The Failure of the Oslo Process: Inherently Flawed or Flawed Implementation?

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Introduction

The sight of historic enemies shaking hands on the White House lawn in September 1993 raised great hopes that the Israeli-Palestinian conflict, one of the most intractable conflicts of the twentieth century, was on the verge of resolution. One of Oslo’s architects, Yossi Beilin, even argued that it demonstrated that no conflict, be it in Northern Ireland or in Kashmir, was truly insoluble.² Since the collapse of the Oslo process in 2000, a debate has raged as to what went wrong. Much of this debate has been a "blame game" designed to determine whether Israel or the Palestinians were more culpable for the collapse of the process. In contrast, this paper asks whether the Oslo process failed because it was not implemented properly or because it was inherently flawed. To help answer this question the paper uses two major frameworks of analysis in international relations: Liberalism and Realism.

Liberals argued that mutual recognition between Israel and the PLO had made the conflict ripe for resolution and that this, along with the material gains generated by economic integration, would produce sufficient trust and support to reach a permanent settlement. When the Oslo process collapsed, Liberals explained this situation primarily as a failure of implementation – the parties lacked the necessary will and skill to bring the process to a successful conclusion.

However, according to the Realist approach, the failure of the Oslo process to generate conflict resolution was primarily due to constraints that were inherent in the process from the start. The conflict was not ripe for resolution because the practical meaning of recognition revealed large gaps between the ways that the parties
defined their core interests. Against this background and given the depth of antagonism between Israelis and Palestinians, economic integration failed to generate support for the peace process. Instead, it increased friction and placed additional political obstacles in the way of compromise. Overall, the processes designed to secure conflict resolution were over-burdened. Rather than helping to resolve the conflict, they exacerbated it.

Liberalism and the Oslo Process: Theory and Practice

In many ways, the Oslo process embodied core Liberal prescriptions for building peace and conflict resolution: mutual recognition of national rights, confidence building measures (CBMs) designed to generate mutual trust and economic integration designed to generate interdependence and common interests.

Ripeness and Mutual Recognition

For many academics and Israeli politicians such as Yossi Beilin, the agreement on mutual recognition between Israel and the PLO, signed in September 1993, signaled that the Israeli-Palestinian conflict was ripe for a negotiated resolution. It was argued that informal "Track 2" workshops encouraged moves towards mutual recognition and that this in turn fed into the Oslo process. Moreover, mutual recognition made conflict resolution possible after 1993. In the latter half of the 1990s, the Beilin-Abu Mazen draft framework for a permanent status agreement (FAPS) was held up as proof that each side's basic needs could be made to be mutually compatible and that there were important political leaders on both sides willing to stand behind such an agreement. Again at Taba in January 2001, many claimed the two sides, this time in formal negotiations, had been on the brink of a FAPS, only to be denied by the fact that they ran out of time due to the crushing defeat of the Israeli left in the 2001 Prime-Ministerial elections. For Liberals, the draft Geneva Accords for a permanent status agreement in 2003, supported by some leading Israelis and Palestinians, demonstrated once again that the conflict is fundamentally ripe for resolution.
Building Peace

In many ways the Oslo process was driven by Liberal ideas and strategies promoted by Israeli politicians, especially Yossi Beilin and Shimon Peres. To begin with, the informal negotiations that eventually led to the Oslo Accords began on the day Yossi Beilin succeeded in reversing the law that banned Israelis from talking to members of the PLO. Deputy Foreign Minister Beilin, supported by Foreign Minister Peres, was primarily responsible for the Accords on the Israeli side, especially the Accord on mutual recognition between Israel and the PLO.

Prime Minister Rabin accepted the Accords in the end, but only after his preferred alternatives, a deal with the Syrians or with local Palestinians, appeared to have failed. Although, the more Realist-minded Rabin often tried to curb the Liberal approach of Peres and Beilin, much of the Liberal agenda was enacted. As the then Director General of the Israeli Foreign Ministry and Israel’s Chief Negotiator at Oslo, Uri Savir explained,

If, at the start of the process, Rabin had a tendency to circumvent Peres… as the negotiations continued, the two leaders began to treat each other with impressive respect... In time the military members of the forum, who were naturally closer to Rabin, expressed growing admiration for Peres as the man whose long-range strategy was the clearest – and therefore drew all the others along in its wake.

While Liberals declared mutual recognition as pivotal to "ripeness," they recognized that this was insufficient, in and of itself, to actually implement conflict resolution. Consequently, they developed a broader strategy for "building peace" based on numerous elements of Liberal theory. First, they continued informal Track 2 negotiations that led to the series of draft agreements referred to above. The aim of these discussions was to continue to build trust between political elites and to generate the necessary domestic support for implementation by demonstrating to both mainstream political leaders
and the mainstream public on both sides that conflict resolution was possible. Second, grass roots "people to people" programs were also held with the aim of generating higher levels of social trust and understanding of the other’s narrative, in order to facilitate a willingness to make the most difficult concessions. Third, the liberal "integrationist" model of peace-building that was successful in Western Europe since 1945 was applied to Israeli-Palestinian relations. Peres termed this plan the "New Middle East."

Thus, in the economic sphere, the 1994 Paris Accords formalized Israel and the Palestinian territories as a single economic zone, with a single currency. In 1995 the Oslo II interim agreement led to the creation of joint Israeli-Palestinian units, mimicking the Franco-German model. In the political sphere the same agreement divided Israeli and Palestinian rule in terms of different degrees of functional authority rather than in traditional terms of territorial sovereignty.

According to the Liberal strategic vision, mutual economic gains would create a reservoir of support for the peace process that would both insulate it from extremists attempts at derailment and provide a basis for obtaining at least the acquiescence of public opinion for the major compromises that would be required regarding permanent status issues. In other words, material gains would generate political ripeness, while mutual trust would serve as a source of political capital in the negotiations.

**Liberalism and the Collapse of the Oslo Process**

Rather than view the collapse of the Oslo Process as a failure of the Liberal strategy for building peace, Pundak and Beilin have argued that Oslo’s collapse stems primarily from a failure of implementation. They argue that the Oslo process could have worked if the political leadership on both sides had not made a number of avoidable mistakes. It was these "sins of omission" and "sins of commission" that prevented the implementation of the Liberal conflict resolution mechanisms, which could have driven the Oslo process to a
successful conclusion. As Amos Oz put it: "I don’t think Oslo failed, because Oslo was never tried."^22

Pundak explains the failure in terms of failed implementation. First, he argues that the vital element of mutual trust between leaders – the "Oslo spirit" – broke down due to the "autistic" leadership and negotiation style of Israeli and Palestinian leaders. The Israeli leadership's behavior is deemed especially culpable because they were acting from a position of strength vis a vis the Palestinians. He argues that Rabin damaged the Oslo spirit by replacing those who initially negotiated the deal with IDF officers, after the White House signing ceremony in September 1993. He goes on to accuse Netanyahu of deliberately seeking to undermine mutual trust by expanding settlements and generally seeking to postpone the fulfillment of Israeli commitments.

But Pundak's real scorn is saved for Barak, whose failures are all the more potent given the higher level of Palestinian expectations. Here he argues that by allowing settlement construction to continue, Barak damaged Palestinian confidence in Israel's willingness to make sufficient territorial concessions. He also argues that Barak's tough "bazaar" negotiating style undermined Palestinian trust further, as did the discourteous and condescending way in which he treated Arafat personally. Overall then, the failure to implement CBMs implicit in the initial conceptualization of Oslo is said to have been partly responsible for the failure of the Camp David Summit, the subsequent outbreak of violence and the overall collapse of the Oslo process.

Second, Liberals argue that mistakes by the leadership were responsible for the failure to garner a high level of public support for Oslo. In this vein, Arafat is scolded for allowing incitement to continue and for not doing enough against Palestinian terrorists. Both factors undermined Israelis confidence in Palestinian willingness to live in peace, thereby weakening support for concessions. On the other side, they argue that the failure to garner support for the peace process among the Palestinian public was greatly effected by Israel’s policy of closures in response to terrorism. The Liberal model of peace-building counted on the generation of a "feel good factor" in the economic sphere spilling over into the diplomatic sphere.
Indeed, Prime Minister Rabin was never an advocate of integration and when terrorism against Israelis rose in 1993-95, Israel responded with a return to the closure policy. In 1995, Israel began to plan for a separation barrier; it also began to allow an influx of foreign workers to replace Palestinians. Against this background, the economic situation of Palestinians in the territories worsened from 1993-96, only recovering to pre-1993 levels in 1999-2000. Pundak dismisses the security utility of the closures, viewing them as a form of pandering to public opinion. In other words, the failure to properly implement the Liberal model of economic integration is viewed as a major cause for the lack of popular Palestinian support for reaching a permanent status agreement and for the outbreak of violence in 2000.

Third, Malley and Agha proffered that the US was also partly to blame for the collapse of the process. They argue that the US did not behave as an "honest broker." Instead, it coordinated its positions with Israel, even allowing Israel to take the lead in setting the timetable for negotiations. They also criticize the US for being insensitive to Palestinian interests by telling the Palestinians to accept Israeli offers made at Camp David. In addition, they suggest or imply that the Administration’s cultural bias towards Israel and the 2000 elections in the US prevented the US from applying sufficient pressure to secure a breakthrough before the violence broke out in September 2000. Had the US behaved differently, it is argued, a successful outcome would have been far more likely.

Finally, it has been argued that reconciliation was not truly pursued by Arafat, as incitement continued in the PA against Israel. Nor were the "people to people" programs, formally institutionalized in Annex 6 of the 1995 Interim Agreement, implemented on a wide enough scale or with a broad enough base of participants for them to have stood any chance of success. Indeed, most of the annexes of the Oslo Accords that dealt with civilian cooperation and civil society were not implemented.

According to the Liberal approach, the Oslo process failed because the Liberal conflict resolution mechanisms that originally underwrote the process were not properly implemented.
Realism, the Middle East Peace Process and Oslo: Theory and Practice

Realism\textsuperscript{26} tends to focus on conflict prevention or conflict management, as opposed to "building peace." It views political interests, power and security as the dominant factors in international relations. Whereas Liberalism favors integration, Realism prefers separation. Realists tend to fear that open borders provide opportunities for instability, such as infiltration and sabotage. In addition, Realism argues that the best way to prevent endemic bloody conflict and chronic instability between deeply hostile ethnic groups is political and physical separation.\textsuperscript{27} Realism does not necessarily rule out the potential for Liberal mechanisms, such as mutual recognition, CBMs and economic cooperation, to help moderate or contain conflict, however, such factors are always viewed as secondary to considerations of national interests, power and security.\textsuperscript{28}

According to Realism, any change in Israeli and Palestinian policy should primarily be understood as a consequence of changes in the balance of power. In this spirit, it has been argued that the combined impact of the Palestinian uprising (Intifada) which began in December 1987, the 1991 Gulf War and the end of the Cold War produced a shift in the balance of power that accounts for the rise of the Arab-Israeli peace process in the 1990s.

In terms of the shift in the Palestinian position, the PLO was in a greatly weakened position in 1993. The First Intifada was the initiative of Palestinians in the West Bank and Gaza, not the PLO leadership in Tunis.\textsuperscript{29} This in turn signaled a weakening of the PLO within Palestinian politics at the expense of local Palestinians and especially Hamas. The only way the PLO was able to restore its leadership position was by recognizing Israel and renouncing terrorism and consequently entering into a formal dialogue with the US at the end of 1988. Yet, the PLO's diplomatic and financial position weakened again when Arafat supported Saddam in the Gulf War in 1991, thereby alienating the US and its moderate Arab allies. With the end of the Cold War and the collapse of the Soviet Union,
the PLO had no serious alternative source of support. Against this background, the PLO had a clear interest in entering negotiations.\(^{30}\)

In terms of the shift in Israeli policy, one can point to a number of factors. First, the Israeli public’s response to the Intifada and the Gulf War led key figures within the Israeli elite, including Rabin, to conclude that Israelis were increasingly fatigued from ongoing conflict. As a result, Israeli national power was eroding and this in turn necessitated a more forthcoming approach in peace negotiations.\(^{31}\) Second, the increased threat of radical states on the periphery – Iran and Iraq – using non-conventional weapons pushed Israel towards compromise. In 1991, Iraq had used the Palestinian question as an excuse for attacking Israel; the reinvigoration of the peace process would lessen the chance of this occurring again. Third, with the end of the Cold War, Israel’s value as a "strategic asset" to the US became open to question. Under these circumstances, the US and the international community were able to pressure both Israel and its neighbors to move towards compromise and to open formal face-to-face negotiations for the first time at the 1991 Madrid Conference.

Clearly, the shift in the balance of power was among the most powerful factors that pushed Israeli policy in a dovish direction, such that even an ideological hawk like Prime Minister Shamir felt that there was “No choice”\(^{32}\) other than to conduct negotiations with the Palestinians in the Madrid Conference framework.

However, agreeing to the process of negotiations at Madrid in 1991 was not the same as agreeing to the Oslo Accords in 1993. The US was not pressuring Israel to talk to the PLO and without the rise of Labor to power in 1992 and especially the rise of Liberal-minded politicians such as Peres and Yossi Beilin, the Oslo Accords would probably not have come about.\(^{33}\) As already noted, the Liberals believed that Liberal measures would push the Oslo process towards conflict resolution. Realists within Labor, such as former Chiefs of Staff Prime Minister Yitzhak Rabin and Prime Minister Ehud Barak were far more cautious. In line with the Realist approach to ethno-national conflict they both favored territorial and political separation as the ultimate basis for resolving the conflict; and hence they both favored Israeli withdrawal in principle.\(^{34}\) Yet, Rabin viewed Oslo, in
part, as a "test" to see whether the Palestinians had really adopted a strategy of state-building while in practice abandoning terrorism and the goal of destroying Israel.  

Meanwhile, Chief of Staff Barak opposed the 1993 Oslo Accords at the time, fearing that Israel was in effect giving up too many of its negotiating cards without knowing if the PLO was really committed to a reasonable practical compromise on the core permanent status issues. Later, as Prime Minister, Barak's strategy focused on creating a practical test of Palestinian intentions on the core permanent status issues.

Subsequently, Arafat's intentions were ultimately revealed, if not at the Camp David Summit in July 2000 and the outbreak of the Second Intifada in September, then certainly in his rejection of the Clinton Parameters for a permanent settlement in January 2001. In retrospect, it can be seen that one of the advantages of the 1993 Oslo Accords from Arafat's perspective was precisely that it did not require a clear answer on core permanent status issues, while at the same time mandating the gradual transfer of control of large swathes of the West Bank and Gaza during an interim period, allowing the PLO to strengthen its position.

Realism and the Failure of the Oslo Process

"Ripeness" Mutuality and "Destructive Ambiguity"

From a Realist perspective, shifts in the balance of power gave the parties a strong interest in negotiations and in developing ways of managing the conflict/changing the status quo; however they did not necessarily give them a strong interest in conflict resolution. "Ripeness" for negotiations is not the same as ripeness for conflict resolution. This was the situation with regard to the Oslo Accords. Although both Israel and the PLO were ripe for negotiations, there remained large gaps between how they conceived a permanent settlement. The act of mutual recognition embedded in the Oslo Accords masked this critical flaw in the Oslo process.
According to Realism, the key issue is not the act of recognition in and of itself but how parties translate its meaning into a practical definition of their interests. Liberals assumed that mutual recognition, *ipso facto*, mandated a negotiated solution because the core needs of the two sides had become theoretically compatible. On this basis it was further assumed that mutual recognition nullified the zero-sum character of the Israeli-Palestinian conflict, which in turn would reassure the parties regarding each others ultimate intentions and thus help build up the mutual trust necessary to negotiate conflict resolution.

In fact, the problem with mutual recognition within the Oslo Process was that it contained "destructive ambiguity." This ambiguity masked large gaps in each side's conceptualization of what mutual recognition meant in practice. Rather than providing reassurance that the zero-sum game was over, "destructive ambiguity" heightened the sense of threat to the core objectives of both sides and thus contributed to the development of a "spiral of insecurity" based on mutual suspicion rather than mutual trust.

In the 1993 Oslo Accords, Israel formally recognized the PLO as the sole legitimate representative of the Palestinian people and the Palestinians formally recognized the State of Israel. However, the Palestinians did not recognize Zionism as a legitimate national movement, while Israel did not formally commit to the principle that the Palestinians had a right to statehood.

For the majority of Israelis, support for the peace process was not about Palestinian rights, but about security and the need to protect Israel’s identity as a Jewish and democratic state. This led many Israelis to be insensitive to the fact that continued settlement led Palestinians to fear that they would not get a viable contiguous state, but rather a series of Bantustans. While this fear was justified regarding the intentions of the Israeli Right, Rabin and Barak’s unwillingness to stop settlement construction contributed to Palestinian fears regarding what would emerge in practice.

Meanwhile on the Palestinian side, the dominant narrative continued to view Zionism as a colonial movement. This meant that peace,
rather than being associated with justice, was associated with capitulation or at best pragmatism. It left open the legitimate option that Jews should eventually depart or lose their right to self-determination. In the meantime, political campaigns aimed at demonizing and de-Judaising the State of Israel continued. When such conceptions found practical expression in the negotiating positions proposed by each side they revealed a lack of ripeness, particularly regarding the issue of Palestinian refugees.

On the one hand, there was overwhelming Israeli opposition to a "right of return" for Palestinian refugees and the immigration of more than a few thousands Palestinian refugees in practice. On the other hand, the Palestinians continued to demand at least a "right of return" for refugees. Even if they were prepared to make some compromises regarding implementation, this position implied that Israel’s existence as a Jewish state was subordinate to the right of Palestinian refugees to choose their ultimate place of abode. This created the impression that the long-term aim of the Palestinians remained the removal of Israel, only now in demographic terms. Long-time moderate Palestinian leader Faisel Husseini effectively endorsed this position in one of his final public statements before he died.

In fact, Track 2 informal workshops indicated that the "right of return" issue was still unresolved, but he did not think it would prove a major obstacle given the general context of recognition and reconciliation. The 1995 Beilin Abu-Mazen draft agreement appeared to provide a basis for an agreed compromise on the issue; however, Abu Mazen refused to stand behind the plan in practice. In fact, he denied for several years that the plan had anything to do with him. Meanwhile, according to Abu Ala, Abu Mazen did not actually agree with many of the compromises made in the documents by two Palestinian academics working under his auspices. This would explain his refusal to promote the document as a FAPS in 1999-2000, prior to Camp David.

Meanwhile, in January 2001, Arafat rejected the Clinton Parameters for a Permanent Settlement. In direct contradiction to the Framework, Arafat demanded an explicit "right of return," while opposing an international force in the Jordan Valley and refusing any compromise
regarding the Temple Mount.\textsuperscript{44} It has also been claimed that the two sides were close to an agreement at Taba in 2001; however, key participants on both sides argue that little real progress was made and that in any case, Arafat did not grant Palestinian participants the authority to make a deal.\textsuperscript{45}

The problem was not simply at the leadership level. Polls consistently demonstrated widespread Palestinian opposition to giving up on what they term a "right of return" for refugees and their descendents to Israel.\textsuperscript{46} In this vein, when it came to the real Permanent Status Negotiations of 2000-01, Palestinian negotiators were constrained by public opinion from adopting previously mentioned compromises on the refugee question.\textsuperscript{47}

Meanwhile, 68 percent of Israelis were opposed to allowing any refugees whatsoever into Israel, while a further 16 percent were only prepared to allow a few thousand. Israelis perceive the "right of return" as a serious threat to their most stable consensus political value – the existence of Israel as a Jewish (in demographic terms) state.\textsuperscript{48} For Israeli Jews, support for separation and a Jewish and democratic state is not only a matter of protecting a certain identity, it is also a matter of personal and national security. Most Israeli Jews (and Israeli Arabs for that matter) believe that Israelis and Palestinians cannot live peacefully side by side in a single state.\textsuperscript{49}

In any case, the failure to reach a FAPS during the interim period fed back into negotiations regarding the interim settlement in a way that eroded trust. The aim of the interim period was to allow time for liberal processes to generate sufficient ripeness to move to conflict resolution. However, in the absence of a permanent status agreement, the interim period generated mistrust as each side sought to maneuver itself into a better position for either permanent status talks or the collapse of the process.

In addition, the lack of a clear resolution to permanent status issues provided continued legitimacy for rejectionists on both sides. This made it very difficult, in terms of domestic politics, for the respective leaderships to consistently take actions that would have built trust and support for the process, such as a major settlement freeze and a
Serious crackdown against terrorist infrastructure. In other words, the lack of ripeness generated mistrust.

Moreover, the attempt to negotiate compromises on the core identity/symbolic issues prior to clear signs of ripeness among the public, allowed rejectionists to unlock the violent potential of these symbols and to mobilize the public to violence. While elites can do much to moderate ethnic conflict, the bottom line is always what the public is willing to accept in their name. Thus, it was Sharon’s visit to the Temple Mount that provided the opportunity for the initiation and incitement of violence. Not for nothing did the Palestinians name the round of violence that began in September 2000 as "The Al Aqsa Intifada."

Thus, according to the Realist explanation, the development of mistrust was not a failure of implementation – mistakes by the parties – rather it was a function of the inherently problematic nature of mutual recognition. The Oslo process was flawed from the outset because the practical meaning of mutual recognition as understood by the parties was too far apart to be bridged in a manner amenable to practical implementation. In other words, it was the chasm between the two sides on core permanent status issues that generated mistrust during the interim period, not the other way around.

**Lack of a Common Threat**

As noted above, the lack of true ripeness heightened the parties’ sense of threat to core interests. It might have been possible to mitigate this situation had both sides been confronted with an overbearing external security threat, which would have forced them to put aside their differences and cooperate, as per Realist theory. For example, in Western Europe, the existence of a common threat in the form of the Soviet Union was an important factor that facilitated cooperation and integration between former adversaries.50

Peres thought that the threat of Islamic fundamentalism could provide such a common enemy for Israelis and the secular Palestinian leadership.51 However, the Palestinians continued to define the conflict and the security threat primarily in terms of Israel. The PA’s
relationship with the Islamic opposition was ambivalent, but the preference has been for cooption not confrontation. Thus, the lack of a common threat represented an *a priori* barrier to the successful implementation of the Oslo Accords.

**Realism and the US Role**

It was argued that the US should have been more forceful in imposing a solution and that it did not do so because of its "special relationship" with Israel; i.e. cultural bias and domestic politics. However, from a Realist perspective, there existed objective strategic reasons why the US did not attempt to impose FAPS upon the parties. From a Realist perspective, the US cannot impose an Israeli-Palestinian peace because the balance of motivations favors the local parties. The US has a vital interest in conflict management; that is in maintaining stability on the basis of a pro-American balance of power in the region and the prevention of regional war. While conflict resolution is obviously a US interest, it is less vital. The US can live with endemic low intensity conflict so long as it does not escalate to regional war. In addition, the exact details of any permanent settlement are not of great concern to the US, so long as stability is achieved in the context of a pro-US balance of power in the region.

In contrast, for the local protagonists, vital interests are deemed to be at stake in core questions such as borders, refugees and other symbolic identity issues, such as exist with regard to Jerusalem. This means that the balance of motivation favors the local protagonists, not the global superpower. The locals have a greater interest in the details and thus will be prepared to pay a higher price in terms of defiance than a superpower has an interest in bearing.

Nor are "positive sanctions" likely to make the difference. Aid helps to sustain a peace process and it can facilitate an agreement by compensating the parties for material concessions they may make on practical issues. For example, US military assistance has compensated Israel in the past for the loss of strategically important territory in the Sinai in 1975 and 1979. However, when symbolic and identity issues are at stake, aid cannot play this role. Ultimately, aid it is unable to replace the basic will of the parties to come to an arrangement nor can
it replace the competency of domestic political structures to implement any agreement reached.\textsuperscript{54}

It was for these reasons that the Clinton Administration failed to get the Palestinians to accept its framework for a permanent status agreement in December 2000, despite the promise of billions of dollars in aid and assistance. Overall, the US failure to cajole the parties to reach a permanent status agreement was not primarily a function of botched diplomatic implementation and pro-Israel bias, but rather due to the inherent limitations of US power regarding ethnic conflict resolution.

\textbf{Integration and the Disintegration of Support for the Oslo Process}

Liberal theory argued that integration would maximize economic gains on both sides thereby producing a reservoir of support for the peace process that could be used to garner support for the major compromises required by any FAPS. Pundak argues that the failure to garner support was primarily due to mistakes by policy-makers, especially Israel’s policy of closures, which meant that the Palestinians did not gain economically.\textsuperscript{55} In contrast, in line with the Realist approach, it is argued below that the parties would have been better off following a strategy of separation rather than integration.

To begin with, integration actually intensified the security dilemma and the political conflict, thereby decreasing support for the peace process. Following the Six Day War, Israel adopted policies with regard to the territories that led to greater ethnic integration, due to the construction of settlements and the opening of the Israeli labor market to Palestinians.\textsuperscript{56} Under Israeli hegemony in 1967-87, this produced economic gains for both sides. After the collapse of Israeli hegemony following the First Intifada, the economic gains disappeared; simultaneously the costs of integration became more apparent leading to the intensification of ethnic conflict in both political and military terms.\textsuperscript{57}

The depth of this integration created important political facts that severely constrained policy-makers ability to develop the levels of trust required to construct a Liberal peace. Open borders increased the
power of "spoilers" to decrease mutual trust, decreased the credibility of the peace process, and allowed the settlers to build up and strengthen their position in the territories. It made the task of removing them physically difficult as they could always return with relative ease. On the other hand, integration made the Palestinian economy a hostage of terrorism, enhancing militants’ ability to attack the credibility of the peace process in Israeli eyes. Overall, integration increased friction.

Pundak argued that the Oslo process need not have been a hostage to terrorism had Israel not resorted to the unnecessary policy of closures. However, Israel’s closure policy cannot be dismissed as a sop to public opinion. The idea that terrorism did not constitute a serious threat to Israel is wrong. Terrorism may not be able to threaten the state in material terms, but a state is not simply a material construct. Terrorism aims to demoralize the public, to undermine its belief that the state can defend its citizens and thus to bring about its implosion on a psychological rather than a material basis.

As Israeli society has become more middle class and undergoes a process of post-modernization, it has became more vulnerable to such a strategy, a fact recognized even by Yitzhak Rabin who had previously dismissed terrorism as a secondary matter in strategic terms. The political pressure on Rabin to respond to terrorism was thus of real strategic importance. If Rabin would have simply ignored the violence, he would contribute to demoralization, and incidentally the fall of his government and its replacement with a more right-wing alternative. The alternatives were thus defensive or offensive. Any offensive action would clearly lead to a direct deterioration in the peace process. That leaves a defensive action, such as closure, as the only viable alternative. In addition, it is worth noting that the tactical-defensive value of separation has proven itself in the battle against terrorism, with the construction of the separation barrier. The problem was thus not too much separation, but too little.

In any case, the whole idea of integration was inappropriate for Israel and the Palestinians. In Western Europe, integration did have positive political effects because it occurred between states at similar levels of economic and social development. This situation was vital to the
generation of social trust. Generalized social trust/social capital can only be generated across horizontal social relations.\textsuperscript{60} In the case of Oslo, Israel’s GDP was 20 times that of the Palestinians and its overall GNP was equal to that of all its bordering Arab states combined.\textsuperscript{61} In other words, the socio-economic relationship was vertical. While these conditions can produce absolute economic gains for all, they cannot produce widespread social trust. This type of integration produces dependency not development, which is why the World Bank came to oppose full economic integration of Israel and Palestine.\textsuperscript{62}

In addition, this situation generates a sense of relative deprivation as the strong gain more than the weak and the social gap increases. Thus, under Middle Eastern conditions, it is the relative material gains emphasized by Realism that count in political terms, rather than absolute material gains, emphasized by Liberals. Consequently, in this instance, the problem was not the failure to fully implement the Liberal vision of integration, but rather the actual attempt to implement it in the first place. For even the partial implementation of the integrationist approach actually contributed to worsening the situation by empowering spoilers and institutionalizing relationships that could never generate social trust nor provide a basis for the structural development of the Palestinian economy.

\textit{A "Realist" Regional Environment}

The regional security environment also heavily constrained the idea of building and implementing a Liberal-style Israeli-Palestinian peace through the Oslo process. The Israeli-Palestinian conflict does not exist in a regional vacuum. It is situated within the Middle East, which constitutes a region that is violent and unstable in character. This regional environment is not simply a function of the Israeli-Palestinian conflict, but of many other unrelated conflicts that challenge the legitimacy of state boundaries and that threaten the internal coherence of various states.\textsuperscript{63}

The cold peace between Israel and its Arab neighbors, such as Egypt, is based on a pragmatic recognition of state sovereignty, rather than on any deep underlying acceptance of Jewish national rights. By the
1990s many Arab states in the region recognized that they had a strong interest in preventing the outbreak of another Arab-Israeli war. But their commitment to conflict management did not extend to conflict resolution. Thus Egypt actually played a negative role by discouraging the Palestinians from making compromises regarding Jerusalem prior to Camp David. Arab states feared that actively supporting compromises on symbolic permanent status issues would expose them to great domestic criticism, which could threaten their regimes’ internal stability. In addition, most Arab states viewed Shimon Peres’ vision of a "New Middle East" as highly undesirable and even threatening, despite the real prospect of material gains.

The problem with attempting to build an Israeli-Palestinian peace along Liberal lines was that it meant that relations between Israel and the Palestinians would have to be better than the general character of inter-state relations in the region. As a result, Liberalization lacked regional depth. If problems occurred for whatever reason, the parties could not be at all certain that regional actors would not try and exploit the situation to their detriment. Thus, the regional environment made mutual trust too fragile a basis for the major risk taking involved in conflict resolution. This contrasts with Northern Ireland, where the peace process was bolstered by the fact that it occurred inside a robust Liberal region, with strong norms and institutions. In other words, the problem was not in the implementation – the parties’ failure to build trust – but rather in the structure – the fact that mutual trust was never likely to be a strong enough basis to overcome the general norm of mistrust that prevails in the international politics of the Middle East.

Conclusion: Looking Ahead

Ripeness?

From a Realist perspective, the price of conflict and the inability to achieve political objectives by force play a major role in generating a willingness to enter negotiations. Since 2000, the price of the conflict has risen greatly for both Israelis and Palestinians. Against this background, there are some indications, as of early 2008, that Israel and the Palestinians might be ripe for some sort of Framework
Agreement on Permanent Status issues, albeit with delayed implementation. The idea being touted to overcome the weakness of the Palestinian and Israeli leadership is to put any deal to a referendum. However, as in 1993, even if there is ripeness for an agreement this does not necessarily translate into ripeness for conflict resolution.

On the Israeli side, the Olmert-led government is concerned that Israel's continued occupation of the West Bank is eroding the legitimacy of Israel as a Jewish state. Olmert fears that without partition there will be no clear Jewish majority in Israel, the West Bank and Gaza combined, and that consequently there will be an international rise in support for a "one state solution" – a bi-national state – thereby representing a long term existential threat to Israel. Olmert views the current international configuration, especially President Bush, as particularly sympathetic to Israel and Abbas as the most moderate Palestinian leader on the horizon. He is therefore promoting Permanent Status negotiations in the hope of reaching a FAPS that institutionalizes the two state solution and recognition of Jewish national rights as the basis for any future solution, while demanding, with US support, that there can be no implementation of a peace agreement until the Palestinians fulfill the first stage of the Road Map – a proper halt to terrorism.

Olmert is also unpopular domestically and as such he might perceive a peace agreement as a way of improving his domestic political position. The Israeli public has demonstrated increased willingness to accept greater compromises for peace on Jerusalem, borders and settlements in principle, on condition that there is a Palestinian partner perceived as ready and willing to make peace. On the other hand, the public has been opposed to making concessions in practice because it firmly believes that no Palestinian partner exists. Moreover, the Israeli public remains firm in its opposition to compromise on the refugee and Temple Mount issues.

On the Palestinian side, the very weakness of Abbas has been proffered as a reason why the Palestinians might be ripe for an agreement. For only an agreement, it is argued, can save Abbas and Fatah from a full Hamas takeover. It is also argued that the pro-
American Arab states want progress in order to facilitate a refocusing of political energy on confronting, or at least containing, Iran. Meanwhile there are some indications that the Palestinian public has also been moderating its positions, in theory, on a number of core issues, although they do not believe there is an Israeli partner for peace. Yet, in practice, they continue to support extremism by electing a Hamas government in Gaza, while continuing to support the use of violence alongside negotiations.

Israeli Liberals argue that Abbas and Salim Fayad are credible partners and that the Geneva Permanent Status draft agreement reached by prominent Israelis and Palestinians in 2003 represents the basis for conflict resolution. There are many serious problems with this argument. The Palestinians have failed at state building. President Abbas' writ does not even run through most of the West Bank, let alone Gaza, which was taken over by Hamas in June 2007. Since 2000, the regional situation has also deteriorated. Radical forces such as Iran, Hizballah and Syria are in a stronger position to wreck the chances of peace than they were before. In addition, there seems to be a shift in the rhetoric of moderate Palestinian and Israeli Arab leaders against the idea of recognizing the right of the Jewish people to statehood, something which is actually a part of the Geneva draft agreement. As for the Geneva draft agreement itself, there are several serious problems with it. Here I will focus on one core problem – Palestinian refugees.

The Geneva initiative seeks to overcome the diametrically opposed positions of the Israeli and Palestinian publics on refugees by dealing with the question practically and not symbolically. Thus, the "right of return" is simply not mentioned in the draft agreement. Instead a mechanism is proposed that grants Palestinian refugees and their descendents the right to choose a destination, gives Israel the right to restrict the numbers of people entering its territory and authorizes an international committee to settle any disputes.

As before, this sounds like a beneficial compromise on the level of principle, however the problem comes in practice. According to a recent survey, 10 percent of all refugees and their descendents, 400,000 people, want to immigrate to Israel. Methodological
THE FAILURE OF THE OSLO PROCESS

problems with the survey mean this figure may be a substantial underestimation. But even this figure is several times larger than Israel could be expected to agree. Even if such a mass immigration did not immediately threaten the demographic balance in Israel, it would present a long-term threat to the Jewish right to self-determination in Israel.

Moreover, if implemented it would have extremely destabilizing consequences, especially given that more than 75 percent of refugees are unwilling to accept coexistence with Israeli Jews under any circumstances. On the other hand, if hundreds of thousands of refugees are refused permission to immigrate to Israel, it would be almost impossible for even a genuinely moderate Palestinian leadership to stand against the refugees and their hard-line supporters both in the Palestinians territories and in the wider Middle East.

Meanwhile, confronted by high passions, and in all likelihood mired by internal paralysis, the international committee would be unable to resolve the matter. Subsequently, a violent escalation would ensue. With the respective publics’ feeling that core interests are being threatened, extremist solutions will gain greater legitimacy. Militants on both sides would be able to galvanize support by manipulating the symbolic resonance of the refugee issue, posing as defenders of core national values.

Moderate Arab states would almost certainly adopt a rejectionist position given that the Saudi/Arab peace plan calls for a "just" solution to the refugee question – with the meaning of "justice" implying support for the so-called "right of return." In turn, this could trigger an extremely bloody ethnic conflict engulfing the whole region. For, the war-proneness of a region is primarily determined by its state-to-nation balance. This means that the greater the mismatch between state boundaries and national identification, the greater the chance of armed conflict, and the less the chance of stable democracy flourishing.
Preparing the Ground

Instead of trying again for a comprehensive agreement, the best strategy may be to focus on implementing the more modest goal of conflict management, while helping to construct the underlying conditions for future conflict resolution, or at least keeping the door open for conflict resolution. According to one line of Realist thinking adopted here, this means promoting political and physical separation between Israel and the Palestinians as the basis for partition and a two-state solution, even without a detailed formal permanent status agreement. From a Realist perspective the key to peace lies in marginalizing the credibility of a violent, extremist anti-partition approach as a practical policy.
THE FAILURE OF THE OSLO PROCESS

Notes

1 This paper is a revised version of a chapter that appears in Guy Ben Porat (ed.), The Failure of the Middle East Peace Process (New York: Palgrave, 2008).
2 Author interview with Yossi Beilin, Tel Aviv 1998.
9 Kelman, op. cit.
10 Beilin, Touching Peace, op. cit.; Yossi Beilin, Guide for a Wounded Dove (Tel Aviv: Yehdion Ahronot, 2001) [Hebrew].
13 Makovsky, op. cit.
16 Agha Hussein, Shai Feldman, and Ze'ev Schiff, Track-II Diplomacy: Lessons from the Middle East (Boston: MIT Press, 2004).
19 Peres argued that war was not a rational option for modern states, as they had nothing to gain materially from war that could not be obtained with less risk and at a lower price by peaceful means, see Shimon Peres and Haggai Eshed, Tomorrow is Now (Jerusalem: Keter, 1978) [Hebrew].
20 Pundak, op. cit.
23 Malley and Agha, op. cit.
24 Gerald Steinberg, Unripeness and Conflict Management: Re-Examining the Oslo Process and its Lessons Occasional Paper no. 4: (Ramat Gan: Center for Conflict Management, Bar Ilan University, 2002).
28 Tim Dunne, op. cit.
31 Efraim Inbar, Rabin and Israel’s National Security (Baltimore: Johns Hopkins University Press, 1999), pp. 161-2.
33 Rynhold, Cooperation and Conflict, op. cit.
35 Rynhold, Cooperation and Conflict, op. cit.
36 Rynhold, Israel Studies Forum, op. cit.
39 Jacob Shamir and Michal Shamir, The Dynamics of Israeli Public Opinion on Peace and the Territories (Tel Aviv: Tel Aviv University, The Tami Steinmetz
The Failure of the Oslo Process

Center for Peace Research, 1993). Only in 1998 did a majority of Israeli Jews begin to accept that the Palestinians had a legitimate right to statehood, Tamar Hermann and Efraim Yaar, *The Peace Index* (Tami Steinmetz Center for Peace, Tel Aviv University, 1998). Available online at www.tau.ac.il/peace/index.htm.

40 Emmanuel Adler, *Communitarian International Relations* (London: Routledge, 2004), Ch. 10; Ben-Ami, op. cit.


43 Ben-Ami, op. cit.

44 Senior US officials at the time including the National Security Advisor Sandy Berger, his deputy, Bruce Reidel, Dennis Ross and Rob Malley all attested to this, see Gilad Sher, *Within Touching Distance* (Tel Aviv: Yedbiot Ahronot, 2001), pp. 382-8; Ross, op. cit.; The official Palestinian response to the Framework appeared in *Al-Ayyam*, 2 January 2001.


49 Hermann and Yaar, op. cit.


51 Peres and Naor, op. cit.

52 Malley and Agha, op. cit.


55 Pundak, op. cit.


64 Sher, op. cit.; Ben-Ami, op. cit.
65 Rubin, op. cit.
66 Herb Keinon and David Horovitz, "Diplomacy: Every Solution Will Be Painful" [Interview with Prime Minister Olmert], *The Jerusalem Post*, 3 January 2008.
71 In 2003, only 19-27 percent of the Palestinian public supported the Geneva Accords. Support was lowest regarding the clauses relating to refugees; see Poll No. 118, 22 December 2003, Palestinian Center for Public Opinion (PCPO) and PSR Poll No. 10, December 2003, available online at pcpsr.org/survey/polls/2003/p10b.html. A recent poll indicates that the Palestinian public in the West Bank and Gaza is divided over most aspects of the Geneva Plan, see PSR Poll No. 26, 11-16 December 2007, available online at pcpsr.org/survey/polls/2007/p26e2.html.
74 For example, at Taba Beilin proposed that Israel accept 40,000 refugees over a five-year period, see Rynhold, *Israel Studies Forum*, op. cit.
75 Ibid.