THE TURNING POINT: FROM MANAGEMENT TO RESOLUTION IN THE ARAB-ISRAEL CONFLICT

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Introduction

A broad overview of the Arab-Israel conflict in the last fifty years suggests that it can be divided roughly into two periods. The first, from 1948 to 1973, was dominated by an attempt to manage the conflict, while the second, from 1974 to the present, is characterized by an attempt to resolve the conflict. Although the dominant strategies in each phase were very different — war and deterrence during the first phase, negotiation during the second — I will argue that they are both driven by the same underlying dynamic: dissatisfaction with the status quo that is increasingly unstable, and shared learning about the costs of the use of force from prior rounds. The transition between the two phases occurs when, in addition to their dissatisfaction with a status quo that is unstable, and their shared learning about the costs of the use of force, the parties begin to learn after the war in 1973 from failed and successful experiments in negotiation.

Embedded within the overarching Arab-Israel conflict are several enduring rivalries. The focus of this paper are the rivalries between Egypt and Israel, the PLO and Israel, and Syria and Israel. I do not examine the Israel-Jordan relationship, which does not qualify as an enduring rivalry. I analyze the linkages among these enduring rivalries as the larger conflict moved from conflict management to conflict resolution.

The first phase, from 1948 to 1973, was dominated by large scale inter-state war. During this period, the goal was conflict management and the strategies were deterrence and war. Negotiation was largely restricted to clarifying the terms on which wars were ended and establishing some explicit or tacit rules to prevent the outbreak of another war. The parties struggled to manage the conflict, and either had no expectation that the conflict could be ended, or had no interest in ending the protracted conflict. Military goals became progressively more limited as leaders learned about the costs of the use of force, but the goal of negotiation did not expand beyond maintaining a stable managed environment. Conflict resolution was not on the table. In the second period, from 1974 to the present, first one and then another of the parties expanded the goal to conflict resolution; in this period, negotiation becomes the principal instrument. The goals, the issues, and the parties involved in negotiation with Israel slowly expand, and as negotiation becomes more prominent and more expansive, violence becomes ancillary to the process of negotiation.

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The difference between the two periods is striking: in the first period, negotiation took place in the shadow of war, while in the second period, violence, rather than large-scale warfare takes place in the shadow of negotiations, increasingly to influence the shape of negotiations, their outcome, or the acceptability of agreements. In this paper, I ask two broad questions. First, what explains the inversion of the relationship between violence and negotiation over the two phases? Over time, the importance of force declines, and the centrality of negotiation grows. Second, what explains the widening gyre of negotiations, the capacity to encompass additional parties and issues over time?

The Controversy: Structural Explanations and Learning

A strong strand of the scholarly literature suggests that structural factors explain both the declining importance of force over time in the management of the conflict and the outcome of negotiated agreements from Camp David in 1979 to the Wye Memorandum in 1998. Structure generally refers to contextual variables outside the negotiation process. Analysts argue that structural factors shape both the inclination to use force and the negotiation process.

Structure can refer to the structure of preferences among the parties. Analysts who use rational choice, for example, rank parties' preferences over different outcomes and model the stable and unstable outcomes of interaction. Game theory, a structural theory of preferences, has been used to model choices between the use of force and cooperative strategies and has demonstrated the obstacles to optimal outcome among the parties. It has also analyzed the outcome of negotiating strategies among parties. Game theory pays no attention to the process of negotiation in explaining the outcome of the negotiation. Nor does it privilege the problem of entering into negotiation. It treats negotiation as one of a series of options, or analyzes preferences over different outcomes of negotiation.

The structure of negotiation can also refer to dimensions of the negotiation — bilateral or multilateral negotiations (the number of parties), multi-or single issue, the number of stakeholders, and the accountability of the parties at the table to constituencies (one or two level games). Here too analysts make predictions about the outcome, but these predictions are far less specific. Most scholars who assess these dimensions explain agreement as a consequence of the complexity of the negotiation. I do not explore either of these two structural explanations here, since they provide little theoretical substance.

I privilege the neo-realist emphasis on the balance of power among the parties as the most important structural explanation of outcomes, because these explanations are so preeminent in the literature. Neo-realists generally expect that asymmetries of power will be reflected in the willingness to use force and in the willingness of the parties to come to the table. Other things being equal, the less powerful the party, the less willing it should be to use force, and other things being equal, the less powerful the party, the more willing it should be to come to the table so that its needs can be met through negotiation. Asymmetries of

power should also be reflected in the terms of the agreement. The stronger party, other things being equal, should do commensurately "better" at the table. Structural arguments give no weight to the process of negotiation, but reason directly from the underlying balance of military power to the outcome.

The evidence provides very limited support for the balance of military power as a predictor of the willingness to use force and the willingness to come to the table. A quick preliminary interpretation of the evidence suggests that the realists got it wrong. After 1967, Egypt and Syria, considerably weaker in military power relative to Israel, nevertheless displayed a willingness to use force in 1969 and again in 1973. Similarly, the weaker parties in the relationship were historically more reluctant to come to the table. The only exception to this pattern is the Palestine Liberation Organization which, as the only non-state party to the conflict, sought entry into a process of negotiation, initially as a way of securing legitimacy and recognition. Even in the last decade, Syria, unquestionably inferior to Israel in the military balance, remains reluctant to come to the negotiating table. The evidence suggests a far more complex and textured relationship between structural factors and the willingness to use force and to come to the table. The balance of military power was important, but in far more complex ways than some realist arguments suggests.

I argue that structural balances are mediated by what leaders "learn" over time, the reasons they give for failure on the battlefield or at the negotiating table, and the lessons that they draw from success or failure. There are multiple theories of learning, some of which emphasize fundamental cognitive processes and others personality traits, but none assume that people reflect their environment with complete accuracy (Stein, 1994). If learning by leaders mirrored accurately the underlying balance of military power, then it would neither be interesting nor necessary as part of the explanation of the willingness to come to the table and reach political accommodation. The evidence is overwhelming, however, that the "lessons" leaders "learn" vary widely, that cognitive and personality factors influence the capacity to learn, that these lessons are open to significant differences in interpretation, and that it is badly misleading therefore to predict from the underlying balance of military power to a use of force, the onset of negotiation, or the contours of a negotiated political accommodation.

The Arguments

Recent analysis of enduring rivalries is a far more promising approach to the explanation of how conflict begins, endures, and ends than are static, structural analyses of the balance of military power at a given moment in time. In these analyses, variables can be lagged and their impact estimated on subsequent rounds of rivalry and accommodation; longitudinal, dynamic models offer much better purchase than do static cross-sectional comparisons. Analyses of an enduring rivalry build the history and the context of the dispute into a dynamic analysis of the rivalry over time, and allow for explicit modeling of the

impact of learning as the rivals move from one stage of the rivalry to another (Goertz and Diehl, 1992, 1993, 1995). In a dynamic version of classic structural arguments about the impact of the balance of power, some have explained Arab and particularly Egyptian willingness to enter into negotiation with Israel as the result of learning about the balance of capabilities from repeated defeats over time (Lieberman, 1994, 1995).

This argument differs from traditional realist explanations in two important ways. These scholars now acknowledge that leaders do not often read the balance of military power accurately and consequently go to war to test their estimates of the relative military balance. In this sense, war becomes the classroom. Second, however, in an inconsistent assertion, realists argue that leaders learn the lessons of war accurately even though they cannot read the balance of power accurately. In the protracted Egyptian-Israeli rivalry, the argument goes, Egypt's leaders learned from defeat and reluctantly moderated their military and political objectives. This moderation stabilized deterrence over time and created a willingness by Egypt's leaders to begin a process of negotiation which ultimately produced political accommodation. In this argument, the balance of power is refracted on the battlefield, which in turn shaped leaders' willingness to negotiate and reach agreement. It is against the context of repeated defeat, the argument goes, that the defeated weaker party unwillingly comes to the table and ultimately makes the concessions required for political accommodation.

I dispute the proposition that learning about the balance of capabilities from repeated defeats over time by the so-called "defeated" party is a sufficient condition of political accommodation through negotiation in an enduring rivalry. Rather, I put forward two distinct propositions which locate the driver in the lessons leaders learn, and identify the importance of domestic politics as a constraint or inducement to action, independent of the learning leaders do.

I argue first that learning by both "winner" and "loser" about the costs and consequences of war is a necessary but insufficient condition of a willingness to enter into negotiation. Similarly, learning over time about the costs of failed structures and strategies of negotiation is a necessary but insufficient condition of a negotiated political accommodation among the parties to an enduring rivalry. In both cases, in addition to learning from failure, the domestic politics of the parties coming to or already at the table can be an important constraint or inducement to agreement.

Before quickly reviewing the evidence, two comments are in order. First, any learning model assumes that the parties have the opportunity to experiment in repeated trials. The Arab-Israel conflict, treated as a single interconnected conflict over time, unfortunately provided all the parties with the opportunity to learn about the costs and consequences of the threat or the use of force as the principal instrument of conflict management. It also provided all the parties, even those who stayed out of the negotiation process, with the opportunity to learn about failed structures and strategies.

Second, in explaining the movement over time to a process of negotiation and to a series of negotiated political agreements, I do not, unlike most analyses of negotiation, give

explicit theoretical weight to the creation of trust between the parties (Kuglanski, 1998; Larson, 1998). I do not because if the creation of trust among the parties to an enduring rivalry were the precondition to the onset of negotiations, very few would enter into negotiation. Rather, it may be that the process of negotiation itself creates trust among formerly distrustful parties. It is also possible that trust is not created by the process, but through learning, leaders put in place functional equivalents to trust (Stein, 1998).

The Evidence: From War to Negotiation

My examination of the pattern of learning over the first period in the Egyptian-Israeli rivalry does not support the proposition that a "challenger's" learning from defeat about the balance of capabilities is direct, and that it is sufficient either to create deterrence stability or to bring an unwilling party to the table (Table 1). The evidence suggests no linear relationship between Egyptian learning and the battlefield outcomes (Stein, 1996).

At the beginning of the rivalry, learning from defeat was very limited. Only partial lessons were drawn as successive defeats were explained away, first as the result of incompetent, corrupt regimes (in 1948), and then as the result of the intervention of the great powers on Israel's behalf (in 1956 and 1967). This pattern of learning is consistent with the expectations of cognitive theories of consistency: people cling to core beliefs and adjust at the margins until the disconfirming evidence is overwhelming (Jervis, 1976).

It is interesting to note as well that the learning that did take place did not proceed in a neat, linear sequence. The partial lessons that were learned from military defeat were effective in dampening the temptation to use force from 1957 to 1967, largely because the conflict with Israel was not a priority on President Jamal abd' al-Nasir's agenda throughout most of this period. Even though the temptation to use force was reduced because the preconditions Nasir had identified for an effective use of force were largely absent, the limited learning about the military balance produced no willingness to come to the table to negotiate a political accommodation during this period. As I observed earlier, there was an inverse relationship to the expectations of structural realists: the stronger party, the "winner" on the battlefield, was willing to come to the table, but the "loser" was not willing to consider political accommodation.

Moreover, as pressure from allies built over time, the lessons that were learned on the battlefield in the first twenty years of the rivalry were overwhelmed in intense frustration in the spring of 1967. Political pressure, rather than learning, cumulated to push toward escalation in 1967. Updated estimates of the balance of capabilities did not drive policy; rather, policy drove estimates of the balance of power. This is consistent with the expectation of motivational psychologists who have identified similar processes of wishful thinking (Janis, 1989; Janis and Mann, 1977). Analysis of the military balance, or even of battlefield results over two decades, does not fit the theoretical expectations of realist analyses of the military balance over time in an enduring rivalry.

TABLE 1
LEARNING ABOUT THE MILITARY BALANCE

EGYPT	LESSONS LEARNED BY EGYPTS LEADERS	EGYPTIAN REVISION OF MILITARY ESTIMATES	INDEPENDENT ESTIMATES OF MILITARY BALANCE	PRIORITY OF EGYPTIAN LEADERS	PRESSURE ON EGYPTIAN LEADERS TO ACT
1949-55 STABLE	VERY LIMITED	VERY LIMITED: PARITY	ROUGH PARITY	REGIME CONSOLI-DATION	LOW
1955-56 LOW INTENSITY FAILURE	VERY LIMITED	VERY LIMITED: PARITY	ROUGH PARITY	ISRAEL LOW PRIORITY; PALESTINIAN PRESSURE	LOW
1957-67 STABLE, BUT IN 1960, FAILURE	TACTICAL LEARNING NEW RE-QUIREMENT FOR WAR	CONSI-DERABLE: INFERIOR	INFERIOR, BUT GROWING	ECONOMY, ARAB COLD WAR	VARIABLE, HIGH AT TIMES, GROWING
1967 MASSIVE FAILURE	TACTICAL LEARNING OVERTAKEN	PREFERENCES DROVE ESTIMATES: PARITY - SUPERIOR	MIXED	LEADER OF ARAB WORLD	INTENSE AND GROWING
1967-69 UNSTABLE SEVERAL LOW IN-TENSITY FAILURES	CONSIDER-ABLE TACTICAL LEARNING	REVISED ESTIMATES: INFERIOR	INFERIOR	RECOVERY OF SINAI	INTENSE AND GROWING
1969-70 FAILURE	CONSIDER-ABLE TACTICAL LEARNING	REVISED ESTIMATES: INFERIOR, LOCAL ADVANTAGE	INFERIOR	RECOVERY OF SINAI	INTENSE AND GROWING
1970-73 UNSTABLE TRUCE	TACTICAL AND COMPLEX LEARNING	REVISED ESTIMATES: INFERIOR	INFERIOR	RECOVERY OF SINAI	INTENSE
1973 FAILURE	TACTICAL AND COMPLEX LEARNING	REVISED ESTIMATES: INFERIOR, BUT PEAKED	INFERIOR, BUT GROWING	RECOVERY OF SINAI	INTENSE, THREAT-ENING REGIME

The relationship between Egypt and Israel became most dangerous and "unstable," after Egypt experienced its worst defeat. After the overwhelming disaster in 1967, Egyptian leaders were motivated to learn much more actively and intensively about the military constraints that they faced. It is interesting, for example, that the widespread study of Hebrew language and Hebrew sources among Egyptian intelligence analysts began only after the defeat.

Egypt's leaders, however, learned not only about the constraints imposed by the military balance. As pressure to recover the Sinai intensified, Egyptian leaders, pushed by President Anwar el-Sadat, were strongly motivated to learn how they could design around their adversary's strengths and impose heavy costs on a militarily superior adversary. Designing around deterrence is not surprising by those who are deterred, feeling frustrated, and seeking a way out (George and Smoke, 1974). At the same time, President Sadat experimented with the first, tentative offer of an admittedly incomplete political accommodation as a vehicle to recover the Sinai short of the use of force. Confident in the adequacy of superior military power as a deterrent to the use of force, Israel's leaders dismissed the signal to come to the table.

The period from 1970 to 1978, from the war of attrition to the agreement at Camp David, initiated the critical shift in the enduring Egyptian-Israeli rivalry from war as a strategy of conflict management to negotiation as a strategy of conflict resolution. The defeat in 1967 increased the motivation of a new Egyptian leader to recover the Sinai. Anwar el-Sadat learned from defeat how to use force more effectively; this kind of learning is not consistent with structural explanations which give heavy, if not exclusive weight, to the balance of power. As the costs and consequences of even an effective use of force became apparent to Sadat, however, even before he made an irrevocable decision to use force in 1973, negotiation became a plausible option. After the war of 1973, negotiation as a strategy of conflict resolution became his preferred option.

An examination of what the militarily inferior party learns from repeated defeats is an important part, but only a part, of the analysis of an enduring rivalry that moves from force to negotiation, from conflict management to resolution. For negotiation to be plausible, learning by Egypt's leaders was not sufficient, Israel's leaders had to learn the costs and consequences of military victory and the frailty of a favorable military balance as insurance against the use of force. This they learned only after their costly military victory against Egypt in 1973.

Learning from victory was a critical element in shifting the trajectory of the rivalry from conflict management to conflict resolution. Israel's leaders were generally confident -- badly over-confident -- of the capacity of a favorable military balance to deter a use of force. Only in 1956 did they worry about the relative balance of capabilities and consequently chose to go to war to prevent an attack and reinforce deterrence. In 1967, comfortable with the relative balance of power, Israel's political and military leaders were surprised by Nasir's willingness to risk escalation.

After their overwhelming military victory, Israel's leaders, with few exceptions, renewed their confidence in deterrence and expected Arab leaders to come to the negotiating table. They were surprised by the refusal of Arab leaders to begin negotiations, but even more surprised by the war of attrition that President Nasir began, despite the unfavorable military balance. Yet, they learned little from these repeated failures of deterrence. Then Minister of Defence, Moshe Dayan, proposed a partial retreat from the Suez Canal and the reopening of the Canal to commercial traffic. He could not persuade Prime Minister Meir, however, to make any political concessions when Israel had "won" the war. Insulated by victory, Israel's leaders again renewed their confidence in the military balance and saw no reason to make political concessions to relieve the intense frustration of Egyptian leaders.

Only after the war in 1973, when Egypt fought a war for limited purposes and simultaneously imposed heavy casualties on Israel's forces, did Israel's leaders finally learn about the costs of repeated victories. They began to moderate their confidence in the relative balance of capabilities as a sufficient deterrent to war, and experimented with political concessions even in the wake of "victory." Complex learning by the victor created the necessary conditions for the first trial-and-error experimentation with a process of accommodation that shifted from conflict management to conflict resolution.

A new president in Egypt, freed of the commitments of his predecessor, and motivated not only to regain the Sinai but also by a different set of political and economic objectives, learned that agreement on a legitimate status quo was essential to resolve the conflict and allow Egypt to achieve other important objectives. Sadat was almost alone among his colleagues in learning this lesson; other members of his Cabinet and most of his principal advisers opposed any accommodation with Israel. Indeed, his foreign minister resigned in protest when President Sadat announced his intention to visit Jerusalem (Stein, 1993, 86). Clarification of the relative balance of capabilities through defeat was at best an inconsistent and indifferent teacher. The scope of learning necessary to shift to conflict resolution was far broader.

From Conflict Management to Conflict Resolution

A dynamic explanation of negotiation allows for learning by the parties who participate in the negotiations over time. As parties learn over time, so-called structural variables change: as parties learn from experience, they begin to reach agreements that change the environment. If we read the negotiations from 1974 to 1998 as a single negotiation with multiple rounds, the evidence suggests that the parties learned to segment the negotiations, to move to bilateral negotiations with the United States as a third party mediator, and to sequence the issues and the parties so that more willing parties proceeded first and easier issues were tackled earlier. Prime Minister Rabin, for example, using the good offices of the United States, deliberately explored the willingness of Syria to reach a comprehensive bilateral accommodation in the summer of 1993. He did so knowing that

negotiations with the PLO in Oslo were proceeding quickly. The Prime Minister was convinced that only one track at a time could proceed; sequencing was imperative. Only when he was persuaded that progress was unlikely with Syria, did he commit fully to the Oslo process (Rabinovitch, 1998).

The evidence of learning from negotiation over time suggests that preferences that were considered stable at any one moment in time, evolved over time. If, for example, we look at Rabin's preferences in the round of negotiation over disengagement in 1974-75, they were quite different from his preferences in 1994. Again, analysis of Arab-Israel negotiation as a single negotiation over time suggests that preferences changed over time as a result of learning from experience in ways unanticipated by balance of power theorists.

A longitudinal analysis suggests that negotiated accommodations were the product of learning from earlier successes and failures, and of leaders' estimates of the high costs of an unstable stalemate (Zartman, 1989, 1997; Pruitt, 1997). The far more difficult negotiations between Israel and the PLO, for example, can legitimately be seen as an expanded model of the negotiations between Egypt and Israel a decade and a half earlier. I use evidence first from the negotiations between Egypt and Israel, and then from the bargaining between Israel and the PLO to contrast the expectations of balance of power theorists with the arguments of learning from past failures and successes, and leaders' emphases on losses that were likely if unstable deadlocks continued to deteriorate.

Egypt and Israel

In the wake of the war in 1973, the United States and the Soviet Union convened a multilateral conference in Geneva. Even before the conference met, it was clear that Egypt and Israel both wanted a bilateral track, mediated by the United States. Egypt and Israel signed two disengagement agreements, with the assistance of the United States, while Syria and Israel, in a single round, agreed to a far more limited disengagement on the Golan. These agreements could be considered part of the first phase of conflict management, if they are understood simply as an attempt to regulate the post-war environment and prevent further unwanted violence. At the same time, the second disengagement agreement with Egypt required Israel to withdraw from part of the Sinai in exchange for security guarantees and committed the parties to continue their process of negotiation. The beginning of the shift in trajectory was apparent.

The bargaining process that led to a comprehensive settlement between Egypt and Israel at Camp David stretched over a period of twenty months, and can be divided into two analytically distinct phases. A multilateral process began soon after President Carter took office in January 1977 and included Israel, Egypt, Jordan, Saudi Arabia, Syria, the Palestine Liberation Organization (PLO), the Soviet Union and the United States. When the parties got to the table at Camp David, only the United States, Egypt, and Israel remained. Indeed, one of the principal functions of the process over time was to eliminate those parties who

threatened to obstruct a negotiated agreement (Stein, 1989). There were two critical points in this process: the first, when President Sadat lost confidence in the multilateral search for a comprehensive settlement of the Arab-Israel conflict and travelled to Jerusalem in November 1977; and the second, the agreement at Camp David in September 1978, when Egypt and Israel agreed to a bilateral settlement and a framework for peace in the Middle East.

Sadat chose to disrupt the multilateral process because he was increasingly pessimistic that an agreement satisfactory to all members of the Arab coalition could be reached, and he was unwilling to give his Arab allies a veto over the return of the Sinai. His visit to Jerusalem began the process of creating separate but comprehensive bilateral settlements. He fractionated the negotiation, and began a bargaining process which allowed Israel and Egypt, with the assistance of the United States, to move to a bilateral resolution of one part of the Arab- Israel conflict.

Structural realist explanations of the agreement reached at Camp David are unable to solve two major puzzles. From the analysis of the relative decline of Soviet and Egyptian capabilities in the region, realists infer a shift in the pattern of Egyptian alignment, away from the Soviet Union to the United States. Similarly they deduce a pattern of greater dependence by Israel on the United States, given the relative decline in Israel's economic and military capabilities after the October War in 1973. Together, neo-realists argue, these two changes converged to create the structural preconditions for agreement between Egypt and Israel mediated by the United States (Telhami, 1990).

This argument of shifting capabilities cannot explain why no agreement was reached in November 1977, when President Sadat aborted the process of a multilateral settlement, but why agreement was reached in September 1978. The relative changes in capabilities identified by realist arguments were in place when the parties began to explore the possibility of agreement in January 1977 but failed to agree that autumn. Objective measures of relative capabilities, however, may not tap changes in leaders' estimates of their positional strength. If President Sadat, who at Camp David made most of the concessions necessary to achieve agreement, had become increasingly pessimistic about Egypt's capacity to manage its security crisis, then the agreement requires little explanation. Realist arguments would provide a parsimonious explanation and the puzzle would virtually disappear. There is no evidence, however, that Egyptian subjective estimates of their relative capabilities varied. During this period, President Sadat did not display increasing pessimism about Egypt's military option; on the contrary, during the process of negotiation, he threatened to revert to belligerency.

I argue first that Egyptian learning from past successes in negotiation was critical to President Sadat's decision to change from a multilateral to a bilateral process of negotiation. The negotiations to disengage forces after the war in 1973, and the framework agreement on security arrangements in the Sinai in 1975, succeeded only when bilateral processes replaced multilateral negotiations. Learning was not sufficient, however, to produce agreement. Domestic economic and political variables were an essential component of leaders' calculations, and they changed far more rapidly than the balance of power, which changed

little, if at all, during this period. The evidence challenges the proposition that agreement can be explained largely by the international distribution of capabilities. Finally, I dispute the realist emphasis on relative gains and examine the impact of leaders' calculations of absolute loss on their willingness to make the concessions that were necessary to reach agreement.

The first critical step in the process was Sadat's decision to go to Jerusalem. It is best explained as the product of learning from past successes. Structural explanations are unhelpful here because the underlying balance of capabilities had changed little from 1975 through to 1977. The president, however, had reached two separate disengagements agreements with Israel. These agreements had been negotiated bilaterally through the United States. The president was pessimistic about the capacity of a multilateral process to achieve a comprehensive settlement. After nine months of deadlock, Sadat was persuaded that a return to a bilateral process was a fundamental prerequisite of progress. Sadat narrowed the number of participants and reduced the tracks of the negotiating process.

It is important to note that Sadat's initiative, as effective, as it was, was itself not sufficient to produce a negotiated accommodation between Egypt and Israel. The visit did begin to break through the cognitive barriers which had led Israel's leaders to discount significantly all prior initiatives. His arrival in Jerusalem challenged the most important set of beliefs about Arab goals among Israel's leadership and public. A broad cross section of Israelis had assumed that Arab leaders were unrelentingly hostile, so much so that they were unprepared to meet Israel's leaders face-to-face. Once these core beliefs were shaken, they began to reconsider their image of an unrelentingly hostile Egypt.

The substantial political cost to President Sadat of breaking the long-standing Arab taboo of not treating directly with Israel was also apparent to Israel's leaders. Dissension within the Egyptian government was pronounced and a tidal wave of criticism from the Arab world engulfed the Egyptian leader. Israel's leaders reasoned that Egypt's president would not incur such heavy costs had he not changed his intentions (Komorita, 1973; Pruitt, 1981: 124-5). Here, the unilateral initiative contributed directly to the expectation by Israel's leaders that Sadat wanted a resolution of the conflict.

Sadat's initiative, however, had political as well as social-psychological consequences. It expanded the constituency within Israel for negotiation and concession to Egypt. The dramatic, public gesture broadened the scope of domestic support for accommodation. President Sadat spoke over the heads of Israel's leadership directly to Israel's public. With his flair for the dramatic, he created the political symbols which would mobilize public opinion to press their more cautious and restrained leaders. In so doing, he not only removed constraints on leaders in Israel but he created political inducements to action.

The initiative had a third party as well as a direct target. The president hoped to influence American public opinion and help President Carter compensate for his self-professed political weakness. Sadat subsequently told Carter that he had decided to address Israel's parliament in Jerusalem in part to overcome the powerful lobby groups in the United

States and to convince the American public that the Arabs were ready for peace with Israel (Quandt, 1986,173).

In game theoretic logic, a strategy of "self-binding commitment" permitted Sadat to escape his dominant strategy and allowed the parties to move quickly to the optimal outcome (Maoz and Felsenthal, 1987). The logic of the game, however, was not equally apparent to the two participants. Sadat expected that after his visit, the process would move quickly and smoothly through to a comprehensive settlement. Israel's leaders saw the visit as the opening move in a "normalized" bargaining process. After months of fruitless negotiations, Sadat was bitterly disappointed and frustrated. Indeed, immediately prior to his departure from Cairo to Camp David, Sadat anticipated failure. The president was pessimistic about Israel's willingness to make concessions on the Palestinian issue and, consequently, prepared Egyptian officials for a massive information campaign that would hold Israel responsible for the failure to reach an agreement (Telhami, 1990). Explanations that relied either on the relative balance of power or the structure of preferences are not helpful in explaining why the parties were in deadlock in early 1978, but were able to reach agreement nine months later.

What was necessary, beyond Sadat's unilateral initiative, to move the parties to agreement at Camp David? First, both parties, but particularly Egypt, were experiencing the growing political and economic costs of stalemate. In the months that followed President Sadat's visit to Jerusalem, the political and economic situation in Egypt deteriorated further. In December 1977, the *Ikhwan or* Muslim Brotherhood was implicated in a plot to overthrow the regime, and two months later, Yusef el-Sabeh, one of Sadat's closest confidants and the editor of *Al-Ahram*, was assassinated, allegedly by Palestinian irregulars. The *Ikhwan* also won an overwhelming victory in student elections in Egyptian universities. Its success was due only superficially to opposition to direct negotiations with Israel; more importantly, the *Ikhwan* was able to organize and recruit among the urban poor who were increasingly disadvantaged (Altman, 1979, 99). To counter the growing political power of the religious right, Sadat encouraged the resurgence of the nationalist *Wafd* Party that strongly supported the return of the Sinai.

The crisis in the Egyptian economy was also apparent by the spring of 1978. The IMF refused to approve long-term investment in Egypt because of increased budget deficits and demanded fundamental economic reforms. Sadat responded to the intensifying economic and political crisis with wide-scale repression and yet another attempt at political restructuring. The president dismissed his deputy prime minister who favored reducing subsidies on basic commodities. At the same time, Sadat ordered the repression of editorial criticism by the left and held a national referendum to approve further action against alleged conspirators. After the referendum on May 21, the president moved immediately and harshly against a wide spectrum of domestic opponents. He recalled journalists from abroad who had written "slanderous" articles and arrested and jailed dozens of opponents (Burrell and Kelidar, 1977, 17-18). Sadat attempted to strengthen the political weight of the technocratic and managerial leadership to balance the growing political effectiveness of the opposition

within established institutions, particularly within the military, to a peace agreement, and to counter the appeal of the religious right and the left.

The growing crisis dramatically increased the economic and political costs of failure. Insofar as President Sadat had considered an agreement on the Sinai and a resolution of Egypt's security crisis desirable at the outset of negotiations in January 1977, by the summer of 1978, agreement was imperative. Failure to reach an agreement would not only shift Egyptian strategy away from a negotiated agreement, it would defeat economic strategy at home. Sadat warned President Carter that if no progress were made by the anniversary of the Sinai agreement in September 1978, he would consider resigning or perhaps reverting to belligerency (Carter, 1982, 315-316). At Camp David, Sadat focused overwhelmingly on the absolute and linked costs of failure.

Although the deterioration of Israel's political economy was far less intense, it was nevertheless considerable. In the summer of 1977, the new Likud government had introduced a strategy of economic liberalization, based on a laissez-faire monetary policy designed to stimulate exports and encourage foreign investment. The government allowed the pound to find its own level in foreign exchange markets, eliminated currency controls, and drastically reduced subsidies for exports and basic commodities. By the spring of 1978, exports and foreign investment had increased. Nevertheless, because the government did not accompany its strategy of economic liberalization with a reduction in government spending, the rate of inflation increased dramatically (Crittenden, 1979). At Camp David, this shared focus on loss that would flow from no agreement helped to drive the process of negotiation through the obstacles to agreement (Stein and Pauly, 1992).

Second, the singular importance of the United States to both Egypt and Israel helped push both sides to make the final concessions that were necessary to a negotiated agreement. American diplomatic, military, and economic support was essential to Israel because of its international isolation and its dependence on American aid. After the October War in 1973, American aid to Israel jumped from $500 million annually to more than $2.5 billion. Under the Sinai II agreement negotiated in 1975, the United States committed itself to continuing aid of about $2 billion annually.

Egypt's future relationship with the United States was even more central to Sadat's calculations. The support of the United States was essential to Egypt to achieve its domestic and security objectives: the strategy of economic liberalization depended critically on American aid, investment, and technology transfer, and resolution of the crisis with Israel depended on the active participation and commitment of the United States. On the eleventh day at Camp David, for example, when the Egyptian president threatened to end the negotiations, Carter warned Sadat that if he left, "it will mean an end first of all to the relationship between the United States and Egypt." (Brzezinski,1983, 272).

The triadic structure of the bargaining process, where Egypt and Israel each bargained with the United States rather than directly with each other, reflected the importance of the United States to each and maximized American leverage. This was so, in large part, because of the special role of the United States as monitor, guarantor, insurer, and financier of any

agreement that would emerge from Camp David. It was American economic aid, investment, and technology that were critical to the reshaping of the Egyptian and the stabilization of the Israeli economy.

Israel and the PLO

The Egypt-Israel accommodation is illuminating. I have argued that four factors created a dynamic that drove the negotiations to accommodation. Egypt, and Israel to a lesser degree, emphasized the losses that grew out of a deteriorating status quo that were unacceptable for domestic as well as strategic reasons. This emphasis on loss was not unique and in the past had led to a use of force to manage the conflict. What did change was the shared learning about the costs and consequences of the use of force and Egyptian learning from past successes in earlier experiments in negotiation. The emphasis on loss, shared learning about the costs of war, and Egyptian learning from past successes in negotiation created the opportunity for a comprehensive bilateral political accommodation. The presence of a skilled and powerful third party, with an independent interest in political agreement, was necessary to convert these assets into a political accommodation.

The same dynamic has driven Israel and the PLO through successive rounds of negotiation to a series of agreements. Indeed, elements of the process that led to the Wye River Memorandum in 1998 were eerily reminiscent of the process that led to Camp David. Structural factors do not provide a satisfactory explanation of the Israel-Palestinian accommodation as they did not of the Egypt-Israel agreement. It is not difficult to understand why the PLO was anxious to begin a process of negotiation, given the severe diplomatic, economic, and political losses it had suffered as a result of its support for Saddam Hussein during the Gulf War in 1990-1991. More perplexing is why Israel, with its position more secure in the region than it had been in decades — its concern about Iraq allayed and the Arab coalition fractured — should have chosen to reverse a long-standing position and entered into secret negotiations with the PLO. No conceivable analysis of the balance of capabilities would expect such an outcome.

Despite its unquestioned military superiority, Israel's new leadership, particularly Prime Minister Rabin, emphasized the instability of the status quo and the looming threat from unconventional weapons. The SCUD bombardments during the Gulf War, though the cause of relatively little damage, were, in his estimate, early indicators of the kind of threat Israel could face. The intifada had proven very costly to Palestinian society but, like the October War in 1973, had also punctured Israel's confident expectations that the status quo could continue indefinitely. To varying degrees, in 1991-92, the PLO and Israel shared a sense of loss, although not equally or with comparable intensity. The sense of loss grew out of a stalemate that they both, for quite different reasons, considered unstable and deteriorating.

There was also considerable learning from the past. The Madrid Conference, convened in 1991 by the United States and the Soviet Union, was explicitly structured so that the parties could break into bilateral tracks almost immediately. Regional interests were accommodated through five multilateral working groups, but there was widespread recognition that the serious work would be done in the bilateral processes: Israel-Jordan-Palestinian and Israel-Syria. It was no accident that the bilateral negotiations took place in Washington in the State Department.

Rabin learned from more than a year of fruitless negotiation with the Palestinian representatives in the bilateral process that they had no authority to make binding commitments. Although Yasir Arafat and the PLO were not officially at the table, Arafat was very much part of the negotiations. When the opportunity for a secret "unofficial" dialogue with PLO officials presented itself, Rabin did not oppose the participation of "influential" private citizens, closely connected to the political leadership (Makovsky, 1996, 19). Nevertheless, he distanced himself from the process so that, if necessary, he could deny any involvement. The prime minister was deeply skeptical but curious to see what, if anything, the process would produce.

Agreement on general principles came surprisingly quickly. A draft declaration of principles was completed in only two rounds of meetings. Some of the provisions went considerably beyond what officials in Jerusalem were prepared to accept and began to raise serious concern. Nevertheless, they still saw the private dialogue in Oslo as a useful channel to discuss ideas that could break the impasse in the official negotiations in Washington. By the end of the fourth round of meetings, the Palestinian representatives at Oslo insisted that the dialogue would end unless Israel agreed to upgrade the talks to an official level. Within two weeks, in an effort to keep some distance from the secret talks but to keep the dialogue going, Prime Minister Rabin allowed his foreign minister to name as envoy the director-general of the Foreign Ministry. The dialogue had become official. From this official channel came the Declaration of Principles, the first framework agreement between Israel and the PLO, and the first of a series of steps in resolving the bitter protracted conflict.

Despite the significant differences in the scope of the two conflicts, the far greater tractability of the geostrategic environment between Egypt and Israel when compared to the environment between Israel and the PLO, and the strength of the Egyptian state in comparison to the fragile structure of Palestinian institutions, the parallels between the Egypt-Israel process and the Israel-PLO negotiations fifteen years later are striking. Like the Egypt-Israel process, the leaders of both Israel and the PLO were in the domain of loss as they each -- for different reasons -- saw an unstable and deteriorating stalemate. Irrespective of the relative balance of power, both had learned about the costs of the use of force, and were skeptical of the benefits that a use of force could provide. Both had learned from past experience in negotiation. The relevant experience was not only their own brief history, but the experience of Israel with Egypt as they broke out of established channels to clear a bilateral track for a comprehensive settlement. Again, as they were absent from the secret exploratory conversation that preceded Sadat's visit to Jerusalem and were surprised by the

president's visit, so the United States was not present at Oslo. Very quickly, however, the United States became intimately involved as facilitator, guarantor, insurer, and monitor of the process between Israel and the Palestine National Authority, as it had between Egypt and Israel. While President Clinton's skills were undoubtedly significant, as President Carter's had been, the critical importance of the United States to Israel and the Palestine National Authority was telling.

The presence over time of all four factors, interacting with one another, trumped a change of leadership in Israel which, when it first came to office in 1996, made a very different set of calculations and opposed the Oslo process. By the time Prime Minister Netanyahu came to the Wye River Plantation in 1998, the domestic political losses from inaction were becoming clear, the unattractiveness of the use of force was apparent, the fragility of the status quo was transparent, and the lessons from past negotiations were obvious. The requirements for one more step toward political accommodation were in place.

Conclusion

I have argued that for the enduring rivalries, that together constitute the Arab-Israel conflict, to reach a critical turning point from conflict management to conflict resolution requires that:

- the parties be in the in the domain of loss: they see an unstable and deteriorating stalemate and/or they face economic or political pressures, which may be linked to the security issues;
- they have learned about the costs of the use of force, and are skeptical of the benefits that a use of force could provide;
- the parties have learned from past successes and failures in negotiation; and
- often, though not necessarily, a powerful third party facilitator, guarantor, insurer, and monitor be available to steer the negotiating process.

These dynamics provide the most convincing explanation of the shift from conflict management to conflict resolution in two very different cases — the Egypt-Israel and the Palestinian-Israel rivalries.

Critics can justifiably point to weaknesses in this argument. It is difficult if not impossible to specify *a priori* thresholds along some of these dimensions. How deeply, for example, do the parties have to be in the domain of loss? How skeptical do they have to be of the benefits of a use of force? Although no precise thresholds can be established, the analysis does suggest that if the parties are moving in these directions over time, the rivalry may well be shifting direction. It should be clear, moreover, that explanations that rely on relative military balances also do not specify thresholds in advance nor do they provide operational guidelines for policy makers.

The critical test of this explanation of loss and learning is the Syria-Israel rivalry. At no time during four years of bilateral negotiation were they on the verge of making the

transition from conflict management to conflict resolution (Rabinovitch, 1998, 235). How useful are the four elements in the dynamic that I identified in explaining why the shift has not yet occurred, and may not occur for a long time, if at all, in the Syria-Israel relationship? It seems that Israel's and Syria's leaders have learned about the costs of the use of force and are skeptical about the benefits it could bring, as were their counterparts in Egypt and the PLO. The United States has also been present and active in this relationship as it has been in the other two rivalries. These dimensions cannot be part, therefore, of any explanation of the differences in the trajectories of the rivalries.

What distinguishes the Israel-Syrian rivalry from its two counterparts are the stability of the stalemate and the lessons leaders have learned from earlier rounds of negotiations. The deadlock between the two is relatively stable and neither anticipates that it is likely to deteriorate. Violence is restricted to Israel's border with Lebanon and, except for intermittent periods when violence is deliberately escalated by one or the other, it is generally contained. It is difficult to argue that in this relationship, either leader has recently been heavily in the domain of loss.

Second, Asad uses as the precedent in bargaining Egypt's agreement with Israel and insists on the full return of the Golan as the Sinai was completely returned to Egyptian sovereignty. Prime Minister Rabin drew on the same precedent and insisted on full peace, with normalization and a period of testing, similar to the period of testing that Egypt had accepted, and as the PLO was willing to accept. Although Asad signaled his acceptance of a full contractual peace, he rejected normalization and a phased process over time. Rabin, it is clear, modeled his strategy with Syria on prior experience, while Asad selected out that part of past experience which met his needs — full return of territory — and rejected those components, particularly normalization, which could threaten his regime (Rabinovitch, 1998, 236-7) . In this relationship, unlike the Egypt-Israel rivalry, political pressures in Israel worked strongly against concessions and it appears that Asad feared the domestic consequences of a normalized relationship with Israel (Rabinovitch, 1998, 238-45).

The record of past negotiation suggests that the gap is significant, but not unbridgeable. The argument I have put forward suggests, paradoxically, the gap will only be bridged if the stalemate becomes less stable and more threatening, and if the negative domestic consequences for current leaders in Syria and Israel of an accommodation are reduced. It will also be important that the Israel-Palestinian process moves forward and its consequences be absorbed politically; there was a significant gap in time between the accommodation between Egypt and Israel and the framework agreements between Israel and the PLO.

It is clear from the analysis that the relative balance of power cannot explain the shift in trajectory in two of the rivalries and the failure to shift in the third. The relative balance has changed little since the early years of the conflict. What has changed is the way leaders interpret that balance, their evaluation of the relative costs and benefits of the use of force, and the lessons they have drawn from past experiences in both war and negotiation. The structure of their environment has set parameters for the way leaders in Egypt, Syria, the

Palestine National Authority, and Israel think, but within these parameters leaders have drawn lessons from history and recalculated the costs of well-established strategies. In so doing, they have shifted the trajectories of their relationships and changed the structure of their environments.

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