



The Situation in the Middle East - The View from Israel
Lecture by Deputy Foreign Minister Danny Ayalon
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DEPUTY FOREIGN MINISTER AYALON: For me it's a great pleasure, indeed a privilege, to be here at the London School of Economics, which we see as a great academic institute and a center of excellence. Within this framework it is also my honor to address you and give you the point of view which I think should be heard more.

The fact is that over the last 30 years Israel has evacuated from the entire peninsula of Sinai, and from many parts of Jordan, and we now have full peace with the state of Jordan and with Egypt as well. In 2005 we left Gaza altogether, and it was an excruciatingly painful process in Israel: 21 Israeli communities there, three generations, that had to leave. Israel is not in Gaza altogether. We left Gaza totally in 2005, to the last inch. And what did we hope to achieve? We hoped to achieve an entire paradigm shift in the area so nobody will have the "pretext" of an occupation (we are not there anymore) - so the Gazans will have a chance not only to control their own affairs but to build Gaza as a showpiece to the world that they can govern themselves with great investments.

Let me tell you a story using my personal experience in Washington. When we left Gaza there was a case of 4,000 dunams - that's about 1,000 acres - of greenhouses. And none of the Palestinians wanted to buy them. So we raised 14 million dollars from private investors who put money there which could have employed at least 8,000 Palestinian people, and fed many more. Unfortunately, two days later these greenhouses were burned to the ground. Unfortunately, Hamas built a great and enormous apparatus of terrorism.

There is something that I really want to make sure we all understand. Israel does not see it as a zero-sum game. It's a win-win situation. It is our interest, just as it is the Palestinians' and indeed the international community's interest, to move forward and to really have a peaceful negotiation process of which the goal is to achieve historic reconciliation in this very, very important area in the Middle East which has been subjected to so much bloodshed and misery. And believe me, we do not deserve it.

We also may not agree on the past. You know what? We do not have to agree on the past. Each people is entitled to its own narrative. I will say more than that: each people is also entitled to its own vision, national visions and dreams. But then we hit this brick wall of reality, and here is where the leaders are really tested in their ability to bridge between this national vision and dreams and reality. And I think pragmatism and moderation is the order of the day. I know, as an Israeli, as a Jew, that I will not get what I think I deserve, but I wish for this to be the same kind of attitude from everybody and we will see what is possible. Diplomacy, just like politics, is the art of the possible. What is possible now? This is what I want to discuss. What is possible now is to sit together, no preconditions, no strings attached, sit together in a real, serious dialogue and discuss the topics which are the concerns of all.

What Israel needs is security; what the Palestinians need is sovereignty, independence, economic benefits; and what we all need is cooperation, so we can make this area of ours - What is Israel? Israel is actually a very small speck in the Middle East - we can make this area of ours significant in world affairs in terms of scientific research and excellence in all areas, and this is what we need.

The main problem is how to reach it. And here I would like to suggest to you - and, again, I won't go into the past because we have unfortunately been subjected to 16 years of futile

dialogue, and, again, I don't want to blame and point fingers at anybody. Again, let's put the past aside and concentrate on the future. And the future - I believe that if we have discussions with the Palestinians without preconditions, we can have three tracks which should take place simultaneously. One is the political track, just to work on the details of the contours of the agreements we want to see. And nobody will agree more than Israelis that it is time for political and physical separation. If Israel is to maintain and remain a Jewish democratic state, we do understand that we need a Palestinian state.

But we also cannot afford having a state which will not live in peace with us, because we are not suicidal and we want to coexist in peace. So let's discuss the political issues on one track, but this track should not be dependent on the other two tracks, which may go faster or slower than this one track. And it is important to move on this other track, an economic one.

I represent our government, and we've been in office now for seven months. In the last seven months, more has been done in terms of access and movement and removing a lot of the roadblocks and checkpoints, which we had to take out of necessity, but we are taking risks in removing them and really allowing foreign investments to come in. In fact, if you measure the Palestinian economy now (and, again, don't take it from me; just take it from the World Bank), there has been 8 percent growth in the Palestinian economy; that's more than any other country in the world today. Also, there are more economic activities between Israelis and Palestinians. And I think anyone to visit Ramallah or Jenin lately was quite pleasantly surprised to see the ongoing social and economic activities over there. So we need to continue with that.

And again, here, let's act. Let's not revert to these incriminations and very loud speakers, speaking and shouting. This will not get us anywhere. We are there together to stay, and we are dependent upon each other. And if we respect each other with dignity and forget the past - not forget the past, we cannot, but at least try to do what you did here in Europe. If in Europe, after 1,000 years of bloodshed and misery and wars, today you are living together peacefully, certainly we can do it in the Middle East. And I wouldn't lose hope about that.

So besides the political threat, the economic threat is also very important - because people have to feel the peace from the bottom up. It's not enough to impose peace, to have peace between rulers; that will not stick. We have to create peace. So, rulers have to negotiate and get into the terms, but also to build it from the bottom up. So I said political, economic, and the last track has gotten underway, and that is building the Palestinian capacity for institutions and governing.

Here Europe is helping a lot. The EU is paying a billion Euros that towards that end, and the Americans are also giving money to build capacity so that once there is independence, then there will be a responsible state with institutions and transparency. And nobody can afford, and nobody wishes upon anyone, least of all on the Palestinians, a failed state or a terror state. We cannot afford this, and the Palestinians certainly cannot afford this. So this is what we suggest. Let's sit and work on these three tracks and let's move together.

There is a window of opportunity now because there is a politically strong, Israeli government. People talk about the Nixon-goes-to-China syndrome; I'm sure all of you here know what I'm talking about. The track record shows it is easier for a center-right government to make the right concessions, and painful concessions. We do understand that we will have to make painful concessions for peace, but I think that we, as a right-of-center government, have the credibility and also the votes in the Knesset, in our parliament, to pass something which will assure that we do have peace with dignity, justice and security for everybody. This is where Israel is at now.

Now, we have been talking, unfortunately not yet directly, with the Palestinians, but not because of our own volition. So we're working through the Americans, with Senator Mitchell who comes and goes, and I think we have pretty much narrowed down to the bare minimum the differences between us and the United States. And I will not use any euphemisms here; the United States is still our best friend and ally, but we do still have some different views,

which is fine. And I think we are limiting them to the minimum so that the Palestinians can come on board as well and we can re-launch negotiations.

We were very sorry to find that the negotiations stopped when this government took office. Abu Mazen - Mahmoud Abbas - had intensive talks with our predecessor, Ehud Olmert, and there is no reason why he should not continue. When Bibi Netanyahu came into office - and let me tell you, he came into office - this is his second term; he is now much more mature. He didn't work through all the very grueling process of being reelected just to sit in the office idly. And he has actually stated he is ready to do historic things. He is not there just to occupy a seat. And just as he did from day one, now he is still calling on Mr. Abbas to sit together and talk.

We have our own internal problems like every normal country has, political intricacies and domestic issues; the Palestinians have the same. I can tell you at this point, as we are today, I am not sure what will happen with Mahmoud Abbas's call for elections there on January 24th and how that will affect the short run and the long run of the process. But we wish the Palestinians well. We wish that they would put their house in order, whether through elections or any process that they will do democratically. And they will find us ready to discuss, they will find us ready to trade, I mean give and take, in the negotiations. Try us. Judge us.

I truly believe, or otherwise I wouldn't have entered politics, that just as we made peace with Jordan and we made peace with Egypt, we can make peace with the Palestinians. It's not a plague. It's not Heaven-ordained that we cannot live together peacefully with our Palestinian neighbors, not at all.

So I told you what the goal is and how we see it should go forward with the three tracks. And I emphasized the changes on the ground as well. So even, for instance, I hope not, but let's say we had to postpone because the Palestinians will now be busy with their own elections. Obviously most of their energies will be focused inward. That should not stop the other two tracks, of capacity-building and economics.

We have not yet touched the original area and challenges to such a process. The main challenge, unfortunately, is coming from Iran. I don't think Iran would like to see a process get going. The Iranians are supporting every element which is against any reconciliations, be it the Hizbullah in Lebanon, be it Hamas in the Palestinian Authority, be it the Muslim Brotherhood in Egypt. And I think it would be very helpful if, once and for all, the Iranians kept their involvement to their own affairs and didn't meddle with other people's affairs, such as in Lebanon through the Hizbullah. Hizbullah does not represent Lebanese interests; Hamas does not represent Palestinian interests, and so on and so forth. If we can achieve that, and if we can limit the Iranians' support of violence, I think that would be a great boost to a possible and probable and hopeful political dialogue.

I think I will stop at this point. I would love to hear your comments and questions. Let's have a respectful and normal debate. Thank you very much.