

The U.S.-Israel Relationship Arrives at a Moment of Reckoning

An exclusive talk with former U.S. Special Envoy Martin Indyk on Israel's new allies, the Gaza blowup, and why Washington shrugged when the peace process collapsed.

BY DAVID ROTHKOPF

When it comes to U.S. Mideast policy, Martin Indyk is something like a human seismograph. Having spent three and a half decades at the leading edge of U.S. policy in the region, the English-born, Australian-raised Indyk has grown acutely sensitive to the shifts, tremors, and upheavals that have signaled change across the Middle East. Indyk has twice served as America's ambassador to Israel, is a former U.S. assistant secretary of state for Near East affairs, and most recently has played the role of U.S. special envoy for Israeli-Palestinian negotiations. He remains an advisor to U.S. Secretary of State John Kerry on these issues.

Earlier this summer, Indyk stepped down from his negotiator's role when U.S. President Barack Obama decided it was time to declare at least a momentary halt to the spluttering peace process. Given his recent role at the very center of these often fractious exchanges between the Israelis, Palestinians, their neighbors, and Secretary of State John Kerry and the U.S. team, Indyk is as well placed as anyone to identify what's new, what's truly broken, and what still remains possible in the conflict-torn region.

Indyk believes that much has changed but that Israel's leaders and their Palestinian counterparts may be the last to recognize it. He sees a rising generation of Palestinians who simply don't believe a two-state solution is possible and are turning their focus toward winning full rights as Israeli citizens. He sees Israeli leaders who won't acknowledge the irreversible generational shift that is altering U.S.-Israeli relations. Israel, in his view, is also becoming gradually less dependent on the United States and is cultivating a new set of global alliances that may have significant consequences for how

it behaves in the years ahead. And there is a growing likelihood that Israel's battle with Hamas may tie its immediate fate more to a once-unimaginable de facto alliance with Arab neighbors seeking to quash militant extremists than to the kind of negotiations, deals, and alliances with which the world is accustomed.

In short, recent events may amount to nothing less than a strategic earthquake. FP Group CEO and Editor David Rothkopf talks to Indyk to get an informed perspective few others can offer.

David Rothkopf: How has what happened in Gaza altered the dynamics of the peace process?

Martin Indyk: I think it's made it a lot more difficult -- as if it wasn't difficult enough already -- because it has deepened the antipathy between the two sides. The Israelis look at Gaza and what's happened there and understandably say, "We cannot allow such a thing to happen in the West Bank." And therefore, today there's a lot more credibility to the argument that the Israel Defense Forces (IDF) have to stay in the West Bank, otherwise Israelis fear there will be tunnels into Tel Aviv and there will be rockets on Ben Gurion Airport, and Hamas will take over and they'll face a disaster in the "belly" of Israel.

There are security answers to all of that, but I just think the Israeli public attitude is going to be far more concerned about any kind of Israeli military withdrawal from the West Bank. At the same time, the Palestinian attitude will be even stronger that there has to be an end to the occupation, which means a complete Israeli military withdrawal from the West Bank. And the process of negotiating peace does not have any credibility with them unless they have a date certain for when the occupation is going to end, and basically the Israeli attitude will likely be that the occupation is not going to end if that means a complete withdrawal of the IDF. So beyond all

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On the positive side, I think that Abu Mazen [Mahmoud Abbas], the Palestinian leader, has gained some credibility in some quarters in Israel by the way in which he had his security forces cooperate with Israeli security forces during the Gaza crisis and the way in which he prevented a third intifada from breaking out in

the West Bank. But whatever he may have gained on the Israeli side, I fear he's lost on the Palestinian side because they see Hamas resisting Israel and they see ISIS [the Islamic State] using violence to establish its Islamic State over in Iraq, and all Abu Mazen has to offer is negotiations as the way to achieve Palestinian statehood. And negotiations don't have any credibility anymore, 20 years after Oslo and with over 300,000 Israeli settlers in the West Bank and settlement growth continuing and the collapse of the latest effort. So I think that too has also made it more difficult. And now Abu Mazen is responding to his need for "street cred" by threatening to go the international route to unilateral recognition of Palestinian statehood, which will generate an Israeli counter-reaction.

And once the dust settles, we may have a politically weakened [Prime Minister Benjamin] Netanyahu as well. There was already the problem of distrust between the people and the leadership -- I'm afraid that's just going to be compounded by what's happened [in Gaza].

DR: Give me the scenario under which Netanyahu weakens -- given that recent polls showed considerable support for him and his Gaza policy.

MI: The poll that showed strong support -- 82 percent support -- was conducted before the ground operation. But the sentiment in Israel, the popular sentiment, was to go all the way, to topple Hamas, to take over Gaza, and then somehow hand it over to the Palestinian Authority. People wanted a victory, and "quiet for quiet" is not a victory and probably isn't going to be attainable. If [Israelis] end up with a war of attrition, and every time rockets are fired they have to go into the air raid shelters, I'm afraid that they're going to blame their leadership for not achieving their preferred outcome. [An Israeli TV poll revealed Monday of this week that Netanyahu's support had seen a "dramatic decline," falling to 38 percent, bearing out Indyk's prognostication of a few days earlier.]

The fact that such an outcome was not achievable at any reasonable price, and that Netanyahu acted responsibly in the circumstances, may not be convincing to an Israeli public that's left feeling unsatisfied.

That may be compounded by the declining growth in the Israeli economy, to the point that there's now talk about an Israeli recession. Bear in mind that Israel rode out the 2008 Great Recession without any pain, thanks to very good economic management by Netanyahu and [former Israeli central bank governor] Stanley Fisher. And life has been very good for most Israelis since then -- very little terrorism or violence because of security cooperation with Abu Mazen, despite being surrounded by regional turmoil. Life has been "a beach." But the indications of a slowdown in the economy were already starting before the Gaza War and now might be compounded by the drastic reduction in tourism and other negative factors that slow the economy. So that may create a very different circumstance than has been the case for much of Netanyahu's time in office over the last four years. The combination might lead to disaffection.

DR: That's interesting. So effectively, by having a lingering crisis with periodic rocket attacks and periodic responses from the Israelis, Hamas is actually able to in effect impose economic sanctions on Israel. Is that what you're saying?

MI: It might be. It's too soon to tell but if the chronic violence succeeds in significantly reducing tourism to Israel and foreign investment in Israel, you could be right. Israel has ridden out these kinds of crises in the past and bounced back. It's not at all clear whether Hamas is capable of sustaining a war of attrition, but the trend line is negative.

DR: What do you see as the impact of the Gaza conflict on the U.S.-Israel relationship?

MI: It's had a very negative impact. There's a lot of strain in the relationship now. The personal relationship between the president and the prime minister has been fraught for some time and it's become more complicated by recent events.

What people like to say about the American economy is also true of the U.S.-Israel relationship: The fundamentals are strong. Certainly, congressional support is strong and bipartisan. And in the security relationship and the intelligence relationship, those ties have developed over the years to the point that they are now deep and wide. But there are things happening in the relationship that should give people who care about the relationship -- as I do -- anxiety. There was a Pew poll that showed a generational shift, with younger people being less supportive of Israel. It also showed a political shift, with Democrats being less supportive of Israel, [and] Republicans staying the same in terms of their strong support.

If those trends continue -- and I think they are likely to have been exacerbated by the Gaza crisis, with all the ethical questions that has raised -- then over time Israel may find itself in a very different situation than it's gotten used to. If Israel becomes a partisan issue in American politics, the U.S.-Israel relationship will then be weaker as a result. And if the next generation is less supportive than the current generation -- and I fear that that will be true amongst younger American Jews as well as more broadly -- then that will erode the fundamentals of the relationship over time.

So I think there's a warning bell ringing that people need to pay attention to.

DR: The more this happens, the more it seems the reaction of the Israeli government is to be defiant, to stick its thumb in the eye of the relationship -- the attacks on Kerry; the release of phone call transcripts; the harsh language. The message is sent by Israeli leaders periodically that says, we'll go around the White House, and we'll go to the Congress. I've even had some conversations with Israelis where they say, "Americans don't understand the reality; they're naïve." But we do understand the reality. In fact, it's many Israeli leaders who seem to be shrugging off what you're talking about -- a generational, historical shift that could change the very nature of the most important sort of foundation of Israel's support in the world. How do you account for the apparent disparity?

MI: I think that something's changing on the Israeli side too that all the things that you mentioned reflect, which is that Israel is not anymore the weak and small and dependent state that for so long characterized its position in its relationship with the United States. Now it has a strong army. It has a strong economy. And it has developed relations with world powers that it didn't have before.

Few people noticed that the Indian government came out in support of Israel in this war; social media in China was pro-Israel. It has developed strategic relations with both countries, and with Russia as well, that led Israel to absent itself from the vote of the U.N. General Assembly condemning Russia's annexation of Crimea. I think there's a sense in Israel, particularly on the right, that they can afford to be defiant of the United States. Israelis also sense a potential for a new alignment with Gulf Arab states that didn't exist before that is generated by their common interest in curbing Iran's nuclear program and countering Iran's efforts to dominate the region, opposing if not overthrowing Bashar al-Assad in Syria, and combating Hezbollah and the Muslim Brotherhood, with its stepchild Hamas in Gaza. Israel shares this array of enemies with

the Sunni Arab monarchs and the Abdel Fattah al-Sisi regime in Egypt. You can see it in this Gaza crisis quite clearly, where the Saudis and the Egyptians in particular wanted Israel to take down Hamas.

So the combination of all of that leads Israelis to feel more independent of the United States, especially in the context of their sense that the United States is withdrawing from the region and therefore may be less reliable for Israel. These Arab states are also concerned about what they see as an American withdrawal and feel a greater need to cooperate under the table with Israel to help deal with the chaos and threats around them.

So I think that the framing for Israel is different now. Now some politicians on the right feel that standing up to the United States is a cheap way to assert their independence and patriotism. I don't remember a situation before where right-wing Israeli politicians could disparage the United States' leadership and yet gain popularity. And maybe it's because they don't seem to pay any price for it. But I suspect that it's something deeper. There's a sense that Israel has become a power in its own right, and it doesn't need the United States as much. It's a kind of hubris.

I saw this once before, before the 1973 war, when Israelis felt they were the superpower in the region and so didn't have to worry about support from the United States. And it turned on a dime once Egypt and Syria attacked Israel by surprise on Yom Kippur in 1973, and suddenly Israel found itself totally dependent on the United States. So it may be that the bubble of illusion will burst here too and Israeli politicians on the right will come to understand that for all their bravado, the United States is not just Israel's most important friend but in a real crunch its only reliable friend.

DR: Do you feel that the White House was trying to send a message about Gaza? Do you feel the White House is trying to exert more pressure on the Israelis than the Israelis are

used to?

MI: No, I don't think so. I think it was in a very specific context of the president being concerned by the loss of civilian life in Gaza, and making that clear both privately and then in public. The statements out of the White House and the State Department were a reaction to the bombing of U.N. compounds and the loss of innocent lives, particularly of children.

President Obama has been very clear from the beginning of his administration -- something for which he gets practically no credit in Israel or amongst Israel's supporters in the United States -- he's been absolutely clear that whatever the differences he may have with the Israeli prime minister, he's not going to touch the security relationship. And he's been very strongly supportive of Israel's security requirements, notwithstanding the real tension in the personal relationship.

So I don't believe that the White House intended now to withhold weapons or missiles in order to get Israel to stop firing. The fact of the matter is the Israelis wanted to stop the firing. It was a question of how to get Hamas to stop firing the rockets.

DR: To what do you attribute the remarkable outbursts against the secretary of state, who's clearly been devoting himself towards advancing a peace process which, at least in theory, is in the interests of the Israelis?

MI: Well, it started with Defense Minister Moshe Ya'alon attacking [Kerry] publicly during the peace process, which I attribute to two things. One, the defense minister had a very clear sense of what Israel's security needs are and they do not include withdrawing the Israeli army from the Jordan River, which would have to be addressed in the peace negotiations if there was to be a deal. So I think there was a substantive disagreement, but the lack of respect was truly disturbing, specifically given the

importance of American security assistance for the well-being of Israel's defense, for which the defense minister is responsible.

But it got completely out of control during the Gaza crisis, where the secretary was assailed for supposedly betraying Israel because he was trying to work with the prime minister on a cease-fire, and he engaged with Qatar and Turkey to test whether they could influence Hamas to stop firing the rockets. And that criticism came not just from the right but from pundits on the left as well -- Haaretz published three articles by their journalists attacking Kerry. I think that's a product of a particular circumstance in which Israelis felt very much isolated, on their own -- that the world didn't understand them. In that defensive crouch, I think they were waiting for a betrayal by the United States even though the secretary and the president repeatedly supported their right to defend themselves. So they interpreted the secretary's actions as being designed to undermine Israel in favor of Hamas and undermine its burgeoning alignment with Egypt and Saudi Arabia.

In fact, nothing could have been further from the truth but that was the perception and, unfortunately, it was a line fed by some unnamed Israeli officials, one of whom described Kerry as launching "a strategic terror attack." That was just outrageous and it enraged the president.

DR: In theory...

MI: The fact of the matter is what Secretary Kerry had produced in terms of the proposal that he had worked on with Prime Minister Netanyahu was actually better than [what] the Egyptian initiative -- which has just now collapsed in Gaza -- produced.

Unfortunately, people don't look at the facts in an emotional situation, and turning on the secretary of state was egregious. I don't think I've ever seen anything like it in my over three decades of involvement in the U.S.-Israel relationship.

DR: And yet it seems that the Israelis can do whatever they want with impunity because the security relationship is off the table for the president. So the defense minister, heavily dependent on U.S. defense assistance, can say whatever he wants about the United States and there's no consequence, to speak of. Or is that -- or are they just testing the boundaries of the relationship and we haven't seen the limit?

MI: You know, I think there's a great deal of tolerance and patience in Washington that comes from a basic commitment to the relationship. I think John Kerry has a perfect voting record on Israel -- 30 years in the Senate, 100 percent support -- that comes not because AIPAC told him to do it but because he has a fundamental understanding of the importance of Israel and the U.S.-Israel relationship.

So, you know, there's a tolerance for this kind of static in verbal exchanges because Secretary Kerry knows it's not true. But somebody likened the United States to a dinosaur -- we're so big and so strong that these kinds of slights don't really make much of a difference, until one day the dinosaur awakes wakes up, and it lifts up its tail, and brings it down again, and whomp! So just because there don't seem to be consequences for this, I think it's very unwise for Israeli right-wing politicians to assume that there will never be a consequence because, when push comes to shove, as much as they may think that the United States needs Israel, the bottom line is: Israel needs the United States more. And that is going to be even more the case going forward than it is today. It's not a good idea to leave the reservoir of goodwill empty.

DR: What does all this mean in terms of the future of the peace process? There are several ways you can interpret what you said. One is, for the near term, given the situation in Gaza, given the composition of the Israeli government, given the composition of the U.S. government, progress seems extremely unlikely, particularly if the Palestinian authority and Abu Mazen are at all weakened -- and Hamas is at all strengthened -- by this.

Another way is to say that perhaps the nature of the interaction will change in some fundamental way. Some other issue will supplant the discussion we've been having, you know, over the course of the past couple of decades regarding the peace process. And I can think of two. One is that the Palestinians proceed with statehood on an independent path and the world supports it -- they set up a country and they say, "We'll deal with these other issues as an independent state."

Or, alternatively, the coalescing alliance among the Israelis, the Egyptians, the Gulf states, the Jordanians, the Russians, the Indians, and others -- even the Chinese -- against the spread of militant Islam takes precedence because of the Islamic State and other things, and that it's that alliance that ends up supporting, pushing back on Hamas, and that we focus for the next couple of years on this issue of militant extremism, and just table the other issues until we get there. And in so doing, if there is some success in this, it could end up strengthening a more moderate series of Sunni voices throughout the region, including the Palestinian Authority.

But maybe there's another still. Are we at a phase shift in all of this?

MI: It's obviously very difficult to tell. I'm impressed in my experience over 35 years of close observation of the U.S.-Israeli relationship of its ability to constantly reinvent itself. Think back to the pre-1973 war situation, the height of Cold War competition between the United States and the Soviet Union in the Middle East, and Israel is on the front line shooting down Soviet pilots in Egyptian MiGs over the Suez Canal. Israel becomes an ally in [the] defense of freedom during the Cold War.

After the '73 war, the United States and Israel became allies in the effort to promote peace and American dominance in the region. And since then they have become our ally in the defense of the West against terrorism. And in each case, the relationship has grown deeper and broader on a strategic level.

And now, as you suggest, there may be a new justification for the relationship, in which the United States, as it withdraws from the Middle East, looks to adopt an offshore balancing approach in which Israel, Egypt, and Saudi Arabia become the pillars of an attempt to construct a new order in the region out of the chaos that's engulfing it. At the moment that doesn't seem to be the way it's developing, because the United States seems to be on the other side of this alignment when it comes to the negotiations with Iran or our tension with Egypt or our reluctance to act in Syria. But I think over time it's probable that that realignment will be something that the United States ends up getting behind and that will provide a new justification for the U.S.-Israel relationship.

And so one can, in a sense, look at the long arc of the relationship and say everything's going to be all right. But where it won't be all right is for Israel itself, because as nice as it is to have strategic alignments, none of that solves Israel's existential problem: What is it going to do about the 2.6 million Palestinians it has responsibility for now? And if it doesn't find a way to resolve that issue, that existential dilemma, if Israel continues to control 2.6 million Palestinians in the West Bank, it's going to have to decide sooner rather than later whether it's a democracy or a Jewish state, but it won't be able to be both.

I witnessed it during these negotiations. The younger generation of Palestinians who have grown up knowing nothing but Israeli occupation don't believe in a two-state solution, don't believe there will ever be an independent Palestinian state. They want equal rights in Israel. And that's where this is heading. And then Israel will find itself in a really serious dilemma. It's only a matter of time. And no matter how strong the relationship is between the United States and Israel, it's not going to help solve that dilemma unless Israelis decide that they want to resolve it.

The United States will do fine without a resolution of this particular conflict. As time goes on and other issues come to dominate our agenda and our interests shift, really the

only reason we have left to pursue a settlement of the Israeli-Palestinian conflict is because of our concern about Israel's future.

It's very hard to make the argument that America now has a strategic interest in resolving the Israeli-Palestinian conflict. It's just one of many conflicts and it's not the most important and it's not the most difficult. We could leave Israel alone to deal with it as best it can, but that's not what a true friend does. So when the Israeli public decides that they have to find a way to confront their dilemma, then the United States will be there to help, and the U.S.-Israeli relationship will be critically important in terms of giving them a safety net to enable them to make the difficult, gut-wrenching compromises necessary to resolve this dilemma.

DR: But it sounds like what you're saying is that this timeout is necessary because it's time for Israel to do some soul-searching about why it's doing this, what its objectives are, what solutions it wants to pursue. But that's complicated by the fact that it doesn't sound like the Israelis have much of an appetite for soul-searching. We could be in a period of sort of protracted stasis on this front, dealing with other issues until this one ripens.

MI: Well, the president certainly felt it necessary to have a timeout. That was driven by the reality that despite a major investment of time and energy by his secretary of state, mobilization of Pentagon resources to try to address Israel's security concerns in the context of the peace agreement, and a major diplomatic effort by the United States to try to achieve a breakthrough, we weren't able to do it. I think it was Einstein who said the definition of insanity is repeating the same thing over and over again and expecting a different result. With so many other priorities for the secretary of state and the president in a world that is presenting huge challenges for American interests, it doesn't make sense at this point to try again unless something has changed in a way that leads us to believe that success becomes possible.

I think that the change will have to come from Israelis and Palestinians knocking on the president's door and saying, "We're ready, we want to resolve this now," rather than the United States knocking again on their door and insisting that they have to do it.

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