

Central Intelligence Agency



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DIRECTORATE OF INTELLIGENCE

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Egypt: Promoting the Peace Process [redacted]

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Summary

Over the past year, President Mubarak has taken advantage of political gains at home and Cairo's renewed diplomatic influence in the Middle East to lend support to US efforts to revive the peace process. Egyptian officials believe the violence in the occupied territories has provided the best--if still highly uncertain--chance in recent years to advance peace prospects. They also no doubt hope that their support of the peace process will reduce the tensions that might otherwise develop from Cairo's relationship with Tel Aviv during a time of increased Palestinian struggle with Israel. [redacted]

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Senior Egyptian officials regard several factors as critical to the evolution of the peace process. Stepped-up US efforts almost certainly are the most important from Cairo's perspective, largely because of Washington's perceived influence with Tel Aviv. The Egyptians are well aware of the formidable gap between Israeli and Arab positions on the issues as well as the immediate question of the election outcome in Israel. But, in our view, Cairo will want to talk about ways to encourage a unified moderate Arab approach as well as questions such as the shape of a final settlement. Above all, the Egyptians will seek to keep the US engaged and the peace process in motion. Prolonged inactivity and stalemate would heighten friction in Egyptian-Israeli relations and contribute to doubts about the long-term durability of the US-Egyptian tie. [redacted]

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This paper was prepared by [redacted] the Egypt-Sudan Branch, Arab-Israeli Division, Office of Near Eastern and South Asian Analysis. Comments and queries are welcome and may be addressed to the Chief, Arab-Isaeli Division, NESA [redacted]

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The Context

Following the Arab League summit meeting in Amman last November, Egypt emerged from the long period of diplomatic isolation it entered when the late President Sadat signed a separate peace agreement with Israel in 1979. Most Arab countries restored diplomatic relations in the weeks after the Amman summit. The passage of time, Iran's apparent upper hand in the Iraq-Iran war at that time, and the precedent established by the moderate Arab states that already enjoyed nearly normal relations with Egypt encouraged them to restore ties. Egypt's near total reintegration into the Arab fold has been especially gratifying to President Mubarak because he has advanced this goal largely on Cairo's own terms--continued diplomatic relations with Tel Aviv. The President climaxed his recent diplomatic successes by going on tour early this year and meeting with 17 leaders of the Arab and Western world, including President Reagan. [redacted]

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Mubarak's stronger political position at home also enabled him to act more boldly diplomatically. Parliamentary elections last year renewed his National Democratic Party's (NDP) large majority. A popular referendum in October elected him to a second six-year term. Moreover, while still under heavy pressure to undertake politically risky economic reforms, Mubarak could regard the prospect with marginally greater confidence than in 1986 when Egypt found all of its sources of hard currency in decline at once. [redacted]

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The Palestinian unrest in the occupied territories starting in December--together with Mubarak's apparent desire to come to Washington with a new proposal in hand--were critical factors shaping the recent Egyptian approach to the peace process.

--Mubarak probably believed the uprising served to increase Israel's sense of vulnerability. He hoped that the Israelis would look on the uprising as he did--as a turning point from which Tel Aviv could never go back again.

--Mubarak's interest in that outcome has been especially strong because the West Bank/Gaza violence has underscored Egypt's singular diplomatic relationship with Israel and has strained ties between Cairo and Tel Aviv.

--He may even fear that escalation of the uprising might increase the risk of a conflict with Israel and led to a cut-off of US aid to Egypt. [redacted]

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In short, the unrest has provided Mubarak with strong incentives to promote the peace process at the same time that his enhanced standing at home and

abroad has increased his self-confidence and ability to undertake such initiatives. [redacted]

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The Egyptian Proposal

Mubarak's peace initiative announced in January called for a six-month moratorium on violence, repression, and the building of Jewish settlements in the occupied territories; international guarantees for the protection of Palestinian rights; and preparatory steps for an international peace conference. According to the US Embassy in Cairo, the proposal was intended to serve as a catalyst, renewing international awareness of the need to address the Palestinian question. The Egyptian regime has not argued that it has a blueprint for resolving the crisis. Indeed, Mubarak included no new initiatives on key peace process issues. [redacted]

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Mubarak's principal hope for his January peace proposal appeared to be that the plan would encourage Washington to press Israel to adopt a more flexible attitude toward the peace process. He clearly recognized that neither he nor his country alone could overcome the substantial obstacles to a Mideast peace settlement--such as the Israeli's Likud bloc's firm opposition to exchanging territory for peace and view of an international conference as a prescription for territorial concessions; or the PLO's belief that unconditional acceptance of UN Resolutions 242 and 338, which refer to a settlement of the "refugee" problem, would scuttle chances for a Palestinian state. He probably even calculated that Shamir and other hardline Israelis initially would dismiss his initiative out of hand, possibly with the further calculation that such a reaction might stiffen US resolve to apply pressure on its Israeli ally. [redacted]

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Reaction to the US Initiative

Mubarak believes he was vindicated when, after his visit to the United States, Washington came out with its own proposal. Egyptian press reports at the time echoed his confidence on this point. Privately the Egyptians almost certainly welcome the key provisions of the US plan as steps in the right direction--an international conference, bilateral negotiations based on Resolutions 242 and 338, Palestinian representation within a joint Jordanian-Palestinian delegation and negotiations between the Israeli delegation and the Jordanian-Palestinian delegation to address the Palestinian issue. [redacted]

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Publicly, the Egyptians are somewhat more reserved toward the US proposal. Mubarak has supported the US initiative generally, but he has been careful not to identify specific US ideas on peace with his own plan. We believe that he wants to be able to accept or reject particular points while continuing to urge the peace process forward as a whole. Presidential Advisor Osama el Baz, for example, reiterated last month at a meeting of a

private foundation that Cairo strongly supports the US initiative but has trouble with certain aspects of it. He stated that the initiative puts too much emphasis on interim arrangements, is not sufficiently clear on territory for peace, and that its muted references to the Palestinians provide too little incentive for the PLO to cooperate. [redacted]

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Next Steps Seen From Cairo

President Mubarak and other Egyptian officials realize that there are great stumbling blocks to peace. On the Israeli side, they know that Tel Aviv is loathe to negotiate from weakness, and that the uprising has stiffened the resolve of many conservative politicians and voters. They also are aware that few Israelis believe they are in imminent danger of losing control of the territories. Mubarak, moreover, has had considerable problems dealing with Prime Minister Shamir and almost certainly is not expecting any dramatic flexibility from him. In addition, Mubarak probably recognizes that there will be no movement on the peace process before Israeli and US elections late this year. [redacted]

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On the Arab side, Egyptian officials recognize that serious divisions remain on how to approach the peace process. Movement on an international conference is blocked by the failure of the Arabs to agree on operational details--who should participate and how the Palestinians should be represented. At the same time, Mubarak consults regularly with Jordan's King Hussein and knows he will not repeat President Sadat's initiative and hold separate negotiations with Israel in the foreseeable future. Syria would move swiftly, aggressively, and probably successfully to scuttle talks between Israel and Jordan or any other Arab-Israeli negotiations that threatened to leave the Golan Heights under Israeli control. [redacted]

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Nevertheless, Mubarak will continue to push and support US efforts on the peace process. He will do so, in part, because Egyptian leaders believe the peace process is critical to reduce tension that might otherwise grow over continuation of Egypt's relationship with Israel, particularly at a time of increased Palestinian self-assertiveness and unrest. Mubarak also will do so because he is likely to see violence in the occupied territories as providing the best--if still quite uncertain--chance in recent years of arranging an Arab settlement with Israel. He probably hopes that, if the Israeli election brings a Labor-led government to power in Tel Aviv, it will recognize that there is no lasting solution to the uprising apart from the peace process. [redacted]

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Meanwhile, we believe that Mubarak will persist in his efforts to encourage moderate Arab leaders to take the lead in fashioning a unified Arab approach to the US initiative. Indeed, Egyptian leaders have said publicly on several occasions that Arabs should join Egypt in supporting the positive aspects of the US initiative and work to develop

other points. Officially, Cairo has not spelled out ways to modify Washington's plan, probably because Cairo continues to attach top priority to engaging all parties in a dialogue over the peace process and does not want to be dragged into a quarrel over details. [redacted]

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Unofficially, however, El Baz at the meeting of a private foundation stated what a final settlement might look like. He said he personally believes that the ultimate outcome of the peace process would have to be an independent Palestinian state. This could not happen overnight and a lengthy transitional period--ten or fifteen years--might be necessary. During this period, the Palestinian state would evolve out of a Jordanian-Palestinian federation. El Baz emphasized that this outcome would only be possible with the consent of all parties, and that it would be incumbent upon the Palestinians to demonstrate during the transition period that they were responsible neighbors and posed no threat to Israel. El Baz's remarks are generally consistent with statements by Mubarak that negotiations with Israel on the West Bank must be coordinated by a joint Palestinian-Jordanian delegation, and that the PLO must prepare for a role in the peace process by accepting UN Resolutions 242 and 338 as well as renouncing terrorism. [redacted]

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We believe that Egypt views the United States as holding the key to movement on the peace process and Cairo has been frustrated by what it perceives to be US unwillingness to become more active in peace-seeking efforts. In particular, Mubarak looks to Washington to help break the political stalemate in Israel on peace process issues. Reinforced pessimism on that score would contribute to frictions in Egypt's relations with Israel and heighten doubts in Mubarak's mind about the durability of Egyptian-US relations. [redacted]

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