

# What does 2012 hold for the Arab-Israeli conflict?

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**>>** As Tunisia, Egypt and Libya continue their processes of transition, events in Palestine remain subject to an entirely different dynamic. Whatever the outcome of the United Nations Security Council (UNSC) deliberations over Palestinian statehood, the Palestinian Territories remain internally divided, donor-dependent and under occupation. The blockade of the Gaza Strip continues to severely constrain people's livelihoods. It is vital that international attention to the Arab Spring does not detract from the importance of the decades-long Arab-Israeli conflict in 2012.

This policy brief examines whether 2012 will see a shift in the dynamics of Palestinian-Israeli relations, and which actors could become game changers – the Palestinians themselves, Western actors, or newly emerging Islamist-led governments across the region? Fed up with being let down by international bodies, Palestinians have been testing a new approach. Rival Palestinian factions Hamas and Fatah must make true on their May 2011 reconciliation agreement and deliver on promises to hold elections. Palestinian unity is a key step in their otherwise stalled UN bid. The legitimacy of the Quartet as peace broker and, indeed, of peace negotiations between fundamentally imbalanced parties must be questioned. Instead of mirroring US moves to cut aid and endanger Palestinian solvency, the EU would do well to distance itself from an increasingly mulish American position, and support Palestinian statehood.

The Arab-Israeli conflict has seen several paradigm shifts over the decades. The Oslo paradigm saw an incremental building up of trust between the occupier and the occupied. The Madrid paradigm has been

## HIGHLIGHTS

- It is uncertain whether the Arab uprisings will energise local dynamics in Palestine.
- 2012 must herald a shift in thinking on the Israeli-Palestinian conflict.
- Game changers include Palestinian diplomatic initiatives, a more receptive international community, and new Arab governments.

»»»»» branded ‘constructive ambiguity’ by a former Israeli foreign minister in that it avoided dealing with core issues. The Camp David paradigm created expectations on false premises. The current paradigm – characterised by stalled peace talks, frustrated Palestinian diplomatic initiatives and Israeli rejectionism – seems to take the intractability of the conflict to a new level. With a status quo benefiting all but the Palestinians, this is what the Israelis – as much as the international community – are counting on. Looking for ways out of the stalemate, which actors have the potential to act as game changers?

**THE PALESTINIANS:  
FROM NATIONAL RESISTANCE TO  
INTERNATIONAL LEGITIMACY**

The end of the second intifada in 2005 marked a shift in the Palestinian approach from armed resistance to peaceful resistance that seeks international legitimacy. The Arab Spring has reinforced this thinking as it demonstrated what mass popular will can achieve in the face of authoritarian regimes. Following Mahmoud Abbas’s bid for full statehood at the UN in September, Palestinians continue to pursue diplomatic and other non-violent alternatives for advancing their cause. Following UNESCO’s recognition of the Palestinian state, the Palestinian leadership is considering seeking formal recognition in other UN agencies. Civil disobedience as a form of resistance in the Occupied Territories (such as Palestinian ‘freedom rider’ activists riding buses reserved for Israeli settlers) is gaining popularity. Most importantly, leaders of rival political factions Fatah and Hamas have been holding meetings in a bid to implement the so far stalled May 2011 unity accord.

The new Palestinian strategy has been criticised for its piecemeal approach. Yet in turning towards systematic soft power resistance, the Palestinians are using the very few avenues left to them by a rejectionist Israel and a complicit international community. Analysts point to pendulum swings in

Palestinian resistance between violent unilateralism (intifadas) and non-violent bilateralism (negotiations). Recent Palestinian moves add a new dimension in which Palestinians seek to achieve their goal via non-violent multilateralism. Diplomatic initiatives at an international and multilateral level (such as the UN statehood bid) are moves away from the blame game with Israel. As stated by Prime Minister Salam Fayyad, they represent efforts by the Palestinians to ‘take our fate into our own hands’.

The inability of the UN to implement several dozen resolutions directed at Israel over the past decades on core issues such as refugees, borders and human rights violations has left the Palestinians with no delusions about the UN’s ability to protect Palestinian rights under international law. Abbas’s statehood bid is currently stalled. The Security Council Admissions Committee is under no legal obligation to resolve the issue by a certain date. On the contrary, following initial statements that no conclusion could be reached, the case will more than likely be drawn out by administrative wrangling including requests for further information and the creation of an Investigations Committee. Whether the UN General Assembly will see a renewed bid by the Palestinians in 2012 remains uncertain. On the premise that membership of the UN is not an alternative but a precursor to fairer negotiations, attempts are underway by the Palestinians to overcome the impediments to statehood which were set out by the Admissions Committee in its report of 9 November 2011. Topping the list are the lack of accord between the two governing administrations, and the lack of Fatah control over the entirety of Palestinian territory.

Whilst the West Bank under Prime Minister Salam Fayyad continues with its commitment to institution building under the ‘Palestinian National Development Plan 2011-13’, Gaza under Hamas’s administration is being left dangerously behind in terms of democratic governance and economic development. The implementation of the reconciliation pact signed

between the two Palestinian factions in May 2011, in which leaders committed to overcome their differences, has so far been stalled by squabbles over the details of the deal. Commitments by both sides to form an interim government of technocrats in the lead up to potential elections in 2012 led to disagreements over the make-up of such a body, security forces in both territories, and the release of political prisoners. Indeed, when asked about the unity deal, many Palestinians simply reply: 'What unity deal?' It remains to be seen whether meetings between rival leaders Mahmoud Abbas and Khaled Meshal in Cairo in November and December will lead to more tangible results. For now, senior Hamas leaders have expressed doubts that elections will take place in May 2012. The one

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man whom some claim could unite Palestinian factions is the imprisoned Fatah politician Marwan Barghouti, who is said to have been left off the list of recently released Palestinian prisoners precisely for this reason. Popular amongst Palestinians for his prominent role in the

Second Intifada, Barghouti's discourse is now one of peaceful protests and unity of Palestinian factions. Some polls show that even from his cell in Israel's Hadarim prison, in hypothetical elections Barghouti beats Abbas in the West Bank and Ismael Haniyeh in Gaza.

Fatah-Hamas unity would oblige Western partners to take a more nuanced approach in engaging with Hamas as part of a new technocratic government. As John Gatt-Rutter, the EU's acting representative to the Occupied Palestinian Territories has said, the EU could work with a non-political government. The question is whether international actors are willing to accept that neither Palestinian unity

nor statehood are attempts to dodge negotiations, but rather, attempts to level the playing field between occupier and occupied.

### WESTERN PARTNERS: STOP PLAYING FOR TIME

The intractability of the Israeli-Palestinian issue has led to the general acceptance that the conflict cannot be solved without the mediation of a third party. Palestinian activists and others questioning the legitimacy of the Quartet as a third party mediator, however, lack a viable alternative: Israel's low trust threshold means it is unlikely to accept any other broker than the US. Israel's relations with Turkey, once a serious candidate for the mantle of intermediary, have soured considerably. Israel will not accept any Arab state as a mediator. French (read Sarkozy) pretensions of stepping in also lack credibility as they are aimed more at maintaining the pre-election spotlight than at salvaging the wreckage of prior peace initiatives. Tacitly supported by its Western partners, Jerusalem is playing for time.

With calls for disbandment and for the resignation of Quartet Representative Tony Blair, the Quartet is under increasing pressure. A senior aide admits, 'The Quartet is trying to keep the elastic band from snapping [...] we are working to prevent the situation on the ground from going into reverse rather than achieving any progress.' Quartet policy holds that once both parties are back at the negotiating table, it will be more difficult for either side to announce provocative and counterproductive unilateral measures. The Quartet's disappointingly unimaginative reaction to Abbas's UN bid, which proposed a one year timetable that foresees three months for the parties to lay out comprehensive proposals on territory and security, and six months to make 'substantial progress', fails to open up any new, forward-looking perspective. Given that moribund negotiations were the very reason for which the Palestinians chose the diplomatic track via the UN, it is high time for the Quartet to recognise that the stalled process must be



»»»»» unblocked by moving beyond the usual comfort zone. Negotiations cannot resume without preconditions. Just as the Palestinians are making efforts to overcome internal disunity, so the Israelis must be pressured to implement a genuine freeze on all settlement building and renounce their intention that Palestinians accept the 'Jewishness' of the Israeli state.

The scope of the Quartet and other Western actors' potential influence, however, is compounded by Netanyahu's disregard for third parties' efforts to make Israel understand the need for concessions. 'We plan in Jerusalem. We build in Jerusalem. Period,' he recently stated. EU High Representative Ashton struggles in the face of such uncooperativeness. She alternates between declarations of 'disappointment' with Israeli illegal settlement construction, and 'commitment' to Quartet-led bilateral peace talks. For the 'player' side to not be washed out by the 'payer', the EU must be wary of a Quartet which is 'all process and no peace'. Although the EU is not sufficiently united to offer brokership in place of the Quartet, it can nevertheless aim to temper the blatant bias of a US-led process.

The EU's major influence potential stems from its role as a provider of development assistance to the Palestinian territories. Whilst European and Canadian donors confirm that 'business as usual' is the predominant post-September dynamic, American state-funded non-profit organisations such as the National Democratic Institute (NDI) face financial uncertainty for the coming year. The US Congress withheld \$200 million worth of aid destined to the OPTs following Abbas's UN bid and then pulled its funding from UNESCO following its acceptance of Palestine as a member state. As Palestine's largest single donor and main trading partner, it is vital that the EU avoid mirroring American punitive reactions to Palestinian diplomatic initiatives. Without the EU Commission's August increase in aid to the OPTs (bringing total EU aid to €300 million for 2011), the PA would have struggled to pay salaries. A shift in EU policy should encompass two dimensions: increasing its focus on the

private sector in development assistance, and adopting a more nuanced approach to engaging with Hamas.

Firstly, a stronger focus on the private sector would help to diversify the much-needed assistance to the OTPs and could help to remedy the currently widespread overlaps in donor programmes. Potential investors are reluctant to invest in territories under occupation, without control of their own borders, and with very little control over their own resources. According to a Quartet representative, a deal drawn up in February would have allowed the PA to benefit from revenues of offshore gas supplies in Gaza – but the reconciliation signed in May between Fatah and Hamas prompted Israel to rescind its side of the deal.

Secondly, it is time the EU overcame its self-imposed no contact rule in formally engaging with Hamas. This would allow it to deal with a more representative coalition government, and to bolster a more assertive Palestinian stance if peace talks resume. The recent release of prisoners negotiated between Israel and Hamas is proof of the former's willingness to negotiate with the latter. Overtures of unity from Palestinian factions should be rewarded by the EU adopting a more receptive position to a Palestinian technocratic government. Not least because the shifting regional landscape and the emergence of Islamist parties into the political spotlight require a re-evaluation of EU attitudes towards previously-vilified parties such as Enahda, the Muslim Brotherhood, and Hamas.

#### **THE ARAB STATES: FROM RHETORIC TO ACTION**

With processes of transition underway in several North African states, Bashar al-Assad's rule in neighbouring Syria becoming increasingly fragile, and an authoritarian clamp-down in the Gulf, how might newly emerging Arab governments influence the pace and quality of the peace process?

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In Tunisia, the Islamist Ennahda party, winner of the October legislative elections, has yet to clarify broad declarations that it ‘considers the Palestinian issue as a main issue facing society’. The Congress for the Republic Party, a secular party likely to form a governing coalition with Ennahda, boasts ‘a Tunisia that is a centre of peace and support for the right of people’s self determination, first and foremost the Palestinian people’. These statements echo traditionally-fiercy rhetoric regarding the Arab-Israeli issue but are unlikely to lead to concrete action from Tunisia. Egypt, however, is a different matter.

Egypt, traditionally the key Arab broker in the peace process, is showing signs of resuming its regional clout. Having negotiated a deal between rival Palestinian factions – which Mubarak staved off for three decades – in only three months, Cairo stands to play a more assertive and constructive role vis-à-vis the Palestinians. Yet given that the Egyptian-Israeli peace has always been a cold peace, the advent of a post-Mubarak government is unlikely to see drastic change such as the cancellation of the 1973 peace treaty. Egypt’s current interim ruling body, the Supreme Council of the Armed Forces (SCAF), is largely made up of the same military elites who enjoyed power under Mubarak, and who have been subject to wide criticism for attempting to reconstitute the system in their own image. In terms of foreign policy, the commercial and security interests of these entrenched elites are likely to support the preservation of the peace treaty with Israel. Amendments to the treaty are possible, however, as the prospective future government leader, the Muslim Brotherhood (MB), has not unequivocally ruled out this option. Beyond reassuring international partners that the peace treaty with Israel will be upheld, the MB’s declarations on foreign policy have been few and rarely concrete. The Freedom and Justice Party, founded as the political arm of the MB in April 2011, states in its manifesto that ‘it is necessary to confront the Zionist entity and dedicate considerable efforts to [...] secure the rights of the Palestinian people to self-determination [...]

the right of return [...] and the creation of a Palestinian state with Jerusalem as its capital.’ The Salafist Noor party, whose preliminary 25 per cent at the polls seems to indicate at least their say in constitutional reform, advocates that the upholding of current treaties with Israel be put to a national referendum.

As for Syria, the Turkey-based Syrian National Council (SNC) seems prepared to make concessions in order to help advance the peace process. The Council’s leader and one of the main Syrian opposition leaders in exile, Burhan Ghalioun, stated that ‘there will be no special relationship with Iran [...]. Our relationship with Hamas will be through our relationship with the PLO [of which Hamas is not currently a member] politically and Palestinian civil society’. In return, the SNC is ‘banking on our special relationship with the Europeans and western powers in helping us in reclaiming the Golan [Heights].’ Yet in Syria’s case too, the uncertainties trump the certainties, not least because of Syrian internal discord and lack of consensus on how to topple the Assad regime. The other main opposition movement, the Damascus-based National Coordination Committee, questions the domestic legitimacy and relevance of the SNC, arguing it is concerned more with playing international politics than finding a domestic solution.

Finally, the Arab League has pledged that assistance to the OPTs will be more forthcoming following the punitive reactions by US Congress and Israel in response to Abbas’s statehood bid at the UN. Secretary General Nabil al-Arabi has appealed to member states to bolster financial assistance. The Islamic Development Bank, in its capacity as Coordinator for the GCC Programme for the Reconstruction of Gaza, has signed agreements to the value of \$30 million to date this year. It remains to be seen whether other Arab states and regional bodies will convert rhetoric into concrete action. Aside from acting as a financial bulwark, the Gulf states could provide political support, building on the 2002 Arab Peace Initiative.

»»»»» **CONCLUSION**

Although the outcome of transition processes across the MENA remains uncertain, it is clear that Israel will no longer be, as it has often flaunted, the 'only democracy in the Middle East'. Ironically, if bills pushed through the Knesset this year (introducing funding constraints on foreign NGOs and clampdowns on groups supporting settlement boycotts) are anything to go by, Israel is presenting a decidedly less democratic face than some of its Arab counterparts. Both Israel's reading of regional events and its reaction to international support for Palestinian statehood are worrying. The Netanyahu government's rejectionism suggests an actor ill-prepared for a paradigm shift.

It remains to be seen to what degree the Arab uprisings will help to energise local dynamics in Palestine, or whether third parties can help bring about the necessary change of mindset needed to overcome the current stalemate. The potential game changers all face hurdles. The Palestinians must make true on their unity agreement, set a date for elections in 2012, and not let frustrations slip back into violence. Western partners must address the war of narratives surrounding Abbas's statehood bid, and question the legitimacy of US/Quartet-brokered negotiations. The Arab League and individual Arab governments must be prepared to compensate for punitive US and Israeli measures by offering tangible financial assistance, not merely rhetorical support.

If, as an Egyptian diplomat recently claimed, 'everyone is hoping for the best but no one knows what the best is', then a paradigm shift in post-September Palestine and post-Arab Spring Middle East allows for credible alternatives to be test-run. As 2012 sees developments in the processes of transition currently underway in Tunisia, Libya and Egypt, the atrophy of the Palestinian-Israeli situation will stand out all the more, as will the urgency of reaching a solution. The potential game changers – the Palestinians, the Western partners, and the Arab states – must act before the screen flashes 'game over'.

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