

## The Multilateral Arab–Israeli Negotiations: Genesis, Institutionalization, Pause, Future\*

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Why do national leaders choose to create a multilateral mechanism for international cooperation? This analysis of the multilateral Arab–Israeli peace negotiations (1993–95) takes stock of the original motivations in launching a multilateral process and of the subsequent development of institutional ‘focal points’ in five issue areas: Arms Control and Regional Security, Economic Development, Refugees, Water, and the Environment. The multilaterals were designed to provide a supportive framework for the bilateral negotiations, to lubricate the participants’ common domestic political and economic agenda, to weaken domestic rivals opposed to the peace process, to enhance the support of the international community, and to provide inducements for inclusion and signal opportunity costs to rejectionists in the region. The multilaterals’ preliminary, incipient achievements came about despite continued concerns with ‘relative gains’, raised mostly by opponents of the peace process. The collapse of bilateral Palestinian–Israeli negotiations (1996–99) doomed this very brief episode of institution-building. Although it is too early to project the direction of the peace process under the new Israeli coalition government led by Ehud Barak, a dedicated effort to resolve outstanding bilateral Palestinian–Israeli and Syrian–Israeli issues bodes well for a subsequent resumption of multilateral negotiations.

### Introduction

The new government in Israel headed by Ehud Barak is poised to address the peace negotiations between Israel and its neighbors with far greater resolution than its predecessor, Benjamin Netanyahu, despite some initial disagreements on the implementation of the Wye accords. Once bilateral negotiations between the Palestinian Authority

and Israel resume a mutually satisfactory sense of progress, the multilateral Arab–Israeli peace process that flourished between 1994–95 might be revived as well.<sup>1</sup> What are the institutional foundations on which this new effort might build? This article takes stock of the origins and dynamics of the multilaterals, paying special attention to the domestic politics that support that process. Multilateral institutions have gained increased recognition at the century’s end as promising sites for the promotion of regional and international

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<sup>1</sup> The European Union, through Ambassador Miguel Moratinos, has already proposed to convene an international conference on renewed peace negotiations, multilateral and bilateral, geared to produce a ‘code of conduct’ requiring all parties to refrain from acting unilaterally (*Ha’aretz*, 2 July 1999: 1).

cooperation. Why do national leaders choose to create a multilateral mechanism for cooperation?<sup>2</sup> The Middle East multilaterals offer a unique opportunity to study regional institutions through the eyes of their creators, as they emerge *tabula rasa* after decades of war. Often, the study of cooperative institutions involves a post-hoc reconstruction of imputed motives or builds on individual historical perspectives from selected participants. The ability to interview decisionmakers and participants in real time – as the institutions are created – can shed light on this central question in the institutionalist agenda. As we approach institutions ‘in the making’, and a brief episode at that, it is evident that my usage of the word ‘institutions’ in the context of the Arab–Israeli multilaterals refers to proto-institutions at best. At the same time, even declaratorial commitments and ‘focal points’ can be considered nascent institutions (although not coterminous with formal organizations).

In the burgeoning institutionalist research program in international relations, there are several potential responses to the puzzle of why multilateral institutions are chosen, some relying on rationalistic, others on constructivist assumptions. I examine the logic of pursuing multilateralism largely in response to domestic considerations that are sensitive both to interests and underlying values. I build on the accounts and declared objectives wielded by high-level officials as well as on impressions from other participants in the multilateral negotiations. This effort is distinctively different from an attempt to engage in a tournament of

<sup>2</sup> Multilateralism is understood here as a phenomenon that not only coordinates national policies in groups of three or more states, but it does so ‘on the basis of certain principles of ordering relations among states’ (Ruggie, 1993: 6). Institutions can be defined as ‘persistent and connected sets of rules, formal and informal, that prescribe behavioral roles, constrain activity, and shape expectations’ (Keohane, 1990: 731).

alternative theoretical explanations on the origin of the multilaterals.<sup>3</sup> Rather, it aims at addressing a more discrete question: What was the political role assigned to these institutions by their creators, and how did such institutions fit into their domestic political purposes? This objective involves, first, an aggregate understanding of the multilaterals as a whole rather than any particularistic technical assessment of individual institutions. A second step involves the closer examination of how these general objectives were reflected in the spate of institutional creation of 1993–95. This step requires a more disaggregated analysis, incorporating individual and collective impressions from participants in distinctive functional areas of the multilaterals.<sup>4</sup> I also examine the collapse of the multilateral process between 1996 and 1999 and outline some prospects for the future.

### Genesis: A Converging Domestic Agenda and the Logic of Multilateralism

The multilateral process was co-sponsored by the USA and Russia, and followed the 1991 Madrid Summit Conference. It involved the core regional parties – Israel, Jordan, Egypt, and the Palestinian Authority

<sup>3</sup> For my own view on the fundamental political forces explaining conflict and cooperation in the region, and on the relative merits of contending theoretical perspectives, see Solingen (1998).

<sup>4</sup> In deference to the desire for anonymity, I do not include a list of individuals interviewed for this project but they range from top executive levels (Prime-Ministerial or equivalent as well as Ministerial) to key legislators to technical experts mostly in Jordan, Israel, Palestine, and Egypt. I am most grateful to all these individuals for their willingness to share their impressions with me. In addition, I acknowledge dozens of political officials, diplomats, and technical experts from the USA, Canada, the European Union, and participants from other Arab states, who were there at the creation and could provide independent accounts and reference points. Given the inherent inability to interview every single participant, I complemented the personal interviews with published statements and media interviews with other key participants in the multilaterals.

– in addition to a broad ‘coaching’ group (Saudi Arabia and the GCC, the Arab Maghreb Union, the European Union, Japan, and Canada). Syria and Lebanon, Iran, and Iraq never became participants. Organizationally, the multilaterals included a Steering Group and five official Working Groups: Arms Control and Regional Security, Economic Development, Refugees, Water, and the Environment. The first meeting of the multilaterals gathered thirty-six parties in Moscow (January 1992). A Steering Committee, including representatives of the key delegations, was formed to coordinate the operation of the working groups and to take stock of their discussions. The working groups began holding plenary and intersessional meetings, which became the kernel of functional institutions in the five issue-areas.<sup>5</sup> Little substantive agreements were reached between the Madrid Summit and the Oslo agreement (between the PLO and Israel) in 1993 but certain ground rules established in Madrid left an important imprint (Miller, 1995: 10–11).

Extensive interviews with regional participants leave little doubt that the overall idea of a multilateral venue to address underlying sources of regional instability in the Arab–Israeli conflict can be traced to the US Department of State. The Madrid Conference itself would have arguably not taken place without heavy pressures and inducements by Secretary James Baker and his team.<sup>6</sup> The regional parties (Arab states and Israel alike) had to be cajoled into attending the first multilateral meeting in Moscow. At the same time, subsequent

progress in the multilaterals would hardly have been achieved without a forceful thrust from within the region. Indeed, the key bilateral breakthrough (Oslo, 1993) – in the hitherto most intractable relationship between Israel and the Palestinian national movement – revealed the essentially internal regional dynamics of the Middle East peace process. Hence, whatever achievements and failures the multilateral process could wield by mid-1996, they were not reducible to the preferences of any single actor, even a key one as the USA. Furthermore, whatever genuine cooperation was accomplished in the multilateral framework was undoubtedly a product of the domestic conditions that had also led to Oslo.

Despite initial hesitation, particularly under Israeli Prime Minister Yitzhak Shamir, each delegation began approaching the multilaterals as a potential lever for advancing their own agenda. For example, Palestinian leaders were well aware of the need for multilateral cooperation to create the foundations of an open economic order. Indeed, the Palestinian delegation to Oslo highlighted its interest in joint regional economic development, and the Declaration of Principles included two specific annexes on the subject.<sup>7</sup> Palestinian leaders also saw the multilaterals as an opportunity to turn them into ‘a bridge’ between Israel as a perceived ‘newcomer’ into the region and the rest of the Arab world.<sup>8</sup> Hence, they insisted on hosting and concentrating as many of the institutions that might come into being in this process, an effort that faced heavy competition from other participants at the outset. Playing the ‘bridge’ role, and becoming formal hosts to emerging institutions, buttressed a key Palestinian

<sup>5</sup> For pioneering comprehensive overviews of the multilateral’s structure, see Peters (1994, 1996).

<sup>6</sup> For a recognition of this role, see also statements by Egypt’s Minister of Foreign Affairs Amre Moussa, Syria’s Farouk Al-Shara, Jordan’s Kamel Abu Jaber, Lebanon’s Fares Bouez, and Israel’s David Levy and Prime Minister Yitzhak Shamir, who were all at the Madrid Conference, 30–31 October 1991.

<sup>7</sup> Personal interview (Abu Dis, 8 August 1997). See also a statement by Israeli negotiator Uri Savir (The International Press Institute, Jerusalem, 25 March 1996).

<sup>8</sup> Personal interviews, Jerusalem, August 1997 and March 1998.

claim: the right to statehood. The multilaterals offered Palestinian ministers and experts an opportunity to participate in seminars and activities, such as arms control, that did not force any specific demands on them, while further investing them with the trappings of statehood. In the context of a political metaphor used to describe the overall peace process as a 'peace store', the multilaterals were regarded as the store's 'window-dressing' (exhibiting the potential 'goodies') whereas the bilaterals were the 'cashier', where Palestinians would collect them. Jordanian officials approached the multilaterals through the lenses of Jordan's political survival, in its linked domestic and regional dimensions. Given Jordan's self-perceived predicament as 'ground zero' of any regional conflict, particularly under conditions of potential use of weapons of mass destruction, the institutionalization of the peace process meant greater predictability and stability for the small kingdom.<sup>9</sup> Without that, Jordan's domestic political stability would be far more tenuous, as a home to a Palestinian population constituting at least half its citizens. The multilaterals were thus a means to bring about a level of regional coordination that was not easy to achieve bilaterally – even for a relatively cooperative pair such as Jordan and Israel – particularly in the polarized environment of the Middle East. Jordanian participants thus spearheaded significant achievements in the multilateral context and became pivotal brokers. Egyptian officials regarded the multilaterals as an arena where Egypt's leadership of the Arab world could be brandished. Egypt was a much older 'bridge' between Israel and the Arab world, having entered a relatively normal relationship after the Camp David Accords and Peace Treaty (1979).

During the brief interlude between the

<sup>9</sup> Personal interviews, Amman, August 1997. See also Toukan (1997).

Madrid Conference and the return of Israel's Labor party to power in 1992, a Likud led coalition approached the multilaterals as a diversionary instrument, as evident in Yitzhak Shamir's address to the Madrid Conference, where he avoided any discussion of potential territorial compromises while espousing the need to build confidence. Instead, the Labor led coalition that assumed power in 1992 took into account fully that the Palestinian question needed to be settled in order for any multilateralism to thrive in the region.<sup>10</sup> Reflective of this new approach was an Israeli official's metaphor characterizing the work of the multilaterals as the building of a 'cathedral' – an ethereal objective far off into the future, and the final structure that would embed Israel into the region once and for all. The leadership that concluded the Oslo agreements understood quite clearly the Palestinians' 'bridge' metaphor of the multilaterals as a conduit to regional normalization with additional Arab states.

Beyond these individual considerations, a more general set of converging motivations underpinned the common approach to the multilaterals. At an abstract level, regional leaders perceived these would-be institutions as the planting of foundational seeds for a shared regional future. In more concrete and immediate terms, they approached the multilaterals as a means to enhance the coherence of their regional and domestic agendas.<sup>11</sup>

First and foremost, the multilaterals were to provide a supportive framework for the bilateral negotiations; the latter were the crux of the peace process. Various participants defined the multilaterals as designed 'to furnish a backup for a fragile peace process', 'to provide a neutral address', and to 'help overcome impasses in the bilateral

<sup>10</sup> Savir (see note 7 above).

<sup>11</sup> The theoretical linkages between domestic, regional, and international policies are spelled out in Solingen (1998).

negotiations'. The Arab parties amply made clear that no effective progress could be achieved in the multilaterals without concomitant progress in the bilaterals. The development of supportive constituencies – technical, economic, and political – working on the multilaterals was regarded as a means to bolster a broader base of domestic support for the peace process more generally.

Second, the multilaterals were conceived as an extension of the domestic strategies and normative preferences of ruling coalitions. These incipient 'internationalist' coalitions were oriented to, and politically backed by, constituencies that placed primordial emphasis on secure access to foreign markets, capital, investments, and technology and, as a requirement, on a cooperative (nonviolent) regional neighborhood that would safeguard that objective. A related prerequisite for this strategy – both from a macroeconomic and a macropolitical standpoint – was the need to downsize military-industrial complexes. Thus, the leaders of these coalitions collectively sought to create multilateral institutions compatible with this broader political agenda of creating a stable environment, which was conducive to foreign investment and the 'privatization of peacemaking'.<sup>12</sup> Arms control negotiations were to enhance regional stability with an eye on reduced military expenses and the appeal to foreign investors. Economic development would be achieved through private entrepreneurship, open markets, and the construction of an appropriate regional infrastructure to smooth these two mechanisms. Cooperation on the environment and water was to be attentive to principles of efficiency and to technological fixes that could help dilute zero-sum situations. Desalination was considered

central to sustained economic growth and to the ability to raise the collective standard of living in the region. Addressing the problem of Palestinian refugees was understood to be an important key for ensuring the viability of the peace process as a whole, even if competing solutions made this issue-area arguably the most intractable one of all.

Third, the main conceptualizers of the multilaterals thought they could become an important tool to weaken domestic rivals and opponents of the peace process. Institutions do not merely help settle distributional conflicts across borders but within them as well. If allowed to take root, it was expected that multilateral institutions would tie the hands of successive political leaders, making reversals harder to implement. Thus, each actor aimed at binding their own domestic adversaries to the peace process no less than their neighbors across the border. In his Madrid address, Jordan's Foreign Minister, Dr Kamel Abu Jaber, aimed at depriving the Islamist opposition from arguments against the peace process by ending his statement with a verse from the Koran: 'Let not a people's enmity towards you incite you to act contrary to justice; be always just, that is closest to righteousness' (The Koran, Sura 5:8).<sup>13</sup> Israel's Uri Savir, while promoting a regional development bank, emphatically argued that a rise in the standard of living was the best guarantee to prevent fundamentalism from threatening the peace process. Clearly, political leaders conceived of institutionalization in a way that addressed both the technical and analytical rationality of these multilateral institutions (George, 1993) but also transcended them by specifying their political rationality. As will be argued, the organized political opposition in each state wielded the problem of 'relative gains' (Baldwin, 1993) – who

<sup>12</sup> Personal interviews, Amman, Tel Aviv, Jerusalem, Abu Dis, Dahiat-al-Barid, and Cairo (August 1997, March 1998).

<sup>13</sup> 31 October 1991 (<http://www.israel.org/peace/madrid.html>).

gains most, even if all gain some – in their attacks on the peace process.

Fourth, making the international community an integral partner to the multilateral process was clearly as much a means to raise the cost of any future assaults on the peace process generally, and the multilaterals in particular, as it was to enhance the probability of success through material and political support. Egyptian Foreign Minister Amre Moussa explicitly acknowledged this use of the international community in his Madrid Conference statement. The different working groups broadened international participation by integrating nongovernmental organizations and private business as a supportive network to provide feasibility studies, innovative approaches, and track two activities. An American Express executive, for example, was to head one of three extraregional divisions of the new regional tourism agency (MEMTTA) that came into being within the economic development basket.

Finally, the multilaterals were a means to provide inducements and signal opportunity costs to ‘outsiders’ who had rejected the multilateral framework, from Syria and Lebanon to Iran and Iraq. Were these institutions to succeed, they would further weaken those regional leaders who had chosen to remain on the sidelines. Instead, a collapse of the multilaterals had the potential for restoring rejectionist leaders throughout the region. Syria bet on the second possibility early on.<sup>14</sup> Yet formal declarations emanating from multilateral meetings reiterated the parties’ ‘open door’ policy. The Casablanca Summit Declaration stressed that Syria and Lebanon could play an important role in the development of the region.<sup>15</sup> Similarly, the Amman Summit

Declaration recognized that the circle of peace needed to be widened to include Syria and Lebanon.<sup>16</sup> The logic of an ‘open door’ was compatible with the other four objectives of lubricating bilateral cooperation, strengthening regional stability as a requirement for foreign investment and successful economic reforms, weakening domestic opposition fueled by regional adversaries, and reassuring international donors and sponsors of the multilateral process.

### **The Beginnings of Institutionalization: Focal Points and Absolute Gains**

In trying to understand the nature and degree of multilateral institutionalization, the following points are worth considering. First, the time-span under consideration is quite brief (late 1993 to 1995), a fact that should caution against high expectations for institutionalization, which is often a sluggish process. Second, levels of institutionalization are in the eyes of the beholder. This section therefore incorporates subjective understandings of relative institutionalization by participants.<sup>17</sup> Third, the literature suggests some objective measures of institutionalization that can be used to contrast with the more subjective criteria. Kahler (1995: 117–118), for example, suggests that the definition of more formal structures with an organizational core and an enlarged role awarded to third-party enforcement can be considered two measures of institutional strength.<sup>18</sup> Fourth, gauging how much

<sup>16</sup> Amman Economic Summit ([http://www.mena.org/newweb/Events/decl\\_amman.html](http://www.mena.org/newweb/Events/decl_amman.html)).

<sup>17</sup> Keohane (1989: 4) claims institutionalization can be measured by ‘commonality’, or ‘the degree to which expectations about appropriate behavior and understandings about how to interpret action are shared by participants in the system’. Ruggie (1993) emphasizes intersubjective understandings even further. For Bar-Siman-Tov (1994), institutionalization requires actors to internalize rules and procedures.

<sup>18</sup> At the same time, institutions should not be reduced to formal organizations. They can be declaratorial commitments of great political significance. On activities

<sup>14</sup> On Syria’s position, see Foreign Minister Farouk Al-Shara’s Madrid address and Jones (1997b: 58).

<sup>15</sup> The Casablanca Declaration and full speeches can be accessed at: <http://www.mena.org/newweb/Events/Discours/Casa.html>.



institutionalization there has been in a given case must take into account the region's past trajectory, its effects on the present, and the initial conditions at the time of institutional creation. Finally, the quality and extent of institutionalization must be examined while taking into account the violent reality on the ground against which the multilateral process was forged.

The subjective interpretations of participants in the multilaterals incorporate, for the most part, an awareness of the limited time framework under consideration and of the 'shadow of the past'. In retrospect, some participants pointed out that the establishment of a permanent secretariat to monitor the multilaterals as a whole might have strengthened the process. Clearly, the consensus seems to be that institutionalization was in its infancy but also that significant progress had been made by mid-1995, considering the short-lived time interval and the initial barriers that had to be overcome. In late 1995, the Deputy Special Middle East Coordinator for Arab-Israeli Negotiations at the US Department of State, Aaron Miller, expressed that, in the Arab-Israeli conflict, 'new realities are now part of a diverse structure of peacemaking which is institutionalized and unlikely to be reversed' (Miller, 1995: 9).

Participants in the multilaterals clearly did converge on a number of 'focal points', both procedural and substantive. Among the procedural ones, the following are particularly salient: consensual decisionmaking, incrementalism (a step-by-step approach), topical inclusiveness (no taboo issues, everything can be put on the table for discussion), voluntary participation and implementation, no rigid linkages across issue-areas (one

cannot withhold progress in one area by pointing to lack of progress in another), low political visibility (some labeled the multilaterals the 'stealth peace process'), third-parties as gavel-holders, issuing of a brief public statement following steering committee meetings, and refraining from formal minutes of the meetings.<sup>19</sup> US State Department officials played an important role at the outset in developing a more or less consensual preliminary set of rules. Some of these procedural focal points involved trade-offs, such as preserving low visibility (near secrecy) on the one hand, but enabling topical inclusiveness (nothing was to be 'off limits') on the other. In other cases, a procedural point acted to undermine one of the five overall objectives identified above while upholding another. Relative secrecy, for example, made it difficult to use the multilaterals for the mobilization of broader popular segments in support of the peace efforts. At the same time, it enabled a rate of progress in the different working groups that might have been foiled if known to domestic rejectionist constituencies.

The following overview of substantive focal points is organized around the different functional working groups.

### Economic Development

The Regional Economic Development Working Group (REDWG) was rather slow in making inroads, countering expectations that economic cooperation is easier than security cooperation because of the former's higher potential for joint gains. Fears of Israeli 'hegemony' were common even among those who understood the need to transcend them in order to achieve their own designs for the multilaterals. In time, the

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of different working groups, including statements and organizations, see Israel, Foreign Ministry (<http://www.israel.org/peace/madrid.html>); <http://www-igcc.ucsd.edu>.

<sup>19</sup> Personal interviews (Amman, Tel Aviv, Jerusalem, Abu Dis, and Cairo (August 1997, March 1998); Brussels and Washington, DC (September 1997); Tokyo (July 1998).

notion that there would be winners and losers in each national camp, and that there would be an overall increase in welfare for every state, gained serious ground. Many participants considered REDWG to have become the most institutionalized of all working groups, as the only one that created a Permanent Secretariat. REDWG evolved into a large and complex network of institutions, with the European Union as its main sponsor, hosting early meetings in Brussels (May 1992), Paris (October 1992), and Rome (May 1993). The fourth round of talks, beginning shortly after the signing of the Oslo Declaration of Principles, led to the Copenhagen Action Plan (CAP, November 1993). In Rabat (June 1994), the working group formed a small committee to monitor the implementation of the CAP and to identify new tasks, including the formation of subcommittees on finance, trade, infrastructure, and tourism. The regional parties rotated in chairing the Monitoring Committee and each, in turn, chaired one of the subcommittees.

The first Middle East Economic Summit in Casablanca (October 1994) provided a major push and a 'green light' to institution-building in the economic development area. Soon after, the idea of a REDWG Permanent Monitoring Secretariat began germinating, coming to fruition at the Amman Economic Summit (October 1995), where it was permanently based. Formally inaugurated in May 1996, and housed in a brand new building and managed by a Jordanian official with a multinational staff, the Secretariat became actively involved in the organization of technical workshops and feasibility studies on infrastructure, energy, transportation, and communications. REDWG also established an Executive Secretariat of the MENA Economic Summit, with offices in Rabat (Morocco), charged with fostering private sector investment in the region. The Executive

Secretariat developed three priority programs: regional investment promotion (IPP), scientific and technological exchange (STE), and involvement of business actors (EBA), as well as MENAnet, a supportive Internet site.

Central to the economic working group were the Middle East/North Africa Economic Summits, co-sponsored by the USA and the Russian Federation, with the support of the European Union, Canada, and Japan. The first (Casablanca, November 1994) hosted 61 countries and 1,114 international business leaders and was co-organized by the World Economic Forum (WEF) and the Council on Foreign Relations. The focus of these Summits was to develop a private business infrastructure in support of the peace process. The WEF, funded by the 1,000 foremost global companies in the world and smaller companies with global reach, played a pivotal role, by encouraging networking at the highest level, including key decision-makers, both public and private. The conception of the multilaterals as an extension of domestic political-economic strategies was clear in the Casablanca Declaration (Article 3), recognizing the role of business leaders in forging peace agreements and creating incentives for trade and investment. Egypt's Foreign Minister, Amre Moussa, stated succinctly that regional cooperation should reinforce the economic reform process and take its requirements into account, and that the private sector would help integrate the region into the global economy. Jordan's Crown Prince Hassan espoused his view of a Middle East without barriers where private enterprise becomes the engine of growth. The second MENA Economic Summit (Amman, October 1995) concluded significant commercial and business transactions in tourism, telecommunications, and transportation, while approving the proposed Bank for Economic



Cooperation and Development in the Middle East and North Africa (MENA-BANK). The third Summit (Cairo, November 1996) reiterated the agenda of privatization, structural reform, and removing trade barriers but began by exposing the weakening of the multilaterals. The fourth (Doha, November 1997) was held under extremely difficult political circumstances and boycotted by important parties – including the Palestinian Authority – who were protesting the policies of the Netanyahu government.

The MENABANK, sited in Cairo, was entrusted with promoting the development of the private sector, supporting regional infrastructure projects, offsetting perceptions of risk, and providing a Forum to promote regional economic cooperation. Although a Transition Team had begun preparatory work in 1997, under US coordination and with the participation of technical experts from Egypt, Israel, Japan, Canada, and the Netherlands, most prospective members failed to ratify the Charter and the Bank consequently fell into virtual oblivion. Another step at institutionalization within REDWG was the creation of a Middle East and Mediterranean Travel and Tourism Association (MEMTTA), aimed at promoting the free-flow of tourism. MEMTTA was signed by its eight founding members (Cyprus, Egypt, Israel, Jordan, Morocco, Palestinian Authority, Tunisia, and Turkey) in 1995 in Amman. Dr Mohammed Shtayeh, the Palestinian chair of REDWG's Tourism Committee, expressed at the 1996 Cairo conference that the region's tourism industry 'has caught the MEMTTA bug' (Hiel, 1996) in recognizing the joint potential. MEMTTA was to create a regional database for potential visitors (an electronic 'travel mart'), organize a regional annual trade fair (on a rotating basis, as with the Summits), and convene press briefings at international conventions and trade fairs. It

agreed on by-laws and a headquarters in Tunis before its activities were stalled as part of the general freezing of multilateral activities.

This overview makes clear that the emerging institutions in the economic arena were embedded in the overall strategy – spanning the domestic and regional arenas – of the coalitions supporting the multilaterals. This was not an attempt primarily geared to regional economic integration, as is sometimes argued. Rather, the underlying logic of regional cooperation was global, with regional arrangements envisaged as stepping-stones and subordinated to that logic. The important role played by the WEF is further evidence of this logic. Extensive intraregional economic exchanges were not a necessary condition for embarking on a cooperative regional order, but regional cooperation was essential to make global access viable, as evident in the Casablanca Declaration (Article 6). Jordan's crown Prince Hassan's reiterated this conception of 'open regionalism', freeing the movement of goods, services, capital, and labour within a rapidly evolving global economy. Egypt's Foreign Minister Amre Moussa specified that the interaction of the regional economic system with the world economy is a fact and requires acceleration. King Hussein, and the Amman declaration itself, emphasized that regional cooperation must unfold in the framework of active and positive interaction with the world economy.

Finally, the Preamble to the Agreement (paragraph b) establishing MENABANK specifically stated its mission to assist the regional members to integrate their respective economies into the global economy. The fact that regional integration per se was a rather subsidiary and arguably secondary dimension of the multilaterals makes the relative strength of the institutions that came into being in the economic area even more remarkable. They suggest that the strength

of regional cooperative institutions does not necessarily depend on strong economic integration. This view complements Kahler's (1995) observation that neither is stronger economic integration necessarily accompanied by stronger institutions. To be sure, not all planned institutions within REDWG fared well, even at the height of the multilaterals, and some were stillborn. The Regional Business Council (RBC), encouraging business groups to lobby for lifting trade restrictions, first met in 1995 but never approved by-laws. The network of economic institutions as a whole became paralyzed by 1996, particularly following the tunnel crisis of September 1996, under Netanyahu's new coalition. The core parties in REDWG met in January 1997 for the last time.

### **The Environment and Water**

The Environment Working Group (EWG) – chaired by Japan – was entrusted with coordinating activities on maritime pollution, wastewater treatment, environmental management, and desertification. There were general discussions at a meeting in May 1993, but only after November 1993 was some progress reached, first with an Israeli–Jordanian agreement to avoid pollution and oil spills in the Gulf of Aqaba. A crowning achievement of the EWG was the unanimous approval of the Bahrain Environmental Code of Conduct for the Middle East (October 1994). Recognizing relevant international declarations and instruments, particularly the Rio Declaration on Environment and Development and Agenda 21, adopted in 1992, the Code endorsed the following principles: sustainability, fair and just utilization, and coordinated management over natural resources; avoiding activities with adverse effects and risks to other parties or to the region as a whole; recognizing that lasting peace, development, and environmental protection are

interdependent and indivisible; recognizing that cooperation in eradicating poverty is indispensable for sustainable development; and recognizing that environmental issues require the participation of all social sectors.<sup>20</sup> The Code called on regional parties to: (i) enact effective environmental legislation attentive to geographical, topographical, and meteorological conditions as well as to regional problems such as water, air and marine pollution, waste management, desertification and nature conservation; (ii) develop and use management tools such as environmental impact assessment, environmental risk management and monitoring systems, for domestic as well as transboundary impacts; (iii) coordinate environmental policies and protect the overall environment in good faith and in a spirit of partnership; (iv) facilitate technology transfer and notify of environmental risks with regional or transboundary impacts; (v) accept the principle that the polluter should bear the cost of pollution, with due regard to the public interest and without distorting international trade and investment; and (vi) resolve all environmental disputes peacefully and in accordance with the UN Charter and international law. The parties also committed to protect water quality, eliminate sources of maritime pollution, protect coastal zones and bio-diversity, prevent the degradation of air quality, minimize waste, enact effective regulations for proper treatment, recycling and protection measures, and ensure safe waste disposal within agreed safety measures.

Another environmental project – the Upper Gulf of Aqaba/Eilat oil spill contingency project – made some progress in implementation, setting up three stations in Aqaba, Eilat and Nuweiba, to be linked by a

<sup>20</sup> The complete Code of Conduct can be found at: <http://www.israel.org/peace/bahrain.html>.

joint communications network. Financed by the EU and Japan, the project sent joint teams from Israel, Egypt, and Jordan to Norway for intensive training. A choke feeder system to protect coral reef growth (by reducing mineral dust release during shiploading) was operational by late 1994. Another project – the Initiative for Collaboration to Control Natural Resource Degradation of Arid Lands in the Middle East – under World Bank oversight, was to be implemented through five regional centers. A Regional Environmental Resource and Training Center was established in Amman, and a Centre on Environmental Information and Technology Transfer in Manama (Bahrain). In time, the controversy over Israel's Dimona reactor crept into the EWG, signaling a decline in the maturation of focal points, even prior to the general decay after May 1996. In September 1995, Dr Muhammad Izat Abdul Aziz – head of Egypt's Atomic Energy Authority – claimed that a leak from the Dimona reactor was responsible for incidents of cancer in a nearby Jordanian community. Other Egyptian nuclear experts claimed that an earthquake in Israel in 1996 was the product of an underground nuclear test in the Gulf of Aqaba or the Negev, but provided little evidence for this.<sup>21</sup> During its seventh meeting (Amman, June 1995) the EWG merged with the Multilateral Working Group on Water Resources (MWGWR).

The Water Resources Working Group (WRWG) – with the USA as a gavel-holder – had addressed itself to finding a solution to the growing shortage of water in the region. For that purpose, two studies were undertaken, one on water supply and demand in the region and another comparative study of water legislation and institutions

as a basis for the development of a legal framework for future cooperation in the development of water resources. In consultation with a wide range of regional and non-regional experts, Oman produced a Worldwide Desalination Research and Technology Survey. By April 1994, the WRWG endorsed Oman's proposal to establish a Middle East Desalination Research Center. The center came into being in December 1996 with commitments from the USA, Japan, Israel, and the Sultanate of Oman for \$3 million each. Located in Muscat (Oman), the Center began bringing together scientists, engineers, water policymakers, and system operators from the Middle East/North Africa region for the purpose of turning water desalination into a financially and technically feasible solution. The Executive Council, its governing body, included representatives from Oman, Israel, the USA, Japan, and the Republic of Korea, and at the same time the EU became an observer. By April 1998, the Center announced a second tender for desalination proposals, signaling that it was continuing to implement its technical program, now aided by an electronic network of experts and a training program. On the ground, however, water disputes among Syria, Israel, the Palestinian Authority, and Jordan were aggravated by natural droughts and political impasse.

Despite Palestinian pressure for a clear definition of water rights, only in September 1995 did Israel recognize these, while insisting in subsuming them into bilateral Palestinian–Israeli negotiations. Nonetheless, by February 1996 (Oslo) – still under a Labor government in Israel – Jordan, Israel, and the Palestinian Authority approved a Declaration on Principles for Cooperation Among the Core Parties On Water-Related Matters and New and Additional Water Resources. The parties

<sup>21</sup> Salameh Ahmed Salameh, 'Up Close', *Al Abram* (reported by Gai B'chor, *Ha'aretz*, 3 January 1996: B2)

viewed this Declaration as an expression of the role of the multilaterals in promoting cooperation and confidence building in water resources, acknowledged the importance of enhancing water supply and increasing efficiency of use, promoted water resources management on the basis of locally compatible legal, economic and institutional frameworks and principles, and recognized that cooperative efforts will facilitate the development of new and additional water resources for their joint benefit. Some specific focal points ('common denominators') to guide their water legislation as a basis for cooperation included: applying water legislation to all types of water resources, including wastewater and desalinated water; recognizing state ownership over all water resources while promoting public participation in water resources management; affirming domestic allocative priorities; and asserting the obligation to measure, monitor and keep proper record of all water production, supplies and consumption. Article 7 made clear that proper sanctions against non-compliance were explicit in the respective legislation of each of the Core Parties.

The joint water/environment MWGWR Steering Committee last met in March 1996 (Boppard, Germany), and the full Working Group in Tunis (May 1996). In 1998, French President Jacques Chirac and the general director of UNESCO, Federico Mayor, sponsored a meeting in Paris warning that water problems would lead to future wars. In 1999, German Foreign Minister Joschka Fischer began involving the EU more concretely on a proposal calling for desalination plants in Gaza, the Jordan Rift Valley, and Israel during the first phase and a large-scale joint desalination plant later. Clearly, while the multilateral MWGWR context was frozen, water problems required immediate attention through alternative venues.

## **Arms Control and Regional Security**

The Arms Control and Regional Security (ACRS) Working Group held three plenary meetings by late 1993 (Washington, May 1992, Moscow, September 1992, and Washington, May 1993) and several workshops on verification (Egypt, July 1993), maritime confidence building (Nova Scotia, September 1993), exchange of military information (Turkey, October 1993), observation of a Conference on Security and Cooperation in Europe (CSCE) on-site inspections, declaratory confidence-building measures (Vienna, October 1993), and others. The accelerating pace of cooperation following the September 1993 Oslo agreements is clear (Jentleson, 1996). By November 1993 – at the fourth plenary in Moscow – a significant step at institutionalization took place. ACRS was to enhance its operation by decoupling its activities into an operational and a conceptual basket, and by deepening technical expertise through joint meetings.

The conceptual basket was to discuss long-term security objectives, consensual principles and declaratory measures, as well as the region's security boundaries, while the operational basket was to consider the need for enhanced communications, joint procedures for avoiding incidents at sea (INCSEA) and for conducting search and rescue (SAR) operations, advanced notification of military exercises, and exchanges of some military data. A meeting in the Netherlands (January 1994) established a preliminary communications network for ACRS. The subsequent meeting in Doha (May 1994) was another breakthrough, the first plenary held in an Arab country. The operational basket met in Turkey (April 1994) and Jordan (November 1994), advancing the agenda of a Regional Security Center, incidents at sea, and search and rescue opera-

tions. Senior naval officers met in Halifax (September 1994).

The conceptual basket met for the first time in Cairo (February 1994), yielding a first draft of a 'Declaration of Principles' in the area of regional peace and security, and next in Paris (October 1994). During the Sixth ACRS Plenary Session (Tunis, December 1994), Egypt and Israel attempted to narrow the gap on non-conventional issues. In the end – with 43 participants, 15 of them from the region – a common draft was approved. This Statement on Arms Control and Regional Security included alternative versions of a future 'weapons of mass destruction-free zone', with the Israeli version excluding any reference to the NPT while endorsing a regional alternative to it (Feldman & Toukan, 1997, appendix B). The draft also pointed out the impact of the Oslo accords (1993) and the Jordanian–Israeli peace treaty (1994) on progress made on ACRS. At this point – and despite disagreements on non-conventional weapons – it looked as if the security basket was far ahead of all others (including economic development) defying the expectations that security cooperation is far more intractable than any other functional area.

By March 1995, a temporary Communications Network had begun operation in The Hague, in preparation for a permanent center to be established in Cairo. A meeting in Tunis arranged for a maritime exercise in the region, to demonstrate SAR and incidents at sea exercises (an event that was later cancelled because of the deteriorating conditions within ACRS, discussed later). A meeting on operational issues (Antalia, Turkey, April 1995) discussed the Communications Network, a completed draft of an agreement on the prevention of incidents at sea (INCSEA), activities to cooperate in SAR operations, and agreed on an agenda for a meeting of senior naval offi-

cers from the region, with Tunisia reiterating its consent to conduct a joint naval exercise. At a meeting on conceptual issues (Helsinki, 29 May to 1 June 1995) delegates from all regional participants in ACRS as well as gavel-holders, the host country Finland, and experts from Australia, India, France, and the UN discussed a general statement on arms control and regional security, the definition of long-term goals, the delineation of the Middle East region for purposes of regional security and arms control, and elements needed to begin negotiations on arms control.<sup>22</sup> The parties also decided to hold a seminar on military doctrines under French sponsorship in Amman (for late December 1995). ACRS experts gathered (September 1995) to discuss the establishment of a Regional Security Center/Conflict Prevention Center (RSC/CPC) in Amman with secondary centers in Qatar and Tunisia, as agreed at the plenary meeting in Tunis. The centers would 'enhance security and stability in the Middle East', organize seminars on arms control and regional security, encourage education and training on issues related to the peace process, and become an integral part of the Regional Communications Network. Meanwhile, operating procedures were agreed upon for the permanent hub of the communications network in Cairo, and equipment for a number of stations was ordered.

Clearly, these achievements in arms control never amounted to anything close to a collective security system, which assumes peace is indivisible, war against one is a war against all, and the collective can use force to uphold those principles (Ruggie, 1993). Moreover, in time, the region's nuclear

<sup>22</sup> Personal interviews with officials from the region, as well as gavel-holders and other participants from outside the region. See also IGCC Internet site on ACRS (<http://www-igcc.ucsd.edu/igcc2/memulti/ArmsControl.html>) and Israel's Foreign Ministry ([gopher://israel-info.gov.il:70/11/mad](mailto:gopher://israel-info.gov.il:70/11/mad)).



future wreaked tension within ACRS, to the point of paralyzing its activities even prior to the broader political shift in Israel in May 1996.<sup>23</sup> At issue was Egypt's demand that non-conventional weapons be discussed at the outset, with Israel demanding to discuss those at the end of the process. This fundamental disagreement existed from the very beginning of ACRS but did not preclude progress in conventional arms control as outlined earlier. However, early in 1995, Egypt used the Non-Proliferation Treaty Review and Extension Negotiations (April) to transfer the ACRS debate onto the international arena. Sharp disagreements engulfed ACRS, leading the USA to cancel an ACRS plenary session scheduled for September 1995 in Amman (Ben, 1995). Later that year, Egypt decided to suspend an ACRS meeting scheduled for May 1996, ostensibly due to Israel's intractability on the nuclear issue but – according to some Egyptian officials – also to protest 'heavy-handed' US pressure to withdraw the nuclear issue from a formal declaration of principles on arms control.<sup>24</sup> Many observers interpreted Egypt's position as guided by a mix of mutually reinforcing objectives: the need to satisfy domestic constituencies and the need to retain the trappings of leadership in the Arab world.<sup>25</sup>

To address Egyptian concerns, Prime Minister Shimon Peres declared, in late

1995, that Israel would endorse regional denuclearization two years after a comprehensive peace settlement was signed. Peres stated publicly: 'Give me peace, and we will give up the atom. That's the whole story. If we achieve regional peace, I think we can make the Middle East free of any nuclear threat'.<sup>26</sup> This statement cost Mr Peres some political headaches at home – readily used by political opponents – considering outstanding threats in the non-conventional arena, emanating particularly from Iraq, Iran, and Libya.<sup>27</sup> Peres was merely reiterating a statement made during the Paris Chemical Weapons Convention, on the need to secure a durable peace prior to the establishment of a weapons of mass destruction-free zone. The Head of Israel's Delegation to the Steering Committee of the Multilaterals, Yossi Beilin (1993: 5), defined the place of a regional arms control regime quite clearly, as early as December 1993: 'As we achieve the status of a region free from nuclear weapons and remove the threat of weapons of mass destruction, we will reorient our interests as we strengthen our ties to the world around us'.

Peter Jones (1997b) has interpreted the Israeli position as the product of its perception of existential threats emanating from states in the region's periphery which, in Israel's view, are 'prepared to threaten the use of weapons of mass destruction against it in support of their wider regional aims'. In the ACRS process, Israel tacitly sought to reassure its counterparts that its non-conventional capabilities were not meant to be a threat to them but a deterrent against unstable third parties in the region. In turn, other Middle East states, Jones argued, found it unacceptable to proceed with arms

<sup>23</sup> For a comprehensive overview of ACRS's record from 1992 to 1996, see Jentleson (1996) and Jentleson and Kaye (1997).

<sup>24</sup> Private interviews in Tel Aviv (August 1997), Washington (September 1997), and Cairo (March 1998).

<sup>25</sup> See, for example, Jones (1997a: 59–60), citing an important Egyptian official, Mahmoud Karem. See also statements in 'Panel discussion on Nuclear Threat from Israel', reported by *Al-Musawwar* 13 January 1995: 54–58 (translated in FBIS Near East and South Asia, 18 November 1995), particularly statements by Ambassador Mahmud Murtada, deputy assistant Foreign Minister. See also President Mubarak's statements (interview with President Husni Mubarak by Jalal Duwaydar, *Al-Akhhbar* 1 January 1995: 3–6, reported in *FBIS* Near East and South Asia, 19 November 1995).

<sup>26</sup> Israel TV Channel 1, 22 December 1995.

<sup>27</sup> On internal opposition to Peres on nuclear issues, particularly among the 'nuclear bureaucracy', see Oren (1995: 17).



control while implicitly recognizing Israel's continued nuclear ambiguity. In their view, such recognition of a special status for Israel was politically untenable domestically, as well as from a bargaining standpoint (Arab states remove threats to Israel but not vice versa, depleting their bargaining assets at the outset).<sup>28</sup> Egypt forcefully challenged Israel's nuclear status in ACRS, much more so than any other Arab state, averring that Israel's refusal to discuss its alleged nuclear option threatened all states in the region and provided a justification to others for their continuing non-conventional programs.<sup>29</sup> This logic notwithstanding, these programs have other rationales as well, as Jones suggested, since Arab–Arab and Arab–Iranian disputes have been at least as great a motivating force for the development of these capabilities as have differences with Israel.

Despite important initial steps toward institutionalization within ACRS, this working group succumbed to domestic pressures and to 'relative gains' considerations, particularly spearheaded by Egypt, that eroded focal points even under a far more converging regional *zeitgeist*, that is, prior to the demise of the Labor-led coalition in Israel in 1996.

### The Refugee Working Group

The Refugee Working Group (RWG) – hosted by Canada – focused on the most sensitive issue for the Palestinian delegation, concerning refugees from the 1948 and

1967 wars. The Palestinian delegation sought a solution that would allow the return of refugees, including from 1948, to towns and villages throughout Israel and the West Bank. Israel demanded that this issue be resolved in bilateral negotiations between Israel and the Palestinian Authority, in accordance with the terms of the Israel–PLO Declaration of Principles (Oslo) and the Israel–Jordan Common Agenda (September 1993). The 1993 Oslo Accords established the issue of refugees as one to be undertaken under the 'permanent status' negotiations, along with issues of boundaries, water, and Jerusalem. At that time, the two sides also agreed to set up a quadripartite committee (including Egypt and Jordan) to address the modalities of return of persons displaced by the Arab–Israeli war of 1967.<sup>30</sup> Article 8 of the Israel–Jordan Treaty (October 1994) recognized that the massive human problems caused by the Middle East conflict could not be fully resolved at the bilateral level. Jordan viewed the RWG as potentially useful in preparing the ground for discussing 1948 refugees, even if this was a 'final status' issue.

Israel regarded the multilaterals as a context for improving the living conditions of refugees in their present location, rather than for negotiating their return to what is now Israel. As a compromise between the Palestinian and Israeli positions, the RWG was defined as 'complementing the process of arriving at a just, comprehensive and durable settlement to the refugee question, without prejudicing the refugees' rights and future status'. A Canadian official perceived one of the RWG's achievements to be the ability to find the right balance between the Arab interest in dealing with questions of principle and the Israeli preference to

<sup>28</sup> For a comprehensive overview of the Arab position on the nuclear issue, see Toukan (1997). Dr Abdullah Toukan – Science Advisor to Jordan's late King Hussein and King Abdullah – headed the Jordanian delegation to the multilaterals Steering Committee. See also Sayed (1997: 38) for an elaboration of 'the Arab position'.

<sup>29</sup> Jones (1997a: 60) argued that none of the other Arab delegations was as vociferous as Egypt was. A more accommodating Jordanian position that nonetheless retained the need for a WMDFFZ is clear from the language of the peace agreement between Jordan and Israel (October 1994), and from earlier bilateral understandings.

<sup>30</sup> Canada, Department of Foreign Affairs and International Trade, Middle East Peace Process (GXDX) (<http://www.dfaif-maeci.gc.ca/menu-e.asp>).

concentrate on specifics.<sup>31</sup> The need for immediate improvement in refugee conditions led to short-term focal points and to the creation of seven programs, each steered by a shepherd: databases (Norway), family reunification (France), human resources development and job creation and vocational training (USA), public health (Italy), child welfare (Sweden), and socio-economic infrastructure (European Union). Understanding the imperative of providing immediate and tangible benefits from the peace process, the RWG supported programs to benefit people on the ground, helping UNRWA raise funds for its Peace Implementation Program (PIP). The RWG also conducted international missions to refugee camps (Jordan and Lebanon 1994, Jordan 1996, and Lebanon 1997) in an attempt to signal to refugees that their condition remained a major concern to the international community.

The RWG was the first to hold a multilateral plenary session in an Arab state, just weeks after Oslo (Tunis, October 1993), a meeting Perron described as 'one of the best the RWG had ever had'. Plenary sessions – typically involving over 100 individual participants from approximately 40 delegations – assessed the RWG's ongoing work and established priorities for the future.<sup>32</sup> Intersessional meetings brought together Arab, Israeli, extraregional parties, and international experts for a more specific consideration of refugee problems. The RWG's sixth plenary session was convened within days of the signing of the Gaza/Jericho implementation agreement (Cairo, May 1994), addressing the World

Bank's emergency assistance for refugees. At another plenary (Antalya 1994), progress made towards convening the Quadripartite Committee was noted. A very successful plenary, according to the Palestinian delegation, was held in December 1995, when the RWG was the first multilateral group to meet since the assassination of Prime Minister Yitzhak Rabin. There, the group expressed the hope to see Syria and Lebanon participating at the table soon.<sup>33</sup>

By early 1995, the RWG had become involved in over 100 specific activities, including workshops and seminars on various themes, construction of schools and clinics in refugee camps in Jordan, Syria and Lebanon, and technical support for the Palestinian Bureau of Statistics. The proliferation of meetings – while a positive development in itself – was beginning to stretch the human and financial resources of the Palestinian Authority, and ways to coordinate refugee issues with REDWG began to be considered. The RWG drafted its own 'vision chapter', and submitted it to the co-sponsors to be circulated to the regional parties. The draft established that, in ten years, the Middle East should have no refugees, recognized that a lasting solution to the refugee problem could not be imposed, that refugee options had to conform with the requirements of international law, encouraged the demystification of 'taboo' concepts (such as the right of return, compensation, and resettlement), acknowledged that resolving the refugee problem will require significant international financial support, and reaffirmed that a political solution to the refugee problem would take place within bilateral and direct negotiations.

<sup>31</sup> Remarks by Marc Perron, Canadian RWG gavel-holder and Assistant Deputy Minister, Department of Foreign Affairs and International Trade, Canada, to the Institute for Social and Economic Policy in the Middle East, John F. Kennedy School of Government, Harvard University, 24 February 1995. Palestinian Refugee ResearchNet.

<sup>32</sup> There have been eight RWG plenary sessions: Moscow (January 1992), Ottawa (May 1992, boycotted by Israel), Ottawa (November 1992), Oslo (May 1993), Tunis (October 1993), Cairo (May 1994), Antalya (December 1994), and Geneva (December 1995).

<sup>33</sup> Notes to the Media by Andrew Robinson, 14 December 1995 (<http://www.arts.mcgill.ca/mepp/PRRN/docs/rwg8gavpr.html>). Perron highlighted external threats to RWG progress, as when the Lebanese government 'postponed' a new housing project for 6,000 refugee families recommended by RWG, and returned seed money provided by Canada.

Israel, the Palestinian Authority, Jordan, and Egypt met as a Continuing ('Quadripartite') Committee to design modalities of admission of Palestinians displaced from the West Bank and the Gaza Strip in 1967. Composed of three permanent members at senior level, and assisted by experts when needed, this committee was to meet in different places by rotation, approximately every three weeks, and to report to the Ministerial level. Ministerial level meetings would take place every two to three months, also on a rotating basis. The Continuing Committee met in Amman (May 1995) and Be'er Sheva (June 1995) and subsequently in Cairo, Gaza, Amman, and Haifa. Progress was slow and major differences developed over the definition of a 'displaced person' and hence the number of potential returnees. Approximately 110 families were repatriated to Tel el Sultan in Gaza. Israel agreed to approve 2,000 family reunification requests annually, to grant permanent resident status to an additional 6,000 persons who had entered the West Bank and Gaza as visitors, and to allow the return of a number of individuals deported in the early 1970s due to prior terrorist activities. Up to 80,000 permanent residents from the West Bank and Gaza who overstayed their permits to stay abroad would also be allowed to return (Arzt, 1996: 27). According to Professor Rex Brynen, between 45,000 and 50,000 persons have returned to the West Bank and Gaza since Oslo, but the bulk of these are either members of the security forces or officials in the Palestinian Authority, together with their families. The process of 'humanitarian' family reunification has not been, in his view, meaningful, and it came to a total halt under the Netanyahu government.<sup>34</sup>

<sup>34</sup> Interview with Rex Brynen, 'Statehood Key to Refugee Solution', *Palestine Report*, quoted in FOFONET Digest, 30 April 1997 to 1 May 1997 (cyr6@musica.mcgill.ca). Other sources suggest the number of returnees is somewhat higher.

Following the ascent of a Likud coalition in Israel, there was an informal consultative meeting of the twelve parties most active in the RWG in Petra (Jordan, November 1996), in an attempt to take stock of achievements and discuss future plans.<sup>35</sup> Canada's new gavel-holder, Andrew Robinson, reiterated that the purpose of the multilaterals was to complement, not substitute for, the bilateral negotiations. By 1997, all formal fora on the refugee issue had stalled, both bilateral and multilateral. Clearly, as with the other working groups, the lack of effective progress on the bilateral negotiations had paralyzed multilateral negotiations on refugees as well.

### The Triumph of Relative Gains

By early 1996, the peace process as a whole had become a fatality of Islamist terror aimed at Israeli civilians in the heart of Israel. Domestic insecurity played an important role in swaying the May 1996 Israeli elections towards the political camp that had forcefully rejected Oslo. Following the ascent of a nationalist-religious coalition under Netanyahu, the bilateral Palestinian-Israeli process entered a very difficult period, ultimately leading to a complete stalemate. The multilaterals became a collateral casualty. A now revived pan-Arab activism allowed the Arab League Ministerial Council to call on Arab countries to terminate 'normalization' with Israel, to resume a primary economic boycott, and to freeze participation in the multilaterals.<sup>36</sup> In March 1997, the USA pressured for the resumption of Multilateral Steering

<sup>35</sup> Press briefing by Andrew Robinson, RWG Gavel-holder, Amman, 26 November 1996 (<http://www.arts.mcgill.ca/mepp/PRRN/docs/rwgpetra.html>).

<sup>36</sup> FOFONET Digest – 28 March 1997 to 31 March 1997 (fofognet@vmi.mcgill.ca). See also Abdul Qader Tash, 'Normalization Process With Arab Countries Being Renewed', *Arab News* (Jeddah, Saudi Arabia), 6 April 1997.

Committee activities, as well as those of the Environmental Working Group Plenary, and for each to meet in Moscow and Spain, respectively. Israel's Foreign Minister David Levy considered the multilaterals vital at this point, given the general deterioration in Arab–Israeli relations. However, this same deterioration made it extremely hard for Arab leaders to justify a return to the multilateral process to their domestic publics. Whereas earlier it had been politically more feasible to represent this process as accruing gains to all parties (absolute gains), the view that now prevailed was permeated by ‘relative gains’ considerations. To be sure, these considerations were not altogether absent, even at the height of the cooperative era (1993–95) but were – at the time – slowly superseded in at least some areas. As former Assistant Secretary of State for Near Eastern Affairs Edward Djerejian expressed: ‘Early on, it was evident that for most participants the multilaterals were seen as a “win/win” situation. All could gain, and all have’ (Bookmiller & Bookmiller, 1996: 37).

The relative gains approach was the banner of opponents of the peace process, in both its bilateral and multilateral venues, even before the latter was derailed. This opposition challenged the multilaterals and its proto-institutionalization on the grounds that these fledgling institutions were particularly privileging opponents across the border (mostly Israel, but also Jordan and the Gulf states), even if all sides gained something from them. Put differently, the gains from institutionalization – they argued – were unequally distributed (hence the notion of relative rather than absolute gains). The multilaterals benefited Israel the most – they maintained – because they opened the door for it to engage in regional trade and legitimized its trading relations with extraregional states, including Islamic ones. While they wielded the issue of relative gains at the aggregate interstate level, their main concern

was no less with institutions that could undermine their own position vis-a-vis political rivals at home. For example, regional institutions that favored free trade were presented as a threat to the aggregate well-being of their states (‘the other state stands to gain far more from trade than we are’) while the main concern was essentially with specific losers (political allies) at home. To some extent, a similar argument can be made for disagreements in arms control negotiations over the precise bargaining sequence of conventional versus weapons of mass destruction, and for virtually every other issue-area, and for every participant.

In a statement reflective of a relative gains approach (‘Wake up, Egypt: economic cooperation may mean Israeli domination’), a senior columnist attacked Egypt for hosting the 1996 Economic Summit. Tahsin (1996: 3) claimed that Israel had completely masterminded the Summit to create a huge market for profitable investment in the region and to ‘strip the Arabs of their one trump card – the Arab economic boycott’. This was not an isolated view, nor was it a response to the Netanyahu government in Israel. Indeed, as Foreign Minister, Shimon Peres himself was the subject of repeated attacks of masterminding ‘Israeli hegemony’ (Tash, 1996), first in economic, then in political and finally in cultural, fields. A proposal advanced by a Lebanese minister suggested the immediate formation of an Arab Common Market. This Arab League proposal was ‘a pre-emptive strategy intended to avoid economic colonization plans [under Rabin and Peres] following a peace settlement with Israel’.<sup>37</sup> In reality, while the Israeli government itself viewed regional economic interaction as boding well for improving political relations, the eyes of most private Israeli entrepreneurs were on

<sup>37</sup> Farouk Al-Barbeer, Lebanon's Vocational and Technical Minister, *Al-Hayat* (London), 19 June 1997.

the global economy, from emerging markets in Asia to the advanced industrial world. This did little to dissipate concerns with relative gains, particularly among constituencies in the Arab world likely to be adversely affected, economically or politically. As is often the case with unintended effects, the multilaterals – at least in some cases – fueled a sharp response from opposition forces while failing to mobilize supportive constituencies on a large scale. Rather than reassuring defense establishments of a cooperative regional future, ACRES mobilized Egyptian constituencies interested in immediate Israeli concessions. In so doing, they compelled Prime Minister Peres to make certain statements geared to assuage Egyptian concerns, and thus keep the multilaterals going. As a consequence, the domestic opposition in Israel used Egypt's demands to damage Labor leaders' credentials as reliable defenders of Israel's security. In time, Egypt's effort to maximize 'transparency' in nuclear policy had a negative ratchet effect throughout the multilaterals, and undermined its most likely partners for dialogue, Israel's Labor–Meretz coalition.

### Prospects for the Future

What general conclusions might be derived from the brief experience of the Arab–Israeli multilaterals that can shed light on the relationship between multilateral institutions and regional cooperation? To begin with, it is important to note that the multilaterals were a *product* of a cooperative thrust in Arab–Israeli relations, not its engine. The multilaterals were the preliminary, inchoate, outcome of a crush peace program fueled by appropriate domestic political conditions in 1994–95, and they collapsed when such conditions changed by 1996. The proto-institutions that emerged during that brief episode had more of a symbolic than an effectively constraining effect on its

members. Participants variously described them as a 'consummation' of progress achieved elsewhere (Oslo), but also as a means to promote a 'peace industry' vital to the success of the peacemaking enterprise. In time, the multilaterals were transformed from an inert process before 1993 into a vibrant undertaking that, at least in some instances, had positive spillover effects on bilateral discussions, mostly through personal interactions. At an early meeting of the multilaterals steering committee (of the whole) in Montebello (Canada), a comprehensive 'vision paper' began to be discussed.

Brief and frail as the institution-building episode of 1993–95 was, it did create certain principles and mechanisms – substantive and procedural focal points – that might influence a future multilateral process, if and when it resumes. The extent to which formal organizations have been created in a certain issue area but not another should not be held as evidence of greater 'success'. The establishment of REDWG's monitoring committee and permanent secretariat have indeed been regarded, almost universally, as tangible steps towards institutionalization. At the same time, agreements over 'rules of the road' (on the environment, for example) can lay the foundations for deeper levels of cooperation even in the absence of formal institutions. To some extent, and particularly relative to a highly conflictual past, discussions in some issue-areas did exhibit a moderate degree of 'diffuse reciprocity' (Keohane, 1985), which might be used as one measure of successful multilateralism (Ruggie, 1993: 22). Linkages across issue-areas, often assumed to facilitate cooperation, may have had a somewhat negative effect on the multilaterals as a whole. Egypt advocated such linkages between ACRES and the Environment Working Group and made progress in the Operational basket contingent on progress in the Conceptual basket, leading to the collapse of ACRES.



The decline of cooperation in ACRS preceded the overall political decline in the peace process. Islamist terror led to a change of guard in Israel, one far less supportive of Labor's approach to Arab–Israeli relations. The Netanyahu government remained oblivious to the synergies between the bilateral and multilateral processes, inducing severe decay in both. Forces opposed to Oslo and to the multilaterals – those who had been concerned with relative gains even prior to 1996 – also grew stronger throughout the Arab world. It is too early to project, as of July 1999, the specific direction of the peace process under the new coalition government led by Ehud Barak, although, on his inauguration day, he clearly stated his intention 'to move the process forward simultaneously on all tracks: bilateral, the Palestinian, the Syrians and the Lebanese, *as well as the multilateral*' (my emphasis).<sup>38</sup> A proclaimed commitment to approach the bilateral Palestinian–Israeli and Syrian–Israeli tracks with dedicated energy bode well for future multilateral negotiations. As is clear from the first multilateral phase (1993–95), without the resolution of core outstanding problems in both bilateral tracks, little progress can be expected. Palestinian statehood and a comprehensive agreement between Israel and Syria might provide more solid foundations for negotiating longer-term regional issues that are best advanced on a multilateral basis. Clearly, a more stable and permanent resolution of regional problems involving public goods (that are 'indivisible') can only be reached in a comprehensive and inclusive multilateral context.

Both in assessing the previous phase of multilateral negotiations and in visualizing a future one, it is critical to bear in mind the shadow of the region's conflictive past. Even in far more benign regional contexts – of economic growth and democratic institutions, as in the European Union – institu-

tionalization has evolved through cyclical booms and busts.<sup>39</sup> Static views of either peaks or valleys can blind us to this evolutionary quality of the role of multilateral institutions in international cooperation. Furthermore, no particular institutional benchmark (such as the EU) should be applied to this or any other effort at multilateral cooperation; institutional efforts to anchor regional cooperation throughout the world do not reveal isomorphic forms, nor have comparable institutional tendencies yielded equal success. Yet the time seems ripe to take stock of what has worked elsewhere and to build and improve on the institutional foundations obtained through the first ever multilateral effort in Arab–Israeli relations.

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<sup>38</sup> *New York Times*, 29 July 1999: A8.

<sup>39</sup> One recalls discussions of Eurosclerosis in the 1980s, replaced by Maastricht euphoria in the early 1990s, the introduction of the Euro, and some skepticism in its aftermath.



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