

The Rise and Fall of the Oslo Peace Process

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Overview

One of the salient strands in the international relations of the Middle East in the aftermath of the 1991 Gulf War was the US-sponsored peace process between Israel and the Arabs. On the Arab side, the principal participants were Syria, Jordan, and the Palestinians. This chapter focuses on the two principal parties to the Arab-Israeli conflict: Israel and the Palestinians. It traces the emergence, the development, and the breakdown of the peace negotiations between Israel and the Palestine Liberation Organization (PLO) from 1991 to 2001. The main landmarks in this process are the conclusion of the Oslo accord, the implementation of the accord, Oslo II, the Camp David summit, and the return to violence. The main conclusion is that the Oslo accord was not doomed to failure from the start; it failed because Israel, under the leadership of the Likud, reneged on its side of the deal.

Introduction

The Middle East is the most penetrated subsystem of the international political system. Ever since Napoleon's expeditionary force landed in Egypt in 1798, it has been an object of rivalry among the great powers. The strategic value of the Middle East was considerable as the gateway between Europe and the Far East. The discovery of oil, in the early part of the 20th century, enhanced the region's importance for the global economy. After the Second World War, the Middle East became one of the major theatres of the cold war. It was constantly caught up in superpower rivalry for political influence, power, and prestige. External sources of conflict combined with internal ones to produce frequent crises, violence, and wars. One of the most destabilizing factors in the affairs of the region is the dispute between Israel and the Arabs.

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The Arab–Israeli conflict is one of the most bitter, protracted, and intractable conflicts of modern times. It is also one of the dominant themes in the international relations of the Middle East. There are two principal levels to this conflict: the interstate level and the Israeli–Palestinian level. In origin and in essence, this is a clash between the Jewish and Palestinian national movements over the land of Palestine. The Palestine problem therefore remains the core of the conflict. But the search for a settlement is complicated by inter-Arab relations and by the involvement of outside powers. The purpose of this chapter is to examine the peace process that got under way in the aftermath of the Gulf War, and, more specifically, the quest for a settlement between Israel and the Palestinians.

The Oslo peace process

The United States took the lead in convening an international conference to address the Arab–Israeli dispute following the expulsion of Iraq from Kuwait. The conference was held in Madrid at the end of October 1991. At the conference, the US adopted an even-handed approach and pledged to promote a settlement that would provide security for Israel and justice for the Palestinians. Negotiations were to be based on United Nations Security Council Resolution 242 of November 1967 and the principle of land for peace that it incorporated.

All of the parties to the conflict were invited to Madrid, but the Palestine Liberation Organization (PLO) was excluded on account of its support for Iraq following Saddam Hussein's invasion of Kuwait on 2 August 1990. The Palestinian delegation was made up of residents of the West Bank and the Gaza Strip, who went to Madrid not as an independent delegation, but as part of a joint delegation with Jordan. Jordan thus provided an umbrella for Palestinian participation in the peace talks. Although the PLO leadership in Tunis was formally banned from attending this major international gathering, the Palestinian negotiators kept in close contact with their colleagues in Tunis.

The Israeli delegation to Madrid was headed by Prime Minister Yitzhak Shamir, the leader of the right-wing Likud party. Whereas Labour is a pragmatic party committed to territorial compromise, the Likud is an ideological party committed to maintaining the West Bank as part of the ancestral lands of Israel. At Madrid, Shamir struck a tough and uncompromising posture. By arguing that the basic problem was not territory, but the Arab denial of Israel's very right to exist, he came close to rejecting the principle of swapping land for peace.

Two tracks for negotiations were established in Madrid: an Israeli–Arab track and an Israeli–Palestinian track. Stage two of the peace process consisted of bilateral negotiations between Israel and individual Arab parties. These bilateral talks were held under US auspices in Washington, starting in January 1992. Several rounds of negotiations were held in the US capital, but as long as the Likud remained in power, little progress was made on either track. It was only after Labour's victory over the Likud in June 1992 that the Israeli position began to be modified, at least on the Arab track. On the Palestinian issue, the Israeli position displayed more continuity than change following the rise of the Labour government under the leadership of Yitzhak Rabin. Consequently, the official talks between the Israeli and Palestinian delegations in Washington made painfully slow progress.

The road to Oslo

Stalemate in the official talks led both Israel and the PLO to seek a back channel for communicating. The decision to hold direct talks with the PLO was a diplomatic revolution in Israel's foreign policy and paved the way for the Oslo accord of 13 September 1993. Three men were primarily responsible for this decision: Yitzhak Rabin, Foreign Minister Shimon Peres, and Yossi Beilin, the youthful deputy foreign minister. Rabin held out against direct talks with the PLO for as long as he could. Peres took the view that, without the PLO, there could be no settlement. Expecting the PLO to enable the local Palestinian leaders to reach an agreement with Israel, he said on one occasion, was like expecting the turkey to help in preparing the Thanksgiving dinner. As long as Yasser Arafat, chairman of the PLO, remained in Tunis, Peres argued, he represented the 'outsiders'—the Palestinian diaspora—and he would do his best to slow down the peace talks (Peres 1995: 323–4).

Yossi Beilin was even more categorical in his view that talking to the PLO was a necessary condition for an agreement with the Palestinians. Beilin had always belonged to the extreme dovish wing of the Labour Party. He was the real architect behind the Israeli recognition of the PLO. Peres backed him all the way, and the two of them succeeded in carrying their hesitant and suspicious senior colleague with them.

The secret talks in Oslo got under way in late January 1993 with the active encouragement of Yossi Beilin, who kept Shimon Peres fully informed. Altogether, fourteen sessions of talks were held over an eight-month period, all behind a thick veil of secrecy. Norwegian Foreign Affairs Minister Johan Jørgen Holst and social scientist Terge Rød Larsen acted as generous hosts and facilitators. The key players were two Israeli academics, Dr Yair Hirschfeld and Dr Ron Pundik, and PLO Treasurer Ahmad Qurei, better known as Abu Ala. Away from the glare of publicity and political pressures, these three men worked imaginatively and indefatigably to establish the conceptual framework of the Israel–PLO accord. Their discussions ran parallel to the bilateral talks in Washington, but they proceeded without the knowledge of the official Israeli and Palestinian negotiators.

The unofficial talks dealt initially with economic cooperation, but quickly broadened into a dialogue about a joint declaration of principles. In May, Peres took a highly significant decision: he ordered Uri Savir, the director-general of the foreign ministry, and Yoel Singer, a high-flying attorney who had spent twenty years in the Israeli Defence Forces (IDF) legal department, to join Hirschfeld and Pundik on the weekend trips to Oslo. At this point, Peres began to report to Rabin regularly on developments in the Norwegian back channel. At first, Rabin showed little interest in this channel—but neither did he raise any objection to continuing the explorations. Gradually, however, he became more involved in the details and assumed an active role in directing the talks, alongside Peres. Since Abu Ala reported directly to Arafat, an indirect line of communication had been established between Jerusalem and the PLO headquarters in Tunis.

Another landmark in the progress of the talks was the failure of the tenth round of the official Israeli–Palestinian negotiations in Washington. To tempt the Palestinians to move forward, Peres floated the idea of 'Gaza first'. He believed that Arafat was desperate for a concrete achievement to bolster his sagging political fortunes and that Gaza would provide him with his first toehold in the occupied territories. Peres also knew that an Israeli withdrawal from Gaza would be greeted with sighs of relief among the great majority of his

countrymen. Arafat, however, did not swallow the bait, suspecting an Israeli plan to confine the dream of Palestinian independence to the narrow strip of territory stretching from Gaza City to Rafah. The idea was attractive to some Palestinians, especially the inhabitants of the Gaza Strip, but not to the politicians in Tunis. Rather than reject the Israeli offer out of hand, Yasser Arafat came up with a counter offer of his own: Gaza and Jericho first. His choice of the small and sleepy West Bank town seemed quirky at first sight, but it served as a symbol of his claim to the whole of the West Bank.

Rabin did not balk at the counter-offer. All along, he had supported handing over Jericho to Jordanian rule, while keeping the Jordan Valley in Israeli hands. But he had one condition: the Palestinian foothold on the West Bank would be an island inside Israeli-controlled territory, with the Allenby Bridge also remaining in Israeli hands. Jordan, too, preferred Israel to the Palestinians at the other end of the bridge. Arafat therefore had to settle for the Israeli version of the 'Gaza and Jericho first' plan.

Rabin's conversion to the idea of a deal with the PLO was clinched by four evaluations that reached him between the end of May and July. First was the advice of Itamar Rabinovich, the head of the Israeli delegation to the talks with Syria, that a settlement with Syria was attainable, but only at the cost of complete Israeli withdrawal from the Golan Heights. Second were the reports from various quarters that the local Palestinian leadership had been finally neutralized. Third was the assessment of the IDF director of military intelligence that Arafat's dire situation, and possibly imminent collapse, made him the most convenient interlocutor for Israel at that particular juncture. Fourth were the reports of the impressive progress achieved through the Oslo channel. Other reports that reached Rabin during this period pointed to an alarming growth in the popular following of Hamas and Islamic Jihad in the occupied territories. Both the army chiefs and the internal security chiefs repeatedly stressed to him the urgency of finding a political solution to the crisis in the relations between Israel and the inhabitants of the occupied territories. Rabin therefore gave the green light to the Israeli team, and the secret diplomacy in Oslo moved into higher gear.

Rabin and Peres also believed that progress towards a settlement with the Palestinians would lower the price of a settlement with Syria by reducing the latter's bargaining power. Peres reduced the link between the two sets of negotiations to what he called 'the bicycle principle': when one presses on one pedal, the other pedal moves by itself. His formula was directed not at reaching a separate agreement with the Palestinians, but at gradual movement towards a settlement with the Palestinians, the Syrians, and the Jordanians.

On 23 August, Rabin stated publicly for the first time that 'there would be no escape from recognizing the PLO'. In private, he elaborated on the price that Israel could extract in exchange for this recognition. In his estimate, the PLO was 'on the ropes', and it was therefore highly probable that the PLO would drop some of its sacred principles to secure Israeli recognition. Accordingly, while endorsing the joint declaration of principles on Palestinian self-government in Gaza and Jericho, and mutual recognition between Israel and the PLO, he insisted on changes to the Palestinian National Charter as part of the package deal.

Peres flew to California to explain the accord to US Secretary of State Warren Christopher. Christopher was surprised by the scope of the accord and by the unorthodox method by which it had been achieved. He naturally assumed that the US had a monopoly over the peace process; his aides in the State Department had come to be called 'the peace processors'. Now, their feathers were ruffled, because they had been so thoroughly upstaged by the

Norwegians. All of the participants in the Oslo back channel, on the other hand, had the satisfaction of knowing that they had reached the accord on their own without any help from the US State Department. Their success showed that the fate of the peace process lay in the hands of the protagonists, rather than in the hands of the intermediaries.

The Oslo accord

The Declaration of Principles on Interim Self-Government Arrangements was essentially an agenda for negotiations, governed by a tight timetable, rather than a full-blown agreement. The Declaration laid down that, within two months of the signing ceremony, agreement on Israel's military withdrawal from Gaza and Jericho should be reached; within four months, the withdrawal should be completed. A Palestinian police force, made up mostly of pro-Arafat Palestinian fighters, was to be imported to maintain internal security in Gaza and Jericho, with Israel retaining overall responsibility for external security and foreign affairs. At the same time, elsewhere in the West Bank, Israel undertook to transfer power to 'authorized Palestinians' in five spheres: education, health, social welfare, direct taxation, and tourism. Within nine months, the Palestinians in the West Bank and Gaza were to hold elections to a Palestinian Council, to take office and assume responsibility for most government functions except defence and foreign affairs. Within two years, Israel and the Palestinians agreed to commence negotiations on the final status of the territories, and at the end of five years the permanent settlement was to come into force (Medzini 1995: 319–28). In short, the Declaration of Principles promised to set in motion a process that would end Israeli rule over the 2 million Palestinians living in the West Bank and Gaza.

The shape of the permanent settlement was not specified in the Declaration of Principles, but was left to negotiations between the two parties during the second stage. The Declaration was completely silent on vital issues such as the right of return of the 1948 refugees, the borders of the Palestinian entity, the future of the Jewish settlements on the West Bank and Gaza, and the status of Jerusalem. The reason for this silence is not hard to understand: if these issues had been addressed, there would have been no accord. Both sides took a calculated risk, realizing that a great deal would depend on the way in which the experiment in Palestinian self-government worked out in practice. Rabin was strongly opposed to an independent Palestinian state, but he favoured an eventual Jordanian–Palestinian confederation. Arafat was strongly committed to an independent Palestinian state, with East Jerusalem as its capital, but he did not rule out the idea of a confederation with Jordan.

Despite all of its limitations and ambiguities, the Declaration of Principles for Palestinian self-government in Gaza and Jericho marked a major breakthrough in the century-old conflict between Arabs and Jews in Palestine. On 13 September 1993, the Declaration was signed on the South Lawn of the White House, and sealed with the historic handshake between Prime Minister Rabin and Chairman Arafat.

The Oslo accord consisted of two parts, both of which were the product of secret diplomacy in the Norwegian capital. The first part consisted of mutual recognition between Israel and the PLO. It took the form of two letters, on plain paper and without letterheads, signed by Chairman Arafat and Prime Minister Rabin, respectively, on 9 and 10 September. Nearly all of the publicity focused on the signing of the Declaration of Principles, but without

the mutual recognition there could have been no meaningful agreement on Palestinian self-government.

In his letter to Rabin, Arafat observed that the signing of the Declaration of Principles marked a new era in the history of the Middle East. He then confirmed the PLO's commitment to recognize Israel's right to live in peace and security, to accept UN Security Council Resolutions 242 and 338, to renounce the use of terrorism and other acts of violence, and to change those parts of the Palestinian National Charter that were inconsistent with these commitments. In his terse, one-sentence reply to Arafat, Rabin confirmed that, in the light of these commitments, the Government of Israel decided to recognize the PLO as the representative of the Palestinian people and to commence negotiations with the PLO within the Middle Eastern peace process.

Taken together, the two parts of the Oslo accord seemed, at the time, to merit the over-worked epithet 'historic', because they reconciled the two principal parties to the Arab-Israeli conflict. The clash between Jewish and Palestinian nationalism had always been the heart and core of the Arab-Israeli conflict. Both national movements, Jewish and Palestinian, denied the other the right to self-determination in Palestine. Their history was one of mutual denial and mutual rejection; now, mutual denial made way for mutual recognition. Israel not only recognized the Palestinians as a people with political rights, but also formally recognized the PLO as its representative. The handshake between Rabin and Arafat at the signing ceremony, despite the former's awkward body language, was a powerful symbol of the historic reconciliation between the two nations.

The historic reconciliation was based on a historic compromise: acceptance of the principle of the partition of Palestine. Both sides accepted territorial compromise as the basis for the settlement of their long and bitter conflict. By accepting the principle of partition, the two sides suspended the ideological dispute as to who is the rightful owner of Palestine, and turned to finding a practical solution to the problem of sharing the cramped living space between the Jordan River and the Mediterranean. Each side resigned itself to parting with territory that it had previously regarded not only as its patrimony, but also as a vital part of its national identity. Each side was driven to this historic compromise by the recognition that it lacked the power to impose its own vision on the other side. That the idea of partition was finally accepted by the two sides seemed to support Abba Eban's observation that men and nations often behave wisely once they have exhausted all of the other alternatives (Eban 1993).

The breakthrough at Oslo was achieved by separating the interim settlement from the final settlement. In the past, the Palestinians had always refused to consider any interim agreement unless the principles of the permanent settlement were agreed in advance. Israel, on the other hand, had insisted that a five-year transition period should begin without a prior agreement about the nature of the permanent settlement. At Oslo, the PLO accepted the Israeli formula. In contrast to the official Palestinian position in Washington, the PLO agreed to a five-year transition period without clear commitments by Israel as to the nature of the permanent settlement (Beilin 1997: 152).

Reactions to Oslo

The Israeli-PLO accord had far-reaching implications for the interstate dimension of the Arab-Israeli conflict. Originally, the Arab states got involved in the Palestine conflict out of a sense of solidarity with the Palestine Arabs against the Zionist intruders. Continuing

commitment to the Palestinian cause had precluded the Arab states, with the notable exception of Egypt, from extending recognition to the Jewish state. One of the main functions of the League of Arab States (LAS), which was established in 1945, was to assist the Palestinians in the struggle for Palestine. After 1948, the League became a forum for coordinating military policy and for waging political, economic, and ideological warfare against the Jewish state. In 1974, the LAS recognized the PLO as the sole legitimate representative of the Palestinian people. Now that the PLO had formally recognized Israel, there was no longer any compelling reason for the Arab states to continue to reject her.

Clearly, an important taboo had been broken. PLO recognition of Israel was an important landmark along the road to Arab recognition of Israel and the normalizing of relations with it. Egypt, which had been the first to take the plunge back in the late 1970s, felt vindicated and elated by the breakthrough. When Rabin stopped in Rabat on his way home after attending the signing ceremony in Washington, he was received like any other visiting head of state by King Hassan II of Morocco. Jordan allowed Israeli television the first ever live report by one of its correspondents from Amman. A number of Arab states, such as Tunisia and Saudi Arabia, started to think seriously about the establishment of diplomatic relations with Israel. And the LAS began discussions on the lifting of the economic boycott that had been in force since Israel's creation. Nothing was quite the same in the Arab world as a result of the Israel–PLO accord: the rules of the game in the entire Middle East had changed radically.

The change was no less marked in Israel's approach to its Arab opponents than in their approach to Israel. Zionist policy, before and after 1948, proceeded on the assumption that agreement on the partition of Palestine would be easier to achieve with the rulers of the neighbouring Arab states than with the Palestine Arabs. Israel's courting of conservative Arab leaders, such as King Hussein of Jordan and President Anwar Sadat of Egypt, was an attempt to bypass the local Arabs and to avoid having to address the core issue of the conflict. Recognition by the Arab states, it was hoped, would help to alleviate the conflict without conceding the right of national self-determination to the Palestinians. Now, this strategy was reversed: PLO recognition of Israel was expected to pave the way for wider recognition by the Arab states, from North Africa to the Persian Gulf. Rabin expressed this hope when signing the letter to Arafat in which Israel recognized the PLO: 'I believe', he said, 'that there is a great opportunity of changing not only the relations between the Palestinians and Israel, but to expand it to the solution of the conflict between Israel and the Arab countries and other Arab peoples' (*International Herald Tribune*, 11–12 September 1993).

On both sides of the Israeli–Palestinian divide, the Rabin–Arafat deal provoked strong and vociferous opposition on the part of the hardliners. Both leaders were accused of a betrayal and a sell-out. Leaders of the Likud, and of the nationalistic parties further to the right, attacked Rabin for his abrupt departure from the bipartisan policy of refusing to negotiate with the PLO and charged him with abandoning the 120,000 settlers in the occupied territories to the tender mercy of terrorists. The Gaza–Jericho plan was denounced as a bridgehead to a Palestinian state and the beginning of the end of Greater Israel. A Gallup poll, however, indicated considerable popular support for the prime minister. Of the 1,000 Israelis polled, 65 per cent said that they approved of the peace accord, with only 13 per cent describing themselves as 'very much against' (*The Guardian*, 16 September 1993).

Within the Palestinian camp, the accord also encountered loud, but ineffective, opposition. The PLO itself was split, with the radical nationalists accusing Arafat of abandoning

principles to grab power. These included the Popular Front for the Liberation of Palestine, led by George Habash, and the Damascus-based Democratic Front for the Liberation of Palestine, led by Nayef Hawatmeh. Arafat succeeded in mustering the necessary majority in favour of the deal on the PLO's eighteen-member executive committee, but only after a bruising battle and the resignation of four of his colleagues. Outside the PLO, the deal aroused the implacable wrath of the militant resistance movements, Hamas and Islamic Jihad, which regarded any compromise with the Jewish state as anathema.

Opposition to the deal from rejectionist quarters, whether secular or religious, was only to be expected. More disturbing was the opposition of mainstream figures such as Farouk Kaddoumi, the PLO 'foreign minister', and prominent intellectuals such as Professor Edward Said and the poet Mahmoud Darwish. Some of the criticisms related to Arafat's autocratic, idiosyncratic, and secretive style of management; others related to the substance of the deal. The most basic criticism was that the deal negotiated by Arafat did not carry the promise, let alone a guarantee, of an independent Palestinian state.

This criticism took various forms. Farouk Kaddoumi argued that the deal compromised the basic national rights of the Palestinian people, as well as the individual rights of the 1948 refugees. Edward Said lambasted Arafat for unilaterally cancelling the intifada, for failing to coordinate his moves with the Arab states, and for introducing appalling disarray within the ranks of the PLO. 'The PLO', wrote Said, 'has transformed itself from a national liberation movement into a kind of small-town government, with the same handful of people still in command.' For the deal itself, Said had nothing but scorn. 'All secret deals between a very strong and a very weak partner necessarily involve concessions hidden in embarrassment by the latter', he wrote. 'The deal before us', he continued, 'smacks of the PLO leadership's exhaustion and isolation, and of Israel's shrewdness' (Said 1995: 2). 'Gaza and Jericho first ... and last' was Mahmoud Darwish's damning verdict on the deal.

Arab reactions to the Israeli–Palestinian accord were rather mixed. Arafat got a polite, but cool, reception from the nineteen foreign ministers of the LAS who met in Cairo a week after the signing ceremony in Washington. Some member states of the League, especially Jordan, Syria, and Lebanon, were dismayed by the PLO chairman's solo diplomacy, which violated Arab pledges to coordinate their negotiating strategy. Arafat defended his decision to sign the accord by presenting it as the first step towards a more comprehensive peace in the Middle East. The interim agreement, he said, was only the first step towards a final settlement of the Palestinian problem and of the Arab–Israeli conflict, which would involve Israeli withdrawal from all of the occupied territories, including 'Holy Jerusalem'. He justified his resort to a secret channel by arguing that the almost two years of public negotiations under US sponsorship had reached a dead end. Some of the Arab foreign ministers agreed with the PLO chairman that the accord was an important first step, even if they were not all agreed on the next step or the final destination.

Implementing the Declaration of Principles

Two committees were set up in early October 1993 to negotiate the implementation of the lofty-sounding Declaration signed in Washington. The first committee was chaired by Shimon Peres and Mahmoud Abbas, the leader who had signed the Declaration on behalf of the PLO. This ministerial-level committee was supposed to meet in Cairo every two or three weeks. The other committee, the nuts and bolts committee, consisted of experts who

were supposed to meet for two or three days each week in the Egyptian resort of Taba on the Red Sea. The heads of the delegations to these talks were Nabil Sha'ath and Major-General Amnon Lipkin-Shahak, the number-two man in the IDF and head of its military intelligence. The two sides managed to hammer out an agenda and formed two groups of experts: one to deal with military affairs; the other, with the transfer of authority.

The IDF officers took a generally tough line in the negotiations. These officers had been excluded from the secret talks in the Norwegian capital and they felt bitter at not having been consulted about the security implications of the accord. Chief of Staff Ehud Barak believed that, in their haste to secure their place in history, the politicians had conceded too much to the PLO and that, when the time came to implement the agreement, it would be the responsibility of the army to tackle the security problems.

Underlying the labyrinthine negotiations at Taba was a basic conceptual divide. The Israeli representatives wanted a gradual and strictly limited transfer of powers, while maintaining overall responsibility for security in the occupied territories in their own hands. They wanted to repackage, rather than end, Israel's military occupation. The Palestinians wanted an early and extensive transfer of power to enable them to start laying the foundations for an independent state. They were anxious to get rid of the Israeli occupation and they struggled to gain every possible symbol of sovereignty. As a result of this basic conceptual divide, the Taba negotiations plunged repeatedly into crisis and took considerably longer to complete than the two months allowed for in the original timetable.

After four months of wrangling, an agreement was reached in the form of two documents: one on general principles, the other on border crossings. The two documents were initialled by Shimon Peres and Yasser Arafat in Cairo on 9 February 1994. Although the Cairo agreement was tactfully presented as a compromise solution, it was a compromise that tilted very heavily towards the Israeli position. The IDF had managed to impose its own conception of the interim period: specific steps to transfer limited powers to the Palestinians without giving up Israel's overall responsibility for security. The IDF undertook to redeploy, rather than to withdraw, its forces in the Gaza Strip and Jericho. The Cairo agreement gave the IDF full authority over Gaza's three settlement blocs, the four lateral roads joining them to the Green Line, and 'the relevant territory overlooking them'. The outstanding feature of the agreement was thus to allow the IDF to maintain a military presence in and around the area earmarked for Palestinian self-government, and to retain full responsibility for external security and control of the land crossings to Egypt and Jordan. Despite these serious limitations, the Cairo agreement formed a first step in regulating the withdrawal of the Israeli Civil Administration and secret services from Gaza and Jericho.

Another round of negotiations resulted in an agreement that was signed by Yitzhak Rabin and Yasser Arafat in Cairo on 4 May. The Cairo agreement wrapped up the Gaza–Jericho negotiations and set the terms for expanding Palestinian self-government to the rest of the West Bank. Expansion was to take place in three stages. First, responsibility for tourism, education and culture, health, social welfare, and direct taxation was to be transferred from Israel's Civil Administration to the Palestinian National Authority. Second, Israel was to redeploy its armed forces away from 'Palestinian population centres'. Third, elections were due to take place throughout the West Bank and the Gaza Strip for a new authority.

The Cairo document was billed by both sides as an agreement to divorce after twenty-seven years of unhappy coexistence in which the stronger partner forced the weaker to live

under its yoke. This was true in the sense that Israel secured a separate legal system, and separate water, electricity, and roads for the Jewish settlements. It was not true in the sense that the document gave the stronger party firm control over the new relationship.

The Cairo document stressed repeatedly the need for cooperation, coordination, and harmonization in the new relationship. A large number of liaison committees, most of which were to have an equal number of representatives from the two sides, gave a superficial appearance of parity. But this parity was undermined in favour of the stronger partner by the fact that Israeli occupation laws and military orders were to remain in force unless amended or abrogated by mutual agreement. What this meant in practice was that any issue that could not be resolved by negotiation would be subject to the provisions of Israeli law rather than those of international law. This was a retreat from the Palestinian demand that international law, particularly the Fourth Geneva Convention, should be the source of legislation and jurisdiction during the transition period.

A week after the Cairo document was signed, a token force of thirty Palestinian policemen entered the Gaza Strip from Egypt to assume control for internal security from the retreating Israelis. This was the first tangible evidence that Israeli occupation was winding down. Until this point, all of the movement had been unilateral, as the Israeli army redeployed its forces so as to provide continuing protection for the tiny community of Jewish settlers in the strip. Now, a new Palestinian police force was to take charge of the nearby Palestinian population centres in accordance with a prearranged division of labour. The Israeli withdrawal was greeted with a sigh of relief at home, and great joy and jubilation among the Gazans. As the last Israeli soldiers pulled out of their military camps in Rafah and Nusairat to a final barrage of stones, the Israeli flag was replaced by the flag of Palestine. A twenty-seven-year-old experiment in imposing Israeli rule over 2 million recalcitrant Arabs was symbolically and visibly nearing the end of its life.

The Israeli government's policy of controlled withdrawal from Gaza and Jericho enjoyed broad popular support. Hard as they tried, the leaders of the opposition failed to arouse the nation against the decisions of the government. As far as the government was concerned, the real paradox was that it needed a strong PLO to implement the Gaza–Jericho settlement, but a strong PLO could only reinforce the determination of the Palestinians to fight for a state of their own.

The government maintained its commitment to peace with the Palestinians despite the protests from the right, and despite the terrorist attacks launched by Hamas and Islamic Jihad with the aim of derailing the peace talks. On 29 August 1994, the Agreement on Preparatory Transfer of Powers and Responsibilities was signed by Israel and the Palestinians. In accordance with the Oslo Accord, this agreement transferred powers to the Palestinian Authority in five specified spheres: education and culture; health; social welfare; direct taxation; and tourism.

Oslo II

Negotiations on the Syrian track proceeded in parallel to those on the Palestinian track. Rabin's strategy was to decouple the Syrian track from the Palestinian, Jordanian, and Lebanese tracks. He controlled the pace of the negotiations with Syria according to what was

happening on the other tracks. The Americans offered their good offices in trying to broker a settlement with Syria. For Syria, the key issue was full Israeli withdrawal from the Golan Heights, by which it meant a return to the armistice lines of 4 June 1967. The Israelis preferred withdrawal to the 1923 international border, which was more favourable to them. In the second half of 1993, Rabin came close to accepting the Syrian condition if Syria would meet his demands—the ‘four legs of the table’, as he used to call them. Besides withdrawal, the other three legs comprised normalization, security arrangements, and a timetable for implementation. The Syrian response on these other points did not satisfy Rabin. Consequently, although considerable progress was achieved by the two sides in narrowing down their differences, it was not sufficient to secure a breakthrough on the Syrian track.

Jordan was more directly affected by the Israel–PLO accord than any other Arab country, because of its close association with the West Bank and because more than half of its population is of Palestinian origin. A day after the accord was presented to the world, in a much more modest ceremony in the US State Department, the representatives of Jordan and Israel signed a common agenda for negotiations aimed at a comprehensive peace treaty. Its main components were borders and territorial matters, Jerusalem, water, security, and refugees. The document bore the personal stamp of King Hussein, who had been deeply involved in the quest for peace in the Middle East for the preceding quarter of a century. A year of intensive negotiations culminated in the signing of a peace treaty in the Arava desert on 26 October 1994. This was the second peace treaty concluded between Israel and an Arab country in fifteen years, and the first to be signed in the region. The treaty between Israel and Egypt had been signed in 1979. But whereas Egypt had offered a cold peace, King Hussein offered Israel a warm peace.

On 28 September 1995, the Israeli–Palestinian Interim Agreement on the West Bank and the Gaza Strip was signed in Washington by Yitzhak Rabin and Yasser Arafat, in the presence of Bill Clinton, Hosni Mubarak, and King Hussein of Jordan. It became popularly known as ‘Oslo II’. This agreement, which marked the conclusion of the first stage in the negotiations between Israel and the PLO, incorporated and superseded the Gaza–Jericho and the early empowerment agreements. The Interim Agreement was comprehensive in its scope and, with its various annexes, stretched to more than 300 pages. From the point of view of changes on the ground, it was highly significant. It provided for elections to a Palestinian Council, the transfer of legislative authority to this Council, the withdrawal of Israeli forces from the Palestinian centres of population, and the division of territories into three areas—A, B, and C. Area A was under exclusive Palestinian control; Area C under exclusive Israeli control; and in Area B, the Palestinians exercised civilian authority, while Israel continued to be in charge of security. Under the terms of this agreement, Israel yielded to the Palestinians control over nearly a third of the West Bank. Four per cent of the West Bank (including the towns of Jenin, Nablus, Kalkilya, Tulkarem, Ramallah, Bethlehem, and Hebron) were turned over to exclusive Palestinian control and another 25 per cent to administrative-civilian control. Oslo II marked the point of no return in the process of ending Israel’s coercive control over the Palestinian people.

On 5 October, Yitzhak Rabin gave the Knesset a comprehensive survey of Oslo II and of the thinking behind it. His speech was repeatedly interrupted by catcalls from the benches of the opposition. Two Likud members of the Knesset (MKs) opened black umbrellas, the symbols of Neville Chamberlain’s appeasement of Adolf Hitler at Munich. In the course of

his speech, Rabin outlined his thinking for the permanent settlement: military presence, but no annexation of the Jordan Valley; retention of the large blocks of settlements near the 1967 border; preservation of a united Jerusalem with respect for the rights of the other religions; and a Palestinian entity that would be less than a state and whose territory would be demilitarized. The fact that Rabin sketched out the principles of the permanent settlement in a session devoted to the interim settlement suggested a strong interest in proceeding to the next stage.

The day on which the Knesset endorsed Oslo II by a majority of only one, thousands of demonstrators gathered in Zion Square in Jerusalem. Binyamin Netanyahu, the leader of the Likud, was on the grandstand, while the demonstrators displayed an effigy of Rabin in Nazi SS uniform. Netanyahu set the tone with an inflammatory speech. He called Oslo II a surrender agreement and accused Rabin of 'causing national humiliation by accepting the dictates of the terrorist Arafat'. A month later, on 4 November 1995, Rabin was assassinated by a religious-nationalist Jewish fanatic with the explicit aim of derailing the peace process. Rabin's demise, as the murderer expected, dealt a serious body blow to the entire peace process. Shimon Peres followed Rabin down the potholed road to peace with the Palestinians, but his efforts were cut short by his electoral defeat in May 1996.

Declaration of war on the peace process

The return of power of the Likud under the leadership of Binyamin Netanyahu dealt another body blow to the Oslo peace process. From the very beginning, the Likud had been bitterly opposed to the Labour government's 'land for peace' deal with the PLO. Netanyahu himself repeatedly denounced the accord as a violation of the historic right of the Jewish people to the State of Israel and as a mortal danger to their security. The foreign-policy guidelines of his government expressed firm opposition to a Palestinian state, to the Palestinian right of return, and to the dismantling of Jewish settlements. They also asserted Israel's sovereignty over the whole of Jerusalem and ruled out withdrawal from the Golan Heights. In the Arab world, this programme was widely seen as a declaration of war on the peace process.

Netanyahu spent his two-and-a-half years in power in a relentless attempt to arrest, freeze, and subvert the Oslo accords. He kept preaching reciprocity, while acting unilaterally in demolishing Arab houses, imposing curfews, confiscating Arab land, building new Jewish settlements, and opening an archaeological tunnel near the Muslim holy places in the Old City of Jerusalem. Whereas the Oslo accord left Jerusalem to the final stage of the negotiations, Netanyahu made it the centrepiece of his programme in order to block progress on any other issue. His government waged an economic and political war of attrition against the Palestinians in order to lower their expectations.

Intense US pressure compelled Netanyahu to concede territory to the Palestinian Authority on two occasions. The Hebron Protocol was signed on 15 January 1997, dividing the city into a Palestinian zone and a Jewish zone. This was a milestone in the Middle Eastern peace process: the first agreement signed by the Likud government and the Palestinians. The second agreement was brokered by then President Bill Clinton at Wye Plantation in Maryland on 23 October 1998. By signing the Wye River Memorandum, Netanyahu undertook to withdraw from a further 13 per cent of the West Bank in three stages over a period of three months. But a revolt of his ultra-nationalist and religious partners brought down the

government after only one pullback. The fall of the government was inevitable, because of the basic contradiction between its declared policy of striving for peace with the Arab world and its ideological makeup, which militated against trading land for peace.

Under the leadership of Ehud Barak, the Labour Party won a landslide victory in May 1999. Labour's return to power was widely expected to revive the moribund peace process. During the election campaign, Barak presented himself as Rabin's disciple—as a soldier who turned from fighting the Arabs to peacemaking. He was given a clear mandate to resume the quest for peace with all Israel's neighbours. Within a short time, however, Barak dashed the hopes that had been pinned on him. He lacked the vision, the political courage, and the personal qualities that were necessary to follow through on the peace partnership with the Palestinians. During his army days, Barak used to be called 'Little Napoleon'; in politics, too, his style was arrogant and authoritarian, and he approached diplomacy as the extension of war by other means.

The greatest barrier on the road to peace with the Palestinians raised by Barak was the expansion of Jewish settlements on the West Bank. Settlement activity is not contrary to the letter of the Oslo accord, but it is contrary to its spirit. True, settlement activity had gone on under all previous prime ministers, Labour as well as Likud. But under Barak, settlement activity gathered pace: more houses were constructed; more Arab land was confiscated; and more access roads were built to isolated Jewish settlements. For the Palestinian population, these settlements are not only a symbol of the hated occupation, but also a source of daily friction and a constant reminder of the danger to the territorial contiguity of their future state.

Another reason for the slowdown on the Palestinian track was the clear preference articulated by Barak for a deal with Syria first, on the grounds that Syria was a serious military power, whereas the Palestinians were not. During his first six months in power, Barak concentrated almost exclusively on the Syrian track, leaving the Palestinians to twist in the wind. When the late Syrian President Hafiz al-Assad rejected his final offer, Barak turned, belatedly and reluctantly, to the Palestinian track. His reservations about the Oslo accord were well known. He argued that the step-by-step approach of trading land for peace does not serve Israel's interests, because the Palestinians will always come back for more. This made him wary of further interim agreements and prompted him to insist that the Palestinian Authority commit itself to an absolutely final end to the conflict.

Camp David

One more interim agreement was necessary, however, before taking the plunge to the final settlement. It took ten months to break the deadlock created by the Likud government's failure to implement the Wye River Memorandum. Once again, Barak proved to be a tough negotiator, applying intense pressure on the Palestinians. His method was described as 'peace by ultimatum'. The accord that he and Yasser Arafat signed at Sharm el-Sheikh, on 4 September 1999, reflected the underlying balance of power between the two parties. It put in place a new timetable for the final status talks, aiming at a 'framework agreement' by February and a fully fledged peace treaty by 13 September 2000.

The February deadline fell by the wayside, fuelling frustration on the Palestinian side and prompting Arafat to threaten to issue a unilateral declaration of independence if no

agreement could be reached. To forestall this eventuality, Barak persuaded President Clinton to convene a trilateral summit in the US. With the announcement of the summit, Barak's chaotic coalition fell apart. Three parties quit the government, robbing him of his parliamentary majority on the eve of his departure for the summit. In a defiant speech, Barak told the Knesset that, although he no longer commanded a majority, as the directly elected prime minister he still had a mandate to make peace. But Barak's domestic political weakness inevitably reduced the diplomatic room for manoeuvre that he enjoyed. Once again, as so often in the past, the peace process was held hostage to the vagaries of the Israeli political system.

Negotiations at Camp David started on 11 July 2000 and lasted fourteen days. Barak approached the summit meeting in the manner of a soldier rather than as a diplomat. He dismissed Arafat's plea for more time to prepare the groundwork, believing that, with the help of the US 'peace processors', he would be able to impose his terms for the final settlement on the opponent. In fairness to Barak, it must be said that he crossed his own 'red lines' and put on the table a package that addressed all of the issues at the heart of the conflict: land, settlements, refugee rights, and Jerusalem.

Basically, Barak envisaged an independent Palestinian state over the whole of the Gaza Strip and most of the West Bank, but with the large settlement blocs next to the 1967 border being annexed to Israel. The Jordan Valley, long cherished as Israel's security border, would eventually be turned over to exclusive Palestinian sovereignty. Altogether, 20.5 per cent of the West Bank was to remain in Israel's hands: 10.5 per cent to be annexed outright and 10 per cent to be under Israeli military occupation for twenty years. Barak agreed to the return of Palestinian refugees, but only in the context of family reunification involving 500 people a year. On Jerusalem, he went further than any previous Israeli prime minister—and indeed broke a taboo by agreeing to the partition of the city. But his offer fell well short of the Palestinian demand for exclusive sovereignty over all of the city's Arab suburbs and over al-Haram al-Sharif (that is, Temple Mount) (Enderlin 2003: 213, 270, 324). The problem with this package was that it was presented pretty much on a 'take it or leave it' basis. Moreover, Barak insisted that an agreement would mark the final end of the conflict, with the Palestinians formally renouncing any further claim against the State of Israel.

The Palestinian delegation was divided in its response to the package. Some saw in it a historic opportunity for putting the conflict behind them; others felt that it would compromise their basic national rights, and in particular the right of return of the 1948 refugees. In addition, the Palestinian delegation came under pressure from Egypt and Saudi Arabia not to compromise Muslim rights over the Muslim holy places in the Old City of Jerusalem. At this critical juncture in his people's history, Yasser Arafat displayed neither courage nor statesmanship. His greatest mistake lay in rejecting many of the proposals put to him without putting forward any counter-proposals of his own. Consequently, when the summit ended in failure, Barak and Clinton were able to put all of the blame on Arafat. Arafat returned home to a hero's welcome, but he returned empty-handed.

The question of responsibility for the failure of the summit became the subject of heated controversy, not surprisingly given the serious consequences of failure. Both sides of the argument were forcefully presented over the pages of the *New York Review of Books* in articles and letters to the editor. Robert Malley and Hussein Agha launched the debate with a long revisionist article based on first-hand knowledge (Malley and Agha 2001). They believed that Bill Clinton consistently sided with Ehud Barak, leading Yasser Arafat to suspect that

there was a conspiracy against him and leading him to dig in his heels. Ehud Barak repeatedly asserted that, at Camp David, he made a most generous offer, and that Arafat made a deliberate choice to abort the negotiations and to resort to violence in order to extract further concessions from Israel (Morris 2002; Morris and Barak 2002). Dennis Ross, Clinton's special envoy to the Middle East, also laid all of the blame at Arafat's door, arguing that at no point during Camp David or in the six months after it did the chairman demonstrate any capability to conclude a permanent status deal (Ross 2001a). Jeremy Pressman, an academic with no axe to grind, examined in depth both the Israeli and the Palestinian versions of the Camp David summit, and concluded that the latter is significantly more accurate than the former (Pressman 2003).

The al-Aqsa intifada

With the collapse of the Camp David summit, the countdown to the outbreak of the next round of violence began. On the Palestinian side, there was mounting frustration and deepening doubt that Israel would ever voluntarily accept a settlement that involved even a modicum of justice. Israel's apparent intransigence fed the belief that it understands only the language of force. On the Israeli side, there was growing disenchantment with the Palestinians and disillusion with the results of the Oslo accord. Ehud Barak succeeded in persuading virtually all of his compatriots that there was no Palestinian peace partner.

It was against this background that Ariel Sharon, the leader of the Likud, chose to stage his much-publicized visit to al-Haram al-Sharif (meaning 'Noble Sanctuary'), which the Jews call Temple Mount. On 28 September 2000, flanked by a thousand security men and in deliberate disregard for the sensitivity of the Muslim worshippers, Sharon walked into the sanctuary. By embarking on this deliberately provocative walkabout, Sharon in effect put a match to the barrel of gunpowder. His visit sparked off riots on the al-Haram al-Sharif that spread to other Arab areas of East Jerusalem and to other cities. Within a very short time, the riots snowballed into a full-scale uprising—the al-Aqsa intifada.

Although the uprising happened spontaneously, the Palestinian security services became involved and played their part in the escalation of violence. The move from rocks to rifles on the Palestinian side, and the resort to rockets, tanks, and attack helicopters by the Israelis, drove the death toll inexorably upwards. As so often in the past, the sound of gunfire drowned the dialogue of the diplomats. Violence is, of course, no stranger to the region. Even after the signing of the Oslo accord, diplomacy was sometimes interspersed with bursts of violence. Now, fierce fighting was interspersed with small doses of ineffectual diplomacy. Positions hardened on both sides and the tit-for-tat gathered its own momentum.

Neither side wanted to be seen as willing to back down. Yasser Arafat saw no contradiction between the intifada and negotiations. On the contrary, he hoped that the intifada would give him more leverage in dealing with the Israelis. Ehud Barak insisted that the incitement and the violence had to end before he would return to the negotiating table. His announcement of 'time out' signalled the abandonment of the political track until further notice. In the absence of talks, the security situation steadily deteriorated, clashes became more frequent and lethal, and the death toll increased at an alarming rate. Trust between the two sides broke down completely. The two societies became locked in a dance of death. The Oslo accords were in tatters.

Conclusion

Why did the Oslo peace process break down? One possible answer is that the Oslo accord was doomed to failure from the start because of its inherent shortcomings, and in particular because it did not address any of the core issues in the conflict between Israel and the Palestinians. This chapter's account of the rise and fall of the Oslo accord, however, suggests a different answer. It suggests that the basic reason for the failure of Oslo to resolve the conflict is that Israel, under the leadership of the Likud, reneged on its side of the deal. By resorting to violence, the Palestinians contributed to the breakdown of trust, without which no political progress is possible. But the more fundamental cause behind the loss of trust and the loss of momentum was the Israeli policy of expanding settlements on the West Bank, which carried on under Labour as well as Likud. This policy precluded the emergence of a viable Palestinian state, without which there can be no end to the conflict.

The breakdown of the Oslo peace process suggests one general conclusion about the international relations of the Middle East—namely, the importance of external intervention for the resolution of regional conflicts. According to an undoubtedly apocryphal story, Pope John Paul II believed that there would be two possible solutions to the Arab–Israeli conflict: the realistic and the miraculous. The realistic would involve divine intervention; the miraculous, a voluntary agreement between the parties. For the reasons explained in this chapter, the PLO and Israel were able to negotiate the Oslo accord without the help of a third party—but the imbalance in power between them made it exceedingly difficult to carry this agreement to a successful conclusion. The role of the US as the manager of the peace process was therefore essential to the success of the whole enterprise. In the final analysis, only the US could push Israel into a settlement. And, in the event, its failure to exert sufficient pressure on Israel to withdraw from the occupied territories was one of the factors that contributed to the breakdown of the Oslo peace process.

Key events

1990	2 August	Iraq invades Kuwait
1991	16 January–28 February	Gulf War
	30–1 October	Middle East peace conference convenes in Madrid
	10 December	Bilateral Arab–Israeli peace talks begin in Washington
1992	23 June	Labour defeats Likud in Israeli elections
1993	19 January	Knesset repeals ban on contacts with the PLO
	10 September	Israel and PLO exchange letters formally recognizing each other
	13 September	Israel–PLO Declaration of Principles on Palestinian Self-Government is signed at the White House
1994	4 May	Israel and PLO reach agreement in Cairo on application of the Declaration of Principles

	25 July	Washington Declaration ends state of war between Israel and Jordan
	26 October	Israel and Jordan sign peace treaty
1995	28 September	Israeli–Palestinian Interim Agreement on the West Bank and the Gaza Strip (Oslo II) is signed
	4 November	Yitzhak Rabin assassinated; Shimon Peres succeeds as prime minister
1996	21 January	First Palestinian elections
	24 April	Palestinian National Council amends Palestinian National Charter
	29 May	Binyamin Netanyahu defeats Shimon Peres in Israeli elections
1997	15 January	Hebron Protocol signed
1998	23 October	Binyamin Netanyahu and Yasser Arafat sign Wye River Memorandum
1999	17 May	Ehud Barak defeats Binyamin Netanyahu in Israeli elections
	4 September	Ehud Barak and Yasser Arafat sign Sharm el-Sheikh accord
2000	11–25 July	Camp David summit
	28 September	Ariel Sharon visits Temple Mount; outbreak of al-Aqsa intifada
	23 December	President Clinton presents his ‘parameters’
2001	18–28 January	Israeli–Palestinian negotiations at Taba in Egypt
	6 February	Ariel Sharon defeats Ehud Barak in Israeli elections

Further reading

- Eisenberg, L. Z. and Caplan, N. (1998) *Negotiating Arab–Israeli Peace: Patterns, Problems, Possibilities* (Bloomington, IN: Indiana University Press)
A useful comparative survey of peace negotiations between Israel and its neighbours.
- Enderlin, C. (2003) *Shattered Dreams: The Failure of the Peace Process in the Middle East, 1995–2002* (New York: Other Press)
A detailed, but readable, account of the breakdown of the peace process, based on extensive research and interviews, and on minutes of conversations taken by the participants themselves.
- Guyatt, N. (1998) *The Absence of Peace: Understanding the Israeli–Palestinian Conflict* (London: Zed Books)
A highly critical analysis of the nature of the Oslo accord, and of its political and economic consequences for the Palestinians.

- Makovsky, D. (1996) *Making Peace with the PLO: The Rabin Government's Road to the Oslo Accord* (Boulder, CO: Westview Press)
A detailed account of the politics and diplomacy of the Rabin government by a well-informed Israeli journalist.
- Meital, Y. (2006) *Peace in Tatters: Israel, Palestine, and the Middle East* (Boulder, CO: Lynne Rienner)
A concise and critical analysis of the Oslo accord, and the reasons for its failure.
- Rabinovich, I. (1999) *Waging Peace: Israel and the Arabs at the End of the Century* (New York: Farrar, Straus and Giroux)
An overview of Israel's relationship with the Arab world by an academic who headed the Israeli delegation to the talks with Syria.
- Ross, D. (2004) *The Missing Peace: The Inside Story of the Fight for Middle East Peace* (New York: Farrar, Straus and Giroux)
An extremely detailed, but one-sided, account of the Arab-Israeli peace negotiations, from Madrid to Camp David, by a senior US participant.
- Said, E. W. (1995) *Peace and its Discontents: Gaza-Jericho, 1993–1995* (London: Vintage Books)
A collection of essays by a prominent Palestinian academic, with severe strictures on the PLO leadership and the peace that it made with Israel.
- Said, E. W. (2000) *The End of the Peace Process: Oslo and After* (London: Granta Books)
A collection of articles dealing with the peace process and other aspects of Palestinian life.
- Shlaim, A. (1995) *War and Peace in the Middle East: A Concise History* (London: Penguin Books)
A brief and basic introduction to the international politics of the Middle East since the First World War.
- Shlaim, A. (2000) *The Iron Wall: Israel and the Arab World* (New York: W. W. Norton)
A detailed and highly critical study of Israel's policy in the conflict with the Arabs during the first fifty years of statehood.

The International Politics of the Gulf

F. GREGORY GAUSE III

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Overview

The international politics of the Gulf region are defined by the interplay of the local states and outside powers—primarily, in recent decades, the United States. The local states do not simply deal with each other on the basis of balance-of-power concerns, although those concerns are certainly present. With Arab nationalist, Islamic, and ethnic identities transcending Gulf borders, domestic security and stability concerns are as important in the foreign policies of the region's states towards each other and outside powers. The Gulf's strategic role as the source of 60 per cent of the world's known petroleum reserves has given it enduring importance in global US strategy. Since the Iranian revolution in 1979, Washington has taken an increasingly direct military and political role there, culminating with the US invasion and occupation of Iraq in 2003. The failure of the US to create a stable Iraqi regime and the still uncertain impact of the Arab uprisings highlight the local obstacles to outside power hegemony in the region, even if the would-be hegemon were the most powerful country in the world.

Introduction

Two almost contemporaneous events in the early 1970s created the international politics of the Persian/Arabian Gulf region (see **Figure 14.1**) as we know them today: the British withdrawal of its protectorate over the Arab states of the lower Gulf; and the dramatic increase in world oil prices. The Gulf had an important role in British imperial strategy from the outset of the 19th century, reinforced in the early 20th century by the increasing importance of oil. The oil resources of the region made it important to both superpowers in the cold war. The regional states all had 'open files' of contentious issues among them, including, but not limited to, border disputes. However, the early 1970s marks a dramatic change in the structure of power in the area.