CARNEGIE ENDOWMENT FOR INTERNATIONAL PEACE

PALESTINE AND ISRAEL: TIME FOR PLAN B

WELCOME AND MODERATOR:
KARIM SADJADPOUR,
ASSOCIATE,
CARNEGIE ENDOWMENT

SPEAKERS:
NATHAN BROWN,
NONRESIDENT SENIOR ASSOCIATE, CARNEGIE ENDOWMENT
DIRECTOR, INSTITUTE FOR MIDDLE EAST STUDIES,
GEORGE WASHINGTON UNIVERSITY

ROBERT MALLEY,
PROGRAM DIRECTOR, MIDDLE EAST AND NORTH AFRICA,
INTERNATIONAL CRISIS GROUP

GHAITH AL-OMARI,
ADVOCACY DIRECTOR,
AMERICAN TASKFORCE ON PALESTINE

THURSDAY, MARCH 5, 2009

Transcript by
Federal News Service
Washington, D.C.

KARIM SADJADPOUR: We'll try to get started. Thank you all very much for coming. And the fact that you're here so early I know is a testament to your affection, as well as mine, for Nathan and Robin, for Ghaith.

I will be a very hands-off moderator. You have their bios here; I think you're familiar with all of their work. And so we'll start out: Nathan will begin, and then Ghaith will comment and then Rob – and then, hopefully, we'll have ample time for questions. So, please, Nathan.

NATHAN BROWN: Thank you very much. I mean, what I'm going to talk about is really the piece that you have in front of you – we call that Plan B. And the details are in there, and I won't go over all of them. What I thought I would do would be to just give you an overview: first, why I'm writing the piece; second, talk a little bit about why I don't think a two-state solution – which of our two-state solutions now makes much sense; third, look at the alternative approach that we've been trying. Well, I shouldn't say the "alternative approach." But the approach that we've been trying to realize diplomatic progress, the West being first approached and why I'm not optimistic about that; fourth, talk a little bit about my alternative; and, fifth, just say a few words about the emerging approach of the Obama administration.

First, why did I write it? And I've got to admit here, I wrote it because some friends of mine – people I respect – one of them actually is here. And Larry Garber I was having lunch with, I think, a couple months ago, with somebody else, and they were saying: Nathan, you know, everything you write makes sense, but it just gets gloomier, and gloomier and gloomier. Don't you have anything constructive to say? And my answer at the time was: No. (Chuckles.) But I took that as a challenge: Do I have anything constructive to offer? I had a sense that what we were watching was a train wreck in slow motion. And that could be described, but I wasn't quite sure how to treat it.

And what was worse than simply the events, which I thought was a deterioration in the status quo, but also sort of a nasty habit, I think, of American diplomacy essentially treating the situation on the ground right now as if it was the situation two or three years ago, and pursuing solutions that would have made sense long after their expiration date.

So let me move from that – after telling you, here I'm going to be positive – to start off with, you know, what, perhaps, is what's in my head rather than my heart – the negative. Is a two-state solution possible? Is moving towards a two-state solution possible now? And the answer there, I think, is simply no. We've been banging our heads against this for quite some time: explicitly since 2002, in the Bush administration; you could argue implicitly during the whole Oslo process.

And the problems right now don't need to be belabored. You've got an incoming Israeli leadership that doesn't seem to explicitly buy into it, and certainly doesn't – even if they did buy into it – doesn't buy into the sorts of concessions that it would entail. You've got a deeply entrenched settler population on the West Bank. Those two things are not new – we've dealt with those before.

But what we're also dealing with now is a deeply split and fragmented Palestinian community. There's simply nobody that can negotiate authoritatively for the Palestinians right now – there just isn't. And, you know, of course, there's nobody on the Palestinian side to talk to, is an old mantra of the critics of the peace camp in Israel – and, in a sense, I think it's a self-fulfilling

prophecy. They have some responsibility for bringing that situation about, but that's the situation that exists right now.

And so what happens when you pursue a two-state solution is you – as the Bush administration showed, you, you know, set diplomatic wheels in motion that sort of devalue the process. I'm not sure that people actually on the ground take the process all that seriously right now, and the solution itself begins to lose some credibility.

And, second, what about this West-Bank-first approach, which is the approach the Bush administration followed since the events of Gaza, June 2007? And which I see – and I'll talk about this a little bit briefly at the end – the Obama administration picking up on.

The problems with that – I mean, the basic argument, as it's articulated, is: Let's build up the Palestinian Authority and show that it can work – with economic progress; with security progress; and, perhaps, with some kind of meaningful diplomatic process – and we'll show the people of Gaza that Hamas is not delivering anything.

I think there are all kinds of practical problems associated with that – and it's predicated, by the way, on something that I think is misstating the problem. It's not the Palestinian Authority versus Hamas. Hamas views itself as a legitimate Palestinian Authority government. We don't have to buy into that. But what that means is, that when you're dealing with Gaza, you're not dealing with an actor that sees itself as – or is necessarily regarded in Palestinian society – as some sort of rogue actor, but as the established government. And so it's half of the Palestinian Authority.

And so what we're doing is dealing with one – is basically taking sides in a Palestinian civil war. We're taking the side that I think we find easier to deal with, for all kinds of reasons, but it doesn't speak authoritatively for the Palestinian Authority. And, in fact, what it has the effect of doing is creating sort of an international protector on the West Bank – something that is able to deliver some kinds of modest improvements in some economic and security affairs – but really isn't experienced by Palestinians as their government or one that is responsive to them.

So what's the alternative that I'm offering here? Well, essentially, what I start with is realities on the ground. There is a meaningful diplomatic process that's going on. In a sense, there are two: there's an intra-Palestinian one, moving towards some kind of national reconciliation; and there's Israeli-Palestinian negotiations about a ceasefire that were active for a while, but seem to have gone slightly into hibernation.

And my basic argument is that we should take the diplomatic process that exists, rather than the ones that we – rather than trying to create one which doesn't have much of a basis right now. And move towards a very effective ceasefire – one that is not like the one that existed in June of 2008 that broke down so spectacularly.

I'm not going to talk about the problems of that ceasefire, and what has to be done to correct it. But what I would refer you to is the International Crisis Group report at the end of December – that really, I think, analyzed the problems in that much more effectively – the old ceasefire, and what a proper ceasefire has to look like – much more effectively than I ever could.

But ceasefire to what end? I mean, it's good to get people to stop hurting each other, but then what? And what I'm arguing here is that it may make sense, if we can't move to a two-state solution – at least in the shorter, perhaps even in the medium term – we can take that ceasefire and turn it into something a little bit more enduring, what I'm calling an armistice, one that would offer both sides something that they desperately need.

What it would offer Hamas would be the ability to essentially build up their party state in Gaza – something that exists right now, that all sorts of international efforts and Israeli efforts – military, economic, diplomatic – have not been able to dislodge. And, essentially, I guess, learning to live with that. It would offer Hamas that and offering Israel some peace and quiet. And one that, you know, if Hamas signed onto, would probably be in force not simply on Hamas, but on all the other Palestinian factions, as well.

That's, you know, the attraction. But would have to address a major Israeli concern, and that is that Hamas would use it not simply to build itself up internally, but to build itself up militarily. It would have to be coupled, to be attractive to Israel, with some kind of meaningful steps taken against Hamas arming itself.

This would be difficult. I mean, Hamas has basically said, point-blank: We're not interested. We have the right to get whatever weapons we want. And I think it would be difficult to get Israel – to prevent Israel from taking its own sorts of unilateral actions in order to entrench its positions more deeply and to sort of tilt the status quo in its directions. To "create facts," in the famous phrase. But that's what international diplomacy should concentrate on.

And if that is successful – if the calm used by the ceasefire sort of morphing into an armistice could be used to rebuild Palestinian institutions on the ground – I think a Palestinian national unity government is a good idea in the short term. In the long term, I think it's a bad idea because it leads to paralysis. So it's got to be a government that paves the way towards meaningful possibilities and rotation in power.

And let me just say that – you know, we're now in March of 2009. Palestinian elections would have been due next January, certainly for the parliament. The presidential election is more controversial – but they were due either last January or this coming January.

Had we stuck with the policy of essentially holding the Palestinian Authority together back when Hamas won the elections in 2006, they would be facing the voters very soon, with not an awful lot to show for it. Right now, there's no meaningful prospect of Palestinian elections, unless there is some sort of Palestinian reconciliation. And I don't see any way to dislodge or change Hamas' viewpoint without holding in front of them the prospect of losing at the polls. That's been the only thing that's kind of changed their conduct in the past.

So that's the approach that I'm advocating. Is that the approach that the Obama administration seems to be taking? The short answer is no. Right now, what I would say – just a few words, sort of observations on what I see is the emerging approach of the new administration: There are two important changes that exist from the Bush approach. Number one they're repeating like a mantra: We have to take a regional approach. And what that means – at least, in the short term – is much more engagement in regional diplomacy and in regional actors. And there are some successful and impressive efforts in that regard. And a second – a willingness to go toe-to-toe with

the Israeli government, especially on the issue of settlements. There are some indications there that that's where they're going.

Those two things would mark a difference – important qualitative differences – from the Bush approach. Those aside, however, what I think they offer is, essentially, a more muscular – and I hate to put it this way, but I will – a more competent version of the approach that the Bush administration took in the last couple years.

In very important elements, I see not change but continuity: attitude towards a national unity government; and, in a sense, there's some – if anything, a slight amount of backsliding there, that the United States has offered a few formulations, but is basically extremely insistent on the Quartet conditions. And one of the formulations is not simply that a Palestinian national unity government has to subscribe to the Quartet conditions, but that Hamas, itself, as a movement, has to subscribe explicitly to the Quartet conditions.

They will not do so. So if that's the path that we follow, we have to do so knowing that that will be the result. There doesn't seem to be that much interest, that I can detect, in the ceasefire between Israelis and Palestinians. If there is activity on that regard – American activity – it's invisible to me.

So I think what we're seeing, as I say, is, in a sense, a couple of welcome changes: probably a more competent use of diplomacy and a willingness to deal with our friends, as well as our adversaries, when they do things that undermine American projects. But, overall, I see a continuity in Obama administration policy. And my hunch is, it's likely to come to similar results.

MR. SADJADPOUR: Thank you, Nathan – very insightful. Ghaith, why don't you –?

GHAITH AL OMARI: Yeah, thank you very much. First of all, it's a very provocative, challenging – and, I think, very timely – piece. It was not an easy one for me to read, really, because it intelligently challenges some of the orthodoxy – some of the things that I have, you know, held as a belief for a long time and actually continue to believe in.

But what it does is, it really shows the very tough questions facing us, and the inherent uncertainty in the policy options that we have right now. Whether we go towards isolating Hamas – engaging Hamas – there is no certainty. Really, there are no precedents that we can build on. So I guess this defines much of the debate that we need right now. But the fact that this paper is on the table right now – it offers us a chance to engage in this necessary debate.

I agree, definitely, with the need for an immediate ceasefire. It's essential for many reasons. I think the results of the Gaza war showed not only the human aspects, but also the political implications of continued volatility in the security situation during Gaza and West Bank. And I also agree that a peace deal is not achievable in the short term, and we do need to find medium-term stabilization arrangements if we want to move forward on the Palestinian-Israeli conflict.

However, I do have issues with the proposed armistice, or the proposed kind of long-term, or 10-year, armistice between the Palestinians and Israelis, as it is presented in this paper. To me it sounds very much like Oslo on steroids. It looks like what Oslo should have looked like 15 years ago. I think it could have worked, had we – you know, had Oslo been approached in this way 15

years ago. I think it's a little bit too late. It basically talks about finding an interim arrangement, but dealing with the two major aspects of instability – or sources of instability – in Palestinian-Israeli relations: in particular, a settlement freeze on the Israeli side and control of armament on the Palestinian side.

I really have two issues, two major issues, with this approach. One relates to sustainability. I think settlement freeze, on the one hand – or settlement expansion, rather, on the one hand – and the ongoing violence are natural and unavoidable products of the continued occupation. As long as we have the occupation – as long as we have the conflict – these issues – the issue of settlement expansion and the issue of armament – could be controlled for a short time, but they cannot be maintained and sustained for a long period.

So the way I look at them – I look at them as tools that we might use for medium-term stabilization in order to achieve another goal. But, on their own, I don't think they are sustainable. I cannot see the Israeli political system – which, in 10 years, probably will have three or four elections – I cannot see it sustaining a settlement freeze. The issue of settlement freeze will continue popping up at every turn. And so while it could work during the life of one Israeli administration, I don't it as achievable on the longer term.

The other issue that I actually have with the paper, aside from the issue of sustainability, is the issue of: Who is the partner on the Palestinian side? And I think this is a bit where the paper is not very clear, and I think this is the major issue that we're facing right now. One thing for sure: We cannot, in my view, have two Palestinian addresses as we try to move the process forward.

We cannot deal with two Palestinian partners who have totally different platforms and totally different obligations. I cannot see a situation – or it's a very complicated situation – for the international community – be it the U.S. or be it others – to engage with the PA on the one hand – based on the Oslo framework and the previous agreements and obligations – and, on the other hand, deal with Hamas based on a completely other set of criteria. This creates complications which I believe are completely unmanageable.

One of the problems that I have with the paper is that it really seems to kind of reverse the Bush approach without really dealing with the fundamental problems with it. More specifically, during the Bush administration I think most of the effort was put in trying to destroy Hamas – weaken Hamas, eliminate Hamas – and very little effort, if any, was put in trying to really shore up the other players on the Palestinian side. If you look at the Bush objectives of improving economy and improving quality of life, and making progress on the diplomatic process, none of that succeeded, simply because, I think, not enough effort, and not enough competence, was put in that direction.

What the new approach, that Nathan is proposing, is doing, is doing the exact opposite. It's proposing that we put most of the diplomatic and other kinds of effort into bringing Hamas in with very little mention of what we can do to support those on the Palestinian side who actually agree with us and who fit within our view of policy in that region.

So I think it's a mistake to completely ignore the interests of the PLO – the interests of the PA – and focus only on bringing in Hamas. And I found this actually quite striking when I was reading the paper, that as it tries to deal with the interests and concerns of Israel and Hamas, there's

almost no mention of the interests and concerns of the PLO. And whether or not – and, yes – the PLO right now, and the PA, are in a weaker political position. But they continue to be a major political player on the Palestinian side, and I think that has to be taken into account.

So if we cannot have two Palestinian addresses – and if, as the paper proposes, that the PA is no longer really a viable political address – or the PLO or Fatah, name it what you will – what about Hamas? Can we bring them in? I think, first of all, rewarding Hamas for its use of violence seems to me to be a very unhelpful approach. Just because Hamas is able to be a spoiler doesn't mean that it has to be rewarded politically for that.

Yes, its ability to be a spoiler has to be controlled; yes, there has to be a graduated process of bringing them into the mainstream. However, to simply go and give Hamas political gains – be it the settlement freeze; be it an opening of Gaza or of these things – just simply because of the fact that they can use violence to achieve their goals and to subvert a process, I think might be counterproductive. And it sends the wrong message.

One thing that the paper mentions, in terms of advocating a diplomatic openness to Hamas or opening to Hamas, is that it's a fact of life that Hamas does not need international legitimization for it to continue to exist – or to continue to see itself as legitimate. It's true. Hamas' legitimacy is not international recognition – it is domestic, and it's a bit more regional – but diplomatic recognition still is the most jarring deficit in Hamas' legitimacy. For Hamas to become a completely accepted player – and a completely accepted leader of the Palestinian movement – they need this international legitimacy. And this, I think, gives the international community quite a lot of leverage when it comes to Hamas, and I think it's an asset that should not be squandered lightly.

I don't think that the international community engaging Hamas at this stage would bring us much benefits. There's nothing that Europe or the United States can bring to the table vis-à-vis Hamas at this stage that others cannot bring. And I believe – and I think one point that Nathan makes in the paper – that the bottom line of Hamas has to be explored, and has to be discovered. I think this is absolutely true. Hamas, so far, has not had to deal with real issues, in terms of some of the real issues, because they were never really tested.

But I think that the testing should not be done by the U.S. or by Europe – by the Western world. It should continue to be done by those parties that have relations with Hamas. I think Egypt, in particular, is best placed to do this – to see how far Hamas is willing. And if we see movement on Hamas' side, this is when we can start bringing in Western interlocutors. But, right now, to break the diplomatic isolation of Hamas, without Hamas moving anywhere – without Hamas paying a political price for that – I think would be politically unwise. And, as I said, I think Egypt can continue to play the role of exploring how far Hamas needs to go.

One point that I agree with very strongly in the paper is regarding Palestinian unity. It is desirable, but it's not an end in itself. It's not the goal. The goal is not unity and power-sharing, but, rather, the goal is creating the conditions for an election for a transfer of power. I think that Hamas and Fatah – Fatah, Hamas and the PLO – have no real common grounds between them. There is a different domestic ideology – there's a different foreign-policy ideology – and, as such, I really don't see the grounds for unity. And any unity would be terribly superficial, as we saw in previous arrangements.

One caveat here, though. In order to deal with unity, one aspect that was, I think, dismissed in the paper – but, I think, is quite fundamental – is the issue of security within the Palestinian political system. I think efforts to reform the security sector – in a way that makes it nonpartisan; that makes it professional; that gives it a very clear mission, constitutional mission – is an essential prerequisite. Unity, or even the concept of having election, while Fatah and Hamas continue to have their militias, can never be sustainable, because whichever party does not like the outcome of the political process can easily invalidate it through using violence.

I believe, actually, that we don't really need a new approach to the Palestinian-Israeli peacemaking. I think that the old approach that we had is theoretically sound. I think the problem that we had so far has been very much a problem of incompetence in application. And I think that the Obama administration, rather than trying to radically reinvent a new approach – that would endanger some of the other interests in the region – I think what we should do is have a more vigorous attempt to implement an architecture which basically deals with two parallel tracks.

One track is continuing with a diplomatic process – knowing very well that we cannot have a result in the short term but, at least, the diplomatic process will create the framework in which other progress happens – and, in the meantime, continuing with progress on the ground, while encouraging a Palestinian unity on terms which are internationally acceptable. And engaging the international community, and the diplomatic community, in a way that makes use of the texture in the diplomatic world.

One of the problems of the Bush administration was, you know, deciding to take the lead on everything and shutting all of the other players out of the process. I think other players – be it Arab players, be it some European players – have something to add, and can go more than the U.S. can go. But, still, I don't believe that we have to reverse the whole diplomatic approach. And I think I will leave it at this.

MR. SADJADPOUR: Thanks, Ghaith. Please, Rob.

ROBERT MALLEY: Good morning. And thanks for having me – and thanks, really, for an opportunity to comment on Nathan's piece. I think Nathan Brown's piece is – all of them are always thought-provoking – always lucidly written – and I find them among the best that we could read on this topic, all-around. So thanks, again, for another great contribution.

As I listened to this discussion – and as I think of how you opened in your conversation with Larry Garber about why we all become naysayers – it's true that, for so many of us who have had this dream of, you know, partitioning historic mandatory Palestine and having two states, these are days, to paraphrase Barney Frank, of "post-partition depression," where it seems like so many who've been – who have invested so much in the peacemaking, two-state solution – I find, when we talk to them, they are really bereft of ideas.

And maybe it is time – I'm not sure it's time to come up with Plan B, but it's certainly time to question Plan A. And to think about turning the page not just on the eight years of the Bush administration, but all the years that have preceded them since Oslo because all those years have yielded very little in terms of success, whether it's for the Israeli people or for the Palestinian people.

A few words on Nathan's proposal – what he calls Plan B. As I said, I think it is time to think in new and creative ways. I'm not sure that you have found that way yet, because a lot of the issues that Ghaith mentions – and which are obstacles in front of your long-term armistice – are probably as formidable as the obstacles in front of a two-state solution. A settlement freeze is one. A settlement freeze which we've called for, for many years, but seems to be impossible for many reasons – some justifiable. I mean, settlements are a living entity.

And so if you actually have the settlement, it's very hard to freeze. You're going to have to dismantle them before you're actually going to be able to tackle the problem. But also because any Israeli government has more than one means at its disposal to continue the settlements – whether it's through natural growth; or whether it's through continuing them in the existing areas or making exceptions for East Jerusalem. This is not a battle, I think, that a U.S. administration could – on which it can prevail in the long run.

Then there's the issue of what an armistice would really look like, which your paper begins to tackle, but it's hard to find. How are you going to find common ground between the Israeli position and Hamas' position, in terms of Israeli withdrawal? From where? Is it the West Bank – when, in fact, Hamas is only in control of Gaza? And what amount of the West Bank? Who is the interlocutor on the Palestinian side? Why would the Israelis agree to withdraw from territory, in exchange simply for a five- to 10-year armistice? I think all these questions are ones that deserve being further explored. I don't think we have found the answer yet. I think it's further validation of the view that we are at the end of an era, but I don't think we know what the next era is.

So rather than focusing on what the solution is, I think the most productive thing that we can do is reflect on three simple questions: What's wrong with the peace process? What's wrong with bilateral negotiations? And what's wrong with us? And by "us" I mean the U.S.

What's wrong with the peace process is really what Nathan describes so lucidly in his piece. Why is it that everything that has been tried, under so many configurations – some of the best configurations, when you had strong Palestinian-Israeli leaders or when you have, as of now or, at least, in the recent years, Palestinian and then Israeli leaders who seem committed to a two-state solution. When you had broad international consensus – in fact, wall-to-wall consensus, of a type that has never existed before – in favor of a two-state solution.

When Israeli leaders recognize that, without a two-state solution, it's their own future as a Jewish democratic state that's in peril. And Arab states – pro-Western, Sunni Arab states – that recognize that, without a two-state solution, their own credibility as leaders in the face of the wave of radicalism is in jeopardy. Why is that throughout those years, we have never been able, despite multiple efforts which one could criticize on the margins here and there, but nonetheless, the main message is, whatever we've tried in terms of a peace process has failed?

Second – and I think that that demands that we think, again, about what the objective of that peace process was. And this is why ideas like a long-term armistice need to be part of the equation. I'm not sure they are the answer, but why is it that the search – the 15-year search for a two-state solution has come to naught?

Is it something about the solution itself, is it something about trying to end the conflict, as it's been stated, that it's simply not possible under today, and maybe we have to look for something

different, a long-term arrangement where the Palestinians have their state, the occupation comes to an end but some of the more existential issues haven't been resolved? I don't have the answer, again, I just think these are things that are worth considering before simply repeating the processes of the past.

The second question, what's wrong with bilateral negotiations? Why is it, if you think about it, that the most significant changes that have occurred on the ground between Israelis and Palestinians have occurred as a result not of bilateral agreements but unilateral steps? Obviously, the unilateral disengagement from Gaza, which can be criticized, but I would say the criticism shouldn't derive from the fact that it was a disengagement, not because it was unilateral, but because of what happened afterwards.

The fact that Gaza was not able to govern itself, the attitude that – the conduct, behavior vis-à-vis the Hamas authorities, the siege that was put on Gaza – all of that has led to – and Hamas' own less-than-mature attitude when it won the elections, that's contributed to the failure of the Gaza disengagement, as I said, not the fact that it was disengagement, and I would argue not so much the fact that it was unilateral. It could have succeeded despite – despite that.

The second event that we're seeing that has more or less succeeded, though also has come to an end, are the ceasefires, which – the recent ceasefires were also unilateral steps by Hamas and by Israel. So what is it about the negotiations between those two parties that simply does not yield results that are meaningful and sustainable on the ground? Is it the asymmetry between the two? What does this mean in terms of the need to bring other actors in, whether they are European, Arab or others? What does it say, in the end, about the capacity of Israelis and Palestinians, if you put them into a room and you say, now, you're going to negotiate this final agreement, can they actually do it? Is that something that is conceivable or do we need to think of other modes of negotiation?

And finally, what's wrong with us? It's also striking, when you look at the history of the peace process, how little the U.S. has been able to shape events from the outset. Almost all of the meaningful steps between Israelis and Palestinians have been initiated by them, without us in the room, often without us knowing about it. Certainly that was the case of Anwar Sadat's trip to Jerusalem, it was the case of the Oslo Agreement, it was the case of the Israeli-Jordanian agreement, it was the case, to the extent – this is – one could consider it successful, of the more recent Israeli-Syrian talks initiated by Turkey.

I'm convinced the U.S. is a critical player when it's going to come to conclude agreements, when it's going to come to convince the parties that they can take the risks to cross the last step. But what is it about the United States that has made it so ineffective in initiating successful processes? And I think, again, that's a question that this administration and all of us need to think about, and I suspect that it has something to do with the fact that when the parties are in the presence of the U.S., the U.S. becomes much more of a player and a party that they're trying to influence, at the expense of their own bilateral conversation.

So my – as I said, I think we – Nathan's piece is an extremely insightful point of departure about where we are today, and I wouldn't change a word to what he said about the problem with the two-state solution, the problem about Palestinian divisions, about Israeli fragmentation. I would add to it the fact that Palestinians have begun to lose a sense of why the two-state solution is so important to them.

The way we're talking about it, the way the last administration and this one is talking about it, the two-state solution seems like a favor to Israel, a gift to the U.S., a gift to Sunni, moderate, pro-Western Arab states, but the Palestinians seem to be the last beneficiary in all this, and I suspect many of them are beginning to think that this is all being done, not for them but to them and in favor of other parties. I think that that's another factor that's behind this disillusionment with the two-state solution, and I suspect on the Israeli side as well.

This doesn't seem to be addressing their interests or their aspirations, it seems to be part of a broader geopolitical game which has very little to do with their everyday lives. I would add another fact, I would add to the reason why we are in such a sorry state is the regional polarization, which makes it much harder to get the kind of consensus and regional quiet that you would need to move on such a delicate matter.

Two other points, one about Hamas and one about the Obama administration. I don't know, I've never assumed that Hamas can be converted and brought into the process simply by virtue of talking to them. I never have even argued that the U.S. administration should talk to them. I have argued that others should; I have argued that we should at least try to explore the possibility through a diplomatic process of shaping it and influencing it and playing on the fact that they were different actors who may have different interests within the organization.

And I have argued against a policy which, in my view, has shown time and time again not only its failures but the cost of those failures, which is a policy that says we're going to boycott, we're going – again, the arguments that Nathan makes, we're going to boycott, we're going to put Gaza under siege and we're going to hope that over time, Gaza will be – Hamas will weaken and Fatah and will go strong.

This is a perennial argument that my friend Ghaith and I have had, where I think, if I – I don't want to put words in your, in his mouth, but the notion is that we can't afford, two years ago, to have – to bring Hamas in and to engage it, because you needed to have a balance of power in which Fatah was stronger, Abbas and the PA were stronger and Hamas was weaker, and so you could use the ensuing period to shift that balance of power. But if anything, the trends have gone in opposite direction. Fatah is more discredited, the PA is more discredited, I'm not sure that Hamas has gained popularity domestically, it's gained it regionally and it certainly hasn't trenched its position in Gaza. And so I don't know how waiting longer before trying to bring them in, again, not necessarily through U.S. engagement, but trying to bring them in, how waiting any longer – and not – would be a successful option.

I think our goal right now, the goal should be to insist on the most important things, the most meaningful steps that Hamas could take if it would broaden the government. One is a commitment to ceasefire; that takes more than Hamas, it means Israel, too, has to agree to the terms of the ceasefire, as Nathan says, that ceasefire has to be much more solid than the one that existed before.

And second of all, renew Hamas' commitment that if there were a peace process of any kind – and again, I'm not – I'm saying we're going to have revisit what the goals of that peace process are and its instruments, but if there were a peace process, Hamas would agree that it would abide by the

results of any referendum, any national Palestinian referendum on whatever putative agreement might emerge.

I think that's what's important, because if you have those two things, you have the quiet and you have a process through which the Palestinians can agree and accept an accord with Israel. All the other conditions of the Quartet – frankly, I'm not sure what they would add to this. So Hamas recognizes Israel, which it won't do, but even if it did, what really matters is whether it would accept a popular verdict on an agreement. It renounces violence. It won't do that either, but even if signed the piece of paper, is that more meaningful than actually implementing on the ground a ceasefire?

So for me, I've always thought that we should put Hamas in the front of much more – they're easier – an easier bar for it to meet. I don't think it's easy by any means, but an easier bar for it to meet but also one that would be much more meaningful, both for the Palestinians and for the Israelis, and I think we have to revisit that approach to Hamas. I think what we're doing now is certainly not going to lead to a more stable situation or to a more successful peace process.

Finally, on the Obama administration: Nathan, again, who has managed to surpass me in my pessimism, which makes me feel much better today, I think has reached conclusions which one could reach on the basis of what we've seen. I'm not sure, I'm not sure. I do think there's a risk that because the Bush administration – the Bush administration has left a doubly harmful legacy: It did the wrong things poorly, which creates the illusion that somehow they can be done well. They can't. And there's – I do have that fear, that we're going to see the Obama administration believing somehow that by in fact helping Abu Mazen in ways he wasn't, in fact having a peace process that's more energetic than the one that existed and by being more effective on other – on the regional feel that you could succeed where the Bush administration failed. I couldn't agree more with Nathan; that won't work.

I'm not sure that's where we'll be. I think that you could read different signs, because I think if you want to have a successful peace process, first of all you are going to have to have a different regional climate. I think the administration is working on that when it comes to Syria and sooner or later when it comes to Iran.

I think if you're going to have the successful process, you're going to have to have a different attitude towards domestic Palestinian politics. We don't see that yet, and I suspect that the administration is not going to shift at all when it comes to Hamas, per se. I could imagine the administration taking a different line when it comes to the government, and saying, well, government we will judge on the basis of its actions, the government we will judge – we won't deal with its Hamas members, but we will judge the government itself on the basis of whether it's committed to ceasefire and committed to the kind of process that I described. At least I think the jury is still out on how we will take that approach, and we know at a minimum that we've gone from a faith-based administration a reality-based one, and so even if they begin on one road, I suspect they may deviate if they see that that doesn't succeed.

The one thing I think – again, and I think we all three would agree on this. Certainly Nathan would agree that continuing the process of the past, whether it has to do with the two-state solution and whether it has to do with our approach to Hamas or the region – that can't succeed even, as I said, if it's done better. I mean, it brings to mind the saying of Thomas Edison, who said, you know, I haven't failed, I've just discovered a thousand ways didn't succeed.

Well, we have failed, and all the ways that we've tried haven't succeeded, and I think it really is time now, whether it's for Plan B, C or D, to take a very hard look at what hasn't worked and try to find another way, and put all the sacred cows on the table, whether it is the search for a two-state solution, whether it is for an end of conflict agreement, whether it is for an armistice, whether it is, bring Hamas in, because time is short and I think we do have an opportunity now with the new administration and a region that seems to be as much at a loss as all three of us are to take stock, to take time and to come up with something that might succeed. Thank you.

MR. SADJADPOUR: Thank you, Rob. Very elegantly put, as always. Nathan, I know you probably want to respond to Ghaith and Rob, but why don't we bundle a couple of questions and then you can also respond to them as well. So please, please. Wait for the microphone.

Q: My name is Temum al-Garazi (ph) from – (inaudible) – Magazine. Yesterday, Abu Mazen, you know, criticized heavily Iran, I mean, the regional player, and he said – he called them to stop interfering in its affair. What's – you know – both – two speakers talk about the regional equation in the peace process. Do you think that Iran and Syria, you know, what they want from this – I mean, how they can play constructive on the Palestinian side?

MR. SADJADPOUR: Thank you. Why don't we take – yeah, please.

Q: Thanks to each of you for what I thought were very good presentations. I guess I'd like to pursue the issue of the potential for a national unity government, and you sort of threw it out there but you didn't really get into whether you think it's likely to happen, some type of reconciliation leading to a national unity government, and then what you think the reaction would be of the U.S. and Israel to this national unity government. I think Rob was going a little bit in this direction, but even if you didn't finish off the thought. I mean, would that change the dynamic of the ability to somehow have the U.S. dealing with Hamas indirectly, or accepting Hamas' part of something?

And then what would be the likely reaction, from your perspective, of the national unity government agreement calling for elections at some point in the near future? Would this again be treated as a positive development by the U.S., should it be treated as a positive development by the U.S.?

And then, somewhat separately, none of you mentioned – and again, maybe this is from where I used to sit, that I preoccupy about this, but none of you mentioned, again, the role of the U.S. in terms of continuing to provide huge amounts of assistance to the Palestinians, and the question is, you know, and particularly in light of the recent conference in Sharm al-Sheikh, Secretary Clinton's speech at the conference, in which she mentioned, at least rhetorically, that the importance of not using the assistance simply to address the short-term needs is how can, or can the assistance program, which is still quite significant, be used in some way to be incorporated into a longer-term political strategy, as opposed to simply addressing the immediate humanitarian needs in Palestine?

MR. SADJADPOUR: Thanks. Why don't we take one more question, from a female, please. Yeah.

Q: Hi, thank you very much everyone, and I have a question regarding this whole issue of changing democracy, so to speak, in a conflict where, as you mentioned on Israel, you never know who's going to come into power after an election, so any peace agreement that is made can obviously be at the will of the new government, and the same thing on the Palestinian side. And so also, how can we – what strategies can we – can you suggest for smaller parties on the Palestinian side which are trying to sort of become a player but which are obviously always sort of pushed onto the sidelines by the bigger Hamas and Fatah, and how can they really make a name for themselves and be considered as serious players, also, in the international realm and also on the ground? Thanks.

MR. SADJADPOUR: Okay, why don't guys grapple with those, and I would just add onto that about the unity government, Palestinian unity government, if you could just comment about Marwan Barghouthi, maybe Ghaith, and all of you, what you think about his possible release from prison.

MR. BROWN: Thank you very much, I mean, these were great commentaries or discussions, and basically the lesson I take away is that I'm at my most persuasive when I'm being my most pessimistic – (laughter) – and maybe I should just stop trying to be optimistic about something. And there are some good questions too. Let me just handle a couple issues that came up in the discussion. I can't respond to most of them, or – and sometimes – I can't respond to most of them, partly in the interest of time and partly because the criticisms were sometimes quite persuasive and therefore, I'd like to change the subject rather than to address them.

But let me just talk about a couple things that came up. In terms of Ghaith's argument – that description of the Bush administration policy, I think that was accurate towards the sort of, West Bank first, and Rob's uncharitable description of it, you know, bad policy pursued badly. And Ghaith thinks it was a good policy pursued badly. I'm probably closer to Rob on that, but the point is, it was pursued badly. There was an emphasis on those things that probably mattered least. And all – including a real emphasis on security services, which in a sense contributed to the events of June, 2007, even before – before the split, contributed to the split itself.

I think we have to realize that there actually is going to be a tradeoff here that didn't come up in any of our comments that I just want to highlight. Ghaith is right that security services have to be on the table in any kind of reconstruction of the Palestinian Authority on some kind of professional basis, and that will mean – that will have costs. That will have costs for Israel, which I think sees – to the extent that they're willing to cooperate with Palestinian security to reform, the security they're talking about is their own, quite logically. That's what they care about the most. You sort of take them out of the political equation; in the long term, that's good, in the short term that's going to have some cost.

A comment also – and a comment, not a disagreement, about sort of the discussion here with Hamas. I think the way that all three of us have approached this is the way to approach it. The issue that is often – the issue that is often framed here is, you know, should we engage Hamas. And my answer is, I don't really care. That's not, that's not the question I'm asking, and I think I come closest to Rob here, but I hear elements of what – of my position in what Ghaith has to say.

The real question is, what do we do about a national unity government? What do we do when the Egyptians talk to Hamas? The right interlocutors are probably the Egyptians; they're

nasty, they twist arms and so on, but they probably are the right interlocutors. The Europeans can play a role here. Whether or not we sit down at the table with Hamas is a secondary question that we should not waste all of our time and attention over, and it's a way of deflecting attention from what I think are the real issues.

Larry, you had several good questions. I'm going to concentrate on the national unity government. Is it likely and what is the U.S. attitude? That's the same question to me. It's likely if the U.S. gives it a yellow light and if the international community weighs in heavily. I think both sides – and I'm talking here Fatah and Hamas – have reasons to fear a national unity government. There are things that it would cost both sides. There are things it might get them, but it's a risky move for both sides, and in a sense they have to be persuaded to do it.

And the persuasion is where the international actors can come in, the Egyptians with their heavy-handed methods, the Americans have heavy-handed methods, the Israelis have heavy-handed methods to sort of change the equation. Things like – I mean, essentially, the, you know, the population of Gaza is held hostage to these negotiations. It's not the way that I like to see negotiations carried out, but what it means is that there are real cards that other actors have to play. So with the right international conditions, you could change the configuration of those negotiations.

What I see so far is two sides that are number one, anxious not to be on the wrong side of this issue domestically, right? The split is deeply unpopular among Palestinians. They don't have a state; all they've got is national unity, and then they lost that, so neither Hamas nor Fatah wants to be on the wrong side of that, neither wants to be on the wrong side of Arab diplomacy, but that has real costs. And international diplomacy, outside of the Arab world, has some role to play.

So if the United States gets behind it or says, this is something that we could move forward with, then I think it's likely to happen. And here's the one place where I probably disagree with Rob: Maybe he's right that the Obama administration's – we haven't seen the Obama administration's policies, but I thought I heard a door slammed repeatedly, over and over, deliberately, by our secretary of state. If I was missing something, then I'd like to be enlightened.

The question about how aid can be used to support the politics I think kind of reverses the question. You use aid to support the politics – I'm summarizing your question, probably unfairly. The aid won't do any good. You'll get humanitarian assistance and people in Gaza won't starve to death and they – they'll be malnutrition-ed, they won't starve to death, there'll be medical supplies. That's what you'll get.

You've got to get the politics right first. If you are going to do any sorts of things, you've got to be able to get materials in and out of Gaza. You've got to deal with the fact that Hamas rules Gaza. So without addressing the political conditions first, all you've got is an emergency assistance program of humanitarian aid. You've got to put the politics first if you want – if you really want to do anything reconstruction.

In terms of the small parties, let me just say this: The – they don't have a lot of role to play, but they do have some. In the agreement about the national unity government, in a sense they can play a little bit of a conscience role – sort of, we're speaking for – you know, if they all line up on the same side – they don't – but if they all line up on the same side, in a sense, they can lend a legitimacy. And Fatah and Hamas like to play this kind of propaganda game, as kind of, we

represent the – you know, most of the Palestinian side, and then there is Hamas, or and then there is Fatah. So – and they can get involved in that game, kind of tilting the balance slightly.

And the second thing that I would say is that these political parties are weak shells, and they could stop worrying about a role – they role that they play today and tomorrow and start worrying about the role that they're going to play five to 10 years from now, because that's, I think, the horizon they will have to have. And finally, with Karim's question about Marwan Barghouthi, I'll leave that probably more to Ghaith and to Rob, except to say that that's another great idea whose time may have passed. I don't want to claim why; I'll let them either agree or disagree.

(Laughter.)

MR. AL OMARI: Okay, on Temum's question, Iran and Syria, I mean, I think one of the unfortunate results of the Palestinian split or Palestinian lack of unity is the fact that the door has become very open to outside influences, and I think we can criticize Arafat's legacy on many things, but one thing that he was always adept at was ability to navigate and not to be beholden to any regional or international player. I think the split has invited in other players. Syria and Iran have their own agendas, Iran in particular is playing a longer game, I think Syria's game is shorter term. I think Syria can be made to play a positive role if it gets what it wants in the short term, through a peace process with Israel and through a normalization with the U.S.; Iran is a much more complicated player.

In terms of small parties, I agree with Nathan. I just don't see a role for them. Maybe there would be a role for them in a future Palestinian polity where the issues are more diverse and there is more political questions, more day-to-day political questions among Palestinians. Right now, the questions are really primarily about, how do we deal with the peace process, how do we deal with the issue of liberation. There is the issue of governance, which is in my view quite secondary, but the smaller parties do not have a role to play at this stage, and they're anyways too weak. Even if they had a theoretical role to play, they are still too weak. Their society there is very divided between the two players, between Hamas and Fatah.

The issue of Marwan. I don't think Marwan was ever actually here, I don't think it was ever such a bright idea. I mean, Marwan, in my view, can be a very useful political tool on the short term. When Marwan is released, it will create enthusiasm, euphoria, inject energy for a month or two. The question is, what do you do with this energy? And my concern, if Marwan is released randomly, in an ad hoc manner, we'll get these two months of excitement and then nothing will go. Marwan's release has to be part of a larger effort to reinvigorate Fatah, and that effort will have to be much, much bigger than Marwan. It has to be structural, not personality-based.

And I'm really always very skeptical about knights in shining armor. We've seen them so many times in Palestinian and Israeli politics, and they always tend to burn out very quickly.

The issue of national unity government and whether or not it's likely. I don't think national-unity as such is at all possible in the short term. It simply requires Fatah and Hamas to move too far from their positions. Any government in which Hamas and Fatah sit will have to have – will have to have a compromise platform, and I just don't see the two sides reaching that compromise platform. More likely, what we will get is what they call national-accord government, whereby you have non-affiliated individuals who were selected by the two parties sitting there, therefore sitting in this

cabinet, and therefore Hamas and Fatah don't really have to make the tough decisions and the tough moves in terms of their platforms.

I think, though, this kind of arrangement is by its very nature very, very fragile, because it doesn't deal with the fundamental issues of this agreement, be it the security assets or be it the political platform, and I think it will be in many ways a repeat of – of the Mecca, the failed Mecca Accord. That said, this government – such a government, a national-accord government could be useful if it had two roads, and this actually corresponds to the other side of your questions.

The first role that this government has to have is the issue of holding elections, and this is where I am actually the most skeptical. I just don't see this happening anytime in the short term, simply because neither Fatah nor Hamas have an interest in doing that. Elections, the results are very unpredictable. Hamas is quite comfortable with governing Gaza at the time begin; Fatah realizes that it's in a weak position right now, and if they go towards the election, they will lose, so they have no real interest in doing that anyways.

They're firmly ensconced in the West Bank, so I don't see a political necessity driving it, nor do I see political benefit for either of the two parties. So I'm not terribly optimistic about the option of having an election. It does require – before we get to an election, it does require a political – how shall I say it – agreeing on the political rules of the game among the Palestinians, and this will take some of the heavy-handed measures that I think Nathan mentioned earlier.

The other role of a national accord or national unity government would be the issue of reconstruction of Gaza and the issue of how do you deal with the aid? And here again, I'm also quite pessimistic. I don't see aid moving beyond the humanitarian. In order to have real reconstruction and real development-oriented aid, whether in Gaza or the West Bank, you have to get the politics right. I cannot imagine the international community pumping in money into Gaza in a way that will strengthen Hamas until we have some sort of a national unity accord, until there is some sort of a sign-off on this by, whether by the PA or more important, I think, by some of the other Arab players who don't want to see Hamas terribly strengthened.

So I'm not terribly optimistic. So if I were to predict, I would say we will have sometime soon maybe some sort of a national accord government with two mandates, election and reconstruction, and I think it will fail in both, and unless we deal with the fundamental disagreements between Hamas and Fatah or one of the two parties wins and becomes a clear leader in Palestine, we're going to continue in this holding pattern that we've been seeing for a while.

MR. MALLEY: It sounds like a competition, who could depress you more. Each answer gets worse. On the regional interference, I'd – not much to add to what Ghaith said. I would simply say that it's true that with Arafat's demise and with all the flaws he had, that one achievement has been compromised, and not just because of the involvement by Iran and Syria but by many other actors as well, and I don't need to mention them. And that's really one of the huge losses that the Palestinians have endured.

I'm going to spend more of my time on the talk of national unity government, because I do think it is, it is obviously at the center of people's preoccupations today. On the one hand, I do think there are factors that are pushing towards it. I think on Hamas' part, despite the boost they

feel they got from the war in Gaza, they've also realized after Gaza their inability to get aid into the strip in the absence of some form of reconciliation.

I think they've also encountered a ceiling to their international outreach. I mean, the high point was the summit in Doha, but even that summit didn't attract as much participation as they had once hoped, and since then I think they've seen, yes they can get more meetings with the Europeans, people are coming to Gaza more, but they won't break that ceiling, they believe, I think, without some change on the domestic scene.

And as both Ghaith and Nathan said, there's popular pressure, particularly in Gaza, where, you know, the further you get from Gaza, the more support there is for Hamas. In Gaza itself, reporting, our reporting indicates that there's quite a bit of dissatisfaction. People have lost a lot, they're not sure what the gain was, and Hamas feels that one way to get out of it is to form some kind of unity with Fatah and to get the aid in, which – both of which amount to the same.

I think on Abu Mazen's part, there also is a realization – I'm not sure that he's ever experienced something quite like he experienced during the war on Gaza. The drop in his credibility – I think it – I assume it personally affected him, and I think if affects Fatah as well, which feels the need to respond to popular pressure to get back some form of unity. And Fatah in particular, which has no particular likings in Fayyad as prime minister, so they also have common cause in forming some common government in which he would not be prime minister. So I think that there's pressures that didn't exist on both Fatah and Hamas to come together.

That said, I think – again, I would echo what Ghaith said, there are different versions of what unity could look like. At the upper end of the spectrum would be genuine reconciliation – national unity government that has a clear program, the security services would be reunified and professionalized, Gaza and the West Bank would be one entity once more, et cetera, et cetera. And the PLO would be reformed. That's the high end, that's what they claim to be talking about.

Beneath that would be a kind of national unity government that would at least bring Gaza and the West Bank together in some form. Then there's a third one, which is I think is what Ghaith is talking about more, and is which is what I think is the most realistic, which is a means of at least bringing the two sides together so that publicly they're together, which meets one of the criteria, so that there's a better way to get money into Gaza, which meets another one of their criteria, and to at least leave open the prospect of elections, though I'll come back to that later. I think that's a prospect that in some ways will meet everyone's immediate interests. It meets, as I said Hamas and Fatah's.

It might even be acceptable to the U.S., to come to the second part of your question, to the extent that I think the U.S. has three concerns about a national unity government. One is a political concern have to do with dealing with Hamas, which is a domestic political concern, which is a very real one. Second is what I would consider kind of ideological one, which was expressed to some extent by Ghaith, the notion that if you – if Hamas has to pay less of an entry ticket to international legitimacy, you are really dealing a crushing blow to the secular nationalist forces that we've assisted all this time.

And third, which is an issue we haven't focused on perhaps enough, is their concern that whatever they've achieved in this West Bank first strategy, which we may feel is insufficient, they see

two things: They see a security service in the West Bank that is much more effective and the Israelis do as well, much more effective in combating Hamas and combating terrorism, and they see greater transparency in finances, greater accountability, both of which are the product of the government of Salam Fayyad.

And I think those are three things that they would be hesitant to accept in a national-unity governed, so the only unity government they would accept is one that does the least damage to those three. So they would insist on some kind of platform that comes closer to Abbas' platform than Hamas', even if it doesn't recite the catechism of the three conditions, but something that they could claim has moved Hamas, or Hamas not being in the government, if you have the government of technocrats.

On the political side, the U.S. would not deal with anyone affiliated with Hamas. It would be a bit like in the Lebanon case, where you deal with the government to the extent the government is not Hamas, but you eschew those members who are Hamas. And on the security point – and this is where I think Hamas, Fatah and the U.S. may all agree – you enshrine the status quo. Hamas is in charge of Gaza for the time being, but the PA, as we now know it, is in charge of the West Bank, so you don't undo the Dayton Plan, you don't reform the security services, you don't truly change the parameters there.

Now, it's hard to imagine a – any kind of unity government without releasing some of the Hamas detainees, and that will pose a problem for the U.S. and for Israel. So I'm not saying this is by any means a done deal, but I think if anything, if the pressures are right, we will move towards what I would call that, the minimalist form of unity, which is simply a government that can get aid into Gaza and that can be some kind of partner and give Abu Mazen a little more credibility and room when he negotiates with Israel.

Now, that doesn't augur well for elections, because if the security services – number one, for the reasons that Ghaith said, which I think are paramount, which is that neither side wants to gamble with its political fortunes, but also if you have Hamas in control of Gaza and the PA or whatever it is in control of the West Bank, neither side is really going to trust the other when it comes to organizing free and fair elections. So I echo what Ghaith said. I'm not one who believes, whatever the agreement that ultimately emerges says, that you're going to see elections within the next year.

So I could imagine an outcome as I just described it. The more time goes by, the more – the less optimistic I'll be about that and the more it will come to sound just like the two-state solution – everyone is in favor of it, you now have wall-to-wall consensus, it's quite extraordinary. The same people who were denouncing those of us who said that reconciliation was a must are now saying exactly the same thing, whether it's in Europe or other parts of the world, not quite yet in the U.S., but even the U.S. has said that reconciliation, and Mitchell has said, reconciliation is important.

So it may become the one of those things that everyone says they want to do but nobody actually achieves because the obstacles are too great and because they actually don't care as much as they professed to say, but for me, as I said earlier, I think the essentials of a unity government should be a ceasefire and some mechanism that would allow a genuine diplomatic process to take place and put in place the mechanism whereby, if you reach an agreement, at least you have the capacity to bring it to a public referendum, although that obviously is a long-term proposition, and

of course to help put Gaza back on its feet. It may not be the kind of reconstruction that it really needed, but at least doing away with the worst of the humanitarian tragedy.

I think that's – those are at least realistic objectives, and I suspect that – you ask what the U.S. reaction would be. I suspect that if this is a formula that Abbas and his people genuinely want, which was not the case in 2007, and they – a case in which they don't – some of his colleagues don't go around the world undermining the government that they just formed.

If the Europeans are prepared to engage with that government, and from my recent trip in Europe, at least a number of officials in Europe say if there's a government formed on the same basis as Mecca, we will engage it even if the U.S. doesn't, and we'll do as we do with Lebanon. We'll engage with all of them and the U.S. will engage only with some. I think if the Obama administration is confronted with that reality, it will be very hard for it to say, well, we reject both Abbas' view and the rest of the international community's view. I think they'll be forced, and perhaps will not be displeased with having to deal with that government in the ways that I described before.

MR. SADJADPOUR: Thanks, Rob. We have about eight minutes left. There's unfortunately too many questions that we can't get to. I will take a couple. Please, in the far back.

Q: Ah, yes, thank you, Keith Schultz (ph) with USAID. The dysfunctional nature of the political systems on both sides, Israeli-Palestinian, is obviously a well-documented and really of course contribute to, you know, either side making tough decisions that it has to make to achieve any sort of agreement. So on the Israeli side, I have a question. Do you think that the current sort of electoral system and the way that the Israeli political system is set up is actually deliberately designed to actually avoid the ability of an Israeli government to, you know, make the agreements on the – that they would have to, to achieve an agreement?

And on the Palestinian side, I thought I saw that Fatah was supposed to have its first sort of party congress in 20 years or 19 years this month. And the question on that is, is that because of internal pressures within Fatah to have some sort of congress? Is it domestic pressure that's forcing them, international pressure, and is this really just a showpiece or is there really some serious ongoing discussions within Fatah to make some hard changes?

MR. SADJADPOUR: Thank you. Garrett, in the front, please.

Q: Thank you. Garrett Mitchell from the Mitchell Report. And I – yesterday, Senator Kerry made a speech next door, a very spirited and I think thoughtful and for a lot of people in the room persuasive speech about his belief in there being a solution. I won't call it Plan A. It rested on four principles. The first is, the emergence of Iran has unified the Middle East in a way that's new.

Second, that the role of the Arab League in the peace process is hugely important, third, that essentially the details of a final status are known, and fourth that the Obama administration provides real opportunities for a – I'll use Joe Biden's term, for Russia reset, as witnessed by the appointment of Mitchell and sending the two people to Syria, et cetera. So my question is, is there – if you have read the speech or if you think about these four points, is there anything in what Senator Kerry said yesterday that would make you think differently about Plan B or your overall pessimism, and secondly, do you think he's got it wrong?

MR. SADJADPOUR: Thanks, Garrett. I just want to add one brief question onto that to pose it to all of you. On a scale of one to 10, with 10 being Iran is an insurmountable obstacle to peace and one being Iran is no obstacle to peace, where would you rank Iran? And why don't we go in reverse order now, and we'll give Nathan the last word.

MR. MALLEY: I'll leave some of the questions to others, particularly on the party congress. I'll leave that to Ghaith and Nathan. I want to focus on Senator Kerry's speech, which I did see. Listen, when I say that – when I made my presentation about how we have to ask those questions – what's wrong with the peace process and with negotiations with the U.S. – I mentioned that there are some things that maybe need to be added to the mix.

And John Kerry added a number of those things to the mix. He added what he considered – what he called a regional strategy, the fact that the Arab League, the Arab world has to be involved. And one could go further and say that the Arabs and others need to be involved in setting up some kind of – trusteeship may be the wrong word, but really helping the Palestinians get on their feet as the Israelis withdraw or as a condition for their withdrawal.

So, as I said, I think those are the elements that we have to think about before jumping – I wouldn't call it Plan A because it's not been Plan A, but I think we need to call it whatever else and add this to the mix. I don't think it's quite enough. I'm not sure that we can still say we know what the solution is, although I've said that so many times that it's coming out of my ears.

But I think we have to think about how – if we know what the solution is and the all of parties agree on it and it hasn't occurred, I think we at least have to raise the question: Do we really know it and is it a solution that is truly acceptable politically to both sides? So I think that's one question we may have to tinker with or modify that solution somewhat.

I also – I'm a little more skeptical about looking at the prism of – this comes a little bit to Karim's question – looking at the prism of the Arab-Israeli conflict through an Iranian prism. I think that's often been a mistake. I don't think it's to our benefit to think that the whole region, even though they may talk about Iran, are they prepared to align themselves in ways with Israel in opposition to Iran. I think they will find that that's a very delicate dance to play vis-à-vis their own public opinion. And I think it will only carry us so far.

And I also think that the more you polarize the region against Iran, the harder it is for certain entities – Syria, Hamas or Hezbollah – to play more productive games. So I would be a strong advocate for engaging Syria and Iran simultaneously as a way of, in a way, neutralizing the negative impact that either one might choose to have.

I would add in this list of – you know, if you want to end on a more optimistic note, I think the prospects of an Israeli-Syrian deal are certainly more encouraging than they are for an Israeli-Palestinian deal. But I think that, in some ways, one could help as a lever for the other. I think it's going to be very hard for Syria to reach a deal if the Palestinian track is completely comatose. I think for political reasons, for domestic legitimacy reasons, for their own image in the Arab world, they're going to insist that there be some movement on the Palestinian side. They could exercise influence on Hamas in that respect and, in fact, you may find a more virtuous circle than what we've seen in the past.

I don't want to – I don't think an Israeli-Syrian deal is a done thing by any means, but I think those are the kinds of things that, if I were advising the administration, I'd say you could work on sort of on the margins: Palestinian reconciliation, reaching out to Syria, restarting Syrian-Israeli negotiations, reaching out to Iran. I think by changing that landscape, you may do more to help more towards a solution to the Israeli-Palestinian conflict than by focusing on a two-state solution right now.

Iran, on a one to 10 scale, as I said, I think it's more a matter of regional mood than it is about Iran's immediate and concrete impact. I think you could have a peace deal even if Iran is not prepared to acquiesce. And, as I said, I would warn against turning – as a colleague of mine recently said – an Iraq-centric Middle East policy into Iran-centric Middle East policy. I think we'd do much better by having a more holistic view of the region.

MR. SADJADPOUR: That sounds like a 2.5 out of 10. (Laughter.) Ghaith and then Nathan. We just have a few minutes so if you want to just take the juiciest question to you.

MR. AL OMARI: Okay, well, they are all juicy. They are, all two of them. So on the Israeli political system, I think it's not designed deliberately to avoid reaching a deal. I think it reflects some of the complexities that Israel itself, as a society and as a polity. And I don't believe there is any way, in the short run, to change the Israeli political system; the country is too diverse and too many of a mosaic to create a more stable political system. So we have to deal with what we have right now.

Fatah conference: I mean, I started working with the Palestinians in 1998 and every year I was told that the conference is going to happen next summer. This year it's going to happen next spring; so that's a development. (Laughter.) The conference cannot happen absent more systematic work towards reconstructing Fatah. If a conference were to happen in the current conditions, it would have to be one of two things. Either it's going to have to be doctored and really kind of just the staged piece or it will end up with creating an implosion of Fatah because of many other issue.

I mean, because of many issues, be it the old guard giving up position – (inaudible) – position while, at the same time, they continue to maintain control over money and weapons and other tools of patronage within Fatah. There are many things that make it quite impractical right now to fully reform Fatah. And I think there is a lot of pressure now to have a conference. We might even have one soon. But I don't think it's going to be one that will create any fundamental changes.

I think what needs to be done in terms of Fatah is, rather than thinking of how do we make Fatah into a perfect political party, which I think is impossible until there is a Palestinian state, how do you make Fatah into – the objective should be how to make Fatah, again, into something that can function, something that can at least give us a minimum degree of stability: to recreate Fatah as an anchor in a political system as opposed to trying to really move beyond that, create a progressive political party.

I haven't heard Senator Kerry's speech. I can't really respond directly to it, but just a few thoughts. Iran unified the Middle East: My enemy's enemy is not always my friend. It's more complicated than that. I just don't see some of the Arab countries working with Israel vis-à-vis Iran

even though they might want to in certain things because the political costs that I think Rob mentioned, that earlier the political cost is too much.

If there's a Palestinian-Israeli deal, then it might become easier for Arabs to deal with Israel vis-à-vis Iran and trying to control Iran. But as, again, as Rob said, Iran is a very nuanced, textured issue and I don't think that some of the countries, even in the Gulf, which see Iran as a threat, necessarily want to have too much of a confrontation approach to Iran. I think they want to have more of a subtle policy.

Arab League role: absolutely important as long as the Arab League avoids paralysis. Reaching – I mean, usually the Arab League works with the lowest common denominator. And with the division that we see among Arabs right now, this is a recipe for paralysis. I think, though, we can definitely use some like-minded Arab countries using the Arab Peace Initiative to create more of an incentive package for a peace deal.

The really new element, though, which I think is most important, is the issue of the Obama administration. And I think that the honeymoon, the kind of impact that the Obama administration brings in is still – the honeymoon is still there. I think we have an opening right now to shape policy. Whatever policy the Obama administration takes right now will define how we're going to be dealing with issues in the next eight years. And I think there is a hunger in the region for an active American role and active American engagement after eight years of either hands-off or of very ideologically or, as Rob put it, faith-based, policy.

There's a sense of being reenergized because finally we're dealing with a realist approach to foreign policy. We might not like it, but at least we can deal with it. And I think this is, again, where Nathan's paper is really important, in that this debate is important right now. What the administration decides at this stage will color what it's going to be doing at least in the next four years and they have to get it right and they have to explore all of the options and all of the challenges to the orthodoxy.

MR. SADJADPOUR: Thanks, Ghaith. Nathan.

MR. BROWN: Okay. Just very briefly – I'm not going to respond to everything, but – first, one quick modification to something I said earlier, that the secretary of state slammed the door on a national unity government: I still think that's true, but she did not slam the door on what Ghaith refers to, as the Palestinians refer to as a national accord government or what Rob mentioned as a technocratic government; that door is still ajar, at least, as I read official statements.

Second, real quickly: the Israeli political system, one thing I just would point out, yes, it appears dysfunctional right now, but since the demise of sort of the one-party dominance, Labor-party dominance, Israel has produced, to my mind at least, three prime ministers who acted coherently on behalf of the strategic vision in ways that really transformed the environment: Begin, Rabin and Sharon, whether for better or worse. So it is capable of producing those kinds of leaders. I think that the situation right now is a problem.

Fatah congress: I don't have much to add. I would probably have given the same sort of smart-alecky (ph) remark that I did about Marwan Barghouti; that's a great idea. That would have

been actually something for the United States to have concentrated on in 2006. At this point, you know, it won't do – it probably won't do any harm, but it's certainly not a panacea.

And in terms of Kerry's speech, again, I have nothing to add. My general attitude would be the same. I actually probably saw it a little bit closer to Plan A than Rob implied. The focus on the regional dimension is very, very welcome. And regional diplomacy is very, very welcome. The Iran-centric was driven a little bit too far in the text of the speech. You know, whether that's just because in American politics, Iran is bad and therefore you can probably make your speech resonate a little bit better the more you dump on Iran, perhaps.

But the only other thing that I would have to add to that answer is a number to Karim's question. And before Rob had spoken, I wrote down three. (Laughter.)

MR. SADJADPOUR: Thank you so much. Nathan, I expect your next piece to be entitled "Palestinian-Israeli Chicken Soup for the Soul" – (laughter) – so you can kind of uplift us a bit. But thank you all for coming and please join me in welcoming.

(Applause.)

(END)