

The Second Intifada: A “Net Assessment”

Shai Feldman

Now into its second year, the Palestinian uprising seems to have reached a dead end. Just as Saddam Hussein’s invasion of Kuwait in 1990 shifted the discourse in the Middle East away from the first Intifada, the horrific terrorist attacks suffered by the United States on September 11 may have made the continuation of the second uprising – at least in its present form – untenable.

This does not imply that further periods of escalation in Palestinian-Israeli violence are unlikely. Indeed, such a period was recently experienced with the assassination of Israel’s Minister of Tourism, Rehavam (“Gandhi”) Ze’evi on 17 October, by members of the Popular Front for the Liberation of Palestine (PFLP) – the first ever killing of an Israeli political leader by an Arab assassin. The subsequent reentry of IDF forces into Palestinian population centers in ‘A’ areas – and their sustained presence there – also marked a clear departure from past Israeli counter-terrorist measures.

These periodic spasms of violence notwithstanding, the continuation of the clashes does not seem to serve any useful purpose. In that sense, at least, the second Intifada seems indeed to have reached a dead end. By early November, a number of Palestinians who had reached this assessment some months before began to express

their position publicly in Palestinian media outlets.

Whether Arafat is still capable of implementing the operational conclusion emanating from this assessment – namely, that violence must be stopped and negotiations

According to IDF figures, Israeli casualties numbered 183 dead and some 1,800 wounded by mid-October 2001.

should be renewed – is, however, an open question. Equally unclear is whether a change of course on the Palestinian side would be reciprocated by Israel’s national unity government. Thus, the future direction of Palestinian-Israeli relations remains uncertain.

General

The second Intifada was a major setback to the Palestinian-Israeli peace process, rupturing whatever measure of confidence and trust had been built between the two parties since Oslo. The outbreak of violence was a sharp

contrast to the situation of only a few weeks before, at the Camp David-II summit, when Palestinian and Israeli leaders had engaged in the most dramatic effort ever made to resolve their conflict.

Moreover, the eruption of violence induced a change in each party’s perceptions of the other. It caused Israelis to lose all trust in the Palestinians, who in their view had violated Oslo’s most basic premise: that negotiations would replace violent confrontation between the two communities. Instead, the Israelis saw the very guns that they had provided to the Palestinian Authority, ostensibly to protect the process from its detractors, turned against them. From the other side, the IDF’s efforts to suppress the violence led Palestinians to view their Israeli partners as lacking any inhibitions regarding the use of force, and as willing to completely undermine the institutions of the Palestinian Authority.

The clashes that erupted in late September also sped Ariel Sharon to victory in the February 2001 elections. With the failure of Ehud Barak to negotiate peace, Israeli voters now turned to a candidate that promised the restoration of personal safety and security. While the newly elected government had no better ideas for ending the violence than its predecessor, a coalition led by the

Likud was bound to be less receptive to the magnitude of concessions that would be required to end the conflict.

The Israeli Balance

Israel has taken a considerable beating during the first year of the uprising, in a number of different realms. According to IDF figures, Israeli casualties numbered 183 dead and some 1,800 wounded by mid-October 2001. Casualties of this magnitude took a toll on Israelis' general sense of self-confidence and personal security. In particular, the roads of the West Bank became extremely dangerous for Israelis, and the Jerusalem neighborhood of Gilo was turned into a combat zone. Within Israel proper, Israelis felt once again unsafe in bus and train stations. Parents hesitated over whether to allow their children to spend time in a shopping mall, eat in a pizzeria, or go to a discotheque.

The political toll of the uprising was also significant, particularly in the realm of Israel's interactions with Arab states. The Intifada placed Israel's relations with Egypt and Jordan under considerable stress. Both governments criticized Israel for using excessive force in attempting to suppress the Intifada, and anti-Israeli demonstrations in these countries made them unsafe destinations for Israelis.

The Intifada also cut short Israel's informal but very important relations with other Arab states, which had developed slowly over the 1990s: namely, Morocco, Tunisia, and the smaller principalities of the Persian Gulf. Efforts that spanned a number

of years to "normalize" relations with these states were aborted as Israel's representatives in most of these countries were asked to leave.

In the arena of public affairs beyond the Middle East, Israel found it nearly impossible to combat the effects of pictures transmitted by the electronic media to every household in the western world, showing Palestinian rock-throwing youth facing well-armed Israeli soldiers. The

Israel's economic growth rate is expected to decline sharply as a result of the crisis.

casualties ratio, which clearly favored Israel, and pictures of Israel's use of advanced combat aircraft and attack helicopters were widely viewed as evidence that Israel was using excessive force.

Thus, Israel was depicted as Goliath confronting David – a complete reversal of its image during its early years. Much of this is due to the fact that the electronic media provides little room for context. Israelis found themselves hard put to remind the international community that the violence began despite their government having presented the

Palestinians with a far-reaching offer to end the conflict and to terminate its occupation of the West Bank, Gaza, and large parts of East Jerusalem.

Economically, Israel's growth rate is expected to decline sharply as a result of the crisis. Prior to the outbreak of the second Intifada, Israel's economy was expected to grow by about 4.5% over 2001. This estimate has now been scaled back to 0.5% – an estimated loss to the economy of about US\$4.5 billion. However, the degree to which this loss should be attributed to the Palestinian-Israeli crisis remains a subject of some debate, given that the timing of the crisis coincided with the global economic slowdown, and in particular the collapse of the global high-tech sector. Thus, while it is clear that Israel's losses in sectors such as the tourism industry were caused almost exclusively by the escalating violence, the slowdown in Israel's high-tech industry was largely propelled by declines in the Nasdaq.

The broader socioeconomic costs of the second Palestinian Intifada are also likely to prove substantial for Israel. Most important, the necessity to combat violence has led to increased allocations for defense, at the expense of domestic investment, such as in education and infrastructure. This partly resulted from the vigilance of Israel's Ministry of Finance, which prevented increased defense spending from breaking the deficit limits set forth in the overall budget framework.

In the long run, perhaps the most significant damage sustained during

this period was in the realm of Jewish-Arab relations within Israel. Indeed, the violence resulted in a significant crisis of confidence between the two communities: Jewish Israelis were shocked by the extent of identification felt by Arab-Israelis with Palestinians across the 1967 lines. Equally, Arab-Israelis interpreted the harsh reaction of the police to their demonstrations of support for the Palestinians – resulting in the death of 13 Arab citizens of Israel – as ultimate evidence of their second-class status.

Notwithstanding the cumulative effect of these various costs – particularly the loss of life and the considerable damage done to Arab-Israeli relations as well as to Jewish-Arab relations within Israel – the Israeli government and defense community largely managed to contain the costs of the second Intifada. Israel's economy remains robust – in absolute terms, its per capita GDP is larger than that of all of its neighbors combined. While the volume of new foreign investments in Israel diminished significantly, the country did not suffer significant capital outflows. Consequently, foreign currency reserves remained at their post-Oslo high level. By September 2001 these reserves reached an all-time peak: US\$24.5 billion.

Moreover, the international financial community did not change its high regard for the Israeli economy. Important rating agencies, such as Moody's and Standard and Poor's in New York, and FITCH in London, did not downgrade their risk assessments

of Israel significantly. This reflected an appreciation by these institutions of the fiscal responsibility demonstrated by the Finance Ministry, in the context of which its tenacity in preserving the government's over-all budgetary framework proved significant.

Equally important, Israeli society demonstrated impressive resilience during this period. Following the February 2001 elections, it manifested

**In the long run,
perhaps the most
significant damage
sustained during this
period was in the
realm of Jewish-Arab
relations within Israel.**

an unprecedented degree of unity – expressed not only in the widespread support for the creation of a national unity government, but also in the wide support it lent to the policy pursued by the Sharon-Peres government. The public refrained from exerting pressures on the government to react to the violence by taking extreme measures that would have further inflamed the situation. To date, at least, even the behavior of the Israeli settler community – which has become a primary target of Palestinian violence – remains largely subdued, with only a small minority attempting

to provoke further escalation.

This overall resilience allowed the Israeli government to pursue a generally restrained policy during this period. Sadly, the government failed to articulate its policy in any coherent fashion, leaving an impression of inconsistency and improvisation at home and abroad. In reality, however, the measures, applied along a broad spectrum, added up to a consistent whole.

In the military realm, the measures adopted were intended to restore deterrence by demonstrating "escalation dominance" through superior firepower. To that end, it combined reprisals against installations belonging to those branches of the PA security services taking part in the violence with preemptive measures – including "targeted killings" of terrorist leaders at the operational command level – designed to avert the planning and execution of attacks. In the economic realm, Israeli measures included suspending transfers of funds due to the Palestinian Authority, a large-scale but incompletely enforced ban on Palestinian labor in Israel, and a near-total division of Palestinian population centers into separate "enclaves."

While depicted abroad as excessive, these measures were in fact constrained by a number of considerations that guided the Barak and Sharon governments throughout the first year of the uprising. First, there was a desire to prevent escalation into a regional

confrontation. This, in turn, required that Israel avoid any measure that would ignite the region and defeat the efforts of Egypt and Jordan to prevent such escalation.

Second, Israel wished to avoid a complete collapse of the Palestinian Authority. This constraint resulted not only from the continuous insistence of the United States and Europe that this be avoided, but also from the fear that a collapse of the PA would result in complete chaos. Such chaos could ultimately compel Israel to re-occupy the West Bank and Gaza permanently – a prospect that did not elicit much enthusiasm within Israeli policy circles.

Third, there was a strong desire to avoid acts that would result in mass casualties, for fear that these would serve Palestinian calls for international intervention and the imposition of a solution to the conflict. Israel was convinced that such a solution would ignore some of its vital national interests and result in a deterioration of its relations with the countries contributing troops to the intervention force. Consequently, the Israeli government made every effort to avoid developments that would have led to such an intervention coming to pass.

Finally, through repeated messages from Amman, the Israeli government was made to understand that a further escalation of the Israeli-Palestinian confrontation would exacerbate already mounting demographic pressures on Jordan by inducing immigration from the West Bank to the

East Bank of the Jordan River. Israel recognized Jordan's significance as a buffer between itself and Iraq. It also appreciated that Jordan's stability would be endangered if the delicate balance between citizens of Palestinian and Jordanian origin were to collapse. As a result, the Israeli government refrained from taking steps that might have resulted in a mass departure of Palestinians from the West Bank.

The combined effect of these

The Israeli Human Rights organization B'Tselem has estimated that some 598 Palestinians have been killed and 16,200 wounded in clashes with Israel.

considerations led the Israeli government to pursue a policy that combined tough measures against Palestinian violence with avoiding steps that might have completely disrupted the post-Oslo regional order. Although not innocent of tactical and operational mistakes, adhering to these restraints comprised an impressive achievement, particularly given that the dominant component of the Israeli government that came into office following the February 2001 elections did not like the Oslo grand bargain in the first place.

The Palestinian Balance

Even before the effects of Bin Ladin's horrific attacks on the United States were felt, the second Palestinian Intifada seemed to have neared a dead end by the end of its first year. In the initial phases of the uprising, however, the Palestinians made considerable gains. The most impressive of these was the shift of the international discourse away from the Palestinians' responsibility for the failure to reach a permanent status agreement at Camp David in July 2000. In this fashion, the Palestinians were able to escape their predicament in the diplomatic field – where the Clinton administration and a number of European governments had accused them in August of failing to demonstrate the requisite flexibility in talks with Israel. By rekindling the violence, the Camp David discourse evaporated, and was replaced with a return to "the land of grievances," where the Palestinians clearly had the high ground. Palestinians pointed to their suffering at the hands of Israeli "occupiers," arguing that the violence was provoked by Israel's use of excessive force against unarmed Palestinian demonstrators following the visit of then-opposition leader Ariel Sharon to the Temple Mount\Haram al-Sharif on September 28.

During the following weeks, the Palestinian Authority scored many points in the public arena. Internationally, the clashes were widely regarded as a spontaneous uprising of the population, unguided by Arafat and his cohorts. Moreover,

the pictures reflected in the international electronic media, showing young rock-throwing Palestinians being suppressed by well-armed Israeli troops, served the Palestinians' effort to depict themselves as victims of Israeli might, requiring the international community's protection.

The high toll in human lives paid by the Palestinians during this period has also contributed to this perception. By mid-October 2001, the Israeli human rights organization *B'Tselem* had estimated that some 598 Palestinians had been killed and 16,200 wounded in clashes with Israel since the outbreak of the Intifada. Such high figures seemed to support Palestinian claims, as Israel was hard pressed to explain how its efforts to stem the violence could be regarded as restrained if Palestinian casualties were so high. Thus, sympathy with the Palestinians grew worldwide and especially in Europe. Having invested considerable political and financial capital in building the PA, members of the European Union were now critical of Israeli measures that seemed to undermine the PA's viability.

During this period, the Palestinians also scored another important political achievement: In the eyes of important quarters of the international community, Israel's continuous settlement activity has come to be seen as morally equivalent to the Palestinians' use of violence. While unable to show that settlement activities unequivocally violated the text of the various Israeli-Palestinian

agreements, the Palestinians argued persuasively that by prejudging the "final status" of the West Bank and Gaza, these activities undermined the spirit and logic of the Oslo process.

Yet the Palestinians' initial gains in the arena of international opinion did not last long. Arafat's attempt to close Palestinian ranks by placating his opponents in Hamas and Islamic Jihad led him to release a considerable number of their members from

While there was general sympathy for the Palestinian predicament, this did not translate into significant assistance from Arab governments.

Palestinian jails. This, in turn, was interpreted by these groups as a green light to launch terrorist attacks. In addition, some PA-associated forces – notably the Preventive Intelligence Service led by Mohammad Dahlan and Fatah's Tanzim forces such as those led by Marwan Barghouti – began to attack Israelis. Arafat climbed up another rung on the escalation ladder when he allowed violence to be carried into pre-1967 Israel. This process began with the use of mortar fire from the Gaza Strip against Israeli settlements (and in one case, against a town in Israel proper).

Later, the PA Chairman also began turning a blind eye to suicide bombing attacks by Hamas and Islamic Jihad in Israeli cities.

These developments, following the earlier televised lynching of Israeli reservists in Ramallah, set the limits of international sympathy for the Palestinians. Suicide bombs produced a series of gruesome television pictures: Israeli teenagers killed outside a Tel Aviv discotheque, or parents with young children killed by a blast in a Jerusalem pizza parlor. Consequently, by the end of its first year, many of the gains the Palestinians had made in the earlier phases of the second Intifada had begun to erode.

In particular, the Palestinians lost considerable ground in Washington, threatening one of their most important strategic achievements of the previous decade: their improved relations with the United States. These relations had reached their peak with President Bill Clinton's visit to Gaza in 1998, where he inaugurated the International Airport and addressed the Palestinian Council. By that time, Arafat had become a frequent and welcome visitor to the White House.

With the advent of the Bush administration, however, Arafat's requests to be received in Washington were now being turned down, pending a complete cessation of violence. Equally important, initiatives were now being discussed in the US Congress to end all direct and indirect assistance to the Palestinians. Thus, by the end of the

Intifada's first year, Arafat was widely perceived as "playing with terror." In the aftermath of the September 11 attacks, sympathy for the Palestinians in the United States reached a new low: 7 percent (in comparison to 44 percent who said they were more sympathetic toward Israel, according to a Gallup poll conducted shortly after the attacks).

Moreover, Arafat's most important gain in Oslo – the transformation of the PLO from a Diaspora movement to an indigenous organization, with an increasingly strong foothold in its historic homeland – was now also threatened. By mid-2001, as a result of the continuous violence, Israelis began to discuss the possibility of evicting Arafat and his entourage from the West Bank and Gaza – a first since the signing of the Oslo Agreements. Having been expelled from Jordan in 1970 and from Lebanon in 1982, Arafat now had to ponder the prospects of a third exile. While Israel had good reasons to avoid such a step, Arafat had to consider the possibility that suicide bombings conducted by Palestinians inside Israel were creating an atmosphere in which such a development could not be ruled out.

The prospects of a third PLO exile loomed larger in view of another Palestinian strategic failure: to mobilize support in the Arab world. As will be elaborated below, while there was general sympathy for the Palestinian predicament in Arab public opinion, this did not translate into significant assistance from Arab governments. Arafat came to

understand that he would not be able to count on the support of Arab states if Israel were to escalate its response to increased Palestinian violence.

The lack of support from the Arab states exacerbated another dimension of the Palestinians' plight: the staggering economic dislocations they suffered as a direct result of the uprising. While precise data is not yet available, it appears that some 130,000 Palestinians lost their jobs in Israel. In

While Israeli society showed increased unity, Palestinian society seemed to be fragmenting, with Arafat's opponents growing stronger.

addition, the transfer of funds to the PA by Israel was frozen, major internationally-financed infrastructure projects were paralyzed, and the climate for private investment in the PA-controlled territories was shattered. As a consequence of these developments, the governmental institutions constructed by the PA were faced with the possibility of collapse.

Another significant cost of the Intifada for the Palestinians was the paralysis that it imposed on the Israeli peace camp, a constituency whose support for any deal with the

Palestinians would be essential. This collapse had three causes: first, Arafat's insistence at the July 2000 Camp David-II summit that a permanent status agreement must include the Palestinian refugees' "right of return." Even among many Israeli doves, this demand was interpreted to mean that peace with the Palestinians would not be achieved except at the expense of Israel's character and purpose as a Jewish state.

In addition, the second Intifada, and especially the PA's refusal to prevent suicide bombings inside Israel – was viewed as a violation of a central pillar of the Oslo "grand bargain": the PLO's renunciation of violence. As such, it completely undermined the capacity of the Israeli left to defend the Oslo process in the face of its many detractors in the center and the right.

Finally, the sharp radicalization of Jewish-Arab relations – another consequence of the Palestinian uprising – was seen by many in Israel as demonstrating the depth of Arab animosity toward the Jewish state. This further demoralized the left as more Israelis came to believe that even a permanent status agreement with the Palestinians would not end the conflict, since Arab-Isrealis have their own set of claims against Israel. While general desire and support for peace among Israelis remain high, and while some of the leaders of the Israeli pro-peace camp – notably Yossi Beilin of the Labor party – remain very active, its pool of supporters seems to have dwindled.

With the pro-peace camp paralyzed, Israeli society showed increased unity – to the utter disappointment of the Palestinians. Drawing erroneous analogies from Israel's experience in Lebanon, the Palestinians seem to have hoped that the mounting casualties and other costs associated with the uprising would lead Israelis to question their government's policies. In the short run, at least, it has had the opposite effect.

While Israeli society showed increasing signs of unity, Palestinian society seemed to be fragmenting politically, with Arafat's opponents growing stronger. The strengthening of Hamas, the increased presence and influence of Hizballah, and the higher profile obtained by a younger generation of Fatah leaders like Tanzim commander Marwan Barghouti, were bound to constrain Arafat's future freedom of action.

In sum, while shifting the discourse away from their responsibility for the failure of Camp David, and while initially scoring important gains in the court of international public opinion, Palestinian gains by the end of the first year of the uprising were well past the point of diminishing returns. Moreover, Arafat was now faced with the possibility of tremendous strategic losses. PA relations with Washington – the only party even remotely capable of “delivering” Israel – had deteriorated considerably; his foothold in Palestine was threatened; and his earlier gains among the Israeli

pro-peace camp were significantly eroded.

The Arab World

The reactions among the Arab states to the second Intifada were varied, a function of their differing interests as well their existing ties to Israel and the Palestinians. Clearly, television pictures of Israeli measures to stem the violence in Jerusalem, the West Bank, and Gaza incensed the Arab public

In the aftermath of the Bin Ladin attacks, the Bush administration beefed up its involvement in the Palestinian-Israeli dispute.

opinion. This was all the more the case in light of region-wide developments in the sophistication and editorial freedom of the Arab media. Satellite stations such as Qatar's Al-Jazeera and Dubai's Television Dubai now provided ongoing coverage of confrontations in the Occupied Territories and East Jerusalem. It also led various Arab summits – the Arab League Summits in Cairo and Amman (21-22 October 2000 and 27-28 March 2001, respectively), and the Islamic Conference Summit in Qatar (12-13 November 2000), to adopt strongly worded resolutions condemning Israel

and calling for an end to ‘normalized’ relations with it. Pledges were also made in these summits to provide large-scale financial assistance to the Palestinians.

Efforts to coordinate a unified Arab diplomatic front to assist the Palestinians were aided by the appointment of Amr Musa as Secretary General of the Arab League on 16 May 2001. Given his formidable personality, his stamina and his intellect, it was not surprising that Musa succeeded in energizing the League into a more active forum for opposing Israel. Musa also sought to obtain support for his anti-Israel stance from countries outside the region, particularly among the non-aligned and “new agenda” countries. These efforts were apparent during the UN Human Rights Convention in Durban, South Africa (31 August-7 September 2001), where Musa and Egypt's new Foreign Minister Ahmed Maher spearheaded an all-out offensive to de-legitimize Israel.

On a more substantive level, however, the reaction of Arab states to the second Intifada was much more complex. It reflected two phenomena: first, the deep disunity among Arab states. Second, it reflected the fact that while emotionally most Arab publics identify with the Palestinians' plight, they are deeply divided about the extent to which their national resources should be mobilized on the Palestinians' behalf.

In consequence, very little of the Arab states' pledges of financial support for the Palestinians translated

into actual cash payments. Indeed, even the unambiguous calls to end all forms of normalization with Israel were only gradually and incompletely enforced, as some of the Gulf States were slow to terminate their relations with Israel. More radical calls for reversing the commitments of Egypt and Jordan to peace with Israel remained unheeded, to the clear disappointment of Syria and Iraq.

Some Arab states favored a militant response to Israel's efforts to stem Palestinian violence. Iraq and Yemen led this camp, but Syria did not lag far behind. These states called for expanding the Palestinian-Israeli struggle, possibly resulting in a general Arab-Israeli war. Iraq was an especially strong proponent of this line, hoping that a regional war would lead to its reintegration in the Arab world. This call, however, was strongly opposed by Egypt and Jordan. Egypt's President Mubarak was particularly clear on this point, emphasizing that his country would not become embroiled in another general war "at the expense of the last Egyptian soldier."

While manifesting Egypt's preference for peace and its focus on economic development, Mubarak's efforts to silence the calls for war also reflected Egypt's appreciation that the balance of military power in the Middle East did not favor another regional war. Israel's military might remains robust while most of the Arab states are militarily weak. This is especially the case for the states urging a more militant Arab stance:

the Iraqi military was devastated by the second Gulf War, and the continued UN arms embargo has prevented it from rebuilding its forces. For its part, Syria has been largely unable to maintain and upgrade its military since its loss of Soviet patronage.

Thus, Egypt – the most influential of the Arab states – followed a two-tier policy toward the second Intifada. It gave every sign of its sympathy for

With the beginning of the second year of the Intifada, Arafat has been confronted with his most difficult dilemma since the Camp David-II summit.

the Palestinians and mobilized international support on their behalf. At the same time, it also made every effort to prevent escalation by stemming popular support for such escalation at home and in the Arab world at large, and by pressing Arafat and the Israeli government to avoid steps that might lead to such escalation. In the context of this second tier, President Mubarak sent the director of Egypt's General Security Services, General Omar Suliman, on a number of missions to Israel and the PA.

These interventions, and similar

efforts by Jordan's King Abdullah, set limits on Arab support for Arafat's attempts to exercise brinkmanship. No doubt the Palestinians still enjoyed Arab rhetorical support for their resistance. However, by mid-2001 it became clear that Arafat could not count on the financial and military support of the important Arab states, even if ongoing escalation was to threaten the PA's foothold in Palestine.

US Policy

US policy toward the Israeli-Palestinian conflict experienced a number of shifts since the Second Intifada began in late September 2000. During the final months of the Clinton administration, the US attempted to stem the violence by inducing the parties to end the clashes and return to the negotiating table. These efforts proved a total failure. President Clinton, who together with Egypt's President Mubarak, convened Chairman Arafat and Prime Minister Ehud Barak for a summit in Sharm al-Sheik in late October 2000, failed to compel them to reach agreement. Instead, the summit resulted in a non-binding Presidential statement that stipulated the Palestinians' commitment to end violence, and noted an Israeli pledge to withdraw the forces that it had deployed around Palestinian population centers in response to the violence. It also announced the formation of an international commission to investigate the causes of the violence.

Yet Palestinian violence and Israeli counter-measures continued unabated,

as the US tolerated Arafat's refusal to stem the clashes. Despite the violence, President Clinton urged Arafat and Barak to resume negotiations, in Washington and at Bolling Air Force Base. In parallel, CIA Director George Tenet was instructed to draw a detailed plan for the enforcement of an end to the violence. However, the US refrained from compelling either side to implement the Tenet Plan.

Entering office in January 2001, the Bush administration took an entirely different approach. Critical of President Clinton's efforts to "micro-manage" the Israeli-Palestinian dispute, Bush's foreign policy team argued that Clinton's efforts had devalued the offices of the president and the secretary of state, and that the CIA had become embroiled in matters beyond its mandate. To set things right, the Bush team initially vowed to adopt a "hands-off" approach, preferring to focus on America's "real interests" in the Middle East – the Gulf region and its oil reserves.

Soon, however, Washington found that it could not disengage from the Palestinian-Israeli quarrel. A stream of Arab leaders, notably President Mubarak, King Abdullah of Jordan, and the leaders of Saudi Arabia, argued that the Arab world viewed the US as an unwavering benefactor of Israel. Given that this was the case, it would be impossible to support Washington's efforts in the Persian Gulf if the US did not make a credible attempt to stem Palestinian-Israeli violence.

Consequently, the US was

compelled to act. Secretary of State Colin Powell was dispatched to Israel and the PA twice in his first six months in office, and CIA Director Tenet was re-engaged in discussions with Israelis and Palestinians. In addition, a series of Israeli and Palestinian leaders – among them Abu Mazen – were received in Washington for extensive talks.

On one key issue, however, the Bush administration held its initial

An end to violence and an implementation of the first phase of the Mitchell Report would shift the onus off the Palestinians.

ground: that the Palestinians cease all forms of violence before other efforts to resolve the Israeli-Palestinian conflict could be resumed. This insistence was grounded in the conclusions of the report submitted on 30 April 2001 by the commission headed by former US Senator George Mitchell. The report stipulated a clear sequence: first, an end to violence, followed by the implementation of a series of confidence building measures, including the cessation of all Israeli settlement activities in the West Bank and Gaza. Finally, this was to be followed by the renewal of

negotiations to resolve the conflict. Arafat's efforts to soften the Bush administration's stance and to reverse the sequence laid out in the Mitchell Report – arguing that he could not end the violence without an Israeli commitment to end settlement activities first – did not resonate well in Washington.

In the immediate aftermath of the Bin Ladin attacks, the Bush administration beefed up its involvement in the Palestinian-Israeli dispute. The motive for this was the belief that Israeli-Palestinian violence must disappear from the regional "radar" screen if Arab and Muslim participation in the anti-Taliban coalition was to be maintained. In the framework of these efforts, the administration sent a number of messages to the two conflicting parties. To the Palestinians, the administration made clear that in the new strategic environment, terrorism could not be tolerated and that Arafat needed to demonstrate his complete commitment to ending the use of violence. To the Israeli government, the Bush team made clear its desire to see a meeting between Chairman Arafat and Israeli Foreign Minister Shimon Peres, to discuss an early implementation of a cease-fire.

Finally, as an inducement to the Palestinians – and, more important, to placate moderate Arab leaders, particularly in Saudi Arabia – the administration was prepared to present an outline for the resolution of the Palestinian-Israeli dispute. A number of venues for such a

presentation were considered, including a speech to be delivered by the Secretary of State.

These different moves crystallized further in early November. In the framework of his November 9 speech to the UN General Assembly, President Bush expressed a hope that a future Middle East would include the creation of a Palestinian state. At the same time, US government officials made it clear that while intending to further articulate its views about the prospects of restarting Palestinian-Israeli negotiations, the administration did not plan to present a detailed blueprint for a peace settlement and to attempt to impose it on the conflicting parties. President Bush also refrained from meeting with Arafat during the General Assembly meeting. His National Security Advisor, Condoleezza Rice, made clear that the US was still unhappy with the extent to which the Palestinian leader was complying with his commitment to end violence. Rice pointed out that Arafat could not claim to be ending violence while continuing to embrace Hamas and Islamic Jihad.

Future Developments

With the beginning of the second year of the Intifada, Arafat has been confronted with his most difficult dilemma since the Camp David-II summit: whether to implement a real cessation of hostilities, or to continue pledging such an end while permitting violence to continue. On the one hand, as has been pointed out

earlier, the cumulative costs associated with the hostilities are enormous. The damage already done to US-Palestinian relations is substantial; the PLO's foothold in Palestine is now threatened; the cumulative effect of the economic and other hardships associated with daily life under the Intifada is causing some of the more skilled Palestinians to emigrate; and the support of Arab states has proved tentative at best.

In sum, it seems that the road away from violence and back to Israeli-Palestinian peace negotiations is highly uncertain.

In the post-September 11 strategic environment, these costs may prove even greater, as the US has made it clear that it would not tolerate continued violence. At the same time, the importance attached by the Bush administration to a reduction in the intensity of the Palestinian-Israeli conflict – expressed in repeated phone calls to Arafat in late September and early October by President Bush and Secretary Powell – also means that Arafat could extract some commitments from Washington in exchange for full cooperation.

No less important, the Palestinians

know that an end to violence and an implementation of the first phase of the Mitchell Report would shift the onus off them, and onto Israel. The Israeli government would then need to decide whether to fulfill the requirements of the second phase stipulated in the report (most notably, in the realm of settlement activities). Given that Likud and Labor are likely to disagree over the implementation of such measures, the cessation of Palestinian violence holds the prospects of rupturing Israel's national unity government.

Yet for Arafat, yielding to Washington's demands also involves some serious risks. First, ending violence would require a direct confrontation with opposition groups, since it would necessitate the re-arrest of Hamas and Islamic Jihad activists who were released from Palestinian jails during the uprising. Confronting these organizations would not be easy, since they have gained considerable ground during the first year of the Intifada.

Second, given the enormous costs sustained by the Palestinian population in the West Bank and Gaza, it would not be easy for Arafat to explain why violence should be abandoned in the absence of meaningful Palestinian gains. Internally, this may present Arafat in a very negative light, especially if contrasted to Hizballah's achievement of Israel's unconditional withdrawal from southern Lebanon.

Third, to avoid the certainty of being proven a loser, Arafat would

need reassurance that by implementing the first phase of the Mitchell Report, he would be forcing Israel's hand to reciprocate in the second and third phases. This, however, would require Washington's reengagement in the negotiations process at a scale far greater than that contemplated to date by the Bush administration. Indeed, given the present characteristics of the Israeli domestic scene and absent massive American pressure, it is difficult to imagine how the Israeli government could meet the Palestinians' minimal expectations for the third phase as envisaged by the Mitchell Commission.

Returning to Palestinian-Israeli peace negotiations can occur along two possible avenues: a renewed attempt to achieve a permanent status agreement, or a return to the effort to build peace gradually, based on a series of interim agreements. Both possible venues are replete with dangers for the Palestinians. A return to a Camp David-II type process is bound to end in renewed crisis and violence unless the two parties were to manifest greater flexibility than they showed during talks held Camp

David, Bolling and Taba. In the absence of an Israeli leader willing to make greater concessions than those contemplated by Barak, hopes for averting another deadlock hinge on the possibility that next time around Arafat might drop some demands for a final status agreement, notably regarding the refugees' "right of return." While this is not impossible, it is also not clear how a weaker Arafat could now make concessions that he avoided only a little more than a year ago.

Yet the return to interim agreements is also problematic. Before and after Camp David-II, the Palestinians emphasized their demand that Israel meet its unfulfilled commitment to implement a third further redeployment (FRD) as envisioned in the interim accords. But the gap between the two parties' expectations about the third FRD is enormous. The Netanyahu government received written assurance from the Clinton administration that it would be able to determine the dimensions of the third FRD unilaterally. Netanyahu also believed that he had obtained

from Washington a tacit understanding that the third FRD could be limited to one percent of the West Bank. Conversely, the Palestinians argued that following the implementation of the third FRD, they should be in control of ninety percent of the territory. How this gap in expectations could now be bridged remains a total mystery.

In sum, it seems that the road away from violence and back to Israeli-Palestinian peace negotiations is highly uncertain. Pending a major rethinking on the part of both parties regarding their basic expectations from the process, such a breakthrough does not seem likely. Intuitively, this has already been recognized by the vast majority of the Israeli public, leading to massive support for some kind of unilateral separation from the Palestinians. However, as Shlomo Brom's analysis in this issue of *Strategic Assessment* demonstrates, there is enormous confusion in Israel regarding the manner in which this concept might be implemented. At present, therefore, unilateral separation should be regarded more as an expression of a deep yearning, and less as a practical political program.