Antwerp, is particularly popular among young people, and sustains a discourse aimed at the isolation of the Arab-Islamic versus indigenous communities, encouraging mutual mistrust and indirectly supporting the xenophobic propaganda of the extreme right-wing "Vlaamse Blok", whose popularity in Antwerp has reached alarming limits in recent opinion polls.

renewal of the Middle East peace process, the absence of which was a serious weakness previously.

Box 12. Declaration of Religious Leaders of the Holy Land, meeting in Alexandria, 21 January 2002

“In the Name of God who is Almighty, Merciful and Compassionate, we who have gathered as religious leaders from the Muslim, Christian, and Jewish communities, pray for true peace in Jerusalem and the Holy Land and declare our commitment to ending the violence and bloodshed that denies the right to life and dignity. According to our faith traditions, killing innocents in the name of God is a desecration of his Holy Name, and defames religion in the world. The violence in the Holy Land is an evil, which must be opposed by all people of good faith. We seek to live together as neighbours, respecting the integrity of each other’s historical and religious inheritance. We call upon to oppose incitement, hatred and the misrepresentation of the other.

- 1. The Holy Land is Holy to all three of our faiths. Therefore, followers of the divine religions must respect its sanctity, and bloodshed must not be allowed to pollute it. The sanctity and integrity of the Holy Places must be preserved, and freedom of religious worship must be ensured for all.*
- 2. Palestinians and Israelis must respect the divinely ordained purposes of the Creator by whose grace they live in the same land that is called Holy.*
- 3. We call on the political leaders of both peoples to work for a just, secure and durable solution in the spirit of the words of the Almighty and the Prophets.*
- 4. As a first step now, we call for a religiously sanctioned cease-fire, respected and observed on all sides, and for the implementation of the Mitchell and Tenet recommendations, including the lifting of restrictions and a return to negotiations.*
- 5. We seek to help create an atmosphere where present and future generations will co-exist with mutual respect and trust in the other. We call on all to refrain from incitement and denomination, and to educate our future generations accordingly.*
- 6. As religious leaders, we pledge ourselves to continue a joint quest for a just peace that leads to reconciliation in Jerusalem and the Holy Land, for the common good of all our peoples.*
- 7. We announce the establishment of a permanent joint committee to carry out the recommendation of this declaration, and to engage with our respective political leadership accordingly.”*

Hosts: His Grace the Archbishop of Canterbury, Dr George Carey; His Eminence Sheikh Mohammed Sayed Tantawi, Grand Mufti of the Al-Azhar.
Signatories: The Shephardi Chief Rabbi Bakshi Doron; The Deputy Foreign

Minister of Israel, Rabbi Michael Melchior; The Rabbi of Tekoa, Rabbi Menachem Fromen; Rabbi David Rosen, President of the World Conference on Religion and Peace; The Rabbi of Savyon, Rabbi David Brodman; Rabbi Yitzak Ralbag, Rabbi of Maalot Dafna; Chief Justice of the Sharia Courts, Sheikh Taisir Tamimi; Minister of State for the Palestinian Authority, Sheikh Tal El Sider; Mufti of the (Palestinian) Armed Forces, Sheikh Abdulsalam Abu Schkedem; The Mufti of Bethlehem, Sheikh Taweel; Representative of the Greek Patriarch, Archbishop Aristarchos; The Latin Patriarch, His Beatitude Michel Sabbah; The Melkite Archbishop, Archbishop Boutros Mualem; Representative of the Armenian Patriarch, Bishop Arist Shrivinian; The Bishop of Jerusalem, The Right Reverend Riah Abu El Assal.

ANNEXES

ANNEX A

UN SECURITY COUNCIL RESOLUTION 242 ON THE MIDDLE EAST

22 NOVEMBER 1967

The Security Council,

Expressing its continuing concern with the grave situation in the Middle East,

Emphasizing the inadmissibility of the acquisition of territory by war and the need to work for a just and lasting peace in which every State in the area can live in security,

Emphasizing further that all Member States in their acceptance of the Charter of the United Nations have undertaken a commitment to act in accordance with Article 2 of the Charter,

1. *Affirms* that the fulfilment of Charter principles requires the establishment of a just and lasting peace in the Middle East which should include the application of both the following principles:

(i) Withdrawal of Israeli armed forces from territories occupied in the recent conflict;

(ii) Termination of all claims or states of belligerency and respect for and acknowledgement of the sovereignty, territorial integrity and political independence of every State in the area and their right to live in peace within secure and recognized boundaries free from threats or acts of force;

2. *Affirms* further the necessity:

(a) For guaranteeing freedom of navigation through international waterways in the area;

(b) For achieving a just settlement of the refugee problem;

(c) For guaranteeing the territorial inviolability and political independence of every State in the area, through measures including the establishment of demilitarized zones;

3. *Requests* the Secretary-General to designate a Special Representative to proceed to the Middle East to establish and maintain contacts with the States concerned in order to promote agreement and assist efforts to achieve a peaceful and accepted settlement in accordance with the provisions and principles in this resolution;

4. *Requests* the Secretary-General to report to the Security Council on the progress of the efforts of the Special Representative as soon as possible.

Adopted unanimously at the 1382nd meeting

ANNEX B

VENICE DECLARATION OF THE EUROPEAN COMMUNITY ON THE MIDDLE EAST

12-13 JUNE 1980

1. The Heads of State and Government and the Ministers for Foreign Affairs held a comprehensive exchange of views on all aspects of the present situation in the Middle East, including the state of negotiations resulting from the agreements signed between Egypt and Israel in March 1979. They agreed that growing tensions affecting this region constitute a serious danger and render a comprehensive solution to the Israeli-Arab conflict more necessary and pressing than ever.
2. The nine member states of the European Community consider that the traditional ties and common interests which link Europe to the Middle East oblige them to play a special role and now require them to work in a more concrete way towards peace.
3. In this regard, the nine countries of the Community base themselves on Security Council Resolutions 242 and 338 and the positions which they have expressed on several occasions, notably in their declarations of 29 June 1977, 19 September 1978, 26 March and 18 June 1979, as well as in the speech made on their behalf on 25 September 1979 by the Irish Minister for Foreign Affairs at the 34th United Nations General Assembly.
4. On the bases thus set out, 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 States in the region, including Israel, and justice for all the peoples, which implies the recognition of the legitimate rights of the Palestinian people.
5. All of the countries in the area are entitled to live in peace within secure, recognised and guaranteed borders. The necessary guarantees for a peace settlement should be provided by the United Nations by a decision of the Security Council and, if necessary, on the basis of other mutually agreed procedures. The Nine declare that they are prepared to participate within the framework of a comprehensive settlement in a system of concrete and binding international guarantees, including (guarantees) on the ground.
6. A just solution must finally be found to the Palestinian problem, which is not simply one of refugees. The Palestinian people, which is conscious of existing as such, must be placed in a position, by an appropriate

process defined within the framework of the comprehensive peace settlement, to exercise fully its right to self-determination.

7. The achievement of these objectives requires the involvement and support of all the parties concerned in the peace settlement which the Nine are endeavouring to promote in keeping with the principles formulated in the declaration referred to above. These principles are binding on all the parties concerned, and thus on the Palestinian people, and on the PLO, which will have to be associated with the negotiations.
8. The Nine recognise the special importance of the role played by the question of Jerusalem for all the parties concerned. The Nine stress that they will not accept any unilateral initiative designed to change the status of Jerusalem and that any agreement on the city's status should guarantee freedom of access for everyone to the Holy Places.
9. The Nine stress the need for Israel to put an end to the territorial occupation which it has maintained since the conflict of 1967, as it has done for part of Sinai. They are deeply convinced that the Israeli settlements constitute a serious obstacle to the peace process in the Middle East. The Nine consider that these settlements, as well as modifications in population and property in the occupied Arab territories, are illegal under international law.
10. Concerned as they are to put an end to violence, the Nine consider that only the renunciation of force or the threatened use of force by all the parties can create a climate of confidence in the area, and constitute a basic element for a comprehensive settlement of the conflict in the Middle East.

The Nine have decided to make the necessary contacts with all the parties concerned. The objective of these contacts would be to ascertain the position of the various parties with respect to the principles set out in this declaration and in the light of the results of this consultation process to determine the form which an initiative on their part could take.

ANNEX C

PRESIDENT CLINTON'S PARAMETERS FOR RESOLVING THE ISRAELI-PALESTINIAN CONFLICT¹⁴²

23 DECEMBER 2000

Territory

Based on what the president heard, he believes that a fair solution would be in the mid-90s – i.e., 94 to 96 percent of West Bank territory to the Palestinian State.

The land annexed by Israel should be compensated by a land swap of 1 to 3 percent, in addition to the arrangements, e.g., Permanent Safe Passage. The parties also should consider the swap of leased land to meet their respective needs. There are creative ways of doing this that could address Israeli or Palestinian issues or concerns.

The president thought that the parties should develop a map consistent with the criteria: 80 percent of settlers in blocks of settlements, contiguity, minimum annexation of territory to Israel, minimum number of Palestinians to be affected by the annexation.

Security

The president believes that the key lies in international presence, that would only be withdrawn by mutual consent. This presence would also monitor the implementation of the agreement by both sides.

It is the president's best judgement that the Israeli withdrawal should be phased over 36 months, while the international force is gradually introduced into the area.

At the end of this period a small Israeli presence would remain in specified military locations in the Jordan Valley under the authority of the international force for another 36 months. This period could be reduced in the event of favorable regional developments that would diminish the threat to Israel.

Early Warning Stations – Israel should maintain three facilities in the West Bank with Palestinian liaison presence. The stations should be subject to review after 10 years, with any change in status to be mutually agreed.

Emergency Deployment areas – The president understood that the parties still have to develop maps of relevant areas and routes.

¹⁴² As published in *Ha'aretz*, 31 December 2000.

Emergency means the imminent and demonstrable threat to Israel's national security of a military nature that requires the activation of a national state of emergency. The international force would need to be notified of any such determination.

Airspace – the State of Palestine would have sovereignty over the airspace but the two states should work out special arrangements for Israeli training and operational needs.

The president understood that the Israeli position is that Palestine should be defined as "demilitarized" while the Palestinian side proposed a "State of

Limited Arms." As compromise the president suggests "non-militarized state." This would be consistent with the fact that in addition to a strong Palestinian security force, Palestine will have an international force for border security and deterrence purposes.

Jerusalem and refugees: General

The president's sense was that remaining gaps would have more to do with formulation than with practical reality.

Jerusalem

What is Arab should be Palestinian and what is Jewish should be Israeli. This would apply to the Old City as well.

The President urges the Parties to work on maps that would ensure maximum contiguity for both sides.

Haram (al-Sharif)-Temple Mount – The gap is not related to practical administration but in the symbolic issues of sovereignty and to finding a way to accord respect to the religious beliefs of both sides.

The president knows that the parties discussed different formulations. He wanted to suggest two additional ones to formalise the Palestinian de facto control over the Harem, while respecting the convictions of the Jewish people. With regard to either one, international monitoring to provide for mutual confidence:

1. Palestinian sovereignty over the Harem and Israeli sovereignty over the Western Wall a) and the space sacred to Jews of which it is a part; or b) and the holy of holiest of which it is a part.
2. Palestinian sovereignty over the Harem and Israeli sovereignty over the Western Wall plus shared functional sovereignty over the issue of excavation under the Harem or behind the wall. That way mutual consent would be required before any excavation took place.

Refugees

The president believes that the differences are with formulating the solutions rather than with what would happen on the practical level.

Israel is prepared to acknowledge the moral and material suffering caused to the Palestinian people as a result of the 1948 war and the need to assist in the international community's effort in addressing the problem.

International commission to implement all aspects that flow from the agreement: compensation, resettlement, rehabilitation, etc. The U.S. is prepared to lead an international effort to help the refugees.

The fundamental gap – how to handle the Right of Return (ROR). The president knows the history of the issue and how hard it is for the Palestinian leadership to appear to be abandoning this principle. At the same time, the Israeli side could not accept any reference to the ROR that would imply a right to immigrate to Israel in defiance of Israel's sovereign policy on admission or that would threaten the Jewish character of the state.

Any solution must address both needs and be consistent with the two-state approach that both sides have accepted as a way to end the Israeli-Palestinian conflict: The State of Palestine as the homeland for the Palestinian people and the State of Israel as the homeland for the Jewish people.

In a two-state solution, the State of Palestine will be the focal point for Palestinians who choose to return to the area, without ruling out that Israel would accept some of these refugees.

The President believes that the Parties need to adopt a formulation on the ROR that will make clear that there is no specific ROR to Israel itself, but that does not negate the aspirations of the

Palestinian people to return to the area. In light of that, the president suggests the following two alternatives:

1. Both sides recognize the right of Palestinian refugees to return to historic Palestine;
2. Both sides recognize the right of Palestinian refugees to return to their homeland;

The agreement would define the implementation of this general right in a way that is consistent with the two-state solution. It will list the five possible final homes for the refugees: the State of Palestine, areas of Israel being transferred to Palestine in the land swap, rehabilitation in the host countries, resettlement in third countries and admission to Israel.

In listing these options the agreement would make clear that return to the West Bank and Gaza or the areas acquired through the land swap would be a

right for all Palestinian refugees while rehabilitation in host countries, resettlement in third countries or absorption into Israel would depend upon the policies of these countries.

Israel could indicate in the agreement that it intended to establish a policy so that some of the refugees would be absorbed into Israel consistent with Israel's sovereign decision.

The president believes that priority should be given to the refugees in Lebanon.

The parties would agree that this implements UNGAR 194.

End of conflict and finality of claims

The president proposed that the agreement clearly marked the end of the conflict and its implementation put an end to all claims. This could be manifested through a UNSCR that notes that UNSCRs 242 and 338 have been implemented and through the release of Palestinian prisoners.

The president believes that this is the outline of a fair and lasting agreement. It gives the Palestinian people the ability to determine their future in their own land, a sovereign and viable state recognised by the international community; E1-Quds as its capital, sovereignty over the Haram and new lives to the refugees.

It gives people of Israel a genuine end of conflict, real security, the preservation of sacred religious ties, the incorporation of 80 percent of the settlers into Israel and the largest Jerusalem in history recognised by all as your capital.

Final comments

This is the best that the president can do. Brief the leaders and let the president know if they are prepared to come to discussion based on these ideas. If not, the president has taken it as far as he can. These are the ideas of the president. If they are not accepted, they are not just off the table; they go with the president as he leaves office.

ANNEX D

EU 'NON-PAPER' SUMMARISING THE ISRAELI-PALESTINIAN PEACE TALKS AT TABA

(MORATINOS DOCUMENT), JANUARY 2001¹⁴³

Introduction

This EU non-paper has been prepared by the EU Special Representative to the Middle East Process, Ambassador Moratinos, and his team after consultations with the Israeli and Palestinian sides, present at Taba in January 2001. Although the paper has no official status, it has been acknowledged by the parties as being a relatively fair description of the outcome of the negotiations on the permanent status issues at Taba. It draws attention to the extensive work, which has been undertaken, on all permanent status issues like territory, Jerusalem, refugees and security in order to find ways to come to joint positions. At the same time it shows that there are serious gaps and differences between the two sides, which will have to be overcome in future negotiations. From that point of view, the paper reveals the challenging task ahead in terms of policy determination and legal work, but it also shows that both sides have travelled a long way to accommodate the views of the other side and that solutions are possible.

1 Territory

The two sides agreed that in accordance with the UN Security Council Resolution 242, the June 4 1967 lines would be the basis for the borders between Israel and the state of Palestine.

1.1 West Bank

For the first time both sides presented their own maps over the West Bank. The maps served as a basis for the discussion on territory and settlements. The Israeli side presented two maps, and the Palestinian side engaged on this basis. The Palestinian side presented some illustrative maps detailing its understanding of Israeli interests in the West Bank.

The negotiations tackled the various aspects of territory, which could include some of the settlements and how the needs of each party could be accommodated. The Clinton parameters served as a loose basis for the discussion, but differences of interpretations regarding the scope and meaning of the parameters emerged. The Palestinian side stated that it had accepted the Clinton proposals but with reservations.

¹⁴³ As published in *Ha'aretz*, 14 February 2002.

The Israeli side stated that the Clinton proposals provide for annexation of settlement blocs. The Palestinian side did not agree that the parameters included blocs, and did not accept proposals to annex blocs. The Palestinian side stated that blocs would cause significant harm to the Palestinian interests and rights, particularly to the Palestinians residing in areas Israel seeks to annex.

The Israeli side maintained that it is entitled to contiguity between and among their settlements. The Palestinian side stated that Palestinian needs take priority over settlements. The Israeli maps included plans for future development of Israeli settlements in the West Bank. The Palestinian side did not agree to the principle of allowing further development of settlements in the West Bank. Any growth must occur inside Israel.

The Palestinian side maintained that since Israel has needs in Palestinian territory, it is responsible for proposing the necessary border modifications. The Palestinian side reiterated that such proposals must not adversely affect the Palestinian needs and interests.

The Israeli side stated that it did not need to maintain settlements in the Jordan Valley for security purposes, and its proposed maps reflected this position.

The Israeli maps were principally based on a demographic concept of settlements blocs that would incorporate approximately 80 percent of the settlers. The Israeli side sketched a map presenting a 6 percent annexation, the outer limit of the Clinton proposal. The Palestinian illustrative map presented 3.1 percent in the context of a land swap.

Both sides accepted the principle of land swap but the proportionality of the swap remained under discussion. Both sides agreed that Israeli and Palestinian sovereign areas will have respective sovereign contiguity. The Israeli side wished to count "assets" such as Israelis "safe passage/corridor" proposal as being part of the land swap, even though the proposal would not give Palestine sovereignty over these "assets". The Israeli side adhered to a maximum 3 percent land swap as per Clinton proposal.

The Palestinian maps had a similar conceptual point of reference stressing the importance of a non-annexation of any Palestinian villages and the contiguity of the West Bank and Jerusalem. They were predicated on the principle of a land swap that would be equitable in size and value and in areas adjacent to the border with Palestine, and in the same vicinity as the [land] annexed by Israel. The Palestinian side further maintained that land not under Palestinian sovereignty such as the Israeli proposal regarding a "safe passage/corridor" as well as economic interests are not included in the calculation of the swap.

The Palestinian side maintained that the "No-Man's-Land" (Latrun area) is part of the West Bank. The Israelis did not agree. The Israeli side requested an additional 2 percent of land under a lease arrangement to which the Palestinians responded that the subject of lease can only be discussed after the establishment of a Palestinian state and the transfer of land to Palestinian sovereignty.

1.2 Gaza Strip

Neither side presented any maps over the Gaza Strip. It was implied that the Gaza Strip will be under total Palestinian sovereignty, but details have still to be worked out. All settlements will be evacuated. The Palestinian side claimed it could be arranged in 6 months, a timetable not agreed by the Israeli side.

1.3 Safe passage/corridor from Gaza to the West Bank

Both sides agreed that there is going to be a safe passage from the north of Gaza (Beit Hanun) to the Hebron district, and that the West Bank and the Gaza Strip must be territorially linked. The nature of the regime governing the territorial link and sovereignty over it was not agreed.

2 Jerusalem

2.1 Sovereignty

Both sides accepted in principle the Clinton suggestion of having a Palestinian sovereignty over Arab neighborhoods and an Israeli sovereignty over Jewish neighbourhoods. The Palestinian side affirmed that it was ready to discuss Israeli request to have sovereignty over those Jewish settlements in East Jerusalem that were constructed after 1967, but not Jebel Abu Ghneim and Ras al-Amud. The Palestinian side rejected Israeli sovereignty over settlements in the Jerusalem Metropolitan Area, namely of Ma'ale Adumim and Givat Ze'ev. The Palestinian side understood that Israel was ready to accept Palestinian sovereignty over the Arab neighbourhoods of East Jerusalem, including part of Jerusalem's Old City. The Israeli side understood that the Palestinians were ready to accept Israeli sovereignty over the Jewish Quarter of the Old City and part of the American Quarter.

The Palestinian side understood that the Israeli side accepted to discuss Palestinian property claims in West Jerusalem.

2.2 Open City

Both sides favoured the idea of an Open City. The Israeli side suggested the establishment of an open city whose geographical scope encompasses the Old City of Jerusalem plus an area defined as the Holy Basin or Historical

Basin. The Palestinian side was in favour of an open city provided that continuity and contiguity were preserved. The Palestinians rejected the Israeli proposal regarding the geographic scope of an open city and asserted that the open city is only acceptable if its geographical scope encompasses the full municipal borders of both East and West Jerusalem.

The Israeli side raised the idea of establishing a mechanism of daily coordination and different models were suggested for municipal coordination and cooperation (dealing with infrastructure, roads, electricity, sewage, waste removal etc). Such arrangements could be formulated in a future detailed agreement. It proposed a "soft border regime" within Jerusalem between Al-Quds and Yerushalaim that affords them "soft border" privileges. Furthermore the Israeli side proposed a number of special arrangements for Palestinian and Israeli residents of the Open City to guarantee that the Open City arrangement[s] neither adversely affect their daily lives nor compromise each party[‘s] sovereignty over its section of the Open City.

2.3 Capital for two states

The Israeli side accepted that the City of Jerusalem would be the capital of the two states: Yerushalaim, capital of Israel and Al-Quds, capital of the state of Palestine. The Palestinian side expressed its only concern, namely that East Jerusalem is the capital of the state of Palestine.

2.4 Holy/Historical Basin and the Old City

There was an attempt to develop an alternative concept that would relate to the Old City and its surroundings, and the Israeli side put forward several alternative models for discussion, for example, setting up a mechanism for close coordination and cooperation in the Old City. The idea of a special police force regime was discussed but not agreed upon.

The Israeli side expressed its interest and raised its concern regarding the area conceptualised as the Holy Basin (which includes the Jewish Cemetery on the Mount of Olives, the City of David and Kivron Valley). The Palestinian side confirmed that it was willing to take into account Israeli interests and concerns provided that these places remain under Palestinian sovereignty. Another option for the Holy Basin, suggested informally by the Israeli side, was to create a special regime or to suggest some form of internationalisation for the entire area or a joint regime with special cooperation and coordination. The Palestinian side did not agree to pursue any of these ideas, although the discussion could continue.

2.5 Holy Sites: Western Wall and the Wailing Wall

Both parties have accepted the principle of respective control over each side's respective holy sites (religious control and management). According to this

principle, Israel's sovereignty over the Western Wall would be recognised although there remained a dispute regarding the delineation of the area covered by the Western Wall and especially the link to what is referred to in Clinton's ideas as the space sacred to Judaism of which it is part.

The Palestinian side acknowledged that Israel has requested to establish an affiliation to the holy parts of the Western Wall, but maintained that the question of the Wailing Wall and/or Western Wall has not been resolved. It maintained the importance of distinguishing between the Western Wall and the Wailing Wall segment thereof, recognized in the Islamic faith as the Buraq Wall.

2.6 Haram al-Sharif/Temple Mount

Both sides agreed that the question of Haram al-Sharif/Temple Mount has not been resolved. However, both sides were close to accepting Clinton's ideas regarding Palestinian sovereignty over Haram al-Sharif notwithstanding Palestinian and Israeli reservations.

Both sides noted progress on practical arrangements regarding evacuations, building and public order in the area of the compound. An informal suggestion was raised that for an agreed period such as three years, Haram al-Sharif/Temple Mount would be under international sovereignty of the P5 plus Morocco (or other Islamic presence), whereby the Palestinians would be the "Guardian/Custodians" during this period. At the end of this period, either the parties would agree on a new solution or agree to extend the existing arrangement. In the absence of an agreement, the parties would return to implement the Clinton formulation. Neither party accepted or rejected the suggestion.

3 Refugees

Non-papers were exchanged, which were regarded as a good basis for the talks. Both sides stated that the issue of the Palestinian refugees is central to the Israeli-Palestinian relations and that a comprehensive and just solution is essential to creating a lasting and morally scrupulous peace.

Both sides agreed to adopt the principles and references which could facilitate the adoption of an agreement. Both sides suggested, as a basis, that the parties should agree that a just settlement of the refugee problem in accordance with the UN Security Council Resolution 242 must lead to the implementation of UN General Assembly Resolution 194.

3.1 Narrative

The Israeli side put forward a suggested joint narrative for the tragedy of the Palestinian refugees. The Palestinian side discussed the proposed narrative

and there was much progress, although no agreement was reached in an attempt to develop an historical narrative in the general text.

3.2 Return, repatriation and relocation and rehabilitation

Both sides engaged in a discussion of the practicalities of resolving the refugee issue. The Palestinian side reiterated that the Palestinian refugees should have the right of return to their homes in accordance with the interpretation of UNGAR 194. The Israeli side expressed its understanding that the wish to return as per wording of UNGAR 194 shall be implemented within the framework of one of the following programs:

- A. Return and repatriation
 - 1. to Israel
 - 2. to Israel swapped territory
 - 3. to the Palestine state.
- B. Rehabilitation and relocation
 - 4. Rehabilitation in host country.
 - 5. Relocation to third country.

Preference in all these programs shall be accorded to the Palestinian refugee population in Lebanon.

The Palestinian side stressed that the above shall be subject to the individual free choice of the refugees, and shall not prejudice their right to their homes in accordance with its interpretation of UNGAR 194. The Israeli side, informally, suggested a three-track 15-year absorption program, which was discussed but not agreed upon. The first track referred to the absorption to Israel. No numbers were agreed upon, but with a non-paper referring to 25,000 in the first three years of this program (40,000 in the first five years of this program did not appear in the non paper but was raised verbally). The second track referred to the absorption of Palestinian refugees into the Israeli territory, that shall be transferred to Palestinian sovereignty, and the third track referring to the absorption of refugees in the context of family reunification scheme. The Palestinian side did not present a number, but stated that the negotiations could not start without an Israeli opening position. It maintained that Israel's acceptance of the return of refugees should not prejudice existing programs within Israel such as family reunification.

3.3 Compensation

Both sides agreed to the establishment of an International Commission and an International Fund as a mechanism for dealing with compensation in all its aspects. Both sides agreed that "small-sum" compensation shall be paid to the refugees in the "fast-track" procedure, claims of compensation for

property losses below certain amount shall be subject to "fast-track" procedures.

There was also progress on Israeli compensation for material losses, land and assets expropriated, including agreement on a payment from an Israeli lump sum or proper amount to be agreed upon that would feed into the International Fund. According to the Israeli side the calculation of this payment would be based on a macro-economic survey to evaluate the assets in order to reach a fair value. The Palestinian side, however, said that this sum would be calculated on the records of the UNCCP, the Custodian for Absentee Property and other relevant data with a multiplier to reach a fair value.

3.4 UNRWA

Both sides agreed that UNRWA should be phased out in accordance with an agreed timetable of five years, as a targeted period. The Palestinian side added a possible adjustment of that period to make sure that this will be subject to the implementation of the other aspects of the agreement dealing with refugees, and with termination of Palestinian refugee status in the various locations.

3.5 Former Jewish refugees

The Israeli side requested that the issue of compensation to former Jewish refugees from Arab countries be recognised, while accepting that it was not a Palestinian responsibility or a bilateral issue. The Palestinian side maintained that this is not a subject for a bilateral Palestinian-Israeli agreement.

3.6 Restitution

The Palestinian side raised the issue of restitution of refugee property. The Israeli side rejected this.

3.7 End of claims

The issue of the end of claims was discussed, and it was suggested that the implementation of the agreement shall constitute a complete and final implementation of UNGAR 194 and therefore ends all claims.

4 Security

4.1 Early warning stations

The Israeli side requested to have 3 early warning stations on Palestinian territory. The Palestinian side was prepared to accept the continued operations of early warning stations but subject to certain conditions. The exact mechanism has therefore to be detailed in further negotiations.

4.2 Military capability of the state of Palestine

The Israeli side maintained that the state of Palestine would be non-militarised as per the Clinton proposals. The Palestinian side was prepared to accept limitation on its acquisition of arms, and be defined as a state with limited arms. The two sides have not yet agreed on the scope of arms limitations, but have begun exploring different options. Both sides agree that this issue has not been concluded.

4.3 Air space control

The two sides recognised that the state of Palestine would have sovereignty over its airspace. The Israeli side agreed to accept and honour all Palestine civil aviation rights according to international regulations, but sought a unified air control system under overriding Israel control. In addition, Israel requested access to Palestinian airspace for military operations and training.

The Palestinian side was interested in exploring models for broad cooperation and coordination in the civil aviation sphere, but unwilling to cede overriding control to Israel. As for Israeli military operations and training in Palestinian airspace, the Palestinian side rejected this request as inconsistent with the neutrality of the state of Palestine, saying that it cannot grant Israel these privileges while denying them to its Arab neighbours.

4.4 Time table for withdrawal from the West Bank and Jordan Valley

Based on the Clinton proposal, the Israeli side agreed to a withdrawal from the West Bank over a 36-month period with an additional 36 months for the Jordan Valley in conjunction with an international force, maintaining that a distinction should be made between withdrawal in the Jordan Valley and elsewhere.

The Palestinian side rejected a 36-month withdrawal process from the West Bank expressing concern that a lengthy process would exacerbate Palestinian-Israeli tensions. The Palestinian side proposed an 18 months withdrawal under the supervision of international forces. As to the Jordan Valley the Palestinian side was prepared to consider the withdrawal of Israeli armed forces for an additional 10-month period. Although the Palestinian side was ready to consider the presence of international forces in the West Bank for a longer period, it refused to accept the ongoing presence of Israeli forces.

4.5 Emergency deployment (or emergency locations)

The Israeli side requested to maintain and operate five emergency locations on Palestinian territory (in the Jordan Valley) with the Palestinian response allowing for maximum of two emergency locations conditional on a time limit for the dismantling. In addition, the Palestinian side considered that

these two emergency locations be run by international presence and not by the Israelis. Informally, the Israeli side expressed willingness to explore ways that a multinational presence could provide a vehicle for addressing the parties' respective concerns.

The Palestinian side declined to agree to the deployment of Israeli armed forces on Palestinian territory during emergency situations, but was prepared to consider ways in which international forces might be used in that capacity, particularly within the context of regional security cooperation efforts.

4.6 Security cooperation and fighting terror

Both sides were prepared to commit themselves to promoting security cooperation and fighting terror.

4.7 Borders and international crossings

The Palestinian side was confident that Palestinian sovereignty over borders and international crossing points would be recognised in the agreement. The two sides had, however, not yet resolved this issue including the question of monitoring and verification at Palestine's international borders (Israeli or international presence).

4.8 Electromagnetic sphere

The Israeli side recognised that the state of Palestine would have sovereignty over the electromagnetic sphere, and acknowledged that it would not seek to constrain Palestinian commercial use of the sphere, but sought control over it for security purposes. The Palestinian side sought full sovereign rights over the electromagnetic sphere, but was prepared to accommodate reasonable Israeli needs within a cooperative framework in accordance with international rules and regulations.

ANNEX E

REPORT OF THE SHARM EL-SHEIKH FACT-FINDING COMMITTEE (MITCHELL REPORT), 30 APRIL 2001

Suleyman Demirel
Thorbjørn Jagland
Warren B. Rudman
Javier Solana
George J. Mitchell, Chairman

[Extract - summary of recommendations]

The Government of Israel (GOI) and the Palestinian Authority (PA) must act swiftly and decisively to halt the violence. Their immediate objectives then should be to rebuild confidence and resume negotiations.

During this mission our aim has been to fulfil the mandate agreed at Sharm el-Sheikh. We value the support given our work by the participants at the summit, and we commend the parties for their cooperation. Our principal recommendation is that they recommit themselves to the Sharm el-Sheikh spirit and that they implement the decisions made there in 1999 and 2000. We believe that the summit participants will support bold action by the parties to achieve these objectives.

The restoration of trust is essential, and the parties should take affirmative steps to this end. Given the high level of hostility and mistrust, the timing and sequence of these steps are obviously crucial. This can be decided only by the parties. We urge them to begin the process of decision immediately.

Accordingly, we recommend that steps be taken to:

End the violence. The GOI and the PA should reaffirm their commitment to existing agreements and undertakings and should immediately implement an unconditional cessation of violence.

- The GOI and PA should immediately resume security cooperation.

Rebuild confidence

- The PA and GOI should work together to establish a meaningful "cooling off period" and implement additional confidence building measures, some of which were detailed in the October 2000 Sharm el-Sheikh Statement and some of which were offered by the U.S. on January 7, 2001 in Cairo (see Recommendations section for further description).
- The PA and GOI should resume their efforts to identify, condemn and discourage incitement in all its forms.

- The PA should make clear through concrete action to Palestinians and Israelis alike that terrorism is reprehensible and unacceptable, and that the PA will make a 100 percent effort to prevent terrorist operations and to punish perpetrators. This effort should include immediate steps to apprehend and incarcerate terrorists operating within the PA's jurisdiction.
- The GOI should freeze all settlement activity, including the "natural growth" of existing settlements.
- The GOI should ensure that the IDF adopt and enforce policies and procedures encouraging non-lethal responses to unarmed demonstrators, with a view to minimising casualties and friction between the two communities.
- The PA should prevent gunmen from using Palestinian populated areas to fire upon Israeli populated areas and IDF positions. This tactic places civilians on both sides at unnecessary risk.
- The GOI should lift closures, transfer to the PA all tax revenues owed, and permit Palestinians who had been employed in Israel to return to their jobs; and should ensure that security forces and settlers refrain from the destruction of homes and roads, as well as trees and other agricultural property in Palestinian areas. We acknowledge the GOI's position that actions of this nature have been taken for security reasons. Nevertheless, the economic effects will persist for years.
- The PA should renew cooperation with Israeli security agencies to ensure, to the maximum extent possible, that Palestinian workers employed within Israel are fully vetted and free of connections to organisations and individuals engaged in terrorism.
- The PA and GOI should consider a joint undertaking to preserve and protect holy places sacred to the traditions of Jews, Muslims, and Christians.
- The GOI and PA should jointly endorse and support the work of Palestinian and Israeli non- governmental organisations involved in cross-community initiatives linking the two peoples.

ANNEX F

THE TENET PLAN FOR SECURITY COOPERATION BETWEEN ISRAEL AND THE PALESTINIAN AUTHORITY

13 JUNE 2001

The security organisations of the Government of Israel (GOI) and of the Palestinian Authority (PA) reaffirm their commitment to the security agreements forged at Sharm el-Sheikh in October 2000, embedded in the Mitchell Report of April 2001.

The operational premise of the work plan is that the two sides are committed to a mutual, comprehensive cease-fire, applying to all violent activities, in accordance with the public declaration of both leaders. In addition, the joint security committee referenced in this work plan will resolve issues that may arise during the implementation of this work plan.

The security organisations of the GOI and PA agree to initiate the following specific, concrete, and realistic security steps immediately to re-establish security cooperation and the situation on the ground that existed prior to 28 September.

1. The GOI and the PA will immediately resume security cooperation.

A senior-level meeting of Israeli, Palestinian, and U.S. security officials will be held immediately and will reconvene at least once a week, with mandatory participation by designated senior officials.

Israeli-Palestinian District Coordination Offices (DCOs) will be reinvigorated. They will carry out their daily activities, to the maximum extent possible, according to the standards established prior to September 28, 2000. As soon as the security situation permits, barriers to effective cooperation - which include the erection of walls between the Israeli and Palestinian sides - will be eliminated and joint Israeli-Palestinian patrols will be reinitiated.

U.S.-supplied video conferencing systems will be provided to senior-level Israeli and Palestinian officials to facilitate frequent dialogue and security cooperation.

2. Both sides will take immediate measures to enforce strict adherence to the declared cease-fire and to stabilise the security environment.

Specific procedures will be developed by the senior-level security committee to ensure the secure movement of GOI and PA security personnel travelling in areas outside their respective control, in accordance with existing agreements.

Israel will not conduct attacks of any kind against the Palestinian Authority Ra'is facilities: the headquarters of Palestinian security, intelligence, and police organisation; or prisons in the West Bank and Gaza.

The PA will move immediately to apprehend, question, and incarcerate terrorists in the West Bank and Gaza and will provide the security committee the names of those arrested as soon as they are apprehended, as well as a readout of actions taken.

Israel will release all Palestinians arrested in security sweeps who have no association with terrorist activities.

In keeping with its unilateral cease-fire declaration, the PA will stop any Palestinian security officials from inciting, aiding, abetting, or conducting attacks against Israeli targets, including settlers.

In keeping with Israel's unilateral cease-fire declaration, Israeli forces will not conduct "proactive" security operations in areas under the control of the PA or attack innocent civilian targets.

The GOI will re-institute military police investigations into Palestinian deaths resulting from Israel Defense Forces actions in the West Bank and Gaza in incidents not involving terrorism.

3. Palestinian and Israeli security officials will use the security committee to provide each other, as well as designated U.S. officials, information on terrorist threats, including information on known or suspected terrorist operation in - or moving to - areas under the other's control.

Legitimate terrorist and terror threat information will be acted upon immediately, with follow-up actions and results reported to the security committee.

The PA will undertake pre-emptive operations against terrorists, terrorist safe houses, arms depots, and mortar factories. The PA will provide regular progress reports of these actions to the security committee.

Israeli authorities will take action against Israeli citizens inciting, carrying out, or planning to carry out violence against Palestinians, with progress reports on these activities provided to the security committee.

4. The PA and GOI will move aggressively to prevent individuals and groups from using areas under their respective control to carry out acts of violence. In addition, both sides will take steps to ensure that areas under their control will not be used to launch attacks against the other side or be used as refuge after attacks are staged.

The security committee will identify key flash points, and each side will inform the other of the names of senior security personnel responsible for each flash point.

Joint Standard Operating Procedures (SOPs) will be developed for each flash point. These SOPs will address how the two sides handle and respond to security incidents; the mechanisms for emergency contact; and the procedures to de-escalate security crises.

Palestinian and Israeli security officials will identify and agree to the practical measures needed to enforce "no demonstration zones" and "buffer zones" around flash points to reduce opportunities for confrontation. Both sides will adopt all necessary measures to prevent riots and to control demonstration, particularly in flash-point areas.

Palestinian and Israeli security officials will make a concerted effort to locate and confiscate illegal weapons, including mortars, rockets, and explosives, in areas under their respective control. In addition, intensive efforts will be made to prevent smuggling and illegal production of weapons. Each side will inform the security committee of the status and success of these efforts.

The Israeli Defense Forces (IDF) will adopt additional non-lethal measures to deal with Palestinian crowds and demonstrators, and more generally, seek to minimise the danger to lives and property of Palestinian civilians in responding to violence.

5. The GOI and the PA, through the auspices of the senior-level security committee, will forge - within one week of the commencement of security committee meetings and resumption of security cooperation - an agreed-upon schedule to implement the complete redeployment of IDF forces to positions held before September 28, 2000.

Demonstrable on-the-ground redeployment will be initiated within the first 48 hours of this one-week period and will continue while the schedule is being forged.

6. Within one week of the commencement of security committee meetings and resumption of security cooperation, a specific timeline will be developed for the lifting of internal closures as well as for the reopening of internal roads, the Allenby Bridge, Gaza Airport, the Port of Gaza, and border crossings. Security checkpoints will be minimised according to legitimate security requirements and following consultation between the two sides.

Demonstrable on-the-ground actions on the lifting of the closures will be initiated within the first 48 hours of this one-week period and will continue while the timeline is being developed.

The parties pledge that even if untoward events occur, security cooperation will continue through the joint security committee.

ANNEX G
THE PALESTINIAN VISION OF PEACE
BY YASSER ARAFAT
3 FEBRUARY 2002¹⁴⁴

For the past 16 months, Israelis and Palestinians have been locked in a catastrophic cycle of violence, a cycle which only promises more bloodshed and fear. The cycle has led many to conclude that peace is impossible, a myth borne out of the ignorance of the Palestinian position. Now is the time for the Palestinians to state clearly, and for the world to hear clearly, the Palestinian vision.

But first, let me be very clear. I condemn the attacks carried out by terrorist groups against Israeli civilians. These groups do not represent the Palestinian people or their legitimate aspirations for freedom. They are terrorist organisations and I am determined to put an end to their activities.

The Palestinian vision of peace is an independent and viable Palestinian state on the territories occupied by Israel in 1967, living as an equal neighbour alongside Israel with peace and security for both the Israeli and Palestinian peoples. In 1988, the Palestine National Council adopted a historic resolution calling for the implementation of applicable United Nations resolutions, particularly, Resolutions 242 and 338. The Palestinians recognized Israel's right to exist on 78 percent of historic Palestine with the understanding that we would be allowed to live in freedom on the remaining 22 percent under Israeli occupation since 1967. Our commitment to that two state solution remains unchanged, but unfortunately, also remains unreciprocated.

We seek true independence and full sovereignty: The right to control our own airspace, water resources and borders; the right to develop our own economy, to have normal commercial relations with our neighbours, and to travel freely. In short, we seek only what the free world now enjoys and only what Israel insists on for itself: the right to control our own destiny and to take our place among free nations.

In addition, we seek a fair and just solution to the plight of Palestinian refugees who for 54 years have not been permitted to return to their homes. We understand Israel's demographic concerns and understand that the right of return of Palestinian refugees, a right guaranteed under international law and United Nations Resolution 194, must be implemented in a way that takes into account such concerns. However, just as we Palestinians must be realistic with respect to Israel's demographic desires, Israelis too must be realistic in understanding that there can be no solution to the Israeli-

¹⁴⁴ As published in *The New York Times*, 3 February 2002.

Palestinian conflict if the legitimate rights of these innocent civilians continue to be ignored. Left unresolved, the refugee issue has the potential to undermine any permanent peace agreement between Palestinians and Israelis. How is a Palestinian refugee to understand that his or her right of return will not be honoured but those of Kosovar Albanians, Afghans and East Timorese have been?

There are those who claim that I am not a partner in peace. In response, I say Israel's peace partner is, and always has been, the Palestinian people. Peace is not a signed agreement between individuals - it is reconciliation between peoples. Two peoples cannot reconcile when one demands control over the other, when one refuses to treat the other as a partner in peace, when one uses the logic of power rather than the power of logic. Israel has yet to understand that it cannot have peace while denying justice. As long as the occupation of Palestinian lands continues, as long as Palestinians are denied freedom, then the path to the "peace of the brave" that I embarked upon with my late partner Yitzhak Rabin, will be littered with obstacles.

The Palestinian people have been denied their freedom for far too long and are the only people in the world still living under foreign occupation. How is it possible that the entire world can tolerate this oppression, discrimination and humiliation? The 1993 Oslo Accord, signed on the White House lawn, promised the Palestinians freedom by May 1999.

Instead, since 1993, the Palestinian people endured a doubling of Israeli settlers, expansion of illegal Israeli settlements on Palestinian land and increased restrictions on freedom of movement. How do I convince my people that Israel is serious about peace while over the past decade, Israel intensified the colonisation of Palestinian land from which it was ostensibly negotiating a withdrawal?

But no degree of oppression and no level of desperation can ever justify the killing of innocent civilians. I condemn terrorism. I condemn the killing of innocent civilians, whether they are Israeli, American or Palestinian, whether they are killed by Palestinian extremists, Israeli settlers, or by the Israeli government. But condemnations do not stop terrorism. To stop terrorism, we must understand that terrorism is simply the symptom, not the disease.

The personal attacks on me currently in vogue may be highly effective in giving Israelis an excuse to ignore their own role in creating the current situation. But these attacks do little to move the peace process forward and, in fact, are not designed to. Many believe that Ariel Sharon, Israel's prime minister, given his opposition to every peace treaty Israel has ever signed, is fanning the flames of unrest in an effort to delay indefinitely a return to negotiations. Regrettably, he has done little to prove them wrong. Israeli government practices of settlement construction, home demolitions, political assassinations, closures and shameful silence in the face of Israeli settler

violence and other daily humiliations are clearly not aimed at calming the situation.

The Palestinians have a vision of peace: it is a peace based on the complete end of the occupation and a return to Israel's 1967 borders, the sharing of all Jerusalem as one open city and as the capital of two states, Palestine and Israel. It is a warm peace between two equals enjoying mutually beneficial economic and social cooperation. Despite the brutal repression of Palestinians over the last four decades, I believe when Israel sees Palestinians as equals, and not as a subjugated people upon whom it can impose its will, such a vision can come true. Indeed it must.

Palestinians are ready to end the conflict. We are ready to sit down now with any Israeli leader, regardless of his history, to negotiate freedom for the Palestinians, a complete end of the occupation, security for Israel and creative solutions to the plight of the refugees while respecting Israel's demographic concerns. But we will only sit down as equals, not as supplicants; as partners, not as subjects; as seekers of a just and peaceful solution, not as a defeated nation grateful for whatever scraps are thrown our way. For despite Israel's overwhelming military advantage, we possess something even greater: the power of justice.

Ramallah

ANNEX H

THE ARAB PEACE INITIATIVE

DECLARATION OF THE ARAB LEAGUE, BEIRUT, 28 MARCH 2002

The Council of Arab States at the Summit Level at its 14th Ordinary Session, Reaffirming the resolution taken in June 1996 at the Cairo Extra-Ordinary Arab Summit that a just and comprehensive peace in the Middle East is the strategic option of the Arab countries, to be achieved in accordance with international legality, and which would require a comparable commitment on the part of the Israeli government,

Having listened to the statement made by his royal highness Prince Abdullah bin Abdul Aziz, crown prince of the Kingdom of Saudi Arabia, in which his highness presented his initiative calling for full Israeli withdrawal from all the Arab territories occupied since June 1967, in implementation of Security Council Resolutions 242 and 338, reaffirmed by the Madrid Conference of 1991 and the land-for-peace principle, and Israel's acceptance of an independent Palestinian state with East Jerusalem as its capital, in return for the establishment of normal relations in the context of a comprehensive peace with Israel,

Emanating from the conviction of the Arab countries that a military solution to the conflict will not achieve peace or provide security for the parties, the council:

1. Requests Israel to reconsider its policies and declare that a just peace is its strategic option as well.
2. Further calls upon Israel to affirm:
 - I- Full Israeli withdrawal from all the territories occupied since 1967, including the Syrian Golan Heights, to the June 4, 1967 lines as well as the remaining occupied Lebanese territories in the south of Lebanon.
 - II- Achievement of a just solution to the Palestinian refugee problem to be agreed upon in accordance with UN General Assembly Resolution 194.
 - III- The acceptance of the establishment of a sovereign independent Palestinian state on the Palestinian territories occupied since June 4, 1967 in the West Bank and Gaza Strip, with East Jerusalem as its capital.
3. Consequently, the Arab countries affirm the following:
 - I- Consider the Arab-Israeli conflict ended, and enter into a peace agreement with Israel, and provide security for all the states of the region.

- II- Establish normal relations with Israel in the context of this comprehensive peace.
4. Assures the rejection of all forms of Palestinian patriation which conflict with the special circumstances of the Arab host countries.
 5. Calls upon the government of Israel and all Israelis to accept this initiative in order to safeguard the prospects for peace and stop the further shedding of blood, enabling the Arab countries and Israel to live in peace and good neighbourliness and provide future generations with security, stability and prosperity.
 6. Invites the international community and all countries and organisations to support this initiative.
 7. Requests the chairman of the summit to form a special committee composed of some of its concerned member states and the secretary general of the League of Arab States to pursue the necessary contacts to gain support for this initiative at all levels, particularly from the United Nations, the Security Council, the United States of America, the Russian Federation, the Muslim states and the European Union.

ANNEX I
THE WAY FORWARD IN THE MIDDLE EAST
BY ARIEL SHARON

9 JUNE 2002¹⁴⁵

Thirty-five years ago, on June 5, 1967, the start of the Six Day War, Israel faced a threat to its very existence as a coalition of Arab armies massed their troops along the fragile armistice lines that had separated Arab and Israel forces since 1949. Along the hills of the West Bank, which had been occupied by the Jordanians, armoured and infantry units were developed, ready to cut Israel's narrow coastal plain, which was only eight miles wide at Netanya. A third of the Iraqi army was crossing Jordanian territory, ready to join the coalition against Israel. The declared goal of the attack was Israel's elimination.

Israel entered the West Bank only after its cities and airports had come under heavy fire. Israeli actions were legal – resulting from a clear-cut war of self-defence. For that reason, the United Nations Security Council determined in a historic decision, Resolution 242, that Israel was entitled to “secure and recognized boundaries” and was not expected to withdraw from all territories that its forced had entered – and from which it was attacked – in the Six day War. In effect, the resolution established that these were disputed territories where Israel had legitimate rights to defensible borders, besides the claims of the Arab parties to the conflict.

Under resolution 242, which became a cornerstone of peacemaking, Israel withdrew from Sinai Peninsula in accordance with Egypt. It was under the principles of Resolution 242 that Israel attended the 1991 Madrid peace conference where President George H.W Bush spoke about a “territorial compromise” between the parties. And again in line with Resolution 242, Israel, operating under the 1993 Oslo agreement; withdrew its military government over the Palestinian population so that by 1999, 98 percent of the Palestinians in the West Bank and Gaza were under Palestinian rule.

Nonetheless, the Palestinian leadership decided to initiate the current war against Israel after the failure of Camp David summit in July 2000. Rather than resolve the Israeli-Palestinian difference peacefully, it deliberately promoted a wave of terrorist attacks against the people of Israel. It failed to implement its written obligations to dismantle international terrorist like Hamas and Islamic Jihad. Instead it provided them with sanctuary in the area under its jurisdiction. It also unleashed some of its most loyal forces, like the Tanzim militia of the Fatah movement and the presidential guard, Force 17, against Israeli civilians. Finally, Yasser Arafat's personal financial advisor,

¹⁴⁵ As published in *The New York Times*, 9 June 2002.

Fuad Shubaki, not only paid for many of these attacks, but also organised a consortium of Middle Eastern terrorism built on the Palestinian Authority, Iraq and Iran.

Despite this situation, there is a way forward. First, Israel must defeat terrorism. It cannot negotiate under fire. Israel has made painful concessions for peace before and will demonstrate diplomatic flexibility to make peace again, but it requires first and foremost a reliable partner for peace. In 1977, when Egyptian president Anwar el-Sadat came to Jerusalem, he told the people of Israel, "No more wars". From that point onward, the threat of violence was removed from the Egyptian-Israeli relationship as both negotiated their 1979 Treaty of Peace. King Hussein of Jordan followed the same pattern in 1994. This elementary commitment to permanently renouncing violence in the resolution of political differences had unfortunately not been kept by the present Palestinian leadership.

Second, when Israel and the Palestinians eventually re-engage in negotiations; diplomacy must be based on realism. The race to a permanent-status agreement at Camp David and in talks at Taba, Egypt, in January 2001 failed because the gaps between the parties were too wide. The only serious option for a successful negotiated settlement is one based on a long-term interim agreement that sets aside for the future issues that cannot be bridged at present.

In the nearly two years of the Palestinian intifada, the people of Israel have seen Israel's vulnerabilities exploited, its holy sites desecrated and massive weaponry smuggled and used against Israel's cities. For this reason, Israel will not return to the vulnerable 1967 armistice lines, re-divide Jerusalem or concede its right to defensible borders under Resolution 242. Movement from a long-term interim agreement can only be guided by changes in the reality of Israeli-Palestinian relations on the ground and not by a rigid timetable.

Finally, in order to reach a stable peace there has to be a regional scope of to diplomacy. In the Six Day War, Israel faced a coalition of Arab states. It is logical that Israel cannot reach a permanent peace with the Palestinians in isolation. Israel needs to peace with the entire Arab world. For this reason, Israel has proposed a regional peace conference of like-minded Middle Eastern states that reject terrorism and seek to enhance regional stability. The idea of this conference is based on the principle that eradicating terrorism will set the stage for peacemaking, and not the reverse.

A little over a decade ago, the American victory in the Persian Gulf war established the necessary conditions for convening the Madrid peace conference. It was proved then that security is the prerequisite of peace. Similarly, a victory in the war on terrorism today will provide a new diplomatic basis for a stable Middle East peace.

ANNEX J

PALESTINIAN VISION FOR THE OUTCOME OF THE PERMANENT STATUS NEGOTIATIONS BASED ON THE ARAB PEACE PLAN

(PALESTINIAN ‘NON-PAPER’), 12 JUNE 2002

At this critical time when the international community is seeking to formulate a comprehensive policy regarding the Middle East, the Palestinian Authority (“PA”) believes that it is important to convey the Palestinian vision for ending the Palestinian-Israeli conflict. This vision is based on the Arab initiative declared by the Crown Prince of Saudi Arabia and adopted unanimously by the Arab summit in Beirut. While many creative and constructive ideas regarding ending the current crisis are being presented, we believe that these ideas will not succeed if they are not accompanied by a clear political horizon that will rekindle hope in a permanent peace based on a negotiated solution.

The Palestinian clarifications described below had been discussed with our Arab friends, in particular Saudi Arabia, Egypt, and Jordan, all of whom share our opinion regarding the centrality of a vision of peace to the success of any efforts.

The Arab Peace Initiative of March 2002 forms our basic terms of reference. This initiative along with the vision of President Bush, Secretary of State Colin Powell’s speech of November 2001, and UN Security Council Resolutions 242, 338, and 1397, are the bases of the Palestinian vision for a permanent status agreement between Palestine and Israel. According to these bases, the following are the main elements of our vision:

- The borders between the state of Palestine and the state of Israel will be the June 4 1967 Armistice Line, though the two sides may agree to minor, reciprocal, and equal boundary rectifications that do not affect, among other things, territorial contiguity. The Palestinian and Israeli sides shall have no territorial claims beyond the June 4, 1967 borders. These borders will be the permanent boundaries between the two states.
- There will be a permanent territorial corridor established between the West Bank and the Gaza Strip sections of the state of Palestine.
- East Jerusalem will become the capital of the state of Palestine and West Jerusalem will become the capital of the State of Israel.
- Jerusalem, which is venerated by the three monotheistic religions, will remain open to all peoples.

- The Palestinian side will transfer sovereignty over the Jewish Quarter and the Wailing Wall section of the Western Wall in East Jerusalem to Israel, while retaining sovereignty over the remainder of the Old City.
- Palestine and Israel will establish security cooperation arrangements that preserve the integrity and sovereignty of each state. International forces will play a central role in these arrangements. In addition, the two sides will strive to establish a regional security regime.
- Neither Palestine nor Israel will participate in military alliances against each other, or allow their territory to be used as a military base of operation against each other or against other neighbours. No foreign troops may be stationed in the territory of either state unless otherwise specified in the permanent status agreement or subsequently agreed to by the two parties. Palestine and Israel's respective sovereignty and independence will be guaranteed by formal agreements with members of the international community.
- In accordance with the Arab Peace Initiative of March 2002, there will be a just and *agreed* solution to the Palestinian refugee problem based on UN General Assembly Resolution 194.
- The issue of water will be resolved in a just and equitable manner in accordance with international treaties and norms.
- Palestine and Israel will be democratic states with free market economies.
- The comprehensive permanent status agreement will mark the end of conflict between Palestine and Israel, and its complete implementation will mark the end of claims between them.

Naturally the realisation of this vision requires a parallel process that will create concrete and positive developments on the ground. These will require a policy of de-escalation, de-occupation, ensuring the protection of Palestinian and Israeli peoples in accordance with the rule of law, and the gradual introduction of attributes of sovereignty to buttress and prepare the ground for a permanent status agreement.

There should be a fixed timeline for this process with guaranteed diplomatic involvement in order to ensure that the process does not stall. Part of preparing for eventual Palestinian statehood requires internal Palestinian restructuring, which we have already embarked on in the political, financial, and security fields. In the security realm, the ideas suggested by CIA Director George Tenet will be the basis for our efforts.

ANNEX K
PRESIDENT BUSH'S MIDDLE EAST ADDRESS
24 JUNE 2002

For too long, the citizens of the Middle East have lived in the midst of death and fear. The hatred of a few holds the hopes of many hostage. The forces of extremism and terror are attempting to kill progress and peace by killing the innocent. And this casts a dark shadow over an entire region. For the sake of all humanity, things must change in the Middle East.

It is untenable for Israeli citizens to live in terror. It is untenable for Palestinians to live in squalor and occupation. And the current situation offers no prospect that life will improve. Israeli citizens will continue to be victimised by terrorists, and so Israel will continue to defend herself.

In the situation the Palestinian people will grow more and more miserable. My vision is two states, living side by side in peace and security. There is simply no way to achieve that peace until all parties fight terror. Yet, at this critical moment, if all parties will break with the past and set out on a new path, we can overcome the darkness with the light of hope. Peace requires a new and different Palestinian leadership, so that a Palestinian state can be born.

I call on the Palestinian people to elect new leaders, leaders not compromised by terror. I call upon them to build a practising democracy, based on tolerance and liberty. If the Palestinian people actively pursue these goals, America and the world will actively support their efforts. If the Palestinian people meet these goals, they will be able to reach agreement with Israel and Egypt and Jordan on security and other arrangements for independence.

And when the Palestinian people have new leaders, new institutions and new security arrangements with their neighbours, the United States of America will support the creation of a Palestinian state whose borders and certain aspects of its sovereignty will be provisional until resolved as part of a final settlement in the Middle East.

In the work ahead, we all have responsibilities. The Palestinian people are gifted and capable, and I am confident they can achieve a new birth for their nation. A Palestinian state will never be created by terror -- it will be built through reform. And reform must be more than cosmetic change, or veiled attempt to preserve the status quo. True reform will require entirely new political and economic institutions, based on democracy, market economics and action against terrorism.

Today, the elected Palestinian legislature has no authority, and power is concentrated in the hands of an unaccountable few. A Palestinian state can

only serve its citizens with a new constitution which separates the powers of government. The Palestinian parliament should have the full authority of a legislative body. Local officials and government ministers need authority of their own and the independence to govern effectively.

The United States, along with the European Union and Arab states, will work with Palestinian leaders to create a new constitutional framework, and a working democracy for the Palestinian people. And the United States, along with others in the international community will help the Palestinians organise and monitor fair, multi-party local elections by the end of the year, with national elections to follow.

Today, the Palestinian people live in economic stagnation, made worse by official corruption. A Palestinian state will require a vibrant economy, where honest enterprise is encouraged by honest government. The United States, the international donor community and the World Bank stand ready to work with Palestinians on a major project of economic reform and development. The United States, the EU, the World Bank, the International Monetary Fund are willing to oversee reforms in Palestinian finances, encouraging transparency and independent auditing.

And the United States, along with our partners in the developed world, will increase our humanitarian assistance to relieve Palestinian suffering. Today, the Palestinian people lack effective courts of law and have no means to defend and vindicate their rights. A Palestinian state will require a system of reliable justice to punish those who prey on the innocent. The United States and members of the international community stand ready to work with Palestinian leaders to establish finance – establish finance and monitor a truly independent judiciary.

Today, Palestinian authorities are encouraging, not opposing, terrorism. This is unacceptable. And the United States will not support the establishment of a Palestinian state until its leaders engage in a sustained fight against the terrorists and dismantle their infrastructure. This will require an externally supervised effort to rebuild and reform the Palestinian security services. The security system must have clear lines of authority and accountability and a unified chain of command.

America is pursuing this reform along with key regional states. The world is prepared to help, yet ultimately these steps toward statehood depend on the Palestinian people and their leaders. If they energetically take the path of reform, the rewards can come quickly. If Palestinians embrace democracy, confront corruption and firmly reject terror, they can count on American support for the creation of a provisional state of Palestine.

With a dedicated effort, this state could rise rapidly, as it comes to terms with Israel, Egypt and Jordan on practical issues, such as security. The final borders, the capital and other aspects of this state's sovereignty will be

negotiated between the parties, as part of a final settlement. Arab states have offered their help in this process, and their help is needed.

I've said in the past that nations are either with us or against us in the war on terror. To be counted on the side of peace, nations must act. Every leader actually committed to peace will end incitement to violence in official media, and publicly denounce homicide bombings. Every nation actually committed to peace will stop the flow of money, equipment and recruits to terrorist groups seeking the destruction of Israel -- including Hamas, Islamic Jihad, and Hezbollah. Every nation actually committed to peace must block the shipment of Iranian supplies to these groups, and oppose regimes that promote terror, like Iraq. And Syria must choose the right side in the war on terror by closing terrorist camps and expelling terrorist organisations.

Leaders who want to be included in the peace process must show by their deeds an undivided support for peace. And as we move toward a peaceful solution, Arab states will be expected to build closer ties of diplomacy and commerce with Israel, leading to full normalisation of relations between Israel and the entire Arab world.

Israel also has a large stake in the success of a democratic Palestine. Permanent occupation threatens Israel's identity and democracy. A stable, peaceful Palestinian state is necessary to achieve the security that Israel longs for. So I challenge Israel to take concrete steps to support the emergence of a viable, credible Palestinian state.

As we make progress towards security, Israel forces need to withdraw fully to positions they held prior to September 28, 2000. And consistent with the recommendations of the Mitchell Committee, Israeli settlement activity in the occupied territories must stop.

The Palestinian economy must be allowed to develop. As violence subsides, freedom of movement should be restored, permitting innocent Palestinians to resume work and normal life. Palestinian legislators and officials, humanitarian and international workers, must be allowed to go about the business of building a better future. And Israel should release frozen Palestinian revenues into honest, accountable hands.

I've asked Secretary Powell to work intensively with Middle Eastern and international leaders to realise the vision of a Palestinian state, focusing them on a comprehensive plan to support Palestinian reform and institution-building.

Ultimately, Israelis and Palestinians must address the core issues that divide them if there is to be a real peace, resolving all claims and ending the conflict between them. This means that the Israeli occupation that began in 1967 will be ended through a settlement negotiated between the parties, based on UN

Resolutions 242 and 338, with Israeli withdrawal to secure and recognise borders.

We must also resolve questions concerning Jerusalem, the plight and future of Palestinian refugees, and a final peace between Israel and Lebanon, and Israel and a Syria that supports peace and fights terror. All who are familiar with the history of the Middle East realise that there may be setbacks in this process. Trained and determined killers, as we have seen, want to stop it. Yet the Egyptian and Jordanian peace treaties with Israel remind us that with determined and responsible leadership progress can come quickly.

As new Palestinian institutions and new leaders emerge, demonstrating real performance on security and reform, I expect Israel to respond and work toward a final status agreement. With intensive effort by all, this agreement could be reached within three years from now. And I and my country will actively lead toward that goal.

I can understand the deep anger and anguish of the Israeli people. You've lived too long with fear and funerals, having to avoid markets and public transportation, and forced to put armed guards in kindergarten classrooms. The Palestinian Authority has rejected your offer at hand, and trafficked with terrorists. You have a right to a normal life; you have a right to security; and I deeply believe that you need a reformed, responsible Palestinian partner to achieve that security.

I can understand the deep anger and despair of the Palestinian people. For decades you've been treated as pawns in the Middle East conflict. Your interests have been held hostage to a comprehensive peace agreement that never seems to come, as your lives get worse year by year. You deserve democracy and the rule of law. You deserve an open society and a thriving economy. You deserve a life of hope for your children. An end to occupation and a peaceful democratic Palestinian state may seem distant, but America and our partners throughout the world stand ready to help, help you make them possible as soon as possible.

If liberty can blossom in the rocky soil of the West Bank and Gaza, it will inspire millions of men and women around the globe who are equally weary of poverty and oppression, equally entitled to the benefits of democratic government.

I have a hope for the people of Muslim countries. Your commitments to morality, and learning, and tolerance led to great historical achievements. And those values are alive in the Islamic world today. You have a rich culture, and you share the aspirations of men and women in every culture. Prosperity and freedom and dignity are not just American hopes, or Western hopes. They are universal, human hopes. And even in the violence and turmoil of the Middle East, America believes those hopes have the power to transform lives and nations.

This moment is both an opportunity and a test for all parties in the Middle East: an opportunity to lay the foundations for future peace; a test to show who is serious about peace and who is not. The choice here is stark and simple. The Bible says, "I have set before you life and death; therefore, choose life." The time has arrived for everyone in this conflict to choose peace, and hope, and life.

Thank you very much.

ANNEX L

STATEMENT OF INTENTIONS

(NUSSEIBEY-AYALON AGREEMENT), 12 SEPTEMBER 2002¹⁴⁶

1. **Two states for two peoples:** Both sides will declare that Palestine is the only state of the Palestinian people and Israel is the only state of the Jewish people.
2. **Borders :** Permanent borders between the two states will be agreed upon the basis of the June 4, 1967 lines, UN resolutions, and the Arab peace initiative (known as the Saudi initiative).
 - Border modifications will be based on an equitable and agreed-upon territorial exchange (1:1) in accordance with the vital needs of both sides, including security, territorial contiguity, and demographic considerations.
 - The Palestinian State will have a connection between its two geographic areas, the West Bank and the Gaza Strip.
 - After establishment of the agreed borders, no settlers will remain in the Palestinian State.
3. **Jerusalem:** Jerusalem will be an open city, the capital of two states. Freedom of religion and full access to holy sites will be guaranteed to all.
 - Arab neighborhoods in Jerusalem will come under Palestinian sovereignty, Jewish neighborhoods under Israeli sovereignty.
 - Neither side will exercise sovereignty over the holy places. The state of Palestine will be designated Guardian of al-Haram al-Sharif for the benefits of Muslims. Israel will be the Guardian of the Western Wall for the benefit of the Jewish people. The status quo on Christian holy sites will be maintained. No excavation will take place in or underneath the holy sites without mutual consent.
4. **Right of return:** Recognising the suffering and the plight of the Palestinian refugees, the international community, Israel, and the Palestinian State will initiate and contribute to an international fund to compensate them.
 - Palestinian refugees will return only to the State of Palestine; Jews will return only to the state of Israel.
 - The International community will offer to compensate toward bettering the lot of those refugees willing to remain in their present county of residence, or who wish to immigrate to third-party countries.

¹⁴⁶ A private initiative seeking public support.

5. **Demilitarisation:** The Palestinian State will be demilitarized and the international community will guarantee its security and independence.
6. **End of conflict:** Upon the full implementation of these principles, all claims on both sides and the Israeli-Palestinian conflict will end.

ANNEX M

UN SECURITY COUNCIL RESOLUTION 1441 ADDRESSED TO IRAQ

8 NOVEMBER 2002

The Security Council, Recalling all its previous relevant resolutions, in particular its resolutions 661 (1990) of 6 August 1990, 678 (1990) of 29 November 1990, 686 (1991) of 2 March 1991, 687 (1991) of 3 April 1991, 688 (1991) of 5 April 1991, 707 (1991) of 15 August 1991, 715 (1991) of 11 October 1991, 986 (1995) of 14 April 1995, and 1284 (1999) of 17 December 1999, and all the relevant statements of its President,

[Detailed introductory information omitted]

Determined to secure full compliance with its decisions,

Acting under Chapter VII of the Charter of the United Nations,

1. *Decides* that Iraq has been and remains in material breach of its obligations under relevant resolutions, including resolution 687 (1991), in particular through Iraq's failure to cooperate with United Nations inspectors and the IAEA, and to complete the actions required under paragraphs 8 to 13 of resolution 687 (1991);
2. *Decides*, while acknowledging paragraph 1 above, to afford Iraq, by this resolution, a final opportunity to comply with its disarmament obligations under relevant resolutions of the Council; and accordingly decides to set up an enhanced inspection regime with the aim of bringing to full and verified completion the disarmament process established by resolution 687 (1991) and subsequent resolutions of the Council;
3. *Decides* that, in order to begin to comply with its disarmament obligations, in addition to submitting the required biannual declarations, the Government of Iraq shall provide to UNMOVIC, the IAEA, and the Council, not later than 30 days from the date of this resolution, a currently accurate, full, and complete declaration of all aspects of its programmes to develop chemical, biological, and nuclear weapons, ballistic missiles, and other delivery systems such as unmanned aerial vehicles and dispersal systems designed for use on aircraft, including any holdings and precise locations of such weapons, components, subcomponents, stocks of agents, and related material and equipment, the locations and work of its research, development and production facilities, as well as all other chemical, biological, and nuclear programmes, including any which it claims are for purposes not related to weapon production or material;
4. *Decides* that false statements or omissions in the declarations submitted by Iraq pursuant to this resolution and failure by Iraq at any time to comply with, and cooperate fully in the implementation of, this resolution shall

constitute a further material breach of Iraq's obligations and will be reported to the Council for assessment in accordance with paragraphs 11 and 12 below;

5. *Decides* that Iraq shall provide UNMOVIC and the IAEA immediate, unimpeded, unconditional, and unrestricted access to any and all, including underground, areas, facilities, buildings, equipment, records, and means of transport which they wish to inspect, as well as immediate, unimpeded, unrestricted, and private access to all officials and other persons whom UNMOVIC or the IAEA wish to interview in the mode or location of UNMOVIC's or the IAEA's choice pursuant to any aspect of their mandates; further decides that UNMOVIC and the IAEA may at their discretion conduct interviews inside or outside of Iraq, may facilitate the travel of those interviewed and family members outside of Iraq, and that, at the sole discretion of UNMOVIC and the IAEA, such interviews may occur without the presence of observers from the Iraqi Government; and instructs UNMOVIC and requests the IAEA to resume inspections no later than 45 days following adoption of his resolution and to update the Council 60 days thereafter;

6. *Endorses* the 8 October 2002 letter from the Executive Chairman of UNMOVIC and the Director-General of the IAEA to General Al-Saadi of the Government of Iraq, which is annexed hereto, and decides that the contents of the letter shall be binding upon Iraq;

7. *Decides* further that, in view of the prolonged interruption by Iraq of the presence of UNMOVIC and the IAEA and in order for them to accomplish the tasks set forth in this resolution and all previous relevant resolutions and notwithstanding prior understandings, the Council hereby establishes the following revised or additional authorities, which shall be binding upon Iraq, to facilitate their work in Iraq: [detail omitted]

8. *Decides* further that Iraq shall not take or threaten hostile acts directed against any representative or personnel of the United Nations or the IAEA or of any Member State taking action to uphold any Council resolution;

9. *Requests* the Secretary-General immediately to notify Iraq of this resolution, which is binding on Iraq; demands that Iraq confirm within seven days of that notification its intention to comply fully with this resolution; and demands further that Iraq cooperate immediately, unconditionally, and actively with UNMOVIC and the IAEA;

10. *Requests* all Member States to give full support to UNMOVIC and the IAEA in the discharge of their mandates, including by providing any information related to prohibited programmes or other aspects of their mandates, including on Iraqi attempts since 1998 to acquire prohibited items, and by recommending sites to be inspected, persons to be interviewed,

conditions of such interviews, and data to be collected, the results of which shall be reported to the Council by UNMOVIC and the IAEA;

11. *Directs* the Executive Chairman of UNMOVIC and the Director-General of the IAEA to report immediately to the Council any interference by Iraq with inspection activities, as well as any failure by Iraq to comply with its disarmament obligations, including its obligations regarding inspections under this resolution;

12. *Decides* to convene immediately upon receipt of a report in accordance with paragraphs 4 or 11 above, in order to consider the situation and the need for full compliance with all of the relevant Council resolutions in order to secure international peace and security;

13. *Recalls*, in that context, that the Council has repeatedly warned Iraq that it will face serious consequences as a result of its continued violations of its obligations;

14. *Decides* to remain seized of the matter.

ANNEX N

[DRAFT] A PERFORMANCE-BASED ROAD MAP TO A PERMANENT TWO-STATE SOLUTION TO THE ISRAELI-PALESTINIAN CONFLICT

20 DECEMBER 2002

The following is a performance-based and goal driven roadmap, with clear phases, timelines, target dates, and benchmarks aiming at progress through reciprocal steps by the two parties in the political, security, economic, humanitarian, and institution-building fields, under the auspices of the Quartet. The destination is a final and comprehensive settlement of the Israel-Palestinian conflict by 2005, as presented in President Bush's speech of 24 June, and welcomed by the EU, Russia, and the UN in the 16 July and 17 September Quartet Ministerial statements.

A two state solution to the Israeli-Palestinian conflict will only be achieved through an end to violence and terrorism, when the Palestinian people have a leadership acting decisively against terror and willing able to build a practising democracy based on tolerance and liberty, and through Israeli's readiness to do what is necessary for a democratic Palestinian state to be established, and a clear, unambiguous acceptance by both parties of the goal of a negotiated settlement as described below. The Quartet will assist and facilitate implementation of the plan, starting in Phase I, including direct discussions between the parties as required. The plan establishes a realistic timeline for implementation. However, as a performance-based plan, progress will require and depend upon the good faith efforts of the parties, and their compliance with each of the obligations outlined below. Should the parties perform their obligations rapidly, progress within and through the phases may come sooner than indicated in the plan. Non-compliance with obligations will impede progress.

A settlement, negotiated between the parties, will result in the emergence of an independent, democratic, and viable Palestinian state living side by side in peace and security with Israel and its other neighbours. The settlement will resolve the Israel-Palestinian conflict, and end the occupation that began in 1967, based on the foundations on the Madrid Conference, the principle of land for peace, UNSCRs 242, 338 and 1397, agreements previously reached by the parties, and the initiative of Saudi Crown Prince Abdullah – endorsed by the Beirut Arab League Summit – calling for acceptance of Israel as a neighbour living in peace and security, in the context of a comprehensive settlement. This initiative is a vital element of international efforts to promote a comprehensive peace on all tracks, including the Syrian-Israeli and Lebanese-Israeli tracks.

The Quartet will meet regularly at senior levels to evaluate the parties' performance on implementation of the plan. In each phase, the parties are expected to perform their obligations in parallel, unless otherwise indicated.

Phase I: Present to May 2003
Ending Terror and Violence, Normalising Palestinian Life,
and Building Palestinian Institutions

In Phase I, the Palestinians immediately undertake an unconditional cessation of violence according to the steps outlined below; such action should be accompanied by supportive measures undertaken by Israel. Palestinians and Israelis resume security cooperation based on the Tenet work plan to end violence, terrorism, and incitement through restructured and effective Palestinian security services. Palestinians undertake comprehensive political reform in preparation for statehood, including drafting a Palestinian constitution, and free, fair and open elections upon the basis of those measures. Israel takes all necessary steps to help normalise Palestinian life. Israel withdraws from Palestinian areas occupied from September 28, 2000 and the two sides restore the status quo that existed at that time, as security performance and cooperation progress. Israel also freezes all settlement activity, consistent with the Mitchell report.

At the outset of Phase I:

- Palestinian leadership issues unequivocal statement reiterating Israel's right to exist in peace and security and calling for an immediate and unconditional ceasefire to end armed activity and all acts of violence against Israelis anywhere. All official Palestinian institutions end incitement against Israel.
- Israeli leadership issues unequivocal statement affirming its commitments to the two-state vision of an independent, viable, sovereign Palestinian state living in peace and security alongside Israel, as expressed by President Bush, and calling for an immediate end to violence against Palestinians everywhere. All official Israeli institutions end incitement against Palestinians.

Security

- Palestinians declare an unequivocal end to violence and terrorism and undertake visible efforts on the ground to arrest, disrupt, and restrain individuals and groups conducting and planning violent attacks on Israelis anywhere.
- Rebuilt and refocused Palestinian Authority security apparatus begins sustained, targeted, and effective operations aimed at confronting all those engaged in terror and dismantlement of terrorist capabilities and

infrastructure. This includes commencing confiscation of illegal weapons and consolidation of security authority, free of association with terror and corruption.

- GOI takes no actions undermining trust, including deportations, attack on civilians; confiscation and/or demolition of Palestinian homes and property, as a punitive measure or to facilitate Israeli construction; destruction of Palestinian institutions and infrastructure; and other measures specified in the Tenet Work Plan.
- Relying on existing mechanisms and on-the ground resources, Quartet representatives begin informal monitoring and consult with the parties on establishment of a formal monitoring mechanism and its implementation.
- Implementation, as previously agreed, of U.S. rebuilding, training and resumed security cooperation plan in collaboration with outside oversight board (U.S. - Egypt - Jordan). Quartet support for efforts to achieve a lasting, comprehensive cease-fire.
 - All Palestinian security organisations are consolidated into three services reporting to an empowered Interior Minister.
 - Restructured/retained Palestinian security forces and IDF counterparts progressively resume security cooperation and other undertakings in implementation of the Tenet work plan, including regular senior-level meetings, with the participation of U.S. security officials.
- Arab states cut off public and private funding and all other forms of support for groups supporting and engaging in violence and terror.
- All donors providing budgetary support for the Palestinians channel these funds through the Palestinian Ministry of Finance's Single Treasury Account.
- As comprehensive security performance moves forward, IDF withdraws progressively from areas occupied since September 28, 2000 and the two sides restore the status quo that existed prior to September 28, 2000. Palestinian security forces re-deploy to areas vacated by IDF.

Palestinian Institution Building

- Immediate action on credible process to produce draft constitution for Palestinian statehood. As rapidly as possible, constitutional committee circulates draft Palestinian constitution, based on strong parliamentary democracy and cabinet with empowered prime minister, for public comment/debate. Constitutional building proposes draft document for

submission after elections for approval by appropriate Palestinian institutions.

- Appointment of interim prime minister or cabinet with empowered executive authority/decision-making body.
- GOI fully facilitates travel of Palestinian officials for PLC and Cabinet sessions, internationally supervised security retraining, electoral and other reform activity, and other supportive measures related to the reform efforts.
- Continued appointment of Palestinian ministers empowered to undertake fundamental reform. Completion of further steps to achieve genuine separation of powers, including any necessary Palestinian legal reforms for this purpose.
- Establishment of independent Palestinian election commission. PLC reviews and revises elections law.
- Palestinian performance on judicial, administrative, and economic benchmarks, as established by the International Task Force on Palestinian Reform.
- As early as possible, and based upon the above measures and in the context of open debate and transparent candidate selection/electoral campaign based on a free, multiparty process, Palestinians hold free, open, and fair elections.
- GOI facilitates Task Force election assistance, registration of voters, movement of candidates and voting officials. Support for NGOs involved in the election process.
- GOI reopens Palestinian Chamber of Commerce and other closed Palestinian institutions in East Jerusalem based on a commitment that these institutions operate strictly in accordance with prior agreements between the parties.

Humanitarian response

- Israel takes measures to improve the humanitarian situation. Israel and Palestinians implement in full all recommendations of the Bertini report to improve humanitarian conditions, lifting curfews, and easing restrictions on movement of persons and goods, and allowing full, safe, and unfettered access of international and humanitarian personnel.
- AHLC reviews the humanitarian situation and prospects for economic development in the West Bank and Gaza and launches a major donor assistance effort, including to the reform effort.

- GOI and PA continue revenue clearance process and transfer of funds, including areas, in accordance with agreed, transparent monitoring mechanism.

Civil society

- Continued donor support, including increased funding through PVOs/NGOs, for people to people programs, private sector development and civil society initiatives.

Settlements GOI immediately dismantles settlement outposts erected since March 2001.

- Consistent with the Mitchell Report, GOI freezes all settlement activity (including natural growth of settlements).

Phase II: June – December 2003 Transition

In the second phase, efforts are focused on the option of creating an independent Palestinian state with provisional borders and attributes of sovereignty, based on the new constitution, as a way station to a permanent status settlement. As has been noted, this goal can be achieved when the Palestinian people have a leadership acting decisively against terror, willing and able to build a practising democracy based on tolerance and liberty. With such a leadership, reformed civil institutions and security structures, the Palestinians will have the active support of the Quartet and the broader international community in establishing an independent, viable, state.

Progress into Phase II will be based upon the consensus judgement of the Quartet of whether conditions are appropriate to proceed, taking into account performance of both parties. Furthering and sustaining efforts to normalise Palestinian lives and build Palestinian institutions, Phase II starts after Palestinian elections and ends with possible creation of an independent Palestinian state with provisional borders in 2003. Its primary goals are continued comprehensive security performance and effective security cooperation, continued normalisation of Palestinian life and institution-building, further building on and sustaining of the goals outlined in Phase I, ratification of a democratic Palestinian constitution, formal establishment of office of prime minister, consolidation of political reform, and the creation of a Palestinian state with provisional borders.

Phase III: 2004 – 2005
Permanent Status Agreement and
End of the Israeli – Palestinian Conflict

Progress into Phase III, based on consensus judgement of Quartet, and taking into account actions of both parties and Quartet monitoring. Phase III objectives are consolidation of reform and stabilisation of Palestinian institutions, sustained, effective Palestinian security performance, and Israeli-Palestinian negotiations aimed at a permanent status agreement in 2005.

- *Second International Conference*: Convened by Quartet, in consultation with the parties, at beginning of 2004 to endorse agreement reached on an independent Palestinian state with provisional borders and formally to launch a process with the active, sustained, and operational support of the Quartet, leading to a final, permanent status resolution in 2005, including on borders, Jerusalem, refugees, settlements; and, to support progress toward a comprehensive Middle East settlement between Israel and Lebanon and Israel and Syria, to be achieved as soon as possible.
- Continued comprehensive, effective progress on the reform agenda laid out by the Task Force in preparation for final status agreement.
- Continued sustained and effective security performance, and sustained, effective security cooperation on the basis laid out in Phase I.
- International efforts to facilitate reform and stabilise Palestinian institutions and the Palestinian economic, in preparation for final status agreement.
- Parties reach final and comprehensive permanent status agreement that ends the Israel – Palestinian conflict in 2005, through a settlement negotiated between the parties based on UNSCR 242, 338, and 1397, that ends the occupation that began in 1967, and includes an agreed, just, fair, and realistic solution to the refugee issue, and a negotiated resolution on the status of Jerusalem that takes into account the political and religious concerns of both sides, and protects the religious interests of Jews, Christians, and Muslims world-wide, and fulfils the vision of two states, Israel and sovereign, independent, democratic and viable Palestine, living side-by-side in peace and security.
- Arab state acceptance of full normal relations with Israel and security for all the states of the region in the context of a compressive Arab-Israeli peace.

Source: The above text has not been officially published but is available on www.bitterlemons.org/docs.html.

ANNEX O

IRAQ: 'NON PAPER'

[OF THE FRENCH GOVERNMENT, PROPOSING CONTINUED AND STRENGTHENED INSPECTIONS BY UNMOVIC AND THE IAEA]

11 FEBRUARY 2003

SCR 1441 (2002) states in the preamble that the effective operation of UNMOVIC, as the successor organisation to the Special Commission, and of the IAEA is essential for the implementation of SCR 687 and other relevant resolutions. In paragraph 7 it sets out a number of revised and additional rules to facilitate the inspectors' work in Iraq. The present organisation of UNMOVIC is based on the organisational plan submitted to the Security Council on April 6, 2000 by Hans Blix in accordance with paragraph 6 of SCR 1284 and approved by the Council in a letter from its president to the Secretary-General on April 13, 2000. The plan (S/2000/292) itself provides, in paragraph 3, for the possible revision of the commission's structure and personnel according to developments and future needs.

The purpose in strengthening the regime is to increase the effectiveness of inspections: they must be more intensive, more carefully targeted, more intrusive. Our approach is based on the need to compel Iraq to cooperate by taking the peaceful approach of intrusive inspections. To do this, it is necessary for the inspections to be carried out to their logical end, with the political, technical and material support of member States. The idea is to make sure that the present system submits the Iraqi authorities to continued pressure, and that they have no choice other than to «cooperate immediately, unconditionally and actively» with the inspectors as required under SCR 1441. *The inspections were designed from the outset as a necessary intrusive instrument to ensure the elimination of banned Iraqi programs.* Their role has always been conceived as compelling the Iraqis to comply with their obligations.

1. Proposals

Strengthening Numbers and Diversifying Personnel

The objectives are to widen the geographic coverage of the country by increasing the number of inspectors in various parts of the territory, intensify the inspections (increasing the number and frequency of inspections), make them more intrusive, and lastly enable the inspectors to deal with sites that are widely spread out. The effectiveness of the inspections in terms of disarmament and containment would be increased. Such measures would make it much more difficult for Iraq to attempt any concealment.

There are about 110 UNMOVIC inspectors and nine IAEA inspectors in Iraq at this time. On average ten teams are in the field every day. So far, roughly half the designated sites have been inspected. If the number of inspectors is doubled (240) or tripled (360), then the number of daily inspections is doubled or tripled also.

Aside from doubling or tripling the number inspectors and inspections teams in the present specialties (chemical, biological, ballistic and nuclear weapons), other types of personnel and experts should be recruited:

- the security unit set up to protect the inspectors' facilities could be significantly reinforced so as to monitor certain suspicious sites or sites already inspected in cases where UNMOVIC and the IAEA believe it necessary. Such personnel could also intervene in the framework of SCR 1441 which stipulates that the inspectors are authorised to freeze activity at a site, at least at the most extensive sites.
- To probe still further, UNMOVIC and the IAEA need not only arms experts but also experts in customs and accounting, archivists and other experts who can help improve their understanding of the nature of Iraqi proliferation programs on the basis of administrative, budgetary, financial and customs documents and archives, etc. An understanding of these aspects of Iraqi programs could allow UNMOVIC and the IAEA to proceed with more intrusive missions, including in archive centres.
- Administrative and technical support personnel and translators/interpreters to and from Arabic should be increased in proportion.
- Mobile customs teams should be established to check on the nature of goods entering Iraq and make sure there are no prohibited goods (military equipment barred under SCR 687 and dual-use goods included on the GRL and not approved by the 661 committee). Convoys would not be stopped systematically, but UNMOVIC could inspect cargoes at will.
- UNMOVIC has a regional office at Mosul and will soon have one in Basra. Given the geographic distribution of the sites to be inspected, these two regional offices can cover the country well enough. An office in the west of the country would be useful nevertheless, particularly to serve as a base for the above-mentioned mobile customs units.

Strengthening Technical Resources

Aerial surveillance in particular must be increased. This would make it possible to conduct systematic sweeps over Iraqi territory and permanently monitor all the sites. Above all, the specific characteristics of each type of aircraft would make it possible to prepare and accompany inspections. They

would enable UNMOVIC to promptly identify sites at which movements or changes may have been detected, and to send an inspection team immediately. Aerial reconnaissance would also ensure that once the inspectors have left a site it remains «frozen.» Surveillance at that frequency would reveal any possible efforts at concealment.

The aim is also to facilitate data collection and processing from national intelligence services. UNMOVIC and IAEA officials responsible for collecting such data could be mandated by Mr. Blix and Dr. El Baradei to establish a joint centre or bureau, organically attached to both UNMOVIC and the IAEA. The bureau could be located in New York (or Vienna). It would be authorised to request, receive and process data from (1) national intelligence services and (2) information collected by UNMOVIC aerial reconnaissance. The structure should be kept relatively light, made up of five to ten high-level experts, especially photo-analysts. At the same time, the services of member States would be invited to cooperate more closely among themselves and to systematically send information to the UNMOVIC and IAEA coordination centre.

Enhancing Methods

The objective is to have UNMOVIC and the IAEA draw up a complete list of unresolved disarmament questions in order of importance. The idea is to have a clear, precise and objective picture of the problems that still have to be clarified. It is not only to identify completely all the remaining outstanding issues but also to evaluate their importance and degree of priority. It is important to push the Iraqis up against a wall and not leave them any way out regarding the questions which they must answer and on which really active cooperation is expected. Such an exercise would also be useful in evaluating the nature of the threat Iraq represents.

The inspections should be organised and planned so as to move forward systematically in elucidating each of the outstanding questions. An order of priority needs to be established, along with a time-frame. A progress-report, or assessment of the lack of progress, in various identified areas should be made at regular intervals.

Placing a Coordinator in Iraq

Mr. Blix and Dr. El Baradei are not in Iraq all the time. It would be particularly useful for them to have a representative in Baghdad who could act as a relay for them and at the same time serve as an interlocutor with the Iraqi authorities on a day-to-day basis. Such a representative could also be responsible for coordinating UNMOVIC and IAEA activities on the spot. On a daily basis he would synthesise the questions and problems and liaise with the Iraqi authorities. He would be responsible for synthesising the interim progress reports on each question at regular intervals.

2. Implementation

Our intention is to implement these proposals in close liaison with UNMOVIC and the IAEA. Naturally, the modes of application of these various proposals should be decided as a priority by Mr. Blix and Dr. ElBaradei.

UNMOVIC and the IAEA have sufficient funding in reserve to strengthen the inspection mechanism as envisioned. UNMOVIC has accumulated resources from the two and half years it was in existence before the inspectors returned to Iraq, and during that period its expenditure was far less than its resources. The commission's account continues to be regularly funded as Iraq continues to export oil (0.8% of oil receipts paid into an escrow account).

With regard to personnel, the UNMOVIC roster lists about 350 experts, including the 110 inspectors already there. Rotations are currently planned every three months. Accordingly it is possible to double the inspection staff immediately by extending the length of stay and immediately mobilising the rest of the experts on the list. The numbers could be tripled quickly as experts can be selected and trained without delay. Training sessions, by groups of 60, last from three to five weeks.

Regarding technical resources, several countries have announced they are ready to provide immediately additional reconnaissance aircraft. In addition to the U2s, the following are available: Russian Antonov, French Mirage IV and German drones.

* * *

Excerpts from the French Foreign Minister's Remarks to the Security Council, February 5, 2003

«[To strengthen the inspections regime], we must define with Mr. Blix and Dr. ElBaradei the requisite tools for increasing their operational capabilities:

- Let us double or triple the number of inspectors and open up new regional offices. Let us go further: could we not establish a specialised body to keep under surveillance the sites and areas already inspected?
- Let us substantially increase the capabilities for monitoring and collecting information on Iraqi territory. Here, France is ready to provide full support; it is ready to deploy Mirage IV reconnaissance aircraft;
- -Let us collectively establish a coordination and data- processing centre that would supply Mr. Blix and Dr. ElBaradei, in real time and in a coordinated way, with all the intelligence resources they might need;
- -Let us list the unresolved disarmament questions and rank them by importance;

- -With the consent of the leaders of the inspections teams, let us define a demanding and realistic time-frame for moving forward in the assessment and elimination of the problems.

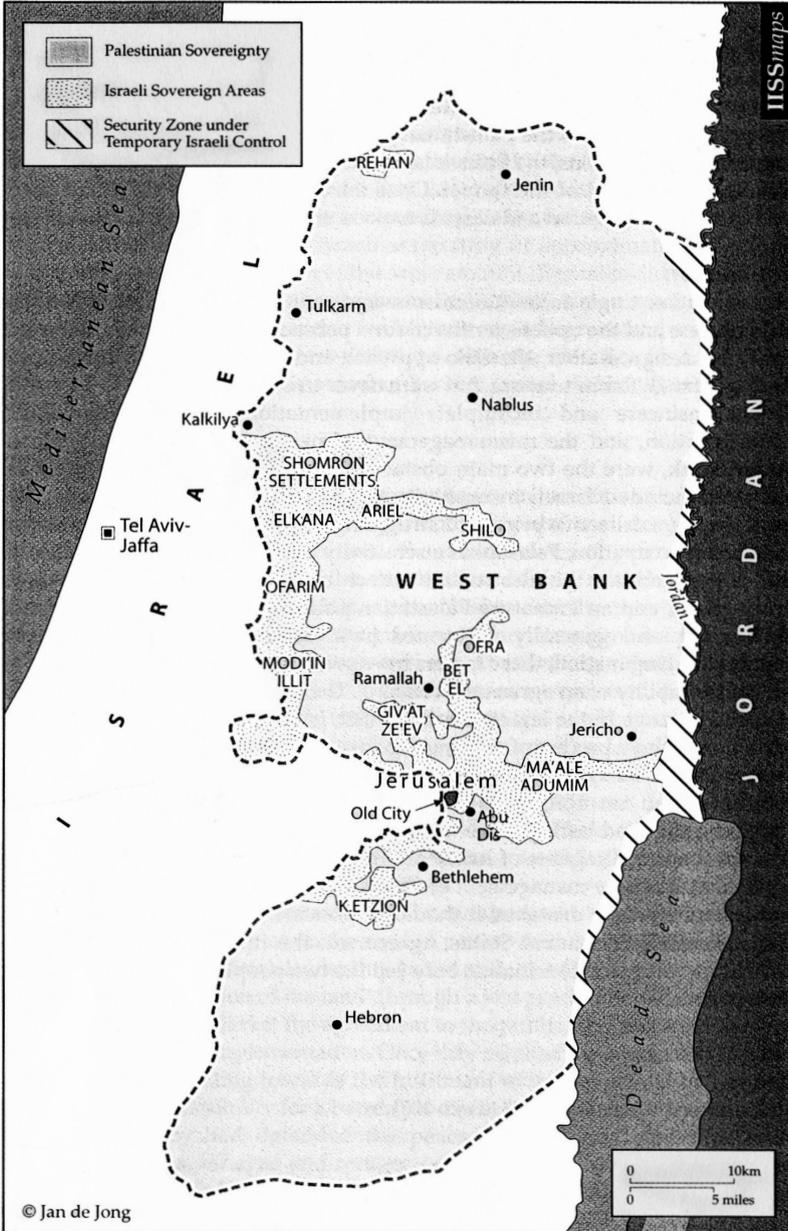
«This enhanced regime of inspections and surveillance could be usefully complemented by having a permanent UN coordinator for Iraq's disarmament, stationed over there and working under the authority of Mr. Blix and Dr. El Baradei.»

ANNEX P

MAPS

Map 1

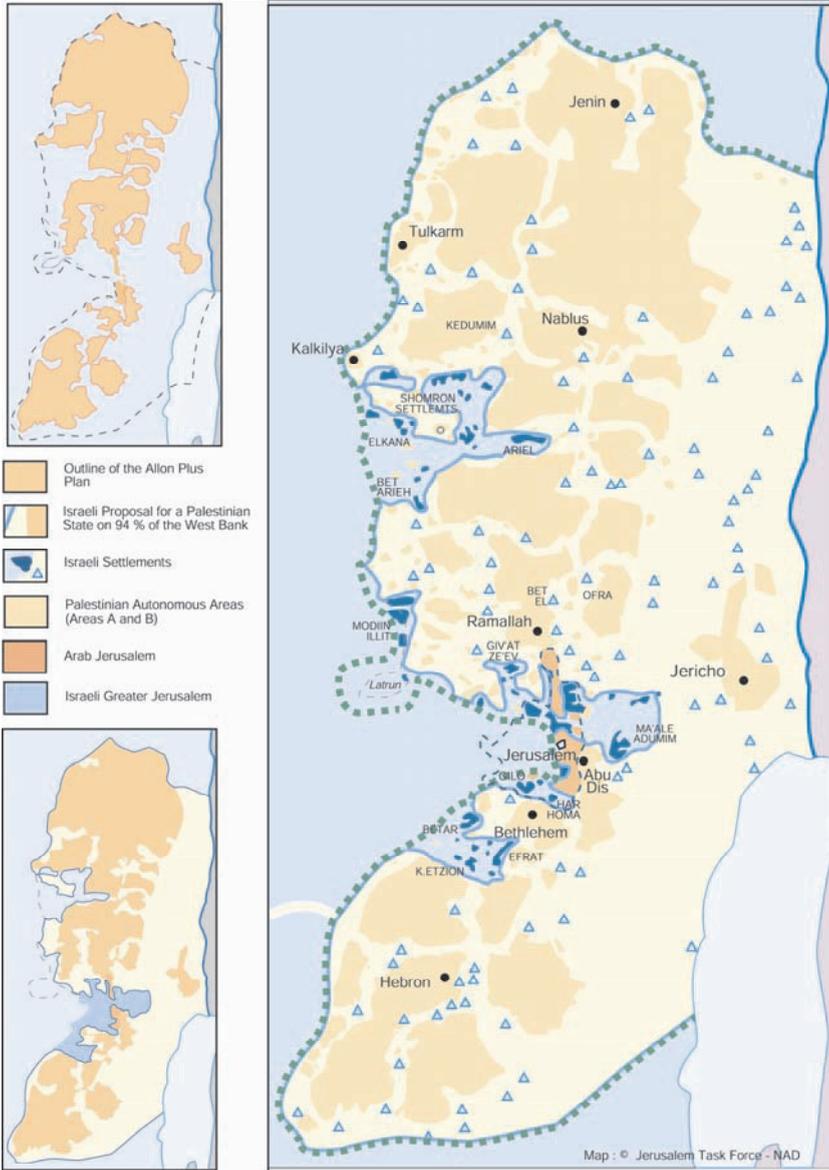
Projection of West Bank Permanent Status, Camp David, July 2000
(Approximation based on Israeli and Palestinian sources)



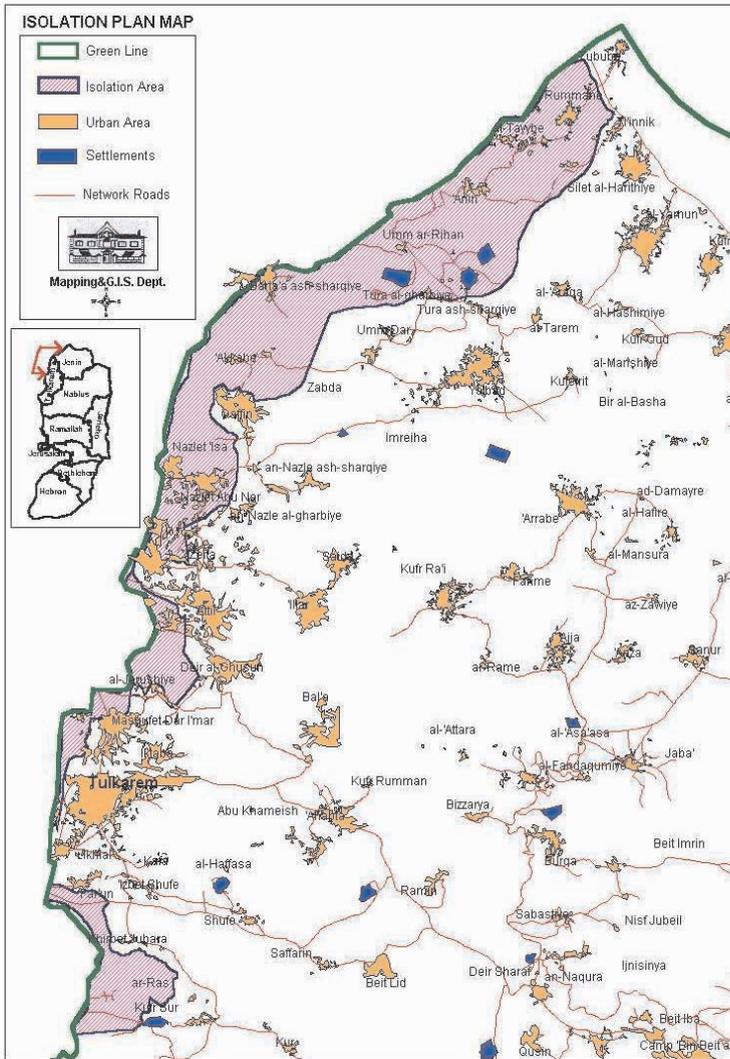
Source: R. Pundak, "From Oslo to Taba: what went wrong?", *Survival*, Vol. 43, Autumn, 2001.

Map 2

Final status map suggested by Israel at the Taba-talks



Map 4 Palestinian West Bank – Green line and fence



Note: The Western border of the shaded area is the 1967 green line, while the Eastern border of the shaded area is the plan for the 'fence'.

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