

Wolfensohn's colossal challenge

By Jeffrey Garten Financial Times
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It is rare to be able to identify the perfect statesman to deal with a monumental diplomatic challenge. But the recent appointment of James Wolfensohn, outgoing president of the World Bank, to be a special envoy to oversee the Israeli withdrawal from Gaza could be just that. Whether even he is able to succeed is, however, another matter.

Mr Wolfensohn's mandate comes from the so-called Quartet - the US, the European Union, Russia and the United Nations - all of which are working together to facilitate peace between the Israelis and the Palestinians.

Admittedly, at the World Bank Mr Wolfensohn has had extensive experience in dealing with the multiplicity of sovereign donors and borrowers that constitute the directors. Even so, reporting to four powerful bosses, each with different goals, strategies and internal decision-making processes, will be no picnic. He will also have to work with Arab states for both political and financial support. Just persuading the US Congress to ante up some \$350m (€268m) that George W. Bush, the president, has promised the Palestinian Authority could be a full-time job.

On top of that, while Ariel Sharon, Israeli prime minister, and Mahmoud Abbas, Palestinian Authority president, may see eye to eye on withdrawal, their internal support is precarious. Mr Sharon has said that some Israelis' resistance to withdrawal from Gaza resembles the beginning of a civil war. Mr Abbas's wish for a withdrawal that is closely co-ordinated with Israel is opposed by his own prime minister, Ahmed Qurei, who has objected to co-operating with Jerusalem on the pull-out. The Quartet was quite explicit that Mr Wolfensohn's mandate excluded military and police matters. Accordingly, he has no way of controlling violence, weapons smuggling, training of the Palestinian security force or border traffic. Yet these are issues that must be dealt with if there is even a chance of progress on the political, economic and social fronts.

The mission given to Mr Wolfensohn is awesomely broad and complex. First he is being asked to ensure that the 8,500 Israeli settlers evacuate all settlements in an orderly way that preserves for the 3.8m citizens of Gaza the economic infrastructure the Jewish settlers will leave behind. Second, the Quartet says he must work with Palestinians on "reforms and steps to promote economic recovery and growth, democracy, good governance, and transparency, job creation and improved living standards".

These two assignments would be hard enough if Gaza were not an infertile strip of land, if the Palestinian gross domestic product had not declined by 23 per cent since 1999, if youth unemployment were not well over 30 per cent and if corruption were not rampant. In addition, the Quartet has explicitly (and amazingly) limited Mr Wolfensohn's tenure to just six months. Many great diplomats have been consumed by shuttle diplomacy in the Middle East: Henry Kissinger, Sol Linowitz, Robert Strauss, for example. They were all trying to get a conceptual agreement for a peace settlement.

Mr Wolfensohn needs to get something big implemented on the ground. That is even tougher. Mr Wolfensohn, though, has an unrivalled combination of experience in finance, development and nation-building. He knows the region well, having involved the World Bank in 17 projects in the Palestinian territories, ranging from housing to healthcare. At the bank, he transformed global development with intelligence and energy.

Critics have bemoaned his overly broad focus and his fiery management style. Given the constraints on the scope and duration of his mandate, he will have to sublimate his instinct to get his arms around the entirety of a problem. Instead, he will have to get something very concrete done, and fast. Nevertheless, he will need all his passion and talents for his new post.

My suggestion is that he should aim to create jobs - private sector, public works, civil service, social services, any and all. Without that, the broader tasks of building systems of modern governance, or of laying the groundwork for longer-term growth, may never get off the ground before security breaks down again.

With the lure of jobs, there is at least hope for a better future and that is what is needed to channel the population's energies in a non-violent direction.

If I were Mr Wolfensohn, I would set two targets: the number of full-time jobs that must be created in 2005 and a dramatic decline in the rate of unemployment by December. I would put those goals above all others. This sounds overly simplistic, I know, and for the long term it is. But without some immediate victories, the long term will just be a re-run of the tragic past. In the end, Israel's withdrawal cannot be successful unless a stable Gaza economy is left in its wake, and unless the experience of withdrawing is a stepping stone to a broader peace.

This is Mr Wolfensohn's great challenge. Meeting it will require a lot of co-operation and a lot of luck. But if anyone can do it, he can.

The writer is dean of the Yale School of Management and held foreign policy and economic posts in the Nixon, Ford, Carter and Clinton administrations