“The Middle East’s Arc of Prosperity”
Anne-Marie Slaughter

As Egypt trembles on the brink of civil war, with alarming levels of violence and hardening divisions on all sides, it is hard to find a truly bright spot anywhere in the Middle East or North Africa. Syria’s agony continues unabated; sectarian attacks in Iraq are becoming more frequent and deadly; the threads of Lebanon’s fragile peace are fraying; Jordan is awash in refugees; Libya’s militias are running rampant and distorting its politics; Tunisia faces political crisis; and Turkey’s star as the embodiment of Islamic democracy has dimmed.

Yet even with this litany of problems, US Secretary of State John Kerry has decided to focus on Israel and Palestine. His justification – “if not now, never” – is almost certainly true. But there is another, equally strong (albeit often overlooked) rationale: the tremendous potential for an Israeli-Palestinian-Jordanian economic zone that would drive the entire region’s growth and development.

In the immortal words of James Carville, Bill Clinton’s campaign manager in 1992, “It’s the economy, stupid.” The dismal failure of Middle Eastern and North African economies to deliver the prosperity that their people desperately want is a constant factor pushing people into the streets. It is not the only factor, but rising food prices helped to spread revolutionary fervor from a small group of activists to much of Egypt’s population in 2011, and again this year in June, when the most frequent grievance against former President Mohamed Morsi concerned not his ideology but his indifference to ordinary Egyptians’ needs.

Against this backdrop, Israel and the Palestinian territories are relatively stable places. Israel’s high-quality infrastructure could easily be extended to the West Bank and Gaza if security could be assured, and a young generation of entrepreneurs and technologists has grown up on both sides of the border. Forbes magazine reports that “hundreds of Israeli[s] and Palestinians are becoming actual business partners and colleagues in startups that are slowly transforming the Palestinian economy, at least in the West Bank.”

This is most true in high-tech industries, the sector in which the Middle East lags the most. The author of the Forbes article describes a scene in Ramallah that is “indistinguishable from one in Austin or San Francisco,” where “twentysomething Palestinians sip cocktails, their laptops open, their smartphones on.”

All of this activity is taking place against the odds. Alec Ross, a former senior adviser for innovation to former US Secretary of State Hillary Clinton, argues that the best way to reinvigorate the peace process is to provide 3G Internet connectivity to the West Bank. He quotes a young woman in the audience at Palestine Polytechnic University, who said, to loud applause, “We must have a better economy to have better lives, and we must have 3G to have…a better economy.”
Without high-speed Internet, foreign investment and indigenous entrepreneurship are almost impossible. The human capital for rapid economic growth is there (roughly 2,000 Palestinians graduate every year with technical skills, yet only 30% of them find a way to use such skills in a paying job), as is the will and the investment capital; but the necessary infrastructure is lacking.

A vision of a very different Palestine, and of the Israel beside it, is not hard to find. In 2005, the Rand Corporation, a US research institute, developed the “Arc,” a genuinely inspiring plan to build a transportation corridor that would link Palestine’s principal business and population hubs in the West Bank, then curve across Israel into Gaza, where a long-planned airport and seaport would be built.

The concept behind this vision is that the size and population density of a future Palestine will be roughly the same as in extended urban regions like the San Francisco Bay area or greater Cairo. Thus, the West Bank should be viewed as “an integrated urban region of independent but connected cities.” Anyone who spends nine minutes watching the video presentation of the Arc will see that its potential is nothing short of breathtaking.

While Palestine would gain economically, Israel would gain politically and socially. The costs of not reaching a peace settlement may not show up in Israel’s economic statistics or in formal diplomatic interactions. But young Israelis, in particular, are increasingly aware of the invitations to meetings and conferences that they do not receive – and of the increasing frequency with which their own are not accepted, even by sincere friends of Israel.

Bernard Avishai, a distinguished Israeli professor of business and government who divides his time between Israel and the US, notes that whatever Israel’s young people may think of the Palestinians, they “expect to fly off from Ben-Gurion Airport and land, accepted, in the Western world.” Now they know that the stakes are rising.

So are the opportunities. Whereas the Israeli-Palestinian conflict has long been an island of violence and turmoil in a relatively stable (if oppressed) region, now the tables are turned. An Israel and Palestine that could resolve their differences and live side by side as democracies would become an island of stability and sanity in a sea of political disorder and economic retrenchment. Add a free-trade agreement, or even a customs union with Jordan, and you have the makings of a Middle Eastern Benelux (the grouping of Belgium, the Netherlands, and Luxembourg that formed the economic kernel of what became the original European Community).

A late summer night’s dream? Perhaps. But, Iran aside, all of the region’s major players – Saudi Arabia and its fellow Gulf states, Turkey, and both sides in Egypt – have plenty of reasons to want to see it realized. And Israelis and Palestinians themselves, with actual or potential civil war on three of their four borders, need no reminders of what could happen if they do not start spreading peace from the inside out.