The Middle East Crisis: Losing Control?
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The Middle East conflict, despite recent hopes of finding a peaceful resolution, has once again escalated into a dangerous cycle of violence. About 300 people, mostly Palestinians, including a significant number of stone-throwing children and 33 Israelis, have been killed. This violence has all but ended the Oslo peace process, which began optimistically in 1993 on the basis of trading 'land for peace' between Israel and the Palestinian Liberation Organisation. In the extended July 2000 Camp David Summit between Israeli Prime Minister Ehud Barak and Palestinian Authority President Yasir Arafat mediated by President Clinton, the negotiations foundered on what were always acknowledged by both sides as the four most difficult issues. These are:

- the status of Jerusalem
- Israeli settlements in occupied territories
- the right of return for Palestinian refugees, and
- final borders of a Palestinian State.

It needs to be noted, however, that despite the violence and the rhetoric both Barak and Arafat have been careful not to declare that the peace negotiations have terminated.

The current violence has internal implications for Israel and several Arab countries. It has also set back the improvement of relations between Israel and some Arab countries, and has the potential to incite renewed regional instability.

Barak's decision to resign on 10 December forces a special election to elect only the Prime Minister. Unless rules requiring that candidates have to be sitting members are amended, this effectively eliminates former Prime Minister Binyamin Netanyahu who had resigned his seat from contesting. Barak has also proposed another interim agreement, based on 'the declaration of a Palestinian state in coordination with Israel' with President Arafat and plans to use the elections as a referendum on such an agreement.

This brief provides a concise background to the conflict and deals primarily with Israeli-Palestinian relations. The issues involved are in part historical, in part religious and in part the inter-play of domestic politics. The paper also notes the involvement of the United Nations and other States in seeking to end the violence and the deterioration of the
relationship between Israelis with their Arab citizens. It questions whether the leaders may be losing control or whether they will be able to overcome pressures from their own hardliners to achieve the elusive peace settlement.
Introduction

The Middle East conflict, despite recent hopes of finding a peaceful resolution, has once again escalated into a dangerous cycle of violence. About 300 people, mostly Palestinians, including a significant number of stone-throwing children and 33 Israelis, have been killed. This violence has all but ended the Oslo peace process, which began optimistically in 1993 on the basis of trading 'land for peace' between Israel and the Palestinian Liberation Organisation. In the extended July 2000 Camp David Summit between Israeli Prime Minister Barak and Palestinian Authority President Arafat mediated by President Clinton, the negotiations foundered on what were always acknowledged by both sides as the four most difficult issues. These are:

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Barak's decision, of 29 November, to call for early Israeli elections, expected in May 2001, gives him a breathing period. He has announced that he will try to reach another interim agreement, based on 'the declaration of a Palestinian state in co-ordination with Israel' with Arafat, and to use the elections as a referendum on such an agreement.¹

This brief provides a concise background to the conflict. The issues involved are in part historical, in part religious and in part the inter-play of domestic politics. The paper also notes several changes in the landscape of conflict and questions whether the leaders may be losing control or may be able to overcome pressures from their own hardline supporters to achieve the elusive peace settlement.
Background: Origins of the Conflict

The modern Middle East conflict has its roots in 1897 when Theodor Herzl convened the First World Zionist Congress in Basle, Switzerland. With Jews facing increased discrimination and pogroms in Europe and Russia, he called for the creation of a Jewish homeland in Palestine 'secured by public law'. After the Sultan of Turkey, who then controlled Syria, of which Palestine was a part, refused this request, various alternative locations such as Uganda, Australia and Latin America were considered.

During the First World War, British officials promised the Arabs independence in exchange for their support against Turkey. The 1916 Anglo-French (Sykes-Picot) Agreement broke this promise and the region was divided into spheres of influence between France and Britain. Meanwhile influential Jews continued to campaign for a homeland and succeeded with the Balfour Declaration (1917) which states that Britain would:

… view with favour the establishment of a Jewish homeland in Palestine of a national home for the Jewish people … it being clearly understood that nothing shall be done which may prejudice the civil and religious rights of existing non-Jewish communities in Palestine.

The 1919 King-Crane Commission (appointed by President Wilson of the United States to determine who should administer the Palestinian Mandate) took note of the Declaration but also stated that 'a national homeland for the Jewish people' was not equivalent to making Palestine into a Jewish State. Such a State, according to the Commission, could not be achieved without the 'gravest trespass' on the civil and religious rights of the other existing communities. It reported that 'the Zionists looked forward to a practically complete dispossession of the present non-Jewish inhabitants of Palestine by various forms of purchase' and that 'nine-tenths of the population opposed the Zionist program'. The Commission also recommended limited Jewish migration.

In 1920 the League of Nations gave Britain the Palestine Mandate with the proviso, under Article 4 that, 'an appropriate Jewish Agency be established to advise and co-operate in matters affecting the Jewish national home and to take part in the development of the country'. The Agency was 'subject always to the control of the Administration'. At that time Arabs owned 98 per cent of the land and constituted 92 per cent of the population. Between the two World Wars, the Zionists attempted to alter this situation in favour of an eventual Jewish majority but were thwarted by the British. Conflict between the Arabs, the Jewish settlers and the British Administration resulted in the formation of the Jewish Haganah with its shock troops, the Palmach. Other groups such as the Irgun Zvai Leumi and the Stern Gang also conducted terrorist activities. The persecution of the Jews, particularly in Germany and across Western and Eastern Europe, led to mass illegal migration to Palestine. In 1942, an extraordinary Zionist Conference in New York urged that the 'gates of Palestine be opened' and called for the establishment of a Jewish Commonwealth.
After the War Britain, unable to deal with the situation, referred the problem to the United Nations (which had replaced the League of Nations). The report of a Special UN Commission proposed two plans. The majority plan proposed two states, one Jewish and one Arab, with economic union. A minority plan advocated a federal state. In 1947 the General Assembly adopted the majority plan by 33 votes (including Australia's) to 13 with 20 abstentions. This proposal divided the Mandate territory into six parts, three of which, comprising 56 per cent of the land, became Israel, while three with the enclave of Jaffa, comprising 43 per cent, were assigned to Arab Palestine. The City of Jerusalem, with sites holy to Judaism, Christianity and Islam, was to be internationalised and administered by the UN as a corpus separatum. Arab rejection of this decision led to violent clashes and counter-attacks by Jewish forces. By the eve of independence and the ending of the British Mandate on 14 May 1948, an estimated 400,000 Arabs had become refugees in neighbouring countries. Within two years, and, as a result of the War of Independence, when five Arab armies invaded Israel only to be decisively defeated, another 700,000 also fled, or were expelled according to the Arabs. The UN estimated that the total number, (contested by the Palestinians) of refugees for these two periods was 726,000 representing two-thirds of the then Palestinian population. The 1948 UN General Assembly Resolution 194, which has been reaffirmed annually since that year, said:

the refugees wishing to return to their homes and live at peace with their neighbours should be permitted to do so at the earliest practical date and that compensation should be paid for the property of those choosing not to return and for the loss or the damage to property which, under principles of international law or in equity, should be made good by the Governments or authorities responsible.

As the result of other wars, the number of Palestinian refugees (with natural increase) is currently 3.7 million.

Arab-Israeli Relations

Between 1948–73 five wars were fought, with Israel defeating its largely Soviet-backed Arab neighbours. In 1967, the Six-Day War resulted in Israel's capture of the West Bank (of the River Jordan and administered by Jordan), the Gaza Strip, the Syrian Golan Heights and Arab East Jerusalem. The latter two were subsequently annexed. Though Jerusalem was proclaimed Israel's capital, this has not been recognised internationally. Since then Israel has embarked on a policy of what has been termed, 'creating facts on the ground', i.e. building Jewish settlements in the Occupied Territories. These now number about 200 with 370,000 settlers, of which about 170,000 are in Jerusalem. These are contrary to international law and breach UN Security Council Resolutions.

In 1978 and 1982 Israel also invaded Lebanon and subsequently withdrew to a self-proclaimed security zone in the south. The cost of this occupation has been high in terms of Israeli casualties, many of which resulted from the increasingly better trained and armed Hizbollah, the Shia Party of God, which operates in Lebanon and is supported by
Iran in their hit and run strategy. In May 2000, under Barak, Israel unilaterally withdrew from the Lebanese security zone, to its international border and this was seen as a victory by Hizbollah and the Arab world. Peace agreements have been signed with Egypt (1979), for which it was ostracised by the Arab countries, and Jordan (1994). Relations with some smaller Arab countries improved. Other major Arab states, such as Syria and Iraq have refused to recognise Israel. During the Gulf War, Israel was attacked by Iraqi missiles but refrained from responding to ensure the unity of the US-led coalition against Iraq which included several Arab countries (Egypt, Saudi Arabia, Syria, Morocco, Bahrain, Kuwait, Oman, Qatar, and the United Arab Emirates).

Israel's major supporter is the United States. Israel, particularly during the Cold War years, was the US strategic ally against the Soviet Union in the region. Successive US governments, influenced by the powerful American Israel Public Affairs Committee, which lobbies on Israel's behalf, have provided billions of dollars in economic and military aid annually. Israel is the largest recipient of US aid. According to the Washington Report US grants and loans to Israel for fiscal 1997 amounted to US$5.5 billion. In addition to the US$1.98 billion in aid for 2001, Israel has asked for another US$800 million to cover the cost of its withdrawal from Lebanon and to finance the development of an anti-missile defence program to counter Iran's Shihab missile. Israel also enjoys free trade with the US and receives extensive financial support from the Jewish Diaspora.

The Palestinian Liberation Organisation and Relations with Israel

The 450 member Palestinian National Council and the umbrella Palestinian Liberation Organisation, PLO, were established in 1964 to liberate Palestine from Israeli control. The PLO is recognised by the Arab League as the voice of the Palestinians. The PLO's Charter included a call for the destruction of Israel (which was rescinded, as part of the Oslo process, in October 1998). PLO relations with individual Arab countries have not been without problems and its support of Iraq during the Gulf War resulted in withdrawal of financial support from the Gulf States and the expulsion of Palestinians working there.

Yasir Arafat has led the PLO since 1969 and his Al-Fatah group dominates the organisation. Initially based in Egypt, the PLO moved to Jordan, where it was seen as an increasing threat by King Hussein and was expelled in 1970. It moved to Lebanon and continued to launch attacks against northern Israel. In 1978 Israel invaded southern Lebanon but withdrew to a self-declared security zone which it controlled with its ally the Christian-led South Lebanon Army. In 1982 Israel again invaded Lebanon in an attempt to destroy PLO infrastructure and advanced to Beirut. Its army turned a blind eye to the massacre of about 2000 Palestinians in the refugee camps of Sabra and Shatila by its ally, the Lebanese Christian Phalangists. General Ariel Sharon, the Defence Minister who masterminded the invasion, was forced to resign by an Israeli judicial inquiry for 'indirect responsibility' over the massacre. The PLO was forced, escorted by US warships, to move its headquarters to Tunis.
Until recently, Israel's policy towards the Palestinians and the PLO has been to deny their existence as a people and to claim that they already have a state, i.e. in Jordan. The PLO was seen, with considerable reason, as a terrorist organisation and as noted above, Israel has not hesitated to try to undermine the PLO and its various groups when acts of terrorism are committed against Israeli citizens both in Israel and elsewhere.

In late 1987 the 'Intifada', a spontaneous uprising against Israel began in the Occupied Territories but became increasingly organised, posing major security, economic, and moral problems. Images of stone-throwing children pitted against armed soldiers, unaccustomed to riot control, gained international sympathy for the Palestinians. In trying to suppress the Intifada, Israel was accused of human rights violation by some organisations, including the US Department of State.

With changes in international and regional politics and the Intifada, Arafat on behalf of the Palestinian National Council issued a declaration of independence for a state of Palestine in the West Bank and Gaza Strip, in November 1988. This followed King Hussein's 1988 announcement that the West Bank was no longer part of Jordan. The Council also renounced the use of terrorism, recognised Israel as a state and accepted United Nations Security Council Resolution 242 and 338 passed in 1967 and 1973. These resolutions included two principles, withdrawal of Israeli armed forces from territories occupied and a call for all states in the region to end belligerence and live in peace with secure borders. The PLO change of policy acknowledges the reality of Israel as a state in the region and represented a willingness to seek a political solution to their conflict. Israel was not convinced that this was not merely a tactical move since the PLO did not amend its Charter to delete the clause calling for the annihilation of Israel. For reasons shown below, secret talks were held which led to the Oslo Accord in 1993.

Some Palestinian groups rejected Arafat's policy change and authority. The 'rejectionist groups' as they are known, formed the Alliance of Palestinian Forces and have the support of Syria, Iraq and Iran and have, over the years, also been responsible for various acts of violence against Israel and its citizens. A recent analysis of these groups suggests that with failure and their marginalisation from mainstream Palestinian politics, and varying support from their sponsors, they are now, despite their rhetoric, concentrating on political means, particularly on United Nations General Assembly Resolution 194 (see above) which refers to Palestinian refugees. Their support is said to be mainly from refugee camps in the Arab countries.

Searching for Peace

Over the years, many attempts to find a peaceful solution to the conflict have failed because of war, mutual distrust and non-recognition. The Palestinian and most Arab States' position are that there will be no peace unless Israel withdraws from all occupied Arab territories. Proposals were also rejected by sections of the negotiating partners' own constituencies. Israel, despite its military superiority, and with the notable exceptions of
Egypt and Jordan, has been unable so far to make peace with other major states in the region. Progress on finding peace could not advance without changes in expectations and initial recognition by one or both sides. This, as noted above, began with the PLO in 1988.

Internal Difficulties Within Israel

For Israel, the search for peace has a very difficult internal dimension because of its complex democratic society, which is divided along ideological, religious and other grounds, and the nature of the electoral system.\(^\text{15}\)

The Ashkenazim, European Jews, who were the founders of Israel and who dominate many Israeli institutions, predominantly support the left of centre Labor Party, now reconstituted as One Israel under Barak. On balance Labor/One Israel have been more disposed to seek peace in exchange for land. The Sephardim, Middle Eastern and non-European Jews, on the other hand, predominantly support the Right-wing Likud Party and its breakaway National Union Party. Likud has historically strongly advocated a 'Greater Israel', which would incorporate the occupied territories permanently, and while willing to give autonomy to the Palestinians under the 1989 'Shamir Plan', generally opposes a Palestinian state. Russian Jews (more than a million), who mostly migrated after the collapse of the Soviet Union, primarily support Yisrael B'aliya and the breakaway Yisrael Beiteinu, which is opposed to the religious parties dominated by the Shas, a Serphardic Ultra-Orthodox religious party. In addition, there are secular and non-ideological parties including Balad, the National Democratic Alliance, representing the Arab-Israelis. The strength and support of the parties after the 1999 elections for the 120 member Knesset are provided in the following table.

1999 Elections Results (Winning Parties Only)

<table>
<thead>
<tr>
<th>Party</th>
<th>% Votes</th>
<th>No. of Seats</th>
</tr>
</thead>
<tbody>
<tr>
<td>One Israel (formerly Labor)</td>
<td>20.2</td>
<td>26 (34#)</td>
</tr>
<tr>
<td>Likud</td>
<td>14.1</td>
<td>19 (32@)</td>
</tr>
<tr>
<td>Shas</td>
<td>13.0</td>
<td>17 (10)</td>
</tr>
<tr>
<td>Meretz-Democratic Israel</td>
<td>7.6</td>
<td>10 (9)</td>
</tr>
<tr>
<td>Yisrael B'aliyah</td>
<td>5.1</td>
<td>6 (7)</td>
</tr>
<tr>
<td>Shinui</td>
<td>5.0</td>
<td>6</td>
</tr>
<tr>
<td>The Center Party</td>
<td>5.0</td>
<td>6</td>
</tr>
<tr>
<td>National Religious Party</td>
<td>4.2</td>
<td>5(9)</td>
</tr>
<tr>
<td>United Torah Judaism</td>
<td>3.7</td>
<td>5(4)</td>
</tr>
<tr>
<td>United Arab List</td>
<td>3.4</td>
<td>5(4)</td>
</tr>
<tr>
<td>National Union</td>
<td>3.0</td>
<td>4(*)</td>
</tr>
<tr>
<td>Democratic Front for Peace and Equality (Hadash)</td>
<td>3.0</td>
<td>3(5)</td>
</tr>
<tr>
<td>Yisrael Beiteinu (Israel Our Home)</td>
<td>2.6</td>
<td>4</td>
</tr>
<tr>
<td>National Democratic Alliance (Balad)</td>
<td>1.9</td>
<td>2</td>
</tr>
<tr>
<td>One Nation for Israeli Workers and Pensioners</td>
<td>1.9</td>
<td>2</td>
</tr>
</tbody>
</table>

Numbers in ( ) refers to seats held in the old Knesset.
# Excluding Gesher and Meimad; @ including Gesher and Tsomet; * Part of Likud
The electoral system, in the absence of a formal constitution, is based on one of the 'Basic Laws' which provides for an almost pure form of proportional representation. Parties need to win at least 1.5 per cent, about 55 000 votes, to win a seat. Consequently, as the result of various waves of migration and the formation of new parties, coalition government is the norm, with, at one time, up to 20 different parties or groups represented in the Knesset (parliament). Trying to find a consensus on any issue, let alone on the difficult and sensitive peace proposals and their negotiations have been the major challenge for all Israeli governments. Furthermore, such a consensus must, in practice, be supported by a majority of Jewish members, as distinct from the Arab-Israelis Knesset members. Invariably, the search for peace has, at times, been undertaken by Israeli (and Palestinian leaders) with little prior consultation and, as in the case of Oslo, in secret. Various attempts to reform the political and electoral system, including raising the number of minimum votes required to win a seat, have been unsuccessful due to the opposition of the smaller parties.

Dominance of the United States

The United States, with major strategic interests in the region has been the main external negotiation broker and is seen from time to time as either a 'mediator' or 'partner'. It has also provided aid and other measures to the partners when peace treaties were signed, as with Egypt and Jordan. As it is the major supporter of Israel, the majority of Palestinians and the Arab countries suspect US impartiality. The PLO has been unsuccessful in drawing other major powers to play a meaningful role in the search for peace because of objections by the US and Israel. At the same time US-Israel relations have not always been smooth with Israel determined to control the agenda of any peace negotiation. On one occasion James Baker, US Secretary of State, publicly gave the White House phone number for the Israelis to call when they were serious about peace negotiations.

The Madrid Conference and the Oslo Peace Process

Following the 1990–1 (December–January) Gulf War, during which several Arab countries supported the US-led coalition against Iraq, the Madrid Conference, involving bilateral and multilateral negotiations was held. It was co-sponsored by the US and the Soviet Union. The PLO (while not invited) was clearly managing the Palestinian members, who formed part of the Jordanian delegation and comprised residents of the Occupied Territories (including representatives from the annexed East Jerusalem who were there as official advisers). The Conference's inability to move forward resulted in secret meetings in Oslo between the PLO and the Israeli (Labour) Government of Prime Minister Itzhak Rabin and the 'Declaration of Principles', based on the principle of 'Land for Peace'. Israel's decision to negotiate with the PLO was based in part on changes in PLO policy and on the increasing influence of Hamas, the Islamic Resistance Movement, during the Intifada. Hamas' charity and welfare activities have resulted in widespread support and thus a potential challenge to the PLO. Ironically, Israel had allowed Hamas'
growth within the territories, seeing it as a means to undermine PLO support. The PLO, based in Tunis, was also keen to check the rising popularity of Hamas in the Occupied Territories.\(^{19}\)

The Oslo negotiations were seen as a breakthrough, as prior to them all Israeli governments had refused to recognise the PLO. The process involved confidence-building measures over a specified time frame with the hard issues, noted above, deferred to the final status negotiations. This compromise was rejected by elements on both sides, the 'rejectionists' within the PLO\(^{20}\) and by the Likud and the religious hardliners in Israel culminating with the assassination of Prime Minister Rabin by a right-wing religious Jew in November 1995.

Despite changing Israeli governments, and delays in implementation by both sides, the torturous Oslo negotiations did progress and have nevertheless resulted in the Establishment of the Palestinian Authority (PA) and Arafat's election as its President. The occupied territories have been divided into three areas; 'A' completely controlled by the PA, 'B' with PA autonomy but security under the Israelis and 'C' remaining under Israeli control pending negotiations. To date, 'A' involves nearly 20 per cent of the territories, including the main Palestinian cities and 'B' covers just over 20 per cent. Most Israeli settlements in the territories are to remain, protected by the Israeli Defence Force.

**The July Camp David Summit**

The Camp David meeting in July 2000, which was intended to address the final status issues, was organised at short notice. It has been seen by some observers as President Clinton's attempt to contribute to a lasting legacy of his administration, a claim he has denied.\(^{21}\) Arafat had threatened to unilaterally declare a Palestinian state on 13 September, in response to which Barak threatened to reoccupy lands ceded to the PA, if there was no progress in the negotiations. Arafat has threatened to do this several times in the past.

Before the Summit, several of Barak's coalition partners resigned, after rejecting his proposals (sharing parts of Jerusalem and up to 90 per cent of the West Bank) for a peace settlement. This was more generous than those offered by past Israeli leaders. With a minority government and mass protests organised by the opposition Likud Party, he faced a no confidence vote and possible new elections. He thus desperately wanted success at the Summit to shore up his political future. Barak, a former head of the Israeli Defence Forces, had won the May 1999 elections on the promise that he would concentrate on achieving peace within the 'four red security lines' that he would not cross. These are:

a united Jerusalem under our sovereignty as the capital of Israel for eternity, period; under no conditions will we return to the 1967 borders; no foreign army west of the Jordan River [i.e. West Bank]; most of the settlers in Judea and Samaria [i.e. in the Occupied Territories] will be in settlement blocs under our sovereignty and, any permanent arrangement will be put to a national referendum for our people to decide.\(^{22}\)
The Summit failed because of the agreed ground rule that if there was no agreement on all issues then nothing was resolved. The crucial issue was Jerusalem. The US proposed a compromise for shared sovereignty over parts of East Jerusalem with postponement on the future of the Old City. Arafat rejected this and refused to compromise on sovereignty over East Jerusalem, including the Old City except for the Jewish Quarter and Judaism's holiest site, the Western Wall. It could be argued that Arafat as a political leader of the Palestinians is not in a position to compromise sovereignty of an Islamic Holy site for to do so would end not only his political leadership but earn the wrath of the whole Islamic world. Prime Minister Barak also faces a similar problem. It should be noted that not all Palestinians are Muslims.

After the Summit President Clinton said that Prime Minister Barak 'moved forward more than Arafat' did. Some progress was made on the issue of Palestinian refugees by linking them with Jewish refugees created by past wars with a proposal for an international fund, which Clinton raised at the G-8 meeting in Okinawa in the midst of the summit. On Arafat's threat to unilaterally declare his state, a Bill has been introduced in the US Congress to stop aid to the PA if this eventuates. According to President Clinton, this aid, while not much, is 'very symbolic'. Arafat has since postponed this declaration.

While Arafat (hailed as a hero after the Camp David talks by Palestinians) has been blamed for the failure of the Summit, this view is now contested. According to the highly respected Israeli newspaper Ha'aretz, 'the possibility that this time it is Israel that is refusing to make peace, and that Barak's offer is unacceptable to the Palestinians, is now seriously considered'. It also reported that President Clinton had also demanded 'that Barak send him a sign of Israeli willingness for change, as a precondition for renewing negotiations'.

For Prime Minister Barak, his offer to share parts of Jerusalem and its rejection by Arafat resulted in further weakening of his Coalition Government. Barak returned home to face a no confidence vote and the possibility of losing power to Likud, the right-wing party.

**Outbreak of Violence**

The spark that ignited the latest outbreak of violence was the visit, with armed guards, of opposition Likud leader Ariel Sharon (known to the Palestinians as the 'Butcher of Lebanon') to the Temple Mount, holy to Jews, on 28 September. This is also known as the Haram al Sharif, site of the Al Aqsa mosque, and Islam's third holiest site. Labour Prime Minister Barak, who heads a minority Coalition Government, and who was under domestic pressure following the failure of Camp David, approved the visit despite prior warnings by the Palestinians that it would be provocative, a view shared by Israeli commentators. This resulted in predictable Palestinian demonstrations and the killing of six protesters. The ensuing violence, now described by the Palestinians as the 'Al Aqsa Intifada', has since spiralled into wider vicious circles but abated towards the end of November. Barak blames Arafat for the current violence and demands that he stop it.
Barak, under strong domestic political pressure has also responded by using, after initial warnings to Palestinian, Israel's superior military capacities on selective Palestinians targets and has eliminated Palestinian leaders, accused of organising the violence, through covert actions.28 These responses pose a dilemma for Prime Minister Barak. While strong responses reassure his domestic critics and Israelis in general, they also, given wide international media coverage, tend to attract international disapprobation and further violence. Moreover, as noted by Ha'aretz, 'almost every military success immediately translates into a political failure'.29

Other measures undertaken by Israel to control the violence have included an economic blockade costing more than US$500 million to the Palestinian economy.30 This has involved the withholding of custom funds due to the PA, banning 100 000 Palestinians workers from entering Israel and stopping the supply of essential items. The latter step has been criticised by UN envoy Terje Roed-Larsen as 'completely counter productive to efforts to cool the situation down'.31 The UN has said that half of the 3 million Palestinians are in danger of starving by December because the territories are running out of basic items such as fuel, sugar, oil and flour.32 Israel has also sealed off the only road through Gaza dividing the strip and preventing movement by Palestinians between the two sides and at the height of the violence has laid siege to cities controlled by the PA in the West Bank.33 Israeli casualties have been minimal because, unlike the 1987 Intifada, they no longer patrol the populated Palestinian cities now under PA control.

Prime Minister Barak has also revived the idea of considering 'unilateral separation' between the Palestinian areas and Israel to contain the violence. This has been seen as a 'Bantustan-style model perfected by apartheid governments of South Africa'.34 Separation will also involve the withdrawal of some of the scattered settlements and the consolidation of others into blocs for their defence, in the territories.

Protests and violence have also occurred within Israel between its Jewish and Arab citizens. Arab-Israelis, who constitute 20 per cent of Israel's population and have currently 10 Knesset members, have claimed that they have experienced discrimination under Israeli law and that they are 'second class citizens.35 On the whole, they have lived in peace and have not overtly identified with Palestinians in the Occupied Territories.36 However after Sharon's visit to the Temple Mount, protests were organised by a younger generation in solidarity with the Palestinians. Extremist Jewish reaction to the violence has resulted in calls of 'Death to the Arabs' and slogans saying that 'Kahane Was Right'.37 According to the Israeli press, there have also been attacks against Arab villages with little protection being provided from the police. At least 13 Arab Israelis have been killed. Ha'aretz, in October reported that 'the abuse of Arab Israelis has become a national sport' and that reports of these incidents are 'only the tip of the iceberg' because of fear of revenge and a loss of faith in the system to protect them.38 By November, these incidents appear to have decreased. A State Commission of Inquiry, after complaints by Arab-Israeli Knesset members, has been established to examine the role of the police during these demonstrations.
It has also been reported that Jewish religious settlers have also taken the law into their own hands and initiated attacks against Palestinians and mosques (and in response to the Palestinian attack on the sacred Jewish Joseph's Tomb in the territories). Their settlements have been the particular target of Palestinian violence and they are vulnerable when they move out of their heavily protected settlements in the territories. From the perspective of the settlers, according to one report, they see themselves as the 'tough Jew' fighting for only a tiny fraction of the land given to them by God. Their enemy is not the Palestinians, who are seen as 'losers', but the whole Arab world, who have vowed to annihilate them for the last fifty years. The Israeli Defence Force transferred responsibility for settlement security to the residents in February this year and they have armed themselves for any eventuality. The Israeli policy of creating 'facts on the ground' has not only made these settlements vulnerable but is seen by Brigadier Jibril Rajoub, Palestinian Security Commander in the West Bank, as 'a constant source of threat to the peace process'. According to Peace Now, an Israeli pro-peace group, settlement building has not decreased under the Barak Government. Increasingly, settlements are seen by secular Israelis as a stumbling block to peace and to a secular civil society (see below).

An issue arising from the violence since 28 September is whether Arafat is able to control the situation. Barak says he can, but as has been noted by President Clinton 'some Palestinians are beyond the control of Arafat and some Israelis are beyond the control of the Israeli government'. It is more likely that the situation in the territories is being 'Lebanonised' in the sense that there is no overall central control, with different elements acting independently. While Arafat has increased his popularity after the failure of Camp David, he has local critics who oppose his corruption and nepotism within the PA. There are also rivals, who see Arafat as doing Israel's bidding for scant reward, including Hamas and Islamic Jihad (a Shia Islamic group based in Lebanon and supported by Iran). Members of these had been detained, in some cases based on Israeli information, by the PA. Their release during the violence has increased Israeli fear of renewed bombing, particularly against civilians. Hamas, which opposes the Oslo process, is a potential beneficiary from the violence and has used it to promote its Islamic aims. Before the Camp David Summit, its leader Sheik Ahmed Yassin said that he would forge a truce with Israel if it withdrew completely from the occupied territories but during the violence has said that he 'prayed to God every hour of every day for the destruction of every Israeli'.

The widespread violence is perhaps the result, on the Palestinian side, not only of pent-up frustration over the perceived slow progress and limited achievements of the Oslo process but also the reality of life in the territories. This reality, for the majority of Palestinians, as observed by Mary Robinson, the UN Human Rights Commissioner, 'means the daily acts of discrimination, inequality, humiliation, powerlessness of occupation'. It is more likely than not that committed Palestinian activists will continue to use the weapons of the weak, i.e. their bodies, children, stones and small arms against Israel and the better armed settlers to achieve their state. According to Hanan Ashrawi, a PA legislator, respected spokesperson for the Palestinians and a Christian, 'this is a popular uprising and is the will of the people saying, we will not accept this type of victimisation again'. Through such a
confrontation, as noted by Israeli Brig-General Ephraim-Seth during the 1987 Intifada, ‘the Palestinians have discovered the power of their weakness and the Israelis, the weakness of their strength’.56

The Sharon visit, according to the Israelis, was just an excuse for Arafat, who Israel claimed had ordered the violence in order to regain international sympathy lost as the result of the failed Camp David talks.57 This may well be true but unfortunately for Israel, Arafat, according to Robert Fisk, is using the violence to achieve his Palestinian State and by allowing Palestinians to be killed, Arafat hopes to win the understanding and the protection of the international community.58 Israel's responses to the violence, to some extent, plays into the hands of Arafat's end game of 'brutal politics'. The Israeli Government has sought to refute PLO claims of its intransigence in the Oslo process by issuing a 'white book' listing the PA and PLO's non-compliance with agreements reached and to claim that it is the Palestinian side that has acted in bad faith.59

**Regional and International Reactions**

The United Nations Security Council has censured Israel for using excessive force in trying to quell the largely unarmed protests and riots. Mary Robinson after a visit to the Territories, has also strongly criticised Israel, criticisms inevitably rejected by Israel, and has called for an international monitoring body. The United States has warned Israel that using excessive force 'is not the right way to go'.60 Arafat is seeking a 2000 strong UN observer force to protect his people, a move rejected by Israel, which sees this as a reward for inciting violence. However, according to Ha'aretz, 'the last thing Israel wants is an external body that will examine "its acts of war" according to acceptable standards'.61 It should be noted there is a precedent for such a force in the 120 unarmed international observers based in Hebron following the massacre of more than 24 Palestinians by a Jewish settler in 1994. It has been reported that the Israeli Government would allow UN observers, with limited powers, to monitor the conflict.62

The emergency summit at Sharm el-Sheikh (in Egypt) on 17–18 October was convened to end the fighting. Participants included US President Clinton, Israeli Prime Minister Barak, President Arafat, UN Secretary General Kofi Annan, Egyptian President Mubarak, Jordan's King Abdullah II and the European Union's Javier Solana. The outcome was an *unsigned agreement* between Barak and Arafat:

To issue public statements unequivocally calling for an end to the violence and to take immediate concrete measures to end the current confrontation, eliminate points of friction, ensure an end to violence and incitement, maintain calm and prevent recurrence of recent events.

It was also agreed that 'there must be a pathway back to negotiations and the resumption of efforts to reach permanent status agreement based on the UN Security Council Resolutions
242 and 338 and subsequent understandings'. A detailed set of security understandings, to be monitored by the United States, was annexed to the agreement.

The agreement was vague enough to enable both parties to claim it as a victory. Hardliners from both sides have continued to oppose their leaders and violence has continued with each death and funeral. The underlying issues of the Palestinians' sense of injustice under an occupying power and Israelis' sense of insecurity, despite superior forces, remains unresolved.

A fact-finding committee on the violent events and how to prevent their recurrence has been appointed (with members from the US, Turkey, Noway and the UN) and has been headed by US Senator George Mitchell, who had achieved success in mediating over the Northern Ireland conflict. President Clinton with Kofi Annan and the parties will consider the Committee's report prior to its final publication by the US. The Committee has started its inquiry despite Israel's initial objection that this should not commence while the violence continued. The US, with its Presidential elections over, has insisted that the Committee, bycommencing its work would help calm the situation. Israel has since promised to co-operate with its work.63

The 'Al Aqsa Intifada' has imbued the cycle of violence with religious fervour and outraged the Muslim world via the Internet and media coverage.64 Given the Islamic belief in martyrdom, Muslims from various parts of the world have volunteered to fight against Israel. There have been mass protests potentially threatening the stability of several countries such as Jordan and Egypt, which among the Arab countries have the closest ties with Israel. Arab leaders have all condemned 'Israeli aggression'. In November, Egypt recalled its Ambassador from Israel and Jordan has deferred replacement of its Ambassador to Israel. The Arab League, meeting in October called for UN peacekeeping forces and also called on its members to sever links with Israel. The League also established two funds worth US$1 billion to help the Palestinians. Three states, Oman, Morocco and Tunisia have decided to sever contacts with Israel and no new contacts will be made during the violence. These actions, seen as 'soft' were rejected by Iraq and Libya and were a disappointment to the Palestinians.65 During the meeting of the Organisation of Islamic Countries in November, the Emir of Qatar said that there would be 'no peace without Israeli withdrawal'66 and Islamic countries were also 'invited' to break their ties with Israel.

There has been a perceived increase in anti-American sentiment and erosion of US influence in the Middle East. There has been a call to Muslims to boycott US made goods and reports of instances of anti-Semitism worldwide have risen.67 The threat of an Arab oil embargo, as in 1976, is unlikely without Saudi Arabia's participation and its oil Minister, Ali al-Naimi has said that oil should not be used as a political weapon and that oil income 'can support the Palestinian cause or any Arab move'.68 An oil boycott would probably hurt other non-producing countries more.

Middle East Crisis: Losing Control?
Internet Websites of both sides have been hacked or falsely replicated. There is also an international and propaganda media war showing scenes of distress arising from the violence. These include the killing of a 12-year old Palestinian boy, which Israel initially admitted, but has since denied, and the televised lynching of Israeli soldiers by mobs, during which, Palestinian leaders claimed, PA policemen were also injured trying to stop the violence.

Barak's Election Gamble

Prime Minister Barak's election in May 1999 was generally seen as a positive development for the peace process. He won the Prime Ministerial position, which is directly elected, with 56 per cent, a wide margin by Israeli standards though his party won only 26 seats. After the elections, he decided to concentrate on the peace negotiations first, hence accepting as coalition partners, religious and secular parties, who had no love for each other but would not oppose his peace plans, before tackling the issues of constitutional and political reform. The withdrawal of support from Shas, with 17 seats, over finance issues and the failure of Camp David resulted in neither a continuing parliamentary majority nor a peace settlement for his Government. Furthermore, his preferred candidate for the Presidency, Shimon Peres, a Nobel Peace Prize laureate and strong advocate of 'land for peace' was defeated by Moshe Katsav from Likud in August.69 Opinion polls since the failure of Camp David show that the Prime Minister's support is decreasing.70

Facing the prospect of parliamentary defeat, Barak has decided to launch his 'Civil Agenda' described by the media as a 'secular revolution' in August.71 The aim is to establish a secular government based on a formal constitution, which will guarantee civil rights and strip the ultra-orthodox Jews of their benefits. It would also potentially undermine the influence and power of the religious bloc in Israel. For this Prime Minister Barak needs to retain his own supporters and win the support of Russian Jews who are opposed to the religious parties.

As one response to the new Intifada, as well as to try to save his Government, Barak initially toyed with the idea of a national unity government with among others, the Likud Party. Sharon's price was for Barak to nullify his Camp David offer. Such a unity government, given the Palestinians' hatred of Sharon, would have seen the end of peace negotiation.

A further development was to complicate matters for Barak. On November 28 the Knesset approved the third reading of the Basic Law on Jerusalem, introduced by Likud. The Basic Law preserves the current boundaries of Jerusalem and stipulates that a majority of 61 Knesset Members is required to hand over any authority in any part of the city to a foreign body. This was supported by 84 to 19 members and included the Prime Minister's vote.72 Without a parliamentary majority, this effectively negates Barak's offer on sharing parts of Jerusalem to Arafat at the Camp David Summit.
In a dramatic but calculated move Prime Minister Barak announced on 29 November new elections, likely to be held in May next year, and proposed a new interim agreement with the PLO. This offer includes the recognition of a Palestinian State with ten per cent extra land in the West Bank for contiguity, a 'wide security zone' and postponement of up to three years any decisions on the two issues of Jerusalem and refugees. The Jewish settlement blocs in the territories, which are linked by fly-overs and highways, will however become part of Israel. The elections will be used as a referendum if this new agreement can be achieved with Arafat. Barak is thus putting the future of the peace negotiations for the Israeli electorate to decide and has also increased pressure on Arafat to agree to his new proposals. Ariel Sharon, who is likely to be faced by a successful challenge for Likud's leadership by the former Prime Minister Binjamin Netanyahu, has offered to form a unity government since the announcement of new elections.

This gamble for political survival by Barak, to deal with the two most significant intractable Israeli problems, relies ironically on Arafat's acceptance of the new proposals. For Arafat, the tantalising offer of a mutually agreed Palestinian State, despite some limitations, with Israel has to be balanced with the real likelihood of another hardline Netanyahu government. Such a government, if the past were any guide, would mean another cycle of long drawn out negotiations at best or continuing with the Intifada with its tragic costs. As at the beginning of December, Arafat's initial reaction has been to reject Barak's new offer of an interim agreement. According to the PLO's chief negotiator, Saeb Erekat, if Barak wants an agreement, it has 'to be a comprehensive agreement, it has to be the full permanent-status negotiations—Jerusalem, settlements, refugees and borders.'

**Australia and the Conflict**

Australia has an even-handed policy on the Middle East conflict and has consistently advocated a peaceful resolution to be undertaken between the Israelis and the Palestinians, with the support of the international community. Following the outbreak of violence in September Foreign Minister Alexander Dower reaffirmed this policy. In October aid worth $500 000 was provided to the United Nations Relief and Works Agency and International Committee of the Red Cross for those affected by the violence. In early December an additional $1million, for medical assistance, was provided to the Red Cross and Australian non-government organisations working in the West Bank and Gaza.

In August, prior to the violence, Minister Downer had announced that a representative office would be established in Ramallah to liaise with the PA. The Office will be responsible for the A$7.4 million annual Australian aid to the Palestinians. He also said in that statement that Australia 'is firmly opposed to any unilateral steps' (i.e. the PLO's threat of declaring a Palestinian state) that could jeopardise the success of the peace negotiations.
Conclusion

The 'Al Aqsa Intifada' and the widening of violence in the Occupied Territories have once again highlighted the root cause of the Middle East conflict, namely Palestinians' dispossession of their land and the Jewish claim to the same land. This originated firstly with the broken promises of foreign powers, then from the decision of the UN to establish the State of Israel within the lands of the Palestine Mandate and subsequently occupied, as a result of war, by an entrenched and powerful Israel. For Israelis, the country's military strength has not fully secured their day-to-day and existential security. This security will have to be maintained at a very high cost. At the same time Israeli leaders realise that the conflict, and its cycle of violence, will not end without a political settlement not only between the leaders but the two peoples themselves. For this the opponents to the peace process and extremists on both sides need to be marginalised.

Relations between Israel and her Arab neighbours (never the best at any time) have meanwhile deteriorated. An added problem for Israelis is that the current violence has also had an adverse impact on relations with its own Arab citizens. Their potential to act as a bridgehead between Israel and the PA has been weakened.

The violence and Israel's responses have resulted in greater international involvement, including from the UN and the European Union, in seeking a solution. This involvement has been sought by the PLO but resisted by Israel. The US remains as the dominant 'mediator'. Given that the international community in the United Nations of 1948 was party to the origins of the conflict, it is perhaps not without some irony that the UN should once again involved in finding a solution. The various UN resolutions on the Middle East, particularly 242, which have been accepted by the PLO, Arabs states and Israel as the basis for negotiations, must be observed and honoured by all parties if a solution is to be found. This could be achieved over a transitional period perhaps through international supervision and guarantee. The intractable issue of Jerusalem, if it is not to be divided between the two, may have to revert to its 1948 international status, a 'lose-lose' result for both Israel and the Palestinians.

It may be argued that a Palestinian State is inevitable and this has been accepted by an increasing number of Israelis. About 70 per cent of Israelis have consistently said in various opinion polls that they believe there will be a Palestine state. However, as long as Israel is seen to persist in trying to limit the size and dictate the nature of a non-viable Palestinian State, Israel's own security will continue to drain its economy and its standing internationally will be compromised.

With the passing of the Basic Law on Jerusalem and the announcement of Israeli elections, President Arafat's decision on the new proposals, despite initial rejection, will decide not only the fate of the peace negotiations but perhaps also the political future of Prime Minister Barak.
The peace negotiations by leaders on both sides have been undertaken without the full support of their respective followers. This has contributed to the current violence and hence the potential loss of control by leaders in relation to both their enemies and hardline supporters. The cycle of violence will continue its tragic path unless a peace, accepted as just and honourable by both sides, is achieved.

Postscript

On 10 December, Prime Minister Barak announced his resignation, forcing a special Prime Ministerial election to be held within 60 days. Under the Basic Law: the Government, rules covering special elections to elect the Prime Minister only, states that candidates have to be members of the Knesset. This provision, unless amended by the Knesset, clearly eliminates Netanyahu (who resigned after he lost the Prime Ministerial elections in 1999). Israeli observers suggest that the constraint of time and internal politicking may not permit this to happen. For Netanyahu to contest, a full parliamentary election has to be called.

Endnotes

3. See Biltmore Programme, ibid., p. 114.
4. See Yezid Sayigh, 'Roots of the Intifah: Zionist policy in Palestine', Third World Quarterly, vol. 11, no. 1, 1989, pp. 194–8. The question of refugees is an issue of contention between the Israelis and the Palestinians. Israel's 'new historians' such as Benny Morris in his Birth of the Palestinian Refugee Problem, 1947–49, have challenged the conventional view that the Arabs fled and Israel did not actively expelled them.
7. Only a few Latin American states have their embassies in Jerusalem. The US Congress has passed the 1995 Jerusalem Embassy Act but President Clinton has suspended the limitations imposed by the Act and hinted that he will make a decision by the end of 2000. Transcript of President Clinton's interview by Israeli Television, 28 October 2000. The UN General Assembly have also deplored the transfer by some States of their diplomatic missions to Jerusalem in violation of Security Council Resolution 478 (1980). This was reaffirmed on 1 December 2000.
8. For example, United Nations Security Council Resolution 465 (1980) on Israeli Settlements. On 1 December 2000, the UN General Assembly has reaffirmed its non-binding resolution, by a margin of 145 to 1 (Israel) and 5 abstentions, including the US, that 'the decision of Israel to impose its laws, jurisdiction and administration on the Holy City of Jerusalem was illegal and, therefore, null and void'.


11. For details, see Ze've Schiff and Ehed Ya'ari, Israel's Lebanon War, Simon and Schuster, N.Y., 1984.


17. In July 1980, the European Community made the Venice Declaration in support of the Palestinians and proposed to raise the issue of peace in the UN. The US threatened to use its veto powers and it was withdrawn. In 1981 the European Community supported the Faud Plan, proposed by Saudi Arabia, which was rejected by Israel.


19. See Endnote 23 of Telhami's article, op.cit.


24. On Jerusalem, Pope John Paul II has urged that Jerusalem be governed under international protection to guarantee religious freedoms in the city, Canberra Times, 24 July 2000.


26. Transcript of President Clinton's interview by Israeli Television, 28 October 2000. The US pledged US$375 million in USAID-administered resources over five years after the Oslo Accord was signed and a projection of US$75 million annually through FY2000.


29. ibid.


34. See Scott Burchill, 'Israel's plan for Palestine, a la Pretoria', *The Age*, 18 October 2000.

35. See Cameron W. Barr and Nicole Gaouett, *Israeli-Arabs: An Enemy Within? Christian Science Monitor*, 4 October 2000. Discrimination include buying land in Jewish areas, some of which they claimed had been owned by Palestinians but claimed by the State. Arab-Israelis are not drafted but could volunteer to serve in the army. There are subsequent benefits of service in terms of loans and housing. Arab villages have also been given limited funds compared to those given to Israeli settlements.

36. For Jewish attitudes towards them see David Newman, 'Who is a Palestinian?' *The Jerusalem Post*, 28 July 1999.

37. See Ori Nir, 'An Intensifying Sense of Alienation', *Ha'aretz*, 24 October 2000. Rabbi Kahane's view was to expel all Palestinians from Israel. Kach, his right-wing movement has been banned for its extremism.


43. ibid.


47. Robert Fisk, 'Vain leader playing a dangerous game he can't afford to lose', *The Independent*, 14 October 2000.


52. See Phil Reeves, 'Humiliation of Palestinians Triggers Rush to War', *The Independent*, 9 October 2000.


54. See also Ross Dunn, 'Young martyrs seek glory for the cause', *Sydney Morning Herald*, 7 December 2000.


58. Robert Fisk, 'Vain leader playing a dangerous game he can't afford to lose', *The Independent*, 14 October 2000.

59. The text of this is available from the Independent Media Review & Analysis website. http://join.virtual.co.il/cgi.win/imra.exe/001121


61. 23 November 2000


65. Alessandra Antoneli, Seven Days *Palestine Report-Palestinian News Online* http://mail.jmcc.org/media/reportonline/seven.htm not dated.


78. The problems of a Palestinian state are examined by Yezid Sayigh, 'Palestine Prospects', *Survival*, Winter 2000–1, pp. 5–19.