The Middle East: Fragility, Crisis, and New Challenges for Peace Operations

June 2007

Executive Summary

The Middle East today faces a variety of acute crises, in addition to longer-term trends that also contribute to the exacerbation of the profound insecurity and instability pervading the region. A seismic shift in regional constellations has seen the emergence of four epicenters of conflict: Israel-Palestine, Iraq, Syria-Lebanon, and Iran. Globalization has also contributed to a reshaping of the political landscape in the region, and has affected the internal dynamics within Middle Eastern states, not least in terms of the rise of political Islamists.

As a consequence of the multifaceted reality of interrelated crises in the region, only comprehensive strategies will ultimately be sufficient to solve the problems pervading the Middle East. However, many obstacles stand in the way of conflict resolution at present. Thus, conflict management and containment, through sustained and vigorous diplomacy that addresses the various issues in parallel, may well prove a more realistic, albeit less popular, alternative.

Whichever the path chosen, active third-party engagement will remain indispensable. Such engagement needs to go beyond traditional peacekeeping: since the underlying challenge in many arenas is one of state-building, external assistance needs to be synchronized with local ownership and a multidimensional engagement to support capacity-building, institutional growth, inclusive domestic political processes and economic development. The engagement of third-party actors must also refrain from deepening domestic and regional schisms, and instead successfully support the respective state-building projects, ameliorate inter-state tension, and help settle the major conflicts of the region.

The recent crises in Gaza and Lebanon, in particular, as well as the ongoing violence in Iraq, only serve to underscore the vital necessity of addressing Middle East conflicts. Many difficult questions lie ahead, with three possible scenarios resulting from any action taken: further deterioration, stabilization and containment of the present crises without a resolution of the issues, or a comprehensive solution of all issues, with the participation of all relevant actors. Though the latter is clearly the most preferred pathway, the first and second options seem to offer much more realistic scenarios.

As a result, while there are many recipes for incremental progress and many elements and dimensions where third-party engagement in the Middle East can and should make a positive contribution, the immediate prospects for the situation in the region are likely to be less than comforting. At the same time, conflict and crisis inherently bears opportunity: as the tools of peacemaking and peacebuilding already exist, it is political initiative and political will that are required. The tools should be seized now, and be put to good use.

VIRIBUS UNITIS

Vienna, Austria

The 37th IPA Vienna Seminar was held at the Austrian National Defense Academy and the Diplomatic Academy of Vienna on June 3-5, 2007. Under the theme "The Middle East: Fragility, Crisis and New Challenges for Peace Operations," participants drawn from the policy-making community, academia, military staff and the diplomatic community in Vienna explored the various facets and evolving nature of third-party engagement in the Middle East. In the context of several acute and worsening crises at the time of the seminar, participants discussed the potential of—and limits to—the role of external parties in the Palestinian, Lebanese, and Iraqi arenas.

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International Peace Academy

I. Introduction

The 2007 Vienna Seminar aimed to give tangible meaning to the concept of peacebuilding in the Middle East by unpacking the politics of the region, examining security and development-related components of peacekeeping and peacebuilding, and exploring the role of third-party actors in the region.

The Seminar, under the theme "The Middle East: Fragility, Crisis and New Challenges for Peace Operations," took place as a number of crises continued to focus the attention of the international community on the region.

In the Middle East, acute political trends and events are enmeshed within broader and more long-term concerns related to the issue of building sustainable and lasting peace: questions of keeping the peace, disarmament, security sector reform, reconstruction, democratization and development. These issues are set against more immediate trends, as the Arab-Israeli conflict continues to simmer, the Israel-Syria-Lebanon triangle remains unsettled, the post-Saddam environment in Iraq is unstable, and the focus on Iran and its assertiveness in the surrounding region grows.

Seminar participants discussed the nature and extent of the current crises, their interlinkages within the region and significance for the world beyond, the practical challenges they pose in the immediate and longer term, and possible remedies and policies that third-party actors might resort to in order to address them. The Seminar brought together military officers, diplomats, officials, and researchers, primarily from Europe, the US, and UN bodies, but also from the region itself. It was co-hosted by the International Peace Academy, the Austrian National Defense Academy, and the Diplomatic Academy of Vienna.

II. Crisis and Fragility in the Middle East

The Middle East—a region difficult to define and yet crucial in geopolitical and geo-economic terms—is confronted with a variety of acute crises at present. A number of longer-term trends also contribute to the exacerbation of the profound insecurity and instability pervading the region.

While the Middle East is not per se different from other regions in the historical experiences and major political challenges it witnesses, it is a region apart in many ways. The Middle East occupies a top rank on the global agenda. Much of the international attention is driven both by the political and economic self-interest derived from the region's position as a critical supplier of vital natural resources, and increasingly also from its geographical proximity to—and increasing social ties with—Europe in particular. Consequently, Middle East conflicts and crises are inherently of global relevance as much as they are local and regional.

The Arab-Israeli conflict particularly continues to be a conflict that is local, regional, and global all at once, although Iraq bears similar relevance on all three levels, as do the issues related to Iran. The Arab-Israeli conflict inspires intense sentiments far beyond its geographical confines, not least among the followers of the three Abrahamic faiths, but also more broadly. As such, it also lends itself to exploitation and manipulation in the context of other political crises and confrontations. However, efforts to disguise essentially *political* crises and trends as driven by a "clash of civilizations" are not only inaccurate in their characterization, but are in fact an attempt to exploit these issues for political purposes.

At present, the sense of a deep and deepening crisis in the Middle East is particularly acute. A variety of elements and arenas characterize and contribute to the turmoil in the region:

- *First*, there has been a <u>seismic shift in regional constellations</u>, which no longer orbit solely around the Israeli-Palestinian conflict. There has been a move away from what used to be a center of gravity for the entire region to the emergence of four epicenters of conflict based around the arenas of Israel-Palestine, Iraq, Syria-Lebanon, and Iran. Yet, while analytically different and divergent in their causal chains, these epicenters remain deeply intertwined. The Palestinian issue continues to act as a lightning rod for the region as it lends itself as a weapon in various regional and domestic battles. Iraq and Lebanon have emerged as key arenas, in which regional and international powers act out their struggles for hegemony, influence and control. And Iran has come to sit at the apex of what some perceive to be a growing schism in Arab-Persian and Sunni-Shia relations. This contest for power and influence is underpinned also by the collapse of the erstwhile order in the Arab world. With Iraq, Lebanon, Yemen, and the Palestinians confronting major challenges of state-building or state-consolidation as well as domestic strife, the Arab world finds itself between the traditional rock (Palestine) and two hard places (Iraq and Iran). As a result, Sunni-Shia relations have gained political prominence, as has the deeper competition for regional hegemony between Iran and Israel.

- *Second*, the impact of globalization is being felt in the region. Since the end of the Cold War, the world's powers (with the exception of Russia) have all become net importers of oil and gas, a factor which has made the Middle East even more critical in international politics and the global economy. At the same time, the nature of foreign involvement and influence in the region is changing. In the long run, the United States may no longer be the sun around which all Middle Eastern states orbit, as the region's oil and gas producers have begun orienting themselves east to China and India. With both rising powers, the nature of ties and interaction is different, since relations are not weighed down by the region's symbolic connection to the Abrahamic religions. The shift in the geopolitics of oil has also led to a change in the balance of power within the regional context, away from the traditional actors—Egypt, Iraq, and Jordan—to the oil powers that are increasingly shaping the region and its politics and diplomacy. Saudi Arabia's emergence as the most agile regional diplomatic actor and the creation and increasing prominence of new diplomatic vehicles such as the GCC+2 (Egypt, Jordan, and the six members of the Gulf Cooperation Council) or the Arab Quartet (Egypt, Jordan, Saudi Arabia, and the United Arab Emirates) are significant manifestations of this trend.

  Globalization is also affecting the internal behavior of states in the region. Processes of adjustment have seen the growth of state-led corporatism, which enables the maintenance of established patterns of control and authority while also allowing for improved interaction with the global economy. At the same time, globalization has not been accompanied by the usually concurrent trend toward greater regionalization. There is no regional market or regional security system. Yet, on an informal level, one can witness dynamism in the regional economic, intellectual, and security markets. This is evident in the regionalization witnessed through the flow across state boundaries of labor or of satellite television channels and publications, but also of fighters as seen in Iraq and more recently in Lebanon.

- *Third*, the debate around Islamists in power is increasing in relevance and importance. The rise to power or participation in established political and electoral processes of parties such as Hamas or Hizbullah, which also maintain armed capacities and a militant rhetoric, has prompted much soul-searching within the region and beyond. Questions of whether to and how to engage the moderates and to deal with the radicals have increasingly moved to the fore. One panelist argued that it was essential to engage the moderates in order to encourage reform, stimulate democracy and to combat the influence of radicals in the region. While the EU has engaged in some dialogue with moderate Islamist groups, isolationism still seems to be the trend. At the same time, it remains difficult to draw a clear line between "moderates" and "radicals" and establish a straight path to achieve the transformation of political Islamist forces into full-fledged political parties willing to demobilize armed capacities and commit unconditionally and enduringly to the political process.

- *Fourth*, the Arab-Israeli conflict remains a key area of focus in and beyond the Middle East due to its ability to shape regional stability and instability, intra-Arab relations and domestic politics across the region. There continues to be a clear consensus in favor of the two-state solution as the only viable blueprint for a lasting settlement, though time is of the essence: as the Israeli and Palestinian leaderships are divided and politically weak, even the reinvigoration of a political process to halt a linear slide into further deterioration and conflict is difficult at present. At the same time, the situation, in particular in Gaza, has been spiraling out of control. Only a renewed political process can prevent further deterioration.

The debate continues to rage whether a renewed political process can be totalist, leading to a permanent Israeli-Palestinian settlement and regional peace in one major step, or has to be gradualist in its approach, in order to allow for the necessary restoration of trust, the establishment of an enabling security environment, and the further crystallization of domestic agreements on required yet difficult concessions. At the same time, however, there appears to be little doubt as to the need for a multilateral engagement to lead the revival of the peace process. Similarly, a clear consensus has emerged on the importance of regional involvement, if not leadership, in the process through groupings such as the Arab Quartet, and through schemes such as the Arab Peace Initiative, which was re-launched at the April 2007 Riyadh Arab Summit. In parallel to any political process, in addition, there needs to be sustained emphasis on developments on the ground and issues such as access, movement, and aid, which continue to be of vital importance.

- *Fifth*, Iraq is a second key arena in the Middle East. Conflict in Iraq has accelerated not as a result of primordial sectarian rivalries, but due to the collapse of the Iraqi state. The resulting vacuum has helped fuel the insurgency, which itself continues to be an amorphous and changing entity, consisting of a myriad of different militias ranging from Ba'athist to sectarian and criminal. State failure in the sense of institutional collapse and the absence of a broad-based national political leadership is also the cause of the reorientation of political identity along sectarian lines. Moreover, the continued weakness (if not absence) of an identifiable Iraqi state is an important enabling condition for Iraq's emergence and exploitation as a proxy battleground between diverse regional and international interests, which in turn helps to exacerbate the depth of the (domestic) Iraqi crisis. This raises the question of how to move forward, for the US, the UN and the EU, as well as Iraq's regional neighbors.

  With increasing domestic discussion questioning the continued commitment of US and coalition forces, there has also been a growing focus on the potential involvement and role of external actors such as the UN and the EU. At the same time, it is all but clear that the capacity of such actors to deliver within the prevailing unstable security environment remains severely restricted. In addition, Iraq's political future first and foremost depends on Iraqis themselves, highlighting the need for the negotiation and implementation of an inclusive, comprehensive, and enduring social contract. Such a domestic political framework would need to successfully tackle legislation on the management and distribution of Iraq's natural resources, the review of the 2005 constitution, and the question of Kirkuk. It would also need to be accompanied by a multilateral framework encompassing both key international players and Iraq's regional neighbors.

  However, this also moves center-stage the question of engagement with potential spoilers, domestically as well as regionally. Such engagement has to be assessed against the concessions demanded or extracted in return: the price might be high, but a bargaining process may in its own right become an element enabling the containment of the Iraqi crisis.

- *Sixth*, another key area of concern is the role, ambitions, and aspirations of Iran. Almost irrespective of the realities related to, for example, the extent and actual objectives of Iran's nuclear program, the perception of Iran as a threat to its Arab neighbors and to Israel has become a powerful driver of potential action. Iran's involvement in Lebanon and Iraq is also affecting regional realities. As a result, Iran's perceived regional aspirations and its very tangible competition with Israel for influence and hegemony in the Middle East pose major challenges to regional and international peace and security.

As a consequence of the multifaceted reality of interrelated crises in the region, only comprehensive strategies will ultimately be sufficient to solve the problems pervading the Middle East. However, it remains difficult to determine whether conflict resolution is at all a viable strategy. Instead, given the complexity of the tasks that lie ahead, conflict management and containment, through sustained and vigorous diplomacy that addresses the various issues in parallel, may well prove a more realistic, albeit less popular, alternative.

III. Peacekeeping and Peacebuilding in the Middle East

Whether conflict resolution or crisis management are the immediate objectives of the international community, a broadly varied tool kit of external assistance has been in use in the Middle East over the last few decades. Both conventional and more specifically focused peacekeeping and peacebuilding activities have been applied in the region.

Indeed, UN peacekeeping has its origins in the context of the Middle East. The area still plays host to some of the oldest and longest-serving such missions. The mandates and activities of the United Nations Truce Supervision Organization (UNTSO), the UN Disengagement Observer Force (UNDOF), and the UN Interim Force in Lebanon (UNIFIL) by and large reflect the traditional model of peacekeeping, aimed at observation and the separation of hostile forces with the consent of the relevant parties. As such, these missions hardly reflect the evolution of multidimensional peacekeeping operations elsewhere in the world. In this sense, the Middle East has remained an area of exception in the field of peacekeeping.

At the same time, the second Lebanon war of July/August 2006 and the subsequent recalibration of UNIFIL has seen a number of important conceptual and structural innovations. Among these has been the creation of a strategic military cell (SMC) for UNIFIL at UN headquarters in New York, which has allowed for greater European control over this particular mission, thus reflecting the extraordinary degree of European political interest and sensitivities. However, born out of a political rather than a military imperative and the specific circumstances of the Lebanese context, the SMC may well remain an exceptional creation.

The landscape of the Middle East has witnessed further important innovations that will undoubtedly impact significantly on the future of third-party engagement in the security sector. The private security industry has boomed since the invasion of Iraq, where contractors have been involved in many of the second-line jobs of procurement, management, and intelligence. The prominent role of private military companies (PMCs) in Iraq is likely to lead to greater engagement and further growth of the industry in the region and beyond. At the same time, it has also raised the question of regulation, transparency and accountability. In addition, while there exists a potential for PMCs to play a positive role in the arena of peacekeeping, the industry might also have reverse effects, given its engagement in the protection of elites (and the engagement of political elites in the industry). The resulting blurring of the boundaries between politics, profits and security may not only be detrimental to the task of consolidating state structures and enforcing the state's monopoly on the use of force, it may also adversely affect the ability or willingness of political leaders to engage in political negotiation or compromise.

In addition to the presence of external security forces, the Middle East has its own plethora of security forces and the highest per capita number of security service personnel in the world. Consequently, security sector reform (SSR) and disarmament, demobilization and reintegration (DDR) are particularly relevant concepts. Yet, given the high degree of political attention focused on the region, much of the orthodox vocabulary and best practices of SSR and DDR are only rarely applied in the Middle East. In addition, experiences to date have been decidedly mixed. The demobilization of the Iraqi armed forces, for example, has highlighted the importance of the political underpinnings of the process, and the consequence of an exercise gone awry. Similar experiences have been incurred in the Palestinian context, where security sector reform has been a key emphasis.

One lesson that can be drawn from these cases is that in order for SSR and DDR activities to be successful, there has to be a political agreement or incentive, a political will to change, and a minimal degree of order. SSR and DDR need to be linked to a political process. Channels of communication to all actors involved in or affected by the process need to be maintained. Without the necessary political underpinnings, a minimal degree of order and legitimacy, and a minimum of state institutional capacity, SSR and DDR exercises are unlikely to succeed. Adequate caution and emphasis on the accompanying political processes therefore need to be applied to SSR and DDR undertakings in the Lebanese and Palestinian arenas, where the overarching goal is to ensure and strengthen the state's monopoly on the legitimate use of force throughout its territory.

The experiences in the security sector bear relevance beyond the immediate field. Many of the key challenges confronting the Middle East revolve around the consolidation of strong and legitimate state structures, which includes the successful establishment (and enforcement) of the state's monopoly on the legitimate use of force throughout its territory. As a result, the state and state-building appear as core concepts in conflict management and resolution in the Middle East.

Iraq, Lebanon, and the nascent Palestinian entity all face obvious challenges concerning the consolidation of state structures. Yet internal and external demands for democratic reform elsewhere in the region, or conflicts and crises that inherently touch upon the nature of the state and its exact geographical and conceptual delimitation (dimensions that can easily be applied to Turkey, Israel, Iran and the Arab Gulf states alike) highlight that the Middle East as a whole confronts a challenge of state-building or state formation. The "state" is now widely considered to be part of the solution, rather than the problem, and there is much emphasis on fomenting processes and dimensions that contribute to strengthening the state as an entity. In this context, a confluence of historical processes of state formation, domestic political negotiation to yield inclusive social contracts, and engagement in practical and technical reform, institutionalization, and capacity-building, has been identified as a requirement.

External assistance and engagement are also keys to ensuring success. At the same time, there exists a clear need to ascertain local ownership and to better understand the exact influences of external aid on state institutions, capacity, legitimacy, and domestic political processes, as well as the economy.

IV. The Engagement of Third-Party Actors in the Middle East

Given the high degree of political attention paid to the Middle East and the historically extensive penetration of the region by external parties, third-party engagement in the Middle East is not only an important element of the quest for peace in the region, it is also an unavoidable given.

Third-party engagement can take a variety of forms and shapes, both divergent and complementary. It therefore needs to be calibrated carefully in order to achieve positive results, rather than help deepen domestic and regional schisms. At the same time, third-party engagement to support the respective state-building enterprises, ameliorate inter-state tension, and help settle the major conflicts of the region is indispensable: as the Arab-Israeli conflict has shown, unilateralism or bilateralism are approaches that do not lead to success. While there is no consensus whether a "light footprint" facilitation role or a "heavy footprint" mediation is preferable or more suitable—and under which conditions—third-party engagement is undoubtedly a central element in the search for peace and stability in the Middle East. This does not only hold true for the political sphere, but also applies particularly to the financial and donor assistance to support domestic state consolidation and regional peacebuilding efforts.

Among third-party actors, the United States remains the most significant. It has historically assumed the role of leading broker in the Arab-Israeli conflict. This function has been complicated by the imperative to balance US commitment to deep and friendly ties with Israel, with its relations with the Arab world, in particular in the Gulf. The United States position in the region has also undergone major changes in the aftermath of its engagement in Iraq, which has brought it even more deeply into the region, to the extent that some would argue it is no longer an external actor, but indeed a regional party in its own right.

Despite these trends, the United States political and economic weight remains paramount in Middle East crisis management and conflict resolution. US involvement in the Arab-Israeli conflict, in particular, has seen it pursue a number of approaches to peacemaking, from its heavy involvement in the Egyptian-Israeli negotiations and subsequent peace, via its very light engagement in the Oslo process and the Jordanian-Israeli track, to its extensive efforts during the Camp David and Taba negotiations and the Israeli-Syrian talks of 2000. Since then, conditions have not been considered "ripe" for a deep involvement. At the same time, the United States appears to have increasingly internalized the necessity of working in tandem with parties with equal—if not greater—influence on the Palestinians, and with key regional partners. The resulting diplomacy has been shaped by "variable geometry" and an increasingly expansive interaction and coordination with the international partners of the Quartet (the EU, the UN, and Russia), and the regional partners of the Arab Quartet and the GCC+2 mechanism.

One of the key partners of the United States is the European Union, which is driven in its engagement by its geographical proximity to the Middle East, the potential for spill-over effects from the region and its desire to attain peace and stability in its immediate neighborhood. In addition, there are expectations on the popular and broader international level of EU leadership on issues of peace and security, and the EU's own desire to enhance its role on the global diplomatic stage.

EU engagement, while often viewed through the lens of European funding power rather than its political weight, asserts the principle of inclusiveness, emphasizes social and economic partnerships derived from its "soft-power" image, and supports capacity-building processes in the region. In a manner that often complements and supports US leadership on political and security issues, EU engagement places much emphasis on parallel progress in the economic, security, and political spheres. As a result, EU engagement is manifest in security cooperation and technical support and in a direct presence on the ground, as is the case with the EU Border Assistance Mission (EU BAM) at the Palestinian-Egyptian crossing at Rafah, the EU Coordinating Office for Palestinian Police Support (EU COPPS), or with the strongly European (though not EU) orientation of the revised UNIFIL in Lebanon. The EU also ascribes much importance to the notion of state-building, though some observers would view European engagement as hampered by the difficult internal negotiating processes among its twenty-seven member states, and by its perceived hesitance to complement, rather than merely support, US engagement and leadership in the Middle East.

Much like the EU, the United Nations is faced with a variety of broad and often difficult to reconcile expectations. UN engagement in the Middle East goes back to the very beginning of the organization itself, and has remained steady ever since. It has been shaped by a number of peace operations, including UNTSO, UNDOF, and UNIFIL, but has significantly widened in scope. The UN has carved out a niche in the region by providing observers and peacekeepers alongside its extensive humanitarian and developmental engagement and a diplomatic role that is predicated on close cooperation and coordination with the leading political actors (but that is also largely personality-driven). This philosophy, in particular, remains embodied in the Quartet, where the UN is active alongside the US and the EU, as well as Russia. In addition, the UN has been particularly actively engaged on Lebanon, though in both the Lebanese and Israeli-Palestinian contexts, UN engagement has not been conducive to the deployment of traditional integrated missions. The particular challenges and difficulties emanating from the Middle East have meant that the UN can only engage in a political role in conjunction with its partners in the Quartet, though the multitude of functions it exerts throughout the region also provide it with leverage. At the same time, UN operational capacity is limited, and an expanded engagement in the Iraqi arena, for example, would need to take this into account.

Beyond international third parties engaged in the Middle East, regional actors have gained increasing prominence in recent years. The Arab League, the Arab Quartet, and the GCC+2 mechanism are all vehicles that are now recognized as playing an important role in moving diplomatic processes forward. The renewed emphasis on regional actors is both based on and reflected in the recent emphasis on the support of Iraq's regional neighbors for a successful state-building enterprise there, and the re-launch of the 2002 Arab Peace Initiative in April 2007. The latter is related to both the second Lebanon war, which re-emphasized the significance of the regional track of the Arab-Israeli peace process after a number of years of exclusive focus on the Israeli-Palestinian track, and the reconfiguration of the regional balance of power in the aftermath of the Iraq war and the rise of Iran. The proactive engagement of regional actors is also prompted by a sense of urgent concern over the deteriorating conditions particularly in Gaza, in Lebanon and in Iraq. As such, regional actors have emerged as indispensable and equal partners in any and all processes seeking to reinvigorate peace talks and to help consolidate weak and challenged state structures.

V. Conclusion

Exactly forty years after the six-day war of 1967, which entailed the Israeli occupation of Arab lands, a renewed sense of urgency pervades the debate on peace, security, and stability in the Middle East.

The recent crises in Gaza and in Lebanon have underlined that now, after forty years of occupation and conflict, the time is ripe for the realization of the two-state solution in the Middle East. At the same time, domestic political circumstances and the fragmentation and weaknesses of leaderships throughout the region do not provide conditions conducive to a successful peace process. On the contrary, the Middle East appears to be sliding ever more deeply into crisis.

Gaza, in particular, had emerged as a focus of internecine fighting, renewed Israeli-Palestinian tension, and humanitarian crisis even prior to the military takeover by Hamas. This had given rise to a growing debate on possible extended forms of third-party engagement. Ideas and proposals included extension of the EU Border Assistance Mission in Rafah to a full-fledged peacekeeping force; or intense Arab involvement in the re-establishment of law and order, mediation between warring Palestinian factions, or even through some form of confederate arrangement with Egypt (while Jordan would in turn exert a similar function with regard to the West Bank). However, there remained much concern that Gaza might spiral out of control and become a black hole at the apex of the Arab-Israeli conflict, and at the heart of the Middle East. A detailed look at the situation in the Gaza Strip revealed the gravity of the consequences of the international boycott of the Hamas-led Palestinian Authority, and the subsequent increasingly negative perception among Gazans of international engagement, including that of the United Nations. The Palestinian Authority was close to state failure before Palestinians had formally realized their goal of establishing a state. The particular danger posed by these trends is the tendency for clans, militants, and radicals to step into the vacuum, and that Gaza might soon witness confrontations of the nature of those in Iraq or in Lebanon, with the effect that peace negotiations would move further out of realistic reach. In turn, the political, security and humanitarian situation would be bound to grow even worse, and make a political process ever more unlikely. Regrettably, events in the Gaza Strip appear to have evolved precisely in that direction.

There is also concern over the issue of Palestinian refugees, which has emerged as a key area of contention in the latest efforts to reinvigorate the Arab-Israeli peace process. Israel's reluctance to embrace the Arab Peace Initiative stems largely from the fact that the initiative would appear to demand its recognition of the Palestinian right of return, which Israeli political leaders have frequently ruled out. Although space exists for a pragmatic solution on the issue, neither side appears to have the political strength—or will—for the necessary *symbolic* concessions at this stage. Nevertheless, it is clear that a solution of the refugee problem remains a core requirement if lasting peace and stability is to be established in the Middle East. In addition, the continued experience of refugeehood, and the related socioeconomic and sociopolitical deprivations refugees are exposed to in Arab countries, serve as a vehicle to perpetuate conflict and destabilize the Arab host countries. The prolonged confrontation between Fatah al-Islam and the Lebanese Armed Forces in May and June 2007, while generally considered to be related primarily to domestic and regional processes in the context of Lebanon's reassertion of its sovereignty and political independence and the establishment of an international tribunal to try the assassins of former Lebanese Prime Minister Rafiq Hariri, at the very least also fed on the conditions and grievances of Palestinian refugees in Lebanon. Accordingly, preparation of possible mechanisms to be implemented in the context of a permanent status agreement, exploration of possible formulae to address the refugee issue in the context of the renewed efforts around the Arab Peace Initiative, and efforts to improve the security and socioeconomic conditions of Palestinian refugees in the immediate term are of tangible significance.

Such engagement would, however, have to go hand in hand with the broader revitalization of political processes and negotiations, regionally as well as domestically. Third-party engagement is necessary, perhaps more than ever, to underpin and accompany such renewed political efforts. At the same time, it would be a mistake to consider increased third-party activity or even proactive third-party (security) presences as a panacea: while a third-party presence and the deployment of external security forces could have helped stabilize the Gaza Strip, in particular, there remained many questions as to the exact nature and extent of such a presence, even before the latest stage in the Hamas-Fatah fighting. There are also the counterproductive side-effects of such deployments, in the sense of the further abrogation of local responsibility and of the authority of nascent state institutions that require consolidation and strengthening.

As such, the dilemma related to the deployment of third-party forces appears to be one of a number of similar dichotomies and difficult choices, which characterize the current situation and confront third-party actors:

1. Beyond the question mark as concerns third-party presences on the ground, there is also the question of <u>facilitation vs. mediation</u>: during the Oslo period, Israelis and Palestinians engaged directly with one another, with third parties merely facilitating their contacts and negotiations. At present, however, there appears to be a clear tendency in favor of proactive mediation, since the relevant governments are too weak or unwilling to engage in a political process on their own initiative.

2. This raises the related question of <u>track I versus track II</u>: given the weakness of governments and political leaderships at present, the political vacuum characterizing the region may point toward track II-negotiations as an avenue to be explored. This trend may find further support in the fact that the US, Russia, and most major European capitals are approaching or at present undergoing major political transitions (presidential elections and/or government transitions). The resulting weakness of potential third-party mediators may well give rise and credence to track-II-led international engagement.

3. At the same time, all parties need to address the question of <u>engagement</u>: by some it is envisaged as a gradual process of rapprochement that induces tangible steps of commitment and reassurance on the part of those whose rejectionist stance has so far seen them excluded from the negotiating table (be they domestic non-state actors, or states in the regional context). The argument that conditions for engagement differ significantly on the domestic and regional levels from those on the international level, deserves some consideration. However, while many local, regional, and international parties may at present favor the engagement of those excluded from the diplomatic process, the process of engagement itself raises concerns. Questions remain as to whether engagement is a tool open to misuse; whether engaging in dialogue necessarily leads to constructive results; or whether engagement rewards intransigence. In addition, there exists an overarching concern that engagement may at times serve as a mechanism of distracting from some of the key issues at stake. That being the case, violence may not only be perpetuated, but also prompted by engagement in the wrong way, at the wrong time, with the wrong party at the other end. Consequently, decisions in favor of dialogue and engagement may need to be considered with great care, especially as concerns the Palestinian territory, Syria, Iran, and Iraq, where the desire to engage in dialogue may in effect bare a greater cost than the decision to act.

4. There is also a parallel question as concerns the <u>scope of the approach</u> and its <u>inclusiveness</u>: while many of the issues now challenging the region are inherently regional and deeply interrelated, perhaps progress can only be achieved if partial solutions are envisaged. At the same time, the deep interconnections between the issues and arenas may undermine any partial or limited process, lest all relevant interests are addressed and incorporated. Therefore, at least in the medium to long term, only comprehensive diplomacy addressing all issues in parallel or in an integrated manner can be successful.

5. A closely related question is whether a process should be <u>unilateral, bilateral</u> (both of which would imply a preference for partial solutions), <u>or multilateral</u>, and if the latter, to what extent. Unilateralism may have been exposed as a recipe for failure, but bilateralism might limit the complexity of managing any diplomatic process, which becomes inherently more difficult to shepherd the more inclusively it is designed. At the same time, it has become increasingly clear that only multilateralism, in a form that bridges international and regional engagement and leadership, can offer any prospects for success under the present circumstances in the region.

6. In a similar vein, there is the question of the most suitable approach: the discussion remains underway as to whether to favor <u>totalism or gradualism</u>. While totalism is undoubtedly the more popular variant, its past failure (as exemplified in the abortive Camp David talks of 2000, and the failed Israeli-Syrian negotiations the same year) may well give increased credence to gradualism. Also thinkable is a combined approach that aims for a political process of "two steps in one go," thus espousing a gradual tactic while making a complete, comprehensive and final peace in the Middle East a real and tangible prospect at the same time.

7. A parallel question concerns the <u>immediate content and perspective of a political process</u>: should a renewed, third-party-led diplomatic effort tackle the difficult substantive issues at stake, or should it more realistically confine itself to creating a process, which would in

and of itself help contain the manifold crises in the Middle East? Whatever the exact answer, it is beyond doubt that the architecture of any political process is as significant as its substance, and may well determine its prospects for success as much as the actual substance.

8. A final question relates to the emphasis of any renewed political process and the relationship between peacekeeping and peacebuilding, or between security and military issues one the one hand, and the political and economic underpinnings on the other. As concerns this dimension, however, it has become increasingly clear in recent years that only an approach combining the elements of security, economics, and politics can be sustainable and achieve the objective of lasting peace and security, domestically as well as regionally.

The Middle East thus also poses a number of difficult questions as to how to address the multifaceted, complex, and deep crisis in the region. Whatever avenue may be pursued, three scenarios appear to lie ahead: further deterioration, stabilization and containment of the present crises without a resolution of the issues, or a comprehensive solution of all issues, with the participation of all relevant actors. Though the latter is clearly the most preferred pathway, the first and second options seem to offer much more realistic scenarios.

As a result, while there are many recipes for incremental progress and many elements and dimensions where third-party engagement in the Middle East can and should make a positive contribution, the immediate prospects for the situation in the region are likely to be less than comforting. At the same time, conflict and crisis inherently bears opportunity: as the tools of peacemaking and peacebuilding already exist, it is political initiative and political will that are required. The tools should be seized now, and be put to good use.

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