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Transcript

Israel in a Changing Strategic Environment

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Robin Niblett:

Ladies and gentlemen. Welcome to Chatham House. Thank you very much for joining us today. It's my great pleasure to welcome you, and members who are joining us through a live webstream today, to this meeting on *Israel in a Changing Strategic Environment* with the Deputy Minister for Foreign Affairs of Israel Daniel Ayalon. It's a pleasure to have you here Minister, and I'm delighted that you could come and join us here on this trip, on your visit to London.

To say that Israel is in a changing strategic environment is probably a bit of an understatement at the moment whether we take into account the Arab uprisings that have been taking place, the changes in Syria and the huge turmoil in that country, the US withdrawal from Iraq and the changed context in the Gulf, and the obviously very heightened tensions right now with Iran. We really couldn't have a better speaker to be able discuss these issues with from an Israeli perspective.

Mr Ayalon has had a long and distinguished career in the foreign policy space having served twice as a deputy foreign advisor to two prime ministers, as foreign policy advisor to Ariel Sharon, he served in the Israeli Embassy in the UN, he has been Israel's ambassador to the United States from 2002-2006. He started his career in the private sector beforehand and so is somebody who I think can bring a broad sketch and a broad sense of where we stand in this very complex diplomatic and strategic environment today.

This meeting is on the record and we look forward very much to being able to entertain a series of questions after we have heard some opening remarks from the Minister.

Minister Ayalon, it is a pleasure to have you with us. We look forward to your comments; we look forward to your conversation.

Daniel Ayalon:

Thank you very much. It is indeed a pleasure to be here at Chatham House, to be here in London, and I thank you all for coming.

Certainly we are looking at a very complex situation today. Let me start with kind of a bird's eye view. To say that the world is changing is an understatement. I think for us as leaders or as observers it is important to

characterise the changes in simplistic ways if possible and then of course to find some ways to address the changes and to meet the challenges and to make sure that whatever happens is for the benefit of mankind and for all of our futures. We're talking about a very close-knitted world, a global community. And if I had to characterise the changes we have been seeing, I would say for the last two maybe three decades, there have been two megatrends if I may. I think it may be a little bit simplistic but it a bit easier for us to understand. I would say that the first megatrend we talk about is of an economic or technological nature. This is often integration, used to be called globalisation, and certainly technological innovation, such as the internet or whatever it may be makes us all connected. And also it has some adverse effects especially when it comes to the global financial communities. We all know that one bank's bad debt in one corner of the world can affect all of us. At the same time the innovation and technological improvements and advancements are helping us all. This is real globalisation and integration.

On the other hand, the other megatrend which I see is of a political nature, is in quite the opposite direction: disintegration. You may say that it was vividly expressed in the late 80s with the breakup of the Soviet Union to more homogenous sub – maybe even national – groups; for example, we saw the disintegration of Yugoslavia. Maybe what we see today in the Arab world, although it is not identical, is quite analogous to what we were seeing in the communist world whereby we saw the deterioration of power by strong, some would say dictatorial regimes. Once you have one block falling out of this wall you see a real tumbling down, which shows you that the forces that have been swept away or have been suppressed by a strong regime are maybe stronger in the long term as they all come out.

Nobody can of course foresee what the future bodes, certainly not the immediate one for the Middle-East, but I would say that the term 'Arab Spring' is heavily loaded because it evokes a different spring – a Spring of Nations right here in Europe, over the canal on the continent. We recall that in the Spring of Nations the people of Europe and the societies of Europe in 1848, just 40-50 years after the French revolution, may have been better equipped mentally and society-wise to have those changes. Still in Europe it took about a hundred years to complete this Spring of Nations with two World Wars in between.

So we may be very cautious of what we wish for when we use the term the Arab Spring. I do not see a spring yet in the Middle East – quite the contrary. It is no doubt that what we have seen whether it is in Tunisia, Egypt or anywhere else was quite spontaneous and authentic by real people. Maybe a

younger generation who are technology savvy or information savvy and who don't want to take orders from the top that explains to them that they don't have a job, a good education, a good livelihood, let alone dignity, human rights or respect because of some exogenic threats. Some have used for too many years the Palestinian conflict but I do not think that these people buy the fact that they don't have jobs because of the Palestinian conflict.

Now the danger I see is that once these first waves of real democratic forces have been exhausted, we see a second wave of more disciplined forces which are well organised and which are very much dedicated to their cause. These are very much more radical forces that have waited in the wing for the first wave to take down the regimes and then they come forward, front and centre to do what they believe in.

We have an example – a very bad example – from 1979 Tehran. Recall the spontaneous and quite authentic people's revolution against a very tyrannical Shah? For weeks a democracy was in place in Tehran with the government of Mr Bakhtiar at the time. Khomeini came, and the rest is history.

I think the danger that we face today is that the Iranian Revolution may be replicated all over the Middle East and none of us – and I'm not just talking about Israel – none of us in the international community can afford another Iran in the Middle East. So this is something that has to be quite understood and emphasised.

On the other hand of course we have an opportunity. We were just talking about the downside; the upside of course is that if we will see real democratic forces that in the immediate interim and long run take over. And here we have to remember that democracy doesn't start, nor does it end, with an election. Democracy foremost is a frame of mind, it is a set of values, it is an understanding of the individual and as a society as a whole about what is right and what is wrong, what is decent and what is not. And I think they are usually accepted, I think, what are the norms for democracy and its values. This is something which is very important to understand.

First of all we need to see a cultural change: this is taking a long time. It could be generational or it could be more than generational; I don't know. Certainly we have to remember that democracy needs maybe first and foremost institutions, the rule of law and also a strong civil society, let alone all the freedom of the press, freedom of religion and the protection of minorities. This is something that this is very important and maybe has somehow been overlooked. There are dangers to minorities throughout the region whether it

is Kurds, whether it is Christians or others. This is something that we all have to be mindful of before we try and help the situation and set some kind of a vision to this region.

To sum up I would say the real opportunity, including for Israel, is that we see real democracies that are accountable to the people because we know in never in history has a real democracy started a war on another democracy – checks and balances, public opinion and what have you. So our interest is that this tumult, or this development in the Arab World, will consummate in – I'm not ashamed to say – European-style democracy. Whether it is achievable and how long it will take is of course the big question. I believe that the international community as a whole can help somewhat. First of all by leading through example, but that is not enough – we need resources.

If we point the finger at what caused the entire architecture of the Middle East to fall, I think it is no coincidence that it started with the one unemployed fruit stand owner in Tunisia. Jobs are the most important thing. If you have seen the UNDP report two and a half years ago in December 2009 the writing was on the wall. Of course nobody was looking; including me. But what was amazing about the UNDP report was that it was conducted together with Arab experts and Arab intellectuals. Already in 2009 they said that the dysfunctionality in the Arab World as a whole was the problem caused firstly by jobs. The Arab world needed to create 51 million jobs in the next decade just to stay where they are – a level which is much behind the standards internationally. And of course they talked about the problem of the deficit of democracy, amongst other things.

So I think that what we can do is to basically create jobs. How do you do it? You need resources, you need investments. I don't have to tell you that we – not in Europe nor in the United States – have now the financial resources to do it. But the region itself has more than enough resources. If we talk about the Gulf countries including Saudi Arabia, they have mega-trillion funds that can be spared for the creation of a real industrial base in the countries which are the subject of our discussion.

I believe by infrastructure – roads, housing – this is immediately providing employment and creating some industrial basis for its continuation. Of course we must make sure that these funds are being managed in an appropriate way through accountability and transparency. And I think here in Europe with its great expertise and experience in managing international institutions, crossing borders and funds it could be very helpful in terms of advice, in terms of any kind of support so we can give to the younger people of the region

hope and vision: hope being the most important thing. This is our view and this is in Israel's interest.

In the mean time we must also make sure that negative, radical forces have not just filled the vacuum which has been created so far. Namely this vacuum is being filled now by radical elements from Iran. Iran should be stopped on two accounts. Not just on the nuclear portfolio, but also their very negative political influence which has been corroborated through deeds, through terrorism. If we look at the Middle East, any and every flashpoint in the Middle East you see the fingerprints of Iran, whether it's in Saudi Arabia, Bahrain, Egypt, Lebanon with Hezbollah or the Palestinian Authority through Hamas. Today unfortunately we have Hamas which does not represent Palestinian but rather Iranian interests – the same goes for Hezbollah.

And now I come to... and maybe I will with this and afterwards I welcome any comments or questions. The Israeli-Palestinian conflict. For many years it has been coined as the main problem of the Middle East; 'If you just solve the Israeli-Palestinian conflict then everything will be fine.' Well this has not been the case. We have tried to argue for many years, not just now, that if you look at the historical facts then you will see all of the violence inside of countries and between the countries in the Middle East that most of these conflicts had nothing to do with the Palestinian problem. I can cite from recent decades: the Iran-Iraq War that claimed more than a million lives for eight years; the invasion of Lebanon by Syria; or the invasion of Kuwait by Iraq. I could go back to the violence in Algeria, or in Yemen, or the Egyptian-Yemen Wars in the 1960s: they had nothing to do the Palestinian conflict. Every time we tried to claim that, it was deemed as self-serving for us, that we were procrastinating and not trying to deal with the real Palestinian issue.

If we look around the region today, what we hear is jobs, dignity and respect. If there was anything that was mentioning the Palestinians it was the exception to the rule and it was by some agitators who were trying to induce this into the conflict. A case in point is the rummage of our embassy in Cairo that just happened to be about two blocks away from Tahrir Square. We know of radical Islamists, also Palestinians, who were calling some of the demonstrators who were in the square to storm our embassy.

Today, in fact, what we see on the streets of Daraa, Homs or Damascus, we do not see any burning of Israeli flags, American flags or English flags. You see the people burning Hezbollah and Iranian flags. So certainly, I think, we can say safely that just empirically – and also I think we can prove – that the

answer of a real hope and vision for the Middle East and beyond does not necessarily go through Jerusalem.

This is not to say, and is maybe my most important point, that it is not incumbent on us to solve the Palestinian problem. I would like to stress that first and foremost that it is an Israeli strategic interest to bring the Palestinian conflict to an end. We can have the end of claims, an end of conflict, and we can really put together a real cooperation mechanism between us and the Palestinians. This could be possible if we have an approach which is reciprocal, which means that concessions do not come just from one side but also from the other side. When we talk about justice, there is no justice for one side but for the two sides. The same thing goes for rights: historical rights, political rights and the rights for a future together.

So we would very much welcome the continuation of the talks in Amman. I am very glad to see here the Jordanian Ambassador. We have the highest respect for His Majesty King Abdullah and for the Jordanian people. I think that Jordan is in a way a great example of very responsive leadership, not only towards the people of Jordan, but also taking a leadership role in the region. And we very much welcome the continuation of talks between us and the Palestinians, whether it is in Amman or anywhere else, until we come to a real agreement with the Palestinians. This is our aim. It is not that we are doing a favour to the Palestinians – this is in our own interests. I believe, and I hope, that we will see also a Palestinian leadership that would depart from the historic approach of all or nothing that they have been taking. And I can use here, since we are in London, the Peel Commission in 1937 that they rejected, and the 1947 partition, and the offers from the prime ministers Barak in Camp David and Olmert in Annapolis.

To sum up we should address the developments in the Middle East irrespective of the Israeli-Palestinian conflict. Just as we – the protagonists, the Israelis and the Palestinians – must do everything to solve our own conflict irrespective of developments around us.