The Entrepreneur and the Intifada:
Resolving the Israel-Palestine Deadlock

As the centuries-old conflict between Israelis and Palestinians endures, frustration grows with the failure of political and social actors to achieve lasting peace. Consequently, stakeholders are looking outside of conventional diplomatic channels for innovative ways to break the impasse. Commerce is one potential means for encouraging cooperation between the warring sides. In today's interconnected world, what role do multinational companies play in diplomacy? Can stakeholders achieve peace through profits?

According to the *Forbes* article assigned for this discussion, John Chambers, Chief Executive Officer of Cisco Systems is actively engaged in promoting peace in the region by creating economic ecosystems that bridge the divide between Israelis and Palestinians. Cisco has donated $15 million to the cause thus far to be used to seed Arab startups. Moreover, Cisco has formed a 35-company coalition called Ma'antech, "together" in Arabic, aimed at employing Arab workers in the technology sector. Should Cisco and other multinational companies be playing a role in brokering peace in the Middle East? Panelists Dr. Mohamad ElBaradei, Fletcher Nobel-Laureate-in-Residence, Professor Eileen Babbitt, and Professor Nadim Rouhana weighed in on the issue.

Professor Rohana believes that the situation is deteriorating into a religious conflict fueled by the rise of religious nationalism in Israel. Political and military projects have not proven effective so perhaps we should utilize new models like economic prosperity. When assessing these innovative approaches, he urged stakeholders to ask themselves, "Does this cooperation help perpetuate the status quo or not? We must consider the relationship between the occupier and the occupied…Is there a way in which Palestinians and Israelis can cooperate that will be tied explicitly to freedom and living in peace and cooperation? If so, then we should pursue it. If not, then we should ask if such an effort would legitimize occupation." Although Chambers' efforts could foster mutually beneficial relationships between Israelis and Palestinians, "Cooperation mediated by technology companies would create an island of equality within an island of inequality which might perpetuate, or even worsen, the situation."

Given her expertise in international conflict resolution, Professor Babbit framed the idea of utilizing commerce to unite Palestinians and Israelis as a sophisticated version of the contact hypothesis, which she asserted may or may not work in this context. Although there has been

contact between the public and private sectors for years, she believes that it is simply "not sufficient in this context. Humanization is only one piece in this inequitable situation."

That being said, commerce has been successful in promoting peace elsewhere in places like South Africa under Apartheid. As Professor Babbitt pointed out, the Apartheid government realized that as long as the conflict continued, business would suffer. As a result, business leaders put pressure on their government to open up political space. However, the Apartheid government ultimately made the decision to strike a deal with the ANC in response to the strict sanctions regime launched against it by the international community. She asserted, therefore, that "if business ventures will make a difference, then it's through pressure on the government. It might not be sufficient, but is it necessary?"

Professor Babbit underscored the presence of more than 250 multinationals that operate in and rely on Israel for their technological innovation. Part of the reason for this phenomenon is that these international companies assume that the Israeli government can maintain stability. Despite the fact that many of these companies see the West Bank and Gaza as potential areas for expansion, ongoing political instability makes these investments extremely risky.

Although Israel is known as the "startup nation," there is much more underutilized entrepreneurial capacity in the region. There are many young people looking for creative solutions in the technology sector. Babbitt suggested that harnessing the ingenuity of these innovators to solve political and social problems might provide creative solutions that have not yet been tried.

Dr. ElBaradei opened his comments by asserting that "the key issue that we have to grapple with is human dignity." Regardless of the solution, the basic rights that we must provide people are "equality, respect, dignity, and freedom, [for] unless you have dignity and respect, you can't expect people to shake hands." Like the other panelists, Dr. ElBaradei expressed concern about the rhetorical shift from national to religious claims in the Israeli-Palestinian conflict. Given the ferventness with which both sides believe in their cause and the failure to compromise, Dr. ElBaradei noted that "conflicts don't always improve with time."

Assessing the changing role of multinational companies in today's global world is of the utmost importance. Companies like Apple, whose market capitalization of $700 billion is larger than the GDP of most countries, have deep coffers and loud voices that enable them to potentially play an outsized role in global affairs. However, all of the speakers cautioned stakeholders to invite business leaders to sit at the negotiating table for fear of *quid pro quo* diplomacy. Professor Babbitt elaborated, "It's incredibly dangerous to allow CEOs to sit at the negotiation table as it implies that countries, national interests, and peace can be bought." Dr. El-Baradei echoed this sentiment by stating, "You can't just throw money at the problem. Business is part of the solution, but is not comprehensive."

Following the panelists' remarks, Dean Chakravorti tasked the student audience with brainstorming ideas to pitch to Cisco CEO John Chambers. Chakravorti urged students to be

creative and unconstrained by political realities. Students broke into small groups and brainstormed ideas. After a lively discussion, students shared pitches ranging from establishing educational exchange programs to starting technology incubators and venture funds that only invest in companies jointly founded by Israelis and Palestinians.

In our increasingly interconnected world, we must continually assess the new role of multinational corporations in international affairs. The panelists and students ultimately reached the consensus that commerce is an avenue through which to foster interaction and cooperation between Israelis and Palestinians; however, it is not in an of itself a solution to achieving lasting peace. This panel underscored a salient discussion within the Fletcher community about the role of the private sector in international diplomacy, which is a debate that will continue to take place in the Hall of Flags for many years to come.