



Trends in US Policies for the Next Four Years

Top Ten Issues in US Politics in 2005

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The Top Ten Issues in US Politics in 2005

Social Security Reform

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Social Security Reform

President George W Bush wants to revamp the 70-year-old Social Security retirement system in an effort to begin planning for an aging workforce that has been promised benefits. Social Security's financial sustainability is in question due to the long-term decline in the share of the US population of working age.

Background

The system is not sustainable

In their 2004 Annual Report to Congress, the Social Security Board of Trustees stated that absent changes, Social Security's currently scheduled benefits are not sustainable over the long term. This is because the ratio of workers to recipients has fallen from 16-1 to the current 3-1, and will fall to a future 2-1.

The system will begin paying out more benefits in 2018 than it collects in taxes. By 2042, the programme will not be able to pay full retirement benefits without a tax increase, raising the retirement age or other steps to shore up the system. Over an infinite time horizon, the Social Security system has an estimated \$10 trillion unfunded liability.

Partial privatisation

The centrepiece of Bush's proposal involves establishing individual accounts where people younger than 55 could invest up to two-thirds of their 12.4% Social Security payroll tax in stocks and bonds. But the Congressional Budget Office estimates that the Bush plan would add some \$1.1 trillion to federal budget deficits from 2009, the year the plan would become effective, to 2015.

The Fed approves...

Speaking to the Senate Banking Committee on 16 February, Federal Reserve Chairman Alan Greenspan endorsed the Bush plan. He explained that he likes the concept of private accounts because they contain real assets, whereas a largely pay-as-you-go system does not.

Even though Social Security is taking in more cash than it spends, and the accumulated surplus is approaching \$2 trillion, much of the money is actually spent on other government programmes. Indeed, special government bonds are issued that function as IOUs between the Treasury and Social Security. In order to repay the bonds, the government will have to collect about \$5 trillion from taxpayers in addition to the payroll taxes they would otherwise pay between 2018 and 2042. That equals about an additional \$33,000 per family.

Political Context

...but with caution

But Greenspan also said that the accounts should be phased in gradually so that markets do not overreact and drive up interest rates in response to increased government borrowing that might be necessary.

Democrats are opposed

Sensing a potent election issue, Democrats are almost unanimously opposed. They say Bush's private accounts will require borrowing some \$4.5 trillion over the first 20 years.

Public is sceptical

An NBC News/Wall Street Journal poll released on 16 February showed 51% of those surveyed considered it a bad idea to let workers invest Social Security payroll taxes in the stock market; 40% favoured the idea. AARP, the nation's largest senior-citizens lobby, opposes Bush's approach.

Republicans are divided

Even Republicans are divided. Bush must press for his plan before he is seen as a lame duck and Republicans feel pressure from the 2006 mid-term elections.

Tort Reform

Making the economy more efficient

President George W Bush on 18 February signed into law the Class Action Fairness Act of 2005, which seeks to limit frivolous lawsuits by shifting suits seeking class-action status to federal courts if the total amount of claims exceeds \$5 million. Bush says it will help restore "common sense and balance" to America's legal system. Indeed, Bush said the legislation was only a beginning in his drive to end "the lawsuit culture in our country." Next up, Bush said, should be curbs on medical malpractice awards. The US tort system at more than \$240 billion a year is the largest of any industrialised nation.

Frivolous lawsuits undermine court system

Background

Under the legislation Bush signed, class-action suits seeking \$5 million or more would be heard in state court only if the primary defendant and more than one-third of the plaintiffs are from the same state. But if less than one-third of the plaintiffs are from the same state as the primary defendant, and more than \$5 million is at stake, the case would go to federal court.

Limits on lawyer fees

The premise of the legislation is that federal courts are more objective in their decisions than state courts and therefore offer less generous verdicts in consumer-type cases. Indeed, because class action cases usually are heard in sympathetic state courts, defendants who are fearful of losing the case and facing potentially large damage awards are likely to settle out of court rather than risk a trial. This means that most class-action cases are usually settled before a court even hears the merits of the case.

The new law also limits lawyers' fees in settlements where plaintiffs win product discounts instead of money. In class-action suits, attorneys work for a percentage of the award or settlement and do not get paid until the case is resolved.

Political Context

Proponents of the bill argue that the new system will free up the court system and lead to more consistent rulings. Republicans, for example, argue that greedy lawyers have taken advantage of state legal systems by filing frivolous lawsuits in which they receive large payoffs while clients get only small sums or coupons giving them discounts for the products of the company they just sued.

Bipartisan support

Opponents, on the other hand, fear the legislation weakens consumers' rights to compensation, while protecting corporations from costly and damaging lawsuits. Democrats say the legislation is aimed at protecting businessmen who donate to the Republican Party and hurting trial lawyers, a traditional part of the Democrats' base. Still, many Democrats in Congress support the legislation.

Some loopholes remain

Some fear the new law may flood an already crowded and overburdened federal court system by shifting the workload to the fewer than 800 federal judges from the thousands of state judges. Others worry there will be ways of getting around the new law. Some lawyers may, for example, break up their cases into smaller units to get under the federal lawsuit threshold of \$5 million for class-action suits.

More reforms ahead

But Senate Majority Leader Bill Frist now hopes to pass further legislation dealing with lawsuits concerning bankruptcy, gun manufacturers, asbestos, and, eventually, medical malpractice. Frist, who is also a doctor, says the threat of lawsuits causes physicians to defensively over-prescribe treatment to the tune of one hundred billion dollars a year.

Tax Reform

System is inefficient

President George W Bush's bipartisan Advisory Panel on Tax Reform met for the first time on 16 February to look for ways to simplify the federal income tax system. More than 10,000 amendments have been made to the tax code since 1987. The result is a complex system in which more than half of all Americans now use a paid preparer to file their taxes. It costs individual taxpayers more than \$100 billion a year to get their returns calculated and filed. The nine-member commission has until 31 July to deliver recommendations to the White House.

Background

Revenue neutral reforms

Bush charged the commission with making the federal tax system simpler, fairer and more able to stimulate economic growth. At the same time, the recommendations must be "revenue neutral", meaning they should neither raise nor lower the total amount of money collected through taxes.

Many options...

At their first meeting, the commission heard from a diverse and distinguished group of tax specialists. Panel members will examine a broad range of options, including: Replacing the current income tax, completely or partially, with a national sales tax or some other levy on consumption; creating a value-added tax, imposed at each stage of an item's production; widening the tax base; eliminating some popular deductions; or making all savings tax-exempt.

...but few are viable

But the commission mostly is focusing on three options: Simplifying the existing system, moving toward a consumption tax or seeking a middle ground between the two.

Two-tier system is likely

While the current system taxes income, a consumption tax targets only the money that consumers and businesses spend. Income that is used for savings and investment would not be taxed. The most common consumption taxes are sales taxes and value-added taxes. But a consumption tax generally raises the burden on low- and middle-income families because they are forced to spend a higher percentage of their income. As a result, a two-tier system where income taxes and a national sales tax are both utilised might be possible.

Political Context

Political fights ahead

Any tax-law changes as sweeping as those under review would effect every economic interest group in America, shift trillions of dollars within the economy and be the object of intense lobbying in Congress. Moreover, the income tax system has been used not only to raise funds for federal functions, but also to pursue social and economic policies. Congress has tried to use the tax system to promote families, home ownership, education, work, thrift, health care, education and economic policies ranging from producing energy to encouraging domestic manufacturing.

Republicans in Congress are also weighing possible tax-law changes as complements to their goal of overhauling Social Security, but they have no firm plan yet and no timetable.

Reforms far from certain

Although there is near universal agreement that the tax system must be reformed, the outlook for tax overhaul is far from certain. Any attempt at major change could lead to a free-for-all in Congress as lawmakers and lobbyists try to protect cherished tax breaks.

Bio-Ethics

No softening of restrictions

A bipartisan group of Senators and Representatives on 18 February introduced a bill to expand federal funding for stem cell research. The bill is aimed at loosening restrictions that President George W Bush placed on federal funding for stem cell research in 2001, which limited federal funding to research that uses stem cells that existed before his policy. Bush says he has no intention of softening restrictions on stem cell research.

Background

Research is stalled

Under current policy, only stem cells derived before 9 August 2001 are eligible for federally funded research. Bush had said there would ultimately be 78 strains available, but to date, only 22 strains have been derived for research use. Moreover, recent research shows that all 22 lines are contaminated with animal cells, making them dangerous to use in humans.

Seeking other options

The new bill would allow federally funded researchers to derive stem cells from embryos that are about to be thrown out by fertility clinics, if parents agree to offer them for research. It would not allow taxpayer money to be used to create embryos by cloning.

Human embryonic stem cells are created in the first days after conception and are the building blocks of the human body. Embryonic stem cells have the capacity to become almost any specialised cell in the body. Scientists are working to learn how to manipulate them to create transplants to treat diseases ranging from diabetes to cancer.

Stem cells also have the potential to repair vital organs. But no one has yet been treated by stem cells because of many basic technical hurdles, including how to overcome immune-rejection issues and to ensure that patients are not otherwise harmed by the treatments.

Political Context

Advocacy groups are opposed

During the past several years, stem cell research has been at the forefront of controversial medical debates. Many social conservatives who believe life begins at conception view the work as immoral because stem cells are removed when the embryo is 3-8 days old and consists of 150 to 300 cells. That destroys the embryos.

Indeed, anti-abortion advocacy groups equate embryonic stem cell research with murder. These groups instead advocate adult stem cell research, which come from organs and tissues such as the liver, brain, bone marrow or skin. The Bush administration has spent more than \$190 million on research to find ways to grow adult stem cells in labs.

House leadership is opposed

Although the new bill has the backing of some influential conservatives, the House leadership is opposed to the bill and may not bring it to the floor. Moreover, its sponsors face an uphill battle with Bush, who reaffirmed his opposition to human cloning and embryonic stem cell research during his State of the Union address on 2 February.

More bio-ethics limits ahead

The White House now plans to lay out a broader bioethics agenda that calls for even stricter limits on so-called therapeutic cloning. This will please Bush's supporters, as well as most members of the President's Council on Bioethics.

Judicial Nominations

Looming showdown

President George W Bush on 14 February resubmitted to the Senate a group of judicial nominations that ran into fierce Democratic opposition in his first term. By renominating 20 candidates to the federal bench who previously failed to obtain Senate confirmation, Bush has again set the stage for a showdown with Democrats over his judicial picks.

Few problems with lower courts

The debate over judicial nominations has not attracted much mainstream attention because the Senate actually has confirmed 204 of Bush's judicial nominations over the past four years. Congress has, in fact, moved efficiently on Bush's nominations for the federal district courts, the lowest rung of the federal court system. In his first term, Bush made 179 district court nominations; Congress confirmed 170 of them.

Tensions with appellate courts

The main tension has come over Bush's appointments to the powerful Circuit Courts of Appeals. Bush nominated 52 appellate court judges in his first term; Congress approved only 35 of them. That has prompted Republicans to charge that Democrats are abusing the Senate's right to advise and consent on presidential appointees.

Political Context

Democratic filibuster

The nominees failed to win confirmation because opposition Democrats, for various reasons, staged filibusters, thus blocking floor votes. With a Senate comprised of 55 Republicans, 44 Democrats and a Democrat-leaning independent, Democrats still have the 40 votes necessary to uphold a filibuster.

Pressure from constituencies

But conservative groups have been putting increasing pressure on Senate Republicans to force votes on Bush's judicial nominees. The battle over the makeup of the federal bench is a key issue for conservative evangelical Christians and others at the core of the president's political base who see judges as crucial to their efforts to outlaw abortion, allow for a broader religious presence in daily life and limit the influence of the federal government.

The nuclear option

As a result, Republicans in this go-around are considering what has been described as the "nuclear option", a change in Senate rules that would prohibit the filibuster of judicial nominees. The political fallout of such an action may be intense, however, which is why it is being termed the nuclear option. If successful, they would eliminate one of the only tools for forcing a majority party that controls both the White House and Congress to engage in bipartisan consultation. A recent Wall Street Journal/NBC News poll found that Americans favour keeping the filibuster for judicial nominations by 48% to 39%.

Supreme Court is main battle

But most analysts expect the real battle to begin when Bush prepares to nominate his first Supreme Court Justice. Indeed, the speculation surrounding 80-year-old Chief Justice William Rehnquist's health and possible retirement in June has hit a fever pitch in Washington. This is because Rehnquist, who has thyroid cancer, was absent when the Supreme Court resumed its term on 22 February. If Rehnquist, who has been chief justice since 1986, steps down, it would give the court its first opening since 1994. While such an announcement could come at any time, justices typically wait until the term ends in June to avoid an extended vacancy and the possibility of 4-4 votes on cases.

Marriage Protection Amendment

Amendment has new name

Senate Republicans on 24 January reintroduced an amendment to the US Constitution that would ban same-sex "marriage". Although The Federal Marriage Amendment was defeated last year, it has been reintroduced under a new name, the Marriage Protection Amendment. In his State of the Union address on 2 February, President George W Bush said he would support the constitutional amendment to "protect the institution of marriage." But Bush has also acknowledged that the amendment probably does not have sufficient support for congressional approval.

Growing support

Background

Supporters believe the amendment has a better chance of passing this session following a slew of victories on 2 November, when voters in 11 states passed marriage amendments to their respective state constitutions. In addition to those 11 states, another 17 states have passed constitutional amendments banning alternative forms of marriage, and 20 other states are considering similar amendments.

Amendment backers say a marriage amendment to the US Constitution is the only permanent remedy to protect and defend traditional marriage. The federal Defence of Marriage Act (signed by President Bill Clinton in 1996), which gives states the option of not recognising another state's same-sex marriages, is being challenged in federal courts in California, Florida and Oklahoma. Lawsuits seeking to legalise same-sex marriage also are pending in nine states.

Electoral gains

Political Context

Marriage amendment supporters made gains during the 2004 election, as reflected by the list of 22 co-sponsors. Four new co-sponsors replaced senators who opposed the marriage amendment. They believe that only a constitutional amendment will prevent federal judges from redefining marriage.

In 2004, Massachusetts became the only state to legalise same-sex marriage. It was court-mandated. Traditionalists fear that homosexual couples eventually will win a legal battle in a federal court to have the licenses from Massachusetts recognised elsewhere. Such a legal strategy could become easier if another state, such as New Jersey or Washington, legalises same-sex marriage in the near future. Washington state's highest court is scheduled to hear a same-sex marriage case in March 2005.

Supporters of the amendment say that the marriage amendments passed by 11 states on Election Day provide only limited protection. While they protect against rulings by state courts, they are vulnerable in federal court. For example, Nebraska's amendment is being challenged in federal court.

Uphill climb

Despite the momentum gained by the passage of same sex marriage bans in 11 states, amending the federal Constitution is uphill climb. Both houses must approve the resolution by a two-thirds majority before it is sent to the states. Then the proposed amendment must be ratified by three fourths of the state legislatures.

The president's signature is not required for the amendment to become law. Typically, Congress places a seven-year limit for the amendment to pass.

War on Terrorism

National security is top priority

President George W Bush has signalled that the war on terrorism will remain a top White House priority in 2005 and beyond. On 7 February he proposed a budget for the 2006 fiscal year that would cut scores of domestic programmes while providing more money for national security.

Background

More funds for military

The budget proposals preserve priority spending for the war on terror by increasing funds for new weapons programmes, foreign aid and security to protect the US homeland against terrorist attacks. Under the proposal, the Pentagon's budget would increase 4.75% next year, to \$419 billion from \$400 billion, and spending on domestic security would rise 3.2%, to \$32.2 billion from \$31.2 billion. Both the military and domestic security programmes would also get steady increases through the rest of the decade.

The 2006 budget adds \$1.7 billion to fund a wide variety of unmanned vehicles for use in the war against terror. Indeed, the Pentagon continues to make major investments in the development and procurement of unmanned ground vehicles, unmanned underwater vehicles, unmanned aerial vehicles and unmanned combat vehicles. It also funds the continued development of a re-configurable warship that can be effective in multiple missions, and the realignment of army units to make them more flexible and more easily deployable.

Intelligence overhaul

In another signal that the war on terror will be a top priority of his second term, Bush has pledged to revamp the nation's intelligence agencies, which he calls "our first line of defence against terrorism and weapons of mass destruction." In this context, Bush on 17 February named John Negroponte as the government's first Director of National Intelligence (DNI).

New intelligence director

The post of DNI was created to prevent a repeat of the intelligence failures that preceded 9/11. As DNI, Negroponte will be the principal advisor to the president on intelligence matters. His mission is to coordinate 15 highly competitive spy agencies in what will be the broadest restructuring of the nation's intelligence services since the US espionage laws were written in 1947.

Political Context

Trans-Atlantic cooperation?

A by-product of the war on terrorism is intensified trans-Atlantic cooperation. During a security conference in Germany, Defence Secretary Donald Rumsfeld called for all nations to work together in fighting terror. Rumsfeld said: "Today, we share a common enemy. Radical Islamists do not seek an armistice with the civilised world. They will not negotiate a separate peace." He also said: "It will take the cooperation of many nations to stop the proliferation of dangerous weapons. Proliferation is a global concern, and it requires a global effort."

Saudi cooperation

But countries in the Middle East also recognise the need for cooperation on the war against terror. Saudi Arabia in February sponsored an international anti-terrorism conference, a first for the Arab Peninsula. Saudis reached across borders and bureaucracies to underscore domestic efforts in pursuing terrorist networks and to refocus the nation's role in global discussions on combating terrorism. For the first time since Al Qaeda surfaced, the Saudis publicly sought to trade and share technical information about counterterrorism operations with professional delegations from more than 50 nations.

Exporting Democracy

New national priority

President George W Bush has opened his second term with a sustained rhetorical effort to use the language of "freedom" as a way of reuniting the west under American leadership. In his inaugural address on 20 January, Bush outlined an epic new vision for US foreign policy, "with the ultimate goal of ending tyranny in our world."

Links to domestic stability

In his speech, Bush declared that spreading democracy was "the calling of our time." He also linked the export of democracy to domestic stability, calling it "the urgent requirement of our nation's security." Only liberty "would break the reign of hatred and resentment" that led to 9/11. From now on, Bush said, relations with "every ruler and every nation" will be predicated on how they treat their own people.

Background

War on terrorism

By saying that the spread of freedom and democracy would be at the heart of America's political strategy in the war on terror, Bush was calling for a profound break from traditional US policy of *realpolitik*, the diplomatic philosophy that puts national interests above idealism in foreign policy. But it is not clear how Bush's words might translate into concrete policy.

Idealism vs realism

For a variety of reasons, the US often has embraced countries that are not democratic. Indeed, the war on terrorism has spawned curious alliances, such as the one between the US and Pakistan, whose president took office in a coup. And the fight against terrorism has overshadowed any US desire to promote democracy in Russia.

A gradualist approach

Therefore, any shift in diplomacy in accord with the president's words would have far-reaching effects. But how will Bush apply his sweeping pledges to policy? Bush said that expanding liberty would not be primarily the task of arms, although he pledged to use them to defend the US or its friends. But Bush also says that he recognises that such an approach to foreign policy is a "generational" obligation that requires patience and long-term commitment.

Political Context

Ideological harmony

Behind the president's sweeping idealism lie economic and military constraints that may compel more realism. Indeed, Bush is trying to bring ideological harmony to his second term by establishing a balance of power between idealists and realists in his administration.

Idealist goals, realist objectives

By saying that "the survival of liberty in our own land increasingly depends on the success of liberty in other lands", Bush linked the neo-conservative goal of spreading democracy to the realist objective of enhancing national security. When Bush said that "America's vital interests and our deepest beliefs are now one", the president in effect said that the policy of the hawks would lead to the goal of the realists.

Trans-Atlantic cooperation?

But Bush has also signalled that he intends to use the promotion of democracy as a way to reunite the US and Europe under American leadership. On the eve of his 21-24 February visit to Europe, his weekly radio talk declared: "America and Europe are the pillars of the Free World. Leaders on both sides of the Atlantic understand that the hopes for peace in the world depend on the continued unity of free nations."

Trans-Atlantic Relations

Improved ties?

President George W Bush has signalled that he wants an improvement in trans-Atlantic relations during his second term. His 21-24 February visit to Europe was an attempt to move beyond past differences and find ways to work in unity. But there will be little substantive agreement on major policy differences between the Americans and the Europeans.

Focus on shared values

Background

In a 21 February speech in Brussels, Bush called on European allies to join the US in focusing on their "shared values" to work together to spread freedom around the world, a theme Bush sounded both in his inaugural address and his State of the Union message, and one that lies at the core of his second-term foreign policy. "As past debates fade, and great duties become clear, let us begin a new era of trans-Atlantic unity", Bush said. But even as the president reaches out to allies that he angered during his first term, any changes in US foreign policy are likely to be more of style than substance.

Many disputes remain

Political Context

There are trans-Atlantic disagreements on a wide range of issues: China, Iran, Syria, Hezbollah, the Middle East peace process, global warming, aircraft subsidies and multilateral institutions, among others.

For example, a simmering dispute with Europe came to the forefront on 23 February when Bush said there was "deep concern" in the US that lifting the European Union's 15-year-long arms embargo against China would change the balance of relations between China and Taiwan. The EU has tried to quell American fears by saying it will limit the transfer of advanced technology to the Chinese by developing a tough new "code of conduct" for arms exports. But Bush expressed scepticism about the ability of the Europeans to come up with a proposal that would satisfy the US.

China may become new flashpoint

There is also rising concern from both Republicans and Democrats in the US Congress about Europe's plans to lift the embargo. Senator Richard Lugar, who is chairman of the Senate Foreign Relations Committee, said that he would support restrictions on American sales of advanced military technology to Europe unless there were strong assurances from Europe that such technology would not be diverted to China when the embargo was lifted. Moreover, on 2 February, the US House of Representatives passed a resolution by a 411-3 vote that condemned the EU's plans.

Iran is divisive

In another contentious issue, the US says it has no intention of directly joining ongoing talks aimed at restraining Iran's alleged nuclear weapons programme, even though many European officials have expressed concern that the talks involving Britain, France and Germany will fail without US involvement.

Reshaping NATO?

At the heart of the trans-Atlantic rivalry is a desire by some European countries for more say in security matters. Specifically, some countries would like to see the EU to replace NATO as the main institutional link between the US and Europe. But the US remains committed to preserving NATO as its primary connection to the continent. Indeed, Europeans will be disappointed if they expect the US to embrace their desire for co-equal leadership. As a result, it is likely that trans-Atlantic frictions will remain despite the changed tone of American diplomacy.

Middle East Peace Process

Bush backs statehood

President George W Bush on 11 January congratulated Mahmoud Abbas on his election as Palestinian president and pledged US support for an international conference to help develop Palestinian institutions for eventual statehood. On 6 February, Secretary of State Condoleezza Rice proclaimed that "a time of optimism" had arrived in the Middle East. Nevertheless, the actual creation of a Palestinian state is many years away.

Background

But elections are only the first step

Abbas's opposition to the use of violence during more than four years of Palestinian uprising against Israeli occupation, and his pledge to reform Palestinian institutions, have earned him international respect. But his election is only a small step on a long road to reviving the peace process.

Indeed, although the peace plan known as the "road map" puts demands on both sides to reach the goal of a Palestinian state and security for Israel, the Bush administration has placed conditions on Palestinians before the road map can be launched. This implies that the creation of a Palestinian state will not happen anytime soon, which may also frustrate some Europeans.

Political Context

Must peace wait for democracy?

Bush in June 2002 propounded the idea that peace between Israelis and Palestinians must await the establishment of Palestinian democracy. This new foundation for Palestinian statehood is based on the idea that the most lasting peace will very likely be a peace between democracies. Critics say that the insistence that Palestinian democracy must precede Palestinian statehood is just a method of impeding progress toward a compromise that would require Israeli concessions.

US will not mediate

But it is axiomatic that the Israeli-Palestinian conflict will not be solved without significant involvement by the US. Still, the White House has indicated that it will not act as a mediator between Abbas and Israeli Prime Minister Ariel Sharon. Although Bush said he looks forward to welcoming Abbas to the White House, there are no plans for a three-party meeting with Sharon.

Israel to withdraw from Gaza

For its part, the Israeli cabinet on 20 February voted 17-5 to approve Sharon's plan to withdraw 8,200 Jewish settlers from 21 settlements in the Gaza Strip and cede the lands to the Palestinians later this year. Sharon proposed the disengagement plan after concluding that Israel was losing too many lives and spending too much money by holding on to the Gaza settlements.

Militant groups could wreck peace

More important than Israeli disengagement, however, will be the need for Abbas to confront the militant groups that oppose peace with Israel. Foremost among these is the Iranian-backed Hezbollah. Abbas has said he regards the group as a destructive force in the Middle East that is determined to undermine peace talks by supporting militant groups that attack Israelis. Indeed, Abbas has acknowledged that Hezbollah may even represent a threat to his life.

Difficult political hurdles ahead

The US therefore is pressing the EU to designate the Lebanon-based Shiite group Hezbollah a terrorist organisation. In theory this would prevent the group from raising money in Europe through charity groups. But France opposes sidelining Hezbollah; it says the group is a political party. This dispute is one of many obstacles that complicate forging a lasting peace in the Middle East.