The prospect of a settlement of the Israel-Palestine conflict seems more remote today than ever. A culture of violence has gained ground on both sides. Soon the two-state solution will have become irrelevant due to the new reality created on the ground by settlements, bypass roads, and the separation wall, while the continued separation between the West Bank and Gaza is undermining hopes of building a single Palestinian policy. Regional ramifications are stronger than a few years ago. The question today is not what kind of negotiated agreement can be reached but whether a negotiated settlement based on two states is still possible before a new regional confrontation erupts. Palestinians bent on resistance have succeeded in revitalizing their struggle somewhat, enough to reignite fear within Israel but not enough to make it a strategically compelling priority.

Unlike in Iraq or Sudan, there is a solution for the Israel-Palestine conflict, even for the most difficult issues. But the crisis of leadership on both sides makes the prospect of an imminent peace deal remote.

No negotiation process involving interim arrangements will survive without the international community engaging in forceful political intervention, including effective presence on the ground. Whether the new US president and the Europeans will be willing to make a serious and sustained effort to resolve this conflict will depend on the leaders' perceptions of the situation. While the Israel-Palestine conflict may no longer be the central conflict in the region, it is certain that the absence of a settlement is undermining other efforts to address all manner of regional challenges. As long as the international community lacks genuine will and commitment, it will be unable to force Israelis and Palestinians to make peace. On the other hand, no negotiation process involving interim arrangements will survive without the international community's engaging in forceful political intervention. Whenever Palestinians and Israelis are left to their own devices, their relations deteriorate. Leaving the two sides alone results neither in mutual confidence nor in an atmosphere conducive to peacemaking.

The task of ending this conflict is very demanding. It carries few promises of reward and many risks of failure. It requires intensive and creative good-faith mediation over a long period of time, with a clear awareness of the interferences that can occur from many sides. What would be the incentive for a new US president to give priority to this conflict and to devote the required energy to its resolution? What are the strategic dividends to be expected from a peace accord?

Genuine involvement in brokering a peace settlement will have the immediate effect of calming the regional scene and sidelining some external players who have no legitimate role in this zone: one is al-Qaeda and another is Iran, whose role could be marginalized under certain conditions.

Ending the occupation and granting Palestinians a state is a matter of global justice, but beyond its moral weight, the Palestinian issue has deep strategic ramifications. The real hinterland of the Palestinian issue is Arab (and now Muslim) public opinion, which could nurture Israel’s fears forever. No security fences have alleviated those fears, nor can the war on terror heal them.

The choice is between seeking strategic balances where public sentiment is contained through deterrence (sanctions or the threat of devastating retaliation, including the use of nuclear weapons) on one side, and the quest for solutions that bring the desired political outcomes and change the psychology of the populations in the region.

Frequent comparisons with the South African situation have been made, some justified and some not. Yet one aspect is worth considering, namely the international community's impact, not only because sanctions played a key role in convincing the white ruling elite that apartheid was not sustainable, but also because the end of the Cold War and the collapse of the communist camp convinced the white minority that black rule would not necessarily mean a communist regime.
For Israel the rise of an Islamic militant identity across the region has greatly increased fears, and the nightmare scenario of Islamic rule at Israel’s door is becoming a reality with Hamas’s control of Gaza. Yet only Israel is in a position to defuse an aggressive militant Islamic trend in Palestine by making the leap towards a compromise, instead of preparing for a collision with Iran that will fan the flames of radical Islam throughout the region.

A new US president needs to confront the issue early on and decide whether to engage in peacemaking. The first challenge he will need to address will be whether to continue on a course that might, at best, lead to half a solution for half the Palestinians, or whether to engage with Hamas, directly or indirectly, and allow a Palestinian unity government to emerge.

The time is also right for Europe to define the political conditions that will set the terms of its own involvement. The first question that will determine attitudes towards many other issues of the conflict and beyond is whether the EU should be talking to Hamas.

**Talking to Hamas**

Up until January 2006, it was still possible to avoid talking to Hamas by bolstering the Fatah-dominated PA, which was best done through progress in the peace process. A firm Western stance on the key issues (such as maintaining that settlements are illegal and that Jerusalem’s status is still to be defined) would have strengthened the PA’s credibility. For Palestinians – whether they be from Fatah or Hamas and whether they advocate armed resistance or not – have never ceased to believe that a strong involvement by outside forces is the only way to make the battle with Israel a balanced one.

Engaging Hamas has become a necessity, and several European governments have started to do so. But dialogue with Hamas should be conducted on sound terms:

- The US and Europe can continue to set conditions for the recognition of Hamas and its inclusion in the diplomatic process, but the chances of a positive response will be much greater if similar conditions are set for Israel. The main burden of progress is on the shoulders of the Israeli government because Israel is in control of the Palestinian territories, and not the other way around. To open space for negotiations, it may be necessary to require that Israel freeze its development of settlements and agree to dismantle those that prevent the formation of a viable Palestinian state, and, in exchange, to require from Hamas that it recognize Israel, renounce violence, and release Gilad Shalit from its custody.

- Building on the ceasefire concluded under Egypt’s auspices, Europeans and Americans should pursue a sustained dialogue with the Hamas leadership to explore fully the areas of possible compromise beyond the movement’s militant discourse.

- Talking to Hamas should not exclude continuing to work on reducing its influence. Israeli concessions and progress in peace talks will remain the most effective way of making the Islamists’ position less relevant and reducing their overall influence, for this too is a key objective of secular Palestinians to preserve the future of a democratic Palestinian society.

Beyond the Hamas hurdle, policy leaders with moral influence and a genuine vision of peace will need to press their views more decisively. With other challenges building in the Middle East and elsewhere, it is all the more important to reassert the centrality of the Israel-Palestine conflict: while it is not the only conflict, nor the most deadly one, it has always undermined efforts to address the region’s other problems. It is thus necessary to restate some basic principles concern what should be done and what should be avoided:

- Make better use of Arab allies, of their ideas, initiatives, and capacity to influence the different Palestinian parties. Qatar has shown its diplomatic skills in brokering a compromise between the Lebanese factions. Saudi Arabia likewise has the credentials and can put forward the incentives needed to facilitate an inter-Palestinian reconciliation along acceptable lines for the peace process to resume.
Reforming Palestinian institutions is badly needed, but the Quartet plan implemented by Tony Blair goes far in pushing for reforms in areas that need to be solved through negotiations with Israel. Reforms are useful if they are promoted in addition to rather than in place of pressing forcefully for a peace agreement.

The international community has committed more than $12 billion since Oslo and some $3 billion since the election of the Hamas government, but the Palestinian population’s situation has continued to deteriorate. International aid provides merely what it takes to avoid a major humanitarian crisis that would draw visible media coverage. But Palestinian society and the polity are devastated nevertheless and foreign assistance, financial or otherwise, is no substitute for political action.

Promoting economic cooperation is not an entry point for solving the conflict. The basic terms of a settlement are unchanged: territorial gains and statehood for Palestinians in exchange for security for Israel. All other areas of cooperation will flow as a consequence of this.

Nor is security sector reform an entry point, as the Quartet plan overseen by Tony Blair suggests. A dysfunctional and fragmented Palestinian polity cannot deliver security to itself or its peace partner if it is unable to deliver other goods.

Finally, securing direct international monitoring on the ground for any agreement is an absolute necessity. Given past failures, an implementation and verification body and a mechanism for settling disputes need to be established.