

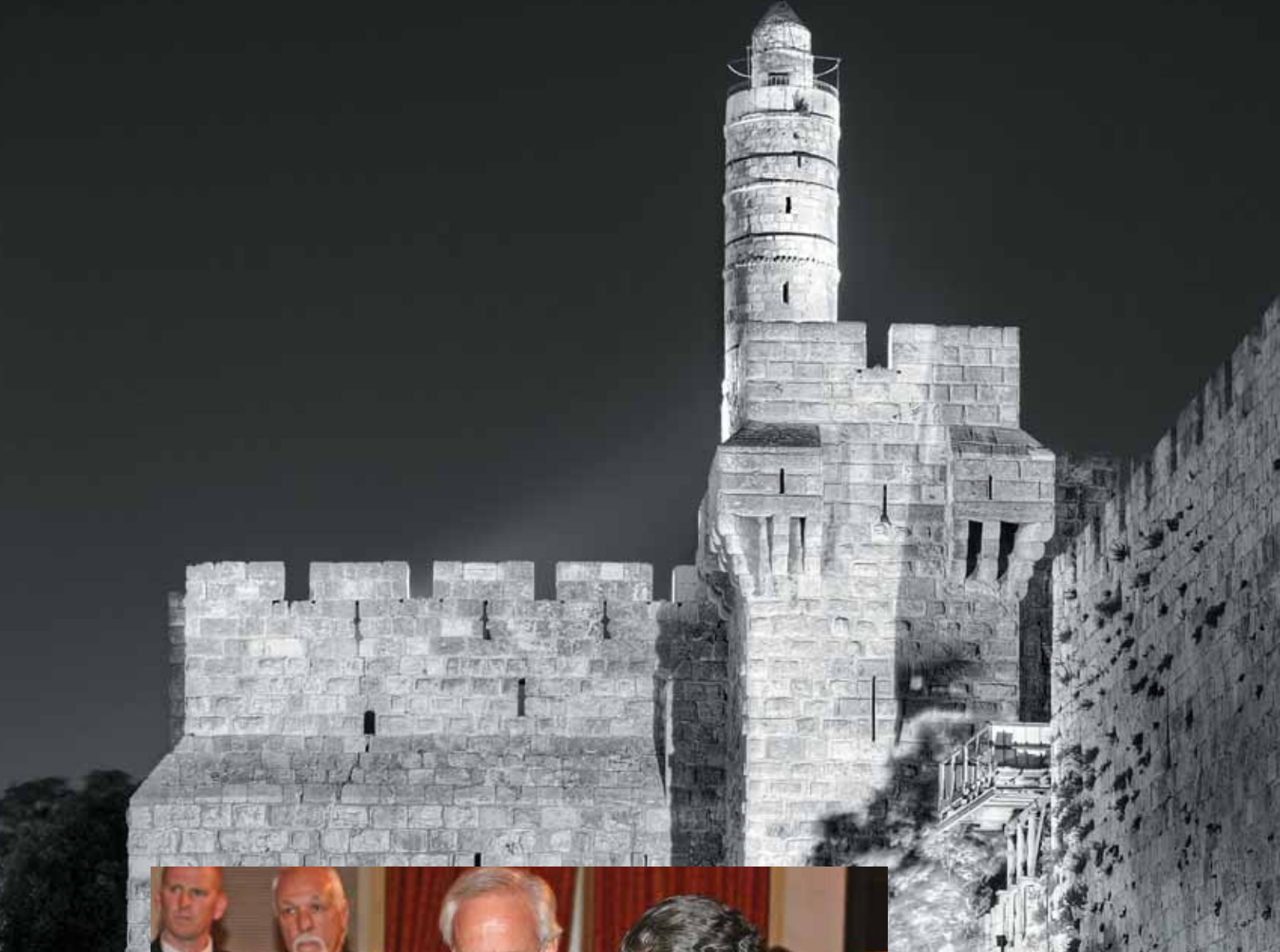


The Saban Forum 2005

פורום סבן
A U.S.-Israel Dialogue

Dealing with
21st Century Challenges

Jerusalem, Israel
November 11-13, 2005





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THE SABAN CENTER
for MIDDLE EAST POLICY
at THE BROOKINGS INSTITUTION



Jaffee Center
for Strategic Studies
Tel Aviv University



Speakers and Chairmen

SHAI AGASSI

STEPHEN BREYER

DAVID BROOKS

WILLIAM J. CLINTON

HILLARY RODHAM CLINTON

AVI DICTER

THOMAS L. FRIEDMAN

DAVID IGNATIUS

MOSHE KATSAV

TZIPI LIVNI

SHAUL MOFAZ

SHIMON PERES

ITAMAR RABINOVICH

AVIEZER RAVITZKY

CONDOLEEZZA RICE

HAIM SABAN

ARIEL SHARON

ZVI SHTAUBER

STROBE TALBOTT

YOSSI VARDI

MARGARET WARNER

JAMES WOLFENSOHN



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The ongoing tumult in the Middle East makes continued dialogue between the allied democracies of the United States and Israel all the more necessary and relevant.



A Letter from the Chairman

In November 2005, we held the second annual Saban Forum in Jerusalem. We had inaugurated the Saban Forum in Washington DC in December 2004 to provide a structured, institutionalized annual dialogue between the United States and Israel. Each time we have gathered the highest-level political and policy leaders, opinion formers and intellectuals to define and debate the issues that confront two of the world's most vibrant democracies: the United States and Israel.

The timing of the 2005 Forum could not have been more propitious or tragic. As we gathered in Jerusalem, events in the Middle East were unfolding rapidly. Israel had just months earlier completed its full disengagement from the Gaza Strip and parts of the West Bank, Iraqis had voted for a permanent constitution, the Israeli Labor Party changed its leadership and, tragically, scores were murdered in suicide terrorist attacks in neighboring Jordan. We also met at a time laden with memories. It was ten years since the assassination of Prime Minister Yitzhak Rabin z"l and many participants had the honor of knowing the late Prime Minister not only as a courageous statesman, but also as a friend. The day after the Forum we attended the official service to honor his memory.

The setting for the Saban Forum 2005 was also one of great moment. We met in the King David Hotel in Jerusalem, a building of character and history that looks out upon the Old City of Jerusalem, a site of global religious significance.

Our dialogue was an opportunity to take a step back to analyze these individual events, as well as their role within larger trends in the Middle East. The theme of the Saban Forum 2005 was "Dealing with 21st Century Challenges." We sought to address some of the key issues that confront the United States and Israel in the uncertain era of the 21st century. It is a time when mankind's capabilities have never been greater, but the dangers and challenges—from terrorism to globalization to energy crises to potential pandemics—have rarely been more daunting. Our discussion of these topics went beyond the issues that make front-page news. As is now the tradition of the Saban Forum, discussions were held under the "Chatham House Rule," which meant that participants were free to use the information discussed, but neither the identity nor the affiliation of the speakers, nor that of any other participant, could be revealed.

In the months following the Saban Forum 2005, there were yet more momentous events. Prime Minister Ariel Sharon, who gave one of the keynote addresses, fell gravely ill and was incapacitated. There were elections in both the Palestinian territories and Israel which redefined the political landscape in both places and in the Middle East as a whole, while Iraq again went to the polls and the international community seized the issue of Iran's nuclear program.

The ongoing tumult in the Middle East makes continued dialogue between the allied democracies of the United States and Israel all the more necessary and relevant. It is my privilege as an Israeli-American to sponsor this event. It gives me great pleasure to invite you to enjoy and benefit from the Saban Forum 2005 proceedings and to thank the very capable staff at the Saban Center at Brookings and the Jaffee Center at Tel Aviv University for helping to turn this idea into reality.

haim saban
Chairman, The Saban Forum

American Participants

ROLAND E. ARNALL, Ameriquest Capital Corporation, U.S. Ambassador designate to the Netherlands.

ALAN BATKIN, Vice Chairman, Kissinger Associates; Trustee, the Brookings Institution.

SAMUEL BERGER, Chairman, Stonebridge International; former National Security Advisor.

STEPHEN BREYER, Justice, Supreme Court of the United States.

ELLIOTT BROIDY, Chairman and Chief Executive Officer, Broidy Capital Management.

DAVID BROOKS, Columnist, *The New York Times*.

RON BURKLE, Yucaipa Companies.

ADAM CHESNOFF, President and Chief Operating Officer, Saban Capital Group, Inc.

HILLARY RODHAM CLINTON, United States Senate (D-New York).

WILLIAM J. CLINTON, 42nd President of the United States; member, International Advisory Council, Saban Center for Middle East Policy.

SIR RONALD COHEN, Chairman of the Portland Trust and Chairman of Bridges Community Ventures Ltd.

ROBERT M. DANIN, Deputy Assistant Secretary, Bureau of Near Eastern Affairs, U.S. Department of State.

THOMAS L. FRIEDMAN, Columnist, *The New York Times*.

BRIAN GREENSPUN, President and Editor, *Las Vegas Sun*; Trustee, the Brookings Institution.

DAVID IGNATIUS, Columnist, *The Washington Post*.

MARTIN INDYK, Director, Saban Center for Middle East Policy; former U.S. Ambassador to Israel and Assistant Secretary of State for Near Eastern Affairs.

RICHARD JONES, U.S. Ambassador to Israel.

RICK KLAUSNER, Executive Director, The Global Health Program at The Bill and Melinda Gates Foundation.

TOM LANTOS, United States House of Representatives (D-California).

SAMUEL LEWIS, former U.S. Ambassador to Israel; Board Member, Institute for the Study of Diplomacy, Georgetown University.

TODD PATKIN, President, Autopart International.

CHARLES PEREZ, Co-Founder, Paul Davril Inc.

KENNETH M. POLLACK, Director of Research, Saban Center for Middle East Policy; former Director for Persian Gulf Affairs, National Security Council.

CONDOLEEZZA RICE, Secretary of State of the United States.

CARLA ROBBINS, Chief Diplomatic Correspondent, *The Wall Street Journal*.

DENNIS ROSS, Counselor and Ziegler Distinguished Fellow at The Washington Institute for Near East Policy; former Special Middle East Coordinator.

HAIM SABAN, Chief Executive Officer, Saban Capital Group, Inc.; Chairman, International Advisory Council, Saban Center for Middle East Policy.

CHRISTOPHER SHAYS, United States House of Representatives (R-Connecticut).

JAMES STEINBERG, Vice President and Director of Foreign Policy Studies, the Brookings Institution; former Deputy National Security Advisor.

JEFFREY STERN, Founding Partner, Forum Capital Partners; Co-Chairman, International Board, Jaffee Center for Strategic Studies.

STROBE TALBOTT, President, the Brookings Institution; former Deputy Secretary of State.

SHIBLEY TELHAMI, Anwar Sadat Professor for Peace and Development, University of Maryland and Nonresident Senior Fellow, Saban Center for Middle East Policy.

MARGARET WARNER, Senior Correspondent, *The Newshour with Jim Lehrer*.

TAMARA COFMAN WITTES, Research Fellow, Saban Center for Middle East Policy.

JAMES WOLFENSOHN, Special Envoy for Gaza Disengagement of the Middle East Diplomatic Quartet; former President, the World Bank.



Israeli Participants

SHAI AGASSI, President of Technology and Product Group, and Executive Board Member, SAP.

SHLOMO AVINERI, Professor of Political Science, Hebrew University of Jerusalem; former Director General, Ministry of Foreign Affairs.

DANIEL AYALON, Ambassador of Israel to the United States.

EHUD BARAK, former Prime Minister; former Chief of the General Staff, Israel Defense Forces.

NAHUM BARNEA, Columnist, *Yediot Aharonot*.

AVISHAY BRAVERMAN, President of the Ben-Gurion University of the Negev.

ARYE CARMON, Founder and President, Israel Democracy Institute; Professor, the Hebrew University of Jerusalem.

NILI COHEN, Professor in the Faculty of Law, Tel Aviv University; former Rector, Tel Aviv University.

AVI DICHTER, Charles and Andrea Bronfman Visiting Fellow, Saban Center for Middle East Policy; former Director, Shin Bet (Israeli Security Agency).

GIORA EILAND, National Security Advisor.

AARON ZEEVI FARKASH, Director, Israel Defense Forces Directorate of Military Intelligence.

MICHAEL FEDERMANN, Chairman and Chief Executive Officer, Federmann Enterprises Ltd.

STANLEY FISCHER, Governor, Bank of Israel; former First Deputy Managing Director, the International Monetary Fund.

EIVAL GILADY, Head of Coordination and Strategy for the Prime Minister's Bureau; former Director, Israel Defense Forces Strategic Planning Division.

HIRSH GOODMAN, Director, Andrea and Charles Bronfman Program on Information Strategy, Jaffee Center for Strategic Studies, Tel Aviv University.

JOSEPH HACKMEY, former Chairman, Israel Phoenix Insurance.

MARK HELLER, Director of Research, Jaffee Center for Strategic Studies.

ISAAC HERZOG, Minister of Housing and Construction.

ELI HURVITZ, Chairman, Teva Pharmaceutical Industries Ltd.

DALIA ITZIK, Minister of Communications.

MOSHE KATSAV, President of the State of Israel.

YNON KREIZ, General Partner, Benchmark Capital; former Chairman of the Board of Management, President and Chief Executive Officer of Fox Kids Europe.

DOV LAUTMAN, Chairman of Delta Galil Industries Ltd.; Chairman, Executive Council, Tel Aviv University.

AMNON LIPKIN-SHAHAK, Chairman of the Board, Tahal Group; former Deputy Prime Minister; former Chief of Staff, Israel Defense Forces.

TALI LIPKIN-SHAHAK, Journalist, radio and television personality; former Honorary President, AKIM.

TZIPI LIVNI, Minister of Justice, and Minister of Immigrant Absorption.

YOSEF MAIMAN, Founder, President, and Chief Executive Officer, Merhav M.N.F. Ltd.

DAN MARGALIT, Columnist, *Ma'ariv*.

DAN MERIDOR, Partner, Haim Zadok & Co.; former Minister of Justice.

LEORA MERIDOR, Chairwoman, Bezeq International.

SHAUL MOFAZ, Minister of Defense; former Chief of the General Staff, Israel Defense Forces.

SHLOMO NEHAMA, Chairman, Bank Hapoalim.

EHUD OLMERT, Vice Prime Minister, Minister of Industry, Trade and Labor, and Acting Minister of Finance.

ILANA DAYAN-ORBACH, Anchorperson, *Uvda*, *Channel Two*.

DALIA RABIN-PELOSSOF, Chairperson, the Yitzhak Rabin Center; former Deputy Minister of Defense.

CHEMI PERES, Managing General Partner, and Founder, Pitango Venture Capital.

SHIMON PERES, Vice Prime Minister; former Prime Minister, Minister of Defense and Minister of Foreign Affairs.

ITAMAR RABINOVICH, President, Tel Aviv University; former Ambassador to the United States.

AVIEZER RAVITZKY, Senior Fellow, Israel Democracy Institute; Sol Rosenblum Professor of Jewish History, Hebrew University.

ZEEV SCHIFF, Defense Editor, *Ha'aretz*.

ARIEL SHARON, Prime Minister; former Minister of Defense, Minister of Foreign Affairs, and Head of the Southern Command, Israel Defense Forces.

ARI SHAVIT, Columnist, *Ha'aretz*; former Chairman, Association of Civil Rights in Israel.

GILEAD SHER, former Chief of the Prime Minister's Bureau under Prime Minister Ehud Barak.

ZVI SHTAUBER, Director, Jaffee Center for Strategic Studies, Tel Aviv University; former Director, Israel Defense Forces Strategic Planning Division.

YOSEF VARDI, Principal, International Technologies Ventures; Venture Partner, Pitango Venture Capital; former Chairman, Mirabilis Ltd.; former Director General, Ministry of Development and Ministry of Energy.

DOV WEISSGLAS, Chief of the Prime Minister's Bureau.

SHLOMO YANAI, President and Chief Executive Officer, Makhteshim-Agan Industries Ltd; former Director, Israel Defense Forces Strategic Planning Division.



The United States and Israel possess a unique relationship and share similar goals. As they confront the challenges of the 21st century, they must ensure their security and promote the well-being of their citizens, while simultaneously maintaining a commitment to the democratic ideals upon which both countries were founded.



THE SECOND ANNUAL SABAN FORUM CONVENED IN JERUSALEM'S historic King David Hotel in November 2005. The dialogue between delegations of American and Israeli political, economic and social leaders focused on how the United States and Israel can confront the challenges of the 21st century. Particular attention was given to the threat of terrorism, the challenges of globalization, societal shifts within each country and the strategic issues facing the allied democracies of the United States and Israel. The discussion also dealt with the Israeli-Palestinian conflict and the prospects for its resolution.

This was the first time that the Saban Forum was held in Jerusalem, and it assembled leading American and Israeli officials, opinion makers, the heads of academic institutions, journalists and private sector leaders. Keynote addresses at the Forum were delivered by the President of the State of Israel, Moshe Katsav, former President William Jefferson Clinton, Israeli Prime Minister Ariel Sharon and U.S. Secretary of State Condoleezza Rice. Among the other participants were then Israeli Vice Prime Minister and former Prime Minister Shimon Peres, former World Bank President and Quartet Special Envoy James Wolfensohn, Supreme Court Justice Stephen Breyer, then Vice Prime Minister Ehud Olmert and Tzipi Livni, then Minister of Justice, and Minister of Immigrant Absorption. In addition, American participants had the opportunity to travel to Ramallah in the Palestinian territories for a private meeting with Palestinian Authority President Mahmoud Abbas and with some of his key ministers. The Saban Forum 2005 coincided with the tenth anniversary of the assassination of Israeli Prime Minister Yitzhak Rabin, which enabled participants to attend the official memorial service at Rabin's graveside.

The United States and Israel possess a unique relationship and share similar goals. As they confront the challenges of the 21st century, they must ensure their security and promote the well-being of their citizens, while simultaneously maintaining a commitment to the democratic ideals upon which both countries were founded. The Saban Forum enabled leading Americans and Israelis to discuss how these seemingly conflicting needs of fighting a war against terrorism and protecting freedom can be balanced in a manner that allows both countries to prosper and flourish in the new century.

The United States and Israel: A Shared Vision for the Middle East

The Saban Forum 2005 took place amidst landmark events in the history of the Middle East. In their discussions, participants agreed that Israel's August 2005 unilateral disengagement from the Gaza Strip and evacuation of some settlements in the northern West Bank were major steps towards ending Israel's occupation of Palestinian territories. The question was how to build upon this Israeli initiative to advance towards the long-term goal of a negotiated and mutually agreed end to the Israeli-Palestinian conflict. Prime Minister Sharon said that Israel had implemented the disengagement to help jumpstart political dialogue with the Palestinians. President Clinton struck an implicitly more cautious note, urging Israel to continue its dialogue with the Palestinians. He argued that negotiations



are the only path towards settling the conflict. Israel must therefore begin to work with President Abbas instead of embarking upon further unilateral actions

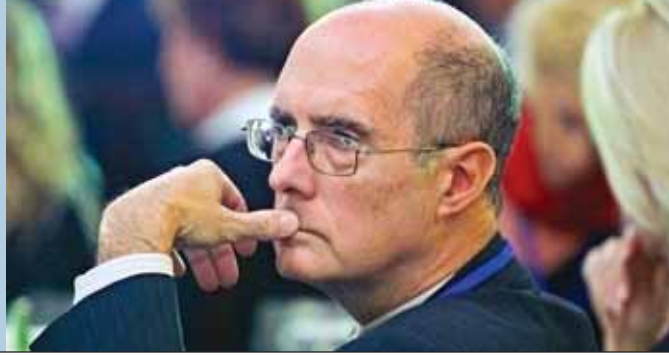
Both President Clinton and Secretary of State Rice described Israel's Gaza Strip withdrawal as courageous. Their judgment was that the departure from Gaza provided the Palestinians with an opportunity to respond to the Israeli move by demonstrating their seriousness about dismantling terrorist infrastructure. Prime Minister Sharon said that the Palestinian Authority (PA) had to decide whether or not it is serious about pursuing peace. If it is, then it must fight the terrorist groups located within the Palestinian territories. President Clinton, Secretary of State Rice, and Prime Minister Sharon all stated clearly that dissolving the terrorist networks and rendering them ineffective is vital for Palestinian society, because no democratic state can tolerate the open existence of terrorist groups.

The challenge of global terrorism featured prominently in the keynote addresses, especially as the Saban Forum came immediately after the devastating al-Qa'ida sponsored bombings in neighboring Jordan on November 9, 2006. President Katsav of Israel warned that the supporters of terrorist groups are becoming increasingly radical. He said that Israel and the United States could not shy away from confronting the threat that these terrorists pose to democratic societies. Secretary of State Rice noted that the international community is united in fighting terrorism and extremism, but more importantly, a growing number of people within the Middle East were speaking out against violence. In addition, she asserted that a move towards democracy in some countries would lead to enhanced regional stability.

The call for the spread of democracy in the Middle East stimulated discussion as to how democracy can be deepened so that it will survive the challenge of the volatile regional environment. An important argument was that democracy means more than giving citizens the right to vote. Democracy is about institutions and a robust political process that prevents those who practice terrorism from achieving their political goals. Prime Minister Sharon addressed this point, saying that the PA must prevent armed groups from participating in the democratic process—a call that subsequently went unheeded. There was general agreement that the international community had a vital role to play in articulating such ground rules of what constitutes a viable democratic process.

The Challenge of Maintaining Security

A consistent theme running through the Saban Forum was the challenge of maintaining security in the Middle East. There was general agreement that the United States and Israel share the vision of a two-state solution to the Israeli-Palestinian conflict. However, some participants argued that Israel's main priority is security, not peace. For Israelis it is impossible to move forward with the peace process without the Palestinians first defeating terrorism. In this regard, there was a strong concern that the PA does not have credible security and counterterrorism capabilities. The Palestinians lack a counterterrorism strategy and their security forces are without a clear chain of command. Such a lack of basic security capabilities hobbles any serious counterterrorism effort.



Throughout the dialogue the centrality of economic development to securing peace was a recurring theme. Economic support to the Palestinian population in the West Bank and the Gaza Strip was generally agreed to be an essential component of a lasting peace settlement. The living conditions of Palestinians in the Gaza Strip are dire—the area is overpopulated and economically isolated. An important means of alleviating these problems is to allow for a physical connection between the Gaza Strip and the West Bank that will promote economic growth in Palestinian territories. Many participants felt that there was an important role for a third party, such as the United States, in assisting the advancement of prosperity in the Middle East. International economic intervention would help to improve the climate between Israelis and Palestinians. Participants agreed that fighting terrorism and improving the economic well-being of Palestinians people are two sides of the same coin, mutually reinforcing approaches towards achieving peace.

Nonetheless, from an Israeli perspective a critical aim is for the country to have defensible borders—frontiers that are secure and recognized. Consequently, while economic aspects of peace are important, they are to a significant extent simply a means of achieving a settlement in which Israel gains security and the Palestinians have statehood. Consequently, Israel has to take measures to prevent terrorists from entering into the country to attack civilians, such as the construction of the security barrier. While the barrier has successfully reduced the incidence of terrorist attacks, it has its limitations as a security mechanism and it cannot obviate the growing threat from chemical, biological, and nuclear weapons.

Israeli Prime Minister Sharon and Secretary of State Rice argued that the attitude of the Arab states was crucial to stability in the region. These countries need to approach the problems of the region with a cooperative attitude towards counterterrorism and economic development. Secretary of State Rice called on the Arab states to interdict funding to terrorist groups and to establish normal relations with Israel. She also asked them to extend assistance to the Palestinians in revitalizing their economy. Prime Minister Sharon echoed these sentiments. He also noted that Israel has been working closely with Egypt, Jordan, and other moderate Arab states.

Complementing the necessity of pushing for a resolution of the Israeli-Palestinian conflict is the strategic challenge of rogue states that seek to undermine the peace process. The two main tools of destabilization used by these states are the sponsorship of terrorism and non-conventional weapons programs. The greatest threat on this strategic level comes from Iran, which presents a dangerous combination of an extremist regime and growing technological capabilities—long range surface-to-surface missiles and an active nuclear program. Iran is a threat not only to Israel, but to the Middle East and the West. Were Iran to cross the nuclear weapons threshold, then the Arab world would feel obliged to follow suit, leading to the proliferation of nuclear weapons in the Middle East. Prime Minister Sharon called upon the UN Security Council to address the issue of Iran's nuclear program. Saban Forum participants felt that greater international intervention was needed on the Iranian nuclear issue. The international role





should include possible political and economic sanctions on Iran as well as intrusive and comprehensive inspections of Iranian nuclear facilities.

Iran's ally Syria is also a danger to the peace of the Middle East. The Syrian regime of President Bashar al-Asad is a financier of terrorism. Syrian-assisted terrorists attack Israeli civilians from Lebanon and the Palestinian territories. They also launch assaults on U.S. and Coalition forces in Iraq as well as Iraqi civilians. While there was agreement on the rogue behavior of the Syrian regime, there was disagreement on how to encourage Syria to alter its policies. There was a concern that too much pressure, or the wrong pressure, might result in disorder in Syria that could make matters worse.

Participants also examined the issue of China's rising power and influence, a matter that has led to some disagreement between the United States and Israel. The discussion among the participants reflected an ongoing debate within the United States on how to manage China's greater weight in international politics and economics, as well as China's increasing ambitions. For Americans, it can seem that Israel does not grasp the seriousness of U.S. worries about China's increasing military prowess, hence the dispute over Israeli defense sales to China. From the Israeli perspective, this is often seen as an effort by the United States to exclude Israel from an important arms market. Israel understands that its close relationship with the United States is its greatest asset and that it will have to carefully navigate through in its own relationship with China given the occasionally turbulent cross-current of Sino-American relations.

The Challenge of Fighting Terrorism

In a discussion that followed on from the first Saban Forum in Washington DC in 2004, participants analyzed the shared terrorist challenge confronting the United States and Israel. Both democracies are attempting to strike a balance between protecting their citizens and upholding their core democratic principles. The inherently difficult nature of counterterrorism has brought this tension between security and liberty into sharp focus. The Saban Forum, attended as it was by leading judicial and security officials from both countries, provided a unique opportunity to examine some of the most complex and controversial aspects of the battle against terrorism, including the use of targeted killings, administrative detention, and the role of the courts.

There was general agreement among Saban Forum participants that certain restrictions on freedom might be warranted at times of great threat to national security. Indeed, it was observed that the public is often willing to surrender some liberties for the sake of security. However, questions remain as to who should take the decision that the government ought to curtail its citizens' liberties, and who decides what level of restriction is appropriate.

Participants discussed numerous strategies for striking the correct balance. The experience of Israel, which has been striving for this balance for all of its existence, was particularly important in this regard. The Israeli approach has been to maintain transparency, in the sense of keeping citizens informed about overall



counterterrorism strategy and principles, but not divulging operational details. Such transparency acts as a check on the government and, vital in a war against terrorism, prevents the government from losing the public's trust. Whether or not such transparency has actually been practiced regularly in Israel was a matter of debate. Nonetheless, a strong argument was made that Israel had confronted such issues more directly and openly than the United States has thus far. For the United States and Israel alike, maintaining the legitimacy of the war against terrorism is vital. The government has to reassure citizens that it is acting properly and ethically.

Keeping check on the government during the conduct of such a difficult war cannot be relegated to the courts alone. A variety of other institutions and organizations have to buttress the judiciary in creating debate and enabling society to decide on how best to manage the stress between security and liberty. The press, civil liberties groups, and Bar associations are precisely the elements of civil society, characteristics of true democracy, that can contribute to the debate on how to fight terrorism in an open society. The domestic problems that governments have are matched by issues at the international level. One of the greatest difficulties that democracies face in the international arena is the lack of an agreed international framework, similar to the Geneva Conventions, that applies to counterterrorism.

One of the most troubling issues that democracies face is how to deal with imminent terrorist threats. The prime example of this is “ticking bombs”, a reference to suspects who are either en route to commit a terrorist attack or who possess information about an impending atrocity. The difficulty lies in the lack of certainty. The authorities can never be completely sure that an individual is a “ticking bomb.” Similarly, the nature of terrorism may demand that governments resort to a policy of targeted killings. While killing terrorists might help to stop an attack in its tracks and prevent future attacks, a clear and deliberate system is needed for such a policy to operate. Israel has an intricate, step-by-step process for determining who its targets are. There are then numerous layers of approval that have to be crossed before a targeted killing is carried out. Again, there was a feeling that the United States has yet to develop a similar level of formality and structured system for managing such operations.

Along with the need to balance security and liberty is the requirement to manage the tension between long-term and short-term measures. Participants felt that some immediate measures, implemented for security reasons, can result in long-term damage to national security. The examples cited were the Abu Ghraib and Guantánamo Bay prisons. The impression that has been created in many Arab countries is that the U.S. commitment to democracy and human rights is insincere as it is inconsistent with the manner in which some prisoners have been treated.

The Challenge of Segmented Societies

An important component of the Saban Forum 2005 was the broadening of the dialogue to include social trends in the United States and Israel as well as the



overall impact of globalization. In addition to the strategic, political, legal and security issues a democracy must contend with in wartime, there are social and economic forces at work that shape the attitudes and prospects of Americans and Israelis alike.

Both the United States and Israel are deeply segmented immigrant societies, in which previously marginal groups are moving rapidly into the social and economic center. American society has changed substantially in recent years. What divides Americans today is not what set them apart in the past: perceived ethnic and racial differences, and gender. Success is now based upon a new commodity that can be described as cultural capital. The United States has become a highly competitive society that in many ways is fairer today than in the past because cultural capital is something that any citizen can acquire. The incidence of social problems has declined and Americans work harder than their international competitors. The difficulty is that while the starting point is more equitable, social outcomes have become less fair. Those who succeed, by definition, possess cultural capital and have often been born to parents who themselves had considerable cultural capital. Parents pass cultural capital on to their children through upbringing, thereby creating an American hereditary meritocracy.

Americans also lead lives that increasingly divide them from each other. There is noticeable segmentation in terms of lifestyle. Even social interactions are affected by the widening fissures in American society—Americans marry members of their class and spend their leisure time with their ideological soul mates. Americans tend to split their votes less than in the past, with the educated the least likely to change parties and to cast their votes independently.

A divided society has also been buffeted in recent years by a series of institutional crises. Institutions that Americans had previously trusted have failed them. There have been scandals and failures in the media, corporate malfeasance, intelligence failures, mistakes in the conduct of the war and the ineffectiveness of the government's response to natural disasters.

The key fissure in Israeli society relates to identity. The debate over Israeli identity will define the future direction of the state. Key political developments in Israel during 2005 had profound resonance in terms of Israel's future identity. The ascendance to the leadership of the Israeli Labor Party of Amir Peretz signified the integration of a previously marginal group, the Sephardic Jews (who came to Israel from Muslim majority countries), into the Israeli mainstream. Israel's withdrawal of its remaining settlers and soldiers from the Gaza Strip, completing a process begun in 1994, also contained a message about the future identity of Israel. The debate that has raged for over 30 years between those who wish to maintain Israeli control over the whole land and those who preferred to divide the land with the Palestinians is moving to a resolution. Those elements, in particular the Religious Zionists, who wanted Israel to retain the territories conquered during the Six Day War in 1967 have suffered a significant setback following the withdrawal from the Gaza Strip.

Remarkably, Israeli society passed through this test with maturity. The government was able to implement a contested policy that challenged what many considered to be the nature of Israeli identity and yet avoided violence and social turmoil in response. The memory of the upheaval a decade earlier when Prime Minister Rabin was assassinated for beginning the process of returning territory to the Palestinians undoubtedly played a role, as did the conscious decision of the Religious Zionists not to challenge disengagement with violence. In recent years, as Israel approaches its 60th anniversary, Israeli society has demonstrated remarkable resilience and maturity. For all the divisions that remain among Israelis, they continue to demonstrate a remarkable level of solidarity.

The Challenge of Globalization

The changing nature of the world economy compounds the social and political pressures inside the United States and Israel. Globalization poses difficult policy choices for politicians and citizens alike, and both the United States and Israel have been profoundly affected by powerful, new economic forces.

The key change in the way that globalization works is that it has become a force for the empowerment of the individual. In the past, states were the main economic forces in competition and would set the agenda for global commerce. However, there was a shift during the 20th century when companies began to define globalization. The change in globalization during the 21st century is that it is now about individuals. Thanks to technological change, particularly in the field of high-tech, individuals are now able to compete against each other globally. The world's economic playing field has apparently become "flat."

What makes the difference in competition today is not corporate strength but the abilities of individuals. The challenge was felt to be as acute for the United States as for Israel, even though it is the world's largest economy because it faces determined competition from China and India. There was detailed discussion of the economic policies that Israel could pursue to improve its position in terms of high-tech industries and future competitiveness. For Israel a key concern is to retain highly-skilled and highly-educated workers in the country.

Political considerations were not far away from this debate, for it was felt that Israel had failed to come to grips with the necessity of a coherent policy for the Palestinian entity gradually emerging alongside it. Similarly, globalization has considerable security implications. The vast networks that make the modern economy function are vulnerable to terrorist attack. The global information infrastructure that can play such a positive role in spreading knowledge is also open to manipulation by terrorists to spread their propaganda, as has been repeatedly demonstrated in recent years.

The challenge for political leaders and policymakers is to ensure that globalization is used for genuine economic and social benefits and not to cause disruption. Similarly, there was a call for leaders to demonstrate understanding of citizens' concerns while also taking the right decisions for national economic

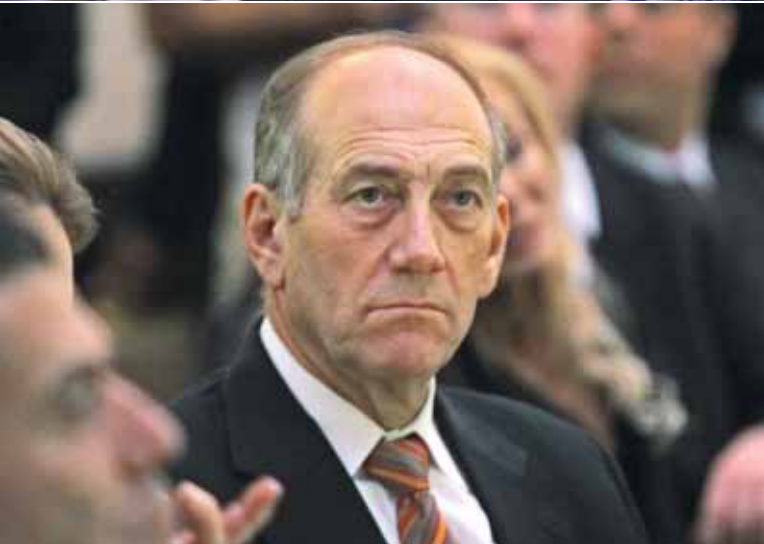




competitiveness. There was a clear skepticism over whether politicians understood the depth of the globalization challenge.

For the United States and Israel to thrive in a highly competitive economic future, they need the same sense of direction that emerging economies such as China and India possess. To remain on the cusp, the United States and Israel have to think in terms of their economic advantage deriving from being smarter, not cheaper. The world economy will be divided not according to the level of development but the level of intelligence, with the smartest coming first.







Globalization poses difficult policy choices for politicians and citizens alike, and both the United States and Israel have been profoundly affected by powerful, new economic forces.

Program Schedule



Friday, November 11, 2005

8:00 pm

Dinner: Ambassadors' Hall

GREETINGS: Haim Saban,
The Saban Center at Brookings

GREETINGS: Itamar Rabinovich,
Tel Aviv University

WELCOMING REMARKS: Shimon Peres,
Vice Prime Minister, Government of Israel

**Dinner Discussion: Next Steps in
Israeli-Palestinian Relations**

CHAIR: Itamar Rabinovich,
Tel Aviv University

Shimon Peres, *Vice Prime Minister,
Government of Israel*

Tzipi Livni, *Minister of Justice,
Government of Israel*

James Wolfensohn, *Special Envoy,
the Middle East Diplomatic Quartet*

Saturday, November 12, 2005

9:15 am

American delegation departs for tour of the
Security Barrier in Jerusalem area

11:00 am

American delegation departs for Ramallah and
meets with:

Mahmoud Abbas, *President of the Palestinian
Authority*

Salam Fayad, *Minister of Finance*

Mohamed Dahlan, *Minister of Civil Affairs*

7:15 pm

Opening Dinner: Presidents' Hall

CHAIR: Haim Saban,
The Saban Center at Brookings

OPENING REMARKS: Moshe Katsav,
President of the State of Israel

KEYNOTE ADDRESS: *Dealing with
21st Century Challenges*

William J. Clinton,
42nd President of the United States

Sunday, November 13, 2005

8:30 am

**Session One: Ambassadors' Hall
*Trends in American and Israeli Society***

CHAIR: Martin Indyk,
The Saban Center at Brookings

David Brooks, *The New York Times*

Aviezer Ravitzky, *Hebrew University
of Jerusalem*

10:30 am

**Session Two: Ambassadors' Hall
*Security and Liberty in an Age of Terror***

CHAIR: Strobe Talbott, *The Brookings
Institution*

Stephen Breyer, *Associate Justice,
Supreme Court of the United States*

Avi Dicter, *The Saban Center at Brookings*

RESPONDENT: Margaret Warner,
The Newshour with Jim Lehrer

continued



1:15 pm

Session Three: Jaffa Hall
***The Impact of High Technology on
American and Israeli Societies***

CHAIR: Yossi Vardi, *International Technologies
Ventures*

Thomas Friedman, *The New York Times*
Shai Agassi, *SAP*

3:30 pm

Session Four: Jaffa Hall
***Strategic Challenges to the
United States and Israel***

CHAIR: Zvi Shtaubert,
Jaffee Center for Strategic Studies

Shaul Mofaz, *Minister of Defense,
Government of Israel*

Hillary Rodham Clinton,
United States Senator (D-NY)

RESPONDENT: David Ignatius,
The Washington Post

7:00 pm

Concluding Dinner: Presidents' Hall

CHAIR: Haim Saban,
The Saban Center at Brookings

KEYNOTE ADDRESS: Ariel Sharon,
Prime Minister of Israel

KEYNOTE ADDRESS: Condoleezza Rice,
Secretary of State of the United States

10:00 pm

The Saban Forum 2005 formally ends.

Monday, November 14, 2005

3:00 pm

Mount Herzl Memorial Ceremony
commemorating the tenth anniversary
of the assassination of Israeli Prime Minister
Yitzhak Rabin z"l

4:30 pm

Tour of Yad Vashem, The Holocaust Martyrs'
and Heroes' Remembrance Authority

7:30 pm

Reception and official opening of the Rabin
Center and Museum





The goal of Israel is to overcome terrorism and then to move forward with the peace process. It is impossible to press ahead without first putting an end to terrorism.

Next Steps in Israeli-Palestinian Relations



THE EVENING BEFORE THE FORMAL OPENING OF THE SABAN Forum began with a *Shabbat* (Sabbath) dinner in Jerusalem at the historic King David Hotel. Following the blessing, participants of the Saban Forum 2005 held a post-prandial discussion on the current situation in Israel and the Palestinian territories and opportunities to advance the peace process. Participants all expressed pessimism at the prospects for the peace process and at developments in the Palestinian territories.

Israel's vision for the future coincides with that articulated by U.S. President George W. Bush: two states living side by side in peace. The vision looks simple—two states for two peoples. One is the state of the Jewish people, while the other is a Palestinian state that will be the Palestinian homeland and should be the home for all Palestinian refugees. After accepting this vision, to transform it into reality, a decision must be made on borders. If the only obstacle to peace were borders, then it would have been very easy to overcome. However, that is not the case and the conflict persists because most of the basic issues are unresolved and this makes it impossible for the two sides to find a way to live in peace. The key word here is peace. The Bush vision may have Israel's endorsement, but the Palestinian state must be accountable; it cannot be a terrorist state.

The goal of Israel is to overcome terrorism and then to move forward with the peace process. It is impossible to press ahead without first putting an end to terrorism. Both parties, the Israeli government and the PA, must also cope with the demands of domestic public opinion. Therefore, a move towards peace requires compromise. Both sides are faced with a choice, to move toward the end game slowly, or to take a sudden, large leap forward. That leap, whether small or large, will require mutual concessions.

The Palestinian Economic Situation

From an American perspective, the most important matter right now is neither politics nor economics, it is humanitarian; the living conditions of Palestinians in the Gaza Strip. For the two to three months before November 2005, the Gaza Strip has been so isolated that the number of Palestinians from Gaza working in Israel has dropped dramatically. There is also an increasingly youthful population in what is already an overpopulated area. A critical moment has been reached that cannot be ignored. The reality of life in the Gaza Strip is that it is a time bomb of hopelessness. The issue has nothing to do with politics or morality, but in human terms the Gaza Strip is in a precarious position.

From Israel's perspective, having 1.2 million people living next door who are without hope, does not make for good neighbors. Therefore, for security and humanitarian reasons, it is essential for the Palestinians to have prospects and a sound economic structure that will allow the Palestinians to rebuild. Israel's viewpoint is that conditions in the Gaza Strip, in particular, are dire and the terrible economic crisis there cannot be allowed to persist. It is not, however, accurate to say that fixing the economy will necessarily solve the problem of terrorism.

GREETINGS:

HAIM SABAN
The Saban Center at Brookings

GREETINGS:

ITAMAR RABINOVICH
Tel Aviv University

WELCOMING REMARKS:

SHIMON PERES
Vice Prime Minister
Government of Israel

DINNER DISCUSSION:

*Next Steps in
Israeli-Palestinian Relations*

CHAIR:

ITAMAR RABINOVICH
Tel Aviv University

SHIMON PERES
Vice Prime Minister
Government of Israel

TZIPI LIVNI
Minister of Justice
Government of Israel

JAMES WOLFENSOHN
Special Envoy, the Middle East
Diplomatic Quartet



The main challenge in dealing with the economic issues facing the Palestinians is working out how to allow for the movement of goods and people between the Gaza Strip and the West Bank as well as within the West Bank in an atmosphere of security. Additionally, the issue of Palestinian access to sea and airports must be resolved for a viable Palestinian economic framework to emerge.

These are critical problems and should be solved immediately. We should be fearful of what could occur if the economic position in Gaza is not addressed immediately. Israel will not have a peaceful future unless there is some equity in its relations with the Palestinians.

From an economic perspective, Gaza faces a structural difficulty in that its economy is very small relative to Israel's. Therefore the prosperity of Palestinians depends upon their ability to trade with Israel. The people of Gaza cannot have a productive economy without ports and access to the Israeli market. If the borders cannot be opened, then the level of income in the Gaza Strip will continue to decline. The notion that it is up to the Palestinians to develop their own economy is unrealistic. The only way for a small economy to grow is by globalizing, a process that starts with the small economy trading with its neighbors. While there is no shortage of entrepreneurs, ability, or education in the Palestinian territories, Palestinians will not be able to produce and prosper without trading with Israel.

Dealing with Hamas

The situation in the Gaza Strip was bound to have an impact on the Palestinian elections scheduled for January 25, 2006. Democracy means more than just giving citizens the right to go to the polls, it should also render it impossible for those using terrorism to achieve their political goals. Participants argued that those supporting terrorism or violence cannot be allowed to participate in elections and cannot be part of the political system. Israel has already made such a determination, distinguishing between those who can legitimately enter the political process and those who cannot, when it curbed the role of *Kach* ("Thus", a terrorist group that incited racism) in Israeli politics. The PA had a similar opportunity to set the rules of democratic politics when confronted with the demand from Hamas, a terrorist organization that does not believe in a two-state solution, to participate in the Palestinian Legislative Council elections.

The international community has an enormous role to play in this matter because it can enforce the ground rules for democracy. There has to be an international intervention because PA President Mahmoud Abbas (aka Abu Mazen) is politically weak and cannot handle Hamas on his own. The international community should tell Hamas that it can only enter the democratic process if it relinquishes its guns. If this opportunity is not seized, then the day after the elections, one participant remarked with prescience, President Abbas will be weaker and Hamas could come to power, bringing the peace process to an end.

At this point, it was argued, Abbas is so politically enfeebled that any attempt to end the conflict could be a mistake. Indeed, the effect of such an initiative could well be another cycle of violence. Instead, a better approach would



be to return to the Road Map for Israeli-Palestinian Peace (the Roadmap) of the Middle East Diplomatic Quartet (the European Union, Russia, the United Nations, and the United States). In a certain manner, the Israeli disengagement from the Gaza Strip and the evacuation of some settlements in the West Bank was a message to the Palestinians that Israel is ready and able to take resolute steps towards peace. There is therefore no longer any excuse for the Palestinians to do nothing, because Israel has played its role and taken the first step. The Israeli initiative increases the obligation on the Palestinians to respond because the first phase of the Roadmap emphasizes the role and obligations of the Palestinians.

While it is easy for Israel to criticize Abbas, this criticism is detrimental to the peace process and harmful to Israel. Instead, Israel should strengthen Abbas through a variety of measures. First, Israel should deal with the problem of prisoners. The question is whether it is better for the peace process to keep prisoners behind bars or to release them. While it is difficult to release people with blood on their hands, releasing prisoners can stimulate a move towards peace. In Northern Ireland, for example, some of the most enthusiastic supporters of the peace process were ex-prisoners and, to an extent, this phenomenon has been repeated among the Palestinians. For example, Muhammad Dahlan and Jibril Rajoub, both former inmates of Israeli prisons, are now major players on the Palestinian side of the peace process.

Abbas' claim that he cannot fight terrorism is untrue. Politicians facing a challenge of the kind confronting Abbas cannot gauge their strength until they make the effort. From a historical perspective, David Ben-Gurion recognized that he had to take risks to fight terrorism. For Abbas to take such a step will be difficult, but it is the only way for him to discover how strong he truly is. It is therefore in Israel's interest to build him up as it has no other partner on the Palestinian side than Abbas.

At the same time, Israel has to fight terrorism separately from the PA and should do so vigorously. It is, however, a grave mistake to fight terrorists without also fighting the root of terrorism. To do so, Israel should take risks in the same manner that the late Israeli Prime Minister Yitzhak Rabin did. The Israeli government also has to deal with the skepticism of its own people and push forward with peace.

In conclusion, it was argued that there has never objectively been a better chance to move to peace because of the changing economic structure of the region. Israelis cannot achieve a permanent peace settlement on their own. What is needed is for a third party to assist them to leap over the hurdles that lie ahead by genuinely restructuring the foundations of Israel's relationship with the Palestinians. The foundations of this new relationship are economic. Unlike strategy and politics, which are intangible, economics are concrete. Economic change therefore presents a unique opportunity to transform the mindset of Palestinian political movements. That mindset is influenced by what a leading participant argued is the greatest conflict of today—not the conflict between the Israelis and Palestinians, but the conflict between Muslims and modernity. Terrorism is a



product of that clash, a Muslim protest against modernity. An improved economy and better economic opportunities will offer Muslims the chance to embrace modernity and not be threatened by it. How economic change can have positive effects is exemplified by the manner in which the economic position of Arab women in Israel has been liberalized. There are around 50,000 young men and women from Israel's Arab community who are students in any given year. What is remarkable is that in recent years the majority of these students have been women, a clear instance of economic change bettering the lives of Muslims.

Moreover, the power of companies in the changing economy can be harnessed by "privatizing peace." As the foundation of peace, according to this view, is the economy, encouraging companies means unleashing a force that demands stability and development. Companies understand the need for a global economy and cannot operate in a global environment disrupted by terrorism.





During the morning on November 12, 2005, American participants in the Saban Forum were taken on a tour of the Israeli Security Barrier in the Jerusalem area. Avi Dicter, the Charles and Andrea Bronfman Visiting Fellow at the Saban Center at Brookings conducted the tour. Dicter was previously the Director of the Shin Bet (Israeli Security Agency).







President Abbas welcomed Saban Forum participants and expressed his gratitude for their commitment to advancing Israeli-Palestinian relations.

Meeting with the Palestinian Authority in Ramallah



AMERICAN PARTICIPANTS IN THE SABAN FORUM TRAVELED to Ramallah in the Palestinian territories on the morning of Saturday, November 12, 2005 to meet with PA President Mahmoud Abbas in the Muqata, the PA president's compound.

The session began with a briefing from members of the PA's Negotiations Support Unit regarding the PA's efforts to facilitate Israel's disengagement from the Gaza Strip and portions of the West Bank.

The central point made in the briefing was that the Palestinians need to be able to move more freely to enable their economy to grow. The key concerns were movement between the Gaza Strip and West Bank and the movement of goods between the Gaza Strip and Israel through the Karni crossing. One problem that Palestinians face at present is that Israel imposes internal closures within the West Bank, including checkpoints that hamper the functioning of the Palestinian economy. During the autumn the Palestinians need at least 150 trucks per diem to pass through the Karni crossing between the Gaza Strip and Israel for harvested goods to be exported. The Negotiations Support Unit staff also stressed that the Rafah crossing from the Gaza Strip to Egypt is that region's only access to the outside world as there is no functioning airport or seaport.

The Negotiations Support Unit also presented its view of Israel's security barrier. They noted that the structure extends into the West Bank, particularly around the Israeli settlements of Ma'ale Adumim, to the east of Jerusalem, and the Etzion blocs of settlements, south-west of Jerusalem, as well as around Ariel, which lies to the east of Tel-Aviv. As a result, they estimate that around 10 percent of the Palestinian population in areas to the west of the Israeli barrier is cut off from the rest, while a further 12 percent of Palestinians have been separated from their land by the barrier. In addition, Israel has maintained control of the Jordan Valley, which restricts Palestinian access to natural resources such as water. Therefore, the Negotiations Support Unit argued, only about 54 percent of the territory of the West Bank is actually under Palestinian control. The route of the security barrier and the considerable Israeli investment in the barrier have, they argued, led many Palestinians to believe that the barrier is not a temporary structure. Instead, they regard the barrier as a means for Israel to dictate its permanent borders without consulting with the Palestinians.

The Negotiations Support Unit stressed that the PA does not oppose the barrier *per se*, but opposes the route of the barrier. The PA believes that the route of the barrier conflicts with the best strategy for long-term security in the region: economic growth. The current route of the security barrier and Israeli closure practices in the territories hamper economic activity in the Palestinian territories.

Some Saban Forum participants asked what measures the PA is taking to stop terrorist attacks against Israel, and why the PA has not more aggressively prevented rocket attacks from the Palestinian territories into Israel. The response was that PA President Abbas has been working against the culture of terrorism within the Palestinian territories. He has pressed for Fatah militants

MAHMOUD ABBAS
President of the
Palestinian Authority

SALAM FAYAD
Minister of Finance

MOHAMED DAHLAN
Minister of Civil Affairs

**AMERICAN DELEGATION
LEADERS:**
HAIM SABAN
Chairman, The Saban Center
at Brookings

MARTIN INDYK
Director, The Saban Center
at Brookings

JAKE WALLEES
Consul General and Chief
of Mission in Jerusalem
U.S. Department of State



to disarm and has ruled that weapons cannot be displayed in public. A further question raised was why the PA will not accept a Palestinian state without East Jerusalem as its capital. The Negotiations Support Unit's response was that the reason is economic—East Jerusalem generates between 40 and 45 percent of economic activity within the Palestinian territories. East Jerusalem is therefore economically vital for a Palestinian state to succeed.

Following this discussion, President Abbas welcomed Saban Forum participants and expressed his gratitude for their commitment to advancing Israeli-Palestinian relations. Abbas opened his remarks by stressing that the Palestinians are pledged to the peace process. He noted his personal pledge to reach an agreement with Israel through negotiations.

Abbas spoke of his continuing opposition to violence and stressed that he is pressing for a political culture of non-violence within the Palestinian territories. He argued that the key to security in the region is that both sides reject violence. Abbas condemned the November 9, 2005 terrorist bombing in Amman, the capital of Jordan, which had claimed 59 lives, terming those who had conducted the attacks “non-humans.” Terrorism, Abbas said, contradicts the basic principles of humanity and for this reason violence in the region should stop. Abbas added that there were indications that the PA itself might become a target of terrorist attacks. If this were to happen, he warned, Palestinians and Israelis alike would suffer because the peace process would be dealt a serious blow.

Abbas said that Palestinian society has been mired in a culture of violence. In his view, it is vital to transform this culture of violence into a culture of peace. He had been making efforts to promote the notion of reconciliation with Israel among Palestinians. Abbas cautioned, however, that this transformation would take time, and would depend on whether he could demonstrate the value of the peace process by providing Palestinians with tangible results from his negotiations with Israel. He proposed further meetings with Israeli Prime Minister Ariel Sharon, saying that the two had met after Abbas's election to become PA president, but that they had not held a face to face meeting in a long time.

Abbas acknowledged that his administration had not been completely successful in its implementation of security measures, but he stressed that ensuring security in the territories remained his top priority. When he was elected he had embarked upon the rebuilding of the Palestinian security forces, an ongoing project. Abbas had been working closely with U.S. Army Lieutenant General William E. Ward, the United States' senior security coordinator for the Palestinians, and Israeli representatives to strengthen security cooperation. He also said he had clearly communicated his needs to the United States—for personnel to train Palestinian security officers and for ammunition.

Abbas also spoke about his efforts to reform Palestinian civil society, saying that he had been fighting corruption within the PA. He noted that he had



appointed a new High Judicial Council (the Palestinian Supreme Court) and had transferred numerous corruption cases to the Prosecutor General.

Abbas addressed the issue of the upcoming Palestinian Legislative Council elections, due on January 25, 2006, by saying that he was committed to ensuring the elections would be held on time and in a fair and open manner. He acknowledged the concerns of many in the international community that Hamas was running in these elections. Abbas argued, however, that Hamas would be required to disarm if it wished to enter the government after the January 25, 2006 polls. The election, Abbas contended, presented an opportunity to transform Hamas from a terrorist organization into a political party.

In conclusion, Abbas said he inherited a political structure riven with problems. He had therefore set about working to reform the PA. Abbas acknowledged the challenge ahead of him, but he called on Israel to reciprocate by implementing its commitments and shouldering its responsibilities. According to Abbas, we know what needs to be done to ensure peace and reconciliation between Israelis and Palestinians—both sides should treat each other as partners, and each side should implement the necessary steps to bring about peace.

Following President Abbas' presentation, Saban Forum participants had the opportunity to ask him questions. Many praised his denunciations of violence, but some questioned why he had not taken stronger steps to implement the policies that he had articulated. In response, Abbas said he had managed to oversee the relatively peaceful Israeli withdrawal from the Gaza Strip in August 2005. He argued that his security forces did not have the capability to act in many cases, noting that his forces sometimes ran out of ammunition. Abbas said that no government can accept the existence of armed militias. The difficulty is that the Palestinian security forces do not have the resources to crack down on all of these militia groups. Abbas stressed that what he has been saying to Palestinians is identical to his message to the international community: there has to be one authority, one law, and one gun.

From Abbas' perspective, democracy is a path towards security. Any group that is elected to the Palestinian Legislative Council should abide by international standards. Abbas said that if these rules are not obeyed, then he will not remain as president.

One participant asked Abbas why he had not pressed oil-rich Arab countries in the Persian Gulf to provide assistance. Abbas replied that he had met with representatives of several of these Gulf states and had requested help. Some had delivered assistance, others had not. Abbas felt that he was unable to publicly shame those countries that have failed to come through for the Palestinians.

A number of participants pressed Abbas on his decision to allow Hamas to run in the Palestinian Legislative Council elections. There was skepticism that Abbas would have the strength to pass legislation that would outlaw elected groups from continuing to be armed, or that in the event of such legislation,





that Hamas would respect it. Many Palestinians, it was noted, are upset about the scale of PA corruption. Therefore, it was argued that Abbas should publicize his crackdown on corruption to give the public a reason to have faith in him. In addition, it was suggested that Abbas should ask the United States to convene a group of U.S. and Palestinian officials to meet with leaders from Arab states in the Persian Gulf to ensure a proper flow of financial aid.

Abbas ended the session by thanking the Saban Forum participants for their questions and comments. He said that while he understood that much needed to be done by the Palestinians, there was plenty to be done on the Israeli side as well. Abbas called for Israel to stop expanding its settlements, to change the route of the security barrier, and he asked for the United States to provide assistance to the PA.







Reconciliation and peace with the Palestinians is within reach and must not be deferred to the next decade or, indeed, to the next generation. There is now a historic opportunity that must not be missed.



Opening Remarks

[in Hebrew]

THANK YOU TO HAIM SABAN, MY CLASSMATE FROM THE BEN Shemen Youth Village, and for your initiative in creating this dialogue concerning U.S. relations on the tenth anniversary of the death of the late Prime Minister, Yitzhak Rabin, in the Saban Forum on Israel. Welcome to those attending this gathering.

The relationship between Israel and the United States is strong and established, but Yitzhak Rabin, by virtue of his personality and status, helped increase the appreciation, respect, trust, and friendship of the American government and people toward the State of Israel.

Since President Harry Truman made the historic decision to recognize the State of Israel, American presidents have established the substance and character of the relationship, have defined it as special, and have declared a deep commitment to the security of Israel. The people of Israel are highly appreciative of the American people and their leaders for their strong, continued support since the founding of the State. The special relationship is manifest in a deep partnership at the highest levels in a wide range of fields and draws upon beliefs, values, and vision. It is a relationship of understanding, friendship, and common interests. Although there is no official pact, our relationship is vested in dozens of agreements and bilateral understandings and exchanges of dispatches, which have gained recognition and approval in the United States by both political parties in all governments, along with the support of the American public.

Former President Bill Clinton, I praise you for your strong support, which resulted from appreciation and trust, and for your contribution to reinforcing the might of the State of Israel. This dialogue in the Saban Forum is an expression of the deep ties between our two countries, which President Clinton helped shape.

From the beginning, the leaders of Zionism were influenced by the American Revolution, the American vision, and the American spirit, as voiced by the Founders of the United States, particularly the writers of the American Constitution. Both countries are countries of immigrants who have strived for freedom and independence, of combatants, and of pioneers. The founders of the United States, as well as leaders of the Zionist movement, drew on the vision of the prophets in the Bible.

For us, the friendship with the United States is a strategic asset. American support helps us fulfill the historic vision of gathering the People of Israel in its homeland, allows us to establish political initiatives and processes in our region, and deters Muslim countries and organizations that still aspire to the destruction of Israel.

The United States is worthy of praise and appreciation also for its relentless efforts to achieve peace and reconciliation in the Middle East. The United States has made a unique, historic contribution to the breakthrough between Israel and the Arab world, through the peace treaty we signed with Egypt. At that time, President Carter said: "We have a special relationship with Israel. It's absolutely crucial that no one in our country or around the world ever doubt that our number one commitment in the Middle East is to protect the right of Israel, to exist permanently, and to exist in peace."

CHAIR:

HAIM SABAN
The Saban Center at Brookings

OPENING REMARKS:

MOSHE KATSAV
President of the State of Israel



Israel has also known the limits of its relationship with the United States, as stated by Israel's ambassador in Washington, Yitzhak Rabin, to President Nixon: "Israel has never and will never ask the American government to send American soldiers to spill their blood for our protection. We need arms, weaponry, technology and knowledge, but we shall not want American soldiers to guard our borders."

The April 2004 document from President George W. Bush constitutes a framework for an arrangement that is acceptable for the Palestinians and Israelis and that can achieve a national consensus in Israel.

The United States leads the world in coping with the challenges of the 21st century and will certainly continue to dedicate enormous resources to security, the war against global terrorism, and the values of democracy around the world. The United States will continue, in the long-term, to be the only global and strategic superpower, and it is reasonable to assume that the technological gaps between it and its rivals will not diminish.

We must pay attention to processes and transformations that are occurring now and examine how their level of stability affects the stability of the world, poverty, social gaps, democratization processes, and extremism or nationalism. We must, likewise, pay attention to how these processes and transformations affect the brotherhood of peoples and the challenges of the 21st century. In this last decade, extremist Islam's global terrorism has, in effect, created a state of war on the western world, led by the United States. Not all democratic countries in the free world are aware of this war and not all the moderate countries in the Muslim world agree to this definition. Global terrorism has inexhaustible resources, no borders and no limitations, and it has inconceivable pretensions that appear both insane and absurd. However, we must understand that this terrorist goal is to overpower us and force extremist religious ideology on all humankind. We must also understand that the populations that identify with global terrorism are becoming more and more extreme and fanatical in their beliefs and ideologies.

In the free world, there is sometimes a worrying, naive attitude—we must keep our eyes open and see reality for what it is. Some are deterred from frontal confrontations because of the fear of reprisals of terrorist organizations, and some demonstrate naïveté out of a belief in ideals. In recent years, cruel, severe terrorist attacks have occurred in Turkey, Indonesia, Spain, Russia, England, Kenya, Argentina, Morocco, Jordan, Saudi Arabia, Egypt, Israel, the United States, and other countries. This is definitely a world war being waged by extremists against world stability and peace—effectively, a world war between the free world and global terrorist organizations.

It is the duty of the world's leaders to give the human race the elemental right to live without fear of terrorism. The free world must set up a joint headquarters for fighting global terrorism of all kinds and wage a determined, common struggle in the fields of economics, politics, law, and defense. Global terrorism abuses globalization and the values of democracy, human morality, and modern technology. Free speech, freedom of religion, and indi-

vidual rights are not freedom to incite, to commit racist acts, murder, shed blood, or preach for acts of destruction. Freedom of immigration does not mean free movement of supporters of world terrorism and giving assistance to terrorist organizations.

I am amazed to see political and academic institutions in the free world that condemn Israel's war against terrorism, defining it as a crime against humanity and preaching the imposition of sanctions and boycotts against us.

There are leaders in the free world who distinguish between the military arm and the political arm of terrorist organizations. The leaders of terrorist organizations have only one goal. The military arm is the executive, and the political one is the dispatcher, guide, and teacher.

Human naïveté is weaker than evil and demagoguery. Evil, distortion, and bad instincts may take advantage of beliefs and human values. Democracies are not proof against evil and tyranny, and we have seen in the past how anti-democratic parties have taken advantage of democracy to gain control. None of us knows what the future holds, what the moods will be in another decade or in another generation, but it is our job to lay a strong moral infrastructure for future generations. Totalitarian countries that give support to terrorist organizations and aim to get weapons of mass destruction constitute a great danger to world peace and stability.

We currently face a wave of anti-Semitism, the likes of which we have not known since World War II. Extreme right and extreme left organizations; extremist Muslim organizations; and anti-Western, anti-globalization organizations have joined the new anti-Semitism. Anti-Semites also take advantage of modern communication and democracy to disseminate anti-Semitism to dimensions and intensities we have not seen in the past. Anti-Semitism is a tragedy for the Jewish people, but it is also a moral and historical failure for humanity, a failure of the leaders of the free world.

We are witnessing the fact that strategic changes are occurring in our area. In the last twelve years, Israel has made a historic change in its attitude toward the Palestinians and has made three historic decisions: the Oslo Accords of 1993; the acceptance of the Road Map, in which Israel announced its willingness to support the establishment of a Palestinian state; and now, the removal of 25 Jewish settlements from the Gaza Strip and northern Samaria, even though Israel has never had a day of quiet.

The main struggle is not between the Israelis and Palestinians. The true struggle is between sane, constructive Palestinian parties and those who are destructive and fanatic. Regretfully, the future of the political process in the Israeli-Palestinian conflict depends on the side that wins the inner struggle among the Palestinians, and if rational parties win, we can achieve peace and reconciliation, but if extremist parties win, there is a danger of escalation.

Our relationship with the Palestinians is the worst since 1967, but the political gaps between the Palestinian Authority and the government of Israel are the smallest since 1967. The Palestinians and we have common security and economic interests. Reconciliation and peace with the Palestinians is within reach





and must not be deferred to the next decade or, indeed, to the next generation. There is now a historic opportunity that must not be missed.

The State of Israel is proud of its scientific and technological achievements. We look forward to the day when we may free up our human and scientific resources to solve the real problems of the peoples of the region and of humanity, such as poverty, intractable diseases, and ecological disasters, instead of diverting these valuable resources to the war against terrorism, destruction, and ruin.

The United States and Israel are also being tested for giving equal, fair opportunities to everyone, and the fact that we are all under one roof here with Bill Clinton and Haim Saban attests to one of the fundamental values of American and Israeli democracy.

I thank you, President Bill Clinton, and your wife Hilary. You are honorary citizens of the State of Israel.







Grieve the losses, laugh in the face of the impossible difficulty of the present moment. Remember that in this life God gives no guarantees, only obligations. And get back to greening the desert of despair, one tree at a time.

Dealing with 21st Century Challenges



Thank you. Thank you very much, Haim.

LADIES AND GENTLEMEN, IT IS AN ENORMOUS HONOR FOR Hillary and Chelsea and me, for all of us, to be here. I am profoundly grateful to Haim and Cheryl for their personal friendship to Hillary and me. To you Haim for your abiding loyalty to Israel, to your many contributions to your adopted home in the United States, and especially for the Saban Forum which gives us a chance to continue to talk as friends in an open and honest way.

I thank you for your continuing search for security and peace as embodied by the trip that so many took to Ramallah today.

President and Mrs. Katsav, thank you for being here. Mr. President, I thought you gave a wonderful address. And I applaud your courage and your vigor.

Mr. Wolfensohn, thank you for your commitment to redeeming the full promise of Prime Minister Sharon's courageous withdrawal from Gaza and I hope we will all be able to support you.

I thank the members of the United States Congress who are here, Mr. Lantos and Mr. Shays, my old friends, and the other officials. And Mr. Justice Breyer, thank you for being here. It is nice to know at least one person who has a lifetime job.

I have to tell you, you know, I once made a crack like that not long ago, in the presence of an African American bishop. And I looked at him and said I am really glad to be around someone who is not term-limited. And he said to me, "Oh, Mr. President, we are all term limited, it is just that most of us do not know when our term expires."

I say that to inject some levity into the situation, but also to remind us all that our time on earth is limited and we had best make the most use of it we can.

I want to talk a little bit today about yesterday, today, and tomorrow, here. It has been unbelievably ten years since that dark day that we lost Yitzhak Rabin and what I still believe was our best chance for a comprehensive and lasting peace.

Not a week has gone by in those ten years that I have not thought of him, his family, his allies, Israel's struggle. It has been five years since I left office and since Mr. Arafat committed what I consider to be a colossal historical blunder in walking away from the peace proposal I made at that time, which the then Prime Minister, Mr. Barak, accepted. It was the last chance we had up to this point, for a comprehensive peace.

I was thinking today about 1993 when I became President and Yitzhak Rabin had just been elected prime minister in Israel and then the accords with the Palestinians were signed in Washington in September and the world was so full of hope in the sense that we could make a new beginning.

We felt that way at home, too, in America. I had laid out this great scheme to make our country more prosperous and just and secure, a plan to make America, in the aftermath of the Cold War, the world's leading force for peace, freedom, security and prosperity. Including, of course, a just and lasting peace in the Middle East with Israel secure, with normal relations with its neighbors with a genuine partnership with the Palestinians against terror, and for a brighter future.

CHAIR:

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WILLIAM J. CLINTON

42nd President of the
United States



I felt quite good about that then, and in so many ways, we came quite close. Those were good years for America, and a lot of the world's problems seemed to be giving way to human effort.

There was a slew of international agreements from the chemical weapons convention to the conference test ban treaty to the indefinite extension of the non-proliferation treaty, to the Kyoto climate change accord to the international criminal court, and many others.

Ethnic cleansing was ended in Bosnia and Kosovo. Peace was reached in Northern Ireland; the war between Ethiopia and Eritrea ended. And for seven and a half years there was progress toward peace in the Middle East through a succession of leaders, even after Rabin was killed, including the Wye River Agreement under then Prime Minister Netanyahu and Foreign Minister Sharon.

In 1998, the only year in the history of the State of Israel, in which no Israeli died from a terrorist attack, there was the remarkable anti-terror conference in Egypt, with then Prime Minister Peres and all the Arab leaders. There was the serious effort on Syria and the efforts at a comprehensive peace from Camp David to Taba, and the withdrawal from Lebanon under Prime Minister Barak, and, of course, the United States concluded a remarkable and I hope prophetic trade agreement with Jordan—the first trade agreement that we ever made with another country that had included in the body of the trade agreement environmental and labor conditions, something that I think is important. I do not believe we can build a global economy without a global social compact and it is a great tribute to the king of Jordan that he embraced and understood that concept.

Since 2001 since I have been on the outside looking in, except for my occasional work as a caseworker for the junior senator from New York here. You know I love being out of office, I can just say whatever I want. Of course, nobody cares what I say any more, but it is fun to be able to say what you want. I do have to try to avoid doing anything that complicates Hillary's life, but otherwise I go along.

There has been, as the president said, some progress in the larger world and in the region toward what I take to be our shared objectives. We have seen people that most of us will never know, all over the world, in intelligence and law enforcement working together to shut down terror cells and prevent terrorist attacks.

We have seen a dramatic increase in the world's willingness to fight against our common problems that disproportionately affect the poor like AIDS and malaria in the absence of economic opportunity.

We have seen growing demands for action on climate change, even in the United States.

We have seen, in the aftermath of the Tsunami, improved relations between America and the world's largest Muslim country, Indonesia which also achieved a peace in Aceh.

We have even seen some breaking of the ice in the attitudes of hard-line Muslims in the Kashmir region of Pakistan in the aftermath of the horrible earthquake, because so many people from around the world came and related to them



as human beings and were seen, in turn, as human beings. And for the first time since 1971, free movement of Indians and Pakistanis across the line of control.

We have seen progress in Colombia against the narco-traffickers, where 13,000 terrorists have laid down their arms and rejoined civil society, and the production of coca and opium is down. And of course, we have seen the election of a genuine Islamic moderate, Mr. Karzai, to the presidency of Afghanistan in the aftermath of 9/11 and the overthrow of the Taliban. (Though he is not out of the woods because of the trouble that he faces in the far reaches of his country).

In the region, we have seen the election of Abu Mazen, if I may, without disrespect, continue to call him that, on a commitment, a platform for peace for the end of terror and fighting terror.

We have seen, as you have said, President Bush's Roadmap and the acceptance of that Roadmap by Israel. We have seen two efforts from Israeli and Palestinian citizens to flesh out the details of what a comprehensive peace might look like. We have seen the liberation of Lebanon from Syrian influence after the horrible murder of Mr. Hariri who was a friend of many people in this room, including me.

We have seen 58% of the Iraqis voting in an election after the deposing of Saddam Hussein. And I always like to tell my fellow Americans, we patted ourselves on the back, Republicans and Democrats alike, in 2004 because we had an enormous turnout, 54%. The Iraqis did better with their lives at stake, and so it gives us some hope that that enterprise still might produce a genuinely representative, functioning government, capable of defending itself.

And we have seen Prime Minister Sharon's courageous withdrawal from Gaza, along with continuing constructive relations with Jordan, whose king has developed a modern economic and social policy, which I earnestly hope and pray, will prevail.

Having said that, we have also suffered some in the world since 2001. Osama Bin Laden and Mr. al-Zawahiri are still at large four years after September 11 and al-Qa'ida really now does have a base of operations in Iraq, with horrible consequences for our brothers and sisters in Jordan. Most of those who were killed, cruelly, were also Muslims, people who believed they were true to their faith.

Iran is now saddled with a conservative populist who made those outrageous remarks against Israel and the West. I do think that it is worth pointing out, in another one of the twists that are so cruel in this region, that he was not elected because of his hatred for Israel or the West. He was elected because of the economic distress of ordinary Iranians, which he promised to relieve by giving them direct financial assistance, or in the common parlance of American politics, he promised to cut them a check, each of them, and despairing of any other way of getting out of their situation, after having twice voted for a president, twice voted for a Majlis, twice voted for mayors who were moderate by 66 per cent to 70 per cent margins, they gave this guy a chance to write them a check and instead he wound up further isolating and dividing the Iranians in a disgraceful way.

In the region the Palestinians—after Mr. Arafat's historic errors—first in stoking the second *intifada*, and second in walking away from the peace proposal, which in another cruel irony, a year and a half later, he said that he would like to





have. After he had an Israeli public that did not trust him any more and a government that would not give it to him. The Palestinians have elected a leader who has disavowed terror but may not yet be able to stop it. And may not be able to provide a government with sufficient capacity to maintain the confidence of his people.

In a classic example of the old adage that no good deed goes unpunished, Prime Minister Sharon's astonishingly courageous withdrawal of Gaza has generated a revolt in his own party which has placed his governance in question. And he has lost his partner Shimon Peres, one of the most visionary and brilliant leaders of this or any age, because the Labor party, at least the plurality, understandably, wants to pursue its economic and social agenda more vigorously, independent of the constraints of coalition government. And has chosen a leader, who quite admirably has spent his lifetime trying to advance the welfare of Israel's working families, and thankfully has promised to pursue and support reasonable efforts for peace.

So what are we supposed to make of all of this?

No Israeli artist in history could have written a political satire with as many twists and turns, ironies and dead ends, highs and lows, heartbreak and hilarity as the present reality in the last few years.

If you want me to say exactly where we are, I am sorry, I can't do that. I don't know enough about the realistic range of options available, and now without the authority of high office. However, since I love this country and have spent a lifetime trying to persuade people to reach beyond their anger, their fear, their hurt, their insecurity, to find common ground and our common humanity, I do have some observations which I offer as a friend.

If you live in a world where you cannot kill, jail or occupy all your enemies true peace and security can only come through principled compromise based on shared responsibilities and shared benefits.

If you work for peace and fail, fewer people will die than if you do not work at all. Since 2001 four times as many Israelis have been killed by terrorist attacks as perished in the eight years when we were all struggling for a peaceful solution. Eight years, which included 1998. Four times that many Palestinians have died in the same period.

If we fail to find a way forward, the inexorable demographic, geographic and political logic that drove Yitzhak Rabin to sign the 1993 accords in the first place will reassert itself with a vengeance.

The territories Israel has controlled since 1967, Rabin believed, do not protect it from missiles from without and make it more vulnerable to attack from within from terrorists and angry alienated young people. The Palestinian Muslims will continue to grow in population at a more rapid rate than the Jewish Israelis—confronting Israel with the Hobson's choice of permanently disenfranchising their neighbors, thus compromising its democratic ideals or losing its Jewish majority inconceivably putting in peril the ancient dream of a homeland.

If all this happens the United States will still stand by Israel and Israel will survive, but in a permanent state of anxiety with constant violence in varying



degrees of intensity. In a region and a world with more and more terror as Palestinian misery and twisted theology are used by unscrupulous demagogues to justify the continued slaughter of the innocents.

Now, if you believe these observations are true then it seems to me it is obvious that no matter how difficult, three things have to be done. First, the Palestinians have to use their opportunity in Gaza to do a better job of fighting terror and working with the Israeli security and military forces. And they have to do a better job of giving their own people a capable, honest government, so that they can win genuinely contested elections.

Second, the leaders and the people of Israel have to find a way to organize their politics, so that the search for peace can continue no matter what the domestic policies are, or the differences of detail are—in international affairs generally and the negotiations with the Palestinians in particular. Much remains to be done but everyone knows within a matter of a few degrees what the end will be.

Third, and most important here, the Jewish Diaspora and the friends of Israel and peace in the United States, Europe, and throughout the world, have a special responsibility to give financial, technical, and moral support to the Palestinians to help the Gaza gamble succeed and to the Israelis to give them time to sort through their political situation.

There is in Israel today a genuine and understandable debate given the fact that Israel unilaterally withdrew from Lebanon under Prime Minister Barak which led to a whole series of developments, which gave Lebanon a chance to be free and independent of Syria today and a genuine partner of Israel in the future. Given the fact that under Prime Minister Sharon there was a unilateral withdrawal from Gaza which gives the Palestinian government at least some range of authority in an area where it has the chance to develop the capacity to cooperate against terror and improve the governance of its citizens. There is a genuine debate whether this policy should continue.

As a tactic, it perhaps should, I cannot make that judgment—that is a judgment for the people here. But as a strategy for the long-term the idea that Israel can proceed unilaterally forever, without a cooperative relationship with a successful Palestinian state, it seems to me highly premature to make that concession for two reasons.

First of all the Palestinians also have a Diaspora, it is well to remember. I have met them all over the world. Outside the territories I have never met a Palestinian who is not a millionaire or a college professor. Now, we can laugh about this, but they dominate the flower trade in Chile, they are the highest per capita income minority group in Ecuador. They have made terrific contributions to the United States.

If there were a partnership that worked with a government that was capable of fighting terror, committed to fighting terror, and able to govern its own people, it would not surprise me a bit that within 10 years after its commencement the economic power in the Middle East in an era of new energy policy would shift from the oil-producing countries to the mind-producing, mind-triumphing place here.





Second thing I want to say is that if unilateralism becomes a strategy rather than a tactic it would require a very high wall, and other good deeds may not go unpunished. So where does this leave us, on this occasion when Hillary and Chelsea and I have come here to a place we love to honor the memory of a man I still miss constantly and painfully? A man who for all his eloquence valued deeds far more than words. I respectfully suggest that it is time for Israel and its supporters to do what Jews throughout history have always done better than any other group of people. Grieve the losses, laugh in the face of the impossible difficulty of the present moment. Remember that in this life God gives no guarantees, only obligations. And get back to greening the desert of despair, one tree at a time.

Thank you and God bless you.







The foundations of American society are strong.





Trends in American and Israeli Society

THE OPENING SESSION OF THE 2005 SABAN FORUM ADDRESSED the current state of American and Israeli society. Participants from both sides discussed economic, political, and social trends in their own societies as well as what these mean for the future. Participants noted a strong move towards segmentation that has taken place over the past generation in both Israel and the United States.

The State of American Society

A participant from the United States argued that American society has become fairer and more competitive in the past few years. This trend has both positive and negative implications. On the positive side, Americans are remarkably industrious. In 1982 the average American and the average European worked the same number of hours per annum. Today, the average American works 350 hours more than the average European per annum. In addition, American productivity is high by international standards, while many social indicators have improved. For example, crime is down 70 per cent, domestic violence is down by 50 per cent, the rates of teenage pregnancies and abortion have fallen by 30 per cent, and there have been noticeable reductions in the incidence of drunk driving, teenage violence and suicide. The consequence of these social trends is that the United States has become a much more hopeful society, an attitude that is apparent in U.S. birth rates. The long-term effects of these trends will be striking. By the year 2050 the average American will be 38 years old, compared to 52 years old for the average European and 50 for the average Chinese. Therefore, this participant argued, the foundations of American society are strong.

However, the bad news is that as society becomes fairer in terms of starting points, it has also become less fair in terms of outcomes. Unlike in the past, success in American society is not determined by race, gender, and ethnicity. Instead, success today is decided more by cultural capital. The difficulty is that human and cultural capital are not endowments that can be distributed equally in a society. Those who are rich in cultural capital tend to have parents who also possess this cultural capital in abundance, and they, in turn, tend to pass this asset on to their children by the age of three. This has led to the rise of a hereditary meritocracy, which is a new form of inequality. Politicians and their policies cannot easily correct this new kind of inequality. Moreover, this new inequality has also created income segmentation, with American society becoming economically far less equal than in the past. There has also been a simultaneous trend towards lifestyle segmentation in American society. Americans tend to marry others in their own class, a development that has been accompanied by media segmentation and geographic segmentation. In a sense, American society is becoming tribal—Americans do not even socialize across ideological lines any more.

The United States is also becoming politically segmented. The number of counties in the United States where one party has a landslide majority has doubled over the last generation. The number of voters who split their tickets has dropped dramatically in the last 10 to 15 years. Improved education has actually contributed to political polarization as the more educated voters are, then the less

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likely they are to vote independently. While the distribution of opinions on every issue remains largely unchanged, Americans are divided according to their political identity and their political “team.” Americans are either members of the Republican “team” or the Democratic “team.”

In terms of its economy and culture, the United States is fundamentally strong but in recent years it has been exposed as being institutionally weak. Institutions have repeatedly failed. There have been intelligence failures, corporate failures, media scandals, fiscal scandals, the conduct of the war in Iraq, and most importantly the scandals surrounding the response to Hurricane Katrina. The latter was a government failure on every single level and exposed the United States’ social stratification. To an extent, Americans appear to be losing an important component of democracy in their country, the feeling that individuals have a responsibility for civic life and for the performance of their government.

After 9/11 Americans wanted a sense of order and authority, but instead they have witnessed a failure of authority at almost every level. Consequently, 70 per cent of Americans believe that their country is heading in the wrong direction. This means that the political future will not look like the political present, and certainly not like the political past. There could be a further flight away from the political center to the populist fringes.

Where the center now lies in U.S. politics is unclear. President William J. Clinton was able to articulate the values of the American center with ease. After 9/11, President George W. Bush sought to define the center as those who are willing to confront terrorism, a message that resonated with many Americans. In the aftermath of Iraq, and with increasing public discontent about the conflict, that definition of the center may no longer hold.

As important as the political center is the population center, which is also shifting. A critical trend in American society is population movement, the combination of immigration from abroad and domestic migration. The center of the population balance of the United States is moving from the East Coast to the Southwest and West, leaving behind increasingly poor urban populations on the East Coast. Legal and illegal immigration is probably the most difficult issue facing American society today.

The State of Israeli Society

The discussion then turned to the state of Israeli society. In Israel, for the first time in 70 generations, there is a Jewish public space, and Jewish children can feel part of a collective home. Consequently, every political debate in Israel has become a debate about the identity, the culture, and the essence of the state. Every social conversation in Israel is connected to the older generation, which remembers when no such collective home existed, and the younger generation, which knows nothing but living in that Jewish public space. The historical memory of the past converses with young Israelis’ hopes for the future.

The debates that have occurred in Israel during the previous year were suffused with this conversation about identity issue and were about more than just





social trends, ideology and politics. The election of Amir Peretz to be leader of the Israeli Labor Party in November 2005 was not only a political victory, but a symbolic victory of a certain type of Israeli identity. Peretz's victory signifies the movement of a social group, the Sephardic Jews (who mostly came to Israel from Muslim majority countries), from the margins of Israeli society 30 years ago to the center. Similarly, the struggle over Israel's disengagement from the Gaza Strip, the withdrawal of the remaining Israeli civilian and military presence, is an ideological argument, not a territorial one. In contrast to the Sephardic Jews, Israel's Ultra-Orthodox Jews are being pushed away from the center and towards the margin. There has been a similar and equally gradual change in the status of the Jews who came to Israel from the former Soviet Union. The Soviet Jews, as they are known, have moved towards the financial and professional center.

The argument over civil marriage in Israel is also a debate about the very core of Israeli identity and the concept of the Jewish family. At present, all marriages in Israel must be conducted by state-recognized religious bodies. There is no legal civil marriage in Israel, which forces members of different religious communities wishing to marry, or those not fully accepted by religious communities, to go abroad for a foreign civil marriage. In the same vein, the argument over the composition of the Israeli Supreme Court is a dispute over what identities will be represented in the state's highest judicial structure.

Each of these debates is another example of the ongoing ideological polarization of Israeli society. The significance of the main event of 2005, Israel's disengagement from the Gaza Strip, lay less in the decision or implementation, but in the ability to enforce this measure successfully while keeping society intact. For more than 30 years Israelis have known that there are two contradictory Zionist dreams, that which favored dividing the land and that which sought to retain the whole land under Israeli control. Israelis knew that eventually one of these dreams would be defeated. Gaza disengagement was a partial defeat for those who wish to keep the whole of what was the Mandate of Palestine ("Land of Israel") under Israeli rule.

The meaning of Zionism is a call to Jews to live in the "Land of Israel." Secular Zionists hear the call, but they do not know who is calling them. Ultra-Orthodox Jews know who is calling them, but do not hear the call. Religious Zionists have both the call to the land and the caller—for them the caller is God. For 50 years it was believed that Religious Zionists were the leaders of the Zionist movement and that they are the ones who will inherit the land. As a result, the leadership of the Religious Zionist movement, an Israeli version of the American Religious Right, was able to dictate the map of Israel to a greater extent than the Prime Minister of Israel could.

Comparing segmentation in American and Israeli society

The discussion then turned to comparing the effects of segmentation in the two societies. The impressive social indicators that had been cited in the discussion might be taken to imply that societies benefit from segmentation. However,



another perspective is that social segmentation in the United States compounds past social ills as it overlaps the old wound of race, thereby making American society less mobile. While contemporary segmentation has been presented as horizontal, based on cultural differences rather than on the inherent differences that were salient in the past, such as religion and race, it is arguably less benign than it is portrayed. Social segmentation today is vertical and rests upon the disenfranchisement, economically and socially, of millions of Americans who are left behind while the rest of society prospers and advances.

Israelis are also struggling with how to deal with the effects of segmentation. To an extent polarization is natural in Israeli society as, like the United States, it is composed of immigrants who came to the country with diverse social backgrounds and experiences. What is not natural, however, is that Israel is the most economically unequal society in the Western world. Many Israelis are disenchanted with their economic and social lot. This economic segmentation is one of the factors behind the election of Amir Peretz to become Israeli Labor Party leader in November 2005. The cultural and educational system exacerbates inequality and tends to concentrate poverty inside minorities such as the Israeli Arabs and the Ultra-Orthodox Jews.

Israeli governments have proven unable to tackle these inequalities because the governance system is so ineffective. Despite this failure, the next couple of years will provide an opportunity for major changes in Israel. The first will be in the political system. Israel needs to have a leader who can select the cabinet and key officials through a meritocratic system rather than one which involves placating party interests.

On the economic and social fronts, Israel needs to encourage the creativity and dynamism of its citizens. A comparison with the European Union illustrates the policy mix that Israel needs to pursue. The European Union is in decline because its population is not multiplying and does not work hard enough. Israel, by contrast, is a diligent country endowed with many bright people. To escape from its current economic and social bind, Israel has to cut back at its economic bureaucracy and legislative burden to allow capital to enter the economy and create wealth. On the other hand, Israel needs to retain a state bureaucracy, but one that is effective and capable of investing in fruitful social and economic projects.

Israel's "mid-life maturity" and "mid-life crisis"

Gaza disengagement tested whether Israeli democracy could cope with the strain of a controversial policy that cut to the heart of Israeli identity. The question was whether disengagement could be implemented without tearing the fabric of Israeli society. Many in Israel considered this impossible. After all, if one man, Yigal Amir, could assassinate Israeli Prime Minister Yitzhak Rabin in 1995 for giving land to the Palestinians, then in the same manner thousands of Religious Zionists could have been able to assassinate the state in response to Gaza disengagement. Such a clash never materialized, in large part because the leadership of Israel's Religious Zionists decided not to respond with violence to the withdrawal



from Gaza. The historical irony is that disengagement in 2005 would not have proceeded as smoothly as it did had Rabin had not been assassinated by Yigal Amir a decade earlier. The trauma of the murder of Rabin created a degree of moderation and restraint in Israeli society. Consequently, there was no clash between the soldiers, and the settlers they were evacuating. Rabin therefore gave his life for the original peace process that he pioneered and for the subsequent disengagement.

The disengagement from the Gaza Strip was not only a defining moment for 2005, but also a defining moment in the construction of Israeli democracy and the Israeli body politic. Before Gaza disengagement there were two fears that predominated—that settlement activities were irreversible, and that an Israeli civil war might break out over Gaza disengagement. Neither fear materialized. While it is true that Israeli society is fractured, and there is considerable pluralism and internal dissent, a deep well of solidarity continues to exist between Israelis. In mid-life, Israel has demonstrated considerable maturity.

Other evidence of growing maturity is the resilience that Israeli society demonstrated in the face of the second wave of Palestinian *intifada* terrorism. Similarly, after decades of relative isolation Israel is coping much better with the outside world. Finally, Israeli society has accepted that there have to be two states for two peoples, an Israeli state and a Palestinian state.

There were, however, aspects to Gaza disengagement that indicate an Israeli “mid-life” crisis. Israel experienced a deep disconnect between society and its political representatives, as exemplified by Prime Minister Ariel Sharon having 65% public support for Gaza disengagement but no such level of support within his own party in the Knesset. The reason for the cleavage between the public and the political parties has been the introduction of primaries. The old party political structures had closely linked leaders to party members. Under the new system, the party leadership no longer controls its party’s agenda, instead this is set by the primaries.

A prominent characteristic of Israeli politics is its fluidity and volatility, which exposes deep divisions among Israelis. Disengagement touched on some of the raw nerves of Israeli politics. Not least of these is the lack of a common vocabulary among Israelis about the concept of democracy. The fact that Israelis do not agree on such a fundamental matter is a reminder of a long-standing structural political problem, Israel’s lack of a constitution. Such a document is an important organizing framework for political life, as it provides a structure that can contain and channel the fluidity that currently disturbs Israeli politics.





The courts cannot be left alone to find the balance between protecting civil liberties and providing security, despite their usual role of protecting civil liberties. The courts police certain boundaries, but within these boundaries there is room for interpretation.

Security and Liberty in an Age of Terror



THE ONGOING BATTLE AGAINST TERRORISM PRESENTS A challenge for democracies such as the United States and Israel. Both countries should confront the simultaneous responsibility of protecting their citizens, and protecting the democratic principles upon which their countries are founded. During this session, participants addressed some of the most difficult issues facing the United States and Israel as they cope with terrorism, including targeted killings, detentions, and the role of the courts.

In every war in the United States' history there has been a tension between civil liberties and security. In each case, the executive branch has rapidly taken action to protect the security of its citizens and only later, if ever, grappled with the implications of these measures for civil liberties. Therefore, one of the main issues discussed among the participants was how best to keep the government "in check" while it protects its citizens. Participants generally agreed that in times of great threat to national security, certain restrictions on freedoms might be necessary. They further noted that the public is often willing to surrender certain liberties for the sake of security. For example, the public usually does not object to government authorized searches, especially those enforced around airports or bus stations. The question, however, is how far a government should go in restricting freedoms, and who should decide the appropriate level of restriction. Participants felt that the main problem is allowing the government to define unchallenged what constitutes a threat.

The Role of the Public

Participants discussed numerous strategies for finding the balance between security and civil liberties. One participant argued that it is vital for a country to be transparent with its counterterrorism polices. Transparency means informing citizens of the overall strategy and principles that the government employs in its war against terrorists rather than operational details. Israel strives to achieve this by informing its citizens of general security practices through multiple branches of the government and civil society, including parliamentary committees, the Attorney General, and the Magen David Adom (Red Star of David, Israel's branch of the Red Cross/Red Crescent). Israel has been forthcoming about the rationale for such measures as the security barrier that separates most of the West Bank from Israel, as well as the practical implications of counterterrorism measures.

Such transparency is not only a good check on the government, it is vital in the war against terrorism, because without such openness the government is likely to lose public trust. While participants agreed with the concept of transparency, some claimed that it is rarely put into practice. They argued that the notion that Israel is transparent with its security strategy is false. However, most agreed that a key element in the war against terrorism is the legitimacy of a government's counterterrorism policies. Citizens should believe that their government is acting properly and ethically.

Many participants pointed to the fact that the most important element in combatting terrorism is resilience, a quality that comes not from the government

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but from citizens. While it is a challenge for a government to provide security, it is more difficult to make its population feel safe, which is necessary for a country to function properly. The best way to achieve resilience is to enact strong counterterrorism policies that the public accepts. To do this, the government should only act within the law and in accordance with society's ethical and moral norms. In Israel the public expects the military to carry out its operations without harming innocent civilians because there is a belief that the country is moral and has an obligation to always act ethically.

Public opinion may not always be a good check on government action. During times of rising violence, the public may demand stringent security measures that political leaders might feel that they cannot oppose. One consequence of this could be that the opinion of the majority could run counter to the civil liberties of minority communities. There is also a gap between what the public expects and what the military can achieve. The public expects the military to do the impossible and win without casualties.

The Role of the Courts

The courts cannot be left alone to find the balance between protecting civil liberties and providing security, despite their usual role of protecting civil liberties. The courts police certain boundaries, but within these boundaries there is room for interpretation. To perform this role, the courts rely on a sliding scale justification—the stronger the infringement on civil liberties, the more powerful the justification should be. There is a similar sliding scale in public opinion in the United States, with people accepting infringements on civil liberties up to a certain point. An example of how public opinion works is that many people did not question the detentions in Guantánamo Bay at first. Nearly four years after the facility opened, it is now being asked if it is necessary to keep holding the detainees.

A key problem in having the courts decide on the balance between civil liberties and security is that the courts are restricted in their role. They cannot render comprehensive judgments because there are specific acts that the courts cannot sanction, such as torture. Similarly, in Israel the Supreme Court is unable to be an effective check on government policies because the state lacks a constitution that delineates a clear separation of powers. The Israeli Supreme Court has never overruled an Israeli government security decision to demolish a house or to deport an individual.

The Role of Institutions

Institutions and organizations, such as civil liberties groups, the press, and Bar associations are vital in helping to set the balance between civil liberties and security. The American Bar Association is an example of an organization that uses critical questions to challenge security policies. Bar associations ask of those looking to curtail civil liberties: why does the government need this restriction, and why not achieve this in another manner? These two questions press the executive to support its claim that the proposed restrictions are vital and the only means to achieve security.





Participants also discussed the role of international law, in particular, the issue of the International Court of Justice (ICJ). The ICJ was felt to have shown itself insensitive to Israel's unique security situation by ruling against the Israeli security barrier in 2004. In response, the U.S. House of Representatives passed a resolution condemning the ICJ's ruling. It would be a mistake to view the ICJ as holding as much moral authority as a country's own supreme court.

However, it is worth asking whether ignoring international law today, for whatever reason, might hurt a country sometime in the future. Another consideration is that there may be a point at which the cumulative weight of international opinion on an issue creates an absolute obligation as to how countries ought to conduct themselves. It is difficult to state definitively to what extent international law should apply either as a guide or as a rule because sometimes the ICJ is too far removed from the details of an issue. When the ICJ examined Israel's security barrier, it ruled the barrier illegal because there was no compelling security need. When the Israeli Supreme Court took the same case, Chief Justice Aharon Barak took the view that if there had been no security justification, then the barrier would have been ruled illegal. What Barak decided was that the Israeli Supreme Court had compelling evidence before it that there was a sound security justification for the barrier. Barak therefore applied the same logic as the ICJ, but using a deeper body of evidence he ruled for the security barrier.

An underlying problem is that there are no clear, international rules that apply to the war against terrorism. The Geneva Conventions apply to wars between states, and as such do not cover non-conventional warfare with non-state groups. What is required, therefore, is a universal legal doctrine relating to the war against terrorism. However, drafting such a legal standard will be challenging because the international community is unable to agree upon a definition of terrorism. One reason for this is that some countries are unable to understand the nature of the current terrorist threat until violence strikes them at home. One example of this that was cited was an editorial in a leading British newspaper, an editorial that appeared only after the July 7, 2005 London suicide bombings, that declared that normal rules can no longer apply in the age of terrorism.

“Grey Zones”

Participants discussed the problem of “grey zones”, legally unclear areas inside vaguely defined boundaries within which security forces sometimes have to operate. One example is the practice of racial profiling. Western countries may object to the profiling methods that Israel employs, but Israel does so openly while the United States may be using similar practices unofficially. Such measures, that are not explicitly restricted by the courts, but that are not properly regulated by statute, are the “grey zone.”

It is a mistake to believe that a “grey zone” is helpful in the battle against terrorists. While a “grey zone” may exist thanks to unclear judicial rulings, it ultimately hampers counterterrorism efforts by confusing security personnel. Operatives are forced to figure out what is and what is not permitted. In Israel,



the existence of a “grey zone” created the need for the Knesset, Israel’s parliament, to pass the law regulating the activities of the Sherut Bitachon Klali (known by its Hebrew initials as the Shin Bet, the Israeli Security Agency). The legislation helped Israeli security agents to operate within the boundaries of the law, rather than within what they thought that the law was. To an extent, there will always be “grey zones” in the war against terrorism. What is required is for there to be officials within the security sector who will be able to answer the difficult questions that arise during operations against terrorists, rather than require constant and probably impractical recourse to the courts.

Some participants felt that “grey zones” in Israel had led to a cumulative erosion of democracy with such practices as administrative detentions, house demolitions, and the barring of Israeli-Palestinian married couples from living in Israel. Some questioned whether these measures are necessary in the fight against terrorism.

One technique that arguably has to be retained is the practice of administrative detention whereby individual suspects can be held without trial. Administrative detention is not a perfect method, but Israel has genuine concerns about compromising its intelligence sources. In the field of counterterrorism it is extremely difficult to obtain and recruit sources. For Israel, administrative detention is a means of protecting sources because there is no need to put the detained terrorist suspects on trial and so compel the source to testify.

Participants posed the question whether it was even desirable to have specific laws in this difficult field. Is it preferable to have a law that forbids a practice such as torture, only to then have the president or others put in a position of having to violate that law, or is it better simply not to have such a law at all? In this regard, the Israeli approach may be correct—it is preferable to resolve these issues and offer specific guidance rather than keeping everybody guessing.

“Ticking Bombs” and Targeted Killings

Participants agreed that the issue of “ticking bombs” (individuals on their way to commit a terrorist attack or who have information about an impending attack) is one of the most difficult for democracies to resolve. Among the challenges is that there is never 100 percent certainty that an individual is a “ticking bomb.” If Israeli security agents kill a person whom they genuinely believed was about to launch an attack, but it is later discovered that the person was not a “ticking bomb”, then it is judged that the agents acted properly.

In certain situations, extreme measures such as targeted killings might be necessary to ensure security. Targeted killings might therefore be justified in the case of “ticking bombs” when terrorists pose an imminent danger. Israel’s policy is to reserve such a measure for arch terrorists whom the state deems impossible, on an operational level, to take into custody. Even in such cases, Israel still employs a strict review of each case and it must go through multiple channels for approval before being implemented. The steps that Israel’s security agencies must take before classifying a person as a “ticking bomb” are detailed and deliberate. Only the head of the Shin Bet is authorized to make that determination, and the





same applies to the process for designating a terrorist to be targeted for killing. The decision-making process is transparent to the Knesset, the Prime Minister and to the Israeli Supreme Court. Every three months the Director of the Shin Bet has to brief the Israeli Attorney General on the Shin Bet's list of targets for killing, and the Director must defend this list.

Another difficulty is the potential lack of room for the courts to play a role in such issues. There is little time to spare when classifying an individual a "ticking bomb." Therefore, the question arises as to how long a judge should have to review the case of an individual that the security forces wish to deal with. In the same vein, it is unlikely that a judge would be qualified to decide whether an arch terrorist deserves to be targeted.

Participants applauded the fact that Israel has instituted some measure of accountability into the process of classifying individuals as "ticking bombs." By contrast, it was argued that it is unclear whether the United States has a similar, formal system in place to either classify "ticking bombs" or terrorists for "targeted killings."

One problem with targeted killings is that they eliminate a potential source of information. There is no better means of obtaining intelligence than through interrogations. Democratic countries face a dilemma when interrogating an individual who has "ticking bomb" information, especially about a terrorist operation that is in process and that could be about to claim innocent lives. Countries have to ask themselves what methods are justified in the attempt to extract information while at the same time asking what methods the public expects to be employed.

Long-Term Effects of Counterterrorism

There was strong agreement that certain measures, done in the name of security, can harm a country's long-term security. The cases of the prisons at Abu Ghraib and Guantánamo Bay, participants felt, will have a long-term effect on U.S. security outside of the operational realm. The United States, some argued, is advocating human rights and democracy in the Arab and Muslim states in the belief that this will prevent terrorism. However, most people in these countries do not believe that U.S. foreign policy is driven by a genuine respect for human rights and a sincere desire to promote democracy. In addition, many Americans fear the treatment that other countries might inflict upon captured U.S. soldiers following what these countries have seen the United States do to prisoners in Abu Ghraib.

Participants agreed that the United States can learn from Israel's long history of fighting terrorism. Following 9/11, the United States realized that for the first time since the American Civil War its enemy lies within its borders. In addition, 9/11 presented the United States with a new challenge that Israel has long faced—how to conduct interrogations of hardened terrorists. Until 9/11, there had been a popular belief that the United States always took the moral high ground in warfare, especially in its treatment of prisoners. This assumption has now been questioned.



Until recently, nations were divided between “developed” and “developing.” In the future, the distinction will be between “smart” and “smarter,” with the “smartest” dominating the world economy.



The Impact of High Technology on American and Israeli Societies



DURING THIS SESSION PARTICIPANTS DISCUSSED STRATEGIES FOR the United States and Israel to deal with the rapidly changing economic landscape of the 21st century. Among the topics they addressed were whether the new trend in globalization is beneficial to the United States and Israel, the need for Israel to revisit its economic strategy, and the ability of terrorist groups to use new technologies to their advantage.

The Change in the Globalization

An American participant outlined the manner in which globalization has changed over the past century. The participant argued that globalization used to be a country-based phenomenon in which states would sponsor exploration and colonization, both of which provided the basis for global commerce. In the 20th century, globalization was transformed and became a company-led force. Instead of countries sponsoring exploration, during the 20th century private companies took their place and would “go global” to find markets in which to invest or find inexpensive capital and labor. During the 21st century, rapid changes in technology have caused globalization to alter its character yet again and become an individual-based phenomenon. At present individuals can upload their data and share it with other individuals or groups on a global scale. Individual-based globalization has leveled the playing field both within and among countries. Individuals can now compete against other individuals in the global marketplace.

The impact of these changes on the United States and Israel is being felt in the increasing importance of qualified citizens in their workforces. It is no longer enough for a country to have strong companies, as competition between countries is no longer defined by competition between companies. Rather, inter-country competition is actually decided by competition between individual citizens.

While agreeing with this broad framework, another participant argued that the transformation in the international economy is based on the changing focus of corporate activities. In the past, companies concentrated on coming out with the best possible products, but today companies focus less on their products than on their processes. It is process innovation that counts rather than product innovation. For instance, Wal-Mart is one of the most profitable companies in the world because it has understood how to build the most efficient supply chain in the world, bringing already-produced goods to its numerous locations. Similarly, the success of Starbucks is not based upon its products, but stems from the firm’s ability to replicate those products and their delivery all over the world. Therefore, for companies to be successful in the 21st century, they have to ensure that their supply chains work efficiently. An important objection to this view was that high technology (high-tech) also refers to products and not just processes. After all, garment manufacturing, a supposedly low value-added industry can be done in a high-tech manner.

The question is will this changing corporate focus condemn those countries that stress products, as compared to processes, to poverty? What are the implications

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for Israel given that it is a small market that is geared to products, and so might be unable to reap the benefits of the 21st century?

Changes in Israel's High Technology Sector and Future Strategies

Significant changes have occurred in Israel's high-tech sector over the last four decades. In the early 1970s, the high-tech sector in Israel was driven by the country's need to survive. Those working in the field tended to feel a strong desire to contribute to national security through the advancement and application of technology. Subsequently, this attitude changed as Israelis began to view technology as a means of strengthening the economy. In the 1990s, Israeli attitudes shifted again. Graduates from Israel's technology institutes began to shed their nationalist attachment to staying at home and began to move overseas to work for foreign companies.

Israel should now find ways to ensure that its brightest citizens, its intellectual capital, do not emigrate. To achieve this, Israel should do more than the obvious, which is to increase its investment in research and development institutions. Rather, Israel should make a determined effort to attract human capital by becoming attractive to highly educated workers. This can be done by increasing investment in those industries that capitalize on intellectual ability. Two examples of industries that warrant higher investment, because they will attract individuals holding higher engineering and science degrees, are the water and energy sectors.

There was agreement that one of the most important resources in Israel is the country's brain power. Israel as a whole should become more aware that intellectual capital is its best resource and should implement measures to strengthen its intellectual capital base. For example, Israel should aim to increase the number of its engineers from 170 per 10,000 of population to around 300 per 10,000 of population.

Israel has been lucky in the past, attracting a highly educated workforce from the former Soviet Union. Thanks to this immigration, Israel was able to establish a strong venture capital industry that brings in \$6 billion in earnings to the economy per annum. However, Israel has to stop relying on its luck. Instead, Israel should conceptualize a strategy to increase its growth rate and improve its competitiveness.

The problem is that Israel lacks any clear direction in its investment policy and therefore, needs to create a "vector" (defined as a national agenda for innovation into which resources can be invested). Political and technological considerations should define this "vector." Alternative energy was suggested as one such industrial area for an Israeli national investment policy. As a net energy importer, Israel has clear economic, political and security incentives to investigate alternatives to foreign energy sources. Such an alternative energy research "vector" would have indirect benefits, because even if 20 years of work did not develop alternative energy sources, the research would yield other spin-off products and innovations. Similarly, a research "vector" would allow for the creation of a direct link between business and society, a connection that would not involve the government. The most natural sector for this kind of investment is the field of security.

Israel's economic policy towards the Palestinians can also play a role. It can be argued that Israel needs a better economic strategy for dealing with an emerging



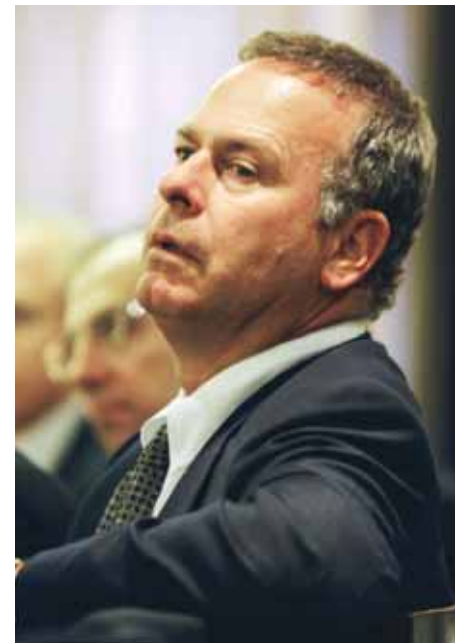


Palestinian state. Instead of outsourcing low value-added jobs such as construction to the Palestinians, Israel should consider exporting well-paid, high-skilled, high value-added jobs to a future Palestinian state. Such jobs would build a strong Palestinian economy, which is in Israel's national interests because Palestinian economic betterment contributes to regional security. There are already a number of non-governmental organizations that are training Palestinians in sectors such as accounting, an area ripe for outsourcing.

Challenges for Israel

The high-tech industry in Israel accounts for between six to eleven percent of the labor force and other white collar jobs account for between four to nine percent. Therefore, between 80 percent and 90 percent of the Israeli labor force is in lower value-added sectors such as construction, government, and services. The consequence of only pouring effort into strengthening the high-tech sector is that Israel could become a segmented economy, divided between high and low value-added sectors.

Israel faces the problem that economic nationalism may have damaged its investment strategy. In the past, Israel only invested in intellectual capital if it were Israeli intellectual capital and while Israel imported manual labor from abroad, it did not bring in educated foreign workers. To illustrate the inefficiency of this practice, participants were asked to imagine what would happen if Israel's diamond cutting industry were to stop importing diamonds but instead only used Israeli mined rough diamonds. Not importing educated labor to work in Israel is therefore restraining the country's economic growth potential. One way to address this is to consider introducing a visa program for highly qualified, specialized foreign workers similar to the American H1-B visa program used to attract intellectual capital to the United States. An Israeli version of the program could bring in highly qualified Palestinians and Arabs from neighboring countries, such as Jordan. Indeed, highly qualified workers could come from any nation. Many Chinese and Indians already do business with Israel but never come to work in the country. It was observed, however, that Israel is not alone in failing to address the socio-economic implications of high-tech globalization. Many Western governments are avoiding dealing with the fact that the world's economic center is shifting eastwards towards India and China.



Global Challenges of High Technology

Participants discussed whether high-tech globalization can be classified as being good or bad for U.S. and Israeli interests. Some raised the question whether 21st century globalization is unstoppable. There are many reasons aside from self-interest that might make it worthwhile for governments to attempt to stop or slow this process. This might, however, lead to a clash between those trying to globalize and those wishing to prevent it. The response was that high-tech globalization is a new reality that cannot be avoided and must be addressed.

Among those challenges that globalization raises is security. Companies and countries rely on networks, which makes them increasingly vulnerable to large-



scale disruption from terrorist attacks. High-tech globalization, for all its economic advantages, can end up benefiting individuals and countries that pose security threats to the United States and Israel. For example, Osama bin Laden's al-Qa'ida, and other terrorist groups, regularly use global information networks to publicize their messages. Indeed, it was argued that al-Qa'ida understands and implements the corporate concept of open-source supply chains. Just as companies supply products to their branches around the world, so al-Qa'ida supplies terrorists to its target locations globally. This raised the issue of whether there is a need to implement controls over information sharing to prevent further terrorist attacks. From a practical perspective, this approach is probably not workable, but participants observed that al-Qa'ida's ability to share information allows it to publicize its claim that Muslims feel humiliated by the West.

Participants then discussed concerns about the accuracy of information that is now so widely and readily accessible. Information is becoming democratized and so is becoming less accurate, according to one assessment. There are no editors on blogs, while on-line encyclopedias such as Wikipedia contain inaccuracies. The question is what effect this will have on globalization in the long-term? Will people be hesitant to use the technology if they do not trust the information? One participant responded that some companies, including IBM, have already chosen to devote personnel to monitoring online information as a means of ensuring its accuracy.

The nature of business has also changed. Business and commerce used to be about personal relationships. Current economic trends mean that it is increasingly becoming less and less personal. There is less frequent contact on the telephone and many people do business with each other solely through email. Yet it remains important to have human contact in commercial transactions and to build up business relationships.

Role of Leaders

Participants then turned to debating the responsibility that leaders have to manage these trends. Some criticized U.S. and Israeli leaders who appear to be ignoring globalization and its impact. Others responded by arguing that legislators, in particular, face the dilemma of whose views to represent. There is the drive to resist globalization, often coming from voters, and then there is the duty of the legislator to promote the advantages that globalization presents for the national economy. There is also a tendency among leaders to miss seminal events that affect the future. For instance, in 2001 most U.S. and Israeli leaders focused on the terrorist attacks of 9/11, but it was during that year that the human genome was mapped.

There was a consensus that while information-sharing is beneficial, the challenge for leaders is to take stronger steps to prevent globalization from acting as a source of harm. The problem is, however, whether governments are equipped, or even capable, of dealing with such issues.

How does a country prepare for the future? One way is for legislators, business leaders, and education leaders to take an active role in shaping policy



approaches that anticipate future demands and allow countries to be prepared for the future. More education alone is not the answer. What needs to be promoted is the right kind of education. For example, high-tech should be applied to multiple disciplines on the model of the Georgia Institute of Technology (Georgia Tech), a well-known U.S. polytechnic university.

There was general agreement that governments have not caught up with developments. The reason for this failing is that governments and corporations are taking different approaches to the 21st century. In Europe, labor groups are endeavoring to impede globalization, whereas corporations are promoting it. Many argued that the underlying reason for hostility to globalization is that many fear that they will not enjoy as high a standard of living as their parents. One means of approaching this in the United States is to address the reality of globalization by drawing up a contemporary version of the “New Deal.”

The Role of United States and Israel in the 21st Century

The session ended with a discussion of how smaller countries should deal with the challenge of globalization, their role in the future world economy and whether their size would put them at a disadvantage. The question was whether globalization will stabilize countries economically and politically or will be a force for turbulence. The potential ramifications for the United States are also serious. In the event that globalization proves to be an equalizing force, then that could erode the position of the United States as the world’s only superpower and lessen its ability to act as the global stabilizing force.

Participants answered these questions by arguing that the size of a country will become less important than it was in the past. Smaller countries, as long as they are innovative and imaginative, will be able to have a large effect on global commerce. Innovators will be able to use the connectivity available to them to do great good or great harm. The challenge then becomes, how can policymakers ensure that individuals and countries use imagination and innovation for the broadest possible benefit?

An additional policy challenge is that as people become more and more equal, thanks to the effects of globalization, there will be increased strain on certain resources. The most obvious resources that will be affected will be energy and the environment. If this is the case, then those countries that have policies to address these constraints will be able to take full advantage of the changing nature of 21st century globalization.

For Israel to thrive, it has to remain in the league of countries that is inventing the future. Rising nations, such as India and China, have a sense of direction—they want to be where the United States is today. If the United States and Israel wish to remain competitive, they need to stay at the cutting edge. Both the United States and Israel need to change their focus from working cheaper and harder to working smarter. Until recently, nations were divided between “developed” and “developing.” In the future, the distinction will be between “smart” and “smarter”, with the “smartest” dominating the world economy.



Fighting terrorism and improving the economic position of the Palestinians are two sides of the same coin for achieving peace.

Strategic Challenges to the United States and Israel



Sunday, November 13, 2005

THE CONCLUDING DISCUSSION SESSION OF THE SABAN FORUM addressed the strategic challenges facing the United States and Israel. While each state has its own set of strategic issues that it should confront, the session focused primarily on those areas of common concern to the United States and Israel. There was significant discussion of Israeli defense concerns, particularly Israel's relations with the PA. Other topics discussed were global terrorism, Iran's nuclear aspirations, the domestic political situation in Syria and Lebanon and disagreements between the United States and Israel over China.

The Palestinian issue

An Israeli participant outlined Israel's two greatest defense problems: the Palestinian issue and defensible borders. To meet these concerns Israel has three main long-term goals. First, Israel should remain a democratic, Jewish state with a majority of Jews in its population. Second, the unpredictability of the future means that Israel must have defensible borders. Third, Israel needs to strike peace agreements with its neighbors based on ending the Israeli-Arab conflict.

On the Palestinian issue, Israelis feel that although President Abbas has good intentions, a vacuum of leadership exists beneath him. PA ministers are not united behind Abbas' leadership and they neither support him nor his goals. Palestinian security forces do not operate as part of a clear chain of command and they lack a counterterrorism strategy. As a result, terrorism continues to flourish in the Palestinian territories and spills over into Israel. In response to Israel taking what was termed the brave step of withdrawing its troops and settlers and disengaging from the Gaza Strip, the Palestinians now need to step forward and deal with terrorism and thereby improve security. It should not be difficult for the PA to take such a decision because the first phase of the Quartet's Roadmap calls for the PA to dismantle the terror infrastructure in the Palestinian territories, and because continued Israel-PA dialogue is conditional upon PA observance of the Roadmap.

The Palestinian parliamentary elections, scheduled for January 25, 2006, represent a very important moment for the Palestinian people and because of this Israel will not interfere in the elections despite the participation of Hamas, a terrorist group. However, the PA cannot truly be called a democracy when a terrorist group is participating in the elections. Israel has made it clear that it will not talk to PA representatives who are members of Hamas.

Participants generally agreed that fighting terrorism and improving the economic position of the Palestinians are two sides of the same coin for achieving peace. Economic support to the Palestinians is an essential element of lasting peace. It is particularly important to establish a physical connection between the Gaza Strip and the West Bank to foster economic growth. Participants felt that any peace process in which people harbor some hope is better than no peace process at all. Nor can Israel be said to engage in a peace process on its own—unilateralism is not the route to a negotiated settlement. Any measure that the United States

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and Israel can take to foster better conditions for the Palestinians enabling them to engage in such a process effectively is in the strategic interests of both the United States and Israel, as well as being of profound benefit to the Palestinians.

Defensible Borders

The second major Israeli strategic concern of having defensible borders must also be addressed. Although Israel's efforts to prevent terrorists from entering into Israel are essential to safeguarding the country, they can never provide complete security. A barrier, no matter how sophisticated its construction or design, cannot keep out chemical, biological, and nuclear weapons. Therefore, any discussion of defensible borders should also take into account the threat posed by the proliferation of weapons of mass destruction. Despite the fact that stocks of weapons of mass destruction were not found in Iraq, they continue to be a grave threat to the United States, Israel and their friends and allies.

There was some comment on what defensible borders are. It was argued that most places that are strategically important do not have defensible borders. For example, Iraq does not have defensible borders, nor does the southern portion of the United States. Participants also noted that defensible borders are not necessarily permanent borders.

The shifting strategic environment in Israel also has an impact on its defense and border needs. Putting aside the threat from Iran, Israel's strategic position has dramatically improved following recent developments in Iraq. The former "eastern front" threat has now largely evaporated. While the Iranian issue is overarching in its significance, Israel's neighbors are now weakened and do not pose a substantial conventional threat to Israel.

The Threat from Iran

The Iranian threat cannot be overlooked. The combination in Iran of an extremist regime armed with long range surface-to-surface missiles and an active nuclear program poses a threat to Israel, the Middle East and the West. If Iran goes nuclear, there is a good reason to believe that the Arab world will follow suit, resulting in the nuclearization of the Middle East. At the time of the Saban Forum, Iran had already passed the point of uranium conversion and was about to start enriching uranium (which it did in April 2006). During the discussion, participants agreed that uranium enrichment was the point of no return. Participants argued that the United Nations, through the UN Security Council, should impose sanctions on Iran and that there should be intrusive inspections of all Iranian nuclear facilities. Indeed, there was a consensus that international pressure on Iran had to increase.

Participants agreed that Iran is pursuing the acquisition of a nuclear weapons capability. They also concurred that Iran must not be allowed to reach its objective. One participant asserted that sanctions against Iraq, leaky though they may have been, may actually have worked. The relative efficacy of sanctions against Iraq therefore needs to be factored into any discussion of sanctions against



Iran. There was no doubt that Saddam Hussein had untamed nuclear ambitions, but it appears that they were successfully restrained by the sanctions. Another participant disagreed, objecting that sanctions on Iraq had not been as effective as was being claimed.

In addition to disagreement on the effectiveness of sanctions, participants also discussed the likelihood of an early referral of Iran to the UN Security Council. Some expressed a cautionary note that Iran was cooperating just enough with the International Atomic Energy Agency (IAEA) to prevent being taken to the UN Security Council. Even in the event of blatant Iranian misbehavior, both the United States and the European Union have said there will not be an immediate move to impose sanctions, which implies that Iran's referral to the UN Security Council will lack teeth. Moreover, the conventional wisdom in Washington is that Iran is some five to ten years away from obtaining a nuclear weapons capability. It was suggested that the United States will never really know what is happening in Iran until it has a diplomatic presence in the country.

Syria and Lebanon

The discussion then turned to Syria and Lebanon, both countries known to harbor terrorists. Syria finances terrorism and has terrorist bases on its territory. Following the death of President Hafiz al-Asad in 2000, his son and successor Bashar al-Asad has made every possible mistake. Bashar supports Hizballah (Party of God, a Lebanese terrorist organization), which uses Lebanese soil to conduct terrorist attacks against Israel. Also, the headquarters of Hamas (the Islamic Resistance Movement) and Palestinian Islamic Jihad are in the Syrian capital, Damascus. The flow of money from Iran and Syria to Hizballah and the other terrorist organizations is the fuel that keeps these organizations running. It was further argued that UN Security Council Resolution 1559 (2004), which demanded the withdrawal of foreign forces from Lebanon and the disarmament of all militias, has not been implemented. Hizballah and armed Palestinian terrorist groups remain intact in Lebanon and the Syrian military still has troops in Lebanon. Syria also allows terrorists to cross into Iraq to attack U.S., Iraqi and other Coalition forces.

There are two alternatives ahead for Syria. The first is to create an improved political and economic environment in which Bashar remains in power. The second is to create a better environment without Bashar by using external pressure on the Syrian regime to force change. The danger of the latter approach is that removing Bashar from power might lead to anarchy in Syria, which could have a destabilizing effect on the whole region.

Although there has been discussion in Washington of a policy of regime change in Syria, the issue appears unresolved. The best path forward is to combine elements of the two policy alternatives. Such an approach would use external pressure and sanctions on the Syrian regime as a means of promoting a better political and economic situation with Bashar still in power. Participants discussed the rationale for sanctions and whether they should be specifically in





response to the Syrian role in the assassination in February 2005 of former Lebanese Prime Minister Rafiq Hariri. One participant made the point that whatever form the sanctions and their justification take, it is essential that there be an international response to Syrian behavior and that such a response be implemented as soon as possible.

This proposal stimulated some sharp disagreement. Some argued that now is not the moment for change in Syria as we have no idea of what will follow the fall of the current regime. They argued that the best approach is to maintain a watchful eye on Syria and to cultivate a context conducive to change in the country. The best policies to achieve this are to maintain pressure on the Syrian regime while keeping as open an environment as possible in our dealings with the Syrian people. Authoritarian governments find openness destabilizing. As we resist engaging troublesome governments in Syria, and Iran for that matter, we are at the same time attempting to engage with their populations and making it clear that we are on the population's side.

Some participants argued counter to this that the United States might not have the time to wait for a ripe moment for change in Syria. Simply postponing the issue with a mixture of pressure and openness is not the correct approach. A decision has to be made, keeping in mind that to have al-Qa'ida installed in Syria is more dangerous to the United States and Israel than to leave Bashar in power. Bashar and his regime can be deterred. The only restraint upon al-Qa'ida is the limit of its capabilities.

Defining the role that the threat of coercion should play was a critical point. Some argued that Libyan leader Muammar al-Qaddafi would not have changed his policies and relinquished his non-conventional weapons programs if he had not feared that the United States might use force against him. Participants also argued that Syria would not have withdrawn from Lebanon unless it too had the possibility of U.S. military intervention in the back of its mind. Some participants argued that sanctions are one step short of war. If sanctions are to work, and so obviate need for coercive measures, they require broad international backing, especially from China, the European Union, and Russia—a level of international accord that will be difficult to achieve.

Global Terrorism

Participants then addressed the threat from global terrorism. Terrorism is becoming increasingly sophisticated and globalization has created opportunities for terrorists to improve their effectiveness and reach. The campaign against this “networked” form of terrorism will require considerable staying power and intense international cooperation among intelligence services, law enforcement bodies and other government agencies. The United States must be seen as the leader in this global counterterrorism effort and its lead should be respected and followed. The implication of this requirement of American leadership is that moral authority is as important as moral clarity. A participant argued that the two are inseparable. Maintaining moral authority in the battle against an immoral,

utterly evil enemy is a difficult challenge, but it is also the fundamental strategic challenge of how to achieve victory.

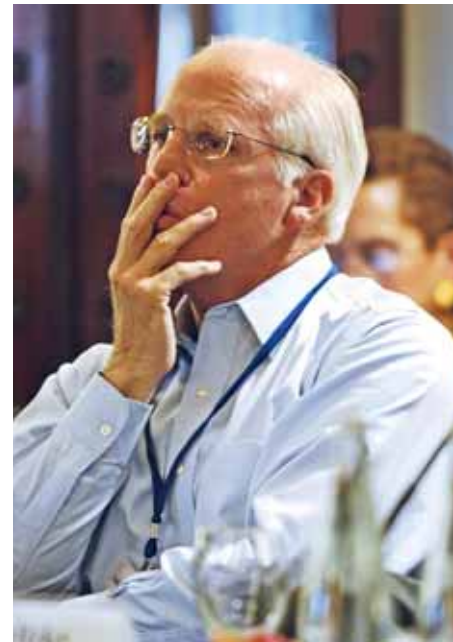
The United States should be careful that the tactics it adopts in the immediate battles against terrorism do not conflict with its strategy in the longer counterterrorism war. According to this line of thinking, the United States should do all that it can to reduce its military footprint in Iraq so that it does not make Iraq dependent upon U.S. security assistance. The same caution was called for with regard to how Israel deals with Palestinian terrorism. Israel should take care that it does not take short-run unilateral steps that have the long-run effect of making it more difficult to achieve a stable environment in which Israel can exist in the Middle East.

Relations with China

Participants disagreed as to how the United States and Israel should deal with China. From the American perspective it appears that Israelis do not understand the U.S. strategic view of China nor U.S. concerns about China's growing military capabilities. Israel's defense sales to China have therefore been a source of great friction between the United States and Israel, although this tension has not for the most part spilled out into open debate.

There is, in contrast to the U.S. view, an Israeli belief that the United States is attempting to shut Israel out of a lucrative arms market. This parallels another Israeli perspective that Israel's defense establishment genuinely has taken U.S. military interests to heart as much as Israeli defense interests in its dealings with China. Concern over this approach is not just out of sympathy to the United States, but because it is in Israel's national interest. Israel's greatest strategic asset is its friendship with the United States and no Israeli would dare risk the close relationship and understanding that exists between the two nations.

There is an important debate occurring in the United States about the U.S.-China relationship. One school of thought contends that there will be some conflict with the United States as Chinese economic and military power increases almost exponentially within the next decade. There is a similar attitude in China, that the bilateral relationship with the United States will inevitably acquire some negative aspects in coming years. Another school of thought argues that the U.S.-China relationship can be managed successfully to the benefit of both countries. Whatever transpires in Sino-American relations, Israel will have to exercise caution as both schools of thought are concerned about Israeli arms supplies to China. Everybody understands that the U.S.-Israel relationship is an asset and that care needs to be taken with the technology that is transferred to China.





The United States has a central role in the substantive changes the Middle East has undergone in the last few years, and it leads the necessary international steps to make the region more moderate, democratic and stable.

Prime Ministerial Address



Ladies and Gentlemen,

I WOULD LIKE TO WELCOME YOU TO JERUSALEM, THE ETERNAL capital of the Jewish people and the State of Israel. As we are now in Jerusalem, the city of the Bible, it is appropriate to speak in the language of the Bible. Therefore, with your permission, I will speak in Hebrew.

[In Hebrew]

I am pleased to attend this important conference of the Saban Center to advance America-Israel dialogue.

For many years, relations between Israel and the United States have been characterized by friendship, mutual understanding of each side's strategic interests, and our shared values of freedom and democracy. The current administration displays warm friendship toward Israel, and we are acting to strengthen the relations between us in all fields. During this month, we will conduct a strategic dialogue between our countries, in which we will discuss primary issues on the agenda. This is an important dialogue, which adds an additional dimension to advancing the understanding between Israel and the United States.

The United States has a central role in the substantive changes the Middle East has undergone in the last few years, and it leads the necessary international steps to make the region more moderate, democratic and stable.

At the current time, the Middle East is moving between two extremes. On the one side, there are those countries which President Bush has labeled "the axis of evil." At their head stand Iran and Syria, which are ruled by irresponsible leaders, who take extreme stands which threaten the stability of the area. These countries encourage the activities of radical terrorist elements, provide shelter for them, guide them, train them and fund them.

On the other side stand the more moderate countries, such as Egypt and Jordan, and the Gulf states, and those in North Africa. These countries suffer the ravages of terror, and understand that it is not possible to coexist with or accept radical terror elements in their boundaries and in the region.

In between the two extremes, are those countries which have of late undergone far-reaching changes, thanks, *inter alia*, to the efforts of the United States and the international community. Among these countries, Iraq and Lebanon, as well as the Palestinian Authority, can be counted.

The toppling of Saddam Hussein's dictatorial regime was a courageous and important step, which only occurred because of President Bush's determination and leadership. If there had been no war in Iraq, the region would continue to be at the mercy of this dangerous and irresponsible leader. The positive trends which Iraq is experiencing must be strengthened, with the approval of the constitution and the advancing of elections, and we must act to support the moderate elements in order to prevent the establishment of a radical front, which will join with its neighbors in the axis of evil—Syria and Iran.

Syria has again proved that it is led by an irresponsible leadership. The leadership hosts, guides and trains Palestinian terrorist organizations within its

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ARIEL SHARON

Prime Minister of Israel



borders, and encourages the continuation of their terrorist activities against Israel. Syria also encourages the activities of terrorists along its border with Iraq, against American and foreign targets.

Following the adoption of the Mehlis Report, the international community must continue its efforts to exert pressure on the Syrian regime, and to clarify that the extremist path it is taking places its continued existence in doubt.

Iran, especially following its recent elections, has a radical leadership, which publicly calls for the elimination of the State of Israel. Iran's vigorous efforts to obtain nuclear weapons and encouragement of terror are the single greatest threat to the stability of the Middle East and beyond.

The international community understands the dangers emanating from Iran and the need to confront them. We believe that the Iranian nuclear issue must be addressed by the UN Security Council, since the International Atomic Energy Agency's efforts have been exhausted. Only united and courageous action by the international community will erase the Iranian threat which hovers over the entire Middle East.

In addition to its activities in the nuclear field, Iran is also working to export its radical ideology. It encourages the activities of terrorist organizations, including elements of the global *jihad* and Palestinian terror organizations. The goal of Hizballah is to upset the delicate balance which exists along the northern border, increase the tension and drag Israel into an escalation on this front.

These terrorist organizations, and I refer particularly to Hizballah, have not abandoned the path of terror, despite its participation in the democratic process in Lebanon. Hizballah must be disarmed, and the international community must continue to exert pressure on the government of Lebanon so that it acts in line with its commitments.

The latest developments in Lebanon after the murder of Prime Minister Hariri can lead to a better future. We attach great importance to strengthening an independent Lebanese government, and encourage the actions of the international community, led by France and the United States, towards the full implementation of [United Nations Security Council] Resolution 1559, including the removal of the Iranian Revolutionary Guards who are still in Lebanon.

The understanding that only by choosing the path of peace and fighting against radical factions can regional stability be achieved, has led those countries with which we have peace agreements—Jordan, Egypt and other moderate Arab countries—to increase cooperation with us.

Our relations with Jordan are characterized by comprehensive cooperation in a variety of spheres. The Jordanians understand the dangers of terror and its destructiveness. I again offer my condolences to King Abdullah and the Jordanian people following the terrorist attack last Wednesday in Amman. The attack in Amman serves as a warning as to how the situation in the Middle East can deteriorate if the necessary steps toward change are not taken. After the terror attack, I spoke with King Abdullah, and we agreed to increase our cooperation in the struggle against terror. There is no doubt that Jordan is a stabilizing factor



between Israel's neighbors, and our relations are based on mutual trust and an understanding of each side's strategic interests.

Our relations with Egypt are constantly improving. Coordination on issues relating to the [Gaza] Disengagement, as well as the release of Azzam Azzam, helped to build trust and deepen cooperation between our countries. Recently, we signed an agreement relating to the deployment of the Egyptian Border Police along the Philadelphi Route, and an increased cooperation against terrorism and against the phenomenon of smuggling from the Sinai to the Gaza Strip and Israel. There is great importance to the dialogue which exists today between Israel and Egypt, and we intend to continue improving it.

Following the death of Yasser Arafat, the election of Mahmoud Abbas as Chairman of the Authority and the implementation of the Disengagement Plan, the Palestinian Authority has undergone a positive change. After a long period, an opportunity was created to advance the political process according to the Roadmap to which we are committed and which we intend to implement. On the other hand, we are witness to an increase in the strength of the radical terrorist organizations, who intensively continue in their efforts to carry out acts of terror. Unfortunately, the Palestinian Authority has so far shown weakness in dismantling these organizations and their infrastructure, despite its commitments.

Today, after the implementation of the Disengagement Plan, focus must be placed on the advancement of issues relating to Gaza. Advancing security, economic and governmental reforms in Gaza will positively affect the continuation of the process with the Palestinians, and will clarify where they stand. In the next few days, we hope to reach positive agreements regarding the issues which remain unresolved in the framework of the Disengagement Plan. Responsibility for the situation in Gaza is moving from Israel to the Palestinians—and they must prove their ability to administer their affairs by themselves.

The immediate future is critical for the Palestinian Authority—it must decide if it chooses the path of peace and communication or if it chooses the path of radical terror and allows the existence of terrorist organizations and their participation in the political system before they disarm. In addition, Hamas must annul its charter calling for the destruction of Israel. Advancing to the second phase of the Roadmap will be done only after the Palestinian Authority implements the first phase of the plan—by dismantling the terrorist organizations and implementing the comprehensive reforms to which they are committed. We cannot accept a situation in which terrorist organizations do not disarm, yet gain legitimacy for their existence, under the cloak of democracy.

For its part, Israel has proven the seriousness of its intentions for genuine peace, including painful compromises. The decision to pursue the Disengagement Plan and implement it, was a difficult test for Israeli society, the likes of which it has never known. We implemented this difficult and painful step, *inter alia*, out of a belief that it had the potential to jumpstart the political process according to the Roadmap and contribute to the efforts toward peace. I hope the Palestinians do not miss this opportunity.





I believe that the day will come when we sign peace agreements with all our neighbors. However, the day I truly wish for is the day when there will be genuine peace—not between countries and leaders, rather between peoples. Unfortunately, our Arab neighbors still do not recognize the ancestral right of the Jewish people to a country in their homeland—the Land of Israel. This recognition will be a decisive step towards genuine peace in our region.

We have been operating in this reality of radicals versus moderates in the Middle East for many years. However, the recent period symbolizes the possibility of positive and comprehensive change. The international community, headed by the United States, is working to advance the process of democratization, which will lead to more moderation and stability in the region. These are, indeed, long processes, however they are important for the long term. These changes also have positive consequences for the chance of peace in the region. Israel is an island of stable democracy in the region, and I have no doubt that if Israel had democratic neighbors, we could take more risks in the political process.

The international community, which understands the consequences of a radical Middle East on the entire world, must continue to act in order to strengthen the moderate forces and to harness them for the struggle against the extremist factors which threaten each country, and the entire region.

I intend to exhaust every possibility to assist the forces of positive change which the region is undergoing. This is the only path which will lead to stability in the region, and genuine peace in the future. I believe that only through the joint action of every positive force in the region can we achieve it. I will do my utmost to make this happen.

Thank you.





Today, we have hope for peace because the international community is united in its historic struggle against terrorism.

Secretary of State's Remarks



Thank you. Thank you very much. Thank you.

WELL, FIRST OF ALL, THANK YOU, HAIM, FOR THAT GENEROUS introduction and thank you to you and to Cheryl for what you do through this organization and through this forum to support and promote Israeli-American dialogue. I'd like to recognize Ambassador Indyk for his role in this. And to all of you who have participated in this dialogue, I only wish that I could have been to hear the fine panels that have taken place. But it is this kind of vision and leadership and generosity that are helping to make the Saban Center and this annual forum such a critical contribution to peace and understanding. The United States and Israel, of course, share history and share interests but most of all we share values and because we share values, our friendship will always be strong and deep and broad.

As I look out tonight at this audience, I see many businessmen and academics and statesmen and even a few journalists who are—somehow made it on to the guest list—and I see that there's a depth of historic partnership that really does bridge, as Prime Minister Sharon said, not just our governments but our people and that is what is represented here.

I am honored, too, by the many distinguished members of the Israeli government who are here, including former Prime Minister Barak, Vice Premier Peres—thank you very much for being here—and of course, Prime Minister Sharon. Thank you, Mr. Prime Minister, for your wonderful address but also for your leadership of this great country and for your friendship for America.

I would like to thank former Secretary of State James Baker who on behalf of President Bush—43, not President Bush 41—is leading our delegation here and it's a delegation to the events attending the 10th Anniversary of Yitzhak Rabin's assassination. It's a delegation that reflects every branch of the government. There are members of our Congress here, Supreme Court Justice Stephen Breyer is here. And I want to thank all of you and the many private citizens from the United States who have come as well.

I want to recognize one person, however, and his wife and that's Jim Wolfensohn and Elaine. Jim was planning was on a very nice retirement in Jackson Hole after his work at the World Bank and we said, well, we have another small task for you and he has been thoroughly and completely involved since then. Thank you very much, Jim.

When I first came to Israel, I said that it was like coming home to a place I had never been. And, indeed, I am always happy to return here to Jerusalem, which is an especially powerful place to be for someone like me who holds deep religious beliefs. This visit, of course, to Jerusalem is also marked by the memory of sorrow because tomorrow, along with many of you, I will attend the memorial service honoring Prime Minister Yitzhak Rabin, who was tragically assassinated a decade ago.

Yitzhak Rabin represented the pioneer spirit of the Israeli heartland—the impatient optimism and rugged determination that helped Israel to turn its bar-

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CONDOLEEZZA RICE

Secretary of State of
the United States



ren soil green and to build a new home in its native land and indeed to take up arms when it was necessary against all who denied this nation's right to exist. And when Israel needed to secure its independence and repel attackers along many fronts, Yitzhak Rabin distinguished himself on the field of battle. And when Israel needed leadership, they summoned him to serve democracy and he distinguished himself in the halls of government. And when Israel needed a vision of peace, Yitzhak Rabin distinguished himself at the negotiating table.

He was a man who was a pioneer and a warrior and a statesman and a peacemaker. And he approached all of his callings, especially that of peace, with tenacity, and aplomb and a gritty realism—but also with hope and trust and an abiding idealism.

After risking death so many times in war, it was for the cause of peace that he ultimately gave his life. And despite the heroic efforts of many individuals since that time, the past decade has seen much pain and disappointment. Terrorists have claimed the lives of over one thousand innocent Israelis and injured thousands of others—men and women and children who simply wanted to enjoy a pizza or catch a bus or celebrate Passover.

And the Palestinian people have suffered, too. They too have mourned the loss of innocent life. They too have been deprived of days that are normal, filled with peace and opportunity. And now, and for many years to come, they must work to overcome a legacy of corruption and violence and misrule by leaders who promised to fulfill their people's dreams, but instead preferred arbitrary power over democratic progress.

In the face of so much suffering, it is at times difficult to remain hopeful. But, ladies and gentlemen, I believe deeply when future observers are in a position to know the full history of this conflict, they may point back to this present moment as a time when peace became more likely, not less likely; when peace began to seem inevitable, not impossible—for the last several years have seen deep changes in this region, changes conducive to real progress.

Today, we have hope for peace because the international community is united in its historic struggle against terrorism. People in the Middle East are also speaking more clearly against terrorism. And they are rejecting the bankrupt belief that national struggles or religious teachings legitimize the intentional killing of innocents.

As we have seen in the aftermath of the vicious attacks in Jordan—and let me join the Prime Minister in extending our condolences to the people of Jordan—an attack in which dozens of people were killed and wounded and many more harmed because their personal lives were turned upside down by this attack. Fortunately, now, leaders and clerics and private citizens are stepping forward and taking to the streets and calling this evil by its name. This is a profound change and there are others.

We have hope for peace today because people no longer accept that despotism is the eternal political condition of the Middle East. More and more individuals are demanding their freedom and their dignity. Mothers and fathers are



saying that they want their children to be engineers, not suicide bombers; that they want their children, daughters as well as sons, to be voting citizens, not docile subjects. There is now growing agreement that democracy is the only path to stability, to real legitimacy and to lasting peace.

Of course, many skeptics still question whether freedom will truly lead to more peace in this region. I believe that it will. We have seen that when authoritarian governments cannot ensure justice and security and prosperity for their people, they look for false legitimacy and they blame their failures on modernity on America or on the Jews.

We have also seen that when people are denied freedom to express themselves, when they cannot advance their interests and redress their grievances through an open political process, they retreat into shadows of alienation to be preyed upon by fanatical men with violent designs. We are not naïve about the pace or the difficulty of democratic change. But we know that the longing for democratic change is deep and urgently felt.

And when we look at a nation like Iran, we see an educated and sophisticated people who are the bearers of a great civilization. And we also see that as Iran's government has grown more divorced from the will of its citizens, it has become more threatening, not less threatening. No civilized nation should have a leader who wishes, or hopes, or desires, or considers it a matter of policy to express that another country should be pushed into the sea. It is simply unacceptable in the international system.

Now, if given real freedom to hold their government accountable, it is doubtful that the majority of Iranian people would choose to deepen their country's international isolation through these incendiary statements and threatening policies. But more than anything, ladies and gentlemen, we have hope for peace because these moral and philosophical changes in the Middle East are leading to democratic progress in the region itself. Men and women are standing up for their fundamental freedoms. They are pressuring states with long habits of authoritarian rule to open their political systems.

One decade after Yitzhak Rabin's murder, it is clear that the strategic context of the Middle East has changed dramatically and this is a hopeful development that can make Israel more secure, peace more possible, and America more secure.

During this time, really only in the last two years—the blink of an eyelash in history—the government of Libya has made a fundamental choice to give up its weapons of mass destruction and to rejoin the community of nations. Egypt has had a presidential election and parliamentary elections under new constitutional rules. Saudi Arabia has taken initial steps toward political openness. And Kuwait has granted its women citizens the right to vote. The people of Lebanon have reclaimed their country after three decades of Syrian military occupation. They have held free elections. They are pursuing democratic reforms. And the international community is united in our defense of Lebanon's rights as an independent, sovereign nation.

The government of Syria has increasingly isolated itself from the international



community through its support for terrorism, its interference in the affairs of its neighbors, its destabilizing behavior in the region, and its possible role in the murder of Lebanese Prime Minister Rafik Hariri. And the recent speech by President Asad only reflects and reinforces the Syrian government's current isolation. And the United Nations is now holding Syria to account for its disturbing behavior.

And we have hope for peace because Saddam Hussein is no longer terrorizing his people, threatening his region and paying the families of suicide bombers.

Instead, Saddam Hussein is sitting in an Iraqi prison, awaiting trial for his many crimes. The Iraqi people, after decades of tyranny, are now attempting to govern themselves through compromise, not conflict. They have freely voted twice. They have written and ratified a constitution. And the vast majority of Iraqis are now working through the democratic process to avert the very civil war that terrorists like Zarqawi wish to ignite.

But perhaps the most extraordinary and hopeful change of recent years has been the growing consensus, led by the United States, that we must support the chorus of reform now resounding throughout the Middle East.

On Saturday, I was in Bahrain for the second meeting of the Forum for the Future, a partnership for political, economic, and social reform between the G-8 nations and members of government and civil society in the broader Middle East.

We had a conversation about political participation and women's rights and the rule of law—a conversation unthinkable just a few years ago—and a conversation that must soon include Israel.

The changes of the past decade are quite remarkable, then, in the strategic context of the Middle East. And those changes are also transforming the debate about the Israeli-Palestinian issue. In 2002, President Bush recognized that the Palestinian leadership at the time was an obstacle to peace, not a force for peace; and he encouraged the Palestinian people to begin opening their political system. The President laid out an historic vision of two democratic states, Israel and Palestine, living side by side in peace and security and he made it the policy of the United States.

Now, the Palestinian people are finally undertaking the democratic and economic reforms that have long been denied to them. They have elected a president, Mahmoud Abbas, who openly calls for peace with Israel. And for our part, we are helping them, providing \$350 million to help them build the institutions of a democratic future. This movement toward democracy in the Palestinian territories and across the Middle East has also changed the debate here, in Israel, about the sources of security.

Because this nation no longer lives in fear of enemy tanks attacking from the east, we now hear it said, among most Israelis, that a peaceful and democratic Palestinian state is essential to Israel's security. And this new thinking led to new action in August when Israel chose to disengage from Gaza and the northern West Bank.

Prime Minister Sharon: President Bush and I admire your personal courage, your leadership and the crucial contribution to peace that you are making.



Disengagement was a testament to the character and the strength of Israeli society, especially to the men and women of the Israeli Defense Forces and the police service, whose noble conduct during this painful event set a standard to which all democratic nations should aspire. And the effective cooperation between Israelis and Palestinians was both impressive and inspiring.

Disengagement can be a great step forward on the path to a different Middle East. It creates an opportunity for the Palestinians to secure their liberty and build a democratic state. At the same time, the changing nature of the Middle East can reinforce the democratic aspirations of the Palestinian people and deny the enemies of reform their favorite excuse for coercive rule and unconscionable violence. These positive developments will not jeopardize Israel's security; they will enhance it. After all, true peace is that which exists between peoples, not just between leaders.

Now, if Palestinians fight terrorism and lawless violence and advance democratic reforms—and if Israel takes no actions that prejudge a final settlement and works to improve the daily lives of the Palestinian people—the possibility of peace is both hopeful and realistic. Greater freedom of movement is a key for Palestinians, from shopkeepers to farmers to restaurant owners and for all seeking early easier access to their economic livelihood.

And let us be very clear about one other matter: Dismantling the infrastructure of terrorism is essential for peace because in the final analysis, no democratic government can tolerate armed parties with one foot in the realm of politics and one foot in the camp of terrorism.

This is the vision before us in the Roadmap. And I look forward to our engagement to move it forward. But there are other responsibilities, too. Israel's neighbors must demonstrate their concern for peace not only with rhetoric but with action. We encourage them—Egypt to enhance its cooperation with Israel on basic security issues. And we call on all Arab states to end incitement in their media, cut off all funding for terrorism, stop their support for extremist education, and establish normal relations with Israel.

We look to Arab states also to help revitalize the Palestinian economy because the Palestinians are a talented and well-educated people with great potential for prosperity. They cite greater economic opportunity as their most urgent desire. They deserve a chance to have it.

And so the responsibilities of peace, like the benefits of peace, will be shared among all parties. And peace must be more than a mere process if it is to summon our strength and demand our sacrifice. Peace must be a calling that stirs our very souls, a vision that is not only local but regional as well; a vision in which the sons and daughters of Israel are secure in their homeland and at peace with their neighbors.

The world saw a passing glimpse of this vision ten years ago when unprecedented numbers of Arab leaders journeyed here to see Yitzhak Rabin laid to rest in the land of the prophets. And today, we want to continue advancing that vision.

It should be a Middle East where democracy flourishes and the non-negotiable





demands of human dignity form the foundations of citizenship. We envision a Middle East where all men and women are secure in their persons and in their property, with equal opportunities for prosperity and justice. And we will continue to envision and work toward a future when all the people of the Middle East may gather in this great ancient city, not to mourn a fallen hero, but to build a common future.

Thank you very much.







We envision a Middle East where all men and women are secure in their persons and in their property, with equal opportunities for prosperity and justice.

Biographies

SHAI AGASSI

Shai Agassi has been a member of the Executive Board of SAP, the world's third largest independent software supplier, since 2002. As President of the Technology and Product Group, Agassi is responsible for SAP's overall technology strategy and execution. Agassi founded TopTier Software (originally called Quicksoft Development) in Israel in 1992 and later moved the company's headquarters to California. He served the company in various capacities, including as Chairman, Chief Technology Officer, and then Chief Executive Officer. In addition to TopTier Software, Agassi founded several other companies, including Quicksoft Ltd., a leading multimedia software localization and distribution company in the Israeli market, and Quicksoft Media. Agassi graduated from the Israel Institute of Technology, the Technion, where he received a B.Sc.

ROLAND E. ARNALL

Roland E. Arnall is the U.S. Ambassador designate to the Kingdom of the Netherlands. He is also the founder of Ameriquest Capital Corporation, a privately held financial services company headquartered in southern California and one of the nation's leading mortgage companies. In addition to founding Ameriquest, Arnall has built a diversified investment portfolio in companies that operate in a range of industries including technology, real estate, oil and gas exploration, and insurance. These business interests complement a career that is distinguished by years of dedication to philanthropic and community service pursuits. Arnall established Ameriquest Capital Corporation in 1979. He has built Ameriquest into one of the largest and most dynamic privately held companies in America. The company and its subsidiaries employ nearly 17,000 associates who operate more than 300 offices throughout the United States. Arnall served sixteen years as a trustee of the California State University System, the world's largest university system, and was a member of California's Education Task Force Committee. He is founding co-chairman and Trustee of the Simon Wiesenthal Center and the Museum of Tolerance. Arnall is a member of the International Advisory Council of the Saban Center for Middle East Policy.

SHLOMO AVINERI

Shlomo Avineri is a Professor of Political Science, and Director of the Institute for European Studies at the Hebrew University of Jerusalem. Avineri served as Director-General of Israel's Ministry of Foreign Affairs from 1975–7. He also headed the Israeli delegation to the UNESCO General Assembly, and in 1979 was a member of the joint Egyptian-Israeli commission that drafted the Cultural and Scientific Agreement between the two coun-

tries. Avineri has been a visiting scholar at the Carnegie Endowment for International Peace, the Brookings Institution, and the Woodrow Wilson International Center for Scholars, and at the Institute of World Economy and International Relations in Moscow. Avineri received his B.A. and M.A. from the Hebrew University of Jerusalem and his Ph.D. from the London School of Economics. Among many works, he is the author of *The Making of Modern Zionism: The Intellectual Origins of the Jewish State*.

DANIEL AYALON

Daniel Ayalon was appointed Israel's Ambassador to the United States in July 2002. Before his appointment to Washington, Ayalon was the Chief Foreign Policy Advisor to Prime Minister Ariel Sharon. From 1997–2001 he was the Deputy Foreign Policy Advisor to Prime Ministers Ehud Barak and Benjamin Netanyahu, attending the summits at Sharm al-Shaykh, Wye Plantation and Camp David. From 1993–7 Ayalon was the Director of the Bureau of Israel's Ambassador to the United Nations in New York and deputy chief of mission in Panama. Before entering Israel's Foreign Service, Ayalon was a senior finance executive in Israel's leading international trading company. He is a retired captain in the Armored Corps of the Israel Defense Forces. He is a graduate of Tel Aviv University and holds an M.B.A. from the University of Bowling Green, Ohio.

EHUD BARAK

Ehud Barak was Prime Minister and Minister of Defense of Israel from 1999–2001. He was elected Chairman of the Labor Party in 1997. From 1995–6, Barak was the Minister of Foreign Affairs; and Minister of the Interior. Before his political career, Barak had a distinguished military career—he was the most decorated soldier in the history of the Israel Defense Forces and retired in 1994 with the rank of Lieutenant General. He began his military career in 1958, became Commander of the Central Command in 1986, Deputy Chief of the General Staff in 1987, and then Chief of the General Staff in 1991. In 1994, Barak was instrumental in the signing of Israel's peace treaty with Jordan, and oversaw the Israel Defense Forces' redeployment in the Gaza Strip and from Jericho following the Gaza–Jericho Agreement with the Palestinians. He received his B.Sc. from the Hebrew University of Jerusalem, and his M.Sc. from Stanford University.

NAHUM BARNEA

Nahum Barnea is the leading Political Columnist with *Yediot Ahronot*, Israel's largest circulation daily newspaper. Before joining *Yediot*, he was Editor-in-Chief of the weekly *Koteret Rashit*. From 1973–82, Barnea worked at the *Davar* daily newspaper, where he served as a

Correspondent, Columnist, and Washington Bureau Chief. Before beginning his career in journalism, he served as Deputy Spokesman for the Israeli Ministry of Communications. Barnea is a recipient of the coveted Sokolov Award for journalism. He was nominated Kreiz Visiting Fellow at the Saban Center for Middle East Policy at the Brookings Institution for 2006

ALAN BATKIN

Alan R. Batkin has been Vice Chairman of Kissinger Associates, a geopolitical consulting firm that advises multi-national companies, since 1990. Before this, from 1972–90, he was an investment banker at Lehman Brothers. Batkin serves on a number of prominent boards in the business, cultural, and medical fields. He is a director of four companies listed on the New York Stock Exchange, and is Chairman of the board of the Merrill Lynch IQ Family of Funds. Batkin is a Trustee and member of the Executive Committee of the Brookings Institution, a member of the Executive Committee of the Rockefeller University Council, as well a Trustee of Continuum Health Partners and Chairman of the board of Continuum Hospice Care. He received a B.S. from the University of Rochester and an M.B.A. from New York University.

SAMUEL BERGER

Samuel Berger is Chairman of Stonebridge International, an international strategic advisory firm based in Washington, D.C., and is also senior advisor to Lehman Brothers, and international strategic advisor to the Washington D.C. law firm of Hogan & Hartson. He served as National Security Advisor to President William J. Clinton from 1997–2000. During President Clinton's first term, Berger was Deputy Assistant to the President for National Security Affairs from 1993–6. Berger served as Assistant Transition Director for National Security on the 1992 Clinton–Gore transition team and Senior Foreign Policy Advisor for Clinton's 1992 presidential campaign. Previously, Berger had spent sixteen years with Hogan & Hartson. He had earlier served as Deputy Director of the policy planning staff at the U.S. Department of State, Special Assistant to New York City Mayor John Lindsay, and Legislative Assistant to Senator Harold Hughes (D-Iowa). Berger is the author of *Dollar Harvest*, a book on American rural politics. He received his B.A. from Cornell University and his J.D. from Harvard Law School.

AVISHAY BRAVERMAN

Avishay Braverman has served as President of the Ben-Gurion University of the Negev since 1990. He was previously Senior Economist and Division Chief for the World Bank where he led research, policy work and

project evaluation throughout South America, Africa, Asia, the Middle East and Eastern Europe. Braverman has received honorary degrees and academic awards from several institutions for his work on economic development. In 1999 he won the Ben-Gurion Prize for distinguished national leadership in developing the Negev. He is a member of many international economic and educational associations including the Russian Academy of Natural Sciences, the Israeli-American High-Tech Commission and the European Academy of Sciences and Arts. Braverman received his B.A. from Tel Aviv University and his Ph.D. from Stanford University.

STEPHEN BREYER

Stephen Breyer was appointed as an Associate Justice of the Supreme Court of the United States by President William J. Clinton on August 3, 1994. Before this, he served as a judge and then chief judge on the U.S. Court of Appeals for the First Circuit. During his tenure on the U.S. Court of Appeals, Breyer was a member of the Judicial Conference of the United States and the U.S. Sentencing Commission. From 1964–5, Breyer worked as a law clerk to U.S. Supreme Court Justice Arthur Goldberg. He has taught at Harvard University, the College of Law in Sydney, Australia, and the University of Rome. Breyer is a trustee of the University of Massachusetts, and of the Dana Farber Cancer Institute, and is a member of the American Academy of Arts and Sciences, the American Law Institute, and the American Bar Association. He received an A.B. from Stanford University, a B.A. from Oxford University, and an LL.B. from Harvard Law School.

ELLIOTT BROIDY

Elliott Broidy is Chairman and Chief Executive Officer of Broidy Capital Management, a private investment company, which he founded in 1991. He is also the Chairman of the Board of ESI Holdings, Inc., and serves on the Board of Directors of Foley Timber and Land Company and Vantis Capital Management LLC. Broidy serves on the boards of several large charitable and educational organizations and is a member of the Young Presidents Organization. He is a member of the Board of Counselors for Center for Investment Studies, the University of Southern California Marshall School of Business, and of the Board of Directors of the USC Hillel Foundation. Broidy is also a founding member of the Board of Governors of the California–Israel Chamber of Commerce. He received a B.S. from the University of Southern California.

DAVID BROOKS

David Brooks has been a Columnist for *The New York Times* since 2003. Before this, Brooks was a Senior Editor

at *The Weekly Standard* after having worked for *The Wall Street Journal* for nine years. At *The Wall Street Journal*, Brooks was Op-Ed Editor from 1994–5, Foreign Correspondent in Brussels from 1990–4, and Editor of the book review section from 1986–90. Brooks is a commentator on *The NewsHour with Jim Lehrer*, and a frequent analyst on NPR's *All Things Considered* and the *Diane Rehm Show*. He is the author of *Bobos In Paradise: The New Upper Class and How They Got There* and *On Paradise Drive: How We Live Now (And Always Have) in the Future Tense*. Brooks graduated with a B.A. from the University of Chicago.

RON BURKLE

Ron Burkle is Founder and Managing Partner of the Yucaipa Companies, a private investment firm based in California, which acquires large retail and distribution companies. Burkle is also a Board Member for Yahoo! and along with Mario Lemieux, holds a majority share of the National Hockey League's Pittsburgh Penguins. He serves on the boards of numerous organizations in the arts, education, and medicine. Burkle is Co-Chairman of the Burkle Center for International Relations at UCLA, Trustee of the J. Paul Getty Trust, Member of the Board of the Carter Center, Trustee of the John F. Kennedy Center for the Performing Arts, and Member of the Executive Board for the Medical Sciences at UCLA. He has been recognized by multiple non-profit organizations for his philanthropy. Burkle is a member of the International Advisory Council of the Saban Center for Middle East Policy.

ARYE CARMON

Arye Carmon has been the President of the Israel Democracy Institute since he founded it with American businessman Bernard Marcus. The Institute is an independent think tank dedicated to promoting and strengthening democracy and democratic values in Israel since 1991. Carmon is also a professor at the School of Public Policy at the Hebrew University of Jerusalem. He has written extensively on the subjects of education, Israel–Diaspora relations, and the Holocaust. Carmon received a B.A. and an M.A. from the Hebrew University of Jerusalem, and a Ph.D. from the University of Wisconsin.

ADAM CHESNOFF

Adam Chesnoff is the President and Chief Operating Officer of Saban Capital Group, Inc., a private investment management firm specializing in the media and entertainment industries. Before joining the Saban Capital Group, Chesnoff spent five years at Fox Family Worldwide where he oversaw business development across all global divisions. From 1994–5, Chesnoff worked at Sony Pictures Entertainment and Columbia Pictures where he focused on

strategic planning, financial analysis, and deal structuring in the company's Business Affairs and Corporate Development groups. He has a B.A. from Tel Aviv University and an M.B.A. from UCLA's Anderson Business School.

HILLARY RODHAM CLINTON

Hillary Rodham Clinton is a United States Senator (D-New York). Rodham Clinton serves on the Senate Armed Services Committee, the Senate Committee on Environment, and Public Works, and the Senate Committee on Health, Education, Labor, and Pensions. In 1993, Rodham Clinton was Chair of the President's Task Force on Health Care Reform. She has practiced law in numerous capacities, including as Partner of the Rose Law Firm from 1977–92, as Counsel for the U.S. House of Representatives Judiciary Committee in 1974, and as Attorney for the Children's Defense Fund between 1973–4. Rodham Clinton was a Professor at the University of Arkansas School of Law, Fayetteville from 1974–7, and a Professor at the University of Arkansas School of Law, Little Rock from 1979–80. Her most recent book is her memoir, *Living History*. She received her B.A. from Wellesley College and J.D. from Yale Law School.

WILLIAM J. CLINTON

William J. Clinton was the 42nd President of the United States, serving for two terms, from 1993–2001. Clinton was the first Democrat since Franklin D. Roosevelt to win a second presidential term. He began his political career as Arkansas Attorney General in 1976. In 1978, he won the governorship, and after losing a bid for a second term in 1980, regained the office four years later, serving in it until he was elected President in 1992. Clinton was a Professor at the University of Arkansas from 1974–6. His autobiography, *My Life*, was published in 2004. He is a member of the International Advisory Council of the Saban Center for Middle East Policy. His most recent projects include hosting the September 2005 Clinton Global Initiative that brought together heads of state, business leaders, and noteworthy academics to identify solutions to some of the world's most pressing problems, as well as raising funds and awareness for victims of the Asian Tsunami and Hurricane Katrina. He has a B.A. from Georgetown University, was awarded a Rhodes Scholarship to Oxford University, and received a J.D. from Yale University.

NILI COHEN

Nili Cohen is a Professor in the Faculty of Law at Tel Aviv University and a member of the Israeli Academy of Science and Humanities. A former Rector of Tel Aviv University, Cohen has received several awards for her work, including the Sussman Prize in 1986 and 1991,

the Zeltner Prize in 1989, and the Minkoff Prize for excellence in law in 2002. She is the incumbent of the Benno Gitter Chair in Comparative Contract Law and the director of the Beverly and Raymond Sackler Fund for Human Rights in Private Law. Cohen serves on numerous committees, including the Committee of the Codification of Israeli Law and the Academic Committee of the Yitzhak Rabin Center. Cohen received her LL.B., LL.M., and Ph.D. from Tel Aviv University.

SIR RONALD COHEN

Sir Ronald Cohen is Chairman of The Portland Trust and Chairman of Bridges Community Ventures Ltd. He is Honorary President of the Community Development Finance Association. He is Chairman of the Social Investment Task Force. He was a founding partner in 1972 and Executive Chairman until July 2005 of Apax Partners Worldwide LLP. Sir Ronald is a member of the Executive Committee of The International Institute For Strategic Studies; a Trustee of The British Museum; a Vice Chairman of Ben-Gurion University; a member of the Board of the Dean's Advisors at Harvard Business School and a member of the Harvard Business School European Advisory Board. He is a founder director and past Chairman of the British Venture Capital Association and a founder director of the European Venture Capital Association. A graduate of Oxford University, where he was President of the Oxford Union, he is an Honorary Fellow of Exeter College, Oxford and has an M.B.A from Harvard Business School, to which he was awarded a Henry Fellowship. Sir Ronald is a member of the Chancellor's Court of Benefactors of Oxford University and a British citizen.

ROBERT M. DANIN

Robert M. "Rob" Danin is Deputy Assistant Secretary, Bureau of Near Eastern Affairs, U.S. Department of State, returning to the department after holding posts at the National Security Council. He previously served as the Senior Director for Near East and North African Affairs at the National Security Council, and before that post was the National Security Council's Director for the Near East and South Asia as well as its Director for Israeli-Palestinian Affairs. Before joining the National Security Council he had spent several years at the Department of State, where he was the Assistant Secretary of State for Near Eastern Affairs and he had also worked for the Department of State's Policy Planning Staff and its Bureau of Intelligence and Research. Danin has been a Scholar-in-Residence at the Washington Institute for Near East Policy.

AVI DICTER

Avi Dicter is currently the Charles and Andrea Bronfman Visiting Fellow at the Saban Center for Middle East Policy at the Brookings Institution. Dicter was previously Director of the Shin Bet (Israeli Security Agency) from May 2000–May 2005. A former member of the Israel Defense Forces' elite Sayeret Matkal unit, Dicter had a three-decade long career in intelligence and security, serving in a number of key Shin Bet posts. In 1996, following the assassination of Israeli Prime Minister Yitzhak Rabin, Dicter oversaw the reshaping of the Shin Bet's Protection and Security Division. As head of the Shin Bet, Dicter held numerous meetings with his Palestinian counterparts as part of Israeli-Palestinian security negotiations. He holds a B.A. from Bar Ilan University and an M.B.A. from Tel Aviv University.

GIORA EILAND

Giora Eiland is the outgoing Director of Israel's National Security Council and National Security Advisor to the Prime Minister. As Director of the National Security Council, Eiland led the National Steering Committee in charge of the implementation of the Gaza Strip and northern West Bank Disengagement Plan. Before taking up his post at the National Security Council in January 2004, Eiland had served in the Israel Defense Forces for 34 years. He rose from Platoon Commander in the Paratroop Brigade in the early 1970s to the rank of Major General in 1999 when he was appointed Director of the Israel Defense Forces Operations Directorate. In January 2001, he became Head of the Israel Defense Forces Planning and Policy Directorate. He retired from the army in January 2004.

AARON ZEEVI FARKASH

Aharon Zeevi-Farkash is the Director of the Israel Defense Forces' Directorate of Military Intelligence, a position to which he was appointed in December 2001, a four-year posting. A veteran intelligence officer, Major General Zeevi-Farkash began his distinguished career in the Israel Defense Forces in 1966, serving in Air Force Intelligence from 1966–79. He was an Officer in the Information and Early Warning Unit from 1979–87, a unit which he later commanded until 1993. Major General Zeevi-Farkash also served as Deputy Commander of Military Planning and Commander of the Technology and Logistics Branch. He holds a B.A. and an M.A. from Tel Aviv University, as well as an M.B.A. from Harvard.

MICHAEL FEDERMANN

Michael Federmann serves as Chairman of the Board, and Chief Executive Officer of Federmann Enterprises Ltd., a major holding company, which includes Dan Hotels Corporation, Ltd., Israel's first and largest luxury hotel chain and Elbit Systems Ltd., Israel's largest private defense company. He also serves as Chairman of Eurofund, a venture capital fund. Federmann is the Deputy Chairman of the Board of Governors of the Hebrew University and of its Executive Committee, and is a member of the Board of Governors and the Executive Council of the Weizmann Institute of Science. He is President of the Federation of Israeli Tourism Organizations, an Honorary Consul of Côte d'Ivoire, and Vice President of the E.U.–Israel Forum. He has an M.B.A. and an Honorary Ph.D. from the Hebrew University of Jerusalem.

STANLEY FISCHER

Stanley Fischer is Governor of the Bank of Israel, a position he took up in May 2005. Before this he was Vice Chairman of Citigroup since February 2002. Fischer had previously been the First Deputy Managing Director of the International Monetary Fund from 1994–2001, and Chief Economist and Vice President of Development Economics at the World Bank from 1988–90. He was a university professor for eighteen years, including Assistant Professor of Economics at the University of Chicago from 1970–3, and Killian Professor of Economics and Head of the Economics Department at the Massachusetts Institute of Technology from 1992–4. Fischer received a B.Sc. and M.Sc. from the London School of Economics and a Ph.D. from the Massachusetts Institute of Technology.

THOMAS L. FRIEDMAN

Thomas L. Friedman has been the Foreign-Affairs Columnist for *The New York Times* since 1995. He won his third Pulitzer for *The New York Times* in 2002. Friedman joined *The New York Times* in 1981, and became Beirut Bureau Chief in 1982. In 1984 he went from Beirut to Jerusalem, where he served as Israel Bureau Chief until 1988. From 1989–95, Friedman was the paper's Chief Diplomatic Correspondent. He was awarded the Pulitzer Prize for international reporting in 1983 and 1988. His book *From Beirut to Jerusalem* (1989) won the National Book Award for non-fiction in 1989 and *The Lexus and the Olive Tree* (2000) won the 2000 Overseas Press Club award for best nonfiction book on foreign policy. His latest book, *The World Is Flat: A Brief History of the Twenty-first Century* was released in April 2005. Friedman received a B.A. from Brandeis University and an M.Phil. from Oxford University.

EIVAL GILADY

Eival Gilady was appointed Head of Coordination and Strategy in the Prime Minister's Bureau in March 2005. From 2001–4 he served as Director, the Israel Defense Forces Strategic Planning Division, where he was responsible for developing the plan for Israel's historic disengagement from the Gaza Strip and the northern West Bank. He has had a distinguished military career spanning three decades, commanding field units for 20 years, and serving an additional 10 years in the General Staff, ending his career with the rank of Brigadier General. Gilady is also the president of VANADIS LTD, the Chief Executive Officer of the Portland Trust Israel, and the Chairman of Western Galilee College. From 1999–2001 he was a research fellow at the Hoover Institution and the Center for International Security and Cooperation at Stanford University. Gilady earned his B.A. from Haifa University and has three M.A.s from Haifa University, the National Defense University in Washington DC, and from George Washington University.

HIRSH GOODMAN

Hirsh Goodman is Director of the Charles and Andrea Bronfman Program on Information Strategy at Tel Aviv University's Jaffee Center for Strategic Studies. He was Vice President of *The Jerusalem Post* until January 2000. Goodman founded *The Jerusalem Report* in 1990, and was its Editor-in-Chief for eight years. He served as Defense Correspondent for *The Jerusalem Post*, Contributing Editor to *U.S. News & World Report*, contributor to *The New Republic*, special correspondent for *The Sunday Times* of London, and news analyst for *CBS News*. He was a Strategic Fellow at the Washington Institute for Near East Policy, where he co-authored *The Future Battlefield and the Arab–Israel Conflict*. His most recent book, *Let Me Create A Paradise, God Said to Himself: A Journey of Conscience from Johannesburg to Jerusalem* was published in March 2005.

BRIAN GREENSPUN

Brian Lee Greenspun is President and Editor of the *Las Vegas Sun* newspaper as well as President of the Greenspun Corporation. Greenspun has overall responsibility for the American Nevada Corporation, COX Communications of Las Vegas, and the Greenspun Media Group, which, together with the *Las Vegas Sun*, publishes *Showbiz* magazine, *Las Vegas Weekly*, *Las Vegas Life*, *Vegas Golfer*, and *Vegas.com*. He also serves on the President's Community Advisory Board of the University of Nevada, Las Vegas. In 1993, Greenspun was appointed by President Clinton to the White House Conference on Small Business Commission.

He is a Trustee of the Brookings Institution and a member of the International Advisory Council of the Saban Center for Middle East Policy. Greenspun received a B.A. and J.D. from Georgetown University.

JOSEPH HACKMEY

Joseph Hackmey served for many years as Chairman of the Board of Israel Phoenix, Hadar Insurance Co. Ltd., and Dolev Insurance Co. Ltd. Hackmey has held many prominent positions within the insurance industry including Chairman of the Israeli Insurance Association from 1983–5 and Chairman of the Israeli Life Offices Association from 1988–93. Among other boards, he sits on the Board of Governors of the Weizmann Institute of Science, the Israel Museum, the Tel Aviv Museum of Arts, the Hebrew University of Jerusalem, and Tel Aviv University. Hackmey established the Israel Phoenix Corporate Collection, a prominent corporate collection of art. Hackmey has a B.Sc. and an M.Sc. from the Massachusetts Institute of Technology, and has a post-graduate diploma from the Hebrew University of Jerusalem.

MARK HELLER

Mark Heller is Director of Research and Principal Research Associate at the Jaffee Center for Strategic Studies at Tel Aviv University, and the Editor of *Tel Aviv Notes*. He was also Coordinator of Research at the Canadian Institute for International Peace and Security in 1991, Visiting Professor of Government at Harvard University in 1992, and Research Associate at the International Institute for Strategic Studies in 1999. Heller's publications include *The Middle East Military Balance* (edited and co-authored, 1983–5, 1996–7) and *Israel and the Palestinians: Israeli Policy Options* (co-edited with Rosemary Hollis). He received his B.A. from the University of Toronto, and has an M.A. and a Ph.D. from Harvard University.

ISAAC HERZOG

Isaac Herzog is Israel's Minister of Housing and Construction. A Knesset member for the Labor-Meimad-Am Ehad Party Bloc, he is the Whip of the Labor Party's Parliamentary Group. Within the Knesset, Herzog serves on the Internal Affairs and Environment Committee, the Finance Committee, and the Anti-Drug Abuse Committee. Before his election to the Knesset, Herzog was Chairman of the Anti-Drug Authority from 2000–3 and Secretary of the Economic-Social Council from 1988–90. He also served as Government Secretary under Prime Minister Ehud Barak from 1999–2001. He is an attorney by training.

ELI HURVITZ

Eli Hurvitz is Chairman of Teva Pharmaceutical Industries Ltd., one of the largest generic pharmaceutical companies in the world. He serves as Chairman of the Board for the Israel Democracy Institute and NeuroSurvival Technologies Ltd. Hurvitz is a Member of the Belfer Center for Science and International Affairs at Harvard University's John F. Kennedy School of Government, and a Director of Vishay Intertechnology and Koor Industries Ltd. He served as the President of the Israel Manufacturers Association from 1981–6. Hurvitz received a B.A. from the Hebrew University of Jerusalem.

DAVID IGNATIUS

David Ignatius began writing his column on global politics, economics, and international affairs for *The Washington Post* in January 1999. Ignatius had previously been *The Washington Post's* Assistant Managing Editor in charge of business news, a position he assumed in 1993. Ignatius served as *The Washington Post's* Foreign Editor from 1990–2, and from 1986–90 he was editor of Outlook section. Before joining *The Washington Post* in 1986, Ignatius spent 10 years as a reporter for *The Wall Street Journal*. He covered the steel industry, the Justice Department, the CIA and the U.S. Senate, and as *The Wall Street Journal's* Middle East correspondent from 1980–3, covered wars in Lebanon and Iraq. *The Wall Street Journal's* chief diplomatic correspondent from 1984–6, he won the Edward Weintal Prize for Diplomatic Reporting in 1985. Ignatius has written five novels. He has a B.A. from Harvard and received a diploma from Cambridge University.

MARTIN INDYK

Martin S. Indyk is the Director of the Saban Center for Middle East Policy at the Brookings Institution and a Brookings Senior Fellow. He served as U.S. Ambassador to Israel from 1995–7 and 2000–1. Before his first posting to Israel, Indyk was Special Assistant to President Clinton and Senior Director for Near East and South Asian Affairs at the National Security Council. He also served as Assistant Secretary of State for Near Eastern Affairs from 1997–2000. Before entering the U.S. government, Indyk was Founding Executive Director of the Washington Institute for Near East Policy for eight years. He currently serves as Vice President of the American Friends of the Yitzhak Rabin Center and Chairman of the International Council of the New Israel Fund. Indyk received a B.Econ. from Sydney University and a Ph.D. from the Australian National University.

DALIA ITZIK

Dalia Itzik was appointed Minister of Communications in January 2005. Elected to the Knesset in 1992, she chairs the Labor-Meimad Parliamentary Group and is a member of the Constitution, Law and Justice Committee as well as the Committee for the Advancement of the Status of Women and the House Committee. Itzik served as Minister of Industry and Trade from March 2001–October 2002 and Minister of the Environment from July 1999–March 2001. A former Deputy Mayor of Jerusalem in charge of Education, Itzik was chairperson of the Legislative Panel of the Labor Party, a member of the Labor Party Central Committee, and a member of the Board of Governors of the Israel Broadcasting Authority, as well as the boards of the Jerusalem Theater and Gerard Behar Center. She holds a B.A. from the Hebrew University of Jerusalem, a diploma from the Efrata Teachers' Seminary, and an LL.B. from the Interdisciplinary Center in Herzliya.

RICHARD JONES

Richard Jones was sworn in as U.S. Ambassador to Israel on September 6, 2005. Before this appointment, Jones was the Secretary of State's Senior Advisor and Coordinator for Iraq Policy. A career foreign service officer, Jones served as U.S. Ambassador to Kuwait from September 2001–July 2004. Jones was also a Senior Fellow at the Belfer Center of Harvard University's John F. Kennedy School of Government from September 2004–January 2005. From November 2003–June 2004 he served concurrently as Chief Policy Officer and Deputy Administrator for the Coalition Provisional Authority in Baghdad. Jones was also U.S. Ambassador to Kazakhstan from December 1998–July 2001 and U.S. Ambassador to Lebanon from February 1996–July 1998. Other previous postings include Director of the State Department's Office of Egyptian Affairs from 1993–5 and Director of its Division of Developed Country Trade from 1987–9. He was twice posted to the U.S. Embassy in Riyadh, Saudi Arabia, and has served in Paris and Tunis. Jones has a B.Sc. with distinction from Harvey Mudd College, and a Masters and Ph.D. from the University of Wisconsin, Madison.

MOSHE KATSAV

Moshe Katsav is the President of the State of Israel, an office he has held since 2000. He was elected to be a Member of the Knesset in 1977, and held positions such as Deputy Prime Minister, Minister of Labor and Social Affairs, Minister of Tourism, and Minister for Israeli-Arab Affairs. From 1992–6, Katsav was Chairman of the Likud faction in the Knesset and Chairman of the Israel-China Parliamentary Friendship League. He was a newspaper reporter for *Yediot Aharonot* and Mayor of Kiryat

Malachi before being elected to the Knesset. Katsav received a B.A. from the Hebrew University of Jerusalem.

RICHARD KLAUSNER

Richard D. Klausner is Executive Director of the Global Health Program at the Bill and Melinda Gates Foundation. Previously, he served as the Director of the National Cancer Institute, where he focused on using science and technology to improve global public health. Klausner was also a Senior Fellow at the National Academies of Science, Advisor for Counter-Terrorism to the Presidents of the Academies, and Liaison to the White House Office of Science and Technology Policy. He was the Chief of the Cell Biology and Metabolism branch of the National Institute of Child Health and Human Development, and is the past President of the American Society for Clinical Investigation. He has authored over 280 scientific articles and several books. Klausner received a B.S. from Yale University and an M.D. from Duke University.

YNON KREIZ

Ynon Kreiz is a General Partner with Benchmark Capital, a venture capital firm with offices in Silicon Valley, London, and Herzliya. He also serves on the Supervisory Board of the leading German broadcasting group ProSieben Sat1. Kreiz was previously Chairman of the Board of Management, President, and Chief Executive Officer of Fox Kids Europe, which he co-founded with Haim Saban in 1996. Under his management, the company became a leading pan-European integrated children's entertainment company broadcasting via cable and satellite in 17 languages to 32 million households in 56 countries. Before the creation of Fox Kids Europe, he was Director of Business Development and Vice President of Business Development at Fox Family Worldwide. Kreiz has a B.A. from Tel Aviv University and an M.B.A. from the UCLA Anderson School of Management.

TOM LANTOS

Congressman Tom Lantos (D-California) represents California's twelfth Congressional district, a seat that he has held continuously since 1981. He is the ranking Democratic member on the House International Relations Committee. In 1983, Lantos founded the Congressional Human Rights Caucus and continues to serve as its Co-Chairman. Before starting his congressional career, he was an economics professor, an international relations analyst for public television, and a private business consultant. As a teenager during World War II, he participated in the anti-Nazi resistance in Budapest, Hungary. Lantos received a B.A. and M.A. from the University of Washington and a Ph.D. from the University of California, Berkeley.

DOV LAUTMAN

Dov Lautman is the Chairman of the Board and the main shareholder of Delta Galil Industries Ltd., a leading global apparel company. He is also Chairman of the Executive Council of Tel Aviv University and sits on the Board of Governors of the Ben Gurion University. Lautman is the Executive Chairman of the Peres Center for Peace and a distinguished member of the Yitzhak Rabin Center. From 1993–5, Lautman was Prime Minister Yitzhak Rabin's Special Emissary for Economic Development. He is the recipient of the Max Perlman Award of Excellence in Global Business Management, for promoting bilateral trade and investment between the United States and Israel. Lautman received a B.Sc. from the Massachusetts Institute of Technology, and has an Honorary Ph.D. from the Israel Institute of Technology, the Technion.

SAMUEL LEWIS

Samuel W. Lewis is on the board of the Institute for the Study of Diplomacy at Georgetown University and serves as the Senior Policy Advisor for the Israel Policy Forum. Lewis' diplomatic career spanned 33 years, during which he was ambassador to Israel for eight years under Presidents Carter and Reagan, and participated in the historic 1978 Camp David Summit. Lewis was also Assistant Secretary of State for International Organization Affairs under President Ford, Senior Staff Member for Latin America at the National Security Council, Special Assistant to the Under Secretary of State, Chargé d'affaires in Kabul, and Deputy Director of the Policy Planning Staff under Secretary of State Kissinger. His most recent government post was Director of the State Department's Policy Planning Staff for the Clinton Administration from 1993–4. Lewis received a B.A. from Yale University and an M.A. from the School of Advanced International Studies, Johns Hopkins University.

AMNON LIPKIN-SHAHAK

Amnon Lipkin-Shahak is Chairman of the Board of Directors of the Tahal Group, Israel's largest engineering consultancy firm. Lipkin-Shahak is also the Chairman of the Executive Committee of the Peres Center for Peace. As a member of the Center Party, Lipkin-Shahak was elected to the Knesset in 1999, and served as Minister of Tourism and Minister of Transportation. He was a senior member of the Prime Minister Barak's peace team, participating in the Camp David negotiations in 2000. Lipkin-Shahak served in the Israel Defense Forces with distinction, twice being awarded the Medal of Valor. Before entering politics, Lipkin-Shahak was the Israel Defense Forces' Chief of the General Staff from 1995–8, Deputy Chief of the General Staff from 1991–5, Head of the Intelligence Branch from

1986–91, and Head of the Central Command from 1983–6. He was a Deputy Paratroop Brigade Commander during the Yom Kippur War of 1973 and a paratroop commander during the Six-Day War of 1967. He has a B.A. from Tel Aviv University.

TALI LIPKIN-SHAHAK

Tali Lipkin-Shahak is a prominent radio and television personality in Israel. She currently hosts a morning radio news talk-show, a weekly radio news-program, and a television magazine for the elderly on Israel's *Channel Two*. She writes for the weekend supplement, the art supplement, and the editorial page of the daily newspaper *Ma'ariv*. For three years she wrote the weekly political column *On Target* for the Friday edition of *The Jerusalem Post*. Lipkin-Shahak was involved in the founding and maintaining of a forum of influential media women as friends of the rape crisis centers, and in the launching of a nation-wide awareness campaign on these issues. She served as Honorary President of AKIM, the National Association for the Mentally Handicapped, and is a member of the public board of the Issie Shapiro House.

TZIPI LIVNI

Tzipi Livni is Israel's Minister of Immigrant Absorption and Minister of Justice. In the current government, she was previously Minister of Housing and Construction. First elected to the Knesset in 1999 for the Likud Party, Livni was Minister of Regional Cooperation, Minister of Agriculture and Rural Development, and Minister without Portfolio. An attorney by profession, Livni was also an employee of the Mossad and Director of the Registrar of Government Corporations from 1980–4. She served as a Lieutenant in the Israel Defense Forces and has an LL.B. from Bar Ilan University.

YOSEF MAIMAN

Yosef Maiman is Founder, President, and Chief Executive Officer of Merhav M.N.F. Ltd, one of the largest project development companies based in Israel. Maiman is also the Chairman of the Board of the Ampal-American Israel Corporation and Chairman of the Board of Israel's *Channel Ten*. Maiman has held numerous leadership positions, including serving as a Board Member of the Peres Center for Peace, Member of the Board of Trustees of Tel Aviv University, Chairman of the Israeli Board of the Jaffee Center for Strategic Studies at Tel Aviv University and Member of the Board of Governors of Ben Gurion University. Maiman received a B.A. from the University of Texas and an M.A. from Cornell University.

DAN MARGALIT

Dan Margalit is a columnist for *Ma'ariv*, a leading Israeli daily newspaper, and is host of a current affairs panel show on Israel's *Channel Ten*. He is also a regular host of the Israeli Educational Television's current affairs show *Erev Hadash*. Before joining *Ma'ariv* in 2003, Margalit wrote for the Israeli newspaper *Ha'aretz*. In 1996 Margalit moderated the prime ministerial debate between Benjamin Netanyahu and Shimon Peres. He has a B.A. in international relations, and an M.A. in modern Jewish history.

DAN MERIDOR

Dan Meridor is a partner in the law firm of Haim Zadok & Co. From August 2001-February 2003, he served as Minister without Portfolio and was responsible for national defense and diplomatic strategy in the Prime Minister's Bureau. Meridor was Minister of Finance from June 1996-June 1997. From 1988-92, Meridor was Minister of Justice and a member of the Inner Cabinet. He had entered the Knesset in 1984, elected as a member for the Likud Party, and soon chaired the Subcommittee for Security Perception and the Subcommittee for Security Legislation. Before running for the Knesset, Meridor was Cabinet Secretary under Prime Ministers Menachem Begin from 1982-3 and Yitzhak Shamir from 1983-4. He holds an LL.B. from the Hebrew University of Jerusalem.

LEORA MERIDOR

Leora Meridor is one of Israel's leading economists, and is External Director of Gilat Satellite Networks. She has served as the Chairwoman of Bezeq International, Israel's leading communications company, since January 2001, and of Walla! Communications Ltd., Israel's most popular Internet search engine. Meridor has been Chair of the Board of Poalim Capital Markets Ltd., Head of the Credit and Risk Management Division at the First International Bank, and Head of Research at the Bank of Israel. Meridor sits on the Board of Governors of the Weizmann Institute of Science. She earned a master's degree and a Ph.D. from the Hebrew University of Jerusalem.

SHAUL MOFAZ

Shaul Mofaz is currently the Israeli Minister of Defense, a position to which he was appointed in November 2002, and then reappointed in February 2003. Mofaz has had a long and distinguished career in the military, beginning in 1966. He served in the Israel Defense Forces as a paratrooper in the Six-Day War of 1967 and as a member of the elite Sayeret Matkal unit, fighting in the raid on Entebbe. He retired from the military in 2002 after reaching the top rank of Lieutenant General, and serving as Chief of the General Staff. He was also

the Commander of the Paratroop Brigade, Commander of the Galilee Formation, Commanding Officer of the Southern Command, and Deputy Chief of the General Staff. He received his B.A. from Bar-Ilan University, and attended the Command and Staff College of the U.S. Marine Corps.

SHLOMO NEHAMA

Shlomo Nehama is the Chairman of the Board of Directors of Bank Hapoalim, Israel's largest bank. Nehama has also been the Managing Director and Director of Arison Investments Ltd., Arison Holdings Ltd., Shikun U'Binui Holdings Ltd., Eurocom Communications Ltd., and Bio Medical Investment Ltd. Nehama received a B.A. from the Israel Institute of Technology, the Technion.

EHUD OLMERT

Ehud Olmert is Israel's Acting Minister of Finance, as well as Vice Prime Minister and Minister of Industry, Trade and Labor and Communications. Before entering politics, Olmert served in the Israel Defense Forces as a Combat Infantry Unit Officer and was a military correspondent for the military journal *Bamachane*. Olmert was elected to the Knesset in 1973. From 1988-90 he was Minister without Portfolio responsible for minority affairs, and from 1990-2, he was Minister of Health. From 2003-5, he served as Minister of Communications. Olmert was also elected to be the Mayor of Jerusalem, a position that he held from 1993-2003. He received his B.A. and his LL.B. from the Hebrew University of Jerusalem.

ILANA DAYAN-ORBACH

Ilana Dayan-Orbach is currently the Anchorperson for the weekly program *Uvda* on Israel Television's *Channel Two*. She has previously served as a News Anchor for Israel Television's *Channel One* and as Anchorperson, Producer, Radio Correspondent, and Host for Israel Defense Forces Radio. Dayan-Orbach is an active member of the Israeli Bar Association. She has previously held the position of Lecturer at the Tel Aviv University Faculty of Law. She holds a Ph.D. from Yale University.

TODD PATKIN

Todd G. Patkin is President of Autopart International, one of the leading companies in the automotive aftermarket parts business, with stores across New England and upstate New York. Patkin is a philanthropist who donates his time and financial resources to unique projects. The 2004 Million Calorie March, which sought to bring increased awareness of the obesity epidemic in the United States, was one of his most successful ventures. The Todd G.

Patkin Opera-tunity Performing Arts Center, another one of his projects, brings the arts to many communities surrounding Easton, Massachusetts, and to many inner city children. Patkin is the Major Gifts Chair for the Jewish National Fund for Eastern Massachusetts and sits on the Board of Trustees for the New England B'nai B'rith Sports Lodge. In 2004, he received the Auto International Association's Young Executive of the Year award.

DALIA RABIN-PELOSSOF

Dalia Rabin-Pelossof is the daughter of the late Prime Minister of Israel, Yitzhak Rabin and currently serves as chairperson of the Yitzhak Rabin Center for Israel Studies Administrative Committee. Elected to the Knesset in 1999, Rabin-Pelossof represented the Center Party. She served as Deputy Minister of Defense, and Chairperson of the Knesset Ethics Committee. She was also a member of the Constitution, Law and Justice Committee, the State Control Committee, the Committee on the Status of Women, and the Committee for the Advancement of the Status of the Child. Rabin-Pelossof is an attorney by training.

CHEMI PERES

Chemi Peres is the founder of both the Pitango Venture Capital Partnership, created in 1996, and the Mofet Israel Technology Fund, founded in 1992. Before this, Peres was Vice President of Marketing and Business Development at Decisions Systems Israel, and was a Senior Consultant to Israel Aircraft Industries. He currently sits on the boards of numerous companies, including Go Networks, Mercado Software, Provigent, RichFX, and Voltaire. Peres is also on the Board of Directors of Ramot, the commercial arm of Tel Aviv University. He earned his B.S. and his M.B.A. from Tel Aviv University.

SHIMON PERES

Shimon Peres was appointed the Vice Prime Minister to Prime Minister Ariel Sharon in January 2005. His government service has extended over 50 years, and includes tours as Minister of Immigrant Absorption, Minister of Transportation, Minister of Communications, Minister of Information, Minister of Defense, Minister of Internal Affairs, Minister of Religious Affairs, Minister of Foreign Affairs, Minister of Regional Cooperation, and Prime Minister of the State of Israel. As Foreign Minister in the Rabin government, Peres initiated and conducted the negotiations that led to the signing of the "Declaration of Principles" with the PLO in September 1993, which won him the 1994 Nobel Peace Prize jointly with then Prime Minister Yitzhak Rabin and then Palestinian leader Yasser Arafat. Peres has been Chairman of Israel's Labor Party, and was a founder of Kibbutz Alumot in the Jordan

Valley. In October 1997 Peres created the Peres Center for Peace with the aim of advancing Arab-Israeli joint ventures. He studied at the New York School for Social Research and Harvard University, and has published books in Hebrew, French, and English on numerous subjects.

CHARLES PEREZ

Charles Perez is the co-founder of Paul Davril, Inc., one of the leading producers of fashion apparel in the United States. The company supplies apparel to every major U.S. retailer and has designed, manufactured, and sold products under leading private labels, such as Bugle Boy, Ecko, Guess, and Kenneth Cole. Born in Morocco, Perez immigrated to Canada and eventually to the United States. In addition to numerous business ventures, he is active in a host of philanthropic projects in the community including the New York City Ballet and the Cedars-Sinai Medical Center.

KENNETH M. POLLACK

Kenneth Pollack is the Director of Research at the Saban Center for Middle East Policy and a Brookings Senior Fellow. He served as Director of Persian Gulf Affairs and Near East and South Asian Affairs at the National Security Council, Senior Research Professor at the National Defense University, and Iran-Iraq military analyst for the Central Intelligence Agency. Pollack's most recent book, *The Persian Puzzle: The Conflict between Iran and America* was published in 2004. He is also the author of *The Threatening Storm: The Case for Invading Iraq* and *Arabs at War: Military Effectiveness, 1948-1991* (both published in 2002). Pollack received a B.A. from Yale University and a Ph.D. from the Massachusetts Institute of Technology.

ITAMAR RABINOVICH

Itamar Rabinovich is the President of Tel Aviv University. He is Ettinger Professor of Contemporary Middle Eastern History, the Andrew White Professor at Large at Cornell University, and a Senior Research Fellow at the Moshe Dayan Center for Middle Eastern and African Studies at Tel Aviv University. From 1992-6, he was Israel's Chief Negotiator with Syria and Israel's Ambassador to the United States. Rabinovich has served as Director of the Moshe Dayan Center, Dean of the Entin Faculty of Humanities, and as Rector of Tel Aviv University. He is the author of several books, most recently *Waging Peace: Israel and the Arabs at the End of the Century*.

AVIEZER RAVITZKY

Aviezer Ravitzky is a Senior Fellow at the Israel Democracy Institute and co-directs the Institute's Religion and State

project. Ravitzky is the Sol Rosenblum Professor of Jewish Philosophy at the Hebrew University of Jerusalem, and has been the Chair of the Department of Jewish Thought, and Chairman of the Institute of Jewish Studies at the Hebrew University. In 2001, Professor Ravitzky was honored with the Israel Prize for his research in Jewish thought. He has written and edited numerous books and articles on Jewish thought and philosophy. Ravitzky received his Ph.D. from the Hebrew University and was a Post-Doctoral Fellow at Harvard University.

CONDOLEEZZA RICE

Condoleezza Rice became the 66th Secretary of State on January 26, 2005. Before becoming Secretary of State, Rice served as the National Security Advisor during the first administration of President George W. Bush, one of the most critical periods in recent history. She served in government from 1989–91 as Director, and then Senior Director, of Soviet and East European Affairs in the National Security Council, and as Special Assistant to the President for National Security Affairs. Rice had a distinguished career at Stanford University, serving as the University's Provost from 1993–9, as Professor from 1993–9, as Associate Professor from 1987–93, and as an Assistant Professor from 1981–7. Rice was also a Senior Fellow at Stanford's Hoover Institution from 1991–3 after leaving the National Security Council in March 1991. She holds a B.A. from the University of Denver, an M.A. from the University of Notre Dame and a Ph.D. from the University of Denver. An accomplished pianist, she is also a Fellow of the American Academy of Arts and Sciences, a member of the Council on Foreign Relations, and has been awarded honorary doctorates from numerous universities.

CARLA ROBBINS

Carla Anne Robbins is Chief Diplomatic Correspondent for *The Wall Street Journal*. Before joining the paper in 1993, Robbins was Senior Diplomatic Correspondent and Latin America Bureau Chief for *U.S. News & World Report*. She began her career as a Staff Editor at *Business Week*. She is a winner of The Edward Weintal Prize for Diplomatic Reporting, an Overseas Press Club Award, and an honorable mention from the Overseas Press Club. She was a member of two Pulitzer-prize winning teams at *The Wall Street Journal*: the 1999 prize for international reporting and the 2000 prize for national reporting. With *Wall Street Journal* colleagues, she has also shared a U.N. Correspondents' Association prize and the Peter R. Weitz prize for reporting on transatlantic relations. Robbins has a B.A. from Wellesley College and an M.A., and Ph.D. from the University of California, Berkeley.

DENNIS ROSS

Dennis Ross is Counselor and Ziegler Distinguished Fellow at the Washington Institute for Near East Policy. He played a leading role in the Middle East peace process for more than 12 years in both Republican and Democratic administrations. As Special Middle East Coordinator during the Clinton Administration, Ross was responsible for the Israeli–Palestinian and Israeli–Syrian negotiations. He also served as the Director of the State Department's Policy Planning Office during the administration of George H.W. Bush. During the Reagan Administration, Ross was Director of Near East and South Asian Affairs on the National Security Council staff and Deputy Director of the Pentagon's Office of Net Assessment. His book, *The Missing Peace: The Inside Story of the Fight for Middle East Peace*, was published in 2004. Ross received a B.A. and a Ph.D. from UCLA.

HAIM SABAN

Haim Saban is an entertainment industry pioneer and leader, currently serving as Chief Executive Officer of the Saban Capital Group, Inc. He is the founder of the Saban Center for Middle East Policy at the Brookings Institution and chairs its International Advisory Council. A native of Alexandria, Egypt, he immigrated to Israel at the age of 12, where he attended agricultural school and served in the Israel Defense Forces. In 1975, Saban relocated to France and established an independent record company. He subsequently moved to Los Angeles, where he launched a chain of recording studios that rapidly became the top supplier of music for television. In 1988, he formed Saban Entertainment, an international television, production, distribution and merchandising company. In 1995, Saban merged his company with Rupert Murdoch's Fox Kids Network to form Fox Family Worldwide, which was later sold to the Walt Disney Company. In 2002, he acquired the ProSieben Sat1 German television corporation. A major philanthropist, his projects include the Israeli Cancer Research Fund, the John Wayne Cancer Institute, the Children's Hospital of Los Angeles, the University of Tel Aviv, the National Park Foundation, and the United Friends of the Children.

ZEEV SCHIFF

Zeev Schiff is the Defense Editor of *Ha'aretz*, a leading Israeli daily newspaper, and an Associate of the Washington Institute for Near East Policy. His books include *A History of the Israeli Army*; *Fedayeen*; *Entebbe Rescue*; *A Lexicon of the Israeli Army and Defense*; *The Year of the Dove*; and *La Guerre Israélo-Arabe*. Schiff has won numerous awards for journalism, including earning the Sokolov Prize for his book *October Earthquake and the*

Yom Kippur War. He coauthored *Intifada* with Ehud Yaari, which became a best seller in 1990. Schiff served as an officer in the Israel Defense Forces, then studied Middle East affairs and military history at Tel Aviv University.

ARIEL SHARON

Ariel Sharon was elected Prime Minister of Israel on February 6, 2001. He has had a distinguished career in both the Israeli military and Israeli politics. Sharon served in the Israel Defense Forces for more than twenty-five years. He was Head of the Southern Command, and after a notable role during the Yom Kippur War of 1973 he eventually retired with the rank of Major General. He has been a member of all Inner Cabinets of Likud and National Unity Governments since 1977 and has held positions on numerous committees within the Knesset, as well as serving as Minister of Agriculture, Minister of Defense, Minister of Industry and Trade, Minister of National Infrastructure, Minister of Housing and Construction, Minister of Communications, Minister of Religious Affairs, and Minister of Foreign Affairs. Sharon is the author of *Warrior: The Autobiography of Ariel Sharon*. He has studied at Camberley Staff College in Britain and Tel Aviv University. He holds an LL.B. from the Hebrew University of Jerusalem.

ARI SHAVIT

Ari Shavit is a senior feature writer for *Ha'aretz*, specializing in in-depth interviews with leading Israeli and foreign personalities. He is also a regular interviewer on several Israeli television programs. Shavit has been with *Ha'aretz* since 1994. He began his career in journalism with *Koteret Rashit* in 1984 and worked there until 1988. He then joined the Association of Civil Rights in Israel, first as a member and later as its Chairman. Shavit earned a B.A. from the Hebrew University of Jerusalem.

CHRISTOPHER SHAYS

Congressman Christopher Shays (R-Connecticut) represents Connecticut's fourth Congressional district. He is Vice Chairman of the Government Reform Committee, Chairman of its Subcommittee on National Security, and a Member of the Homeland Security and Financial Services Committees. Shays was the first Congressman to enter Iraq after the 2003 war. He has visited Iraq nine times in total. First elected to public office in 1974, he served seven terms in the Connecticut House of Representatives before his election to Congress. After graduating from college, he served in the Peace Corps in Fiji with his wife. Shays received a B.A. from Principia College and an M.B.A. and M.P.A. from New York University.

GILEAD SHER

Gilead Sher was Chief of the Prime Minister's Bureau and Policy Coordinator for Prime Minister Ehud Barak. He was the head of the Israeli negotiating team in peace talks that led to the Sharm el-Sheikh Memorandum of 1999. Subsequently, he was co-chief negotiator in 2000 at the Camp David and Taba summits. Sher had previously served as delegate and special advisor to the security talks on the Interim Agreement, coordinator of the Israel Defense Forces Planning Division's committees, and Chairman of the Hebron committee. Sher published, with Uri Sagie, a Van Leer Jerusalem Institute *Policy Paper on Israeli-Palestinian Separation*. A founder and senior partner of Gilead Sher & Co. Law Offices, Sher has an LL.B. from the Hebrew University of Jerusalem.

ZVI SHTAUBER

Zvi Shtauber is the head of the Jaffee Center for Strategic Studies at Tel Aviv University. Before joining the Jaffee Center, Shtauber was the Israeli Ambassador to Britain from 2001–4. From 1999–2000, Shtauber served as Senior Foreign Policy Advisor to Prime Minister Ehud Barak. Before this period of government service, Shtauber was Vice President of Ben Gurion University. Shtauber was a member of the Israeli delegations in peace talks between Israel and its neighbors, including the talks with Syria at Shepherdstown, and the talks with the Palestinians at Camp David. He served in the Israel Defense Forces for twenty-five years, retiring with the rank of Brigadier General, after having been the Director of the Strategic Planning Division. He completed the advanced management program at Harvard Business School and holds a Ph.D. from the Fletcher School of Law and Diplomacy at Tufts University.

JAMES STEINBERG

James B. Steinberg is Vice President and Director of the Foreign Policy Studies Program at the Brookings Institution. He has recently been appointed Dean of the LBJ School of Public Affairs at the University of Texas at Austin, a position that he will assume on January 1, 2006. Steinberg held several senior positions in the Clinton Administration, including Deputy National Security Advisor, from December 1996 until July 2000, and personal representative for the President to the 1998 and 1999 G8 Summits. Steinberg has also served as Director of the State Department's Policy Planning Staff and Deputy Assistant Secretary for Intelligence and Research. Before joining the State Department, he was at the RAND Corporation and the International Institute for Strategic Studies in London. Steinberg was also a National Security and Military Affairs Counsel to Senator

Edward M. Kennedy (D-Massachusetts). Steinberg received a B.A. from Harvard University and a J.D. from Yale Law School.

JEFFREY STERN

Jeffrey Stern is Managing Director and Founding Partner of Forum Capital Partners, a global private equity firm. He is also Co-Chair of the International Board of the Jaffee Center for Strategic Studies. Stern previously held various executive positions at CIBC Oppenheimer where he was responsible for originating, structuring, marketing, and overseeing the company's private equity investments. Stern was also an Account Executive for A.G. Becker and Merrill Lynch. He is Senior Chair of the Wall Street Division of UJA-Federation of New York, a board member of the Slifka Center for Jewish Life at Yale University, and a board member of Westchester Reform Temple. Stern received a B.A. from Yale University.

STROBE TALBOTT

Strobe Talbott became President of the Brookings Institution in July 2002. He is currently a member of the participating faculty of the World Economic Forum and a Member of the Aspen Strategy Group. He was previously Founding Director of the Yale Center for the Study of Globalization. Talbott served in the State Department from 1993–2001, first as Ambassador-at-Large and Special Advisor to the Secretary of State for the Newly Independent States of the former Soviet Union, and then as Deputy Secretary of State for seven years. He entered government after twenty-one years with *Time* magazine, where he covered Eastern Europe, the State Department, and the White House. He was *Time's* Washington Bureau Chief, Editor-at-Large and Foreign Affairs Columnist. A Rhodes Scholar, Talbott received a B.A. from Yale University and an M.Litt. from Oxford University.

SHIBLEY TELHAMI

Shibley Telhami is a Nonresident Senior Fellow at the Saban Center for Middle East Policy at the Brookings Institution and the Anwar Sadat Professor for Peace and Development at the University of Maryland. He is the author of *The Stakes: America and the Middle East* (2002), *Power and Leadership in International Bargaining: The Path to the Camp David Accords* (1990), and co-author of *Liberty and Power: A Dialogue on Religion and US Foreign Policy in an Unjust World* (2004). He was an advisor to the U.S. Mission to the United Nations and to Congressman Lee H. Hamilton (D-Indiana). Telhami received a B.A. from Queens College of the City University of New York, an M.A.

from the Graduate Theological Union, Berkeley, and a Ph.D. from the University of California, Berkeley.

YOSEF VARDI

Yosef Vardi is the Principal of International Technologies Ventures, a private venture capital enterprise. He is one of Israel's leading entrepreneurs. He was the Founding Investor and Chairman of Mirabilis Ltd., the creator of ICQ, the first instant messaging service on the Internet. He has had an extensive government career, serving as Director General of the Ministry of Development, Director General of the Ministry of Energy, and North-American Director of the Investment Authority. Vardi was a member of the Advisory Board of the Bank of Israel, Chairman of Israel National Oil Company, and the Co-Founder and Chairman of the Board of Israel Chemicals. During Israeli-Jordanian peace negotiations, Vardi led the economic and regional cooperation discussions as a special advisor to Israel's Ministers of Foreign Affairs, and Finance. He earned a B.Sc., an M.Sc. and a D.Sc. from the Israel Institute of Technology, the Technion.

MARGARET WARNER

Margaret Warner is a Senior Correspondent and Substitute Anchor for the PBS nightly news program *The NewsHour with Jim Lehrer*. Additionally, she is one of four co-anchors of *America Abroad*, an hour-long radio program devoted to foreign affairs aired on 90 public radio stations through Public Radio International. Warner joined *The NewsHour* in 1993 after an award-winning career in print journalism. She spent ten years at *Newsweek* magazine, beginning as a Political and Campaign Correspondent, then serving as a White House Reporter, and finally as Chief Diplomatic Correspondent during four years that saw the end of the Cold War, the collapse of the Soviet Union, and the first Gulf War. Previously, she was a reporter for *The Wall Street Journal*, *The San Diego Union* and *The Concord (N.H.) Monitor*. Warner received a B.A. from Yale University.

DOV WEISSGLAS

Dov Weissglas is Chief of the Prime Minister's Bureau and Special Advisor to Prime Minister Ariel Sharon. One of the architects of the Gaza Strip disengagement plan, Weissglas is responsible for negotiations with the PLO and the United States—representing Israel and speaking on behalf of the Prime Minister. Weissglas is a lawyer by training and began his career in the law firm of Moritz-Margolis at the age of 24. Thirteen years later he acquired the practice, with his partner Ami Almagor, and made it one of the country's leading law firms. Weissglas has served as counsel in many of Israel's prominent legal cases. Weissglas received his LL.B. from the Hebrew University of Jerusalem.

TAMARA COFMAN WITTES

Tamara Cofman Wittes is a Research Fellow at the Saban Center for Middle East Policy at the Brookings Institution. Previously, she was Director of Programs at the Middle East Institute and Middle East Specialist at the U.S. Institute of Peace. Her work has addressed a wide range of topics, including Israeli–Palestinian peace negotiations, humanitarian intervention, and ethnic conflict. Her current research concerns U.S. policy toward democratization in the Arab world and the challenge of regional economic and political reform. She is the editor and a contributor to *How Israelis and Palestinians Negotiate: A Cross Cultural Analysis of the Oslo Peace Process* (2005). Wittes received a B.A. from Oberlin College, and an M.A. and Ph.D. from Georgetown University.

JAMES WOLFENSOHN

James Wolfensohn was named as Special Envoy for Gaza Disengagement of the Middle East Diplomatic Quartet by U.S. Secretary of State Condoleezza Rice on April 14, 2005. In this capacity, he has focused on Israeli–Palestinian coordination concerning the non-military aspects of the withdrawal and the revival of the Palestinian economy. Before this appointment, Wolfensohn was President of the World Bank from 1995–2005, steering the bank through a decade that saw rapid economic change. He has extensive experience in the private sector, serving as President and Chief Executive Officer of James D. Wolfensohn, Inc. from 1981–95, Chairman of Salomon Brothers International, London from 1977–81, and holding numerous positions in companies in New York, London, and Australia. He is on the Board of Directors of Rockefeller University and a Member of the Council on Foreign Relations. He holds a B.A. and an LL.B. from the University of Sydney, and an M.B.A. from Harvard Business School.

SHLOMO YANAI

Shlomo Yanai is President and Chief Executive Officer of Makhteshim Agan Industries, a leading manufacturer and distributor of crop protection products. He is also the Chairman of the Board of Directors of Makhteshim Chemical Works Ltd., Agan Chemical Manufacturers Ltd., Milenia Agro Ciencias, and a Director in Luxembourg Pharmaceuticals Ltd., Agan Aroma, and Lycored Natural Products Industries Ltd. Before working in the private sector, Yanai had a distinguished career in the Israeli military. He was the Director of the Israel Defense Forces Strategic Planning Division, Commanding Officer of the Southern Command, and Head of the Army R&D and Procurement Division for the Ground Corps Command. He earned a B.A. from Tel Aviv University and an M.A. from George Washington University. Yanai is a graduate of Harvard Business School's AMP program and a graduate of the U.S. National War College.

Note: Biographies reflect posts held at the time of the Saban Forum 2005.





The Saban Center for Middle East Policy

THE SABAN CENTER FOR MIDDLE EAST POLICY WAS ESTABLISHED on May 13, 2002 with an inaugural address by His Majesty King Abdullah II of Jordan. The creation of the Saban Center reflects the Brookings Institution's commitment to expand dramatically its research and analysis of Middle East policy issues at a time when the region has come to dominate the U.S. foreign policy agenda.

The Saban Center provides Washington policymakers with balanced, objective, in-depth and timely research and policy analysis from experienced and knowledgeable scholars who can bring fresh perspectives to bear on the critical problems of the Middle East. The center upholds the Brookings tradition of being open to a broad range of views. The Saban Center's central objective is to advance understanding of developments in the Middle East through policy-relevant scholarship and debate.

The center's foundation was made possible by a generous grant from Haim and Cheryl Saban of Los Angeles. Ambassador Martin S. Indyk, Senior Fellow in Foreign Policy Studies, is the director of the Saban Center. Kenneth M. Pollack is the center's director of research. Joining them is a core group of Middle East experts who conduct original research and develop innovative programs to promote a better understanding of the policy choices facing American decision makers in the Middle East. They include Tamara Cofman Wittes, who is a specialist on political reform in the Arab world; Shibley Telhami, who holds the Sadat Chair at the University of Maryland; Daniel Byman, a Middle East terrorism expert from Georgetown University. The center is located in the Foreign Policy Studies Program at Brookings, led by Carlos Pascual, its director and a Brookings vice president.

The Saban Center is undertaking path breaking research in five areas: the implications of regime change in Iraq, including post-war nation-building and Persian Gulf security; the dynamics of Iranian domestic politics and the threat of nuclear proliferation; mechanisms and requirements for a two-state solution to the Israeli-Palestinian conflict; policy for the war against terrorism, including the continuing challenge of state-sponsorship of terrorism; and political and economic change in the Arab world, in particular in Syria and Lebanon, and the methods required to promote democratization.

The center also houses the ongoing Brookings Project on U.S. Relations with the Islamic World, which is directed by Steve Grand. The project focuses on analyzing the problems in the relationship between the United States and Muslim states and communities around the globe, with the objective of developing effective policy responses. The Islamic World Project's activities includes a task force of experts, a global conference series bringing together American and Muslim world leaders, a visiting fellows program for specialists from the Islamic world, initiatives in science and the arts, and a monograph and book series.

The Jaffee Center for Strategic Studies at Tel Aviv University

ESTABLISHED AS THE CENTER FOR STRATEGIC STUDIES IN 1977 at the initiative of Tel Aviv University, the Center was named the Jaffee Center for Strategic Studies—JCSS—in honor of Mr. and Mrs. Mel Jaffee in 1983. Major General (res.) Aharon Yariv former government minister, Member of Knesset, and Director of Military Intelligence, took upon himself, at the University's request, the organization and management of the Center, and headed it until shortly before his death in 1994. Among the primary supporters of JCSS at its founding were Abba Eban, who served as first chairman of its International Board of Trustees, and the late Joseph H. "Buddy" Strelitz, then President of the American Friends of Tel Aviv University and later Chairman of the International Board of Trustees. Funds for the Center's creation were provided mainly by members of the Jewish community in the United States, who have proved aware of and sensitive to the need for such an institution in Israel.

The purpose of the Jaffee Center is, first, to conduct basic research that meets the highest academic standards on matters related to Israel's national security as well as Middle East regional and international security affairs. The Center also aims to contribute to the public debate and government deliberations of issues that are—or should be—at the top of Israel's national security agenda.

The Jaffee Center seeks to address the strategic community in Israel and abroad, Israeli policymakers and opinion-makers and the general public.

The center relates to the concept of strategy in its broadest meaning, namely the complex of processes involved in the identification, mobilization and application of resources in peace and war, in order to solidify and strengthen national and international security.



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