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Article 1.

NYT

# **As U.S. Steps Back, Europe Takes Bigger Role in Mideast Peace Push**

Mark Landler

July 20, 2011 — It is a truism of Middle East peacemaking that the United States is the pivotal player — the most credible broker between the Israelis and the Palestinians. But with talks at a standstill, the Obama administration now finds itself on the sidelines, and Europe is emerging as the key diplomatic actor.

Prime Minister Benjamin Netanyahu of Israel and the Palestinian president, Mahmoud Abbas, have crisscrossed the Continent in recent weeks, trying to woo leaders who are weighing whether to support a Palestinian bid for statehood at the United Nations in September. Neither man has visited Washington since the spring.

That may suit the administration just fine. The White House, several officials said, has deliberately kept a low profile since President Obama's speech on the Middle East in May, in which he tried unsuccessfully to break the stalemate by proposing a starting point for negotiating the contours of a Palestinian state.

Europe's rising role stems not only from American fatigue with a seemingly intractable problem, but also from the peculiar dynamics of the Palestinian campaign at the United Nations. With more than 100 countries, most in the developing world, expected to support Palestinian recognition — and the United States almost certain to oppose it — Britain, France and Germany are viewed as influential swing votes.

“Rarely has Europe been so courted when it comes to Middle East diplomacy,” said David Makovsky, a senior fellow at the Washington Institute for Near East Policy. “Europe is the prize this summer.” For the Europeans, who have also taken a lead role in the NATO military campaign in Libya, the chance to play Middle East power broker is gratifying. But it comes with a risk, said Martin S. Indyk, director of foreign policy at the Brookings Institution and a former American ambassador to Israel. “The action in the United Nations is a bigger problem for them than for us,” he said. “It has the potential of splitting the E.U., with some siding with us and Israel and some siding with the Palestinians.”

A rift is the last thing the European Union needs, at a time when the bloc is being strained by the debt crisis in Greece. Already, the major countries appear divided, with Germany and Italy rejecting the Palestinian campaign, France and Spain receptive, and Britain on the fence.

For some Europeans, leaving the door open to Palestinian recognition is a handy way to pressure Israel to return to negotiations, which have been on ice since last fall. To break that deadlock, Mr. Obama proposed using the prevailing borders before the 1967 Arab-Israeli war, adjusted to account for Jewish settlements in the West Bank, as the basis for negotiating a new Palestinian state. Mr. Netanyahu initially rejected that formula, saying it would render Israel indefensible. But an Israeli official said that in recent weeks, Mr. Netanyahu had moved much closer to accepting the idea, provided that the Palestinians agreed to recognition of Israel as a Jewish state, something they have long refused.

Last week, the United States tried to build support for such a quid pro quo from the Quartet, a Middle East peacemaking group that also includes the European Union, the United Nations and Russia. Winning the Quartet’s endorsement would have put pressure on both

sides to resume negotiations and taken much of the steam out of the Palestinian march to the United Nations.

While European countries have publicly backed Mr. Obama's proposal for restarting the talks, several of them, as well as Russia, balked at the Jewish-state provision, officials briefed on the meeting said. Rather than issue an anodyne statement, as it often does, the Quartet chose to say nothing at all.

The Palestinian date with the United Nations looms large, though no one is exactly sure what will happen after it. Israel's defense minister, Ehud Barak, warned that his country faced a "diplomatic tsunami." Others worry that it will kick off a third intifada, given the political ferment elsewhere in the region.

"The conditions for massive public reaction are ripe," Ghaith al-Omari, the executive director of the American Task Force on Palestine, said. "If things go down that path, it would be highly destabilizing."

The United States continues to work on European allies and the Palestinians to point out the downsides of going for recognition, including the threat that Congress could vote to cut off aid to the Palestinian Authority.

Still, the administration has opted for what one Middle East diplomat called a "tactical withdrawal," leaving it to Tony Blair, the former British prime minister who is the special envoy to the Quartet, to try to close the gaps. While the United States does not want to be isolated by vetoing a Palestinian resolution, which Mr. Obama has signaled he will do, the administration appears less agitated by this prospect than it was a few months ago.

"The U.S. is frustrated, but ultimately an outcome where it vetoes a resolution is not the end of the world," said Robert Malley, the Middle East and North Africa program director at the International Crisis Group.

Palestinian leaders insist they are determined to go through with the drive for recognition, but it could take less aggressive forms: petitioning the General Assembly, rather than the Security Council, for nonmember status, thus sidestepping an American veto. The Palestinians could even propose a resolution that echoes Mr. Obama's formula for talks. This is where Europe plays an important role. Without support from big countries like Britain and France, the Palestinians may opt to hold off or pursue a softer resolution. And if they go ahead at the Security Council, the Europeans could introduce an alternative resolution embracing Mr. Obama's principles.

"The United States has put its cards on the table, but Europe has not yet done that," said Robert Danin, a senior fellow at the Council on Foreign Relations who used to run the Jerusalem office of the Quartet. "The run-up to September is not about numbers. It's about: Where does the West stand?"

Article 2.

The New Republic

## **What Explains Fashionable Hostility Toward Israel?**

Martin Peretz

July 20, 2011 -- We live in a world in which the contagion of anti-Semitism is spreading once again. Indeed, the profusion of hostility to Israel is the proof that hatred of Jews is now quite alright, thank you. But, whatever individual and isolated wrongs Israel commits, there are comparisons to be drawn. And the comparisons are to the Arab states and to Palestinian Arab society, in which oppression has flourished since the early years of the last century. And has not stopped flourishing yet.

There must be a certain frisson that attaches to the loathing of Jews and of Israel by the chic folk who express it and cotton to it, like those who carried around Mao's "Little Red Book" in a previous generation or wore a Che Guevara sweatshirt long after everyone knew he was a murderer. In the last few months and around the Cannes movie festival season, the world was treated to notable outbursts of malignance targeting the Jewish people and its polity. From the first generation of the new cinema to its most recent fashionable eminence came declarations of revulsion against the nation designated for hate: the first from Jean-Luc Godard and the last from Lars von Trier. At just about the same time, the idolized Greek composer Mikis Theodorakis pronounced his wisdom: "Everything that happens in the world today has to do with the Zionists," including the Greek financial catastrophe. And, of course, John Galliano, poor John Galliano who worked in the schmata trade. This is actually something of an epidemic. In Europe, the epidemic

has also infected both the political and journalistic congregations—although in somewhat, but only somewhat, less hateful language.

Western Europe does not especially like Jews or Israelis, but it also doesn't want Arabs or Muslims as neighbors.

America is not alone in the world in its friendship for Israel or in its historical hospitality to Jews. Already, in the days of the early Jewish migration to the United States, the new arrivals grasped that this was di goldene medinah, the golden country. The American people are allies of the state of Israel, however much its prime minister irritates Barack Obama. More to the point: The relationship between America and Israel is about historic and strategic ties, not about whether Obama is offended by Bibi's rhetorical style. But why is he so offended? Is he as offended by President Chavez of Venezuela?

Right-wing anti-Semitism in the country is now fundamentally a bad memory. Yes, of course, Pat Buchanan! And who else? But left-wing anti-Semitism is now an advancing reality, one that traces its past to the scheissjuden of Karl Marx. Still, essential anti-Semitism is hard to express except in jokes about the garish Jewish rich, which itself is an expiring phenomenon. The timorous Jew no longer exists: He has been replaced by the skilled and defiant Israeli soldier. Perhaps because of this soldier, Israel has become the vehicle for anti-Semitism as well as its target. Some feel this soldier is more than a bit uppity, reversing the sacred cerebral role of the Jew in history. (You can tell that to the Jewish Nobelists and to the scientists and scientific entrepreneurs who have made Israel the most fertile intellectual soil in the world, maybe excluding California.)

NOT EVERYONE ON the left who is bothered by this is an anti-Semite. Many are simply Jews who cannot reconcile themselves to the notion of a strong Israel. Consider Roger Cohen, the International Herald Tribune columnist, who told us about the happy state of the Jews of Iran and who virtually non-stop tells us about the sins of the

Jewish state, almost like I do about its virtues. He has also told us, poor man, that he was called a “Yid” at Westminster, “one of Britain’s top private schools, an inspiring place hard by Westminster Abbey,” and suffered other minor indignities that American Jews ordinarily do not. Anyway, he now fits in quite comfily, and, when he writes about Israel, he follows the model of The Guardian, which is known to, well, sort of improvise. He doesn’t much appear in The New York Times, the IHT’s blood relative. But this is hardly because the Times editors don’t like his opinions, like the ones they turned down when Richard Goldstone wrote about the colossal errors of his own report. The judge’s confession was subsequently published by The Washington Post.

In the same category, are some of the writers at The New Yorker. Frankly, I don’t usually read the magazine (although it has come to me gratis for years), which sometimes makes me sit dumb-faced at Cambridge dinner parties where its opinions are the last word. And I’ve completely sworn off some of its writers. I don’t believe a single word Seymour Hersh writes: His last report, I’m told, informed his readers that Iran doesn’t have a nuclear device and is not close to having one, and he was informed of this by a man wearing a raincoat on a bench in Dupont Circle. (Actually, my allergy to Hersh goes back to 1968 when he quit the McCarthy campaign in New Hampshire, charging that “clean for Gene” was actually a racist.) Every time The New Yorker, which is now moving to the World Trade Center site perhaps because it wants to be close to the mosque that may or may not be built, picks off a TNR staffer like Ryan Lizza or James Wood, I do look for them in its pages. (The New Yorker was thrilled about Cordoba House, the mosque’s name for about five minutes. Alas, the history of pre-Inquisition Cordoba and Spain was not a charmed-life narrative. Still, The New Yorker’s fact-checkers didn’t catch the blooper. Its name was changed to Park51, no historic

resonance. It's also in financial troubles which means not even one Saudi princeling has come to its rescue.)

The thick-with-ads, oh-so gracefully written weekly is a model of fashionable views on Israel. David Remnick, its editor, whose work on Russia I do really greatly admire, recently published a spate of his own articles about Israel, which I read. My judgment is that he knows squat about Israel, maybe because the only reportage he seems to read about the Jewish state is from *Ha'aretz*, which is to Israel what PM used to be for the United States. Well, you don't know what PM was? All I can say is that it was not quite the *Daily Worker*. But let me confess: *Ha'aretz* is my home page. I am a masochist, and I like to see how far journalists can stray from the facts. Very far. Every day, actually.

Then, there is Rick Hertzberg, who was my student at Harvard. I made him editor of *TNR* twice. We are friends—I would even say loving friends—but with a deep undercurrent of testy ideological distrust. His hero is Mahatma Gandhi. Mine is George Washington. Maybe there's the difference in a nutshell, one a nutcase and a pretentious nutcase at that, the other a hard nut.

The mahatma and his cause, the freedom of India from the British empire, were real ideological items just before mid-century. For Rick, Gandhi is an inheritance from his father, Sidney, who was a journalist and a professional activist in a range of “good causes,” from socialism to isolationism to consumerism to internationalism to ... well, India. One of Gandhi's more obtuse ideas was that the Jews of Europe should wage passive resistance against Hitler. This suggestion (and his general opposition to Zionism) did not much affect his status as a holy man. Still, it was responded to here and there, most notably, by the sober Jewish intellectual Hayim Greenberg in an essay simply titled “An Answer to Gandhi.” Sidney was not alone in his American infatuation with satyagraha. It was a serious fashion on the

intellectual left and especially appealed to “emancipated” Jews. Dorothy Norman was paradigmatic: She shared Sidney’s enthusiasm for the Liberal Party in New York and, a Philadelphia Sears Roebuck heiress, was a leading figure in the artistic stirrings around Alfred Stieglitz. She wrote a biography of Gandhi’s political heir, Pandit Nehru. OK, no more free association.

When Sidney died, Rick bequeathed to me his whole library of well-paged and even side-noted Zionist books. Two of them are relevant to Rick’s present obsessions with Israel. One is called *Jewish Villages in Israel*, published by the Jewish National Fund in 1949, a year after independence. It covers 373 communities established before the State was. One is, sort of, “my kibbutz,” founded in 1937 by pioneers from Czechoslovakia who saw the handwriting on the wall. Immediately upon the Declaration of Independence, “Shaar Hagolan’s position became untenable following the Syrian, Iraqi and Trans-Jordanian invasion. ... Together with nearby Massada, the kibbutz had to be completely abandoned. ... The two settlements were found to be completely destroyed.” The second book, *A Stiff-Necked People: Palestine in Jewish History*, by Berl Locker, is knowledgeable but not especially scholarly. But it is truthful. Perhaps Rick will read it. I can send it back to him.

Rick’s contribution to this controversy is a “Talk of the Town” piece titled “O’Bama vs. Netanyahu.” Maybe the placement and the headline are a tip-off that this is not serious. But Rick’s frivolity—he is congenitally but congenially frivolous—doesn’t disguise the fact that he is writing about deadly serious matters. One by one, he ticks off the rhetorical contentions between Israel and the Palestinians about which, he basically says, the Palestinians win hands down. I am afraid that the way he examines the first contention is so simple-minded that I’ll have to repeat myself or send Rick back to school.

He quotes Netanyahu as saying in his speech to Congress that, in any agreement, “Israel will be ‘required to give up parts of the ancestral Jewish homeland.’” So Rick responds on behalf of Mahmoud Abbas, “Yes, but the Palestinians have already been required to give up parts of an ancestral Arab homeland.” Actually, the greatest part of Palestine is Jordan, where most Palestinians live. So, in a very real sense, they already have a country, except that it is ruled by an authoritarian monarchy that was imposed on them by the British. That the Arabs of eastern Palestine don’t live under democratic rule is the fault of neither David Ben-Gurion nor Netanyahu. It is a result of a deeply ingrained, political and social structure that, across the huge swath of land from Morocco to Iraq, has been imposed, without a single exception, by dictators. Don’t get me wrong: I don’t want Israel to operate or control or, for heaven’s sake, absorb the West Bank. Let the Arabs on the east and west banks of the Jordan River team up and see what they can make of their soon-to-be one country. I don’t think it will be pretty. You do? Good luck.

I also don’t believe that the Arabs of Palestine want to retire this conflict and certainly not in a reasonable way. A reasonable way means no right of return, and it also means that Israel needs, for its own elementary security, for its densest population strip to be wider than ten miles. So it demands with the insistent backing of the citizenry—except some (and only some) of the local Arabs and Remnick’s coterie of friends at *Ha’aretz*—that border adjustments in its favor be made. Please do remember that Israel also won two wars to turn back invasions of its tiny turf, which many, most Palestinians would deny it. With the Arab world in tumultuous flux, and the tumult now spreading and intensifying in Jordan, it is possible, even likely that the kingdom will be no longer. And then, you will have perhaps 75 percent to 80 percent of historic Palestine under Palestinian control. A civil society it will not be.

Hertzberg goes tit for tat. Netanyahu: “Israel will be ‘required to give up parts of the ancestral Jewish homeland.’” And now, for Abbas: “Yes, but the Palestinians have already been required to give up parts of an ancestral Arab homeland.” Actually, the core ancestral Arab homeland centers on the Arabian Desert where various tribes converted to Islam. The Arabs claim from Morocco to Babylon as their ancestral homeland. There is no room for compromise, as the Berbers and Kurds know. The Jews—who lived in Baghdad for more than two-and-a-half millennia and were thrown out after 1948 as part of the conflict over the partition of Palestine—constituted a plurality and maybe a majority of the city. Should they be demanding “return” or, maybe, as a compromise gesture, financial compensation? Hertzberg accuses Netanyahu of having, in his speech, “laid down maximal demands.” This first of these is a precondition: “recognition of Israel as a Jewish state.” This goes back to November 29, 1947, when the General Assembly passed the Partition Plan for Palestine for a “Jewish state” and an “Arab state.” The Jewish Agency, which was the democratically elected proto-government of Zionism in Palestine, accepted partition, even though the territory allotted to the new state was tiny and not contiguous. (By the way, Obama promised the Palestinians contiguity. Nifty. So how, then, will Israel remain contiguous? Oh, so finicky and so careless, Mr. President. During the campaign, I testified in Florida day after day to Obama’s savvy about and commitment to Israel’s security. I no longer think he cares much. And contiguity would only deepen the ongoing civil war between Fatah and Hamas, with which the administration will surely soon begin talks, like the drawn-out talks with Syria of which doubtless the president is proud and unrepentant. Oops! As of last week, the president and Hillary Clinton no longer think Assad possesses legitimacy.)

Each for their own geographical interests, five Arab states began a war on May 14, 1948, the morrow of Jewish independence. And the Palestinians? Some few of them joined up with the certified Nazi, Haj Amin al-Husseini who, from Cairo, called for resistance. Most of the fighters (and they weren't legion) teamed up with Egypt, Jordan, and Syria, which had their own categorical territorial designs, none of which translated into an independent Palestine. The Palestinian Arab fighters were not fighting for an Arab Palestine. In the end, what they won was the West Bank for Jordan and the Gaza Strip for Egypt. This is a national history of which to be proud, is it not?

“Nearly as appalling as Netanyahu’s intransigence was the mindlessness of the senators and representatives, Republican and Democratic, who rewarded him with ovation after ovation.” Rick attributes this response to “certain Jewish and evangelical constituencies.” Of course, why didn’t I think of this? After all, the Jewish population of the United States ranges from 1.4 percent to 2.5 percent, depending on who does the counting. But all Jews are rich. So that balances out their small numbers. And they are also covert and crafty. Besides, given their cunning, they’ve teamed up with evangelicals who are certainly not covert and crafty but frank and folksy. It’s an unbeatable combination, these two ends of the social structure. One thing Rick knows from his own experience is that the widespread, but much exaggerated, ownership of the media by Jews does not explain America’s support for Israel. Take his own magazine, owned by the Newhouse family. Hardly a kind word has been printed about Israel since 1963, when Hannah Arendt assailed the Jewish state for putting Adolf Eichmann on trial. And what about The New York Times? Nuf said. Anyway, it’s now owned by its creditors.

Let me go back to those senators and congressmen who so offended Hertzberg. And how dare they so offend Obama! One conclusion I

draw is that J-Street is a flop, a complete flop. It has spent millions of dollars—much of it George Soros's, I presume—and can't get more than a handful of politicians to sit on their hands as all of their other colleagues rise to enthusiasm and applause.

But there is this persistent coterie, influential among the elites, and especially the smart-ass Jewish elites, who do not rise and are not enthusiastic. And so, despite all the true evil in the world, the designated target of the chic progressives, including alienated Jews, is the Jewish state. There are many predecessors of the type in history.

*Martin Peretz is editor-in-chief emeritus of The New Republic.*

Article 3.

Asharq Al-Awsat

## **The Syrian-Israeli courtship**

Tariq Alhomayed

20 July 2011 -- Confirming what was exclusively reported by Asharq al-Awsat last Friday, the Syrian regime announced the day before yesterday its formal recognition of the Palestinian state. It comes as one of the last Arab states to grant this recognition, and state number 118 internationally. So why has the Syrian regime recognized the Palestinian state now?

A senior source said: The reasons are clear; this is a Syrian-Israeli courtship. Damascus's recognition of the Palestinian state today means it has officially acknowledged the 1967 borders, thus acknowledging that Israel has the right to the rest of the occupied territories. Of course, this means that the Syrian objection towards the Camp David Accords, signed between the late Egyptian President Anwar Sadat and Israel, has now come to an end. [This objection] cost the Arabs dearly in terms of inter-Arab disputes, largely because of Syrian incitement. The Syrian regime, under the weight of an unprecedented popular uprising, is doing today what Saddam Hussein did when he occupied Kuwait, where Saddam gave Iran all he had fought with it for, over eight years, with the stroke of a pen. Today, it seems like the regime in Damascus is ready to do the same thing by sending a sincere message to Israel! Another official, well-informed on the issue of the Palestinian cause and Syria, believes that the Syrian recognition of the Palestinian state today means that the al-Assad regime may give up the idea of custody over the Levant, i.e. Lebanon and Palestine, especially as Damascus also previously prevented Lebanon from recognizing the Palestinian state. The Syrian recognition also indicates that the al-Assad regime has decided to

stand with Mahmoud Abbas's project, namely the Palestinian state, and not with the vision of the Hamas leader Khaled Mishal. It also means that the al-Assad regime has abandoned the idea of a linked peace settlement in the negotiations, between the Syrians, the Palestinians and the Israelis, a matter which the Syrian regime previously fought for at length, through the corruption of every step of the negotiations between the Palestinians and the Israelis, even through dividing the Palestinian ranks and deepening the divisions, in the framework of a battle between moderation and opposition, waged by Damascus. In reality it was a battle between the Arabism camp and the axis of Iran, i.e. Syria, Hezbollah and Hamas.

We must be aware that the Syrian recognition of the Palestinian state likewise means that the Damascus regime has abandoned its excessive enthusiasm to overthrow the Arab peace initiative, proposed by King Abdullah bin Abdul Aziz in 2002. Syria previously sought every opportunity to demand the withdrawal of this initiative, yet here is Damascus now accepting its most important feature, namely the 1967 borders! All of the above must be taken within the context of President al-Assad's cousin Rami Makhlouf's comments to the New York Times newspaper, in the first days of the Syrian uprising, when he said that there would be no stability in Israel unless there is stability in Syria, not to mention the other comments from Syrian officials at the beginning of the Syrian uprising, stating that Damascus was ready for the peace process.

Thus the Syrian regime, by recognizing the Palestinian state, is courting Israel by saying: I'm ready for peace. The main objective of course is to stay in power, despite the Syrian uprising which has been ongoing for nearly 5 months, and despite all the bloodshed and suppression of the Syrian people.

*Tariq Alhomayed is the Editor-in-Chief of Asharq Al-Awsat.*

Article 4.

The Washington Post

## **Plotting a post-Assad road map for Syria**

David Ignatius

July 21 -- As the Obama administration steps up its support for regime change in Syria, the Arab Spring is moving into what could be its hottest phase. The puzzle is how to help the Syrian opposition gain power without foreign military intervention — and without triggering sectarian massacres inside the country.

For months, as protests mounted in Syria, President Obama waited to see if President Bashar al-Assad could deliver on his talk of reform. Last week, the administration all but gave up on him and switched gears — and began working actively for a transition to a democratic regime.

The new policy was signaled by Secretary of State Hillary Clinton's blunt statement on July 11 that Assad had "lost legitimacy" and that "our goal is . . . a democratic transformation."

Clinton has left the door open slightly for reformers within the Assad regime. Last Saturday in Istanbul, she urged "an opposition that can provide a pathway, hopefully in peaceful cooperation with the government, to a better future." The administration is closely monitoring "who in the current power structure might be amenable to a transition," says a senior White House official.

A second White House official summarizes the new approach this way: "The Assad ship is sinking. The most important thing is to get people to realize this, so that, hopefully, they will jump off the ship and get on the lifeboat." For the United States, this means working with Syrian dissidents, and also with Turkey and other regional powers that can help broker change.

The administration wants to encourage the Syrian opposition inside the country to unite, develop a clear agenda and build an inclusive leadership. Leading that effort is Robert Ford, the U.S. ambassador in Damascus; an administration official describes him as a “vehicle for transition.” In meetings with dissidents, Ford is said to have stressed that the opposition must reach out to minorities, such as Christians, Druze and Alawites, who fear that a post-Assad regime will be dominated by the Muslim Brotherhood.

With U.S. encouragement, the opposition hopes to hold a meeting inside Syria over the next several weeks to frame a unified agenda. It tried to hold such an internal gathering last week, in coordination with an exile meeting in Istanbul of the so-called National Salvation Council, but Syrian authorities blocked it.

A road map for the opposition was sketched in an interview by Radwan Ziadeh, a visiting scholar at George Washington University who closely follows the dissident groups. He said he has contacted people who might attend the planned meeting inside Syria, including prominent human-rights activists Riad al-Seif and Walid al-Bunni, as well as Druze, Christian and Alawite figures he named. The aim, said Ziadeh, is “solid leadership that can emerge inside the country” and draft a new “Damascus Declaration” as a platform for transition.

Assad still talks of his desire for new reform laws. But U.S. officials say he has supported (or acceded to) hard-liners led by his brother Maher, who is commander of the Republican Guard, and Hafez Makhlof, a cousin who heads other security forces.

The Syrian equation is shaped by two “X-factors.” The first is whether the army will split, with influential officers moving away from the regime. A harbinger came last weekend when defecting soldiers gathered in the town of Abu Kamal in eastern Syria.

Government tanks surrounded the protesters, and a bloody shootout appeared imminent, but local tribal leaders worked out a truce. U.S.

intelligence analysts expect there will be more military defections as the pressure on Assad increases.

The second wild card is sectarian violence between dissident Sunnis and the ruling Alawite minority. The latest grim warning came on Sunday and Monday, when the United States estimates that 15 to 30 Syrians were killed in ethnic fighting in Homs. A White House official called those reports “really worrisome.”

The strategic stakes are high in Syria partly because Assad is allying himself ever more closely with the stridently anti-Western regime in Iran. White House officials last week were circulating a news report that Iran had pledged \$5.8 billion in emergency aid to Assad’s regime. Tehran and Damascus may once have pretended that they supported the Arab Spring, but no longer. If Assad falls to citizen protests, the Iranians know they will be the next target.

Obama’s judgment is that “Assad is a guy who has taken all the wrong steps in response to protest,” says a White House official. The thinking in Washington now is about getting to the post-Assad era, quickly and peacefully.

Article 5.

Foreign Policy

## **Saudi Arabia's youth unemployment woes go far deeper than most realize**

Ellen Knickmeyer

JULY 19, 2011 -- JEDDAH, Saudi Arabia—In the wide stretch of the Middle East bypassed by revolution, Arab spring turned to Arab summer peacefully but not altogether promisingly for the Arab world's largest-ever surge of young people. In Saudi Arabia, more than half-a-million proud high school and college seniors crossed the stage at graduation ceremonies. The new graduates step into a job market featuring the highest regional youth unemployment rate in the world.

Around the Gulf, gold prices are hitting their annual summer spike for the wedding season, as young men lucky enough to have the means shower dowries upon their beloved, and launch their adult lives as respectable married men.

For older Saudi men fortunate enough to have government jobs, summer this year means flying off with the wife and kids for summer vacations in Europe and Turkey. The families, and Euro Disney, are reaping the benefits of revolution in the Arab world. That's thanks to a two-month salary bonus that Saudi King Abdullah ordered to maintain the prevailing peace in his kingdom, as part of a massive public-benefits package intended to stave off unrest. (Owing to the troubles, Gulf vacationers are staying away from closer holiday spots in Egypt and Lebanon this summer.)

In her mother's home in the coastal city of Jeddah, Nada Jan, a 26-year-old with a special-education major and a bachelor's degree who

is losing her drive after a nearly four-year job search, stirs in her sleep and yawns.

As horrible as the roughly 40 percent unemployment figures are for Arab young people overall, they're worse for any ambitious college-educated Saudi women, analysts say: 30 percent of Saudi women of all ages looking for jobs can't find any, and 78 percent of the fruitlessly job-seeking women have university degrees.

For young men, prospects aren't much better. Behind a sales counter at a mall in Riyadh, 21-year Abdul Rahman Saeed -- like Nada, a Saudi in a national labor market overwhelmed by the flood of cheap labor from South Asia -- sells mobile phones. In between chats with customers about phone accessories, he despairs of ever pulling a job with enough salary to marry the love of his young life.

All is calm here in Saudi Arabia, but that doesn't mean all is well. Just when a rising wave of young Saudis is hitting the job market, in a generational surge of tens of millions of new workers expected to subside in the kingdom only around 2050, and just when Arab governments most want youth jobs for the sake of stability, economists are concluding that decades of effort by Gulf governments to get their young into the labor market have fallen short -- way short.

Most Gulf job programs have focused on prodding private employers to increase the percentage of Gulf citizens they are hiring. And jobs are being created in Saudi Arabia; but they're going to Indians, Pakistanis, and other expat workers, not Saudis. Of the 1.2 million jobs added by the Saudi private sector between 2004 and 2009, only 280,000 went to Saudis, government statistics show.

"After 40 years of Saudi-ization, Oman-ization, Emirati-ization, they've not managed to increase the national share of jobs," one expert on employment in the Middle East said, speaking on condition of anonymity because, he said, officials have yet to publicly

acknowledge the extent to which the job-nationalization programs missed their objectives. Gulf countries have long tried to absorb their national workers into the public sector instead. The result in Saudi Arabia is that about 80 percent of all working Saudis have government jobs, but more than 80 percent of private-sector jobs are held by foreigners. Foreign workers in Saudi Arabia on average receive wages that are 3.6 times less than what Saudi workers receive, and have a reputation for accepting long hours and poor conditions. "You must work like a machine," Nada, the would-be teacher in Riyadh, quotes one private school as telling her, offering her a teaching job with 10-hour days and overcrowded classrooms for a very few hundred dollars a month. The prevalence of cheap foreign labor has driven down wages overall -- the average foreign worker in Saudi Arabia receives \$266 a month, but even Saudi workers average only \$966.

The job picture may be even worse than it looks. In late winter, when the Saudi government announced the country's first broad program of unemployment payments, as part of King Abdullah's benefits package, Saudi officials expected about 500,000 Saudis to sign up. Instead, seven times as many Saudis as anticipated did so -- some 3.5 million.

Ministry of Labor officials told Saudi reporters they expected to find that many of the applications were duplicates, or submitted by people who didn't understand the rules. (Top Labor ministry officials were at a labor conference in Switzerland during my trip to Riyadh, and said they wouldn't be able to speak to me.)

However, even if almost half the applications are thrown out, says Saudi businessman Essam al-Zamel, it still suggests that Saudi Arabia's actual overall unemployment rate may be a multiple of the official 10 percent figure. That would mean millions more among

Saudi Arabia's 26 million people would look for work if they thought they had hope of finding any.

"Unemployment will be a real problem year after year, and in three or four years it will be very, very obvious," Zamel told me.

The discontent of the Arab world's youth bulge -- a fluke of demographic timing that has given the Arab world the second-largest percentage of young people in the world, after sub-Saharan Africa -- has been a "huge factor" in this year's revolutions across the Middle East and North Africa, says Larry Diamond, an expert on democratization at Stanford University. About two-thirds of Arabs are 30 or younger -- a percentage of young people twice that of North America's.

Political scientists credit Turkey and, unexpectedly, Iran with doing the most early on to try to make a place in their economies for the coming surge of under-30s. Saudi Arabia and a few other Gulf states tried more than most of the other Arab countries, through the job-nationalization programs and by padding government payrolls. Still, Saudis had a higher fertility rate longer than some of their Gulf neighbors, so will experience the youth bulge longer, political scientists say. After Tunisia's uprising, virtually every government in the region contacted Maurizio Bussi, deputy director at the ILO's regional office, and his colleagues at the ILO for advice -- quick -- on programs to create jobs for young Arabs, Bussi says. Several of the governments are now examining new job and training programs. Saudi Arabia, under King Abdullah, has put its money where its worries are.

Abdullah, who returned home early after back surgery to respond to the regional unrest, in February and March announced a \$130 billion package of jobs, especially for women; plans to build 500,000 units of affordable housing; raises; charitable gifts; and other benefits for Saudis. The figure is equal to 30 percent of the Saudi annual GDP.

The 2008 U.S. stimulus package, by comparison, came in at less than 6 percent of U.S. annual GDP.

Supporters of the royal family say they expect the king, and his successor, to continue concentrating on economic reforms. Already, the Saudi labor ministry is moving ahead on enforcing a tougher version of the old job-nationalization programs. The new program variously rewards and punishes private companies based on how well they meet quotas for hiring Saudis.

None of the young people I talked to expected to get a job or an apartment out of the program.

Nada and her friends and sisters say they fill out hundreds and hundreds of online applications for government jobs. They say they know that without connections to people of influence, they will never hear back.

Nada's mother, hating to see her once hard-driving daughter lose hope, prods her to keep hunting for teaching jobs at private schools. But the pay that private schools offer -- as low as \$200 a month for a full-time counselor -- is often less than Nada's mother pays her household help.

"I wake up to sleep, and sleep to wake up, and take my naps in between. And here are my kilos to prove it," Nada, who wears a black scarf over her hair and a dainty bit of jewelry in a piercing in her left nostril, exclaims. "Every day is like this."

Nada claps her hands to those parts of her where she thinks the torpor of unemployment is taking its toll -- slap, slap. Her sisters and girlfriends, sitting around her in the "ladies' section" of a Jeddah Starbucks that is screened by opaque glass, burst into laughter.

At his counter in the Riyadh mall, Abdul Rahman, a high-school graduate, talks over phone apps with customers, and talks over the math of his life with me.

Abdul Rahman earns less than \$800 a month. He estimates the cost of a dowry and wedding at almost \$25,000. He has one, and one only, woman he yearns to spend his life with. There are millions of other Saudi men in potential competition. And he has zero family associates with the influence to help him get a better-paying job. "I wish, I hope. But if things go on too long like this, maybe my beloved will be married to another," he says.

To be sure, Saudi Arabia offers comparatively generous social services, including free health care and education for all citizens. Government employees enjoy much higher wages, early retirement with good pensions, and other perks. Charities also offer support -- such as a June 29 mass wedding in Jeddah thrown for 1,200 Saudi men and women too poor to wed.

But all that largesse may be taking a toll on the kingdom's finances. Already, the Saudi government is forced to devote nearly 40 percent of its budget simply to paying wages, economist John Sfakianakis at Banque Saudi Fransi in Riyadh says. "They can't keep creating \$130 billion spending packages," he warns. "They can do it for another few years. But I don't think it is sustainable."

Beyond handing out money, economists told me, Saudi Arabia and most other Gulf countries must make two key changes to their economic policy.

First, they must stem the flow of cheap migrant labor that is driving wages down and driving Saudis out of the private sector (foreigners make up more than half of the work force, and the number of foreigners receiving work permits in Saudi Arabia annually actually doubled over the past few years).

Second, and even more importantly, economists say, Gulf states and Arab states overall must make a priority of creating more high-skilled, high-wage jobs for the millions of young Arabs coming down the demographic pipeline. "The economy has to structurally shift

from a menial one to... one of higher skilled jobs that have a higher salary," Sfakianakis says.

None of which is to say that Saudi Arabia is on the brink of revolt. No Saudis I talked to in Riyadh and Jeddah -- two cities away from areas of Saudi Arabia's minority Shiites, who often have more grievances against the government -- say they could imagine a bottom-up revolution in Saudi Arabia. A "Day of Rage" called in March for Saudi Arabia fizzled.

But Zamel, the businessman, says few Arab leaders would be willing to test the support of their people by making tough short-term reforms for the long-term economic good -- such as throwing unneeded Saudi workers off the government payrolls to make the economy more productive.

In the end, though, handouts alone won't cut it with the growing numbers of Arab young people, says Diamond, the U.S. democratization analyst. "Look at the rate of population growth -- you look at that and wonder how that is going to be sustainable indefinitely. I think it's a misconception to think all people care about is a certain level of income," he said. "Jobs provide dignity."

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Article 6.

Wall Street Journal

## **Another Overhyped Challenge to U.S. Power**

Joseph Nye

July 20, 2011 -- Last April, the BRICS - Brazil, Russia, India, China and South Africa - met in the Chinese resort of Sanya and called for changes in international financial institutions and a move away from the dollar.

Comprising 40% of the world's population and a quarter of the global economy, this new organization appears to represent an important sign of declining American influence. But such appearances are misleading. When Dominique Strauss-Kahn suddenly resigned this May as director general of the International Monetary Fund, the BRICS were unable to agree on a candidate, and despite the rhetoric of change France will retain the position.

Goldman Sachs coined the term BRIC in 2001 to call attention to profitable opportunities in what the investment firm considered "emerging markets." But what was intended as an economic term has taken on a political life of its own. In June 2009, the foreign ministers of the four countries met for the first time in Yekaterinburg, Russia, to try to transform a catchy acronym into an effective political forum, and this year they added South Africa to the group.

After the recent financial crisis, Goldman Sachs upped the ante and projected that the combined gross domestic product of the BRICS might exceed that of the G-7 countries by 2027, about 10 years earlier than they initially believed. Such simple extrapolations of current economic growth rates often turn out to be mistaken because of

unforeseen events. But whatever the merits of this linear economic projection, the term makes little political sense.

While a meeting of the BRICS may be convenient for coordinating short-term diplomatic tactics, the acronym lumps together disparate countries that have deep divisions. It makes little sense to include Russia, a former superpower, with the four developing economies. Of the five members, Russia has the smallest and most literate population and a much higher per-capita income. More importantly, Russia is declining while the others are rising in power resources. Russia today lacks diversified exports, faces severe demographic and health problems, and in President Dmitry Medvedev's own words, greatly needs "modernization."

When one looks closely at the numbers, China's growing economy and vast resources are the heart of the BRICS acronym, though the role of democratic Brazil is a pleasant surprise. When the BRIC acronym was first invented, some argued that a country with a growth rate as skimpy as its bikinis, and chronic political instability, did not belong. Now, as the Economist notes, "in some ways, Brazil outclasses the other BRICs. Unlike China, it is a democracy. Unlike India, it has no insurgents, no ethnic and religious conflicts nor hostile neighbors. Unlike Russia, it exports more than oil and arms and treats foreign investors with respect." With good growth and a series of democratic elections, the key now will be whether Brazil can continue to keep inflation under control.

But the future relevancy of BRICS depends on the diplomatic efforts of China to expand its influence. Some years ago, Brazil created an organization called IBSA that held summits of the three large democracies: India, Brazil and South Africa. China, not a democracy, has now suggested that IBSA be wrapped into the BRICS framework. At the same time, China has resisted the claims of India and Brazil

for permanent membership on the U.N. Security Council that would rival its own status.

How seriously should we take the role of BRICS? The Beijing Review recently claimed the organization is "representing the developing world." The economic rise of China, India and Brazil is important, but for economic decisions it is their role in the G-20 that matters. Moreover, in that larger forum, Brazil and India can complain about the effects on their economies of China's undervalued currency, which they hesitate to do in the smaller BRICS meetings. In political terms, China, India and Russia are competitors for power in Asia. Russia worries about China's proximity and influence in Siberia, and India is worried about Chinese encroachment into the Indian Ocean as well as their Himalayan border disputes. As a challenge to the United States, BRICS is unlikely to become a serious alliance or even a political organization of like-minded states. More aptly, it should be seen as a locus for critics to occasionally tweak the tail feathers of the eagle.

*Mr. Nye is a professor at Harvard and author of "The Future of Power" (PublicAffairs, 2011).*