Written Statement of Dr. David Pollock Kaufman Senior Fellow and Director, Fikra Forum The Washington Institute for Near East Policy House Committee on Foreign Affairs Hearing on "Financially Rewarding Terrorism in the West Bank" July 6, 2016

Thank you very much, Mr. Chairman, Ranking Member, honorable colleagues and distinguished fellow speakers for this opportunity to meet with you today. I am truly honored by it, and I greatly appreciate both this very prestigious forum and the significance of the issue at hand.

As I see it, our primary task here is not to debate the underlying issues of the Israeli-Palestinian conflict, or of past U.S. policy in that regard. Rather, we should focus mainly on these two narrower questions: Is now a good time for major U.S. or other initiatives on that perennial problem? And if not, how can we best help preserve the possibilities of a more constructive approach to the Israeli-Palestinian problem it at some future time?

It is a cliché, but nonetheless true, that the original guiding principle of any serious endeavor should always be, "First, do no harm." Of course, in the real world of politics and diplomacy, nothing is ever certain; so one must weigh the risks of doing harm against the uncertain prospects of doing good. Thus it may be that, in a different era in which the Israeli-Palestinian conflict was more central to regional and even global issues, a risky but potentially productive diplomatic "Hail Mary pass" might have been worthwhile.

But that is simply not the case today. This conflict is now a marginal one, even from the Arab standpoint, and certainly from the American one. It is nowhere near as acute or as consequential, even in the Middle East, as the conflicts against ISIL or among sects and ethnic groups in nearby Syria, Iraq, Turkey, Lebanon, Egypt and beyond. And it is vital to note that, contrary to common misconception, all those conflicts have almost nothing to do with the Israeli-Palestinian one.

Therefore, today it is not just that we should pay more urgent attention to those other conflicts rather than to the Israeli-Palestinian one. Today we must also recognize that even solving, let alone addressing, the Israeli-Palestinian conflict will do almost nothing to resolve or mitigate any other major international problem. And so we must also recognize that the significant risks of failure, backlash, or inadvertent complications caused by an untimely or overly ambitious attempt to deal with Israeli-Palestinian disputes are simply not worth the effort, when much worse and more dangerous conflicts in the region confront us all every day.

Let me be clear. I am not arguing that we should ignore the Israeli-Palestinian conflict. Or that it is unimportant, or unsolvable. But I am arguing that now is precisely the wrong time to put it near the top our foreign policy priorities. And that

certain current ideas about doing precisely that carry a very real albeit unwitting risk of doing more harm than good.

What are those well-intentioned but misguided ideas for U.S. policy? There are more than a few in circulation; but I see three seemingly plausible, if actually self-defeating, ones: first, supporting multilateral diplomatic maneuvers like the French initiative, or a new UNSC resolution on the Israeli-Palestinian issue; second, proclaiming a new set of unilateral American ideas or "parameters" about a two-state solution; and third, encouraging or tolerating various forms of pressure on the parties--such as aid cutoffs or economic boycotts--ostensibly as a means of forcing either a change of government or a change of policy. Let me very briefly explain why I think all three would be self-defeating, and then suggest what I believe would be a more constructive approach.

Multilateral diplomatic maneuvers, whether in Paris or at the UNSC, have one central and inescapable flaw: by definition, they encourage one or both parties to imagine that they can somehow avoid making compromises and ultimately peace with each other. This is not merely a matter, as is usually thought, of avoiding direct Israeli-Palestinian bilateral negotiations. It is also a matter of avoiding responsibility for the indispensable compromises that would make real peace possible: whether on borders, on refugees, on incitement, on settlements, on Jerusalem, on mutual recognition, or on finally ending the conflict and any associated claims.

That is why, simply put, the Palestinian Authority has become so enamored of this "shortcut" or "escape hatch" over the past several years. And that is why, especially in the absence of direct negotiations, a multilateral initiative of this kind is not, as is too often said, "better than nothing." It is in fact worse than nothing, because it actually helps prevent rather than promote peace.

To be sure, once the parties do engage in genuine give and take, there would be a very useful role for international diplomatic intervention. It could help bridge gaps between Israeli and Palestinian negotiating positions, provide valuable additional inputs in the form of security and economic incentives, and expand the circle of peace to include an important renewed regional dimension. Possibly a multilateral framework could even come up with creative new ideas for formulating and implementing an eventual peace agreement, perhaps in transitional stages.

But all that must await a clear demonstration by both parties that they are ready for real bargaining—or else the multilateral route risks hardening positions, raising false expectations, and repeating failure. And at this point, repeated failure could well be the last straw in tipping the balance toward an almost irreversible conviction, on both sides, that peace and a two-state solution are simply not possible.

Nevertheless, in defense of this multilateral mirage, one sometimes hears the refrain that "twenty years of Oslo negotiations have yielded nothing, so it's time to try

something different." Nonsense. If not for Oslo, there would be no Palestinian Authority, no historic steps toward mutual recognition, no Palestinian self-rule anywhere, no peace between Israel and Jordan, and probably no end of Israel's occupation in Gaza. On balance, with all of their shortcomings, this represents progress. And that progress has stalled not due to Oslo or to inconclusive direct peace talks but to their opposite: the second intifadah, the resulting disillusionment in Israel, and most recently the PA's decision to abandon negotiations in favor of the fruitless quest for an internationally "imposed" settlement on its own terms.

The two other misguided alternatives to direct peace talks can be dispensed with very briefly, because they both suffer from the same fatal flaws outlined above. In addition, as my Arab colleague and friend Ghaith al-Omari has lately written, both a new UNSC resolution, or an American presidential "parameters" speech or similar policy departure, are more likely than not to be rejected by both parties as insufficient or unacceptable. Obviously they would do so for different reasons, but the effect would be the same: another costly and counter-productive failure.

Last in this series of self-defeating proposals comes the notion of pressuring the parties (usually meaning Israel) to change their government or at least their policies. This too is, I believe, also mostly a mirage. For one thing, to reiterate my main objection, outside pressure on one side only tempts the other side to harden its position, placing compromise out of reach. That is not peculiar to these parties; it is human nature.

For another thing, the U.S. and others have already wasted far too much time and effort trying to engineer a change in Israel's leadership or coalition government. We or others may now be contemplating a parallel "remote-control" effort on the Palestinian side, as Mahmoud Abbas seems increasingly to be losing his grip on power, or at least popularity. Yet the record shows that this is almost always a fool's errand. In reality, each party will have to choose its own leader. And they will have to convince each other to compromise, if that is indeed what they want. Outsiders can perhaps "nudge" them in that direction, to use a faddish term, but the main onus, and opportunity, lies with the Israelis and the Palestinians themselves.

So, what more constructive "nudges" should we contemplate? Allow me to suggest a short list of them for your consideration.

First, and most urgently, the U.S. should enhance its support for Israeli-Palestinian security cooperation. This is the bedrock of any work to stabilize the situation and ultimately reconcile the parties. I defer to LTG Rudesheim, who is so capably leading this essential mission on the ground today, regarding details. Suffice it for me to mention my own view that the U.S. should discreetly encourage both sides to further expand their recent tacit understandings about limiting Israeli incursions into Area A, and look toward increasing PA security activities in Area B--and possibly even in Palestinian neighborhoods of East Jerusalem outside the wall, which have become a sort of no man's land of crime and violence.

Second, as my colleague Dennis Ross has written recently, and as I wrote at the Washington Institute as far back as 2008, the U.S. should revive a deal with Israel about limiting settlement activity--roughly along the lines of the Bush-Sharon letter and related understandings of 2005. Israel could announce that it will cease new construction beyond the security barrier, or just act consistently in that fashion, in return for a U.S. commitment to cease criticizing that construction. This would immediately benefit both U.S.-Israeli and Palestinian-Israeli relations, even if the PA does not publicly register its approval. And for the longer term, it would help preserve the possibility of a two-state solution some day.

Third, the U.S. should quietly encourage Israel and the Palestinians to agree on new practical form of economic cooperation, and of people-to-people interaction. In particular, without sacrificing security or political bargaining positions, they could greatly upgrade the scope of Palestinian construction and other business activity in Area C, for which international investment would be readily available. This is not about the false promise of "economic peace," which I realize is not a substitute for political agreements. Rather, it would be a good-faith, short-term measure to improve the objective situation, and the subjective atmosphere, for people on both sides, pending more fundamental positive changes and hopefully also leading in that direction. And it would correspond to the expressed wishes of the local Palestinian population, who despite the siren call of BDS overwhelmingly tell Palestinian pollsters that they want more, not less, Israeli jobs, investment, and overall economic interaction.

In this context, the PA's equivocal encouragement of "anti-normalization" campaigns is a serious and completely counterproductive barrier to peace. Despite this obstacle, there are many brave souls and competent NGO leaders, on both sides, who continue to work together on social coexistence and cooperation projects. They need and richly deserve our intensified support, especially at this time when high-level political efforts are stymied. I would even go further, and say that these people-to-people programs are among the very best long-term investments we can all make in promoting the possibility of peace. This is much more than just feel-good symbolism; it really matters, and it really works. It worked in Northern Ireland, in Rwanda, and elsewhere, where it proved to be a crucial missing link in resolving equally bloody and entrenched ethnic or sectarian conflicts.

The more these people-to-people projects can be scaled up, the more they are likely to make a major positive difference. There is currently a bipartisan bill, HR 1489, to create an International Fund for precisely that purpose. I respectfully urge you to give this bill your full support, in the firm conviction that it will pay multiple dividends in the coming years.

Fourth, the U.S. should actively explore new ideas for enlisting Arab backing for Israeli-Palestinian peace. I understand that some of the hype about "pragmatic Sunnis," or about Arab-Israeli "strategic convergence" against the common enemies

of Iran and terrorism, is exaggerated. Still, there is something here to build upon. The U.S. should prevail upon the Arab League, for instance, to reaffirm that the Arab Peace Initiative allows for land swaps, rather than insisting literally on the 1967 boundaries. And we should press for a more explicit or even formal statement that the API could be negotiated and implemented in phases, alongside progress on the Palestinian front, rather than as a "take it or leave it" aftermath of a final Israeli-Palestinian accord.

Fifth, and finally, the U.S. should publicly support, and very vocally encourage others to endorse, what we used to call "mutual and balanced" but if necessary unilateral steps toward peaceful coexistence. For example:

If Israel stops demolition of Palestinian buildings, then the U.S. should applaud that decision and spearhead some form of international acknowledgement of it, in the Quartet, UN, or other appropriate forum.

If the PA stops referring to murderers as "martyrs," then the U.S. should applaud that decision and spearhead an appropriate international acknowledgment of it.

If either the PA or Israel, and preferably both, endorse new programs of interfaith dialogue to advance tolerance, non-violence, and peaceful coexistence, then the U.S. should warmly welcome those initiatives and mobilize broader international support for them, including from our many Muslim friends. Such courageous voices from the inside are the best antidote to the religious extremism that so concerns all of us these days.

flf other countries recognize a Palestinian state, then the U.S. should encourage them to accept the logical conclusion: Palestinian refugees are no longer stateless, so their "right of return" applies not to Israel but to Palestine.

If the U.S. agrees that Jerusalem should be the capital of a Palestinian state, then the U.S. should recognize Jerusalem as the capital of Israel. In fact, unbeknownst to most experts, even the UN has already made a major stride in this positive direction: the same UNGA resolution that admits Palestine as an observer also officially asserts that Jerusalem should be the capital both of Palestine and of Israel.

If Israel allows more Turkish and other international humanitarian and reconstruction aid into Gaza, then the U.S. should not only applaud that decision, but also work with third-party monitors to ensure the aid is not diverted by Hamas to build tunnels, missiles, or other weapons of war.

And if the PA recognizes Israel as a state for the Jewish people, or at least drops its objection to Arab steps toward that goal, then the U.S. should not only applaud that decision, but also press Israel to make good on Prime Minister Netanyahu's earlier proclamation that this "would change everything" – presumably for the better.

The preceding list is naturally just illustrative, not exhaustive, and I would of course welcome additions or friendly amendments to it. I offer it for your consideration in the firm conviction that it offers better alternatives than two others that I noted in my introduction: either trying to do too much to solve the Israeli-Palestinian conflict, or failing to do enough.

With that I offer my sincere thanks once again to the Committee and to you, Mr. Chairman, for this opportunity to share my thoughts on this important topic. With great respect, I look forward to your questions, suggestions, and discussion.