

The Regional Implications of the Establishment of a Palestinian State



November 2013



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Foreword by the Partner Organizations



A short time after his election as prime minister in June 2009, Prime Minister Benjamin Netanyahu gave his famous “Bar-Ilan Speech”, in which he declared that the solution to the Israeli-Palestinian conflict should be based on the “two states for two peoples” formula. This was the first time that an Israeli prime minister from the Likud party had declared a desire to aspire to a two-state solution. Even Yitzhak Rabin, who signed the Oslo agreements and broke the deadlock in Israeli-Palestinian relations, was reluctant to publicly declare Israel’s willingness to accept the establishment of a Palestinian state alongside it.

This underscores the importance that should be ascribed to Netanyahu’s speech, which for the first time since the Six Day War and the occupation of the West Bank and the Gaza Strip that a prime minister from the right wing marked out a clear path for the resolution of the conflict. In doing so, Netanyahu took a giant step beyond what had been agreed upon in the Oslo agreements.

And now, despite the fact that since he made the “Bar-Ilan Speech” and the two-state solution has, for all intents and purposes become Israel’s official policy, surprisingly enough, no in-depth scholarly investigation of the implications of this solution has been carried out. Governmental entities have refrained from contending with the implications that the establishment of a Palestinian state would have on the relations between the two states and the throughout region; nor have they prepared an action plan for the period following the establishment of a Palestinian state. No less surprising is the fact that hardly any scholarly studies have been written that analyze the anticipated developments that would ensue from the actual establishment of a Palestinian state.

Therefore, we at the S. Daniel Abraham Center for Strategic Dialogue at Netanya Academic College, Data Studies and Consultations, and the Amman Center for Peace and Development have decided to initiate a study, the findings of which are presented here to you in this publication. Our working assumption was that the establishment of a Palestinian state alongside Israel would have far-reaching consequences for numerous and sundry areas, a fact that justifies the effort to carry out an in-depth academic research project, the findings and recommendations of which can help both the Israelis and Palestinians determine policy and consolidate action plans. In addition, we believe that the findings of the research will provide the general public in both countries with information and insights that could impact their positions with respect to the two-state solution. This is based on the assumption that the chances of a successful resolution to the conflict through the establishment of a Palestinian state largely depend on the approach and position of the two societies – Israeli and Palestinian – to this solution.

After consolidating the concept underlying this research project, we applied to the European Union to support the project, within the context of the Partnership for Peace Program. After receiving confirmation that the assistance from the European Union had been authorized, the German Konrad Adenauer Stiftung, Israel office also became involved and contributed its part to the funding of the research. Without the help of these two organizations, this research project could not have become a reality.

The innovative and unique aspect of this research project lies in the fact that we put together five multinational research teams – each of which included an Israeli, Jordanian and Palestinian researcher – that worked together. In this way, the five chapters of the study were written by 15 scholars, who during the long months of work were often required, within their teams, to contend with differences in approaches and with the need to bridge conflicting narratives and historical resentment.

The basic assumptions upon which the study was based determined that the point of departure for the research was that three independent states already exist: Israel, Jordan and Palestine. It was further determined that the agreement to establish a Palestinian state, which was achieved as a working assumption of the study, was based on a combination of the “Clinton parameters,” the Arab Peace Initiative, and the Olmert-Abu Mazen understandings. This meant that a Palestinian state was assumed to already exist, which includes the territories of the West Bank and the Gaza Strip, with the possibility of territorial exchanges, whose capital was in East Jerusalem.

We chose five areas for the scholars to investigate to see how the existence of a Palestinian state would impact them:

1. The political character of the Palestinian state.
2. Normalization with the states of the region, with an emphasis on Israel-Palestine and Israel-Jordan.
3. The national aspirations of the Palestinian Diaspora.
4. Security and the regional balance of power.
5. The economies of the countries in the region, especially Jordan, Israel and Palestine.

The findings of the study show that the establishment of a Palestinian state would have a mainly positive impact on all the five areas investigated. Among other things, the existence of a Palestinian state would contribute to:

- A. The strengthening of Jordan, whose regime is contending with the negative repercussions of the Arab Spring and the waves of refugees from Syria inundating its territory as a result of the civil war there.
- B. The neutralization and weakening of the “anti-normalization” movements that draw part of their strength from the absence of a solution to the Palestinian problem.
- C. The creation of an “anti-radical Islam” axis, of which the majority of the region’s countries would be members.
- D. The creation of security stability in the region through bilateral and multi-lateral security arrangements to be signed after the establishment of the Palestinian state.
- E. The economic affluence of Jordan, Palestine and Israel and to economic cooperation with additional countries, such as those in the Gulf countries.
- F. A boom in tourism to the region.
- G. A significant rise in the standard of living among the inhabitants of Palestine and Jordan.
- H. A shift to greater moderation in the positions and political activities of Israeli Arabs.

One of the most interesting findings that some of the teams arrived at was that after the establishment of the Palestinian state, one of the reasonable development paths would be the formation of a Jordanian-Palestinian confederation.

A further interesting thesis can be found in the chapter that deals with the national aspirations of the Palestinians living in the Diaspora. The existence of a Palestinian state, write the researchers, would

lead to a change in the Palestinians' "refugee" state of mind. The existence of a Palestinian mother state would enable the Palestinians who do not live in it to define themselves as living in a "Diaspora" rather than in "exile."

For years, the issue of the refugees has been presented as the main stumbling block barring the way to a political settlement based on the two-state solution. The researchers demonstrate that contrary to this claim, an agreement regarding a viable state would pave the way, notwithstanding possible difficulties, to the normalization of the issue of the Palestinian Diaspora.

This publication represents the fruits of two years of labor, and we hope that its findings and recommendations will offer a contribution, albeit a modest one, to the advancement of a solution to the Israeli-Palestinian conflict.

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Foreword by the Head of the Delegation of the European Union to the State of Israel



It is no secret that the European Union has always been among the most enthusiastic proponents of the two-state solution to the Israeli-Palestinian conflict. It was therefore with great pleasure that I accepted the invitation to write a few lines of introduction to the final report on this project examining the regional implications of the establishment of a Palestinian State.

Working on 'peace' comes in different forms, whether it is through actions connecting Israelis and Palestinians at civil society level or enhancing the capacity of those groups who are already committed to a peace process. In this case, the EU Partnership for Peace programme is supporting an ambitious, regional project that has taken the giant leap of assuming that successful Israeli-Palestinian negotiations are already behind us and a Palestinian state has already come into existence. To that end, it is not only practically relevant in terms of solving difficult issues, but also encouraging to those who are working towards a better tomorrow.

As I write these words, the sides are holding their initial discussions in a negotiating process that is supposed to last for nine months. It is impossible to know at this time whether this symbolic gestation period will indeed result in the birth of a Palestinian state. However, if the pessimists are confounded and a Palestinian state does come into being, the questions posed and answers sought by the project's Israeli, Palestinian and Jordanian researchers will become of immense interest.

The questions of Palestine's relations with Israel will obviously be keenly followed, but other questions, such as the effects of a Palestinian state on the Palestinian Diaspora, its effect on the regional balance of power, and what possibilities it might provide for regional economic cooperation will also be asked. Hopefully the benefits of your research will be reaped by policy makers as well as governmental bodies, NGOs, academics and opinion shapers throughout the region as well as by international actors such as world leaders and international investors.

Please allow me to congratulate the S. Daniel Abraham Center for Strategic Dialogue at Netanya Academic College, its Palestinian partner DATA Studies and Consultations and the Amman Center for Peace and Development for the fine work they have accomplished, often under difficult circumstances. And let me conclude with the hope that what was perhaps regarded as an interesting academic exercise when this project was submitted may yet turn out to be a document of immense practical use and interest by the end of the negotiations that are now beginning.

Ambassador Andrew Standley

Head of the Delegation of the European Union to the State of Israel

Foreword by the Konrad-Adenauer-Stiftung, Israel Office



The Konrad-Adenauer-Stiftung, a German political foundation, has been active in international cooperation for more than half a century, and we are present all over the world with some 80 offices reaching out to more than 120 countries. In the greater region of North Africa and the Middle East, the Stiftung is represented in capitals from Rabat to Ankara, and there is a very close cooperation between our offices in Jerusalem, Ramallah and Amman.

We combine civic education at home, exchange of ideas abroad, dialogue between societies, cultures and religions as well as think-tank work at the national and international levels. All KAS Israel projects are guided by our belief in the values and benefits of democracy, freedom, market economy and peaceful coexistence.

We aim to make a sustainable contribution to our host countries' thriving in peace, prosperity and partnership with Europe. This is why we have wholeheartedly supported the two-state solution to the Israeli-Palestinian conflict since 1993. We believe that in the long run Israel's character as a Jewish and democratic state can only be safeguarded by a two-state solution. We also believe that a democratic Palestinian state under the rule of law will be a great asset for the region as a whole, not least for its immediate neighbour Israel.

Twenty years after the Oslo Accords, there is new hope that a final status agreement between Israelis and Palestinians may be within grasp. This is at least our sentiment while we put these lines down on paper. As things are subject to incessant dramatic change in the Middle East, it is difficult to assess whether we are falling prey to yet another illusion. However, what we can do (and will continue doing) is to support all endeavours by which such an agreement is shown to be a viable solution.

At the beginning of the 20th century, Theodor Herzl famously wrote "*Wenn ihr wollt, ist es kein Märchen*" (If you will it, it is no dream). In the beginning of the 21st century, this call also applies to the two-state solution. Therefore KAS Israel gladly partnered with the S. Daniel Abraham Center for Strategic Dialogue at Netanya Academic College in the EU Partnership for Peace project on "The regional implications of the establishment of a Palestinian state". Its results provide a powerful antidote for what Dennis B. Ross has called "the most fundamental problem between Israelis and Palestinians", i.e., "the problem of disbelief."

Disbelief does not mean that people have no idea of what is desirable. For many years, the KAS offices in Jerusalem and Ramallah have supported the Joint Israeli Palestinian Polls¹ which constantly and

¹ See <http://www.kas.de/israel/en/pages/11244/>

clearly show that majorities on both sides favour a two-state solution and would accept concessions made by their political leaders to achieve that end.

Moreover, the “problem of disbelief” does not only pertain to the feasibility of a final status agreement. It questions the long-term benefits of a two-state solution should such an agreement ever be arrived at. In way of negative feedback, the latter kind of scepticism reinforces the former. We are confident that the results of the project will help break through this vicious circle. They should be essential reading for all decision-makers and commentators dealing with the subject, but also for the public at large.

It goes without saying that a final status agreement will not bring about instant reconciliation between Israelis and Palestinians. This would run counter to all historical experience. However, it can, and hopefully will, be the beginning of a reconciliation process.

Without comparing the incomparable, it makes sense to point to the encouraging lessons of European history after the end of World War II. There was no instant reconciliation between Germany and its neighbours either, but cooperation between former mortal enemies laid the seed to what has become deep and sustainable mutual friendship. In 1945, no one would have dreamt of a joint French-German history textbook. Both national narratives seemed to be totally incompatible. And yet, such a textbook, approved by the education authorities on both sides, has been in use since 2006.

European post-war reconciliation was not simply a bilateral issue. From the outset, it interacted with the regional project of uniting a continent which had been torn apart and ruined by aggressive nationalism. The great merit of the project in hand is that it embeds the Israeli-Palestinian issue in the Middle Eastern context. This approach is confirmed by the regional dimension of John Kerry's peace efforts in 2013 which gave new relevance to the Arab Peace Initiative of 2002.

There is so much to win for all sides, not least in terms of security against external threats affecting the Middle East as a whole, but also in terms of internal stability. We believe that region-wide economic, scientific and ecological cooperation, cultural exchange and people-to-people networking between civil societies will help overcome the crisis of governance which is currently haunting major parts of North Africa and the Middle East.

The history of European post-war reconciliation proves three different things: (1) Reconciliation is not a utopian goal. (2) It needs time and patience. (3) It needs courageous leaders – not only in politics, but also in civil society. The Israeli, Palestinian and Jordanian participants in this project are themselves a role model for civic courage and leadership. KAS Israel is proud of cooperating with such outstanding partners.

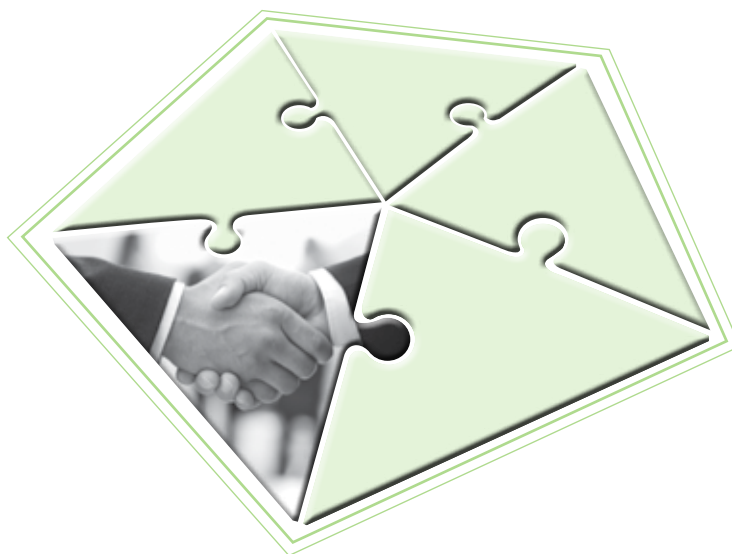
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Regional Normalization following a Two-State Solution



**Hind Khoury with Nadim Khoury
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Researcher from the Amman Center for Peace & Development

Conceptual Overview

The Arab-Israeli conflict has been one of the most protracted conflicts in modern times and has lasted for more than a century. The intensity and duration of the conflict have created a profound sense of hostility and distrust on both sides exacerbated further by perceptions of historical victimhood and righteousness that both Israelis and Palestinians believe in with great passion.

An unbridgeable abyss separates the Arab Palestinian and the Zionist historical narratives. Zionism, in the widely held Jewish perspective, is a heroic project of national revival, restored dignity, and self-respect. The rise of Israel as an act of defiance against the miserable predicament of the European Jewish Diaspora is deeply imbedded in the Jewish collective memory and self-image.

This sentiment has been cultivated for decades by the scathing critique of Jewish hopelessness and helplessness in the Diaspora that has become an integral part of the Israeli collective consciousness. The pathetic manifestation of Jewish indignity and powerlessness was only the precursor to the culmination of all horror in the catastrophic destruction of the Jews in the Holocaust. Jewish national liberation, statehood, and sovereignty was thus the literal rising from the ashes in self-defense to finally attain political independence and historical justice for the most downtrodden of all peoples.

For the Palestinians the complete opposite was true. Zionism, in their view, was not about self-defense or justice. It was the epitome of aggression from the start. The memory of the Palestinian *Nakba* or catastrophic defeat in 1948, the loss of homeland, and refugeedom are at the very core of the Palestinian collective identity and their self-perception of victimhood. The war ended not only in their military defeat, but also in the shattering of Palestinian society and the dispersal of more than half of their number as refugees in other parts of Palestine and in neighboring Arab states.

They initially struggled for one democratic state in historic Palestine and in 1988 accepted a major historical compromise by agreeing to establish a state only on 22% of their historic homeland. Zionism, in their view, is an exclusive ideology that negates their very rights to exist, live and prosper on their own land. This is an ideology that Palestinians cannot comprehend in a land that has been and still is inherently diverse and inclusive encompassing Christians, Jews and Muslims.

The traumatic and formative series of events from the *Nakba*, to the 1967 war and the continuing and deepening occupation of the land occupied since then have had and continued to have very tragic consequences for the Palestinians mixed with a traumatizing sense of historical injustice which touched the innermost depths of the Palestinian collective soul and denied them the minimum of a decent life or a future. This



sense of major injustice has been shared and still is by the Arab countries and people and the Palestinian cause became a symbol of the loss of dignity of the whole Arab region.

The “shared memories of the traumatic uprooting of their society and the experiences of being dispossessed, displaced, and stateless” were to “come to define ‘Palestinian-ness’”. (Doumani, 2007: 52). The Palestinians yearned to turn back the clock of history and reverse the tragic consequences of Israel’s creation in 1948 and its expansion in 1967.

Israelis, therefore, live in a world of uncertainty concerning long term Arab objectives. Do the Arabs intend to put an end to Israel’s occupation of Arab territories in the war of 1967, or do they still really aspire to put an end to Israel? Israel’s desire for normalization is intended to address this concern. Normalization is a form of guarantee of end of conflict. If relations between the parties are indeed normal and based on genuine reconciliation, the conflict, in all likelihood would be over and the chances of its renewal in earnest, virtually non-existent.

The passing of the years and the enduring conflict are also met by growing populations and their need for peace, prosperity and dignity. Hence came the Palestinian peace offer in 1988 which was substantiated by the Arab Peace Initiative in 2002 offering total regional normalization with Israel against its retreat from the 1967 Occupied Territories and a just and agreed upon solution to the problem of the Palestinian refugees. The passing of the years and the need to address the demands of an increasingly young population in Palestine and the Arab world make peace with Israel an attractive option that helps reconciliation with the past and the building of a promising future for all peoples of the region. This regional peace and eventual normalization of relations is also intended to provide Israel with the security it is seeking, especially since any upcoming peace will be guaranteed by a willing international community. The fact that signed peace agreements between Israel and Egypt and Israel and Jordan, in addition to further normalization steps with other Arab countries survived even under continuing occupation of the Palestinian Territories is but a taste of the promising future ahead under conditions of full peace. Furthermore it is hoped that a fair and durable peace between Israelis and Palestinians will unlock the region’s potential for the benefit of all peoples of the region especially its youth and the marginalized segments of society.

But for the Arabs normalization is not self-evident and the peace treaties that Israel signed with Egypt in 1979 and Jordan in 1994 did not produce “warm peace,” that was based on reconciliation and normalization. Israel’s legitimacy is questioned by the Arabs. Israel is widely perceived as aggressive and expansionist, driven by a humiliating hegemonic design. Its continued occupation of the Palestinian territories taken in the war of 1967 is the most immediately aggravating component of this reality.

Both parties harbor mistrust and traumas of painful pasts, but the contours of a peace agreement are known to all and can be concluded on the basis of past negotiations and the Arab Peace initiative of 2002, reconfirmed in 2007.

Peace is possible if all parties were to respect the arbitration of international law, the human and political rights of all peoples and if the peace agreement is implemented in good faith.

Normalization will hence mean establishing normal and full relations between independent and sovereign states eventually leading to true reconciliation.

The main thesis of this project is, therefore, that the establishment of a Palestinian state in these territories has the potential to gradually alter these perceptions and create a new regional reality of normalization and regional cooperation in all fields. If the emergence of a Palestinian state will be translated into a real and lasting peace, the parties will also be able to begin the essential process of reconciliation. If the new situation will mean an end to warfare and conflict, avoiding the concomitant infliction of losses on both sides, and without the constant reminders of hostility and distrust that naturally tend to revive and prolong the memories of the past, then the parties can begin the essential process of forgetting. Reconciliation is more about forgetting than collective memory. But it requires the lack of conflict and a more normal interaction between states and peoples to promote and accelerate this process of forgetting. As life becomes more normal and less ridden by conflict one can begin to imagine a real process of “normalization.”

This study offers three separate views of the future normalization of relations in the region from Palestinian, Israeli and Jordanian perspectives. It is hoped that successful official normalization between states based on lessons learned will also lead to political reconciliation.



Post-Agreement Normalization: A Palestinian Perspective

Hind Khoury with Nadim Khoury

This article presents a Palestinian perspective on post-agreement normalization between Palestine, Israel, and the Arab world. It is important to explain what this means. Official normalization pertains to the formal relations between two or more states, on the basis of their mutual recognition and mutual agreement to co-exist in peace. The future that this paper is asked to imagine is one in which **the states and peoples** of the Middle East, mainly Israel and the Arab world, entertain “normal” relations after signing a peace agreement.

The regional normalization of relations between Israel and Palestine and the Arab world also entails the creation of an environment of regional cooperation in the interests of all peoples of the region, which will eventually open the door to true reconciliation.

Such normalization cannot be simply the outcome of any peace agreement, but a function of how acceptable it is to the people concerned, how honestly it is implemented, and how the balance of powers in the region allows its peoples to use their right for self-determination.

The Middle East is a highly complex region - being the cradle of civilization, the source of the three monotheistic religions, and an important cross road between east and west. It is also a strategic region with major oil reserves and transportation routes. Many major powers have vested interests here, and have intervened at one time or another in the affairs of the region, as they still do today to shape politics and promote both stability and instability in the region.

Because of the so-called 'Arab Spring' and the consequent geo-political changes and a more nuanced balance of power in the region, the time might now be ripe for regional peace and normalization between Israel and the Arab States. As President Obama noted in his speech in Jerusalem last week that Israel would have to make peace with people now and not only with leaders. This regional upheaval has given a voice to the people whose young demography defies exclusion, demands social justice, dignity, and democracy.

This paper presents a Palestinian position on the future of normalization in the region which shall be a function of how the political agreement meets the expectations of the Palestinian people. This means, first, a position that endorses a political solution to the Israeli-Palestinian conflict grounded in international law. After many years of failed negotiations, all parties know the parameters of the two-state solution: A negotiated agreement that will lead to the establishment of a sovereign and independent Palestinian state in the territories occupied by Israel in 1967; living in peace and security alongside the state of Israel with East Jerusalem as its capital; and the just and agreed upon implementation

of the Palestinian refugees' rights. Secondly, a Palestinian position is one that concerns all Palestinians, meaning those in the West Bank, in Gaza, in East Jerusalem, in refugee camps outside of the Palestinian territories, in the Diaspora, and within Israel itself.¹ Thirdly, a Palestinian position is one that emanates from an exiled and occupied people. It is a position that is on the losing end of the balance of power. As such, it is opposed to a victor's peace, a peace that is grounded on power asymmetries.

This article is part of a clarification of three separate positions: Israeli, Jordanian, and Palestinian. After voicing each position separately, it is expected that the three parties will reach a joint understanding on the issues. If this exercise succeeds, it can contribute to a serious debate on how a just and durable peace can be built and maintained in the near and distant future.

Introduction

Currently, the Palestinian leadership, *both the PLO and HAMAS* (though indirectly), continue to support the two-state solution as the Palestinian compromise towards a viable political solution. This position was recently asserted last November by the Palestinian request to the United Nations General Assembly to recognize the state of Palestine as an observer state. Moreover, twenty years of peace talks have produced many maps, accords, numbers, sums, and land swaps making it fairly easy to imagine a final agreement. To a certain extent, what peace and eventual normalization needs now is not imagination but implementation.

There is another reason why regional normalization is possible. Normalization responds to a sincere longing for peace and justice in the region. As the upheavals in some of the Arab countries have showed, the peoples of the region have suffered from political suppression and socio-economic injustice for far too long. The peoples of the Middle East seek a normal life that provides stability, jobs, good health, education services, and a brighter future. They want to secure their basic human rights and their dignity as peoples. Solving the Israel-Palestinian and the Israeli-Arab conflict is central to achieving such goals. In this context, the promise

¹ This means that the peace agreement takes to heart the *interests* of Palestinians wherever they may be and whatever nationality they currently possess. It does not mean that it speaks on their behalf or that it represents them. It also does not mean that it views all Palestinians as having the same nationality. For example, a Palestinian position cannot exclude the interests of Palestinians with Israeli nationality despite that these Palestinians, should they want to, can maintain their Israeli citizenship following the conclusion of a two-state agreement.



of the Arab Peace Initiative (API) and the establishment of a Palestinian state become very meaningful.

This article sets the stage for post-agreement normalization in three stages. Firstly, it will focus on the principles and agreements on which this normalized future is to be built. Secondly, it will discuss regional peace, cooperation and sustainable development. Thirdly, it addresses the issue of people-to-people normalization, or reconciliation, and the need to deal with historical narratives and historical injustices.

1. Phase one: solid foundations

This paper adopts the underlying assumption of this study, which is that a regional peace should be based on a combination of the Clinton Parameters, the Abbas-Olmert talks, and the Arab Peace Initiative. However, a paper on post-agreement normalization cannot look too far into the future without paying closer attention to these agreements and to the principles on which this normalized future is to be built. A paper that foresees a peaceful and a “normal” future can only be taken seriously if its gaze maintains the problems of the past and the present in sight, rather than blur them away.

Moreover, once a political agreement has been signed, the implementation of it remains an issue and will impact future normalization. Proper implementation with suitable mechanisms is imperative to achieve the agreement's goals and overcome a return to the cycle of violence, the principle of disproportionate self-defense, or allowing extremists from both sides to set the political and security agendas. It is equally important for an agreement to be signed within a limited period of negotiations with assurances that the benefits and fruits of peace become visible in an equitable and timely manner.

1.1 The confidence building effects of a final agreement

In a political atmosphere permeated by distrust, we should not underestimate the confidence-building boost that could result from the signature of a peace agreement between Israelis and Palestinians. Such a boost will provide the necessary foundations for future normalized relations across the region. To appreciate the confidence building effects of a peace agreement, one need look no further than the momentum created after the handshake between Yasser Arafat and Yitzhak Rabin in 1993. While the agreement was still preliminary, the act of signing is something worth remembering, since it created an atmosphere of trust and confidence in the region. Signs of this trust-building could be felt at the economic level, for example, where investors from the Palestinian Diaspora, the United States, and Europe placed capital at risk in the newly autonomous Palestinian territories (Levine, 1995).

Similar signs could be felt at the level of civil society. A study conducted in 1994 demonstrated that an important percentage of Palestinian university students — one of the most politicized groups in Palestinian society — were in favor of cultural normalization with Israel, despite the fact that Israel

still occupied the West Bank and Gaza (Mi'ari, 1999). The willingness to entertain normal relations was also reflected by Israeli-Palestinian cooperation at the level of civil society. These efforts were aimed at improving relations between both sides and bolstering the official negotiations. They revolved around educational, cultural, and environmental policies as well as issues of public advocacy and problem-solving workshops (Moaz, 2004). They were exemplified by associations such as IPCRI (Israel-Palestine Center for Research and Information), PRIME (the Peace Research Institute in the Middle East), MECA (Middle East Children Association), and Seeds of Peace. These attempts were interesting insofar as they generally went further than official negotiations in recognizing the other's national narrative and rights to statehood.

Much more can be expected from a final peace agreement especially in terms of the promise of a sustainable economy. While it is difficult to quantify the gains of a peace agreement, one can safely assume that much of what was lost, at least after the Israeli Occupation of 1967 will be regained. In a recent study conducted by the Palestinian Ministry of National Economy, in cooperation with the independent Palestinian think tank ARIJ (Applied Research Institute of Jerusalem), Palestinian economists established that the direct fiscal costs of the occupation amounts to 406 million USD per year, while the indirect fiscal costs soar up to 1.389 billion a year (PMNE, 2011). Should the Israeli siege around Gaza be lifted, should a passageway be built between the West Bank and Gaza, should Palestinians control their natural resources (Gaza offshore gas, the extraction of salts and minerals from the Dead Sea, the mining of gravel and stone), and should Palestinians be able to control the domestic and international movement of goods and labor, then the expected revenues that will accrue to the Palestinian economy would be tremendous, amounting to \$6.897 billion for 2010, constituting 84.9% of Palestinian GDP. “Without the occupation,” concludes the study “the Palestinian Authority would run a healthy fiscal surplus without the need of donors' aid, and would be able to substantially expand fiscal expenditures to spur further social and economic development” (PMNE, 2011: p.iii) See the chapter in this publication “Economics When Borders Are Not Barriers” for an explanation of how the Palestinian economy could develop in a post-occupation reality.

What cannot be quantified is the freedom and peace of mind that will be gained by an agreement, what cannot be put in numbers is the sense of security that will allow for innovation, important cultural development and expression on both sides of the divide. The new dynamics will unleash tremendous human and societal potential in Palestine and the Arab world and will allow Israel to develop a positive identity in the region based on its human, cultural, scientific and economic achievements rather than its military power and hegemony.

And finally, a just solution to the Palestinian refugee rights will be a major breakthrough that will dramatically change

the lives of millions of Palestinians currently dispersed throughout the Arab world, allowing them a dignified life.

1.2 The parameters of a successful agreement

For this bright future to see the light of day, however, not any agreement will do, and the devil will surely be in the details. Based on the lessons learnt from the last 20 years of failed peace agreements, a final accord will have to meet the following criteria. First, the peace agreement between Israel and Palestine will have to begin with final status agreements. Second, it must be brokered by a neutral and pro-active third party. Third, it must be implemented with third party guarantees, and finally it must be grounded in international law, an acceptable yardstick for justice for most peoples of the region. After briefly explaining why such conditions are necessary to inaugurate normalized relations, I will evaluate how the Clinton Parameters, the Abbas-Olmert talks, and the Arab Peace Initiative fare with regards to the above-mentioned criteria.

a) Beginning with a final status agreement

Let us begin with the first condition, which is the final status agreement. The accords will have to take a different route from the one established by the Oslo process. The Oslo process sought to build confidence step-by-step. It was “premised on the notion that confidence-building measures and incremental progress on ‘day-to-day’ issues (e.g., security cooperation, the gradual transfer of administrative responsibility, improved economic conditions, etc.) would enable the parties to tackle the more difficult core issues of the conflict further down the road (Elgindy, 2010). This approach has failed. Therefore, Israel and the PLO cannot go back to the same gradual approach to peace-building. In fact, should the incremental approach be used once again, it will breed more distrust. By taking the bull by its horns (and not by its tail), the Israelis and Palestinians will send a clear, credible, and costly signal to their domestic and international audience: “This time, we mean peace.” Negotiations at Camp David II, and to a certain extent the Abbas-Olmert talks, already agreed to defining the end game and final status.

b) The agreements must be brokered by a neutral third party

For the agreement to inaugurate an era of normalization, the agreement must be brokered by a neutral third party. An objective and responsible third party is crucial. One of the main reasons for the failure of the official “Peace Process” so far is the failure of the Quartet (Elgindy, 2012) and other third party actors to mediate, monitor, and hold parties accountable. A signed peace agreement presupposes an active and forceful role of third party actors who can provide incentives and guarantees.

They should equally have an active and responsible role in monitoring the implementation of any future peace agreement to ensure full compliance and accountability.

The United States has clearly demonstrated that it is neither neutral nor fair when facilitating Israeli-Palestinian negotiations. President Clinton adopted the Israeli position that the Palestinians in general and President Arafat specifically were responsible for the failure of the Camp David II talks. President Clinton then took into consideration Israeli reservations in devising his parameters while ignoring Palestinian reservations. Currently, the United States continues to emphasize that Israel is a strategic ally and its main objective is to ensure Israel's security. As such, it is impossible for the United States to serve as an objective mediator. In addition, the U.S. Congress was and remains highly partial to Israeli positions as we witnessed in the Congress' twenty-nine standing ovations during Netanyahu's speech in May 2011 which in many ways contradicted official U.S. policies in the region. Other examples of U.S. partiality include various legislation that has been passed in Congress, such as the naming of the West Bank as “Judea and Samaria,” declaring Jerusalem as the eternal and united capital of Israel, and passing legislation that denied refugee status to all Palestinian refugees born after 1948.

Not only should third parties play an important role in brokering the agreement, but they must also play an important role in monitoring its implementation. This dimension of third parties will be crucial for normalization in the Middle East. In her research on peace settlements after civil wars, spanning over 50 years of civil strife, political scientist Barbara F. Walters has established that peace treaties can only be successful when groups obtain third party security guarantees for the period that follows the signing of an agreement (Walter, 2002). Warring parties, she argues, “must do more than resolve the underlying issues over which a civil war has been fought. To end their war in a negotiated settlement, the combatants must clear the much higher hurdle of designing credible guarantees on the terms of the agreement.” (Walter, 2002: 3). Designing credible guarantees can only be made when third parties monitor the implementations of peace accords, ensure full compliance and accountability, and provide guarantees to both parties. While Palestine-Israel is not exactly a situation of civil war, third party guarantees should apply nonetheless. The successful and active third role parties—especially of the European Union—were evident in the recognition and independence of Kosovo and the peace that followed.

c) The agreements should be grounded in international law

Finally, any agreement should promote a sense of justice as perceived by all parties and peoples concerned. This sense of justice rests on the promotion of international law which is increasingly becoming the acceptable benchmark for most people in the region. As President Abbas recently reminded the UN General Assembly, international legitimacy provides the proper framework for any negotiation:

We adhere to the option of negotiating a lasting solution to the conflict in accordance with resolutions of international legitimacy. Here, I declare that the Palestine Liberation



Organization is ready to return immediately to the negotiating table on the basis of the adopted terms of reference based on international legitimacy and a complete cessation of settlement activities (Abbas, 2011).

The tragedy of the Oslo Accords was that it discarded international law as the basis for resolving the Palestinian-Israeli conflict. "Perhaps the most critical feature of the Oslo process" argues Sara Roy, "was the abandonment of the entire body of international law and resolutions pertaining to the conflict that had evolved over the last 53 years in favor of bilateral negotiations between two actors of grossly unequal power" (Roy, 2002).²

The Palestinian initiative at the United Nations resulting in the UN General Assembly resolution of 29 November 2012, and its acceptance by the vast majority of the international community, not only guarantees the Palestinians political will to obtain a Palestinian state (in 22% of historic Palestine) and to live alongside the state of Israel in peace and security, but it also embodies the main gains made so far in the peace process. Along the same vein, a signed Israeli/Palestinian peace agreement assumes that Palestine's international legitimacy has been finally accepted by Israel and the United States.

2. Phase 2: Regional Normalization

Let us then imagine that the Palestinians and the Israelis reach an agreement that fulfills the above criteria. What can we expect to happen once this is accomplished? Once bilateral agreements are reached, a likely scenario is regional normalization which is premised on the Arab Peace Initiative, and which will result in various multilateral and regional projects. These multilateral projects will build on previous multilateral talks such as the Madrid Process, the EU Barcelona Process, and other efforts that sought to forge regional peace. This will give a major boost to official normalization and open the road to true reconciliation.

2.1 The Arab Peace Initiative (API)

The API did not arrive in vacuum but was in preparation for years. As Oded Eran claims "The idea of [regional] normalization received significant formal expression in the Peace Treaty between Israel and Egypt (1979) and various ancillary agreements." (Eran, 2011). The formal API offer, first made by the Arab League Summit in 2002 and reiterated in

² In fact, The Oslo Declaration of Principles signed in 1993 (DOP) says nothing about occupation, and there is no acknowledgment of Israel as an occupying power. (This is, after all, the meaning of UN Resolution 242: "Withdrawal of Israel armed forces from territories occupied in the recent conflict.") The agreement does not recognize the right of Palestinian statehood, borders, or full equality. Resolution 242 calls for the "respect for an acknowledgment of the sovereignty, territorial integrity and political independence of every State in the area and their right to live in peace within secure and recognized boundaries free from threats or acts of force."). The agreement allows Israel to conquer and divide Palestinian territories, rather than to recognize Palestine's right to self-determination, geographic continuity, and independence. Moreover, it makes no reference to the plight of the refugees, not to mention a solution to such plight.

the Summit of 2007, was meant to give Israel an incentive to reach a fair agreement with the Palestinians.

The API offers a comprehensive vision and a regional framework for the normalization of relations between Israel and the Arab and Muslim World (57 countries in all) once the requirements for peace are met by Israel, meaning the withdrawal from the territories occupied in 1967 (allowing for the possibility of minor border corrections, as agreed to by the Arab League in May, 2013) and a just and agreed upon solution to Palestinian refugees problem. This was a serious political peace offer to Israel based on an explicit Arab strategic choice to pursue peace and stability in the region rather than war and conflict. Israel's acceptance of API, in the context of the fruits of peace, will confirm its commitment to peace as a strategic option and finally recognition of the legitimate rights of Palestinians.

The API meets all parties' real and legitimate concerns and opens the door for regional and bilateral agreements through these main provisions:

- i. It calls all parties to abide by international legality and confirms compliance to the land for peace formula of the Madrid Conference and UN Security Council resolutions 242 and 338.
- ii. It bolsters the Palestinian position by demanding respect for their inalienable rights (mainly a state in the 1967 occupied territories and a just and agreed upon solution to the refugee problem).
- iii. It also provides Israel with a major strategic gain by providing and guarantying regional security (real security that can lead to people's peace rather than military hegemony) and establishing normal relations (meaning full diplomatic, economic and cultural normalization) with 57 Arab and Muslim states as an outcome of a peace deal with the Palestinians.

The API call for a just and comprehensive peace for the whole region is not a sign of the capitulation of the Arab countries or an expression of their need for Israel's technological know-how or its economic power. The API was in the making for years and culminated in adopting peace as a strategic option by all Arab countries. This peace has become a necessity for the peoples of the region whose young population is in dire need of stability, prosperity and development. This youth has been denied basic rights for decades under a situation of perpetual conflict and its consequences.

As a framework for future relations, however, the API still requires further elaboration. It should clearly indicate how its provisions will be implemented, and how normalization will be realized. It should be well noted, however, that any gradual implementation of the API and normalization of relations between the Arab and Muslim states with Israel, **should be based on meeting political criteria that enhance and secure the realization of a comprehensive and durable regional peace as envisioned by API.**

Israel argues that the turmoil and the rise of Muslim regimes in the region render the adoption of a regional peace framework too risky. But the fact that the Muslim Brotherhood's regime in Egypt chose to respect the peace agreement with Israel, is an important indication of its intended moderation vis-a-vis Israel and its interest in regional peace.³ Exaggerating these risks undermines the potential of the region where "the energy and enthusiasm of young people – who are now the majority of the Middle East – is unabated across the revolutionary republics", and one can safely add, across the Arab World (Al-Yafai, 2013).

Of course the full implementation of the API depends on how the Syrian issue evolves and concludes. But the API as a framework shall be implemented gradually and in phases through regional and bilateral agreements as the Palestinian-Israeli peace agreement is being implemented. Hence the Syrian issue can be phased in at a later date if Israel has the intention of withdrawing from the occupied Golan Heights.

What would be an interesting development on the way to regional normalization is the conclusion of a special relationship between the state of Israel, Palestine, and Jordan. One could imagine a relationship taking a confederate form, to be modeled on something akin to the Benelux arrangements. The only condition for any such arrangement, bilateral or trilateral, would be the full establishment of the Palestinian sovereign state. These countries share demographics, heritage, and complementary economic interests that make such a unifying arrangement desirable as well as an inspiring step on the road towards the normalization of Israel's relations with the entire Arab and Muslim World.

2.2 The positive future ahead: multilateralism and a growing focus on regionally based projects

Past and current peace negotiations between Israelis and Palestinians also included a multilateral dimension, because cooperation and regional development as an important building block of durable peace and security. The regional dimension of such cooperation and development is apparent in both the Madrid Peace Conference in 1991, and later on in the Barcelona process of the Euro-Mediterranean partnership. It is worthwhile discussing these examples as they could provide examples of possible future regional normalization.

Although the multilateral negotiations of the Madrid Peace Conference were disrupted four years after their inception, they were an important milestone for regional peace building. The talks were structured around five working groups that dealt with issues of water, environment, economic cooperation, refugees and arms control.

Their real benefit was in providing the parties information that changed perceptions of expert participants, reduced suspicion, explored opportunities and helped focus on joint regional problem solving. Though technical in nature they started to create trust between regional experts and

were an important addition to the bilateral talks. They also involved the international community in the peace process, making them stakeholders in the future stability of the region (Qurei, 2008: 150)

The multilateral talks failed because of the lack of progress on the Palestinian and Israeli peace front (Eran, 2011). However once an Israeli-Palestinian peace is forged (as assumed by this study) these multilateral talks can resume with a much better chance of success. They have already set the basis and identified experts and agendas for successful cooperation in development initiatives. As Qurei argues, the multilateral talks provided a viable framework of cooperation, identified limitations and helped to formulate the rules of the game for future Arab-Israeli negotiations.

The Middle East region has lagged behind in human and economic development and suffers major problems related to water, environment, arms control, economic development and much more. Therefore there is a great need for regional projects and cooperation that could improve living conditions and contribute to sustainable economic growth. The Middle East major water shortages, for example, exacerbate the food shortages that are plaguing many Arab states (Lowenberg, 2008). Food shortage leads to rising food prices, and as the Arab Spring has demonstrated, to popular revolutions. Regional solutions that bring together scientists, farmers, politicians, and engineers can contribute to addressing these problems.⁴

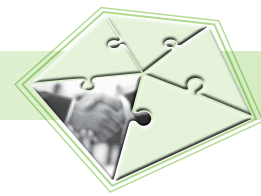
A second example of established infrastructures for regional cooperation that include Israel in addition to the Arab countries are the Barcelona I and II processes of the Euro-Mediterranean partnership. The Barcelona Process I was established in 1996, inspired by the Oslo Accords between Israel and the PLO, and included conferences, expert meetings and regional projects in diverse fields such as security and defense, economics, finance and social, cultural and human domains.

The Barcelona process was hampered by the deepening of the Israeli occupation of the Palestinian territories and the impasse in the peace process soon after the assassination of the Israeli Prime Minister Rabin. However, it is a promising initiative because it expands regional normalization to a Euro-Mediterranean zone of peace, stability and security.

An Israeli-Palestinian peace agreement, whose absence presented a major obstacle in the face of the Barcelona processes, could re-launch the EU and Arab partnerships, especially around the Mediterranean and quickly harvest

3 The future of the regime in Egypt is currently in question as the Muslim Brotherhood government has recently been deposed by a combination of popular protests backed by a military coup-d'etat.

4 One must emphasize that some normalization of relations between the Arab States and Israel is already in place as a sign of good will from Arab countries, prior to any peace agreement due mainly to diplomatic pressures through the U.S and European governments. Israel has already succeeded to forge relations with some Arab countries in limited areas of cooperation, as with Bahrain, Qatar, Oman, Tunisia and Morocco. Other signs of normalization include regular Middle East Economic Conferences, with Israeli participation, held on regular basis in the region.



the fruits of peace for the people of the region, furthering the Mediterranean's strategic importance.

Hence, despite the bleak conditions today, we can easily imagine a positive future whose seeds and promises have been sown by multilateral efforts for development and cooperation starting with the Madrid Peace Conference in 1991. The promise of development can also create important synergies, increasing the efficiency of regional cooperation and providing sustainable and effective solutions to national problems.

Hopefully, the region's vast resources can then be diverted towards development instead of armaments. David Levy, Israeli Minister of Foreign Affairs at the time, said at the Moscow Conference in 1992 which launched the multilateral talks, that mutual benefits would be guaranteed and that regional peace can put a stop to the arms race which cost the region more than 500 billion dollar from 1948 to 1990, twice the expenditures of NATO and the Warsaw pact.

2.3 What are the things we should watch out for? The volatile future ahead

Thus far, we have imagined a post-agreement normalization process whereby regional parties jointly worked and benefited from regional cooperation and projects. What are the things we should watch out for?

Normalization without peace

Needless to say, the above scenario is possible only if normalization is built on solid foundations. Technical, economic, and political talks go hand-in-hand, mutually reinforcing one another. While this should strike us as self-evident, the way Israel has negotiated with the Palestinians and the Arab world proves otherwise. In fact, Israel has parceled out different peace processes separately, dictating the rhythm of each, and in many cases, promoting one to stifle the other.

The most prominent example of such separation is Shimon Peres and Benjamin Netanyahu's concept of economic peace, the notion that economic growth brings about peace, which has been a cornerstone of peace-building in the last century (Doyle, Russet); it is the concept that informs American foreign policy in the Middle East, a foreign policy that is built on the twin-pillars of free trade and democratization.. "We must weave an economic peace alongside a political process," Prime Minister Netanyahu recently told the United Jewish Communities General Assembly, stating "we have to strengthen the moderate parts of the Palestinian economy by handing rapid growth in those area, rapid economic growth that gives a stake for peace for the ordinary Palestinians" (Ahren, 2008). Such an approach to peace that separates the economic process from the political one has led to Qualified Industrial zones (QIZ) in Jordan, Egypt, and the Palestinian territories (in Jordan it has also separated the technical into economic and environmental). These industrial zones were the fruits of economic negotiations with Jordan, the Palestinian Authority, and Egypt with support from third parties such as the United States, Turkey, France, Germany and Japan.

In line with the "economic peace" policy, the Americans have accepted that the Jordanian, Palestinian, and Egyptian QIZs benefit from the free trade agreements between the United States and Israel. The Peres Peace Center estimates that 500,000 Palestinian workers will be employed in joint industrial zones by 2025. In Jordan, the QIZs already have more than 36,000 jobs.

While economic growth is crucial to future normalization, separating economics from politics is in fact detrimental to it. One does not need a crystal ball to predict so; we simply need to consult history. As the Israeli historian Neve Gordon reminds us, attempts to foster economic growth in the West Bank and Gaza began in the first phases of the occupation (up until the 1980s).⁵ For example, Israel offered Palestinians loans to purchase tractors, agricultural equipment, and machinery. It also implemented vaccination programs for livestock and introduced improved varieties of seeds for vegetables and field crops (Gordon, 2008: 88). The thinking was very similar to Netanyahu's idea of an economic peace. For the Israelis, the idea was that economic growth would prove more beneficial to the Palestinians than political resistance. The Israelis thought that they would win the political battle against the Palestinian leadership by domesticating the Palestinian economy. Did these measures result in economic growth? The answer is, to a certain extent, yes (Gordon, 2008: 90). But the real question is: did they result in peace? The answer is obviously no. In fact, the absence of any political process resulted in more frustration, which culminated in the first Intifada—a political uprising that led to the political peace process in the 1990s. The lesson here is that economic gains ultimately cannot replace political ones.

3. People-to-People normalization

Normalized state-to-state relations are only one side of the normalization coin. The other side is the relationship amongst/between the peoples of the Middle East and Israel. People-to-people normalization, also known as political reconciliation, is achieved when parties recognize each other as people. This means recognizing each other's rights, freedoms, history, traumas, and attachment to one's national and religious narratives. This kind of normalization is very difficult to achieve, because it requires a change in the way people view not only others but also themselves. While peace treaties can bring about official normalization, they do not guarantee normal relations amongst people. More needs to be done.

⁵ This policy ended in the 1980s. Rabin, while holding the post of Israel's Defense Minister in 1986 famously said, "There will be no development initiated by the Israeli Government, and no permits will be given for expanding agriculture or industry, which may compete with the State of Israel" (UNCTAD, 1986). This has been (and still is) reflected in a series of Israeli obstacles related to customs, transportation and infrastructure which have prevented the development of a competitive Palestinian tradable sector and of Palestinian trade with non-Israeli partners. (PMNE, 2011: ii)

3.1 Accepting each other's historical narrative

While primarily a conflict over geography, the Israel-Palestine conflict is also a conflict over history. Both parties entertain mutually exclusive narratives that reject the other's nationality and deny the other's victimhood (Rotberg, 2006). As a result, these narratives reinforce conflict and hijack the possibility of long-term normalization. Real reconciliation—people-to-people normalization—will therefore require a change, and some even argue a negotiation, at the level of historical narratives (Kelman, 1997; Rouhana, 2004; Pappé 2006). This can only come gradually after a just and durable peace has been established. As the Palestinian academic Sami Adwan reminds us, “the disarmament of history can happen only after the disarmament of weapons” (Adwan & Bar-On, 2007: 217). A co-author of the first jointly written Israeli and Palestinian textbook, Adwan knows too well the difficulties of trying to change deeply entrenched historical narratives. The difficulty is not peculiar to the Israel-Palestine situation. After all, it took countries like France and Germany most of the twentieth century to get over their historical animosities (Rosoux, 2001). We should not expect Palestinians and Israelis to be able to address these foundational issues in a short period.

From the Palestinian perspective, the conflict over historical narratives is centered on the Israeli denial of their peoplehood and their sense of nationhood. This denial began in 1948 and is still ongoing, as more land is appropriated, and more history denied. The mutual acknowledgment of each other's sense of nationhood is essential, and as conflict resolution scholar Herbert Kelman argues, will in fact boost peace talks (Kelman, 1997). This, however, does not mean that both parties should acknowledge homogenous and ethnically pure narratives. Such a narrative does not exist. Palestinians and Israelis should embrace the plurality of narratives that shape the land of historic Palestine. This includes the Muslim, Christian and Jewish narratives.

Palestine is and always has been a land of many histories; it is a radical simplification to think of it as principally, or exclusively Jewish or Arab. While the Jewish presence is long-standing, it is by no means the main one. Other tenants have included Canaanites, Moabites, Jebusites, and Philistines in ancient times, and Romans, Ottomans, Byzantines, and Crusaders in the modern ages. Palestine is multicultural, multi-ethnic, and multi-religious. There is as little historical justification for homogeneity as there is for notions of national or ethnic and religious purity today (Said, 1999).

The Palestinians reject the idea of an exclusive and exclusivist narrative. From a historical point of view, it is absurd to claim that the territory has one history for one people. Just like it is absurd to endorse the idea, supported by many Zionists, that history somehow froze once the Jews went into exile and was jolted back into life by a Zionist National movement at the dawn of the 19th century.

This is why the Palestinians and the Arab states cannot recognize Israel as an exclusively Jewish state neither is it reasonable or moral to expect them to do so. This demand was recently made by Benjamin Netanyahu in front of the U.S. Congress in May 2011, where he asserted:

It is time for President Abbas to stand before his people and say: “I will accept a Jewish state.” Those six words will change history. They will make clear to the Palestinians that this conflict must come to an end; that they are not building a state to continue the conflict with Israel, but to end it. They will convince the people of Israel that they have a true partner for peace.

There are many reasons why acknowledging Israel as a Jewish state is dangerous. First, making it a pre-condition to negotiations is the result of faulty logic, since a change in narratives can only result from political agreements, as opposed to preceding it. Second, the PLO already recognized the State of Israel in 1988, a recognition that was reiterated in the 1993. Israel did not reciprocate, and only acknowledged the PLO as the legitimate representative of the Palestinian people (Kelman, 1997). Third, recognizing Israel as a Jewish state would have negative effects on the Palestinians who have Israeli citizenship, justifying their permanent second-class status. Finally, recognizing Israel as a Jewish state would mean giving up on the plight and rights of the Palestinian refugees. It would actually mean that Palestinians ought to recognize the Nakba as their own fault or as a necessity of history, a necessary evil that made way for the rebirth of the Jewish people. As Hassan Jabareen, the founder and general director of Adalah—The Legal Center for Arab Minority Rights in Israel, stated:

This recognition would affirm that since the rebirth of Israel is a “natural” and exclusive right, the first revolt in “our” history as Palestinians - against the British Mandate in the 1930s for encouraging Jewish immigration, as well as our resistance to Israel's establishment in 1948 - were mistakes. Thus, the Nakba is “our” fault only. By this recognition, we would accept the rationale of the Law of Return, and as a result, we would waive our right to return, even in principle (Jabareen, 2011).

The Israelis, however, bring up an important point in that normalization requires that both parties deal with a history that is painful, with traumas shared on both sides of the divide. This means that the Arab states cannot cling unto a monolithic understanding of history that begins and ends with the Arab people, and that denies any link between historic Palestine and Judaism and other religious or ethnic groups. If they embrace the many narratives that crisscross the country's history, they must also give up on a fundamentalist tendency to understand the land in purely religious and Islamic terms. They must not teach the history as one that began with Islam and that should end with its revival. The demand for the recognition of exclusive narrative will only lead to more conflict, since exclusivist understandings of history are usually fought on zero-sum terms: my history or



yours. Therefore pluralism, rather than dualism, is the only solution.

3.2 Dealing with past injustice

From the Palestinian perspective, the conflict over historical narratives is not only centered on the denial of the Palestinian narrative, but also, and especially, based on the Palestinian tragedy that resulted in the uprooting of a significant percentage of Palestinians in 1948. This is a historical injustice with enduring consequences. It cannot be ignored or rejected as currently done by the Israeli administration. We cannot simply wish for a normalized future without addressing the difficult past.

While the 20th century provides us with a gruesome gallery of historical injustices, it also provides examples in which people have tried to deal with these injustices. "A century marked by human slaughter and torture, sadly, is not a unique century in human history," writes legal scholar Martha Minow. "Perhaps more unusual than the facts of genocides and regimes of torture marking this era is the invention of new and distinctive legal forms of response." (Minow, 1998: 1) In fact, in the last twenty years, there have been growing attempts to deal with a difficult past across Eastern Europe, South Africa, and South America. They have done so through truth commissions, apologies, and demands for forgiveness, reparations, restitutions, and so forth. To what extent have these solutions worked? One cannot tell yet, as it is too early to determine the long-term results. But we must still ask: can they be applied to the Middle East? Politicians have not yet thought of such possibilities, but Israeli and Palestinian intellectuals, however, have suggested that these cases inspire us to think creatively about how to deal with the injustices of the past (Said, 1997; Said, 1998; Benvenisti, 2002; Pappé, 2005; Rouhana, 2004; Ateek, 2008).

One might suggest, if Israelis recognize and try to remedy the historical injustice of 1948, then shouldn't Palestinians also acknowledge the fact that Israelis are descendants of victims themselves, that they were persecuted throughout history, and that they were victims of genocide in Europe during the 1940s? While Palestinians are in no way responsible for the Holocaust (and, in fact, have indirectly paid the price for a genocide committed in Europe by Europeans) we can imagine how the recognition of the other's victimhood can further people-to-people normalization. The recognition can promote reconciliation, because it can stress common universal values, as Edward Said argues:

We must recognize the realities of the holocaust not as a blank check for Israelis to abuse us, but as a sign of our humanity, our ability to understand history, our requirement, that our suffering be mutually acknowledged (Said, 1998).

Similar arguments have been made by other Palestinians and Arab intellectuals, such as Azmi Bishara (Bishara, 2006). Moreover, some NGOs have even tried to think of the commemoration of both events. The "Deir Yassin Remembered" Association, for example, hopes to build a truth

and reconciliation center at the site of the village where the Irgun massacred the villagers of Deir Yassin. The site is a mere kilometer away from the Yad Vashem Holocaust memorial. We should not commemorate these events as competing claims over victimhood, or as comparable historical events, but as a more creative way of establishing a collective memory that is geared towards reconciliation as opposed to war.

3.3 How far do we need to go?

Since official normalization has proven very difficult to achieve in today's Middle East, the requirements of people-to-people normalization as briefly described above, might strike us as impossible. While there are reasons to despair, we should also capitalize on what has been done at the level of civil society to promote people-to-people normalization. In fact, what sets the peace process between the Israelis and the Palestinian apart from the peace between Israel and Jordan and the peace with Egypt are the numerous attempts to inaugurate a dialogue between Palestinian and Israeli civil societies following the Oslo process.

The legacy of the Oslo peace process was the scores of peace-building projects at the grassroots and community level (Maoz, 2004). These efforts were aimed at improving relations between both sides, and bolstering the official negotiations. They revolved around educational, cultural, and environmental policies as well as issues of public advocacy, and problem-solving workshops and involved almost all social groups of both peoples.

But there were problems with these people-to-people initiatives that we need to keep in mind for the future. First, throughout the decade in which they took place, there was a growing disconnect between official peace negotiations that were failing to achieve their goals and the increase of people-to-people initiatives. At first, these efforts were applauded for their courage, but they progressively turned into a charade that masked the deepening of the oppressive Israeli occupation of the land that should constitute a Palestinian state: the aggressive increase in Jewish colonization, the doubling in military closures between Palestinian towns and villages, the continuous violations of Palestinians human rights and the refusal to make any serious political concessions and allow any progress in the peace process.

Another weakness was the resulting "peace industry" that these people-to-people initiatives created. In fact, these were not sustained by the willingness of daring citizens, but by the money of foreign and local donors that were willing to fund anything that placed a hyphen between Palestinians and Israelis, whether it be Palestinian-Israeli films, music, education, photography, art, etc. The creation of this peace industry had the adverse effect of lessening the credibility of such enterprises. The rosy presentation of Palestinians and Israelis joining together to play music or sports meant that foreign organizations, philanthropists, and governments preferred the spectacle of peace to its actual implementation. Finally, and as some researchers have shown, the asymmetry of power that characterized the Oslo accords was reproduced

at the grass-root level, so that even at the informal level of civil society, the asymmetries that exist at the official level were still prevalent (Rouhana & Korper, 1997).

Not surprisingly, this caused resentment and backlash. It is exactly this resentment that explains the wide appeal of anti-normalization. The Palestinian Campaign for the Academic and Cultural Boycott of Israel, for example, justifies anti-normalization in these terms: "Projects, initiatives and activities that do not begin from a position of shared principles to resist Israel's oppression invariably allow for an approach to dealing with Israel as if its violations can be deferred, and as if coexistence (as opposed to 'co-resistance') can precede, or lead to, the end of oppression. In the process, Palestinians, regardless of intentions, end up serving as a fig-leaf for Israelis who are able to benefit from a 'business-as-usual' environment, perhaps even allowing Israelis to feel their conscience is cleared for having engaged Palestinians they are usually accused of oppressing and discriminating against." (PACBI, 2011). In the future, we should be careful not to repeat these mistakes, not to allow a peace industry to grow on the ruins of failed peace accords.

4. Policy Recommendations

Future normalization between the Palestinians, Israel and the Arab world may seem like an insurmountable challenge, but a closer and sober study of the issues at hand, as this study tried to do, can disclose the vital factors necessary to help realize regional peace. Peace and reconciliation after prolonged conflict requires diligence and the good will of all parties concerned. For too long, the people of the Middle East, especially the Palestinians, suffered from geographical, social, economic and psychological transgressions leading to despair, poverty, and mistrust. The region also suffered at the hands of numerous foreign powers repeatedly intervening in regional affairs to the detriment of Middle Eastern states' national interests. Now, as interests may be converging in favor of peace, we sense a distancing from Realpolitik and a cessation of double standards in applying human rights and the rule of law. The chances of success may be realistic with concrete policies as suggested here below:

For the Palestinian, Arab and Israeli sides:

1. The signing and implementation of a just and durable peace agreement between Israel and the Palestinians that has international legitimacy and actually meets the aspirations of the people concerned, will be the best catalyst towards normalization of relations in the whole region. This will then allow for the implementation of the Arab Peace Initiative as a vision of regional peace. Such a peace agreement should culminate in the decision to make Jerusalem the capital of the two states and – therefore - a symbol of pluralism and inclusiveness.

2. Some groups and non-state entities on both sides of the divide will continue to oppose peace. These should not be allowed to set the political agenda nor should they be encouraged or protected for religious or ethnic reasons.

Security through the application of the rule of law should be ensured and these opposing groups should be encouraged to become political organizations operating within the democratic structures of society.

3. A peace agreement should allow people to immediately experience the fruits of peace through the securing of individual freedoms, an improved sense of security through the guaranteeing of human and civil rights, increased economic prosperity, and the blossoming of cultural life and innovation. For Palestinians this also means the return of private land to their lawful owners and access to their own natural resources such as water. Investment should promote the creation of a Palestinian economy that can stand on its own two feet, instead of an economy that is crippled because of its dependence on the Israeli market. Investments should target the development of tourism and agriculture—the basis of the Palestinian economy—to create more permanent and secure sources of income.

Suitable policy should guarantee these developments and arising problems should be solved based on scientific research and suitable institutional infrastructure. In this context special attention should be given to ensure the role of a healthy and accountable civil society and local administrations.

4. Educational reforms would be key to change mindsets that can better adapt to new realities and contribute to reconciliation. Education cannot be about the construction of a mythical collective memory but should be about correcting misconceptions in each other's narrative based on objective research and historical findings. Equally important is for past injustices and traumas to be recognized. In this context 'truth and reconciliation commissions' along the lines of those conducted in South Africa could be very useful.

While negotiating one's historical narrative is key, it is also important to allow some continued disagreements on certain parts of the two narratives. This is particularly the case in Israel/Palestine and the Arab World, where religion and religious texts will continue to hold a special and important status.

Policies should be devised that encourage and promote investment in cultural development and activities. Furthermore, there should be an active investment in education, interfaith dialogues, and joint research projects in the humanities and history based on a culture of inclusion and respect for diversity. At the same time, however, we should actively prevent projects from contributing to a peace industry that acts as a fig-leaf for more injustice, which would only foster resentment, frustration, and strong anti-normalization sentiments.

5. The media has a very important role to play in a process of reconciliation. It shall be crucial to ensure the freedom of the press and equally important to uphold the moral conduct and professional codes of journalism. Joined projects may be encouraged and government media can provide direction to help reconciliation.



6. People to people-cooperation has a better chance of succeeding if it is based on real needs rather than being donor driven, as has been the case for too many years. Perhaps it is better not to include such a category in donor aid conditions but rather let such initiatives originate in civil society, where it will be more organic, more targeted, and hopefully more enduring.

For Third Parties:

As indicated in section one, there is no alternative to a third party playing a role, not only to help conclude bilateral and regional peace agreements but also to monitor implementation and ensure accountability for non-compliance. The international community should concern itself more seriously with the respect for international law if chaos, extremism and violence are to be avoided. The rule of law should be the yardstick by which all states are judged - without exception.

It is equally important that third parties, especially those powers who have vested interests in the region, to stop interfering in the internal affairs of its states. For too long, the region has been subjected to neocolonialism. It is time for these powers to approach the region as partners on

an equal footing, with the respect for its peoples and their needs that come with such a partnership.

Of course, development and technical aid will be important, needed and appreciated in developing Middle Eastern societies. However, it is time that this aid is less political and concerns itself rather with structurally sustainable development as well as socio-economic justice. A major investment would be necessary to devise strategies to absorb disadvantaged groups (refugees, former prisoners, women, and minorities).

It would further be desirable to obtain United Nations involvement. Its specialized agencies, with the experience and the knowhow to help develop the region, will be sincerely appreciated. The same applies to the European Union which can, under conditions of a peace agreement, fully implement the various partnership programs and contribute to regional peace.

On a final note, I hope that a Middle East peace agreement will allow for the transformation of the repeated rhetorical commitments to universal human rights into action.

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Normalization: Meanings and Attainability— A View From Israel

Asher Susser

Introduction

Some Underlying Assumptions

The study's main underlying assumption is that there will be 3 independent states: Jordan, Israel and Palestine. Peace will be obtained along the lines of some combination of the Clinton parameters of 2000, the Arab Peace Initiative (API) of 2002, as reaffirmed in 2007, and the Israeli-Palestinian negotiations between Prime Minister Ehud Olmert and President Mahmud Abbas (the Olmert-Abu Mazen talks) of 2008. This will result in the creation of an independent Palestinian State under a united Palestinian leadership in the West Bank and Gaza, with Arab Jerusalem as the capital of Palestine. Another is that the conclusion of normalization will not precede an agreement on all the final status issues, but that will not preclude the possibility of partial normalization initiatives, implemented simultaneously with the progress towards the ultimate resolution of all outstanding questions.

Definitions

1.1 Official

Official normalization is that which pertains to the formal relations between two or more states, on the basis of their mutual recognition and mutual agreement to co-exist in peace. These are relations based on the full and complete execution of the peace treaties between the parties and the pursuit of international norms of inter-state relations, based on the exchange of full diplomatic relations and the conduct of formal ties, in the political, economic, cultural and security realms, between the relevant states, through their embassies, functioning at ambassadorial level in the respective capitals of the countries concerned.

The API makes special reference to the conditions for the collective normalization with Israel by the Arab states. The API proposes the establishment "a just and comprehensive peace" (*al-salam al-'adil wal-shamil*) and the conclusion of "normal relations" (*'alaqat tabi'yya*) in exchange for Israel's withdrawal to the 1967 boundaries (with the recent addition of the possibility for minor land swaps, a determined by the May, 2013 announcement of the Arab League); a just solution to the refugee question, agreed to on the basis of UNGA Resolution 194; and the establishment of an independent Palestinian state in the West Bank and Gaza, with Arab Jerusalem as its capital (Muasher, 2008: 281-282; Beirut Declaration, 2002; Resolutions, 2007).

Though these resolutions were unquestionably breaking new ground on the issue of peace with, and acceptance of Israel by the collective of Arab states, some serious questions still

remained for the Israelis. On the question of refugees the resolutions of 2002 and 2007 stressed very specifically that the Arabs would reject any form of resettlement (*rafd kafat ashkal al-tawtin*) of Palestinian refugees, thus making an agreement with the Israelis virtually impossible. After all the Israelis were not about to agree that all the refugees should return to Israel. Moreover, the resolutions consistently spoke of "just and comprehensive" peace rather than "just and lasting" (*da'im*) peace, as referred to in UNSC Resolution 242 (Arab Consensus, 2002; Resolutions of the 19th Arab Summit, 2007).

For the Israelis the inner logic of peace was that it be lasting. Indeed, the demand for normalization was in order to ensure the lasting nature of peace and to guarantee that peace would not be an interim phase towards the resumption of conflict at some later juncture, when the Arabs feel that the time is ripe. In the Israeli mind, if peace did not mean normalization, the complete end of conflict, including the final acceptance of Israel as a legitimate member of the Middle Eastern family of nations, then the danger of conflict renewal was ever-present.

The Arabs who had made peace with Israel, but who would not normalize with her, could only have signed their respective peace treaties on the basis of their acceptance of the unfortunate reality, from their point of view, that Israel was too powerful to eliminate, for the meantime. If that was the case, Israel would have to make sure for as long as possible that it continued to have the upper hand in the regional balance of power. This kind of thinking tended to foster all sorts of tensions and misgivings.

Thus, for example, in the Israeli-Egyptian relationship the Egyptians repeatedly demanded, in the name of regional peace and security, that Israel should sign the NPT (Nuclear non-Proliferation Treaty) and dismantle the nuclear arsenal that it was widely reputed to possess. But the Israelis, unless they were certain that the conflict with the Arabs in general (and with Iran too) was indeed over, would not even consider doing so. Israel's adamant stand on the nuclear issue was not understood by the Arab side as an essential act of Israeli self-defense, but as yet another example of Israeli hegemonic design. It was not peace that Israel wanted, its Arab critics would say, but regional domination.

1.2 People to People Normalization and Reconciliation

People to people peace and normalization is that network of relationships between the civil societies on either side of the inter-state divide, and the voluntary engagement of the peoples on both sides, of all ages and classes, in business,

culture and sports and any other form of unofficial, non-governmental activities. The key obstacle that has to be overcome to pave the way for voluntary social interaction is the incompatibility of the historical narratives of the societies in question. A presently unbridgeable abyss separates the Arab Palestinian and the Zionist historical narratives.

Palestinian-ness was constructed by the experience and cost of Israel's creation in 1948 and not by its expansion in 1967. Palestinian-ness by definition is in conflict with Israel's very being. Israeli concessions are, therefore, at best, a partial recompense, a "relative" or "pragmatic" justice, but so long as they relate solely to the conquests of 1967 they do not address the core of the Palestinian historical grievance. A Palestinian state in the West Bank and Gaza with Arab Jerusalem as its capital is one such form of a "pragmatically just" settlement. However, while such a return of Israel to the 1967 boundaries is sufficient to end the interstate conflict between Israel and the neighboring Arab states, it is not enough to end the conflict with the Palestinians. Moreover, in terms of normalization with the Arab states, the lingering sense of historical injustice caused by Israel to the Palestinians remains an insurmountable obstacle, not to the ending of the active conflict, but to the normal interaction of the peoples, above and beyond the "pharaoh's" or the "king's peace." Normalization, for the Israelis is intended to prevent the historical clock from ever being turned back to the pre-1948 era. It is precisely that which makes normalization so difficult for many on the Arab side. But it is the creation of a Palestinian state in an agreement with Israel that could be a catalyst for change, making normalization a real possibility with significant segments of Arab society. That transformation would have to deeply affect the heritage of the past.

Lessons from the Past

Some Historical Observations

For the Arabs to make peace with Israel is to acquiesce in their historical defeat. To expect them to normalize with Israel, is to ask them not only to accept their misfortune, but also to enjoy it.

Rami Khouri

There have obviously been severe impediments, both ideological and political to normalization which has never quite come to fruition in any one of Israel's bilateral ties with any of the Arab states. There are various possible explanations for this reality:

- Historical narratives
- Failures of implementation of existing treaties
- Failures of respective leaderships to lead on normalization
- Issues of trust

These issues give rise to the basic question of whether problems related to normalization are matters of ideology

and principle, which are potentially insurmountable or just matters of policy that can be corrected by political change.

The shortcomings of the Arab-Israeli peace process were not only a function of political mismanagement, poor decisions and faulty priorities of Israelis and Arabs. For Muslims and Arabs the making of peace with Israel was an excruciatingly difficult transition. As Bernard Lewis has written, for centuries the world of Islam was at the forefront of human civilization and achievement. "In the Muslims' own perception, Islam itself was indeed coterminous with civilization, and beyond its borders there were only barbarians and infidels...For centuries the world view and self-view of Muslims seemed well grounded. Islam represented the greatest military power on earth—its armies, at the very same time, were invading Europe, and Africa, India and China. It was the foremost economic power in the world ... [and] it had achieved the highest level so far in human history in the arts and sciences of civilization." (Lewis, 2002: 3-6).

"And then, suddenly, the relationship changed. Even before the Renaissance, Europeans were beginning to make significant progress in the civilized arts. With the advent of the New Learning, they advanced by leaps and bounds, leaving the scientific and technological and eventually the cultural heritage of the Islamic world far behind them." In the 16th and 17th centuries "Western successes on the battlefield and on the high seas were accompanied by less resounding but more pervasive and ultimately more dangerous victories in the marketplace" (Lewis, 2002: 7-15). But it was a series of military defeats in the late 17th and 18th centuries that drove home the message that Muslim superiority no longer existed and that Islamic civilization had been irrevocably overtaken by the West. Europe was obviously doing a lot better than the Muslim world which was becoming weaker and more endangered by a self-confident and expansionist West (Lewis, 2002: 16-22).

Centuries of Muslim self-assurance and belief in the inherent superiority of their faith and civilization had been irreparably eroded. The West was never quite forgiven for having upset the cosmic order, and the Zionist endeavor in Palestine, initially established by Europeans, was always seen as a bridgehead of this hostile intrusion. Zionism and Israel were therefore an encapsulation of a much larger historical struggle. From the very outset the Zionist enterprise was understood by Muslims and Arab nationalists as yet another challenge to their capacity to cope with the West and its version of modernity.

The humiliating defeats suffered by the Arabs in 1948 and again in 1967 by a relatively minor power were, therefore, extremely painful reminders of the failure of the Muslims and the Arabs to make the grade, far more so than earlier defeats at the hands of greater European powers like the Russians, the Austrians, the British or the French. Israel became a monument to Arab decline and ineffectiveness and Israel and the Jews were deeply resented, if not despised, for their inflictions upon the Arabs and their self-esteem. In some ways the creation of Israel was the complete inversion of



the traditional order. In the Muslim empires of old, Jews (like Christians) were a tolerated minority in a Muslim dominated polity. Israel turned this reality on its head, creating a Jewish dominated state in which the Muslims, the majority in British Mandatory Palestine, were transformed almost over-night into a tolerated minority in their own country. "The emergence and sovereignty of the Jewish state had been hard for the Arabs to accept. Israel's devastating victories, and the resulting establishment of Jewish domination over a significant Arab population, was incomparably harder" (Lewis, 1997: 187).

Arab popular opinion and the positions articulated by the public intellectuals and the intelligentsia were all "informed with a sense of defeat" (Rabinovich, 1999: 191). For decades the notion of peace with Israel was "equated with capitulation and betrayal" (Rabinovich, 1991: 3-4; 1999: 175). The intellectuals, as the guardians of the Arab collective memory, were the most acutely conscious of this sense of historical humiliation, dispossession and loss of former grandeur. It was the intellectuals, Arab nationalist and Islamist, who set the tone of rejection of peace and normalization with Israel. The intellectuals had thus become the keepers of "a deep historic enmity" and of a "sacred legacy" (Ajami, 1998: 281-285).

Jordan's peace with Israel in October 1994, followed in the footsteps of the Oslo Accords of September 1993, and was yet another building block in the process of historical reconciliation with Israel, that began with Egypt's peace with Israel in 1979. Like Oslo, and even more so, the Jordanian treaty appeared to have given up on the notion of undoing the consequences of the 1948 war. Arab intellectuals, by and large, were deeply distressed. Whereas in Israel and in the West as a whole the intelligentsia tended to be on the dovish-left of politics and peace-making, in the Arab world, for the most part, the opposite was true. They decried the Oslo Accords and their attitude towards the peace between Israel and Jordan could be no different.

Generally speaking, intellectuals, journalists and commentators, whether secular or religious, tended to reject the very notion of normal relations with Israel and its incorporation into the Arab-Muslim domain. In their definition normalization was "any activity that would break the psychological barrier of hostility between Arabs and the Jewish state," (Kornbluth, 2002: 101) and was "tantamount to an admission of humiliating defeat and a total loss of Arab and Muslim honor" (Sela, 2005: 39-40).

There were, of course, exceptions to this rule. The so called "Copenhagen Arabs," Egyptians, Jordanians and Palestinians, who engaged in dialogue with Israelis in the mid-1990s under the auspices of the Danish government, stood their ground even after they were vilified in the Egyptian press. Hazim Saghiya, the editor of the Ideas page of al-Hayat, spoke in favor of dialogue and argued that it was the Arabs who would lose by abstaining from engagement with the Israelis. Overall, however, it was the anti-normalization intellectuals who dominated the discourse (Maddy-Wietzman, 2002: 44-46).

Normalization (*tatbi'*) in Arabic, the acceptance of Israel as a "normal" or "natural" member of the Middle Eastern family of nations) was as difficult for the Arabs to accept as it was important for the Israelis to obtain. Normalization and what it meant to the parties touched upon the very core of the conflict between the Arabs and the Zionist movement. The Israelis desperately sought recognition and acceptance of the legitimacy of their national endeavor in the eyes of their Arab neighbors. Such acceptance of Israel would signify the real end of the conflict and reassure the Israelis of their long term security.

For the Arabs, however, it was precisely this legitimacy of Israel that they, for the most part, could not condone. Israel, after all, in their mind was anything but a "normal" or "natural" member of the neighborhood. It was a foreign intruder that had imposed itself on the Arabs by force. Israel was a settler state (*istitani*) and a product of Imperialism (*isti'mari*), and as such was hardly a normal or natural member of the club. It was one thing to grudgingly accept Israel for pragmatic calculations of the balance of power, it was quite another to embrace the Israelis as legitimate. Such perceptions naturally had a profound impact on Israeli thinking.

If the Arabs could only accept Israel unwillingly, as a dictate of the balance of power, the Israelis would have to make sure that for as long as possible into the future the balance of power would remain in their favor. This drove the Israelis to what at times seemed like obsessive extremes in the name of security, which in turn convinced the Arabs that Israel sought not long term peace and security but domination and hegemony. That being the case, the Arabs would certainly not consider "normalization" with such an inherently aggressive and domineering neighbor. A conceptual vicious circle was thus created.

Israel was, therefore, seen by the Arabs "as a powerful, aggressive, and threatening entity." Conversely, however, for Israelis theirs was a country "haunted by a sense of vulnerability and persecution." The Arabs tended to believe that time was on their side, and many Israelis agreed with this assessment. But it was precisely for these reasons that Israelis clamored for reassurance that any peace settlement would be "definitive and final, not open-ended." The Arabs for their part tended "to deny Israel that very asset" which it so desperately sought: "a reassuring sense of finality" (Rabinovich, 1999: 199).

With current Israeli power in mind, Israeli visions of a "new Middle East" and a new regional order, of which Israel would be an integral part, were treated with undisguised suspicion on the Arab side and as evidence not of Israel's desire to integrate with the region but of Israeli aggressive design. Israel's quest for normalization was, therefore, all about "invasion" (*ghazw*), economic, political and cultural.

Even the term "Middle East" became suspect in the eyes of the opponents to normalization. The "Middle East" as opposed to the Arab or Muslim world, could be inclusive of Israel. *Sharq awsatyya* or "Middle Easternness" thus became a

pejorative term to be frowned upon by Arab nationalists and Islamists. In the mindset and political lexicon of Syria's Hafiz Assad, for example, "Middle East" was "being presented as an alternative to Arabism" (Rabinovich, 1999: 197).

Ishaq Farhan, of the Jordanian Muslim Brethren expanded on the need to prevent Israel from "becoming an integral part of the Middle East." Israel, according to Farhan, wished to create a new Middle Eastern order in which "Jordan would serve as a bridgehead for Israeli economic, political and military hegemony over the entire region." This had to be rejected, as Israel was "culturally and ideologically alien to the region." The use of the term "Middle East" in this context was, therefore, a "major conspiracy designed to replace the name of the Arab homeland" (Kornbluth, 2002: 89). Thus, no sooner had the Oslo Accords been signed than "the new battle began, the fear of Israeli military supremacy now yielding to the specter of Israeli cultural hegemony" (Ajami, 1998: 253).

Rejection of normalization was expressed by two different groups. The first were the Arab nationalist purists and their Islamist colleagues who rejected the notion in principle, regarding Israel as illegitimate to the core. The second were those for whom normalization was conditional upon Israel's behavior. For them it would be feasible if Israel would fully withdraw from the occupied territories (and, for most, it also required Israel's acceptance of the Palestinian right of return) (Salem, 2007).

Therefore, the creation of a Palestinian state, as assumed here, would, at least in theory, strengthen those whose attitudes to normalization were based on Israel's behavior. Moreover, it would considerably undermine the capacity of the ideologues to mobilize the more pragmatic or the generally indifferent members of society to support their rejectionist approach towards people-to-people normalization at the informal level.

As for the official level, the creation of "normal relations," as projected in the API, is expected to follow the creation of a Palestinian state. Since the Arab willingness to come to terms with Israel is largely a function of the regional balance of power that leans in Israel's favor, rather than an ideological transformation of the basic attitudes of hostility towards Israel and the Zionist idea, normalization and true reconciliation are extremely difficult to obtain.

However, the establishment of an independent Palestinian state has the potential to shift the balance of power perception to one based on a more positive sense of accommodation rather than an imposed acceptance of an unequal power relationship. If the relationship between Israel and Palestine proves to be stable, really bringing the conflict with the Palestinians to an end, one can imagine the evolution of "normal relations" above and beyond the narrow confines of formal diplomatic ties. Israel's occupation of the West Bank and the continued settlement process are a major irritant and aggravation of Arab sensibilities as they tend to reinforce the worst stereotypical images of Israel and Israelis, as aggressive, expansionist, domineering and militarily superior.

The creation of a Palestinian state would mean the rolling back of Israel's occupation and settlement project, and thereby reassure the Palestinians and other Arabs of Israel's conciliatory rather than aggressive character, as they see it. Gradually this could have the effect of de-militarizing the Arab-Israeli relationship and thereby making the balance of power issues that presently dominate the discourse and mutual perceptions steadily less relevant. These perceptions could eventually be overtaken by relationships that have to do with the "normal" interactions between states, such as trade and other exchanges of a purely civil and civilian nature, that could include tourism, sport and culture, technological transfers and so on and so forth.

The Jordanian Case—A Guide for the Future

The evolution of Jordanian-Israeli relations, in the aftermath of the signing of the peace treaty between these two countries is a good example of the practical problems of normalization and of the lessons to be learnt from what went wrong.

Issues of Collective Memory and Identity: The relative willingness of Jordanians to accept peace with Israel was in large measure a question of identity. Like other Arabs and other peoples in general, Jordanians tended to share, in varying degrees and orders of priority, a multidimensional set of identities. Simultaneously, Jordanian citizens were Jordanians (or Palestinians), Arabs and Muslims (or Christians). Amongst the intellectuals, who were far more conscious of their collective identity, the distinctions were less blurred, more clearly expressed and thus more readily discernible.

In the intelligentsia the Islamists, the Pan-Arabists and the Jordanian territorialists were readily identifiable. Their views and respective identities, whether Jordanian, Arab or Islamic, were well formulated and well-articulated. But such clearly defined identities were an elitist phenomenon. Amongst the rank and file collective identities were less precise not that well-articulated and more fluid. In the general Jordanian, Arab nationalist and Muslim public the relative weight of each of these components tended to fluctuate from time to time. National, sub-national and supra-national identities were in "a state of continuous adjustment, if not reconstruction" (Brand, 1995: 47).

Overall, the Jordanian nationalists of the pragmatic pro-establishment school supported the peace treaty, like the king himself, out of their realistic perception of Jordanian geopolitical and economic state interest. The radicals amongst the Jordanian ultra-nationalists, whose origins were in the secular Arab nationalist left, joined the opposition when it came to the peace process. They were firm opponents of Israel and of the peace treaty which they feared would eventually drag them against their will into an undesirably close association with both Israel and Palestine of the future. Hussein's efforts to preserve national unity and full civil rights for the Palestinians in Jordan reinforced their skepticism, adding to their opposition to the normalization with Israel that Hussein was seeking to foster. If peace with Israel would mean the ultimate permanent resettlement of the Palestinian



refugees in Jordan, that would only make matters infinitely worse from their point of view (Tall, 1996: 156).

However, in Jordan, like in Egypt, the opposition to peace with Israel was spearheaded by the Islamists and the pan-Arabists. At the helm were the Muslim Brethren, their party the Islamic Action Front (IAF), pan-Arab and leftist parties and the Professional Associations, where the Islamists and the pan-Arab leftists were in complete control, as was the case in the intelligentsia as a whole. Opposition to the process gathered momentum as the talks in the Jordanian-Israeli track forged ahead. From the outset the Islamist and leftist opposition made it abundantly clear that they were opposed to peace, any peace, with Israel as a matter of principle. It was not the conditions or the proverbial “devil in the details” of the treaty that disturbed them, but the very notion of peace with Israel, which was in their minds fundamentally illegitimate.

In May 1994, almost six months *before* the signing of the peace treaty, eight political parties, the IAF and seven smaller left wing and pan-Arab parties, and some prominent independent personalities, established the Popular Arab Jordanian Committee for Resisting Submission and Normalization (*al-lajna al-sha'biyya al-'Arabiyya al-Urdunniyya li-mujabaha al-idh'an wal-tatbi'*), which, as its name suggested, appealed to all and sundry to boycott Israel completely. (*Jordan Times*, 16 May 1994). Many, though certainly not all, intellectuals in Jordan were firmly opposed to normalization with Israel, warning of the “imminent Zionist cultural invasion” and the threat this would pose to Arab identity and civilization (Sela, 2005: 34-35; Lucas, 2005: 90-91). It was the opposition, and not the government, that set the tone of the public debate. Generally, supporters did not dare to wage a counter-campaign in favor of peace with Israel, even though they may very well have been the “silent majority” as some commentators argued in the early days of the peace negotiations (For example, Sultan al-Hattab in *al-Ra'y*, 3 July; Fahd al-Fanik in *al-Ra'y*, 21 August 1994).

A public opinion poll conducted by Jordan University's Center for Strategic Studies indicated that some 80 per cent of the public supported the peace negotiations with Israel (*Jordan Times*, 25-26 August 1994). After the signing of the peace treaty, according to what seemed to be a very realistic assessment by George Hawatma, the editor of the *Jordan Times*, 20 percent of the people supported the treaty just as they supported the regime on most other issues; another 20 percent, particularly the Islamists, rejected the treaty in principle; and in the middle were the majority, the 60 percent who were giving the treaty a chance to succeed in fulfilling their expectations for economic benefit and for progress towards a comprehensive peace that would include the Syrians and the Palestinians (“Normalization,” 1995). Many in the opposition were displeased with the fact that the “right of return” of the refugees had not been secured in the treaty and had been left for later negotiations between Israel and the Palestinians and other Arab parties (Lucas, 2004: 96).

In fact the refugee issue aroused concerns even amongst Jordanians who, as stalwart supporters of the monarchy,

actually supported the treaty in general, but in terms of their Jordanian nationalist sentiments were keen to see as many Palestinians as possible returning to Palestine. But it was the visceral opposition in principle to the treaty by the Islamists (and the Arab nationalists) that unquestionably dominated the discourse.

Jordan's Professional Associations, that represented doctors, dentists, lawyers, engineers, writers, journalists and other professions, led the anti-normalization campaign. The Associations banned all contact between their membership and Israel and disciplinary action was in fact taken against those who defied the ban. Fear of censure by the Professional Associations had great effect in deterring their members from cooperation with Israelis, as members could become unemployable if expelled from their respective Associations (*Jordan Times*, 16 May, 7-8, 23 July, 24 October 1994; *al-Majd*, 25 July, 1 August, 3 October 1994; *al-Ra'y*, 18 August, 28 October 1994; Stewart, 2007: 128).

The Impact of Ongoing Conflict: Another of the obstacles to normalization with Jordan was the continuation of the conflict between Israel and the Palestinians despite the signing of the Oslo Accords in September 1993. The Accords, though widely supported amongst Israelis and Palestinians, also encountered vicious opposition in both societies. In the aftermath of the assassination of Israeli Prime Minister Yitzhak Rabin in November 1995, the run off in the Israeli elections between Shimon Peres and Binyamin Netanyahu in early 1996 was interspersed with a spate of Hamas suicide bombings in Israeli cities. As the peace process grinded to a halt, even leading Jordanian columnists, such as Fahd al-Fanik and Sultan al-Hattab, who had consistently made the case for the peace treaty and, albeit cautiously, even for normalization, began to backtrack. It was becoming publicly impossible to support the peace with Israel. The Israelis, so they argued, could not have their cake and eat it. They could not make peace with a nation on whom they imposed counter insurgency security measures, like checkpoints and curfews, which were essentially a form of collective punishment, “starving and abusing” an entire people for the admittedly despicable acts of a few.

The Jordanians could not stand with their arms folded while Israel decimated the Palestinian people. They were “not neutral between Israel and the Palestinians, or between the new Nazism and its victims, and when Israel launches a war against an Arab people destroying its homes, it must know that along with these houses it was destroying the peace process from the very foundations.” (Sultan al-Hattab, *al-Ra'y*, 19, 21 March 1996; Fahd al-Fanik, *al-Ra'y*, 24 March 1996). Israel's “Grapes of Wrath” campaign against Hizballah in Southern Lebanon in April 1996 was the last straw for many Jordanians. Condemnation was extreme, uniform and universal. (Sultan al-Hattab, *al-Ra'y*, 16, 18 April; Muhammad Ahmad al-Qudah and Editorial in *al-Ra'y*, 19 April; Mahmud al-Rimawi, *al-Ra'y*, 24 April 1996).

The election of Netanyahu and a right wing government in Israel in May 1996 only made matters worse. The columnists

who had defended the peace treaty, now also argued that normalization was no longer a realistic option (Fahd al-Fanik and Sultan al-Hattab, *al-Ra'y*, 31 May 1996). Public opposition to normalization only grew with time and any motivation the regime may have had at the outset to fight the popular trend gradually dissipated. Polls conducted by Prof. Hilal Khashan of the American University of Beirut amongst Jordanians, Lebanese, Syrians and Palestinians in early 1999 revealed, in stark contradiction to the early, more hopeful, polls after the signing of the peace treaty, that the large majority of popular opinion rejected the notion of peace and normalization with Israel in principle and regarded Israeli ideas of regional cooperation as a devious ploy for regional domination. Arabs, Jordanians included, were determined not to surrender their "last card", that of normalization, which they regarded as "tantamount to collective cultural suicide" (Sela, 2005: 55-59).

It was very clear that the lack of progress towards the creation of a Palestinian state was making the cause of normalization virtually impossible. The outbreak of the Second Palestinian Intifada in late September 2000 lent more weight to the arguments of the anti-normalization activists and provoked an outpouring of popular solidarity in Jordan with the plight of the Palestinians. Anti-Israel and anti-Jewish sentiment increased accordingly, further reducing any remaining appeal of normalization with Israel (Sela, 2005: 30; Kilani, 2003: 25).

Massive anti-Israeli demonstrations and protests, with tens of thousands of participants, were staged all over the Kingdom demanding the expulsion of the Israeli Ambassador. A petition in similar vein was signed by 30 members of the Chamber of Deputies, while some members of the Chamber went even further demanding that the peace treaty with Israel be annulled. In November, after some 18 months of procrastination, the anti-normalizers published their notorious blacklist of Jordanians engaged in normalization with Israel. To most Jordanians it now appeared that dealing with Israel or consorting with Israelis was an anti-Arab or anti-Islamic act. The "anti-normalizers [had] routed the normalizers" (Braverman, 2000: 342-343; Scham and Lucas, 2001: 67).

The Promotion of Unrealistic Expectations: From the outset, it was very common for Jordanians to argue that the peace treaty had to bring Jordan tangible gain. There was a distinctly pragmatic reasoning for peace and thus an expectation for equally practical results. (Tariq Masarwa, *al-Ra'y*, 6 March 1995). The Jordanian government itself had sold the peace treaty to the people as a means to jumpstart the kingdom's ailing economy. In the popular imagination it was expected that trade, investment and aid would all flow into Jordan (Scham and Lucas, 2001: 59; Lucas, 2004: 94). Nearly two decades since the signing of the Jordanian-Israeli peace treaty most Jordanians would probably summarize the relationship as a disappointment. It did not turn out exactly as the Israelis had expected either. The belief that peace with Israel would save the Jordanian economy from its woes had been promoted by the leaders on both sides, but these predictions were never well founded. Peace with Israel could not have realistically been expected to magically transform

the Jordanian economy that suffered acutely from structural problems rooted for many years in the chronic imbalance between relatively rapid population growth and rather meager resources. Jordanians thus had a perennial complaint that the promised prosperity had never come to fruition.

The unfulfilled expectations for an "economic dividend" from the peace treaty only added fuel to the fire of discontent. People's expectations had been raised beyond reason to the extent that they had been led to believe that peace was a magic solution for all their economic problems. Unemployment would decline, poverty would disappear overnight and the standard of living would rise accordingly. Not only did none of these materialize but there was a pervasive, and apparently justified, sense that the people were generally worse off.

Even those Jordanians supportive of the regime's strategic decision to make peace had expected to feel the economic benefits of the new regional order. But peace projects were slow to take shape and foreign interest, let alone international funding, failed to materialize. In such circumstances it was easy for the opponents to peace and normalization to link the ongoing economic crisis with the "unnatural peace with Israel" (Kornbluth, 2002: 94).

The Role of Leadership: The fight for normalization was waged almost single handedly by King Hussein himself. Two points were worthy of special note in this regard: 1) It was left to the king and his own devices as there was no public or popular force (as opposed to a small number of individuals) that was prepared to take a stand; 2) Hussein, though at the peak of his reign and accepted and revered as the father of the nation, still lost the battle, a most infrequent occurrence in the Hashemite Kingdom. He tried just about every trick in the book, but failed in the end. There was such a pervasive lack of popular enthusiasm for the peace treaty that it became standard practice to refer to it as "the king's peace."

In contrast to the situation in Egypt, in Jordan the leadership did indeed make a concerted effort to quell the opposition to the peace treaty and lay the groundwork for a so called "warm peace." In the first year after the signing of the treaty Hussein lashed out against the "forces of darkness" in the opposition with unprecedented intensity. He left no room for any doubt that in his view the opponents to the peace treaty were enemies of the state and its best interests. He dismissed the criticism that Jordan was moving ahead too quickly to normalize with Israel, arguing in return that the pace was actually not fast enough to make up for all the years lost in conflict (Jordan Times, 16-17 February; Jordan TV, 1 May 1995).

In convincing his people to embrace the peace with Israel, Hussein was fighting an uphill battle. After Rabin's assassination Hussein's sense of purpose was gradually deflated. His own health was deteriorating and he eventually lost the energy to persevere in what increasingly looked like a lost cause. While the monarchy determined the boundaries of Jordanian democracy it could not coerce the public to do its bidding on every issue, especially not on such emotionally and symbolically charged issues as the peace with Israel.



Authoritarian rulers like Hussein had their limitations in executing a pragmatic foreign policy without an adequate basis of legitimacy. This was particularly true in an era of growing alienation between secularizing westernized elites and an increasingly Islamized society (Sela, 2005: 34).

The Israeli Prime Ministers who replaced Rabin, first Shimon Peres and then Binyamin Netanyahu, failed to establish a similarly intimate rapport with the king. Hussein distrusted Peres (Muasher, 2008, p. 38). So much so that when Peres ran against Netanyahu in the May 1996 Israeli elections Hussein was actually banking on Netanyahu. But after no more than a few months in the Prime Minister's office Hussein was totally disillusioned with Netanyahu and their relationship was in tatters. Within a little more than a year Israel's relations with Jordan had deteriorated from a remarkable high of warmth and mutual understanding between the leaders of the two countries to an abysmal low, where the leaders of Jordan and Israel could hardly speak to each other.

Rabin's assassination, public resistance in Jordan, the failure of the anticipated "peace dividends" to materialize, and the general decline of peace diplomacy forced King Hussein "to turn down the volume on peace and normalization." (Rabinovich, 2012: 32). By the time 'Abdallah became king, in February 1999, the peace with Israel had lost its luster. Any euphoria that there might have been at the outset had dissipated long before. 'Abdallah, therefore, "cooled his father's warm embrace of Israel" (Lucas, 2004: 110).

King Abdallah spoke often of the great urgency for a two-state solution and he blamed Israel for the impasse. Jordanian ultra-nationalists, in their fear of Israeli intentions and of the Palestinian presence, go even further emphasizing the need not only for two states but for refugee return, totally rejecting the notion of long-term resettlement in Jordan. It is they and the Lebanese who were responsible for adding to the API in 2002 and again in 2007, the absolute "rejection of all forms of [refugee] resettlement" (*tawtin*) which made the initiative virtually impossible for Israel to accept. For many years Jordan sought the succor of a US-Israeli protective umbrella, but in recent times King Abdallah has often spoken of the chilly and deteriorating relationship with Israel. Once the leaders themselves take the back seat in the promotion of normalization the chances of success are virtually non-existent.

The Need for a Gradualist, Pragmatic Approach

The problems of normalization can be summed up as follows:

On the official level, while the principle of normalization has been accepted through the signing of the peace treaty between Jordan and Israel and the consequent establishment of diplomatic relations, the actual implementation of this formal normalization between the governments has been made conditional upon developments on other fronts. Progress in the Palestinian track and on the general overall relationship between Israel and the Palestinians was the most relevant, as were developments with the

other Arab states (Lebanon in particular, with Israel's occasional operations against Hizballah). Jordan's diplomatic representation in Israel and the overall political relationship between the two countries has fluctuated over the years accordingly.

On the non-official people to people relationship the forces that have come to dominate the process of normalization, or rather the lack of it, have been the ideological opponents of the peace with Israel, who have opposed normalization in principle irrespective of developments on the Palestinian track. The establishment of a Palestinian state, while probably insufficient to seriously alter the opposition of the ideologues to Israel, would most probably contain their political influence, and reduce the presently almost consensual resistance in principle to normalization.

Real progress on the Palestinian track could pave the way for improvement and should lead to the adoption of a gradualist, pragmatic approach, simultaneously implemented with the political progress on the Palestinian track, including such proposals as:

- Prioritization of acts of reconciliation and confidence building measures (diplomatic relations, economic ties, educational reforms, cultural exchange, people to people, in any workable order).
- Seeking to minimize the potentially negative fallout of regional developments on the process of reconciliation, including the possible impact of the Arab Spring on this process, due to the rising to power of regimes more hostile to Israel in place of regimes that had kept the peace with Israel. The Egyptian example is the most obvious in this respect.
- Seeking to improve the role of the media in the process of normalization. The media in the Arab world have played an especially negative role in the normalization process. Not only have important segments of the press highlighted the activities of the opponents to normalization but much of the press has taken an editorial stand against normalization. In Jordan, for example, the Press Association, that is the professional union of the journalists, has adopted a strident position against any form of normalization with Israel and has strictly forbidden its members to have any connection whatsoever with Israel or Israelis. (Kornbluth, 2002, pp. 87, 99). Moreover, independently of the Jordanian situation, the development of satellite TV stations has had a dramatic effect on the shaping of public opinion in the Arab world in recent decades. This is especially true of the highly popular al-Jazeera channel, which thrives on anti-Israeli propaganda.
- Serious planning in the economic domain for the achievement of modest realistic objectives without raising false expectations, which usually produce only negative fallout.
- On the people to people level, dialogue can be promoted parallel to gradual developments in the peace process and need not wait for final contractual peace. Such activity may alter attitudes and produce mindsets that support progressive forces on both sides who wish to end the conflict and attain peace and normal relations. These forces could possibly lay some of the groundwork for building future peace and relations

by influencing the perceptions and misperceptions that prevent change in the respective attitudes of the peoples involved.

Usually, a normalization process can be expected to undergo three stages: political, economic and social. The Jordanian–Israeli experience has moved from the political/governmental arena in only a limited fashion to the private/economic sphere. A long time would still be required for cultural and educational ties to permeate to the social level. At present it is by no means certain that this will occur at any time in the foreseeable future. (Kornbluth, 2002: 105).

The Palestinian case is not identical. Almost half a century of occupation has created a web of dependencies in both directions between Israel and Palestine to an extent that never developed between Israel and any other Arab state. Over the last half-century almost, economic ties, ecological dependencies, access to medical and other services, the importation of knowhow through both formal and informal channels have all become quite

routine. Palestinians in the occupied territories have access to Israeli courts and many speak Hebrew fluently. These are all forms of normalization that are much more difficult to resist simply because people have become accustomed to the accessibility and proximity of solutions to really urgent needs. Palestinians have always been more willing to engage with Israel and Israelis than other Arabs. This would appear to be paradoxical and was often explained by the dictates of living under occupation. Be that as it may, the routine, the proximity and the accessibility offer a much greater potential for co-operation in the future, when a Palestinian state will be in existence and present restrictions on freedom movement will no longer apply. This possibility of extensive Israeli-Palestinian interaction could make the opponents of normalization elsewhere in the Arab world to appear to be upstaging the Palestinians themselves on the question of Palestine and may actually wear down resistance to normal relations with Israel.

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The Meaning of Normalization – A Jordanian Perspective

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Despite the peace treaty between Israel and Jordan (1994), over the years, the normalization process between the two states has taken on various negative dimensions: The expectations raised by King Hussein of the “peace dividends” never came through. In addition there was already a very strong opposition to the peace treaty within the newly elected Jordanian parliament: the 1989 elections law, which included proportional lists produced strong Islamists blocs, added opposition to peace with Israel, which was emboldened by the non-fulfillment of promises on the part of the Israelis, particularly with respect to water-sharing, as well as the daily increased harassment of the Palestinian population by both the IDF and the settler movement. The ensuing second Intifada of 2000-2005 led to a very antagonistic street towards Israel, making the position of the Jordanian government even more complicated. Various commercial activities and alliances resulting from the 1994 peace treaty fizzled away. The peace dividends never came, the conditions in the West Bank worsened day by day, settlements grew, right wing positions in Israel often stated publicly that Jordan is Palestine and the alternative homeland for the Palestinians, although officials in the Israeli government denied those claims, the 2006 war in Lebanon, the Operation Cast Lead of 2008, and the imprisonment and problematic health of the 26 Jordanian prisoners in Israelis jails are not only tying the hands of the Jordanian government, but making it very possible for the anti-normalization forces to gain force and popularity. Today the movement is led by the strong 70,000 members union of Engineers, while Jordan’s parliament unanimously voted for the dismissal of the Israeli ambassador from Jordan. There are daily attacks on those who import agricultural products from Israel and anyone who would have any contacts with Israel. All of this has created a very strong mistrust among the parties involved, which makes the Jordanian position very delicate towards normalization with Israel. Therefore, even normalization of the official level has died away. The main purpose of this paper is to discuss the issue of normalization with Israel should a two-state solution (Israel-Palestine) be implemented. However it is very crucial to introduce and give a brief history of the situation in Jordan in order for the reader to understand the kingdom’s position. Therefore the paper is an attempt to present the situation should the two-state solution be reached according to international law and the United Nations resolutions, and assuming that majority of the Palestinian civil society is endorsing it at all levels.

The underlying assumption of this paper is that the solution should also be reached in accordance with the Arab Peace Initiative, the Clinton parameters and the Abbas-Olmert talks. The paper also assumes that a Palestine state will exist

alongside Israel and will be a viable state with free movement of goods and people between Gaza and the West Bank, with East Jerusalem as its capital. In addition, the paper also implies on one hand that all the settlement issues are resolved, and the land swaps are fair and equal for both parties and, on the other hand, the sensitive issue of refugees, especially in Jordan, is also dealt with in accordance. The paper seeks to present and elaborate these three agreements within a conceptual framework to draw out policy and strategy lessons that will normalize relations between Israel and Jordan.

An overview of all diplomatic efforts to reach an agreement

The Clinton Parameters: Preserving territorial contiguity for each state, minimizing Israeli annexations and the number of Palestinians affected, and allowing Israel to incorporate territory containing 80% of bloc settlers (Clinton Parameters, 2000).

Abbas-Olmert Talks: 93.5% of the West Bank would be Palestine, with Israel retaining 6.5% of the West Bank. 5.8% of land in Israel would be transferred to Palestine under a land swap, in addition to 0.7% “compensation,” Olmert’s term for a potential West Bank-Gaza corridor under non-sovereign Palestinian control (Herzog, 2011).

The Arab Peace Initiative: The Arab world would normalize relations with Israel in exchange for Israel’s withdrawal from post-1967 territories, including East Jerusalem and settling the Palestinian refugee problem through a just and agreed upon solution (Alpher, Khatib and Seitz, 2011)¹. Furthermore, the Arab League approved an amendment to the original document which included the possibility of territorial swaps of up to 1.9% of the territory.

1 See Alpher, Khatib and Seitz (2011) for an insightful text of the Arab Peace Initiative (API). The API requests Israel to reconsider its policies and declare that a just peace is its strategic option as well. 2. Further calls upon Israel to affirm: I. Full Israeli withdrawal from all the territories occupied since 1967, including the Syrian Golan Heights, to the June 4, 1967 lines as well as the remaining occupied Lebanese territories in the south of Lebanon. II. Achievement of a just solution to the Palestinian refugee problem to be agreed upon in accordance with U.N. General Assembly Resolution 194. Acceptance of the establishment of a sovereign independent Palestinian state on the Palestinian territories occupied since 16 June 4, 1967 in the West Bank and Gaza Strip, with East Jerusalem as its capital. 3. Consequently, the Arab countries affirm the following: I. Consider the Arab-Israeli conflict ended, and enter into a peace agreement with Israel, and provide security for all the states of the region. II. Establish normal relations with Israel in the context of this comprehensive peace.

1. INTRODUCTION

"Normalization" or "*tatbi'ee*" in Arabic has been defined as "the process of building open and reciprocal relations with Israel in all fields, including the political economic, social, cultural, educational, legal, and security fields" (Salem, 2005). However, today, there is a virulent debate in the Hashemite Kingdom about the definition of Normalization. The anti-normalization forces in Jordan label any visit by Jordanian journalists to Jerusalem as normalization even if, the objective of the visit was to report on Jordan's role in preserving the Al Aqsa Mosque and other heritage sites in the city, as Jordan remains the official custodian of all the Muslim holy sites in Jerusalem. For example the visit by Prince Hashem (King Abdullah's youngest brother) to the Al Aqsa mosque in April 2012 created a major controversy. The official Israeli position however is to encourage such visits.²

The questions that now arise for Jordan is how is it possible to normalize relations with Israel? How can negative public opinion against Israel be transformed? How to make anti-normalization forces to embrace the 'real' or 'true' definition of "*tatbi'ee*" or normalization with Israel? The answer lies in the implementation of the two-state solution. The two-state solution is the formula to theoretically and eventually practically enable normalization with Israel. The innate nature of the two-state solution will change the situation on the ground even if the minority of Palestinians would resist the process. In addition, the anti-normalization forces that want to postpone normalization with Israel will accept the principle of peaceful coexistence only if the two-state solution is implemented.

For Jordanians, just like for the majority of Israeli population per the latest polling, if Israeli Prime Minister Netanyahu adopts the principles of the Arab Peace Initiative, 69% of the Israeli public would support him. (May 20th 2013).³ Indeed despite the current situation on the ground for Jordanians, they would perceive adoption of the API as an act of good faith and a real commitment on the part of Israel that it really wants to reach a fair and peaceful agreement with the Palestinians. This is the pre-condition for Jordanians to put the issue of normalization back on the table under a new positive light.

Indeed, the opponents of normalization in the Arab world argue that normalization should take place with countries that have not attacked and occupied Arab lands. The two-state solution would provide regional framework for normalization of relations between Israel and the Arab World as a *quid*

pro quo of Israel's withdrawal from occupied territories in 1967. Hence, if the two-state solution is implemented there would be an end to Israeli occupation of Arab territories – a condition necessary for normalization.

In addition, the opponents of anti-normalization ask how it can be possible to normalize relations with Israel when its perception as an illegal occupier by Jordanians and Palestinians has resulted in undermined citizenship for many due to the creation of the Palestinian refugee issue, many of whom live in Jordan. The two-state solution should provide a just solution to the Palestinian refugee rights to be agreed upon in accordance with U.N. General Assembly Resolution 194. For Jordan, this would give it more legitimacy amongst its own Palestinian population, as refugees would be allowed to return, easing an economic burden on its resources.

In addition, Israel's intentions of unifying Jerusalem, which it occupied during the Six-day war, as its undivided capital violates international law and lacks international recognition. Any attempt of considering Jerusalem as a single religious hue leads to devastating consequences for all. Jerusalem has always been and remains one of the most important issues of the conflict. As per the two-state solution, East Jerusalem will be the capital of Palestine and Israel will have to relinquish its claim of "unified Jerusalem". The crux of the two-state solution in general and the Arab Peace Initiative in particular is dependent on the realization of East Jerusalem as the future Palestinian states' capital, assuring access to Islamic, and Christian and Jewish holy sites. Thus, a regional dimension will grant added legitimacy to the difficult problem between the Palestinians, Israelis and Jordan over the issue of managing the sovereignty of the Holy Basin to which they all share claims. This is a departure from the traditional narrative of a united Holy Jerusalem especially by Israel, which is needed in order to really implement the two-state solution. In March 2013, both the king of Jordan and the Palestinian President signed an agreement to protect the Muslim holy sites from what all Arabs feel as the on-going "Judaisation" of the city. On one hand, this agreement could be perceived as an undermining initiative for the anti-normalization forces in Jordan to refute visits by Jordanian public figures to Jerusalem, yet on the other hand the Israeli right condemns it, claiming that it completely disregards the Jewish right to the Temple Mount and to protect the Jewish holy sites. Despite what some might claim (Green Lined, 2013), this agreement is in total accordance with the Jordanian-Israeli peace treaty, which recognizes Jordanian sovereignty over the Muslim and Christian holy sites. Under the two-state solution, there will be more respect and consideration for Muslim and Christian holy places, as such visits could be considered normal visits for all Jordanian residents, as they would be considered visits to a friendly neighbor: i.e., Palestine.

As discussed above, the two-state solution, if adopted, solves some of the major concerns of anti-normalization forces in Jordan who are currently preventing Jordan from having 'normal' relations with Israel. As a result, the creation of the Palestinian state is the only viable option if Jordan is to have

2 "Any member of any religion is welcome," said Foreign Ministry spokesman Yigal Palmor. "If Muslims want to come and visit their holy sites, that's fantastic and they should do so." (Reuters 19 June 2012)

3 The poll was conducted on May 20 by New Wave Research, an Israeli polling company, among a random sampling of 500 Jewish, Hebrew-speaking Israelis, aged 18 and over. The statistical sampling error was +/- 4.4%; retrieved from: <http://www.al-monitor.com/pulse/originals/2013/05/most-israelis-back-arab-peace-initiative.html#ixzz2V3kCgDpr>



a sustainable normalized relation with Israel. Yet one cannot disregard the very volatile situation of the whole region since the Arab-spring. Indeed the rise of Islamism has changed the regional approach towards Israel: it has both strengthened the anti-normalizers in Jordan while altering Egypt's public mood. The Islamic masses keep on denouncing the peace treaty, yet so far the government had remained steady on not breaking it. Hence the urgency of reaching the two-state solution for the region, for the benefits of all parties involved:

1.1 If the status-quo (of the on-going expansion of occupation and settlements) remains, Israel is bound to become an ultra-militarized ghetto state in a hostile environment, a solution that is not sustainable in a long term for the psyche of Israeli society as a whole.

1.2 If the status-quo remains Jordan will not be able to continue to act as the buffer-zone for Israel, the Islamists 'populist' forces will take over and the country will be at a great risk of both internal and external conflict.

1.3 If the status quo remains, Palestinian political institutions will collapse, Palestinians could be at risk of further oppression, and another Naqba could take place.

There are several examples of post-conflict normalization between countries in the international community. For instance, the signing of the Elysee Treaty by then-German Chancellor Konrad Adenauer and the then French General Charles de Gaulle not only normalized relations between Germany and France after World War II but also led to the foundations for European unification after the war (Spiegel, 2013).

Similarly, the two-state solution will put an end to the conflict at both bilateral levels (Israel-Palestine) and tri-lateral levels (Israel-Palestine-Jordan). The current situation that prevents trade between the West Bank and Gaza affects both Palestinian-Israeli trade as well as all external trade. However, this will be eliminated following a two-state solution (Arnon & Bamyra, 2010). In fact, Jordan will reap the greatest benefits of the two-state solution. According to Baskin (2013), the two-state solution will ensure free movement of goods between West Bank and Gaza. This free movement of goods, cargo and people from Palestine to the Mediterranean, and then to Europe will entail tremendous economic advantages for Jordan.

For Jordan, the underlying assumption of creation of two-states involve the creation of a neighboring Palestinian state in the West Bank and Gaza, with East Jerusalem as its capital, in exchange for Arab states recognizing Israel and helping secure its borders. This would also imply the dismantlement of the Israeli settlements in the West Bank agreed upon by both parties. As discussed above, the two-state solution provides Jordanians a fair and just solution to many of the problems it faces currently because of the ongoing Israel-Palestine conflict. However, merely reaching and implementing a peace agreement or a two-state solution should not be the sole motive of Israel and the Arab world. For the two-state solution to work the people of Israel and

the Arab world must ensure that the two-state solution is implemented, and therefore it ought to be monitored on a timely basis, with all parties held equally accountable if there is any violation.

2. Implementation, Monitoring and Accountability

There are various examples of rapprochement between two countries in the international community in the past based on the mutual acceptance of a two-state solution. One good example would be that of two German states in the 1970s. The normalization process between the two states took place on two levels. First, outside powers such as United States, France and Britain negotiated a treaty for dealing with East Germany, and second, the two Germanys dealt with each other. This led to the signing of the Four Powers Agreement in Berlin in 1971. Also known as the Berlin Agreement, the agreement normalized the political status of the divided city and ended a perennial crisis over the future of West Berlin and its inhabitants. Not only were the two German governments kept informed about the negotiations, but they also backed the validity of the agreement during the intervening years. The treaty provided the two players with a long-term framework to conduct diplomatic, economic and political relations before the reunification of Germany in 1990. Similarly, the two-state solution should serve as a means for settling contesting territorial claims. As the territory will be divided geographically, the two countries should agree to a power-sharing scheme where, in principle, each side will implement its sovereignty over its area of control.

Again, just like the Berlin Agreement, the two states of Israel and the newly created Palestine should find mechanisms that will guarantee the individual rights of all, and should implement a scheme that will address the collective rights of the two sides. The two countries should address internal policy issues such as civilian affairs, education, health and security, which will further normalize relations not only between the two countries but also with the entire Arab world. The crux of the matter is 'equal rights' on both sides.

3. A more comprehensive normalization for a brighter future

3.1 Mutual acceptance of each other's historical narrative

The acceptance of historical narratives poses a significant challenge to normalization. The day-to-day life of many Jordanians is always impacted by the day-to-day life of their relatives in the territories. As widely known, a large majority of the Jordanian population is either of Palestinian origin or has relatives there. These Palestinians under occupation regularly share their narratives with their families in Jordan, making people-to-people reconciliation a far-fetched objective. However, the two-state solution will bring this to an end. Under the two-state solution, the occupation of Israelis over Palestinian land will come to an end. In addition, the land-swaps will cancel the term occupation, and in the psyche of

the Jordanian population, it will open the way to an effective normalization. The Jordanians will gradually evolve from a rigid position to a more flexible one towards normalizing their relations with their Israeli neighbors. This evolution is totally contingent upon the realization of Palestinian rights. The more acceptance and interaction between the two main protagonists, Israel and Palestine, the more Jordan will encourage and even lead the way for the other Arabs in the region and beyond. The Jordanian perspective will be one similar to the post 1994 era: enthusiasm and hope for better economic relations, as Jordan realizes that it is located next to one of the most economically powerful players in the region. Jordanians understand the existing potential and the benefit the three players could reap from normalized relations with Israel at all different levels: economic, social and educational.

Up until now (2013), educational exchanges between Jordan and Israel have been very limited. Post 1994, some Jordanians went to study in Israel but it ceased after 2000. Moreover, Jordanian academics knew that studying in Israel would cause employment problems, as the potential employers would not accept an Israeli degree. As for Israelis studying in Jordan, these are comprised of Arab Israelis, and their number was about 3000 in 2007 (Miltha, 2013).

3.2 A more balanced relationship for better future cooperation at all the different levels: social, economical and educational

Historically, the Jordanian-Israeli peace agreement covered socio-economic areas that both the pro-peace movements in Jordan along with the majority of Israelis were hoping to come see into fruition. Although some of this cooperation did happen at the beginning, it was very quickly undermined by the many crises that occurred between the two nations such as the killing of Israeli school girls by a Jordanian soldier and the assassination attempt of a Hamas leader Mashaal respectively in March and September 1997, both of which occurred during the ‘honeymoon period’ before September, 2000, which subsequently led to the Second Intifada. The expected peace dividends were therefore never felt and it was difficult to obtain significant popular support for the agreement.

Social co-operation: The anti-normalization forces in Jordan that call for the academic and cultural boycott of Israel believe that social and cultural cooperation with the Israelis will come only after the achievement of justice and equality. What these anti-normalization forces are not aware of is that reconciliation is also a political issue that can be solved through political means and by political powers (UNESCO, 2007). As described above, the two-state solution provides political power to people who govern the respective countries. As a result, the two-state solution can easily solve even the most emotional issues and can improve social cooperation among the states. For instance, the issue of refugees, if resolved through a negotiated solution that does not jeopardize the citizens of either country, will enhance social cooperation. Furthermore, the provision for both Israel as well

as Palestine to have their capitals in Jerusalem guarantees access to Jewish, Christian and Muslim holy sites. For Jordan, the two-state solution initiative would give it more legitimacy amongst its own population, the majority of whom are Muslims, as they would be able to easily gain access to the Muslim holy sites without falling prey to criticism of anti-normalizers who view them as ‘collaborators’ or a ‘traitors’ for visiting Israel. Furthermore, “no more enclaves, free mobility of people and based on a land swap that will be fair and equal to both parties” will lead to the creation of a civic state with diverse ethnicities (Nusseibeh, 2011).

Economic cooperation: If the two-state solution is adopted, Jordan can reduce its dependence on NATO and EU and can forge a trilateral alliance with Israel and Palestine, reaping the economic benefits that will ensue following a two-state solution. For instance, most Jordanian trade with Europe and other areas is carried out through ships that pass through the Suez Canal or have to navigate around Africa if they are too large for the canal. Although these two routes are inefficient, Jordan continues to use them due to the absence of a port on the Mediterranean Coast. However, the two-state solution model will change this scenario, as it will eliminate the narrow confines of Gaza and allow free movement of goods and cargo through an efficient network of roads or a railroad constructed southward and eastward from Jordan to Gaza. This route will not only prove efficient to Jordan but will also reduce the costs of conducting trade. The funding of this project will come from the state in which the infrastructure will be laid or can also be built on a multilateral basis. The economic momentum that such a port will provide can be enjoyed by Israel, Palestine, Jordan, Egypt and other states indirectly (Eiland, 2010). Most importantly Jordan will also be able to benefit from open and easy access to the Mediterranean.

In addition the Red-Dead canal project would be reactivated through the World Bank, as well as building a bridge on the northern border between Jordan and Israel, and facilitating the rehabilitation of the Jordan River.

There is great support among the Israeli establishment for assisting Jordan with more independence in the fields of natural gas and water resources. Israel wants to sell Jordan de-salinized water and provide Jordan with natural gas at preferential prices as was declared in September 2013. Jordan could be linked to the gas pipeline that is currently in its last phase of construction. Pipelines could be connected at the following places: next to the Dead Sea and the potash factory, and further north should the “Jordan Gate” project be reactivated. The latter was initiated post-1994 and supposed to facilitate transportation and communication between Jordan Israel and Palestine at many levels, such as trade and tourism, however it has been dormant ever since the 2000 Intifada. The “Jordan Gate” could be used as by the three respective governments as the perfect framework for implementation of the two-state solution, to take concrete steps to bring on board their respective populations.



Desalinated water would be pumped from Aqaba using a pipeline that would bring it all the way to northern Jordan, amounting to 200 Million cubic meters that could be shared by Israel and Jordan. The Jordan Gate project would also be re-activated, as there is a tremendous need to build a bridge with more facilities for transport of goods and customs. This bridge will also facilitate the transfer of electricity.

Educational cooperation: No political arrangements are sustainable without adequate investment in education. However, the organizations in Jordan that deal with education, community development are less ready to have educational cooperation with Israel due to the current anti-normalization forces in Jordan. Jordanians, back then, just as today, feel that the Israelis were too eager to make peace just for regional acceptance in order to gain more legitimacy of their right of existence at the regional level. In parallel to being hopeful, many were also very suspicious towards Israel. Their experience with Israel was very traumatizing and they wanted to see if Israel had changed its attitude, whereas Israelis never saw themselves as such, so they didn't understand this suspicion.

Yet much of the educated, westernized Jordanian elite, would have favored good economic, political relations with Israel, but recognize its impossibility without a solution to the Palestinian-Israeli conflict. This barrier would no longer exist following the implementation of a two-state solution. Once the two-state solution is implemented, initiatives on a people-to-people level will start taking place within the fields of economic and educational cooperation, showing the Arab population that Israel has a genuine intention towards integration as a respectable player in the region. The anti-normalization forces in Jordan will moderate only if they are convinced that Israel is really working towards the betterment of the people in the region. There is no denying that Israel has over the years oppressed the rights of the Palestinian people by obstructing development and by ruining infrastructure. To change this view of the Arab world towards Israel, it is the responsibility of policy makers of all three nations to create and develop education. Furthermore, if educational cooperation is established at trilateral levels, it will strengthen normalization at bilateral as well as trilateral levels. For this, the academics, media and the governments of all the countries can put special emphasis on changing social dynamics between Israeli and Palestinian communities by initiating better people-to-people trust building measures.

These measures will prove beneficial in eliminating the psychological issues such as stereotypes that each side holds about the other. Furthermore, young Israelis and Palestinians could learn valuable and necessary skills mandatory to survive in the 21st century economy, which will ultimately benefit the entire region.

4. The religious factor

Across the world, no major religion has been exempt from violent conflict. There is a strong belief worldwide that religion is a principal cause of international conflict (Smock, 2008).

This is also evident in the Israel-Arab conflict. The Jewish people served as a basis for establishing the State of Israel. Today, Muslims throughout the region have realized that Islam can also be used as a political tool to advance their cause; hence, there has been a tremendous rise in popularity of Hamas in Palestine and the other Islamic parties across the region. Similarly, in Jordan, anti-normalization activism is more common than positive approaches towards normalization. In Jordan, Islamist populist forces use religion to demonize all forms of communication and cooperation with Israel. Imams demonize the very existence of Israel, strengthening the anti-normalization movement.

Furthermore, if the issue of normalization is ever mentioned in Jordan in a positive way, such initiatives are immediately injured by the actions of Israel, exemplified by the Second Intifada, the Second Lebanon War, Operation Cast Lead, and other military activities. However, these operations, which exacerbate the existing blockage to normalization especially among political Islamic figures, would come to an end if the two-state solution were implemented. The precedent of creating new states based on ethnic, national and even religious boundaries is becoming more common and is increasingly being used to end conflicts in various regions across the world.

A recent example of this would be the division of Sudan, which in 2011 was divided into two separate states: one for Muslims and the other for Christians. Similarly, a two-state solution will pave the way to change the views of religious organizations such as Hamas and Hezbollah, which are currently acting as major spoilers of the normalization process. Israel has frequently argued that it needs an agreement not just with political forces such as Palestinian Authority but also with religious forces such as Hamas and Hezbollah (Muasher as cited in Eldar, 2012). The beauty of the two-state solution as enshrined in the Arab Peace Initiative is that it provides both sides with the necessary cover which they need to make a settlement. In addition, the Arab Peace Initiative provides security guarantees and signifies an Arab obligation to moderate religious forces by transforming Hamas and Hezbollah into purely political organizations (Muasher as cited in Alpher, Khatib and Seitz, 2011: 20).

A study by Kumar (1999) indicates that several conflict theorists agree with the fact that uncovering the past is an integral process in the social reconciliation process and acknowledging past misdeeds through public confession of guilt is one of the proven strategies to achieve social reconciliation and initiate psychological healing.

In the Jordan-Israel normalization context, once a Palestinian state is established, the focus should be to recreate this atmosphere of hope to gradually overcome the suspicion created during the past thirteen years.

5. Recommendations to strengthen normalization: the gradualist approach

5.1 People-to-people reconciliation

One cannot study the issue of normalization while excluding the psychological traumas experienced by the Palestinians along with the Jordanians in 1948 and 1967. This psychological aspect, although based on a different historical source, cannot be excluded from the narrative of the Israelis either. The trauma experienced by the European Jewish communities in Europe during World War II plays a very crucial role in the behavior of Israelis. The horrendous impact of the Holocaust exacerbated the mentality of fear and persecution already existing, due to the many pogroms and other anti-Semitic acts that the Jewish communities experienced at the hands of the different populations in Europe and the Ottoman Empire. Indeed it became vital for the Jewish communities have their own homeland with Jerusalem as its capital. For the two-state solution to be successful in the long term, initiatives must start taking place at the grassroots level. According to Rauch (2011), people to people reconciliation programs designed to discuss structural inequality and group historical narratives is one of the most effective tools to promote tolerance among Arabs and Israelis. People-to-people reconciliation programs should be designed in such a way as to foster intergroup understanding and heal the wounds of the past resulting from multiple wars. The main importance of people-to-people reconciliation is that they promote social reconciliation, which is a process that begins with the adversaries' acceptance of each other's rights to coexist in war-torn regions. The main essence of people-to-people reconciliation is that it does not presuppose tolerance. In turn, it seeks to promote tolerance ultimately resulting in mutual trust. It reduces the deep-seated anger, misunderstandings and prejudices among the conflicting groups through mutual dialog, acknowledges the past and promotes cooperative action, which are basic fundamentals of social reconciliation. If conducted by nongovernmental organizations (NGOs), professional institutions, people-to-people reconciliation may lead to information exchanges and sustained relationships between the conflicting parties.

5.2 Regional Economic cooperation

In the contemporary world, there has been a dynamic shift in strategies for solving economic problems. The phenomenon of solving economic problems bilaterally has become a thing of the past. In fact, today, many countries in the international community prefer to seek multilateral solutions with an economic basis. The formation of the European Union is a good example of multilateral relations (Eiland, 2010). Similarly, Israel and the newly created state of Palestine could assist Jordan and other Arab nations to establish an institutional framework along the lines of 'Union for the Mediterranean'. This way all the members will have a greater say in the decision-making process. Similarly, the member states would also benefit from projects set up

under a similar model. Under the model, the states would develop ways that will assist the long-term sustainability of economic and political stability in the region. The states can also resolve regional conflicts by facilitating the convergence of national security policies and can take advantage of opportunities for cooperation where security preferences converge. The partners can develop 'comprehensive' regional security cooperation and should be reliant on multi-lateral rules and have shared values. According to a report published by GO-EuroMed Consortium (2009) evaluating the Euro-Mediterranean Partnership (EMP), a European Union initiated partnership intended to strengthen relations with countries of the Maghreb and Middle East. It was observed that the Arab-Israeli conflict on the UPM has had significant repercussions on the EMP. The two-state solution will allow the Mediterranean partner countries such as Israel, Palestine and Jordan and other Arab nations to deepen regional security cooperation as expressed by the proponents of EMP through the following means: To reinforce political and security dialogue, a gradual establishment of a free trade area to help sustain the economies of the less affluent nations, encourage exchange and understanding among the civil societies at cultural, social and educational levels. Nevertheless, under the circumstances that would follow the two-state solution, the EMP would provide an excellent framework to help foster normalization through different initiatives in the areas of economy and trade as well as security and cultural exchange.

5.3 The Role and importance of the media

The role and importance of media cannot be neglected in promoting social reconciliation in several ways following the implementation of the two-state solution. The main role of the media should be to promote social reconciliation in many ways. This solution had worked wonders in Rwanda when during the conflict a Swiss-sponsored Radio Agatashya played an instrumental role in correcting the violent Hutu extremist propaganda (Kumar, 1999). The media can strengthen relations following the two-state solution and can convert negative public opinion against the plan by dissipating the rumors and propaganda disseminated by extremists or anti-normalization forces, which give rise to social and political turmoil. As a result, the Jordanian authorities should support comprehensive media interventions following the implementation of two-state solution. These might range from establishing radio stations, newspapers and broadcasting people education programs that can be disseminated among the three populations. Some Jordanians and Israelis officials have already discussed a joint radio station broadcasting from Aqaba both in Hebrew and Arabic. This radio could be the first platform to be used to foster reconciliation.

6. Recommendations and conclusion

This paper sought to demonstrate the nature of the Israeli-Arab conflict. It has also illustrated how the Israeli-Palestinian conflict would resolve following the implementation of a two-state solution



and its implications for Jordan with Israel at both bilateral levels and trilateral levels. The paper has provided a framework for how the Israel-Arab crisis will end following a two-state solution. The moment a two-state solution is implemented, overcoming fundamental conflicts becomes possible. Finding a solution for either side's narrative could eventually be achievable should a viable two-state solution is implemented.

In order for the normalization process to succeed, there is a need to design plan which requires the following efforts:

6.1 Systematically analyze similar historical reconciliation processes:

- a. Understand such reconciliation processes operated and how they succeeded to overcome resentments and hatred.
- b. Map these examples, assess their effectiveness and issue a selection of best practices. There is a need to explain each case's rationale, expected goals, economic implications, and the practical steps for implementation.

6.2 Map the Israeli-Palestinian efforts and assess their effectiveness. There is a need to differentiate between:

- a. Top-level rapprochement efforts (strategic dialogues, military cooperation, intelligence coordination);
- b. Middle-level efforts (business, scientific and cultural cooperation, institutional cooperation, etc.) and;
- c. Grassroots efforts (student exchanges, interfaith dialogue groups, imam-rabbi encounters, sports and other people-to-people encounters).

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6.3 Develop a new narrative for living together:

- a. Understand the Jewish narrative regarding the perception of the land as their historic homeland;
- b. Develop compassionate listening to the suffering of the Palestinian people both under occupation and in the Diaspora, just as Europe and the United States have developed towards the suffering of the Jewish people.
- c. Reframe the Israeli-Palestinian conflict within the context of a regional Israeli-Arab solution through the full implementation of the Arab Peace Initiative.
- d. Accept the legitimacy of both the Palestinian and the Jewish peoples' homeland in the region between the Jordan River and the Sea.
- e. Educate toward these concepts in school curriculums.

6.4 Establish the scheme for a taskforce to be put into action once the Israeli-Palestinian conflict is solved. This should include a draft action plan that will include the practical steps to be conducted, the profiles of the professionals who will be in charge and the budgets involved.

To be efficient, the reconciliation processes requires that both sides acknowledge their faults and attempt to decrease the pain inflicted intentionally or unintentionally. A true reconciliation process can be achieved if we take in account both the 5.3 million Palestinian refugees (UNWRA, 2013; Palestinian Central Bureau of Statistics, 2012) from Israel and the 1 million Jewish refugees from Arab countries. An international fund will have to be created in order to provide compensations for both sides. Such a proposal would demonstrate the good-will of the Arab side to the international community.

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Summary Recommendations

Underlying Assumption

The recommendations below on normalization are all predicated on the underlying assumption that they will follow the creation of a stable two-state solution that will be equally acceptable to the general publics in Palestine and Israel. Such a solution would have to be based on a mutually acceptable implementation of international law by both Israelis and Palestinians. The measure of possible normalization will then depend on the extent to which these objectives will in fact be achieved in this two-state solution. A more mutually acceptable agreement will result in a greater measure of normalization, while a less satisfactory agreement will result in a lesser degree of normalization between the parties, or perhaps none at all. One may expect the extremes on both sides to resist any agreement as well as any normalization that would result from such an agreement.

Following is a course of policy recommendations for all the parties involved.

1. **Recognize the formidable task at hand, making a clear distinction between the ideological opponents of normalization and the more political, pragmatic critics.**

Historical experience has shown that, while the ideological opponents of normalization are an incorrigible hard core of resistance to any form of normalization, a majority of the Arab population in Jordan, and in Palestine as well, are willing to engage with Israelis on the basis of a stable comprehensive peace that relates fairly to their national aspirations and to the aspirations of their Arab brethren.

Keeping the majority positively engaged would require the stable maintenance of the peace on all fronts. It was the sense of no progress on the Palestinian track and the continued violent conflict with the Palestinians and in southern Lebanon with Hizballah, which eroded the confidence of Jordanians in the peace treaty with Israel, exhausted the capacity of the regime to campaign for normalization and paved the way for the eventual victory of the anti-normalizers in the public debate. This was not an inevitable outcome.

Avoiding such an outcome requires of Israel to realize the interdependencies created by Arab solidarity. It equally requires of the Arab parties to realize the fundamental asymmetry of the relationship with Israel, which has multiple Arab neighbors to deal with simultaneously, while the Arabs have only one Israel to contend with at any given time.

Economic projects for regional development must be realistic and not just “mega-projects” on fine paper. For the pragmatists on the Arab side who are willing to accept peace with Israel, there is an inherent expectation of a “peace dividend.” The peace was not just a value in itself. It represented an abandonment of long-held ideological

positions towards Israel for which there ought to be a form of compensation and direct material benefit. Much has been written about Israelis not being sufficiently aware of “the fact that for the Jordanians the support for peace, and even its very legitimacy, depended on its ability to provide benefits for the man in the street and to improve his living conditions.” The Israelis promised heaven and earth but virtually nothing actually materialized, creating disappointment, cynicism and negativism about peace in Jordan. Promised but unrealized economic projects have a negative effect on the process of normalization. Raising false expectations is a lot worse than offering low key, modest and practical economic development schemes.

2. Education is a key to the cultivation of a shared mindset of reconciliation. Scholarly research points to the need for “post-conflict social transformation.” This would include not only the systematic construction of collective memory as a tool of nation-building, but also “remembering to forget” which would be essential for the promotion of local co-existence in an effort to avoid the polarization of ethnic identity. Reconciliation is by nature an individual process, therefore, focusing on the micro levels should be the “first premise in planning wider national, as well as justice-related, reconciliation policies” (Buckley-Zistel, 2006).

It is on the basis of the above principles and guidelines that education systems in Israel and Palestine should develop programs that would combat prejudice and ignorance of the history and aspirations of the other side in order to develop a sense of mutual understanding, compassion and reconciliation based on equality and dignity and mutual respect. Considering the depth of political, national, religious and racist hostility that pervades both societies after more than a century of conflict, this is a particularly tall order.

3. People to people interaction should be pursued in tandem with progress on diplomatic front. This form of civil society interaction, as opposed to the official diplomatic and political relations between the governments, is critical for the solidification of normalization and the creation of an atmosphere conducive to the conduct of regular social and cultural ties between the societies in both states.

4. It must be firmly understood that normalization cannot be sustained on an unstable, fluid diplomatic/political foundation. Experience has shown that the promotion of normalization becomes virtually impossible if political or military tension or violence persist. Due to the continued validity of Arab solidarity normalization is also deeply affected by events not directly related to relations between Israel and Palestine in other spheres of the Arab-Israeli conflict. Thus for example, relations with Jordan may deteriorate because of violence between Israelis and Palestinians or relations with Palestine may become

strained because of Israeli military operations in Lebanon. Normalization cannot proceed unless expectations on the political front are fulfilled.

5. In conjunction with international law and human rights there should be guarantees for democratic governance, civil rights and free engagement in normalization for the willing. While it is obvious that the two-state solution will be founded on the implementation of international law, it is less obvious that civil rights and democratic governance will be guaranteed in both states. There will always, presumably, be opponents to normalization. But civil rights and democratic governance should allow the full freedom of choice for those who wish to engage in normalization, as it should equally be for those who do not wish to do so. But a situation in which the opponents to normalization intimidate the “normalizers” in an attempt to coerce them to refrain should not be tolerated.

6. Normalization, as an association of equals, must be founded on reciprocity, bilateralism and the reduction of Palestinian economic independence on Israel. No country is entirely independent economically and Palestine will remain economically dependent on Israel and on a variety of other countries, as Israel is too. But it is important to reduce Palestinian–Israeli dependencies where possible and to enhance the sense of equality in the relationship, as a sound basis for mutual relations of respect and dignity.

It is no easy task to foresee a normalized future after so many years of conflict, mistrust and racism. While the task may seem daunting, an important part of the ground work in preparation for peace has been accomplished and normalization at both the official and public levels has been partially tested.

Signing of a peace agreement at this juncture and after the high price paid for war and confrontation would be the best confidence building measure and will smoothly lead to official state to state normalization in the region based on the Arab Peace Initiative. It is expected that this peace agreement is based on the parameters known to all; in respect of international legitimacy and of the rights of all people to live in prosperity, dignity and freedom and implemented in good faith.

A just and durable peace agreement will allow governments to sign bilateral and regional agreements and to establish normal relations and cooperation just like with the rest of the world. This can be a rather smooth transformation under conditions of peace which will silence dissonant groups, anti-normalizers and skeptics.

Following a traumatized and traumatizing past and a prolonged conflict, people suffer from too many deformities in perceptions, beliefs, and visions for the future. A reconciliation process based on past experiences in South Africa or Ireland could lead the way to true reconciliation in the Middle East. People do not forget but should be led to learn from past experience and concentrate on building life for future generation. While the past can be dealt with

through Truth and Reconciliation commissions or such structures as may be found suitable for the local conditions.

Regional normalization will be aided by the concentration of efforts on the reformation of the educational process and curricula, in the states of Israel and Palestine but also in the Arab countries that is respectful of differing narratives yet encouraging scientific and historic research and deliberations. Cultural cooperation and joint research especially on questions of history and religion but also science and innovation should be encouraged as is the emphasis on a vision of a promising future respectful of diversity and inclusiveness.

Economic prosperity after years of denial in the wider Arab Middle East should be given priority after signing a peace agreement so people can sense the dividends of peace. This will discredit any the skeptics and deny them the chance to use false hopes as an excuse for a return to the cycle of violence. This prosperity is necessary for the Palestinian people and is more guaranteed under conditions of peace through sovereignty on their land and full control of their resources and borders.

Suitable containment policies of fundamentalist elements on all sides would have to be devised in order to help these groups act within democratic government structures. What should be avoided are policies that render these groups more fanatic and extremist. Leaders in all states should handle wisely the risks of peace and any violence that may erupt should not be allowed to cancel the agenda of peace building and reconciliation. Past experience where extremists set the political agenda should be behind us all.

Reconciliation is for people to build and maintain. Hence people to people projects can contribute substantially to the process by giving the lead to people themselves in debating and proposing ideas and projects based on past experience and avoiding a return to the peace industry experienced as the Oslo process was failing.

Third parties who already were involved in the Middle East Peace Process and contributed with time and resources will need to build on lessons learned and on past failures. They will have to be and remain pro-active in the provision of guarantees and foreseeing full implementation of agreements and ensuring accountability. In addition, the region will be ripe for aid and technical assistance but efforts will have to be exerted in order to ensure that aid is efficient, effective and equitable.

Finally, as in other cases of conflict in history, especially the Franco-German example, deep enmities, mistrust and hatred can be transformed to friendship, mutual respect and peace coexistence. The same should be true for the Middle East. The price of peace cannot be as exhaustive or consuming as the price of conflict.

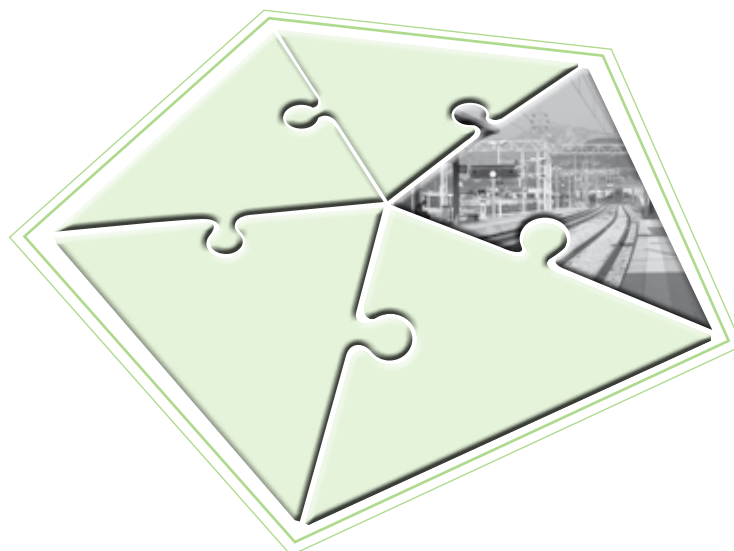


Reference for Summary Recommendations

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Economics when Borders are not Barriers: Jordan, Israel, and the Palestinian State



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1. Introduction

The present study has been researched with the basic fundamental assumption that *there is an independent Palestinian state and that this state has both political and economic relationships with Israel and Jordan*. Moreover, we assume that there is relatively free movement of labor between the three states and minimal limits on trade.

We made use of available information and data pertaining to the three economies to discuss possible mutual benefits that may be realized in such an integrated political-economic environment. When we make our forecasts, it is important to bear in mind that economic relationships depend not only on formal agreements but also on culture, social prejudices and language. Research suggests that culture and social prejudices are sometimes extremely robust to changes, so that lingual and cultural differences often affect trade even when the physical and economic barrier to trade are small (McCallum, 1995, Botazzi et al., 2010). Social prejudices and language differences can be, however, overcome under certain conditions (Hirokawa et al., 1996).

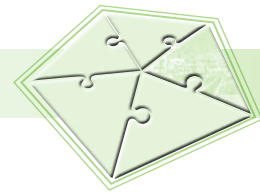
In addition, the structure of an economy usually changes only gradually, as it usually takes relatively long for accumulating the human and physical capital necessary to implement new technologies. In addition, economies usually change

in response to changes in the tastes and welfare of the consumers, and these changes are often interdependent.

This implies that long term changes depend on socio-economic conditions as well as on international and regional conditions that will last in an environment that includes a Palestinian state that exists alongside Israel and Jordan. We therefore take as a starting point for our analysis the current situation of the three economies and focus on the changes that are likely to happen to the sectors that are most likely to be affected within a relatively short period after the achievement of closer economic relationships between Jordan, a Palestinian State and Israel.

For all the reasons discussed above, we believe that because the changes we study can happen within a relatively short period, they are likely to have a significant effect on the structure of the relationships in the longer run. Thus, before venturing to estimate the nature of long term relationships between the three states, it is crucial to study possible short term changes.

In the next section we therefore discuss the current structure and characteristics of the three economies. In Section Three, we discuss the effects of greater economic integration between the three states on various industries and infrastructure projects. Section Four presents the conclusions of the study.



2. The Economies of the Palestinian-Authority, Jordan and Israel

2.1 Palestinian Authority

The Palestinian Authority GDP was US\$ 6,323 million in 2011. Private consumption was approximately US\$ 5,880.8 million, private consumption of NGOs around US\$ 248.2 million, government expenditures were US\$ 1,557.2 million, gross investment formation was US\$ 1,321.3 million, total exports were about US\$ 1,139.5 million and total imports US\$ 3,824 million. The large negative export gap is currently funded by governmental borrowing, thus increasing debt, by foreign aid¹.

The main contributors to output and exports are manufacturing, agriculture and tourism. In 2011, the manufacturing sector contributed US\$ 741 million to GDP, while the agricultural sector contributed US\$323.4 million and tourism US\$ 82.3 million. In addition², in the same year, about 12% of the Palestinian labor force was employed in Israel and in Israeli settlements in the West-Bank either legally or illegally³.

Within the industrial sector, the information and communications technology (ICT) sector is a fast growing one. Its contribution to GDP increased from 0.8% in 2008 to 6.4% in 2011. ICT firms' main focus is on software production. Many firms provide services to foreign firms. The ICT sector growth was largely funded by foreign firms. For example, Cisco, one the world's largest providers of communication solutions, invested over US\$ 15 million in Palestinian firms and in training to IT workers⁴,

The major agricultural products in Palestine are olive oil, vegetables, fruits and flower cuts. The value of exported produce is about US\$ 33 million. Agriculture is also a large user of land. About 16% of the land in the Palestinian Authority is used for agriculture⁵.

Tourism is a significant source of foreign currency. In 2010, a total of 577,383 tourists visited Palestine and the sector contributed about US\$ 83 million to the Palestinian GDP⁶.

The labor force in Palestine is dominated by males. In 2011, 69.5% of the men 15-50 participated in the labor force; women's participation rate was 18.7%. Total participation rate is around 44%. Total labor force is approximately 1,111,200, while population growth rate is about 2.1% annually.

Approximately 21% of the work force was unemployed in 2011. Female unemployment rate (27.2%) is above the national average whereas the rate for male workers drops to 19.3%. Unemployment among educated workers (those holding a university degree) was 24% which is above the national average.

1 http://www.pcbs.gov.ps/Portals/_Rainbow/Documents/Exp%20constant.htm, Nominal values are in 2004 constant prices.

2 www.pcbs.gov.ps/Portals/_Rainbow/Documents/Percent%20constant%2009-10.htm

3 PCBS/Labour Force Survey (October-December, 2011) Round (Q4/2011)

4 www.fastcompany.com/1711414/palestinian-tech-firms-fueled-israel-google-cisco-intel

5 www.pcbs.gov.ps/site/881/default.aspx#Area

6 www.pcbs.gov.ps/Portals/_PCBS/Downloads/book1751.pdf

The public sector currently employs about 153,000 workers. The number of legal or illegal Palestinian workers in Israel is estimated at about 100,000. The rest of the workforce is employed by the private sector. Average monthly salary in November 2011 reached US\$ 634.5. The literacy rate in 2011 was 92.5%. Out of the entire population, 56.4% completed preparatory school or less, 16.1% did not advance beyond secondary school and 27.5% obtained an undergraduate or higher academic degree.

2.2 Jordan

The Jordanian GDP in current prices was about US\$ 28,922 million in 2011. Private consumption was about US\$ 17,595 million in 2011 and public consumption was about US\$ 5,100 million. As in Palestine, the Jordanian government has a large deficit which forces it to depend on foreign aid for finance. In 2011, the governments' budget deficit before aid and grants was 12.7% of the GDP and after aid and grants was 6.76% of GDP.

Total value of manufacturing industries in 2011 was about US\$ 4923 million. The value of exported manufactured goods was about US\$ 3838.4 million. Within manufacturing, the ICT sector contributed to 11% of the GDP in 2011, and it employed about 22,028 workers or about 1.8% of the total workforce.

Agriculture has only a small contribution to the Jordanian GDP. The value of produce is about US\$ 845 million, of which about 63% is exported. Tourism contributed about US\$ 718.1 million in 2011.

Approximately 50% of Jordan's total exports were to neighboring Arab countries, about 16% to NAFTA countries (Canada, Mexico, and the United States), and about 24% to Asian countries.

In 2011, about 2% of the employed had jobs in agriculture, about 10% in manufacturing, 6% in construction, 0.9 % in mining and quarrying and 70% in the service industry. Within the services sector, the public sector is a large source of employment, which employs around 38.7% of the work force. In 2011, about 13% of the workforce was unemployed. There are large differences, however, between the unemployment of males and females, with an unemployment rate of 21% for females compared to 11% for males. There are also significant differences between employees with different levels of education. In 2011, about 46% of those without secondary diplomas were unemployed while 35% of those with tertiary education were unemployed.

The Jordanian work force was estimated at 1,436,020 workers in 2011, out of which over 83% were males and only less than 17% were females. The annual growth rate of the population is approximately 2.2%. About 90% of the population is literate. Out of the total population, 50% finished preparatory school or less, about 24% did not advance beyond intermediate or high school education⁷ and 26% have obtained undergraduate

7 An intermediate diploma is a post secondary two or three year vocational program, which prepares young people for the labor market with various skills.

or higher academic degrees. The median monthly salary in 2011 was about US \$500.

In 2010, the number of foreigners working in Jordan was 298,342. 92% of them had not completed secondary education and most of the rest have intermediate diplomas at most. 28% of the foreign workers work in agriculture, 22% in manufacturing, 25% in social and personal services and the rest mostly work in trade and construction. The foreign workers come mostly from Egypt and Asia.

2.3 Israel

The Israeli GDP in 2011 was approximately US\$ 229,000 million. Private consumption was US\$133,247 million, public consumption was US\$ 54,210 million and domestic gross investment was about US\$42,673 million. The public deficit in 2011 was about 3.3% of the government budget, after several years of balanced budget that lead to a decrease in the debt to GDP ratio to about 75% in 2010, a decrease that is likely to continue in the next few years.

The total value of manufactured goods in 2011 was US\$58,000 million, out of which goods valuing about US\$24,000 million were exported. Within the manufacturing sector, the share of the ICT sector in the GDP is about 15.7% and the share of the ICT sector in the export of manufactured goods is around 50%.

Agriculture contributed US\$7473 million to the GDP in 2011. The value of exported produce (mainly vegetables, potatoes, fruits and flowers) were US\$958 million.

In 2011, about 3,362,000 tourists visited Israel. The total income from tourism was about US\$2315 million.

The Israeli workforce in 2011 has approximately 3,204,000 workers. The total participation rate was about 57%, with the participation rate among males being about 62.3% while the participation rate among females being 52.6%. Approximately 32% worked in the manufacturing sector, less than 2% in agriculture and the rest in services. About 18% of the workforce worked in the public sector. The unemployment rate was about 6.8%.

The average monthly salary in 2011 was US\$2,380. Over 99% of the population had completed secondary education and almost 98% are literate. About 31% of the population has an undergraduate or a higher academic degree.

In 2011, there were about 91,000 foreign workers working in Israel, 24 thousand of them were employed in agriculture, 10,000 in construction, 28,400 in personal services and most of the rest worked in the service industry. In addition, about 80,000 Palestinian workers work legally in Israel, mostly in construction and agriculture. The average monthly salary of a foreign worker in Israel in 2011 was US\$1216.

3. Fields for cooperation

Given the current economic conditions in the three states, we discuss in this section some of the effects on the tourism industry, ICT sector, agriculture, electricity, and water

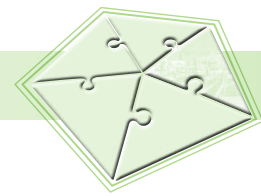
infrastructures and their implications for the labor markets in Palestine, Jordan and Israel.

3.1 Tourism

Currently, tourism is an important, but not a major contributor to the Israeli and Jordanian GDP. In 2011, about 5% of the Israeli workforce and 2.4% of the Jordanian workforce worked in the accommodation services and restaurants industry. It is a more important industry in the Palestine Authority. In 2011, about 20.9% of the Palestinian workforce worked in the accommodation services, commerce and restaurants industry. At the same time, the number of tourists that visit Palestine is probably affected by conflict more than the number of tourists that visit Israel or Jordan. For example, following the outbreak of the second Intifada (September, 2000), the number of tourists that visited in Palestine dropped by about 90% between 2000 and 2002. At the same time the number of tourists increased by over 80% in the relative secure period of 2007-2011, from 313,000 to 577,000.

Thus, in the immediate future, a Palestinian state probably has the most to gain from improvements in the economic and political relationships with Israel. Indeed, given the large number of historic sites in Palestine and which are concentrated over a small area, together with lingual skills of many Palestinians and the experience that Palestinians have in supplying services, tourism is likely to play as large a role in the Palestinian State as it plays in many small European countries. If tourism is developed to its full potential, the share of tourism in the GDP of a Palestinian State is likely to be between the share of tourism in the Greece GDP, 17% and that of Croatia, 25%.⁸ Although more moderate, improvements in the relationships between a Palestinian State, Jordan and Israel are likely to have significant effects on the Israeli and Jordanian economies as well. To give some initial estimates for the possible benefits, we use the findings of Sharabani and Menashe (2011). They estimate that an increase of one unit in their index of conflict-security leads to a 10% increase in the number of foreign tourists that visit Israel. They use a 19 score index, and average conflict-security score in their sample period is 9, with 0 represents full conflict-security. In order to use their estimates to derive a conservative estimate of the increase in the number of tourists in a situation with close economic relationships between Jordan, a Palestinian State and Israel, we assume that even with full peace between the three states there will still be some violent frictions. Under this assumption, the conflict-security index will go down to an average level of either 1 or 2. Thus, the average score of the conflict-security index will go down by 7 or 8 points. Since a change of one point in the index is associated with a change of 10% in the number of tourists, we can estimate that peace is likely to increase the number of tourists in Israel by about 70% – 80%. Moreover, Sharabani and Menashe (2011) derive their estimates under the assumption of no changes in the political atmosphere between Israel, Jordan and Palestine. The data however, shows that significant

⁸ <http://in.reuters.com/article/2009/04/07/us-tourism-europe-sb-idINTRE53601D20090407>



improvements in the relationships between the states are associated with large changes in the number of tourists that visit Israel that are beyond those that take place as a result of transient differences in the level of violence. For example, the number of tourists visiting Israel increased from 1,200,000 in 1991, before the Oslo peace process, to over 2,400,000 after the signing of the Oslo peace accord in 1993. A large part of this increase can be explained by the improvement in the expectation about conflict security, but some of the effect is due to improvements in the mobility between Israel and neighboring states and also because of an increase in business Israel became a safer and more attractive venue for international investments. Thus, the evidence suggests that a significant improvement in the security, together with an increase in the mobility between the three states that will allow convenient trips between sites in the three states and will also encourage business activity can lead to a stable increase of almost 100% in tourism to Israel.

Previous data suggests that international demand for tourism services is extremely sensitive to prices and that, consequently, the prices of hotels and other tourist based services are almost unaffected by changes in demand. This is because international tourists often have a large number of destinations they can choose from and therefore an increase in the prices of hotels in any country is likely to have a significant negative effect on the number of tourists that visit that country. Consequently, prices of tourism based services across the world are strongly correlated and changes in demand usually affect the investment in the number of hotel beds and in the quality of hotels but not the prices that a tourist pays for a room (Zhou et al., 2007). Therefore, the increase in tourism to Israel is unlikely to affect prices of hotels, only to increase the demand for hotels services and, therefore, the demand for labor in the tourism industry. Thus, the main effect of greater integration between Israel, a Palestinian state and Jordan is likely to be an increase in the revenues of Israel from foreign tourists from about 1.5% of the GDP to about 3% of the GDP, or about US\$ 3,435 million. These figures will bring the Israeli tourism industry to a level similar to that in many European OECD countries with similar size, such as Switzerland and Denmark.

Since many of the tourists that visit Israel are likely to continue their tours to Jordan and Palestine, the effect on these states is likely to be even more significant. For example, about 65% of the tourists that visited Israel in 2011 did so for Christian religious reasons. Since there are many holy sites in Jordan and Palestine, it is likely that when traveling between the three states will be facilitated, a large share of these tourists will be willing to extend their visits to Jordan and Palestine as well. Therefore, a lower bound on the increase in the number of tourists to Jordan and to Palestine can be derived if we assume that 60% of the Christian religious tourists will extend their visits to Jordan and Palestine. In that case, the number of visitors in these two states will increase to about $4,500,000 \times 65\% \times 60\% = 1,755,000$. This is an increase of almost 50% in the number of tourists that visited Jordan in 2011 and about three times the number of tourists that visited the Palestinian Authority in

2011. Again, these numbers are likely to be a lower bound on the expected number of tourism because with greater cooperation and greater security there will also be more regional tourism between Jordan, Palestine, Israel and other neighboring countries, such as the Gulf Countries. Also, with greater peace and greater internal security the number of tourists that choose Jordan and Palestine as their vacation destination, independently of their decision to visit Israel, is likely to increase significantly.

These figures are likely to be only a lower bound also because the increase in tourism is likely to have significant trigger effects on other industries as well. First, the increase in tourism will increase employment in the three states, especially among low skilled workers (Sharabani and Menashe, 2011). It is unlikely that the Israeli labor market will be able to supply all the demand with local workers and, therefore, an increase in tourism will provide more job opportunities for workers from Palestine and Jordan as well as from Israel (Eckstein et al., 2010). Jordanian workers, for example, can find work in Eilat and workers from Palestine can work in Tel Aviv and other cities, earning higher salaries than in their home markets. When more workers will become employed, this is likely to have a positive effect on local tourism in the three states, as empirical studies show that the demand for tourism increases in income (Lim, 1997).

Second, the increase in the number of tourists is likely to increase the number of flights and cruise trips to the region, especially by carriers that specialize in flights to the Middle East and low cost European carriers, as cooperation between the states will give them an incentive to fly to and from more destinations in the three states. This can further increase the revenues from tourism.

Third, an increase in the number of tourists will require investments in the conservation of natural, traditional and historical environments. For example, Tel-Aviv municipality debated in 2013 whether or not to grant construction rights to entrepreneurs in the "White City," a part of Tel-Aviv that was recognized by UNESCO as a World Cultural Heritage Site. An increase in the number of tourists visiting Tel Aviv is likely to increase the value of conserving the White City's original Bauhaus building as tourist attractions and thus reduce the likelihood that the houses will be replaced by larger and more modern constructions.

Similarly, an increase in the number of tourists would encourage the preservation of Bedouin and traditional agricultural hamlets in both Jordan and Palestine that are likely to become economically inefficient if they will not complement their current income with income from other sources. For the tourists, this will serve as an attraction similar to farmhouses in rural France, fishermen villages in Greece, and Indian reserves in the United States. For the inhabitants, tourism can provide a stable inflow of income that will complement the income from produce and will give them an incentive to maintain their traditional lifestyle.

Investment in conservation will also affect employment because it will provide an incentive for governments and private firms to hire workers and researchers for protecting the rural areas' natural landscape together with its fauna and flora. It will also encourage the research, the excavations and the maintenance of archeological sites and findings. The increase in tourism is therefore likely to increase the demand for jobs such as wild life inspectors, restorers, and for architects and builders that specialize in conservation works. It will also encourage research on traditional life styles, architecture and natural areas.

3.2 Information and Communications Technology

Approximately 8% of the Israeli workforce has jobs in the ICT (information and communications technology) industry. In 2006, the ICT sector contributed to 17% of Israel's GDP and about 25% of total exports. In 2010, the investment in Research and Development (R&D) was 3.4% of the GDP, more than in any other OECD country. Thus, the ICT sector is likely to remain an important source of employment and income in the future. At the same time, salaries in the Israeli ICT sector are relatively high, with the monthly average of an employee ranging US\$5,260 in 2011. Consequently, Israeli ICT firms often outsource some of their work to off-shore venues, particularly to India. It is estimated that Israeli firms annually outsource about 3,000 Indian engineers, at an annual cost of approximately \$4,000 per engineer.⁹

The ICT sector in the Palestinian Authority and Jordan is growing, but it is still at the stage where it requires external funds to grow and is still too small to provide jobs to the large number of workers that have the necessary skills. In 2011, about 3,000 students graduated from universities in Palestine with degrees in computer science and related subjects, however the total number of jobs in the ICT sector required was only 5,000. Similarly, despite major governmental investments in the ICT industry in Jordan, and despite the large share of Jordanians with a university degree, the total number of employees in the ICT sector was about 22,000. The lack of work for high skilled workers results in high unemployment among them. In 2010, about 35% and 24% of the university graduates in Jordan and Palestine, respectively, were unemployed.

Investment by Israeli ICT firms in Palestinian and Jordanian ICT firms can, therefore, be mutually beneficial. According to 2011 figures, the average monthly salaries of ICT workers in Jordan and Palestine were US\$650 – US\$800, less than one fifth the salary of an Israeli worker and, when controlling overhead costs, also lower than the salary of an experienced Indian worker (Wihaidi, 2009). Outsourcing by Israeli firms to Jordanian and Palestinian firms can therefore both reduce the costs to the Israeli firms relative to outsourcing to India. At the

same time, such investment will provide jobs to high skilled Palestinian and Jordan workers. Working with Palestinian and Jordanian firms is likely to be beneficial to the Israeli firms also because it will reduce the travelling costs and, therefore, the costs of training and monitoring the workers relative to the costs of working with venues in India. It will also reduce costs because all three states are in the same time zone and this facilitates communication between the outsourcing firms and their contractors.¹⁰

For the Palestinian and Jordanian economies, such cooperation will result in both an increase in employment and in the flow of Foreign Direct Investments (FDI), the investment of overseas firms in business and production facilities. At the initial stage, such cooperation will therefore be beneficial because it provides jobs and improves infrastructures. However, the impact might be greater if the improvement in computer and communication infrastructures will facilitate the creation of local innovative firms that can attract further investments by international venture capital. It might also facilitate the adoption of computer and advanced technologies in other sectors and thus assist in increasing the efficiency and competitiveness of other sectors (Wihaidi, 2009). Indeed, in both Jordan and Palestine, the ICT sector is one of the most efficient sectors, if not the most efficient sector, in terms of productivity. An expansion of the IT section will therefore force other sectors to improve their productivity or disappear because if they do not improve they will not be able to compete with the ICT sector for workers.

3.3 Agriculture

In 2011, Israeli farmers employed about 24,000 foreign workers legally which received an average monthly wage of about US\$1,290. There was a demand, however, for about 26,000 workers. In addition, about 7,000 Palestinian employees worked for Israeli farmers. In the future, the demand for low skilled foreign workers in the agriculture sector is likely to remain similar or to increase by about 2,000-4,000 workers (Natan, 2010).

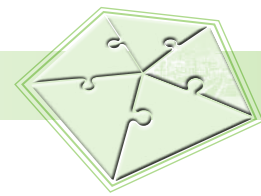
The Israeli government has a long-range plan of reducing the number of foreign workers because of the negative externalities from hosting foreign workers over long periods (Eckstein et al., 2010). These workers can then be replaced by Palestinian and Jordanian workers. This will provide jobs and income to low-skilled Palestinian and Jordanian workers together with a reduction in the costs for the Israeli employers who will no longer need to pay for importing, hosting and monitoring the foreign workers.

Cooperation with Jordan and Palestine will also enable Israeli farmers to export their produce through Jordan to markets in the Gulf States. Thus, cooperation will open new markets for Israeli produce. It will also remove the obstacles that farmers in Palestine face and will facilitate the export of olive oil, vegetables and other produce from Palestine to Israel and to foreign markets.

As a case study, we use here the case of olive oil production because olive oil is the main produce in Palestine. In 2010, about 65% of all the arable land in Palestine was used for olive

⁹ The costs typically include investment in infrastructure and training of workers in the offshore venue, workers' compensation, local taxes, commissions, monitoring costs and legal and other costs associated with establishing and running an offshore venue. See: www.matrix.co.il/en/Experts/Pages/OffshoreinIsrael.aspx, www.it-outsourcing.vsisoft.com/2011/11/outourcing-to-india-no-longer-cost-effective/ and www.cio.com/article/29654/The_Hidden_Costs_of_Offshore_Outsourcing?page=4&taxonomyId=3197

¹⁰ www.fastcompany.com/1711414/palestinian-tech-firms-fueled-israel-google-cisco-intel



growth. Better cooperation between Israel and Palestine will first enable Palestinian farmers to access about 20% more land than they currently use because it is confiscated by the Israeli army for security reasons. In addition, the use of more advanced irrigation systems is likely to reduce the annual variability in olives and oil production. In order to employ such technologies, however, Palestinian farmers need to get access to the human and physical capital and to reliable water sources. Combining the increase in the land area together with the more advanced irrigation systems is likely to increase the average annual production of olives from about 20,000 tons to about 40,000 tons. In addition, improvements in the production methodology will enable the Palestinian farmers to produce greater share of their oil at a quality that will make them competitive in the European markets (Oxfam, 2010). Currently, for example, much of the Palestinian produce is qualified as "least ordinary virgin oil" according to the EU standards because it is produced with outdated technology. However, if the Palestinian farmers will be given the necessary funds to produce high quality olive oil they will be able to improve the quality of their produce and thus to increase its price in European markets by 15%-40%.¹¹ The increase in quality that can be achieved at relatively low costs, together with the facilitation of exports to Israel and to the EU is also likely to increase the prices of Palestinian produce. Thus, the revenues from olive oil production in Palestine are likely to be at least doubled or even tripled relative to the profits in 2011.

Palestinian farmers may also gain from further improvements in technology and from investments in new varieties of olives other than the local varieties such as the *Baladi* and the *Nabali* olives to further reduce output variability and to better suit the tastes of consumers in overseas markets. This can be achieved by attracting investments by Israeli and overseas firms that import and export produce and especially by investors that are interested in "fair trade" and organic products because the current practices by Palestinian farmers make much of their products suitable for these entitlements.

Jordanian farmers may also gain from greater access to markets in Israel and in Palestine and also from access to better machine and plant technology. However, because arable land is scarce in Jordan, the share of agriculture in the Jordanian workforce is 2% and it is unlikely to increase by much because the investments necessary to make more land into arable land are large and the returns to most types of farming, given international competition, are small. The effect of improvements in farming technology and the greater access to the relatively small Israeli and Palestinian markets on the Jordanian GDP is likely, therefore, to be relatively small.

11 www.google.co.il/url?sa=t&rct=j&q=brief%20overview%20of%20the%20olive%20and%20the%20olive%20oil%20sector%20in%20the%20palestinian%20territories&source=web&cd=1&cad=rja&ved=0CC4QFjAA&url=http%3A%2F%2Fresources.worldbank.org%2FWESTBAN%2FResources%2FOliveReportOct06%2Bphoto.doc&ei=Yn7VUJLZEom70QWNj4GoBg&usq=AFQjCNE5uK06s3xdD-CLJyt9IsPaOLQ96A&bvm=bv.1355534169,d.d2k

3.4 Infrastructure

3.4.1 Energy

Currently, there are several infrastructure issues that are of vital importance to all the economies in the region. First, the increase in the price of fossil fuels, together with the need to decrease the emission of greenhouse gases, implies that Palestine, Jordan and Israel will need to reduce their dependence on fossil fuels and replace them with other sources of energy. Moreover, the dependence on fossil fuels has caused several political crises in the three states in 2011 and 2012. In February 2012, for example, the increase in the price of fuel forced the Israeli government to reduce taxes imposed on them.¹² The increase in the prices of fuel in 2011-2012 has led to civil unrest in Palestine and Jordan, where people took to the streets to demonstrate against the increase in the prices of fuel and the subsequent increase in the price of other goods which depend on it for their production and transportation.¹³

In addition to fuel problems, in 2012, both Jordan and Israel have faced significant threats of electricity shortfalls because the capacity of their electricity plants has not matched the demand.¹⁴ Moreover, the increase in the price of fuel, together with disruption in the gas supply from Egypt, resulted in a significant increase in the Jordanian public deficit and forced the Jordanian government to increase taxes, which in turn caused even more civil problems.¹⁵

Cooperation can assist in mitigating the problems and reduce the costs. First, because the cost of land is much lower in Jordan, placing power plants in Jordan can significantly reduce the costs for Israel while providing rents to the Jordanian land owners. In addition, building unified, large power plants that will provide electricity to both Israel and Jordan will allow a better use of returns to scale. In other words, using larger power plants will reduce costs because larger power plants reduce the costs of transporting fuel to the plant, removing waste and connecting to the electricity system. To further minimize the burden on the countries' budget, the construction and maintenance of the power plants projects can probably be delegated to private firms, for example by financing the projects as BOTs (Buy, Operate and Transfer) projects.

Collaborating in the construction of power plants can also provide decision makers with more options about which energy source to use. First, there is the option of using natural gas. The advantages are that the technology is well known and is in current use by both Israel and Jordan. In addition, it is likely that gas prices are likely to remain relatively low in the region

12 www.tashtiot.co.il/2011/02/13/%D7%93%D7%9C%D7%A7-3/

13 www.nytimes.com/2012/09/04/world/middleeast/in-face-of-protest-jordans-king-cancels-fuel-price-increase.html?_r=1 and

http://photoblog.nbcnews.com/_news/2012/09/10/13785192-west-bank-cities-erupt-in-violent-protests-over-escalating-prices?lite

14 www.haaretz.com/news/national/israel-electric-corporation-warns-of-blackouts-as-heat-wave-peaks-1.451053 and http://www.ansamed.info/ansamed/en/news/nations/jordan/2012/04/24/Energy-Jordan-turn-renewables-tackle-shortage_6767034.html

15 www.reuters.com/article/2012/05/26/us-jordan-energy-prices-idUSBRE84P0J020120526

relative to other sources of fossil fuels, because there are several potential gas providers, including Egypt, Israel and in the future, also Gaza and Cyprus, where some gas wells have been recently discovered. The disadvantages are that at the current world prices of gas, the use of gas powered power plants is still around 8 US cents per kilowatt, which makes the use of gas high relative to nuclear energy (2 US cents per kilowatt) or hydroelectric, which could become feasible through the construction of the tunnel of the seas (1 US cent per kilowatt). In addition, although gas powered power plants emit smaller amount of greenhouse gases than other fossil fuels such as coal and diesel, they still emit a significant amount. For example, according to a 2007 report by the Oxford Research Group, power plants that burn gas typically produce about 385 grams of greenhouse gases per kilowatt (g/kw), compared with 755 g/kw for coal powered plants and 11 – 37 g/kw for wind powered plants.¹⁶

A second possibility is to use nuclear power plants. The advantages are that this energy source is both cheap and clean. The cost estimates for power plants powered by nuclear energy are about 2 US cents per kilowatt and the green gas emission for modern plants is about 60-65 g/kw. The disadvantages are the high cost of the construction, the long period required for constructing a modern power plant, the political resistance to constructing such plants, the need to dispose of the nuclear waste and the risks from earthquakes and other natural disasters. Constructing a new nuclear power plant costs about 10 billion US dollars and takes about 10 years to complete and therefore can only be accomplished if the decision makers are willing to make choices that will commit their countries for several decades. Cooperation between Israel, Jordan and Palestine can, however, reduce these costs, because Israel already has part of the technology necessary to operate such reactors. Constructing the power plant as a joint Israeli-Jordanian venture will also be a clear signal that the power plant will be used for peaceful goals only and will therefore reduce the costs of finding a provider and the costs of international monitoring. Cooperation can further reduce the costs by choosing an appropriate location that can minimize the public resistance to the project and also reduce the risks. The risks can further be reduced by using modern construction standard that are resistant even to powerful earthquakes. For example, if the plants will be constructed under the 2007 Japanese revised standards, the plants will be able to survive an earthquake of magnitude 7.5 and will be automatically shut down if hit by a more powerful earthquake.¹⁷

A third alternative is to use renewable energy sources, and particularly, solar energy. The disadvantages are that with current technology, the costs of solar power plants are about 30 cents per kilowatt and that they require large spaces.¹⁸ However, the costs may be reduced if the power plants will be constructed

in desert areas of Jordan where land is cheap and that have a large amount of sun. In addition, large investments in solar technology are likely to inspire large private investments in the technology, and the technological improvements are likely to bring prices down. Moreover, large public investment in this technology is likely to pay in the long run, both because this technology emits only about 100 g/kw of greenhouse gases compared to 385 g/kw emitted by gas powered plants and 755 g/kw emitted by coal powered plants, and because investing in solar technology is likely to bear fruits in the shape of more modern technology that will be used to construct more projects and that will be exported to other states.

Table 1 summarizes the main financial and gas emission costs of the different energy sources. It also summarizes the main advantages and disadvantages of each source.

Table 1: Financial and green-house gas emission costs

Source	Costs	Green-house emission	Advantages	Disadvantages
Natural gas	8 ¢/KWh	385 g/KWh	Source available in the region. Safe and tested technology. Low Construction-costs.	Cost Gas emissions.
Coal	10 ¢/KWh	1001 g/KWh		
Nuclear	2 ¢/KWh	60 – 65 g/KWh	Low Operation-costs. Low Gas emissions.	Construction-costs (\$10 billions). Radioactive disposals. Disaster risks.
Solar	30 ¢/KWh	100 g/KWh	Trigger Investments: Ideal testing ground because of high sun availability.	Costs. Spaces.
Hydro-electric	1 ¢/KWh	29 g/KWh	Secondary uses Dead Sea level Desalination.	Construction Cost. Ecology. Space.

Gas plants are cheaper and faster to construct than other sources. The average period for constructing gas plants in the US is between 18 and 36 months.¹⁹ Gas plants also have the advantage that natural gas source is available from fields in Israel and near Gaza. Gas may also be supplied to Palestine, Jordan and Israel from Iraq and Egypt. Egypt, however, is likely to be only a secondary provider because the Egyptian gas reserves are not as large as some of the other reserves, and it is likely that the Egyptians will need a large share for domestic uses.

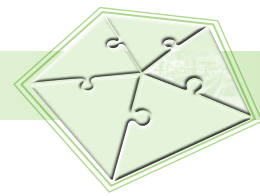
Gas is also likely to become cheaper in the near future, because it is expected that the US will become a gas exporter instead of an importer. This will reduce the profitability of exporting gas from fields in Israel and near Gaza and, consequently, it will also increase the quantities of gas that

16 en.wikipedia.org/wiki/Comparisons_of_life-cycle_greenhouse-gas_emissions

17 www.world-nuclear.org/info/inf18.html

18 http://wtgblog.com/nuclear-vs-solar-can-renewable-energy-ever-be-cost-effective-to-compete/

19 www.aep.com/about/IssuesAndPositions/Generation/Technologies/NaturalGas.aspx



are available for the local market. Thus, at the expected levels of demand, gas from local sources is likely to be available for a period of several generations.

Nuclear energy has the advantage of low operating costs and low gas emission. In addition, it also has advantages of size, because each plant produces a larger amount of electricity than plants powered by other energy sources. For example, nuclear plants in the US produce almost 4000 KW, more than double the capacity of the largest gas plants in Israel.²⁰

The disadvantages are the public aversion from the use of nuclear power, the risks of disasters, and the risks involved with the disposals of nuclear waste. Current evidence from the US, France and Japan suggests that it is feasible to safely bury the nuclear waste, but all estimates of future costs are uncertain because of the relatively short experience with nuclear energy. Another difficulty with using nuclear energy is that the large initial investment in the construction of nuclear facilities makes it difficult and costly for decision makers to retract from the use of this technology at times when it cannot be safely used or when the public opinion turns against it. France, for example, decided to keep on operating its nuclear plants in 2011 mainly because of the high costs of replacing them.

The main disadvantage of hydroelectric plants in the Jordan-Palestine-Israel region depends on the construction of a tunnel between the Red Sea and the Dead Sea, a tunnel that might risk the endogenous fauna and flora in the Arava valley and in the Dead Sea. Experience gained from other similar projects such as the Suez and Panama canals suggest that such tunnels indeed have significant influence on the natural fauna and flora. At the same time, if a tunnel from the Red Sea is not built, it will be necessary to supply water to the Dead Sea from alternatives source because, otherwise, under current conditions, the sea will be depleted by 2050.²¹ Thus, in making the a choice about the construction of a tunnel from the Red Sea to the Dead Sea, decision makers have to take into account the advantages of the tunnel, the disadvantages of constructing the tunnel, and the costs of finding an alternative water source for providing water to the Dead Sea if this tunnel is not built (Tahal Group, 2011).

The main disadvantage of solar energy is the high construction costs and the large area necessary for constructing solar plants. The main advantage is that solar energy is renewable. The secondary advantage is that there is an increase in recent years in the world demand for renewable energy sources. The demand is already large in developed countries such as the EU countries, where the public is highly concerned with the risks involved in using fossil and nuclear fuels. In Germany, for example, the government gives large subsidies for the production of energy from solar and wind powered plants.

20 www.nei.org/resourcesandstats/nuclear_statistics/usnuclearpowerplants and http://he.wikipedia.org/wiki/%D7%AA%D7%97%D7%A0%D7%AA_%D7%94%D7%9B%D7%95%D7%97_%D7%A8%D7%95%D7%98%D7%A0%D7%91%D7%A8%D7%92

21 http://al-shorfa.com/en_GB/articles/meii/features/main/2010/04/07/feature-02

The demand is likely to increase further as a result of the demand to limit international levels of green gas emissions. Another reason for a likely increase in the demand for alternative energy sources is the increase in the production costs of fossil fuels that are currently often produced from fields located further away and in more extreme climates than the fields that are excavated currently. Consequently, it is likely that investments in this energy will be recouped by the profits from selling new technologies to other countries.

3.4.2 Water

Another resource that is in shortage in 2011 in Jordan and Palestine, and to a lesser degree, in Israel is fresh water. The problem is particularly acute in Jordan, which by the World Bank definition is the fourth water-poorest country in the world.²² The problem becomes more severe over time because the Jordanian population growth rate is 2.2% annually and also because the amount of rain decreases over time. According to recent studies, the amount of water per capita in Jordan decreased from 3,600 cubic meters in 1946 to 145 cubic meters in 2008.²³ Water is also in shortage in Palestine, where in 2011 water was supplied continually only about 62% of the time with only 70% of the population accessing high quality drinking water²⁴, a considerable part of the current problem is the control of Israel over the main groundwater in Palestine.

In Israel, the situation is not as severe because Israel has built and is continuing to build a number of desalination plants that reduce its dependency on precipitation. During 2013, Israel will have six plants that are capable of desalinating about 600 million cubic meters of brackish and sea water per year and by 2020 they will be able to desalinate about 800 million cubic meters of brackish and sea water per year. By 2013, therefore, about 75% of the Israeli households will drink desalinated water. In addition, Israel recycles about 80% of its waste water, generating an extra 400 million cubic meters of water which constitutes about half the demand of the Israeli agriculture.²⁵

Israel can therefore provide both Palestine and Jordan with the technology to desalinate and recycle water. Moreover, cooperation with Jordan and Palestine will also reduce the costs for Israel as well. Cooperation will reduce costs primarily because water desalination is based on economies of scale, meaning that the larger the desalination facility, the more cost efficient it is. For example, the average cost of desalinating one cubic meter of sea water in Israel is 65 US cents. The large plant that Israel constructed in Soreq and which desalinate 150 million cubic meters of sea water per year has a cost of 52 US cents per cubic meter of desalinated water. This plant also uses less electricity per cubic meter than other plants. Thus,

22 www.zawya.com/story/Lack_of_funding_governance_compound_Jordans_water_woes-ZAWYA20090608033810/

23 <http://jordantimes.com/Jordan+overtaxing+limited+water+resources+%E2%80%94+report++-46049>

24 http://en.wikipedia.org/wiki/Water_supply_and_sanitation_in_the_Palestinian_territories#Continuity_of_supply

25 <http://www.reuters.com/article/2010/11/14/us-climate-israel-idUSTRE6AD1CG20101114>

building larger desalination plants to accommodate the needs of all three states can be cost efficient. In addition, desalinating enough water for all three states will guarantee a long term commitment of the three governments to the construction and maintenance of desalination plants and will, therefore, encourage private enterprises to invest in developing more cost and energy efficient desalination technologies. Another source of reduction in the costs can be the "tunnel of the seas," a tunnel connecting the Red Sea with the Dead Sea. If such a project is ecologically feasible, then its construction can allow the construction of low cost hydroelectric power plants in the vicinity of large water desalination facilities and thus to reduce the costs of water desalination. Since hydroelectric power plants produce electricity at the cost of about 1 US cent per kilowatt, hydroelectric power plant will allow significant reduction in the cost of desalination. The combination of improved technology together with cheaper energy can probably bring the prices of desalination water from the "tunnel of the seas" project to about 30 – 40 US cents per cubic meter, a reduction of 33%-50% relative to the current price.

In addition, cooperation between the three states can yield further reduction in the costs because it will facilitate coordination and more efficient usage of precipitations and aquifer water. Careful managing of the water sources can probably allow the three states to better preserve and use flood water, to minimize the evaporation of water from natural and artificial reservoirs and to prevent the salification and the over taxation of existing water sources.²⁶

3.4.3 Transportation

Jordan, Israel, and Palestine are placed between the Mediterranean Sea, the Red Sea and the Gulf countries. Connecting Jordan, Palestine and Israel to allow quick trafficking of imports and exports can therefore yield large gains in reducing transportation costs between Europe, the Gulf State and the Far East. An efficient unified transportation network will also encourage the construction of industrial and logistical facilities in the Jordan, Palestine, Israel region. For example, following the Oslo accords Ford studied the possibility of constructing a large car factory in the Palestinian territory. Ford intended to use the high skilled and relatively low cost labor force in Palestine for constructing cars that will be exported to both the Gulf States and to Europe. The plan eventually fell through, but economic cooperation between Israel, Jordan and a Palestinian state can make this and similar other plans highly viable.

Building quick transportation network for transporting goods can be made ecologically and economically more feasible by basing it on trains, because it is easier to monitor trains than trucks, and trains also transfer larger amount of goods than trucks. In addition, trains are also more reliable than trucks in terms of frequency and delivery time. Building a large number of quick railroads, however, is more expensive than constructing roads and, therefore, the costs and benefits

of roads and railroads have to be properly balanced before a decision on the preferred alternative is taken.

Cooperation between Israel and Jordan will also facilitate the construction of gas pipelines. Prior to 1978, for example, Israel imported oil from Iran and exported it to Europe, thus bypassing the Suez Canal. This significantly reduced the costs of exporting oil from Iran to Europe and, consequently, both countries made significant profits. Similar and even greater profits can be made by the importing oil from Iraq via Jordan to ports in Israel. From Israel the oil could be exported to Europe. Such oil pipe can be an alternative to the pipe line that is currently built between Iraq and Turkey. It will also complement the planned pipe from Iraq to Aqaba. The profits from the oil pipe will be shared by the Jordanian, Israelis and Iraqis.

Foreign trade in the three countries will also benefit through using the Israeli and, in the future, Gaza ports for exports and imports from and to Europe and the USA. The port of Aqaba in Jordan can be used by Israelis and Palestinians for exports and imports from and to Eastern countries. Cooperation and fast transportation systems will also make it beneficial for regional Arab countries, especially the Gulf countries, to import goods from Europe through Israel, Jordan, and Palestine.

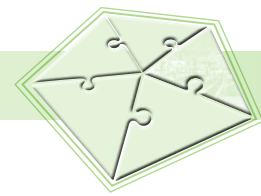
Jordanian, Israeli, Palestinian, and foreign airlines can also gain from cooperation between the three states. It will open the skies from Israel to and over the Gulf States and will therefore increase the profitability of operating flights to Israel and Jordan. It will also increase the profitability of the Israeli, Jordanian and future Palestinian airports because these airports could compete to become international hubs for flights between the Europe, the Middle East, the Gulf States and Far East destinations. However, because there is already large competition between airlines and airports in the Middle East, it is likely that the possible gains for Israeli, Jordanian and Palestinian airlines and airports will be relatively modest. Consumers in the three countries will nevertheless gain from the increased competition between airliners and because of the increase in the number of destinations.

3.5 Labor Market

Currently, it is estimated that about 100,000 Palestinians are employed in Israel either legally or illegally. Given current employment conditions, the Israeli market can provide employment to about 40,000-50,000 more workers in construction and agriculture, assuming that the Palestinian workers will completely replace the foreign workers in these sectors, which is unlikely. A few thousand more jobs might become available for Palestinian workers in services, especially in the tourism and restaurant sector.

This will bring the number of Palestinian workers working in Israel to levels similar to the ones that existed before the first Intifada that broke in 1987. Some of these jobs may also be taken by Jordanian workers, especially in places that are close to the Jordanian border, such as Eilat and the Arava valley.

²⁶ <http://www.aljazeera.com/indepth/opinion/2012/08/201281373146974754.html>



As discussed above, employment of Palestinian and Jordanian workers in Israel may be beneficial to all parties because foreign workers in Israel currently earn significantly more than even high skill workers in Jordan and Palestine. The profitability of the positions in Israel is indeed large enough that Palestinian workers are currently willing to work in construction works even in Israeli settlements, despite the negative reputation that is associated with such works.

For Palestinian and Jordanian workers, employment in Israel also has the advantage that they can take it without emigrating. Unlike workers that work in the Gulf States or who emigrated to Europe or the US, Palestinian and Jordanian workers that work in Israel can return to their homes on a daily or weekly basis. This will also reduce the costs to the Israeli employers that will not need to pay for importing and hosting the workers. It will also minimize the social problems that are usually associated when large communities of workers live in a foreign country.

Another advantage that is associated with the employment of Palestinian and Jordanian workers in Israel is that these workers are exposed to more modern technologies than are available in Jordan and Palestine because the Israeli economy is more developed. At least in the catch-up period, therefore, employment in Israel can provide the Palestinian workers with the skills and the entrepreneurial experience necessary to operate new businesses. There is evidence, for example, that prior to the first Intifada in 1987 many of the businesses opened by Palestinian were owned by workers that had some experience of working in Israel.

However, there are also risks in unifying the labor markets of the three countries. The risk is especially large for the Palestinian State because it is the risk that high skill Palestinian workers will come to work in Israel in low skill jobs. Under current conditions, working in Israel in low skill work is more profitable than employment in Palestinian firms that require high skill workers. Thus, there would be an incentive for Palestinian workers to take jobs in Israel in which they are underemployed relative to their skills. If such high skill workers will indeed take such jobs in Israel, low skilled Palestinian workers will not be able to find work neither in Israel nor in Palestine. This will make the Palestinian economy dependent on the Israeli economy rather than develop on its own, as an economy that complements and cooperates with the Israeli and Jordanian economy.

The risk in such a scenario is that the Palestinian workers will compare themselves with their Israeli counterparts. This may generate feelings of frustration and anger at the inability to catch up, a feeling of the same type to the one that fueled the first Intifada in 1987 (Schiff and Ya'ari, 1991). The employment of Palestinian workers in Israel must be therefore complemented with investments in the Palestinian State. Otherwise it might lead to social unrest that will destabilize the relationships within the Palestinian State and between the Palestinian State and Israel.

3.6 The Iraqi and Syrian Refugees in Jordan

Before concluding the discussion on labor markets, we would like to briefly discuss the possible effects of the influx of Iraqi and Syrian immigrants on Jordan. It is difficult to estimate the effect of these immigrants on the Jordanian economy because it is not yet clear if and when the political situation in the refugees' home countries will be resolved. It is also not clear if these immigrants will stay in Jordan when the political situation in their home countries will be settled. Nevertheless, the large number of refugees and the difficulties in resolving the conflicts in their home countries suggest that these refugees are likely to have a significant effect on the Jordanian economy for a relatively long period.

Iraqis have been immigrating to Jordan in relatively large number since the outbreak of the Iraq-Iran war in 1980. Some of these immigrants were poor and needy, but most were wealthy, educated and belonged to the high or upper middle classes. These Iraqi refugees sought Jordan as safe haven for living and investing.

The number of Iraqi refugees increased sharply after the US invasion of Iraq in 2003. Between 2004 and 2007 about one million Iraqis immigrated to Jordan. Despite the large number of refugees, a large share of these refugees was of relatively high socio-economic class. Consequently, no refugee camps were set up. Moreover, many of these Iraqis have relocated to other countries: The number of Iraqi refugees in Jordan has consequently stabilized around 500,000 since 2008.

A small percentage of the Iraqis residing in Jordan are poor who seek employment in the informal sector. The majority, however, are relatively wealthy and have good education. These relatively wealthy Iraqis are often able to invest in existing businesses or in starting their own establishments. For example, Iraqis in Jordan have their own grocery shops, bakeries, restaurants and cafes. There are also several successful businesses and export-import companies that are run by Iraqi immigrants. Other Iraqi refugees find employment in relatively well-paid positions such as university professors. They often send their children to private schools and private and public universities.

Despite the pressures on facilities and services that are usually associated with an influx of refugees, it seems that the impact of Iraqi refugees on the Jordanian economy is mostly positive. It might even become more positive if these refugees could serve to tighten economic relationships between Jordan and Iraq when the conflict in Iraq will be resolved. At such time, the Iraqi immigrants will be able to fully exploit their relations with a country that will become one of the largest oil and gas exporters in the world. Studying the effects of the Iraqi immigrants on the Jordanian economy, will nonetheless be possible only when more data becomes available.

Since 2011, Jordan has also absorbed a large number of refugees from Syria. The two main refugee camps are *Az-Zatari* and *Mrajeb Al-Fhoud*. There are also several smaller private camps offered by Jordanian philanthropists in bordering towns such as *Ramtha* and *Mafraq*.

The number of Syrian refugees in 2012 was greater than 330,000. The cost of handling the refugees in that year is estimated to be over \$1.27 billion (Raidt and Lightfoot, 2013). By mid 2013, most of the refugees have settled into Jordanian cities and towns. Because the refugees usually have only small wealth, they are competing with low income Jordanian for jobs, thus driving down wages. The presence of the Syrian refugees also pushes up prices of real estate and commodities. Unlike the Iraqi immigrants, the number of Syrians that opened businesses in Jordan seems to be small. The latest figures indicate that Syrian refugees invested only US \$ 38 million in the Jordanian economy in 2012-2013.

In addition to the economic difficulties, the immigration from Syria is also associated with security concerns. Some of the refugees belong to extremist groups and, consequently, border security is a major challenge for Jordan. Furthermore, both the economic and the security difficulties associated with the Syrian refugees are expected to increase significantly in the second half of 2013 as the number of refugees is expected to be greater than 500,000 by the end of this period. Thus, by the end of 2013 the number of refugees from Syria will be equivalent to about 10% of the Jordanian population. It is possible, therefore, that the Jordanian government will be forced to mobilize significant military manpower and hardware to the Syrian border in an attempt to bring the refugee situation under control.

4. Conclusions

In this study, we briefly discussed the economic situation in Palestine, Jordan and Israel and suggest several possible benefits from cooperation between the three states. Before concluding, we would like to emphasize again that our discussion cannot capture all the possible effects of the changes discussed because each of these changes can

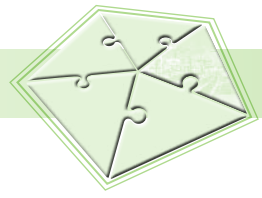
trigger effects that are difficult to foresee. In addition, our discussion assumes that there is full economic cooperation between the three states, but it is hard to estimate the full effect of such a change relative to the current one because such a change will also require a change in norms and attitudes, and estimating the effects of such changes is beyond the scope of the present work. Moreover, such changes in the relationships between Israel, Jordan and the Palestinian State will also have significant effect on the international relationships of these states and, estimating the effects of such changes is beyond the scope of the present work.

In addition, due to brevity we also do not discuss all the possible changes and benefits that may accrue to the three economies, but only some of the most important ones. For example, greater cooperation between Jordan and Israel will allow significant cost reductions in the construction of air and sea ports in the Aqaba-Eilat region. Currently, each state separately plans changes in the sea ports and construction of new airports in the regions. Greater cooperation will allow the construction of unified sea and air ports that will be both more efficient and more convenient to the users than separate ports. However, the effects of such changes will be more local and would also depend on the infrastructure that will exist at the time, when greater integration is achieved. If Israel and Jordan will already have separate airfields and ports at the time of the change it might not be cost effective to build new and unified ones.

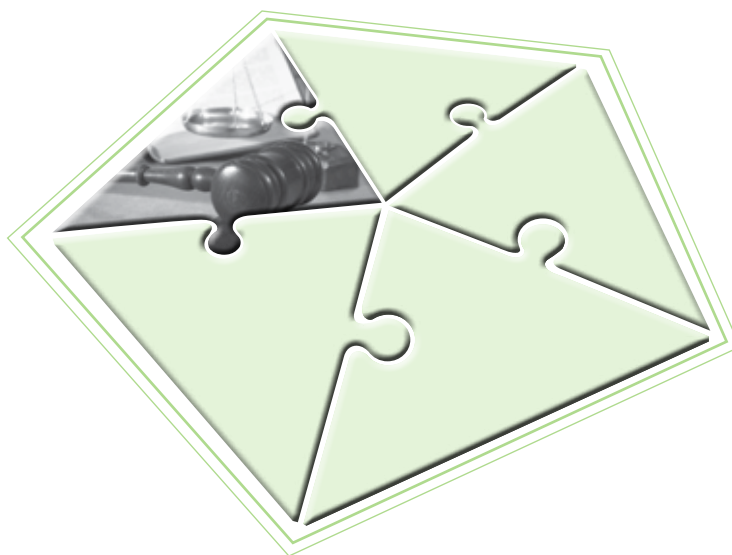
We hope that our work will assist decision makers in their choices. We also hope that our work may assist in highlighting the possible economic changes that greater integration between the three states can make possible. Finally we hope that our work may highlight some of the changes that can be made to make such cooperation more productive, such as improvements in language and computer skills among secondary school and university graduates.

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The Palestinian State and the National Aspirations of the Palestinian Diaspora



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Introduction

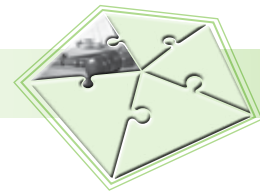
The following is a study which reflects Palestinian, Israeli and Jordanian points of view regarding the Palestinian Diaspora. The study examines the extent to which the establishment of a Palestinian state in the West Bank and Gaza could satisfy the national aspirations of Palestinians living outside these borders, mainly the refugee population that constitutes more than half of the Palestinian people. The researchers attempted to come up with a single joint study; however the sensitivity of the issue and the speed at which the political situation is changing has obliged the researchers to submit two different papers – a joint Israeli-Jordanian perspective and a Palestinian perspective.

The researchers have agreed on the substance and the importance of issues related to the national aspirations of the Palestinian Diaspora, including the refugees, and the need to come up with a unique proposal, however have not been able to agree upon a single approach to deal with this issue. Regardless of the various methods used to analyze and solve the issue, the basic assumptions are that any proposed solutions will be based on a final status agreement, a two state solution based on a combination of the Arab Peace Initiative, the Clinton parameters, and the Abbas-Olmert talks (although none of the above frameworks were developed enough to fully deal with this sensitive matter, they provide a methodological umbrella based on the two states for two peoples concept).

The study is presented under the assumption that a peace agreement has already been achieved between Israel and Palestine, the point of departure for satisfaction of the national aspirations of the Palestinian Diaspora that is largely comprised of refugees who used to live within the existing boundaries of Israel before 1948.

The paper offered by the Israeli and Jordanian researchers presents a conceptual shift in Palestinian identity, based on the establishment of political-ethnic center for the Palestinian people in the form of an independent state. The researchers offer a theoretical model – an “axis of conductivity” towards national fulfillment, in which a self-perception as an “exiled people” transforms into a self-perception as a “people in Diaspora” following the establishment of a political-ethnic center. This axis is based on the three factors of the viability of the Palestinian state as the political-ethnic center, the policies of host countries, and “push and pull” dynamics of the socio-economic conditions in both host countries and the Palestinian state.

The paper offered by the Palestinian researcher presents a survey of the plight of Palestinian refugees in various host countries, including their various economic and welfare challenges. The paper presents practical proposals for their rehabilitation and contribution to the Palestinian State and its economy, presenting a comprehensive plan for the various efforts that must be made by all interested parties to ensure the re-settlement of Palestinian refugees, according to the final-status peace agreement signed by Israel and Palestine.



Decoupling the Nation-State: Palestinian State and Palestinian Diaspora

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It must be stated at the outset that our point of departure is based on reaching the endgame of settling the Palestinian refugees issue within the framework of partition i.e. two-state paradigm. This basic assumption is mandatory upon us, according to the terms of reference of this project and it deserves a thorough explication in order to internalize its primary implications.

In the following we will proceed from the "local/regional" to the "global". Actually, we adopt a "glocal" approach, i.e., seeking to learn on the "local/regional" from the point of view of the "global" (diaspora and migration studies, transnational history).

The "Local/Regional"

In fact, the seeds of such an approach have been embedded, since its launching in 2002, in the references of the Arab Peace Initiative (API) towards the Palestinian refugees issue (Arab League website). It must be emphasized that the API is more a sort of algebraic formula which has to be filled in with mathematical values. But the very readiness to present its parameters as a kind of a gambit even prior to negotiations, reflects its potential.¹ In the API, the Arab side (the Palestinians included) accepts for the first time collectively the principles of "normal relations" and "the end of the conflict" with Israel, in return for the withdrawal of Israel "to the lines of 4th June 1967".

As for the Palestinian refugee issue, the API stipulates the need for "a just solution to the Palestinian problem to be agreed upon in accordance with the United Nations General Assembly Resolution 194". An "agreed upon" solution that necessitates the consent of Israel locks the door to a massive return of the refugees to the state of Israel. In order to clarify the issue, we must address the origins, i.e. the text of Resolution 194 (article 11) from December 11th 1948: "the refugees *wishing* to return to their homes and live at peace with their neighbors should be permitted to do so at the earliest practical date, and that compensation should be

paid for the property of those *choosing* not to return" (our emphasis), (United Nations website).

The highlights of 194 are manifested in these two terms: the "wishing" and the "choosing" of the refugees themselves. It is up to the individual refugees to decide upon "return" or "compensation". For many years since 1948, this fundamental principle has been the cornerstone of the Palestinian and Arab position on the refugee problem. And herein exactly lies the main constructive innovation of the API concerning the refugee problem: the achievement of a "just solution to the Palestinian refugee problem" must be "agreed upon in accordance with General Assembly Resolution No. 194". Thus, the issue is taken from the refugee himself and is subordinated to the final agreement between the two parties, namely Israel and the PLO – Palestinian Authority.²

Furthermore, Mahmoud Abbas (Abu Mazen) attested to the API references to the refugee issue in his March 2009 guidelines to the Palestinian Negotiations Support Unit (headed by Saeb Erekat) during the Annapolis negotiations with Prime Minister Ehud Olmert. According to the meeting minutes leaked in 2011 by al-Jazeera and the Guardian, Abu Mazen stressed the API phrasing of "just and agreed upon" as the source of authority for addressing the refugee issue (The Guardian website):

All refugees can get Palestinian citizenship, if they want to. Thus, for example, Palestinian refugees in Jordan may not want to, while for the refugees in Lebanon there is a need. With that, Palestinian refugees will no longer be stateless but rather foreigners [in host countries]... On the numbers of refugees, it is illogical to ask Israel to take 5 million or indeed one million – that would mean the end of Israel. They said 5000 over 5 years. This is even less than family reunification and is not acceptable. There also has to be compensation [...] and there needs to be compensation to host countries.

Following these instructions, one of the team members asked according to the record:

I am Palestinian from Nazareth and have an Israeli citizenship. Will I be granted Palestinian citizenship in the future state?

1 Since 2003 the API has been endorsed unequivocally as well by the 57 Islamic states affiliated with the Organization of the Islamic Conference (OIC). See: www.oic.org/page_detail.asp2.p_id=68;id=67. Its last two endorsements were published in the Mecca Covenant ("Mithaq Mecca") by the Conference of the Islamic Summit: **Al-Quds** (East Jerusalem), 17 August 2012, <http://www.alquds.com/news/article/view/id/378286> and in "The Final Declaration of Cairo" of the 12th session of the Conference of Islamic Summit (Cairo, February 2013): http://www.oic-oci.org/external_web/is/12/ar/docs/final/CFC-12-SUM-Final%20Arabic-revised.pdf

2 The draft of the "**Constitution of the State of Palestine**" (February 2003), prepared by the Committee of the Constitution headed by Dr. Nabil Shaath, followed the phrasing of the API. It stated that "the legitimate right of the Palestinian refugees... would be implemented through the negotiation and political legal ways" (clause no. 13, our emphasis). See: <http://www.miftah.org/Arabic/Doc/Con> Retrieved 15 January 2013.

Abu Mazen answered in detail:

I understand why you are asking this. I [too] am a refugee from Safad. The answer, strategically is 'no'. You should stay where you are, protect your rights and preserve your community. You don't need a passport to prove that you are Palestinian [...]. We do not want you to participate in any intifadas though. Raise two banners: equality and an independent state for your brothers in the occupied territory.

The straightforward instructions by Abu Mazen seem to settle the presumed contradiction in the API between the "agreed upon" clause and the provision about "the rejection of all forms of Palestinian patriation (*tawtin*) which conflict with the special circumstances of the Arab host countries".

Thus, the denial of the *tawtin* does not lead inevitably and exclusively to one possibility - the "return" (*awda*) to the State of Israel. First of all, it does not pertain to those Arab host states which do not see a "conflict" between their circumstances and the Palestinians' presence (like Jordan in which most of the Palestinians, including the refugees, acquired Jordanian citizenship). It does not, of course, contradict the option of "return" to the Palestinian state, but, above all, it allows and even encourages the Palestinians (as is attested explicitly in Abu Mazen's directives) to continue residing in their Arab host countries as residents while acquiring Palestinian citizenship this way. Hence, the two pertinent provisions in the API concerning the refugee problem are complementary and not contradictory.

This is exactly the reason why the deceased leader of Libya, Muammar Qaddafi insisted in the Arab Summits of 2009 and 2010 on inserting the following objection to the text of the API: "[Libya] affirms its objection to the API and other terms of reference which are not conducive to the establishment of a democratic state on all Palestine or to the return of Palestinian refugees" according to his vision of one state named "Isratin". Had the *tawtin* clause voided the meaning of the "agreed upon" clause, Libya, along with Hamas and the Islamic Jihad, would not have so vehemently rejected the API during the last decade.

Hence, the basic assumption which underlines the present project is not just an exercise of "thinking the unthinkable". As we try to illustrate, it is embedded in the API, the predisposition leading to a concrete position. It must be stressed that despite the overall turbulences in the Arab arena since 2011 there has not been any popular resentment and significant protest directed against the API, and consequently it has been endorsed annually both by the Arab and Islamic consensuses (as mentioned above). Even the new Arab governments in the wake of 2011 have joined it, including the Muslim Brothers' government in Egypt. The API seems to present until now the most stable anchor in the stormy high seas of the region even though it is a heritage of the older crumbling Arab order.

The political philosopher John Rawls (1999) coined the concept "realistic utopia" for such an intellectual endeavor

which strives "to extend what are ordinarily thought of as the limits of practical political possibility" (p. 124). In the same vein, our effort is to "extend the limits of practical possibility" concerning the Palestinian refugees' issue and, in fact, in regards to the broader issue of the Palestinian diaspora as a whole. If the present conditions do not seem to be conducive for such "realistic utopia", let us unfold a "veil of ignorance" (Rawls, 1999), which will set aside the actual historical state of affairs and roll history down from the potential to the expected actual.

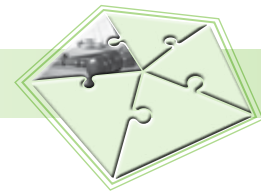
Exile (*Ghurba*), Diaspora (*Shataf*), and the State (*Dawla*)

In what terms may the establishment of a sovereign Palestinian state in the West Bank and Gaza (WBG) be a watershed, as far as its relations with the Palestinians abroad (either residing in Arab host states or non-Arab states) are concerned? In order to examine this question and its implications we must delve into the significance of the establishment of a state in the Palestinian national thinking.

Palestinian national identity, both as an ideology and as an organized movement, emerged assertively **outside** the territory of Palestine. In this matter it was "extraterritorial being" (Said, 1980: 169). The founders of the Palestinian national movement, embodied in Fatah and the PLO, envisage a process of political and military "spilling over" from "outside" (*kharij*) Palestine to the "inside" (*dakhil*).

This conception was epitomized by Fatah (heading the PLO since 1968) in the strategy of the "military struggle" which was based on the "outside" as the point of departure, mobilizing the military Arab forces, in order to liberate all of Palestine (Steinberg, 2012: 260). Semantics is very important here in order to denote the changing attitudes. In the wake of the *nakba*, during the 1950s and 1960s, the prevalent term for referring to the circumstances of the Palestinians abroad used to be "*ghurba*" (which signifies the sense of feeling away from home, and may be translated into "exile". Sometimes "*manfa*" was used, with the same meaning). The Palestinian poetry during those years was, indeed, immersed with the notion of *ghurba*, yearning for the end of the "long *ghurba*" (Tibawi, 1963: 512). And be it not mistaken, the reference was directed first and foremost, to the Palestinian refugees' feeling of alienation within the Arab surrounding. It is no wonder that the panacea to this acute ailment was presented by the founders of the Palestinian national movement in a radical phrase; total liberation (*tahrir*) of Palestine as a whole.

Only later, in the wake of October 1973 War, when the Palestinian national attitudes began to revolve around the nexus of striving for a Palestinian state even in part of Palestine (*dawla*), a conceptual shift of emphasis has gradually occurred: the Palestinian *ghurba* has been more and more replaced by the concept of "*shataf*", meaning "Diaspora". In essence, since the adoption of the aim of a Palestinian state, a process of objectification has been taking roots addressing the Palestinian "outside". The semantics of this



transition signifies a shifting substance. The shift in phrasing the concrete aim from "liberation" of Palestine towards establishing the Palestinian "state", from "general liberation" to "particular liberation" (Said, 1980: 175) had been reflected respectively in the shift from "exile" to "diaspora".

Exactly this shift is exemplified, with its tensions and inhibitions, in fiction through the book of Elias Khoury, *Bab al-Shams* (1998). The book presents what had occurred to the vision of return among Palestinian refugees in Lebanon after dozens of years since the *Nakba*. In spite of the polyphony depicted, the dominant voices are of those who have awakened from the elusive vision of return adapting themselves to the shift from *ghurba* to *shatat*: "The memory, Sir, is nothing other than the process of organizing the forgetfulness (*nisyan*), and what we are doing now, you and me, is to bring order to our forgetfulness...we remember in order to forget" (Khoury, 160). And then the conclusions at the end of Khoury's opus: "I told him that this is not anymore Tarshiha, our country is not anymore our country, and our home is not anymore our home...will I promise her Sufuriyya that does not exist?" (Khoury, 500-501).

Because definitions of "diaspora" abound, this differentiation deserves some methodical elaboration due to its ramifications on our subject matter.³ It is very suggestive that we see an identical shift on the Israeli side (the concepts of: "galut"/"golah" and "tefuzah"/"pezurah"). *Ghurba* and "Galut" denoting "exile" are subjective-loaded, referring to climate of feeling and opinion of a collective uprootedness from the homeland. These are "expressive" terms that focus on the collective consciousness of people who lost the possession on their homeland. While *shatat* and "tefuzah" denoting "diaspora" are objective-loaded terms referring more to circumstances of living afar from the homeland which still plays the role of political-ethnic center. Only the loss of this political-ethnic center and the concomitant feeling of alienation and uprootedness turn the "diaspora" into "exile". Thus, in a methodical reference to "exile", it may be antithetical to the existence of a "state", while "diaspora" is not. In "diaspora" the nation stretches over the "state" while still the "state" remains the core area, at least symbolically.⁴

So, the dividing line between this pair of concepts lies on the existence or the absence of a political-ethnic center. As long as this center crystallizes more and more to become a full-fledged state, its "outside" dispersed population is considered as "diaspora", in contrast to "exile". Indeed, the

3 The theoretical literature on the phenomena of "diaspora" has proliferated in the last two decades. See, for instance, Eliezer Ben-Rafael, (2010). "Diaspora", in **Sociopedia, isa**, and its attached rich bibliography.

4 The sociologist Sari Hanafi, who wrote the most extensive research in Arabic on the Palestinian diaspora, indicated that he was reproached by Arab critics for referring to the Palestinian refugees as diaspora. The critics admonished him of being ready to comply with the status quo, thereby erasing the character of the refugees. Notwithstanding the above reservations, the term "diaspora" (*shatat*) has become prevalent among the Palestinians and Arab intellectuals. See: Hanafi (2000, section 1-2b).

transition of the "homeland" (*watan*) or part of it into a "state" (even in a nucleolus one) makes the difference between "exile" and "diaspora".

The distinction between "the trauma of loss" and "the trauma of absence", as expressed by the cultural theorist, Dominick LaCapra (2001, p. 56) seems to be valid in this context as well. The trauma of loss enables reconciliation with what cannot be undone. When *Paradise Lost* is perceived as part of the past, LaCapra noted, one may "turn to other, non-redemptive options in personal, social and political life", whereas the trauma accompanying absence delves into the past, perpetuates it in the present, gives it no rest and implants an illusion that what has been done may be undone. Thus, when the "*nakba*" is transformed into the existential situation of an extended present, "the trauma of absence" takes root. The observation of LaCapra brings forth the psychological angle. Contrary to the first distinction between consciousness (subjective) and circumstance (objective) it stays in the psychological field leaning on the different psychological categories. But all in all it adds a new aspect to the linkage between the existence of a political center, such as a state and an even nascent one, and the existence of diaspora, parallel to the linkage between the existence of exile and the absence of such a political center.

In contrast to the prolific research during the last two decades on the phenomenon of diaspora communities in Europe, the Americas and so on, the research on the Palestinian diaspora is quite meager, notwithstanding some conspicuous exceptions (Hanafi, 2000; Hanafi, 2003; Schulz, 2003; Hammer, 2005; Shiblak, 2005; Bryne & El-Rifai, 2007). Departing from our basic assumption, mentioned above, and drawing from the preliminary research done on our subject, we will try now to sort out the primary variables which are relevant for addressing the pertinent question: would the establishment of a Palestinian state satisfy the national aspirations of the Palestinian diaspora?

Decoupling the Nation-State

The title attests to the fact that the question is both broader and narrower than the "refugees" or "non-refugees". In fact, there is only partial compatibility between the Palestinian refugees and the diaspora Palestinians. Statistical data show that refugees (according to UNRWA records) constitute 44.1% of the total Palestinian population in the West Bank and Gaza Strip (WBG). UNRWA data also indicated at the end of 2011 that there were 5.1 million Palestinian refugees registered in UNRWA's areas of operation, comprising 45.6% of the total Palestinian population worldwide: 59.1% of them living in Jordan, Syria and Lebanon, 17% in the West Bank and 23.8% in the Gaza Strip. The average increase of these registered refugees during 2011 in all UNRWA's areas was 3% (Palestinian Central Bureau of Statistics, 2012; UNRWA, 2012). Thus (UNRWA, 2012) there are more than two million registered refugees in the WBG who do not reside, by definition, in the diaspora, in contrast to the refugees in

Jordan (two million), Syria (more than half a million) and Lebanon (425,000).⁵ Those refugees residing in the WBG do not live, of course, in the diaspora, but it can be said that they live in a diasporic condition (Schulz, 2003: 22).

Table A:

Estimated Number of Palestinians in the World by Country of Residence, End Year 2010

Country	Percent	Number
Palestinian Territory	37.5	4,108,631
Israel	12.4	1,360,214
Arab Countries	44.4	4,876,489
Foreign Countries	5.7	626,824
Total	100	10,972,158

Source: PCBS, Palestinian National Authority, Palestinian Central Bureau of Statistics: http://www.pcbs.gov.ps/Portals/_Rainbow/Documents/PalDis-POPUL-2010E.htm

This data underlines the lack of compatibility between registered refugees and the Palestinian diaspora: not every refugee resides in the diaspora and not every Palestinian in the diaspora is registered or considered as a refugee. This fact must be taken into account when we are assigned to deal with the issue of "the national aspirations of the Palestinian diaspora", which is both broader (the diaspora is broader than the registered refugees) and narrower (a substantial portion of the registered refugees live in the WBG in addition to about 300,000 "internal refugees" who are Israeli citizens).⁶

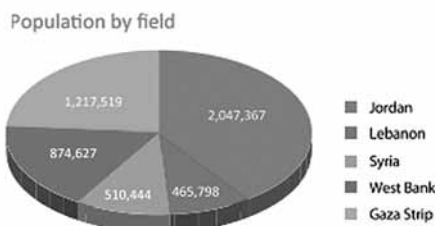
Hence, we have to draw our concepts from Migration and Diaspora Studies based on the particular - present and potential - relationships between the anticipated Palestinian state and the Palestinians living abroad within their host societies and states.

The "Axis of Conductivity" towards National Fulfillment

It can be assumed that the fulfillment of the national aspirations of diaspora Palestinians in the context of a Palestinian state is a matter of degree along an "axis of conductivity" stretching from "weak" ("exile") to "strong" (diaspora with a Palestinian state as the center) fulfillment. Three sets of factors may influence the location on this imagined axis:

1. The content of the final-status agreement and consequently its implications on the viability of the emerging Palestinian state. What is at stake here is the new state's competence to become the center of gravity for the Palestinians abroad.
2. The explicit and implicit policies of the host countries in the Arab arena and outside it.
3. The "push and pull" dynamics of the socio-economic conditions in both host countries and the Palestinian state in the WBG.

Table B: Refugee Demographics by State

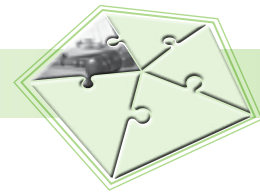


Source: <http://www.unrwa.org/userfiles/20120317152850.pdf>

⁵ As for the figure about Lebanon, it is generally accepted that a large proportion of these registrants do not live in Lebanon at present. According to the recent census, done in 2010, the numbers stretch from 260,000 refugees to 280,000 living now in Lebanon. See: Hanafi, S., Shaaban, J., Sifrit, K., (2012). The Social Exclusion of the Palestinian refugees in Lebanon: Considering the Mechanisms which Worsen their Permanent Poverty, in **Journal of Palestine Studies**, vol. 91, pp. 35 – 52 (Arabic). The authors of this updated research point to the fact (p.41) that even in a recent law of the Lebanese parliament which eased slightly the limitation on work availability of Palestinian refugees outside their camps - the latter are lumped under the pejorative category of "aliens" (ajanib).

All these sets of factors have a bearing on the mutual perceptions of the Palestinians both in the Palestinian state and the diaspora. As an example, let us address the most pressing issue of the 260,000-280,000 Palestinian refugees in Lebanon (although, as mentioned above half a million are registered in UNRWA). The only vacant and quite spacious area left in the WB for settling such a great amount of refugees is the Jordan valley. It follows that the capability of the Palestinians state to absorb tens of thousands of refugees from Lebanon should depend on the territorial terms of the final agreement which would radiate on the very nature of the Palestinian state. It goes without saying that if Lebanon persists with its determined rejection of Palestinians remaining even as residents (the taboo on the

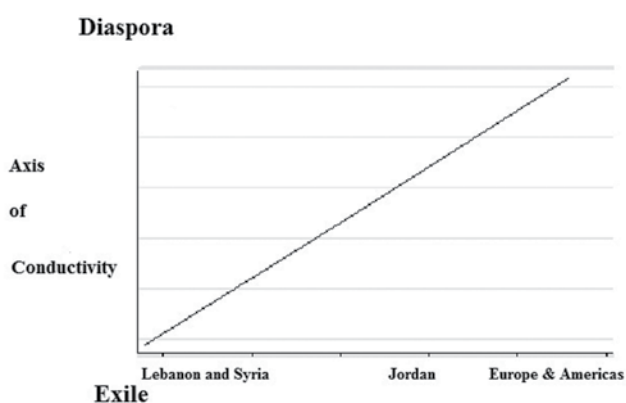
⁶ On the implications of the establishment of a Palestinian state on Israeli Arabs, and especially on the "internal refugees" (that amount to 300,000), see: Steinberg, M. (2011). Diversity in Spite of Unity: The Palestinians in Israel and the Palestinian State. *The Influence of the Establishment of a Palestinian State on Israeli Arabs* Pedatzur, R. (ed.). S. Daniel Abraham Center for Strategic Dialogue, Netanya Academic College: 26 – 35.



tawtin) then this combination of the factors would have a crushing effect on the solution of this problem. Add to these two factors the worsening of the socio-economic conditions in the wake of the ramifications of the turmoil in Syria and Lebanon and the result is an intractable situation (Hanafi et al., 2012). Before the recent civil war in Syria, their situation, even in the refugee camps, was manageable, but now in the wake of the chaotic deterioration spilling over to the refugee camps, their lot has become most ominous and precarious.

Hence, the Palestinians in Lebanon lack one of the two necessary conditions needed for a group of dispersed people to be considered as a diaspora. Hanafi (2003) specified these two necessary conditions as follows: "First, the group has an accepted legal presence in the host country, and second, members of this group are tied together by a variety of different networks which also link them to their real mythical homeland. In the latter, members of the community are conscious of sharing a common identity" (p. 166).

Axis of Conductivity from Exile to Diaspora



This graph demonstrates the transformation of an "exile" into a "diaspora" based on the conductivity of the three factors mentioned above.

What it takes to be a Diaspora

Based on this functional definition of what it takes to be a diaspora, it must be said that the Western hemisphere seems to be more qualified to be considered as "diaspora" for the Palestinians than the Eastern one. This leads Hanafi (2003) to the conclusion that "while there are 'diasporized Palestinians' in both North and South America and in Europe, the Palestinians in the Arab world have not accomplished their process of diasporization" (pp. 167-168). In fact, this observation befits first and foremost the Palestinian refugees living in camps in Arab countries which comprise up to three million inhabitants - one third of the Palestinians in the Arab countries (UNRWA website, 2012). Drawing on his fieldwork, this condition of permanent liminality has been applied by Hanafi (2000: Ch. 1, section 1 -2; 2003: 168) to the Palestinian context by characterizing them as "Palestinians in transit" (*filastiniyu al-tranzit*) living in what can be called "limbo condition".

Hence, the Palestinians abroad can be classified according to their situation in the various host countries in the Arab world and in Europe and the Americas. These divergent policies which produce different types of political-legal status for the Palestinians originate in different political cultures (Hanafi, 2001: pp. 162-163; 2003: Ch. 1, section 1 -2). The assimilation paradigm has been implemented, for instance, by Egypt and France. Being apprehensive of their liminality and isolation had driven Palestinians in Egypt to some assimilation: "It is probably accurate to say that the only Palestinians who speak with the exact accent of their host country are the Palestinians in Egypt" (Hanafi, 2003: 162-163). In France the assimilationist approach tends to be more systematic and institutionalized than the de-facto unorganized attitude of Egypt.

The Western countries are characterized by multicultural attitudes. The same may apply, with relevant reservations, to most of the Arab countries because there the cultural differences are reflected more on the practical level of socio-economic discriminative policies and conduct. Unlike Palestinian refugees in Western countries, these refugees share with the surrounding Arab host communities language, culture and religion: "Yet, these cultural affinities are not sufficient by themselves to ensure successful adaptations. The policies of the host societies play a major role in shaping the contours of adaptation" (Zureik, 1997: 82-83).

The diversification of the Palestinians abroad according to the situation and policy of the host countries is accompanied by their classification according to impetus for leaving the homeland of Palestine. Hanafi (2003: 169-173; 2000, Ch. 1, section 1-2) identifies three main categories:

1. The first category comprises those who immigrated before 1948 due to economic constraints but also in order to avoid the Ottoman military service at the time. Their destination was mainly the Americas, and many of them assimilated in their host societies.
2. The second category concerns the 1948 exodus during and as a result of the *Nakba*. A sub-category of this one is the "displaced" Palestinians during 1967 War and those who were absent during the Israeli census (up to 350,000 individuals).
3. The third category comprises of Palestinians who left Palestine voluntarily aspiring to improve their well-being, for instance to the Gulf region.

Based on his empirical fieldwork in Arabic countries, Hanafi (2003, p. 173) draws from this classification the following conclusions: acquiring citizenship does not mean necessarily being assimilated. Thus, Palestinians who obtained Jordanian citizenship in the wake of 1948 have not shed their self-identification as Palestinians. The respondents of Hanafi differentiate between their civil rights as Jordanians (permanent residency, education, mobility) and their national identity as Palestinians. All registered refugees are holders of Jordanian passports except those originating from Gaza. As phrased also by Hammer (2005): "Palestinians who

lived in Arab countries did not become Lebanese, Syrian, Jordanian or Tunisian even if they adopted certain values and life styles" (p. 209).

Yet, there exists a conspicuous difference between their exclusion in Lebanon and their relative integration in Jordan. Contrary to that, assimilation has been manifest among the majority of Palestinians in North and Latin America and a part of the Palestinians who emigrated to Arab countries before 1948. A long time has elapsed since their emigration, and the descendants are fourth and fifth generation in host countries. Another important point, raised by Hanafi, supports our main leitmotif along the present work: the continuation of the conflict with Israel hinders the process of diasporaization of the Palestinians in the Arab countries.

As we emphasized above, there is vital correlation between establishing a sustainable Palestinian state in the context of a partition agreement which would settle the refugee issue, and a sustainable diaspora. Only the transition from the consciousness of "exile" (*ghurba*) to the situation of "diaspora" (*shatat*) can mitigate this enduring problem. Thus, the absence of political solution perpetuates the phenomenon of Palestinian "in transit" in the Arab world with the exception of those in Jordan who obtained Jordanian citizenship. Paradoxically, the collective feeling of alienation predominates more among Palestinians residing in Arab host states like Lebanon and Syria, than among Palestinians in the Western countries. The cultural and language affinities and the proximity breed mutual suspicions due to the rising expectations from the Arab brothers, mainly in the precarious Arab states. It can be assumed that these animosities will mitigate and recede once a Palestinian state is established transforming the exile (*ghurba*) into diaspora (*shatat*). Indeed, the very existence of a Palestinian state may serve to alleviate the threat of "*tawtin*" (repatriation) to those host Arab states that are bothered by it. The necessary condition for a substantial diaspora depends upon a Palestinian state which will create a solid center of gravity. We do not ignore, of course, the fact that the very precarious situation of the Palestinian refugees in Lebanon (and in Syria) obstructs as well their capability to become a permanent diaspora. But we assume that in the context of a two-state solution this acute problem can be settled in Lebanon (as residents) as well as in Western countries and by partial return to the Palestinian state.

At present, the process of establishing a center is confronted with insurmountable difficulties and is halted. The nascent center, embodied in the Palestinian Authority, faltered and proved to be abortive. Simultaneously the diasporaization mainly in the Arab countries is also precarious and can regress to the status of "exile".

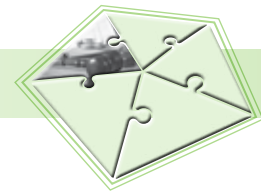
Hammer (2005), in her pioneering study about the returnees (approximately a hundred thousand) in the wake of the Oslo Accords (1993), depicted and analyzed this tantalizing experience replete with expectations and frustrations. Based on a sample group of young (15-32 years old) returnees from Arab countries, most of them children of officials in the PLO and the Palestinian organizations, and from abroad (U.S.A.

and Europe), she attested to this preliminary process of return, and mainly to the budding emergence of the relationships between a potential nucleus of a state and diaspora. With all the significant differences between a semi-state and established state – *mutatis mutandis* – we can draw from her study some insights for our purposes.

She discerned (pp. 216–222) the budding of the process of "reevaluation of the meaning of Palestinian identity" based on an emergent center. Parallel to that, an adjustment to the existence of diaspora took place. The term "at home in diaspora" began to gain significance. The expectation for the coming state mitigated the sense of the permanence of exile which means that the only desirable solution is full-fledged return. The Palestinian migration began to be seen in the context of "world movement" – now as a particular case of a global process of migration and wandering which encompasses also the Muslim communities in Europe: "diasporas appear as a feature of modern life" (p. 220). Hammer recorded a new attitude among Palestinians of feeling at ease – provided a Palestinian state is established – with Palestinian identities (in the plural) or multiple Palestinian identities which derive from the convergence of specific diaspora with a stable center as the most important symbolic reference point.

There are at least three main objective factors which are conducive to the potential transformation depicted above – one of them biological, while the two others are material-technological. As for the biological factor, it can be phrased in the verse from Ecclesiastes: "one generation passeth away, and another generation cometh..." The Palestinian generation that personally experienced the *Nakba* is slowly passing away both in the refugee camps and outside them.

A field study conducted in 2005 among the 400 young Palestinian refugees (16-29 years old) in Syria exposed an over-all tendency to focus on personal self-realization at the expense of Palestinian national collective assignments (Jaber, no year given). A distinction must be made between conceptions that are based on personal experience and memory of those who emigrated from Palestine and those of the younger ones who are devoid of personal knowledge. The older generation strives for restoring the concrete and specific location – for them the personal home is the homeland. Conversely, for the younger, there is no reminiscence of a specific venue comprising either the homeland or the resistance, and they can adjust themselves to envision even part of the homeland (i.e. the Palestinian state) as a symbolic home: the transformation from "the sons of Palestine into the sons of the Idea of Palestine" (Barghouti, 1998: 60). The young generation is also more prone than the adults to adopt the modern material-technological innovations (Schultz, 2003: 181-183). And here exists the link between the first biological factor and the two material others.



Two Facets of Globalization: Communication and Commutation

In essence, we are speaking of a single factor – globalization enhanced by "distance-eclipsing technologies" (Brubaker, 2005: 9) - with its two facets: global mobility and transportation and the communication revolution. As a result of this double-edged phenomenon, the globe has been shrunk, as commuting and communication has become much easier and faster. Hammer found that the improved accessibility to the Palestinian arena had a sobering effect on the young returnees who had been used to indulge themselves with idealistic visions of return (p. 209).

Anderson (1991:37-46) ascribes utmost importance to the technological vehicles of capitalism (such as printing newspapers and books) in disseminating the idea of the nation-to-be as a popular concept. The same tendency seems to function in spreading the pair notions of state-diaspora, provided, of course, that the state has been established (Hanafi, 2001: Ch. 9, section 3-9). Hence, the distance barrier between the nation and the state had been narrowed, although it is still an overstatement to characterize our era as the era of "the end of territory" (Badie, 1995). However, there is no question that it is easier nowadays to keep in contact physically and virtually, as well as laterally (with other groups in the diaspora), and/or vertically (with the center).

Thus, the passage from remembering to "re-remembering" (as coined by Forties, 1999: 41) is smoother today thanks to the "revolutionary communication". Immigrant populations can project themselves in relation to their historical origins in their homeland without undermining their presence outside of the homeland. In this way, cultural collective identity in the diaspora is at once de-territorialized and re-territorialized (Fortier, 1999, p. 42). To sum it up in the words of Schultz (2003: 16): "Diasporas challenge the notion and the idea that state and nation should coincide". The diaspora may cherish nationalist aspirations but hardly actual and concrete nation-building projects.

Jordan as a Unique Case

Out of all the Arab states, Jordan is the only one which has granted Jordanian citizenship to the Palestinians. This uniqueness creates an exception on the one hand, but on the other hand, it has pervasive implications, as Jordan contains more than 40% of the registered refugees (similarly to the quantity in both the West Bank and Gaza) and 90% of the displaced Palestinians in 1967 (*the nazihun*).

This citizenship of the Jordanian Palestinians, while giving them an advantage and a haven, at the same time could potentially put them in a dilemma of choice when a Palestinian state is established and Palestinian citizenship is afforded.

Since Jordan's official position, as crystallized by the late King Hussein many years ago, was and still is that Palestinians are entitled to Jordanian citizenship for as long as they wish; however if a Palestinian state is established, then they will

have to choose: either to remain as Jordanian citizens with all the rights and privileges, or to opt and exchange their Jordanian citizenship with their Palestinian one. In the latter case, they would either willingly move to their new Palestinian entity, or they would be welcome to stay in Jordan, but treated as any other Arab national (Lebanese, Syrian, Iraqi) living in the country. If this choice is taken, that could pose a personal or national predicament for a Palestinian-Jordanian citizen.

The Benefits of Confederation between Jordan and Palestine

Here enters the notion of confederation which may address the cognitive dissonance within the context of two-state solution. Implemented properly and with sensitivity, the notion of confederation can provide an accommodative formula which makes it possible to include Palestinians in Jordan without compromising their Jordanian citizenship.

Perhaps it would be useful at this juncture to explore more what the idea of a confederation actually and practically means, specifically in the context of two-state solution.

A confederation is a contractual union of states, whose members retain sovereignty. In a confederation, sovereignty is entirely retained by the constituent units, and the confederated body does not undermine the over-powering authority of its components. The central organs of a confederative arrangement do not have direct jurisdiction over the citizens of its constituent states. The ultimate power or sovereignty resides in the individual units making up the confederation. A conceptual precedent of the confederation model was devised in Amman Accord (11 February, 1985) between King Hussein and Yasser Arafat, the leader of the P.L.O. The relevant clause stipulated that "the Palestinians would exercise their inalienable right for self-determination...in the framework of the would-be confederation between the two states – Jordan and Palestine" (al-Hasan, 1985: 158-159). Thus, it was agreed that the establishment of the Palestinian state would precede the establishment of confederation.

Let us summarize the potential advantages of the model of confederation between Jordan and Palestine, as it is related to our subject-matter of the diasporic Palestinians:

- a. In the view of Jordanian elites, senior politicians and ministers, a confederation would enhance peace and stability in the region. Given the effectiveness of the Jordanian security forces and intelligence services, the eventual confederation would contribute to Jordan's security as well as to regional and anti-terror security arrangements.
- b. Supporters of the project within the Palestinian Authority perceive it as a means of advancing the creation of a Palestinian state while sharing responsibilities and learning from an experienced and internationally-esteemed partner. The Jordanian political leadership is viewed positively in the United States and international circles as moderate and pro-Western, which would probably accelerate the peace

and negotiation process. Jordan, which is also respected by other Arab states, would abide by Palestinian decisions regarding the creation of an independent state, borders, settlements and Jerusalem, on which the Palestinians and Jordanians have identical views in any case.

- c. Recognition of a Palestinian national identity and practical political expression of that identity via formal confederated structures and governance. The establishment of a confederation could possibly reduce the saliency of the Jordanian/Palestinian dichotomy prevalent in Jordan as it would allow Palestinians to express their views and interests in a political space defined by Palestinian identity, but within a legal Jordanian-Palestinian framework. In contrast to the noticeable underrepresentation of Palestinian interests and demands in Jordanian politics, a confederation would pave the way for the accommodation and channelling of those interests through formal and informal political, economic and social structures. Moreover, a confederation would encourage the formation of a more unified public opinion while fostering public deliberation.
- d. Talk of the possibility of forming a confederation between the PA and Jordan is occurring today against the backdrop of the strengthening of Hamas and weakening of Fatah, especially in the West Bank. The continued impasse in the peace process and absence of a political solution is increasing the frustration and extremist tendencies of Palestinians living in the West Bank. The decision to create a confederation, in the wake of the establishment of the Palestinian state, could have the immediate effect of strengthening the weight of the pragmatists on the Palestinian side at the expense of the fundamentalist organizations, who at the moment and foreseeable future appear unable to offer statehood.
- e. A confederation would increase the links between Palestinians living on each side of the river and with Jordan and the Arab world while allowing many Palestinians to return to their homes in the West Bank. It would satisfy the demands of the majority of the Palestinian diaspora who have repeatedly expressed their desire to visit family and friends in the West Bank ().
- f. For the entrepreneurial and business-oriented segments of the Palestinian diaspora residing in Jordan, the establishment of a confederation would enable these groups to further expand their markets and operations to the West Bank with less restrictions. The ongoing Syrian civil conflict further renders the prospects of some form of confederation very lucrative for both Jordanian and Palestinian Diaspora investors, allowing Palestinians to pursue economic interests and opportunities under the considerable aura of stability provided by the confederation. The conditions provided under some form of confederation would facilitate the more prosperous development of the Palestinian economy and politics. Jordan's diplomatic, economic and military apparatus could provide the Palestinians with a powerful structure

to revive the West Bank's economy, to establish order and to renew negotiations with Israel.

- g. It is important to keep in mind that the Jordanian Islamist movement, which is mostly composed of Jordanians of Palestinian origin, would be potentially supportive of such plans for a confederation, as this would strengthen Islamic and Palestinian ties across the river.⁷

The Guardians of the Right of Return

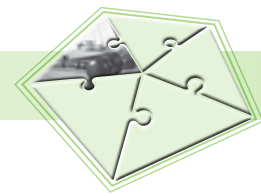
Any political settlement which, by definition, will not entail massive return of Palestinian refugees into the state of Israel is doomed to be challenged by a vociferous minority with various affiliations - from secular nationalists to religious fundamentalists. Their attitude is a principled one – they object to any political settlement (including an Arab self-made initiative like API) which surrenders the literal implementation of "the return (of the refugees) to their homes" (as stated in Resolution 194).

This minority will not change its mind even if the Palestinian and Arab public opinion will be fully satisfied with the final territorial parameters concerning an independent and viable Palestinian state. For them it will be sheer betrayal of the most sacred Palestinian cause to comply with the partition of Palestine and consequently with the split in the Palestinian collective identity. They will be encouraged if the settlement and its implementation strays from its goals, enhancing the popular resentment against it.

Hence, much will depend on the smooth and effective performance of the settlement that will prove that it pays off and yields fruits. The principled approach against such a settlement, either before or in the wake of it, attributes the ultimate priority to the "trauma of absence" over the "trauma of loss", in the words of LaCapra (2001: 56). Contrary to the API which shifted the burden of decision regarding the issue of return and compensation from the individual refugee, as noted in Resolution 194, to the agreement between the two parties, the principled approach stresses the imperative of the individual refugee's decision as a *sine qua non* (Right of Return Conference, 2004; Abu Marzuq, 2007; Mashael, 2007).⁸ This approach abhors the reconciliation with the past and gives the whole precedence to considerations of justice and moral consistency. In its opinion, the *nakba* is a permanent situation until the total restoration of all Palestine. A Palestinian, who complies with the territorial settlement at the expense of the return, loses his authenticity. And, again, this attitude is not the monopoly of the religious fundamentalists. Intellectuals like Dr. Salman Abu Sitta, who

7 The support of Hamas of a confederation between two sovereign states, Jordan and Palestine is attested in the statements of Khaled Mashaal after his meeting with King Abdullah: www.aawsat.com/print.asp?did=715056&issueno=12481. Retrieved on 29 January 2013.

8 Hamas disseminated the 50-page pamphlet of the Right of Return Conference, 2004 on its websites. The fact that this pamphlet was published in 2004, after the API was launched in 2002, is of course hardly a coincidence.



leads the Palestinian Return Center and wrote the book: *Palestinian Right of Return: Sacred, Legal, and Possible* (Abu Sitta, 2009), or Prof. Nadim Ruhana (Ruhana, 2012) are far from being Islamic fundamentalists. At the same time, it can be assumed that large portions of Hamas representatives and supporters will join a popular two-state solution if only to get their share of compensation.

Shifting Identities: The Illusion of Finality

The leitmotif of Amin Maalouf's book, *In the Name of Identity*, is that identity is not fixed forever, but is built and changed through collective and private life (Maalouf, 2010: 31). This ever-changing quality is derived from the fact that what determines the sense of belonging is primarily the influences of one's surrounding-people and circumstances – be it friends, relatives, or adversaries (Maalouf: 33, 38-39).

The Palestinian identity is no exception to this general rule of change: "You said that only after the demise of [the village] Shaab you began to grasp the meaning of the word homeland... So that only as a result of those who conquered Palestine we revealed the Homeland... It became known only from the end" (Khoury, 189).

So the disappearance of the homeland gave birth to the political notion of Palestine, and the insurmountable difficulties to regain it created the differentiation between a Palestinian state (*dawla*) and a homeland (*watan*), i.e. a Palestinian state in part of the homeland within the framework of a two-state solution and partition. The acceptance of becoming a state on the lesser part of the homeland in Palestinian national thinking opens the possibility for the transformation of the abnormal "exile" (*ghurba*) into normal "Diaspora" (*shatat*). But this process of establishing the state as the main center of gravity in place of the "outside" (*kharij*) depends not only on the successful achievement of the negotiation, but also on the stability and sustainability of the Palestinian state. Thus, the key for addressing the Palestinian diaspora issue is a viable Palestinian state which will be able to embody the Palestinian national aspirations.

Dealing with national identity as historical phenomenon, one has to eschew from the essentialist trajectory and to be aware of the dynamic nature of nationhood, as phrased by the great French historian Fernand Braudel: "A nation can

have its being only at the price of being forever in search of itself..." (1989: 23). Hence, coping with the ever-changing reality at the interface of politics and culture the national identity-building is an unending quest, reconstructed again and again over time. The passing of the generations which experience its consequences entails a rupture rather than continuity. The way to address this rupture is through "the invention of tradition", as defined by Hobsbawm and Ranger: "... insofar as there is such reference to a historic past, the peculiarity of "invented" traditions is that the continuity with it is largely factitious. In short, they are responses to novel situations which take the form of reference to old situations..." (1983: 2).

A quintessential example of "invented tradition" pertaining to our subject-matter is mentioned above and the API's reference to the UN General Assembly resolution no. 194, regarding the Palestinian refugees originally specifying their personal choice, while in the API, their decision is subordinated to the "agreed upon" solution of the issue between the Palestinians and Israel.

All in all, what we propose here is a state-centered attitude which would be pivotal in the shift of the "meta-narrative" of "ghurba" (exile) to "shatat" (diaspora). For many years this refugees issue had been presented as the primary stumbling block on the way to a political settlement based on the two-state solution.⁹ In contrast to this contention, we have endeavored in this paper to show that an agreement on a viable state will pave the way, notwithstanding the potential hurdles, for normalization of the Palestinian diaspora issue.¹⁰

9 See, for instance, the declaration of Israel's envoy to the UN, Ron Prosor: "...the real obstacle [to the two-state solution] is the right of return for millions of Palestinian refugees. The refugee problem is the main obstacle to peace, not settlements": The Jerusalem Post website, 14 March 2013: <http://www.jpost.com/LandedPages/PrintArticle.aspx?id=305868>. Retrieved March 14, 2013. According to our paper, we beg to differ with this view.

10 Our project focuses on the conceptual aspects involved in the change of status from refugees to citizens or residents. We do not deal here with the institutional modifications entailed in this transformation. But it is clear to us that institutions like UNRWA, symbolizing the refugee status should be replaced in the wake of this new departure by novel international frameworks, as agreed upon by the two parties, in order to advance the implementation of the final agreement between them. This change has also a conceptual interface: it takes part in "inventing a new tradition" (or a new narrative) accommodating the new situation.

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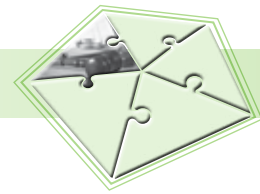
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The Palestinian Refugees: Progress or Standstill

Researcher from DATA Studies and Consultations

Introduction

The issue of Palestinian refugees is one of the thorniest (if not “the” thorniest) of all issues that have been hindering the peace process for decades. A closer look at the Palestinian perspective reveals that it was deliberately ignored by Israel throughout the 20 years of peace negotiations with the Palestinian Liberation Organization (PLO) and the Palestinian National Authority (PNA).

Today, 70% of the entire Palestinian population consists of refugees. They represent the largest and longest-standing refugee group in the world (Badil, 2013). Although the statistics vary, many credible sources state that their number exceeds 7,000,000 people (Badil, 2013). This means that approximately 20% of the overall world’s refugees, estimated at 37,000,000 worldwide, are Palestinian according to the United Nations High Commission for Refugees (the United Nations High Commission for Refugees, 2013). It is worth noting here that UNRWA’s formal figure for the number of Palestinian refugees is 5.2 million.

Since the start of the international debates on the refugee problem in May 1949 in Lausanne, and throughout the consequent peace talks from the Madrid Conference to Camp David, little has changed on the core elements constituting the debate (Tamari, 1996). Repatriation, resettlement, social and economic rehabilitation and assessment of lost Arab properties in Israel are all issues that seem to recur regardless of the differing peace talk setups.

Historical background

The roots of the refugee issue are a cause for debate between the negotiating parties as well. The Palestinian side asserts that it was a direct consequence of Zionist colonization of historical Palestine via the 1948 and 1967 wars. Over 500 Palestinian villages were totally destroyed and more than 726,000 Palestinians were uprooted from their original dwellings (Palestinian Academic Society for the Study of International Affairs, 2004).

Some 110,000 Palestinians remained in the area of Palestine that was to become Israel in 1948. 40,000 Palestinians were displaced from within the newly established state to the West Bank and Gaza (Palestinian Academic Society for the Study of International Affairs, 2004). Many Palestinians were expelled and unable to return to their original homes and villages.

According the Palestinian Central Bureau of Statistics (PCBS), there were 1.2 million Palestinians living in Palestinian towns and villages in 1948 (Palestinian Central Bureau of Statistics,

2013), while today there are an estimated 5.2 million Palestinian in the West Bank and Gaza Strip of whom 44.1% are refugees.

The same scenario was repeated 19 years after the Nakba of 1948 when Israel expanded its occupation to Palestine in the 1967 war when some 300,000 Palestinians fled their homes in the West Bank and the Gaza Strip, approximately 120,000 of whom had previously experienced the bitter displacement of 1948 (Palestinian Academic Society for the Study of International Affairs, 2004).

The political assumptions of this study

There have been numerous attempts at solving the refugee issue which are mainly represented by the Clinton parameters in late 2000 and the Arab Peace Initiative (API) from 2002.

The Clinton parameters attempting to find a “comprehensive agreement” between the Palestinians and the Israelis provided a solution for the refugee problem, which acknowledged the right of return of Palestinian refugees to the Palestinian State, move within their host country or into third countries, including Israel¹¹. According to the Palestinian official position stated on January 1st 2001 by the Negotiations Support Unit (NSU), this scheme was based on the power asymmetry between the two parties, where the Israeli strong party imposed his agenda. The letter which was sent to the American Administration read:

“The United States’ proposal reflects a wholesale adoption of the Israeli position that the implementation of the right of return be subject entirely to Israel’s discretion. It is important to recall that Resolution 194, long regarded as the basis for a just settlement of the refugee problem, calls for the return of Palestinian refugees to “their homes,” wherever located – not to their “homeland” or to the “historical Palestine” (Negotiations Support Unit, 2001).

Needless to say that building on a combination between the API and the Clinton parameters is a positive step forward towards achieving peace- as they provide a general framework for peace - however we have to admit that both initiatives lack concrete mechanisms and timeframes to achieve a practical breakthrough between the two people.

In March 2002, the Arab League endorsed a plan by the name of the Arab Peace Initiative (API). This plan aimed at entering into a lasting peace agreement leading to the establishment of normal relations with Israel in the context of a comprehensive peace. With regard to refugees, the API called for the achievement of a just solution to this problem that would be reached through an agreement based on

¹¹ Nonetheless the report does say that the number of refugees returning into Israel would be limited.

UNGA resolution 194. At the same time, the API stipulated that the solution to the refugee problem should be "agreed upon". Given the power imbalance between the Israeli and Palestinian negotiation positions, this phrase meant to convey a clear but diplomatic message to Israel and to show it some flexibility.

It is worth noting that despite Palestinian official consent with the API plan and the Clinton parameters, the opinion of the refugees themselves was not probed thoroughly. Israel was never interested in examining the refugees' opinions either. Leaving this issue as an ambiguous "agreed upon" meant, to many experts, that it was meaningless because of the power asymmetry between the parties.

One year after the API was presented, the Quartet¹² issued the Road map (April 2003) that stipulated "*Israelis and Palestinians should reach an agreed, just, fair, and realistic solution to the refugee issue*". One month later (May 2003), the Israeli cabinet "endorsed" this plan but attached 14 reservations which made the endorsement hollow (Rouhana, 2010).

The NSU reiterated that the core of any just solution to the Refugee cause should be based on the refugees' free choice. Their letter stipulates that "*The essence of the right of return is choice: Palestinians should be given the option to choose where they wish to settle, including return to the homes from which they were driven. There is no historical precedent for a people abandoning their fundamental right to return to their homes whether they were forced to leave or fled in fear. We will not be the first people to do so. Recognition of the right of return and the provision of choice to refugees is a pre-requisite for the closure of the conflict*" (Negotiations Support Unit, 2001).

The corner stone of this study will be to envisage the preparation, development and measures needed to rehabilitate, compensate and accommodate the Palestinian refugees after the achievement of a just and fair agreement. The next steps after agreeing a solution to the refugee issue will be to thoroughly plan for all the activities and commotion that will ensue from the movement of the Palestinian refugees from their host countries to the Palestinian state, Israel and to third countries.

Hence this study will specifically focus on the requirements and needs of the refugees who would be moving from one area to another and will attempt to examine what measurements are necessary to be taken to achieve a smooth and easy execution of such an agreement. This study will examine the legal and political complexities accompanying the agreement on the solution of the refugee problem.

An important aspect of this issue which was never thoroughly tackled is the refugees' opinion of whether or not they wish

12 The **Quartet on the Middle East** or **Middle East Quartet**, or simply the **Quartet**, is a foursome of nations and international and supranational entities involved in mediating the peace process in the Israeli-Palestinian conflict. The Quartet are the United Nations, the United States, the European Union, and Russia. The group was established in Madrid in 2002, recalling Madrid Conference of 1991, as a result of the escalating conflict in the Middle East. Tony Blair is the Quartet's current Special Envoy.

to return. If such a census was conducted it is assumed that not all refugees will wish to return to their homeland or relocate, as many of them have already established their lives in other countries and set their roots there. However, it is not for anyone to decide and there is no scope within this study to examine the opinions of the refugees in the desired depth.

UN Resolution 194

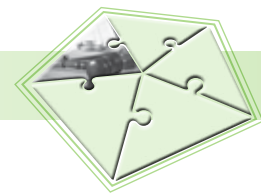
UN resolution 194 is the most pervasive reference to the Palestinian refugee problem. It has been affirmed by the United Nations General Assembly 110 times so far. The cause of the Palestinian refugee issue is not a matter of numbers or figures; it is a matter of free choice. Many active Palestinian advocacy groups in the Diaspora state that "*Nobody has the right to think or imagine solutions on their behalf and their aspirations will not be fulfilled without their direct involvement in this matter*" (Palestinian Return Centre, 2013).

Resolution 194 endorsed the right of Palestinian refugees to choose whether to repatriate to what is now Israel or to be resettled elsewhere, and codified the accepted principles of customary international law. This has been reaffirmed by the General Assembly every year since its adoption.

International best practice reiterate that refugees be offered their choice of solution in a voluntary (i.e. free will) and informed manner. A rights-based approach to assistance and protection demands that refugees are consulted and given the right to participate in the design and implementation of national and international interventions. The UN High Commissioner for Refugees (UNHCR) has adopted both the principle of voluntariness (refugee choice) in the search for durable solutions, and a participatory approach in its operations. In the case of Palestinian refugees, UNGA Resolution 194 (1948) affirms that the refugees should choose their preferred solution (return or resettlement) and obligates those who have chosen to return to their homes to live at peace with their neighbors (Badil, 2013).

In his speech addressing the United Nation's General Assembly in September 2012, Palestinian President Mahmoud Abbas made mention of resolution number 194 that was passed on December 11, 1948, Article 11 which reads:

The refugees wishing to return to their homes and live at peace with their neighbors should be permitted to do so at the earliest practicable date, and that compensation should be paid for the property of those choosing not to return and for loss of or damage to property which, under principles of international law or in equity, should be made good by the Governments or authorities responsible. Instructs the Conciliation Commission to facilitate the repatriation, resettlement and economic and social rehabilitation of the refugees and the payment of compensation, and to maintain close relations with the Director of the United Nations Relief for Palestine Refugees and, through him, with the appropriate organs and agencies of the United Nations.



Refugees today

Palestinian refugees are scattered all over the world. In the immediate aftermath of the Nakba in 1948 Palestinians fled mainly into the neighboring countries of Lebanon, Syria and Jordan, while smaller number went to Iraq and Egypt and the rest of the World.

Some 2,110,000 Palestinian refugees live in Jordan and are scattered around ten camps and some off-camp areas. Some 474,000 refugees live in Lebanon and are distributed among twelve camps. In Syria, more than 529,000 refugees live in nine camps and other off-camp areas. The internally displaced Palestinian refugees or those who live inside the West Bank and Gaza are estimated at 2.2 million and they live in 27 camps and off-camp areas. This means that almost one in every two Palestinians living in the West Bank and Gaza is a refugee. Approximately 1.5 million Palestinian refugees live in the official 58 camps operated by the UNRWA both inside and outside Palestine. The vast majority of these camps were established between 1948 and 1953 (Palestinian Academic Society for the Study of International Affairs, 2004).

A special mention should go to two groups of refugees facing enormous hardship nowadays due to the ongoing turmoil in the Middle East. It is nonetheless important to take these two groups into consideration, as their numbers are not negligible.

The first of those are the Palestinian refugees who settled in Iraq. Their number prior to 2003 is estimated between 34,000 and could have been as high as 90,000 (BBC, 2003). According to UNHCR numbers though, only 13,000 had remained in Iraq by 2009 and the Palestinian refugees in Iraq did not fall under the UNRWA jurisdiction during the rule of Saddam Hussein. These refugees face exodus and persecution, alongside many other difficulties due to the ongoing war in Iraq.

The second group facing similar distress is the Palestinian refugees in Syria, who are currently being targeted and yet again displaced due to the turbulent events in Syria. According to a study prepared by Badil, there were significant numbers of Palestinian refugees in Der'a and Homs, which have both witnessed massive destruction and bombing. On top of that, the Al-Yarnouk Palestinian refugee camp where Palestinian refugees have recently been killed. 120,000 Palestinians are not recognized by UNRWA as a refugee camp (Badil, 2013).

Palestinian refugees - Socio-economic and political rights in host countries

In 1965, the Arab League's Casablanca Treaty obliged Arab states to preserve Palestinians' refugee status by not granting them citizenship, but also stipulated that the refugees be given the same rights as nationals. This, however, has hardly been the case. One of the main problems Palestinian refugees face is that they are not granted full residency status and

equal civil rights, and their hosts' attitude towards them is dictated by considerations of state security. It must be said in this regard that Arab governments have often utilized the Palestinian plight for their own political aims and alliances in the region. Because of their problematic citizenship status, Palestinian refugees are particularly vulnerable to expulsion (Palestinian Academic Society for the Study of International Affairs, 2004).

Two examples of such expulsions occurred in Kuwait and Libya. Over 300,000 Palestinians were forced to leave Kuwait and other Gulf states during the 1990-1991 Gulf Crisis. In Libya, 30,000 Palestinians were expelled in 1995 as a response to the PLO-Israeli accords (Palestinian Academic Society for the Study of International Affairs, 2004).

Of the registered refugees, almost 60% live in Jordan, Syria and Lebanon or what are called the Host Countries. There are major differences in the treatment of Palestinian refugees by the three host countries. In Lebanon, refugees suffer the most; they are denied access to education, employment, social rights and healthcare. They are not allowed to practice over 25 professions amongst which are medicine, law, engineering and accounting (Human Rights Watch, 2011). In Jordan the situation is very different since consequent governments granted Palestinian refugees full citizenship as well as complete social and civil rights. The same used to apply to Syria where refugees enjoyed the same rights and duties as Syrian citizens before the outbreak of the Syrian turbulences.

Table 1

Refugee Distribution (according to UNRWA)¹³

Countries	Number of refugees*	Number of Camps	Percentage of Refugees living in camps
Jordan	2,110,114	10	18%
Syria	528,711	9	50%
Lebanon	474,053	12	30%
West Bank	895,703	19	24%
Gaza Strip	1,263,312	8	43%
Grand Total	5,271,893	58	30%

* These figures include registered and unregistered refugees (according to UNRWA criteria).

The return of the Palestinian refugees from the above mentioned areas would mean the creation and adjustments of many fields and services within the current state to be able to absorb the new arrivals and at the same time provide them with living circumstances that are at least on the same level (and in many cases better) to their living standards in the host countries.

In order to gain a better understanding of the socio-economic situation of Palestinian refugees in the five above mentioned

¹³ See the UNRWA website, where statistics are updated every six months: <http://www.unrwa.org/>.

areas, it is important to take a closer look at the current situation of Palestinian refugees from the point of the following:

1. Dwelling
2. Education
3. Employment
4. Health

1. Dwelling

According to the FAFO¹⁴ report, the dwelling or abode of Palestinian refugees varies vastly across the regions, depending on the country they are settled in and whether they live in camps or outside of camps (Jacobson, 2003). According to the 2003 Fafo study only 1-3% of Palestinian refugees live in temporary dwellings, while the majority of camp refugees live in abodes made of concrete or concrete blocks, that are hard to heat in the winter and not well insulated, whereas non-camp refugees live in dwellings made of more expensive and better materials such as stones or bricks (Jacobson, 2003).

The table below (taken from the FAFO report) illustrates the size of abode in Lebanon, Jordan, WBGs and Syria:

Table 2

	Rooms used		
	No. of Rooms	for sleeping	uwn
Lebanon			
Gathering*	2.5	2.0	860
Camp	3.0	2.0	2757
Jordan			
Non-Refugee	3.4	2.0	1889
Non-Camp	3.2	2.0	3600
Camp	2.8	2.0	2543
WBGs			
Non-Refugee	3.4	2.0	8032
Non-Camp	3.5	2.0	4042
Camp	3.1	2.0	2498
Syria			
Gathering	2.9	1.9	573
Camp	3.0	1.9	4314

* Gatherings are homes built without official permission and left unserviced by authorities

Refugees inhabiting these dwellings face many difficulties, including obtaining drinking water, sewage and sanitation,

14 The **Fafo Research Foundation**, also known as **Fafo** (Norwegian: *Forskningstiftelsen Fafo*), is a Norwegian research foundation, consisting of two research institutes: The *Fafo Institute for Labour and Social Research* and the *Fafo Institute for Applied International Studies*. The two institutes are conducting social research both nationally in Norway and internationally. Fafo has offices in Oslo, Jerusalem and Beijing. FAFO has been extremely active in the Middle East peace process following the Oslo accords.

and electricity cuts. All of these factors will have to be taken into consideration when preparing to welcome the Palestinian refugees returning the Palestinian state.

If we were to suppose that the Palestinian refugees from the host countries will arrive to the Palestinian state and live in accommodation that will be solely prepared for them, then this means that the Palestinian state will have to find, obtain and allocate land on which housing units will be built for the new comers. This goes hand in hand with acquiring adequate water supplies, enough electricity, appropriate sewage works and even adopting waste disposal mechanisms to adjust to the intake of new inhabitants.

2. Education

Education, schooling and literacy are important elements that the Palestinian state will have to cope with and adjust. There are various private and state schools in the WBGs, nonetheless should they have to accommodate new students from the waves of arriving Palestinian refugees, the Palestinian state will have to consider expanding the current schools and universities, in addition to building new ones. Let us have a quick look at the levels of education and literacy amongst Palestinian refugees in Jordan, Lebanon, Syria and WBGs.

It was reported that non-refugee population in Jordan have the highest education achievement amongst the five examined fields, while the camp refugee population in WBGs ranked second after Jordan. Lebanon had the lowest levels of education achievement amongst all.

In terms of literacy, the percentage amongst male Palestinian refugees is 80% while it is 70% amongst women, making these percentages of literacy higher than those for Arab states.

Enrolment of refugees into education is very high at elementary level -- 97%. The numbers dwindle gradually the higher the education achievement, thus the rate of enrolment at preparatory schools ranges between 80-85%, then it drops to 60% for secondary schools and 10-20% for higher education.

The percentages of the lucky few who make it into higher education, are shown in percentages in the table below, distributed in each of the studied countries:

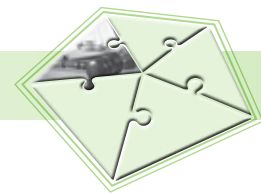
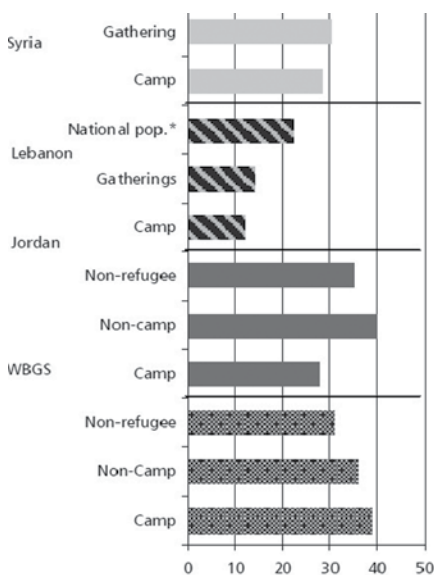


Table 3



* UNDP, 1998, the above table represents the Formal education enrollment.

The numbers above do not include Palestinian refugees enrolled in vocational education which is reported as “unpopular” amongst Palestinian refugees in the Fafu report. The findings indicate that between 15-30% of refugees across the studied fields had completed some sort of vocational school.

3. Employment

Palestinian refugees to arrive into the Palestinian state will have certain expectations in terms of job opportunities and earning a living. Many of them will be relieved to be able to practice any profession they are qualified to do freely, without any restrictions. Hence another massive task in front of the Palestinian state will be to create job opportunities and a market for the new comers, to enable them to earn a decent living. At the same time, those who receive financial or material help from various organizations will expect to be helped (at least initially) in order to cover their expenses and life costs.

When examining employment amongst Palestinian refugees in the host countries it is safe to say that rates of participation in the labor market are similar amongst Palestinian camp and non-camp refugees, with the former having a slightly higher tendency not to participate. In comparison to men, women are significantly less likely to be part of the labor market.

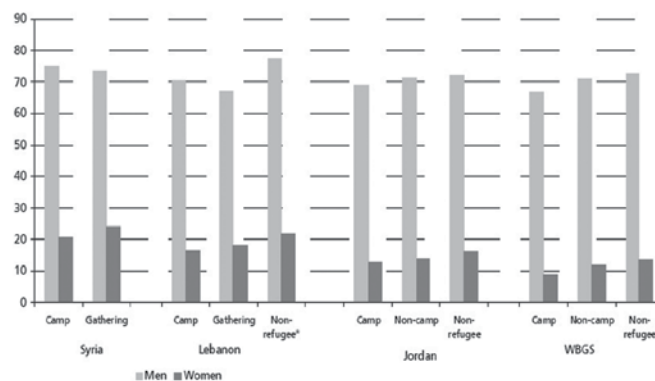
While examining the employment (or unemployment) of Palestinian refugees it is important to take into consideration the labor market of each of the countries examined and their restrictions on employment for the Palestinian refugees. While there are formal restrictions on refugee employment in Lebanon, and informal restrictions in Jordan, the only gap in the labor market amongst WBGS refugees is in agriculture. In Lebanon and Jordan the Palestinian refugees who are employed work mainly for the private sector (where they

work long hours for meager wages), while the lucky few find employment in NGOs.

Because of the high percentage of children under 15 years of age amongst the Palestinian refugee population in all areas (and who make up almost 40%) the percentage of employed refugees becomes lower than amongst other populations. Another prevalent phenomenon is that the participation of women in employment is significantly lower amongst women than men.

The report issued by FAFO in 2003 compared the employment of Palestinian refugees by studying the employment of those who were in camps, gathering, non-camps and then compared them also to the population of the host country, as is shown below (where data was available):

Table 4



The above numbers are for population aged between 15 and 65 years.

In terms of employment sectors, there is a distinction between camp refugees and non-camp refugees in each of the host countries, in addition to differences of employment types between each country (Jacobson, 2003). In Jordan for example, trade and manufacturing make up the largest employment sector for both groups amongst males, whereas 42% of women work in education, health and social services.

Male camp and gathering refugees in Lebanon are mainly employed in trade, hotels and restaurants, where 27% and 31% of refugees (camp and gathering respectively) work in this sector. The second largest field of employment for male refugees in Lebanon lies in construction and trade, where 26% of camp refugees work in this sector while 18% of gathering refugees work in this sector.

32% of female refugees in Lebanon (both from camps and gathering) work in education, health and social services, followed by 21% working in the trade and hotels business.

In Syria, there is an equal rate of 18% of male refugees employed in the following:

1. Manufacturing and mining
2. Construction, electricity and gas
3. Trade, hotels and restaurants

Follow by 14% of male refugees working in public administration.

Amongst women, the highest rate of employment is consistently in education, health and social services, which is 39-42% in Syria

In the West Bank and Gaza strip 41% of male refugees work in services, followed by 23% working in construction. There is no data for female refugees in camps, nonetheless 54% female refugees who do not reside in camps work in services as well, with a comparatively high 24% of non-camp female refugees working in agriculture (Jacobson, 2003).

4. Health

Health amongst Palestinian refugees seems fairly similar in most host countries, although malnutrition, chronic illness and disabilities are reported amongst refugees in Lebanon. The main problems facing Palestinian refugees are certain health problems amongst children in Lebanese and Syrian camps, and lower delivery assistance amongst camp refugees in Jordan. In addition to mother and child health issues there is the issue of vaccinations, which seems to be well covered amongst most Palestinian refugees, the only exceptions being the introduction of the Hepatitis B vaccine and then the low coverage of measles in Lebanon and Syria (Jacobson, 2003: 156).

UNRWA is the main (albeit not sole) provider of health services to Palestinian refugees in most countries, although the lack of health insurance and ineligibility for health provision by UNRWA are a cause of stress for many non-camp refugees.

Disability and chronic illness amongst children of ages 5-14 is accompanied with social stigma and a notorious lack of facilities and learning programs geared at this group in the Middle East as a whole. Numbers show that children in Lebanese refugees camps are worse off, at a rate of 6.6% for females in camps and 8.2% for females in gathering (between the ages of 5 and 14), while there are 8.3% and 10.8% of males at camps and gatherings respectively suffering from chronic illness or disability.

As for the adult population, between 3-15% of respondents of the FAFO survey in 2003 in all 5 countries has reported their health as being bad or very bad (Jacobson, 2003).

It is important to take the health of the Palestinian refugees into consideration, especially that those who wish to return will expect the Palestinian state to provide them with health care, especially for those who are suffering. In addition to that, the Palestinian state will have to make sure that the capacity of its hospitals is able to cope. In addition to the availability of a network of health services, it is important to secure adequately trained medical staff, equipment and medicine to cater for the various needs of the arriving refugees.

UNRWA

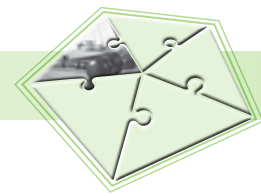
The United Nations Relief and Works Agency was established by the UN in December 1949 (under resolution 302-IV) in recognition of the plight of Palestinian refugees and to act as the main provider of humanitarian aid. By 1950, more than 900,000 Palestinian refugees were registered with UNRWA. Today UNRWA supports almost 5.2 million refugees; it operates 58 camps that host 1.5 million refugees, runs 699 schools that educate half a million refugee pupils, manages 10 vocational, technical and training centers and operates 138 primary health care centers across its camp network in three Arab countries (Lebanon, Syria, and Jordan). This is in addition to the 27 camps in the West Bank and Gaza Strip.

UNRWA has a special and narrow¹⁵ definition for a refugee. So far, almost 5.2 million Palestinians are registered as refugees, one third live in the above mentioned 58 camps. UNRWA's definition excludes, for instance, Palestinians displaced for the first time in 1967, non-Palestinians who were not 1948 and 1967 refugees but are unable to return to the Occupied Palestinian Territories "OPT" and internally displaced Palestinians in Israel and the OPT. UNRWA's figures further underestimate the number of Palestinian refugees as UNRWA registration is voluntary and as is illustrated above.

In general, UNRWA registration records do not include:

1. Refugees displaced in 1948, and who:
 - a. Failed to meet UNRWA's definition of "Palestine Refugee".
 - b. Were outside the areas of UNRWA operation (and have not filed for registration under UNRWA's 1993 revised eligibility criteria).
 - c. Were dropped from the records owing to financial constraints limiting the number of relief recipients.
 - d. Are descendants of refugee mothers and non-refugee fathers.
 - e. Had an independent income or property (and have not filed for registration under UNRWA's 1993 revised eligibility criteria).
 - f. Improved their economic situation to the extent that they no longer met eligibility criteria (prior to the 1993 revision of eligibility criteria).
 - g. Refused to register out of pride.
2. Palestinians displaced for the first time in 1967.
3. Palestinians who are not 1948 or 1967 refugees, and are unable (due to revocation of residency, deportation, etc.) or unwilling (owing to a well-founded fear of persecution) to return to the OPT (Occupied Palestinian Territory).
4. Internally Displaced Persons (IDPs) in Israel and the OPT (Bamya, 2012).

¹⁵ Badil: "Any person whose normal place of residence was Palestine during the period 1 June 1946 to 15 May 1948 and who lost their home and means of livelihood as a result of the 1948 conflict".



The scope of operation of UNRWA and services provided by them in Syria, Lebanon, Jordan, the West Bank and Gaza are captured in the table below¹⁶:

Table 5

Country	Education	Health	Relief	Microfinance & microenterprise
Syria	118 schools	23 primary care centers	5 community rehabilitation centers 5 women's programs centers	Loans for small business start-ups.
Lebanon	68 schools	28 primary health centers	1 community rehabilitation centre 9 women's programs centers	n/a
Jordan	172 schools	24 primary health centers	8 community rehabilitation centers 12 women's programs centers	Micro-credit programs giving loans to small businesses and entrepreneurs
West Bank	98 schools 3 vocational training centers	42 primary health centers	15 community rehabilitation centers 16 women's programs centers	
Gaza	243 schools 2 vocational and technical training centers	21 primary health centers	6 community rehabilitation centers 8 women's programs centers	Food and cash assistance to the poor

The above table clearly proves the crucial role played by the UNRWA in providing basing needs to the Palestinian refugees¹⁷. There are other organizations and NGOs providing aid to the Palestinians, but none of them to the scope of the UNRWA. Hence it is of great importance to create an organization within the Palestinian state which would take over the duties and responsibilities of UNRWA. The organization would have to adopt similar structures and procedures to the UNRWA, while being able to secure the much needed funds to aid the Palestinian refugees in the first place.

In a paper on Palestinian refugees published by the AIX group conducted in 2007, the researchers suggested the creation of the "International Agency for the Palestinian Refugees" (aka IAPR). The study estimated that in order to implement "comprehensive resettlement programs, the IAPR will need funds in the order of between US\$8 billion and US\$19 billion over a ten year period, depending on the

16 Figures taken from UNRWA website and are true as of 1st January 2012.

17 Since 1994 the Palestinian Authority is responsible for the Palestinian refugees in the Palestinian Territories, except the Shu'afat refugee camp in Jerusalem.

number of refugees who will choose to resettle/relocate." (Bamya, 2007: 117). These numbers highlight the scale of the task faced by the Palestinian state should both parties reach an agreement on the refugees' issue.

Official Palestinian positions and the refugees

Since the beginning of peace negotiations, nothing has changed regarding the refugee cause given the huge gaps between the Israeli and Palestinian official positions. Israel has adopted a narrative that is backed by ideological and political objections coupled with the favored nature of the State of Israel being a Jewish State. The return of Palestinian refugees is now being portrayed as a security and demographic issue that would undermine the State of Israel and its legitimacy as a whole. The official position of the Palestinian Liberation Organization (PLO) was echoed by the Arab Peace Initiative (API) which called for a just solution to the Palestinian refugee problem to be agreed upon in accordance with UN General Assembly Resolution 194.

The general framework of this position is represented in two major elements: the Right of return and reparations (Negotiation Affairs Department, 2010).

If we were to discuss creative solutions to the refugee cause, and even if we assume (for argument's sake) that only 10% of the refugees will return to their "homes"¹⁸ or "homeland", this would mean that at least 500,000-700,000 refugees will return. Can the Palestinian economy's limited absorptive capacity admit these numbers? The current Palestinian state is already facing many problems including inadequate infrastructure, limited educational facilities, and water and electricity shortages, in addition to shortages in health care provision in many aspects. Given that 42% of the refugee population is under the age of 15, especially the issue of education would have to be addressed.

Following the formation of the Palestinian National Authority in 1993, an estimate of 40,000 to 100,000 Palestinian refugees returned to the West Bank and Gaza¹⁹. Israel requested full authorization over the numbers that would return because it considers this matter a security issue as well. Israel wanted to ensure a relaxed Palestinian economy that could absorb economic growth without endangering the Israeli economy in case of any economical breakdowns.

18 The General Assembly United Nations resolution 194 stated that the refugees should return to their "homes", whether those homes are in Israel or the Palestinian Territories, while Israel says that if any return is to happen, they have to return to Palestine itself not to Israel, a rather classical debate.

19 Chabin, Michele, "An Uneasy Homecoming," Jerusalem Post, July 21, 1998, stated that official estimates of legal returnees range from 40,000 to 50,000, while estimating unofficially repatriated returnees at no more than 50,000. Abbas Shiblak of the Palestinian Diaspora and Refugee Centre (Shaml) reported an estimate of 60,000 in the preface to *Reintegration of the Palestinian Returnees*, Monograph 6 (Bethlehem: Shaml Publication, 1997).

A UNICEF 2008/2009 report states that there are 1871 primary and lower secondary schools managed by the Palestinian Ministry of Education and Higher Education (MOEHE), while 315 primary schools were managed by UNRWA and another 302 fell under the private sector. Many of these schools are plagued with varying problems, such as hygiene and sanitation. A study conducted by the Palestinian Central Bureau of Statistics on school hygiene and infrastructure reported that “27% of schools in the West Bank and 30% of schools in the Gaza Strip did not meet territory-wide standards for water and sanitation facilities of one toilet per 30 students (World Data on Education, 2011: 9)”.

In terms of hospitals, the Palestinian Ministry of Health website states that there is a total of 78 hospitals in the Palestinian Territories, with 24 hospitals in Gaza and 54 in the West Bank, including Jerusalem²⁰. The main healthcare providers are the Ministry of Health, UNRWA, NGO's and private hospitals. Besides the fact that Palestinian hospitals suffer from infrastructural problems, small bed capacity per hospitals, lack of staff and equipment in many cases, there is also the problem of access to those hospitals. A recently launched report by WHO (in March 2013) states that 58% of Ministry of Health referrals require permits for access from the Israeli authorities.

And when it comes to employment in the Palestinian Territories, the most recent report published by the Palestinian Central Bureau of Statistics in February 2013 states that for the last quarter of 2012 the number of Palestinians above the age of 15 and who participate in the work force was around 1.137 million (i.e. 43.9% of the population) (Palestinian Central Bureau of Statistics, 2013). The unemployment rate however was as high as 22.9% for WBGS. This high number of unemployment indicates the dire economic situation the Palestinian Territories are facing. The majority of the work force at 36.3% works in services and other branches (vis. table 6 below). The PCBS report further reveals that around 88,000 of Palestinians work in Israel and the Israeli settlements.

Table 6 (Palestinian Central Bureau of Statistics, 2013)

Economic activity	Total	Place of work		
		Israel and settlements	Gaza Strip	West Bank
Agriculture, fishing and forestry	12.3	8.4	8.3	14.8
Mining, quarrying and manufacturing	12.5	10.5	5.5	16.2
Construction	13.9	57.8	6.3	10.4
Commerce, hotels and restaurants	18.8	11.0	17.2	20.8
Transportation, storage and communication	6.2	5.7	8.4	5.2
Services and other branches	36.3	6.6	54.3	32.6
Total	100	100	100	100

20 See <http://www.moh.ps/attach/100.pdf>, accessed 21/03/2012.

It is crucial to study the domestic Palestinian market and its capacity to cope with the returning Palestinian refugees and to create job opportunities for them. The Palestinian refugees who will decide to leave the host countries will, as expected, be some of the worse off, and will expect to find initial monetary aid from the Palestinian state, in addition to equal chances to Palestinians living in the Palestinian state itself. Therefore securing job opportunities for the new comers should be amongst the top issues to be dealt with when preparing the Palestinian state economically for the influx of the repatriating citizens.

Before embarking on this project of building and creating of infrastructure, facilities and economy for those who will return, the places of return should be determined. Cities, towns and villages should be prepared before the Palestinian refugees start returning to them, in order to avoid over-crowding and high unemployment in certain areas. The *most controversial location to return to will no doubt be Jerusalem*.

Refugee Relocation Scenario

There are approximately five million refugees, mostly residing outside historic Palestine. To approach this issue reasonably we must establish a criterion on which the refugees will return, and a future plan that will serve to meet their basic needs and requirements.

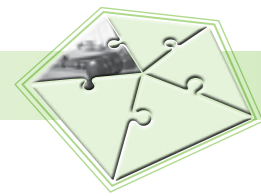
The goal of this process will be to examine the possibility of satisfying the refugees' aspirations as much as possible while respecting the agreements signed between the Palestinian Authority, Israel and the other host countries.

The agreement between the Palestinian Authority and Israel must contain provisions that are responsive to the existential and symbolic concerns of the Palestinians including the following:

- At the symbolic level, Israel needs to recognize the importance of the refugee problem and the underlying concerns which the Palestinian people have regarding this issue.
- The agreement should contain provisions for the absorption of a specific number of refugees, and offer the Palestinian refugees the right to live in the Palestinian state as well as citizenship in the state, whether or not they choose to live there.
- The agreement must address the concrete problems of the refugee population, including comprehensive plans for financial compensation, normalization of the status of Palestinian refugees in their host countries as citizens or permanent residents and relocation when necessary.

The process of absorbing the refugees will be based on a timetable for relocation and assimilation, in addition to prioritizing those who live in worse situations than others, and the overall economic situation of the area they will relocate to, be it in Palestine, Israel or a third host country.

Various projects will have to be implemented in order to aid the refugees in coping with their new lives. These programs



conducted in the land which will be under the Palestinian State control should include infrastructural programs, housing and employment in addition to education and health services.

Proposed Plans

Based on the previous chapters studying the socio-economic situation of the Palestinian refugees both inside and outside the Palestinian State, the first step of preparing for the arrival of the refugees should be the establishment of new housing units which will have to be provided to refugees instead of their current place of residence (camps, shelters, etc...).

Since 40% of the Palestinian refugee population is under the age of 15, providing relevant education and schooling will be essential from the outset. As seen before, there is overcrowding in current schools in WBGs and even the Old Jerusalem area, in addition to a lack of areas and funds for building new schools.

The same goes for health services which must be provided as a priority in order to ensure the wellbeing of the incoming refugees. The existing hospitals and healthcare centers in the Palestinian Territories will need to be expanded, while others will need to be erected, in order to satisfy the basic medical needs of the new comers.

Employment must be provided to the repatriating refugees; however, a current solution for the high unemployment rate should be solved first. Since one fifth of the current population of WBGs is unemployed, then flooding the market with new labor will cause more trouble for current inhabitants and new comers. The provision of new jobs will be achieved by increased government spending in various industrial and agricultural sectors. In addition, Israel will absorb some of these employment needs by providing a variety of jobs in different sectors.

The Palestinian Authority (or Palestinian government), will have to play a major role in providing all of these services to its new citizens. Direct rehabilitation assistance could be provided to the refugees by providing them with a lump sum of money (as is the case with Jewish immigrants to Israel) and compensation to those refugees who will be returning the areas within the Palestinian State will undoubtedly serve as an initial booster for the economy.

It is also important to take into consideration the overall macro-economic situation and management policies of the receiving state. The absorption and rehabilitation of the refugees must be integrated with the overall development goals of the state. This includes the state's employment, infrastructure, education and overall economic goals.

Our analysis shows that there is an important governmental role in aiding the refugee absorption process into the economy; this role focuses on two areas:

1. The government must provide the proper incentives for the refugees in the initial period which would aid in providing them with their basic needs and requirements.

2. The government must provide public investment in the infrastructure of the economy, particularly in physical infrastructure such as urban planning, transportation, water and education.

There are various macroeconomic implications that will affect the areas the refugees will relocate to depending on the population size, the number of refugees that will be absorbed, and the socio-economic characteristics of the refugees such as their education level, skills, current standards of living, etc.

We assume that any future agreements and an achievement of a practical solution to the refugee problem will be based on various options the refugees themselves will choose from. In our analysis we assume that the following options are the most practical and reasonable ones to choose from:

1. The refugees can choose to return to what is now the State of Israel and become Israeli citizens without drastically changing the demographic character of the state of Israel.
2. They can choose to stay in the Palestinian State based on the 1967 borders and receive a fair compensation for their lost property.
3. To stay in their current host countries and receive a fair compensation for their property, losses and suffering.
4. Relocate to another third country (agreed upon) and receiving a fair compensation.

In this study let us assume that approximately 1.5 million refugees out of the original 5 million will want to relocate. These refugees will return to various locations, these include:

- Israel
- The Palestinian State (based on the 1967 borders)
- The current host countries
- Other third countries

Given the situation of Palestinian refugees, we made the assumption that only 30% of Jordanian refugees will wish to relocate, in addition to 90% of those in Lebanon, 90% from Syria and 25% from the Gaza Strip.

The current number of refugees is illustrated in the table below²¹:

Table 7

Country	Number of registered refugees	Refugees estimated to relocate	
Jordan	2,110,114	30%	633,034
Lebanon	474,053	90%	426,648
Syria	528,711	90%	475,840
West Bank	895,703	0%	0
Gaza Strip	1,263,312	25%	315,828
Total	5,271,893	-	1,851,350

²¹ See UNRWA's website, figures as at 31 December 2012: <http://www.unrwa.org/>.

The highest burden of refugee rehabilitation will lie on the West Bank. These areas will need a high degree of concentration on infrastructural, health and education rehabilitation in order to assure the wellbeing of the relocated refugees.

This assumption requires the establishment of about 200,000 housing units in addition to the investment in the necessary infrastructure. In order for this plan to succeed there are two main points to address:

1. The need of international financial aid which will allow the establishment of the necessary housing and infrastructure, in addition to providing the required health, education and employment plans.
2. An establishment of an organization which will aim at helping the Palestinian Authority in absorbing the incoming refugees be it financially or on the organizational level.

This assumption will work as a good entry point in any upcoming negotiations, as the economic dimension will always be tied to the political dimension. Therefore it will complement any political agreement between the State of Palestine, Israel and other neighboring countries.

Proposal: The right to “return” versus right to “remain”, a new approach to solve the refugees’ cause

What would serve as a just and logical basis for the number of Palestinian refugees who might relocate in Israel, resettle in Arab countries, or return to Palestine? A group of Palestinian intellectuals and peace activists living in the Diaspora (mainly in Europe) posit a theoretical solution which links the refugee issue to the Israeli settlers living in the West Bank who wish to remain as Palestinian citizens in the future Palestinian state.

In this scenario, on the effective date, Israelis living within the boundaries of the Palestinian state would be offered by the Palestinian state, on an individual basis, not as settlers, and by mutual agreement, the right to remain, first as residents, and eventually as co-citizens of the Palestinian state (the “Right to Remain”). This would be without prejudice to the national character of the Palestinian state.

Israelis living in the Palestinian state would decide on whether or not to exercise the Right to Remain within the period of choice (defined later by the two parties). The Right to Remain would only be refused by the Palestinian state in extraordinary circumstances such as affiliation with underground terror organization.

All settlement structures remaining within the new Palestinian state would be converted into civilian communities under Palestinian sovereignty. Where settlements have been built upon privately-owned land, ownership would be returned to the original owners. In all other instances, land would be owned by the Palestinian state, with lease arrangements granting Israelis that qualify to remain 30-year leases of the land. All physical and economic infrastructures would be preserved, inclusive of settlement industries, industrial zones, and agricultural establishments. Rather than destroy settlement structures, and, with them, the economic and social

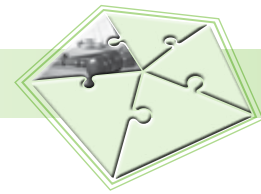
value they offer, co-operative private-public sector support on both sides of the final border would aim to harness the settlement economy for mutual benefit of both Palestinians and Israelis. The Parties would agree on an appropriate sum to be paid by the Israelis to the Palestinians by way of “retrospective rent” for their use of Palestinian land through settlements since the 1967 Six-Day War.

Cognizant of the need for mutual accommodation and trust as foundations of successful negotiations, the proposal recognizes that the halt by the Israelis of settlement-building could valuably contribute to effective negotiations, while continued settlement expansion during negotiations would be detrimental to effective negotiations. The Israelis would therefore make reasonable attempts to halt settlement-building. The practical need for the “natural growth” of settlements is, however, recognized. As such, growth in numbers of Israelis and of infrastructure within existing settlements would be permitted, but not the acquisition of more territory.

In the spirit of this theoretical proposal, the Right to Remain would promote the achievement of Substantially 1967 Borders and Space by minimizing the need for population displacement, in itself sparing the Israelis huge costs. Meanwhile, the preservation of settlement structures which the Right to Remain would entail would provide a mechanism that accelerates the economic development of the Palestinian state. This would, in turn, provide extra capacity for the Palestinian state to constructively absorb Palestinian refugees. In the same spirit, there would be a link between the Right to Remain and the Palestinian Right of Return to Israel; the number of Israelis exercising the Right to Remain would in fact determine the number of Palestinians able to exercise the Right of Return to Israel. This flexible mechanism (the “Law of Exchange”) could break new ground in the peace process by offering different modalities of co-existence between Israelis and Palestinians in the two states in a way which is sensitive to both Parties’ interests.

On the effective date, all Palestinian refugees living outside of historic Palestine would be able to immediately exercise a right of return to the Palestinian state (the “Right of Return to Palestine”). They would become full citizens, be offered housing and employment by the Palestinian state, and undergo rehabilitation underwritten by the International Community. This would be without prejudice to the right of all Palestinians in the Diaspora to exercise their Right of Return to Palestine immediately.

All Palestinian refugees would be compensated uniformly by the State of Israel and the International Community. For the avoidance of doubt, compensation would not be conditional upon the exercise of the Right of Return to Palestine. All Palestinian citizens that have resided continuously in the Palestinian state for a period of five to seven years could, by mutual agreement, be given by the State of Israel the right to apply for residence, and eventually citizenship, in the State of Israel. This would be without prejudice to the



national character of the State of Israel. There would be a cap on the number of Palestinian citizens who would be able to exercise the Right of Return to Israel. In the spirit of mutual accommodation, this could potentially be determined by the number of Israelis exercising the Right to Remain in the Palestinian state, adjusted by a coefficient which factors in the respective territorial sizes of the two states. Considering the relative territorial size of the State of Israel and the Palestinian state, as based on 1967 borders and 1967 space, it may be appropriate for the Parties to agree on a ratio.

Furthermore, appropriate socio-economic conditions could be placed upon the exercise of the Right of Return in order to incentivize the gaining of skills among the Palestinian population and to optimize chances for smooth demographic transition.

The Law of Exchange, which would include the ratio governing the number of Israelis exercising the Right to Remain and the number of Palestinians exercising the Right of Return to Israel, along with any conditions placed upon their exercise, and would be enshrined in an agreement on population movements annexed to the Final Status Agreement.

The Law of Exchange would help define a realistic final status relationship between the Parties; the Israeli Right to Remain would create a wider range of opportunities to manage the question of the Palestinian Right of Return to Israel. It would contribute to the process of mutual accommodation and reconciliation and, at the same time, promote mutually healthy economic and social development.

Consistent with the long term perspective taken in the Framework Proposal and the emphasis on sustainability, Palestinian refugees living in camps and in the region would be aided in the process of moving from deprivation and dependence to economic and social renewal and growth. Furthermore, the acceptance of some Palestinians within pre-1948 boundaries, in recognition of the governing principle in Article 11 of UN General Assembly Resolution 194 (1948), would constitute a genuine act of good faith and commitment to a lasting peace by the Israelis. Such a commitment would consolidate Palestinian readiness to commit to a democratic Palestinian state in which Israelis may exercise their Right to Remain.

Conclusion

After 65 years in exodus, refugees believe that they have a solid legal basis and that their repatriation is not the sole responsibility of Israel but also the obligation of the international community. Arguments from both sides are loaded with propaganda; and a "right" based approach has proven to be the best tool to actualize and advance any peace treaty after 20 years of failed attempts.

When trying to evaluate the needs of Palestinian refugees in order to satisfy their ambitions of a future state it became evident that no major referendum or in-depth research has

been conducted to examine the refugees' wishes to return and their expectations and demands from such a return. The studies that are available are based on small population center, coupled with a limited geographical setting. Therefore the first step in dealing with the issue of refugees has to be conducting a regional referendum or research study to examine their opinions, wishes and expectations. Such a study would help determine the number of refugees who are willing to return to the Palestinian state and would put an end to the current speculations of 10% and give the refugees a "free choice" to make their voice heard.

The refugees believe that the international community has been unfair by its adoption of double standard policies when it comes to their rights. They believe that there were a number of cases when whole nations were uprooted and displaced, the Palestinians are a prominent example of these injustices across history.

We should also point to that there should be no link made between Palestinian refugees and the Jewish refugees who fled Arab countries during the same period. Jewish refugees should address their claims with the relevant Arab countries and this issue should not be used as a political negotiation tool.

There is abundant evidence that migration is very sensitive to economic conditions. Movement from one place to another proceeds in response to differences in earnings, actual and expected, as measured by the difference in wages weighted by the probability of obtaining gainful employment over a certain period of time. The future influx of returnees to the Palestinian state would depend strongly on its economic performance. The discrepancy in per capita incomes and wage rates between the West Bank and neighboring Arab countries is one indicator of the economic pull factors.

Thus, unless the UNRWA or the PA are ready to provide comparable free accommodation to them in the West Bank and Gaza Strip, the decision of the refugees to return would involve substantial increases in their cost of living.

Another set of factors which will affect the decision to move includes family affiliations in the WB and GS and the degree of integration into the host societies.

So far we have been dealing with the socio-economic factors on the basis of which a 'cool' calculation of costs and benefits may be made. Most studies seem to suggest between one half and one million returnees over a period of five years. FAFO's surveys of the camps in Jordan and Lebanon document the poverty-enclave status of the camps (Jacobsen, 2003) in addition to other studies presented within this paper.

The suggestion that the economic 'pull' factor will be more powerful with respect to the most impoverished Palestinians is quite plausible. But for this to materialize some concrete form of support to cover the considerable relocation cost or to compensate for the free services which those refugees receive currently from UNRWA (especially free housing)

will have to be put in place. The situation of the Palestinian refugees in a number of places is particularly critical.

A solution to the refugee problem will have important consequences beyond the refugees themselves. Their decisions on whether to return or not, at what time and where to, will affect the WB and GS economy, as well as other economies in the region. The difficulty in assessing those consequences results from unavoidable uncertainties built into the process. The specifications of the peace agreements are as yet unknown, while the reactions of the refugees to those agreements can only be guessed at. As pointed out above, their reactions will depend both on economic developments and the socio-political environment, in the new state as well as in the other countries in the region.

All of the above is built upon the assumption of reaching a peace agreement which will pave the way for the return of the refugees and the payment of compensation. This, along with the initial domestic and international resources and the socio-political environment in the new state and the host countries, will determine the first round of the refugees' reactions. The number of returnees will have some bearing on the economic performance of the new entity, and this, along with the new extra resources and current socio-political conditions, will determine the second round of the refugees' reactions, and so on.

The reactions of the refugees will have immediate effects on several economic factors such as the labor market, the housing market and disposable income. In addition to that, a certain amount of resources from external sources will be made available to facilitate the absorption of the returnees. These resources will be associated with the comprehensive scheme of compensation to the Palestinian refugees.

We have seen throughout the study that there is a large difference between the West Bank and the Gaza Strip because the economic structure in the two regions is substantially different, refugees face different conditions, and it is expected that only a few returnees are likely to resettle in the Gaza region. Due to those differences, another task ahead of the Palestinian State will be to raise the cost of living standards in the Gaza Strip to levels comparable to those in the West Bank.

In summary, the main aspects that will need immediate attention to enable a smooth absorption are as follows:

1. The provision and creation of housing to accommodate the new comers.
2. The improvement and building of new schools and the provision of education to the new comers.
3. The creation of employment opportunities.
4. Improving, expanding and building the infrastructure, especially in terms of drinking water and water supplies, which is a major problem in the area.
5. Refurbishing, modernizing and erecting hospitals and health centers.

6. Resolving mobility, movement and travel issues for refugees.

From a macroeconomic perspective, the most important parameters to consider are how many refugees will return and how much new resources will be made available, in addition to establishing where those resources would come from.

A related issue concerns the impact of the new setting, i.e. the establishment of a sovereign Palestinian state, on private and public investment schedules, which in turn poses the question whether entrepreneurs and government would behave differently. We anticipate that the answers to these questions will be captured by various schedules where, for each year after the peace agreement, the appropriate changes will be specified.

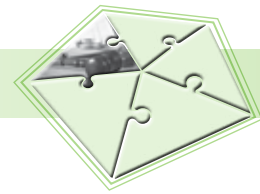
The performance of the economy under different scenarios makes clear that as the number of returnees increases and, especially, as the period of return gets shorter, absorption becomes more difficult and costly.

Our analysis implies that there is an important role for the government in promoting the absorption of refugees into the economy, but this role is limited to two main areas:

1. The government should provide proper incentives for the refugees in the initial period in order to help them. The initial period requires substantial personal investment in an adaptation to the new labor market, legal system etc. The non-existence of a completely free capital market where individuals can take loans against their future earnings justify the role of government in providing lump-sum start-up transfers to the immigrants. The existence of funds related to labor market integration (e.g., training) and housing market (e.g., subsidized mortgage) are an important and integral part of such an absorption program.
2. The government should provide public investment in the infrastructure of the economy. In particular, direct government investment in physical infrastructure of the country, such as, urban planning, transportation, water, public services, education and more.

In addition to the government, the private sector could provide a significant amount of job opportunities for the new comers and various Palestinian businessmen residing in the Diaspora could team together in order to create projects and programs on the ground to help ease the situation.

However, it is important to emphasize that with enough resources all the scenarios addressed are feasible. The question of who carries the burden has more implications than the calculations can capture, baring in mind that new problems will arise along the way. Nonetheless, a solution for the refugee problem is definitely possible. To what extent it will satisfy the expectation of the refugees is another matter.

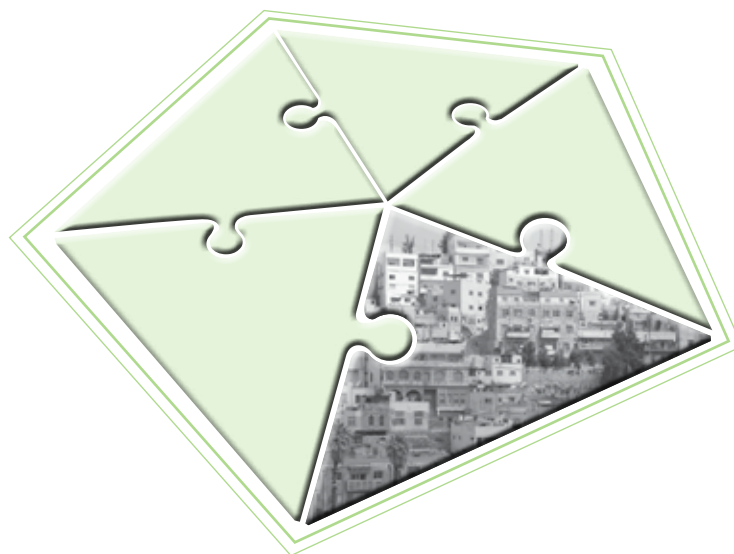


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The Political Character of the Palestinian State



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Introduction

This chapter, which includes three articles, deals with diverse focal aspects of the political character of the Palestinian State: Palestine's political features per se and their relevance to advancing and substantiating democratic norms and regulations in Palestine, possible frameworks for links and relations between Palestine and Jordan, and the inter-party rift in the Palestinian arena as a challenge to democracy in Palestine and Israel's role in decreasing related threats to Palestinian democratization. Notwithstanding their distinct perspectives on the topic of the political characteristics of the Palestinian state, the three articles share four premises.

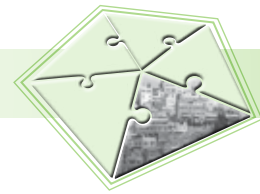
The first premise is common to all the analyses included in this volume – that is, a Palestinian state is a political reality. This principle necessarily means that all issues, which for many years had prevented Israel and the Palestinian Authority / PLO from reaching an agreed upon, two-state final status solution, have been overcome, resulting in the establishment of an independent, sovereign Palestinian statehood. Therefore, there was no need for discussing and elaborating upon the diverse territorial claims, national/historical rights, security needs and demands, as well as preconditions for negotiation and conditions for concluding an agreement and its implementation. For the purpose of the discussions, a Palestinian state is already an established

and institutionalized part of the state-system of the Middle East and the international state-community.

The second underlying premise is in fact a policy recommendation. Jordan and Israel, as well as other state actors in the Middle East and beyond, should do their utmost to refrain from intervening in the Palestinian political system. While it is presumed that both Jordan and Israel will be highly interested in promoting democracy in Palestine, they should do whatever possible to stay away from the domestic Palestinian sphere. This would also mean that they should let Palestinians lead their own political way, even if the outcome of democratic practices appear to ease the way of not-so-democratic forces to the helm of the Palestinian political arena.

The third premise reflects the overall composition of the project and related subjects of the other chapters, that is: economic aspects and security dimensions of Palestinian statehood, in addition to the issues of the relations between Palestine and Palestinians outside of Palestine as well as the challenge of normalization between Palestine and Israel, are discussed elsewhere in this volume. Hence there was no need to analyze them in detail in the context of this chapter.

The fourth premise is that the aspired political feature of Palestine is democracy. This means that the political system of the newly-established Palestine focuses on promoting



a concerted democratization process. Therefore, the three separate articles place emphasis, each from its own perspective, on factors expected to advance democracy and also on possible impediments to democracy and suggested ways to contain and neutralize such challenges.

The article "Today and Tomorrow: A Palestinian Perspective", by Munther Dajani, focuses on the challenge of state building and discusses the mechanisms and regulations designed to support a viable democratization process and the specific democratic features of Palestine. In order to advance the Palestinian goal of becoming an integral part of the international community, the state of Palestine should guarantee the security, prosperity and civil liberty of its citizens. For this purpose, the emphasis of state building should be placed on institutionalizing a secular society, in which citizens enjoy freedom of speech and treated equally under the law. Economic cooperation with states in the region and beyond, coordination on immigration, border control and security arrangements would be among the spheres that would be arranged and regulated to facilitate the viability of the peaceful two-state solution. Additional topics elaborated upon in the article are the status of East Jerusalem, principles of receiving citizenship, relations with states in the region, state symbols, and matters of education.

The article "The Future State of Palestine - Scenarios after Independence", by Rula Awwad, discusses different aspects for consolidating a viable Palestinian state, including geography, economy, security, socio-demographics as well as political challenges and deals with diverse implications of a Jordan-Palestine confederation, and of a tri-state confederation of Israel, Jordan, and Palestine. The conflict has had implications beyond the specific interests of Palestine and Israel, and it is believed that it is the root of most of the regional unrest. With that in mind, the article starts out with a general overview of the "Arab Spring" and how perceptions of the quality of life affect people's dissatisfaction with the status quo, which might result in changing realities on the ground. It further develops the different aspects needed to ensure the viability of states, and how the state of Palestine fairs with regards to these aspects. Possible future scenarios to mitigate a failed state of Palestine and to avoid an "Arab Spring" scenario, are discussed. The article concludes

by stressing that any solution has to be arrived at through trilateral negotiations and presented for a national plebiscite in all three countries.

The article "The Inter-Party Rift: Challenges to Democratization in Palestine and Implications for Israel", by Anat Kurz, argues that establishing Palestinian statehood should be considered to be a means for advancing institutional coordination between the two rival parties and promoting political unification of the two territorial areas of Palestine. The discussion elaborates upon the notion that independent Palestine will likely motivate the integration of Hamas into the Palestinian government, within the framework of a coalition established according to the results of free elections. Based on the assumption that a functioning, nationally-legitimate Palestinian government is a fundamental Israeli interest, the article concludes with the policy recommendation that for the purpose of easing the consolidation of normal relations with Palestine, Israel should, at least during the first phase of Palestinian independence, accept a de facto recognition by Hamas. This would mean that the Palestinian government, whether it includes Hamas or not, will serve as an address for Israel and other states for dealing with any economic, diplomatic and security matters.

The purpose of this section, like other sections in this volume, is to offer a broad, composite perspective on the focal issue of the political characteristics of the future Palestinian state. In dealing with this challenging topic from three distinct national angles – Palestinian, Jordanian and Israeli - the articles in this section use different analytical guidelines. It should also be noted that the assessments and recommendations stressed in the three articles are the three authors' alone. At the same time, the authors share a common approach to the research question. Thus, the three articles focus on exploring how the very establishment of Palestinian statehood and particularly advancing democratization in Palestine can facilitate addressing security and political dilemmas associated with the Israeli-Palestinian relations, hence alleviating one of the major sources of tension in the Middle East as a whole.



The State of Palestine Today and Tomorrow: A Palestinian Perspective

Munther Dajani

The Oslo Accords of 1993¹ stipulated that the West Bank, the Gaza Strip, and East Jerusalem would constitute the future State of Palestine.² More than four million Palestinians presently live in these Occupied Territories forming the future population of the Palestinian state, in addition to those Palestinians living in Israel and in the Diaspora amounting to nearly seven million who may opt to exercise their right of return to the State of Palestine. In addition, the Palestinian Authority has been given international recognition as stipulated in the United Nations Resolution to grant Palestine the status of Non-member State. This would constitute a State of Palestine though under occupation - a unique state of affairs in modern history.

This conflict is based on one land and two peoples, as Deborah Gerner had chosen as title for her book, *One Land, Two Peoples: The Conflict over Palestine* (Gerner, 1994). However, the question this paper addresses, should it be One Land, Two Peoples, One State³, or, One Land, Two Peoples, Two states⁴?

What do Palestinians want? Palestinians aspire to become an integral part of the international community as citizens of an independent democratic state that would guarantee them security, prosperity, and liberty.

Support for democracy tends to be generally strong. Many believe democracy is the best form of government. While the demands for an independent state that respects human rights and institutes democratic institutions, competitive multi-party elections and freedom of speech, are popular, they are clearly not the only priorities in the lives of the Palestinians. In particular, political stability and a strong economy that provides prosperity are high on the wish-list for Palestinians. And if they had to choose, most Palestinians would rather have a strong economy than a Caliphate state.

Palestinians want a larger role for Islam in public life. Although a majority wants laws to be influenced by the values and

principles of Islam, only a minority believes that the legal system should be based on Islam. Islam already plays a large role in the political life. The Islamist party Hamas won the largest share of votes in the 2006 legislative council elections.⁵

Generally speaking, Palestinians support the general principle of gender equality in politics, economics, and family life. When it comes to gender parity, most Palestinians believe a woman's family should help choose her husband, rather than the woman herself. Most also believe women should be able to work outside the home to help men in supporting their families.

Extremist groups and extremism are largely rejected by Palestinians. However, many hold favorable view of the Lebanese Shia group Hezbollah for its militant stand against Israel, but only a small minority hold a positive opinion about al-Qaeda or Taliban.

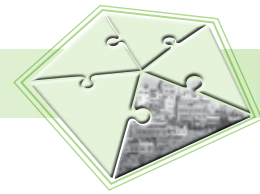
The Israeli national historic aspiration is to live in a Jewish state while the Palestinian national historic aspiration is to live in an Arab-Islamic state. Thus, a two-state solution in which both states would retain their religious yet democratic characters of the state, with the Old City of Jerusalem as a shared religious capital, and East and West Jerusalem outside the walls of the Old City serving as capitals for both states, is still the most plausible option (Al-Khateeb, 1998; Dajani Daoudi and Dajani, 2009; Dajani Daoudi and Dajani, 2010; Dajani Daoudi and Dajani, 2012). The rights of all non-Muslim and non-Jewish minorities will be fully recognized in both states.

The State of Palestine would be a Centrist/Middle Ground entity falling in the middle between being a religious state and a secular state, in which politics and religion would coexist together in harmony like the French political system; neither religion will dominate politics, nor will politics smother religion.

Despite the present political standstill, the two-state solution remains the only foreseeable option. It is still a workable solution that would serve the hopes and identity of the Jewish people (Jones and Murphy, 2002). Israel would preserve its character as a Jewish State, and on the other hand, Palestine would fulfill the national aspirations of the Palestinian people.

⁵ The Islamic Movement Hamas has rejected a two-state solution. The Hamas charter states "The Islamic Resistance Movement believes that the land of Palestine is an Islamic Waqf consecrated for future Moslem generations until Judgement Day. It, or any part of it, should not be squandered: it, or any part of it, should not be given up." Islamic Jihad also rejects the two-state solution.

1 Some of the major works discussing the Oslo Accords are as follows: Freedman, 1998; Brown, 2003; Makovsky, 1996; Hagopian, 1997; Sneh, 2005.
2 A strong Palestinian critic of the Oslo Accords is Edward Said, in his book, *The End of the Peace Process: Oslo and After* (Said, 2000).
3 Among those supporting the one state solution is Palestinian intellectual professor Sari Nusseibeh (Nusseibeh, 2011) Ali Abunimeh (Abunimeh, 2007), and Virginia Tilley (Tilley, 2005).
4 The two-state solution was agreed upon in principle by the government of Israel and the Palestinian Authority in the Oslo Accords and at the November 2007 Annapolis Conference and remains the conceptual basis for the Palestinian-Israeli negotiations.



An Israeli withdrawal from the West Bank and East Jerusalem would constitute the first step in a peace strategy to implement the two-state solution. Only then a real Palestinian state would emerge with no military army, and no air force, but with a police force, which would address the self-determination rights of all Palestinians at home and in the Diaspora. A future possibility is a confederate state that would include Palestine, Jordan, and Israel (Karsh and Kumaraswamy, 2003; Dassa Kaye, 2000).

The State of Palestine would not require citizens to register their religion with the government though numerous other states do require their citizens to register their religion with the government, including Turkey, Egypt, and Lebanon.⁶

The border between Palestine and Israel would be the 1967 border with some territorial adjustments. The constitutions of both states would provide a framework for the peace agreement, making it difficult to break it. The naturalization and immigration policies in Israel and Palestine would be performed according to their national character.

The State of Palestine would neither be an Islamic caliphate as some of the Palestinian extremist religious parties such as the Islamic Liberation Party calls for, nor a purely secular political system that calls for the separation of state and religion similar to that of the United States, but calls for a mid-course: following the American tradition of protecting religion from the arbitrary power of the state, while at the same time, adhering to the European tradition of protecting the state from religious radicalism, conservatism, fanaticism, and fundamentalism.

Both Israelis and Palestinians have a certain amount of trust in both state and religion and as such favor a formula of coexistence between them. For that end, Palestine would seek to find a happy medium in which the state has laws facilitating freedom of religion, while Islam, as a religion, would do not be imposed by the state, nor would Islamic religious laws and restrictions be advocated by those with a radical religious bent. The state will aim to strike a balance between the American constitutional democracy, on the one hand, and the European parliamentary democracy on the other.

The nature of Palestine will be democratic and secular, in which citizens would enjoy freedom of religion and speech, where the state would treat all its citizens equally under the law; a state in which the rights of all citizens are safeguarded and protected. Economic cooperation, coordination on immigration, border control, and security arrangements would

⁶ See: Cinar, Srirupa, Maha, 2012. This book “examines the constitutive role of religion in the formation of secular-national public spheres in four states, arguing that in order to establish secularism as the dominant national ideology of countries such as Turkey, Lebanon, and India, the discourses, practices, and institutions of secular nation-building include rather than exclude religion as a presence within the public sphere.” The authors “examine three fields -- urban space and architecture, media, and public rituals such as parades, processions, and commemorative festivals -- with a view to exploring how the relation between secularism, religion, and nationalism is displayed and performed.”

be arranged to facilitate the peaceful coexistence of the two-state solution. This means that there would be freedom of movement of people and goods across their borders with no impediments by either State. This would usher in economic prosperity and raise the standard of living in the Palestinian state, especially since the economic conditions are asymmetrical, to say the least. Also, both states should allow movement of population freely in both states.

The two states have many complimentary aspects that can be capitalized on resulting in job creation that will help the general economic conditions in both states. The twining of resources in different sectors can work to the benefit of both, especially in the absence of a security threat and the existence of strong confidence building measures, based on mutual trust resulting from mutual benefits to both societies.

People-to-people activities would be organized to overcome the barriers of a century of enmity between the Jewish people and the Palestinian people. As Dr. Ron Pundak asserts, “People-to-people peace-building efforts have always been a crucial, though insufficient, stepping stone on the way to Israeli-Palestinian peace” (Pundak, 2012). A similar claim is made by Maoz (2000; 2004). The Palestinian state would emphasize trust building measures with the Israeli civil society.

Part A: The Goal

The goal is to establish a Democratic State of Palestine in the West Bank and Gaza Strip with East Jerusalem as its capital. It will be characterized by the rule of law, free elections, and the smooth transfer of power after every election that allows the people to choose freely between candidates in free and fair elections.

Palestine would be a constitutional, liberal democracy that serves as a home for the Palestinian nation, and all its citizens. Arabic is its first official language. Its symbols and rituals would be connected to the Arabic Palestinian culture, and to Islam, Christianity, and Judaism in accordance to Islamic teachings. The Christian and Jewish citizens of Palestine will enjoy full and equal protected rights and duties, as well as cultural and religious freedom.

Capital - Arab East Jerusalem: The Old City of Jerusalem is to be an open shared city with special regime; East Jerusalem outside the walls is to be the capital of Palestine, and West Jerusalem, outside the walls would be the capital of the State of Israel. The Old City of Jerusalem would function as an interfaith center for dialogue for all religions. It will be administered by the International community sponsored and organized by the United Nations. The international community will assume its responsibilities as the guarantor of peace, political stability and economic prosperity of all. This will lead to equitable relations between all its citizens resulting in harmony and not allowing any single group to dominate the others.

Character of the state: Palestine would embody universal values of democracy, centrism, moderation, justice, balance,

and tolerance. Palestine adopts neutral non-aligned diplomacy, open dialogue, and the attempt to solve all issues through negotiations as the best way to resolve conflicts or differences and to build a stable Palestinian society.

The Principles of receiving Palestinian citizenship: A son or daughter of a Palestinian citizen living in Palestine is entitled to Palestinian citizenship. Those defined as Palestinians by the immigration institutions of Palestine are entitled to immigrate to Palestine and to Palestinian citizenship.

The immigration institutions of Palestine are transparent. Any non-Palestinian is entitled to Palestinian citizenship, according to quotas determined by law from time to time. A Palestinian citizen is required to speak Arabic, and to follow the constitution, laws, and regulations of Palestine.

Palestine's relations with other regional states and the world: The Palestinian strategic depth must lie in its good neighborly relations with all states and especially the Arab neighboring states on one level, and the non-neighboring states on the other. Furthermore, it is very important for the Palestinian State to keep open diplomatic relations with the rest of the world and specially the Arab, Islamic and neighboring countries, the West (US and Europe) as well as China, Japan and the Asian Countries. The Palestinian State must capitalize on these relations and use them for the advancement of its economic and political development.

State Symbol: The symbol of the State of Palestine is the 'Olive Tree' resembling stamina and strength. The olive tree was mentioned in the Holy Quran in An-Noor [Light] Surah, verse 35: "(1) Allah is the light of the heavens and the earth; a likeness of His light is as a niche in which is a lamp, the lamp is in a glass, (and) the glass is as it were a brightly shining star, lit from a blessed **olive-tree**, neither eastern nor western, the oil whereof almost gives light though fire touch it not-- light upon light-- Allah guides to His light whom He pleases, and Allah sets forth parables for men, and Allah is Cognizant of all things."

State Currency: The currency of the State of Palestine will be administered through a Currency Board backed by a stabilization fund. Adopting a Palestinian currency that is tied to the U. S. Dollar, the Jordanian Dinar, and the Israeli Shekel would be administered through a monetary union between Palestine, Jordan, and Israel would help stabilize the Palestinian currency (Ginat and Winckler, 1998; Dajani Daoudi, 2001). Palestine would "adopt fiscal, Monetary, and economic policies that would ensure the credibility, durability, acceptability, exchangeability, as well as stability, divisibility, portability of the Palestinian pound" (Abed, 1990; Arnon and Spivak, 1996; Dajani Daoudi, 2001)

The Road taken to Achieve the Goal

The road to be taken is peaceful negotiations, not confrontation nor violence. A negotiated settlement with Israel and the surrounding states would help bring solutions to the acute economic, social and political crises plaguing the region.

Civil society: The citizens of the State of Palestine, Muslims, Christians and Jews, would live together as equal citizens in which the state would continue to disseminate a culture of moderation, freedom, equality, and religious tolerance within the Palestinian community. It would work to establish a tolerant, democratic society at home through fostering the universal values of moderation and unity. It would hold liberal democratic values of equity, rule of law, pluralism, freedom of expression, and respect for civil and human rights as declared in the Universal Declaration of Human Rights. It structures its programs on thematic pillars such as peace, state-building, governance reform, accountability, transparency, women's empowerment, religious and political moderation, and civil society development.

State revenues: In his book, *Building a Palestinian State: The Incomplete Revolution* (1997), Glenn Robinson maintains, "Palestine is an emerging rentier state. That is, the PA is now, and will be well into the future, disproportionately dependent for its revenues on external sources of rent. In this case, the rent is not from the sale of oil, as is the common form of rentierism in the Middle East, but from government-to-government transfers, i.e., aid." Robinson notes, "Under more usual circumstances, a state must raise revenues from its own population through taxation, leading to some form of political deal between state and society: taxation for representation" (Robinson, 1997: 200). Palestine will not remain dependent for its revenues on aid but would work to raise revenues from its own population through taxation.

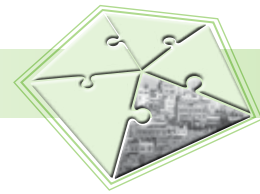
Constituency: Palestine appeals to a moderate constituency with deep commitment to monotheistic faith and the Unity of God.

Education: Palestine would encourage in its educational curriculum towards peaceful coexistence, tolerance, critical thinking, creativity and innovation without impeding moral values. A moderate interpretation of Islam will be the official version of the state religion and belligerent radical interpretations will be deleted from the educational curriculum and replaced with peace education curriculum. Teachers would focus on improving its innovation and creative skills and capacities of their students. Students would be encouraged to question conventional wisdom. Funds will be allocated for research and creative scientific ventures. Palestinian educational textbook should focus on a reconciliation approach (Kriesberg, 2000; Maoz, 2000; Yiftachel, 1997).

Refugees and ex-prisoners: The State of Palestine would work to rehabilitate refugees and ex-prisoners by the provision of education, jobs, housing, and social and health services.

Taxes: The state would improve its capacity to collect income taxes in order to secure a steady annual income for its budget.

The target situation: The Palestinian and Jewish nations accept their long and firm historic bond to the people living in the land between the Jordan River and the sea. Both of them fully accept the nations' vision of the permanent solution of two sovereign states in the area of the Mandatory Palestine,



Arab–Palestine and Jewish–Israel, that live in peace and full conciliation (having reached a peace agreement), in friendship, legal, cultural, and economic cooperation, solving every conflict between them in agreement.

The two nations take responsibility for the conflict between them, for the many immoral deeds performed during the struggle which caused immense human suffering, and for the fact that they were not wise enough to solve the conflict between them in peaceful ways. The sides must agree that there is no way to turn back history, and behave according to high moral norms towards the people of both nations, while minimizing the personal suffering caused by the conflict.

The Israeli leadership recognizes its duty to contribute its part to the international effort to solve the Palestinian refugee problem. The Palestinian leadership takes responsibility for the decisions of the Palestinian leadership during the past decades. It also takes responsibility for the impact of those decisions on the outcomes of the conflict during those years.

International assistance would allocate funding for a period 25 years as donations to resolve the conflict. Israeli investments delivered to Palestine, are recognized as part of Israel's contribution to conflict resolution and are measured according to their value to Palestine's development.

The Palestinian state and people would take a leading role towards the acceptance and integration of Israel in the Middle East, the Arab world, the Muslim world and the international community. The Israeli state and people would take a leading role towards the acceptance and integration of Palestinian State in the United Nations, the Western world, including United States, Europe, and the international community.

Holy sites: Existing sanctuaries, temples, holy places, and cemeteries would be preserved by the state and are secured to remain open for prayers, visits and religious rituals.

The Status of the region: Israel is a constitutional, liberal, democracy that serves as a home, for the Jewish nation and all citizens: Jews, Christians, and Muslims. The Hebrew language is its first official language. Its symbols and rituals are connected to the Jewish culture and religion. The non-Jewish Israeli citizens enjoy full and equal rights and duties, and enjoy full cultural and religious freedom. Arabic is the Israeli second official language, and every student in Israel must learn it as part of Arab culture.

The relations between Israel and Palestine International forces will staff the alarm stations in Palestine and secure the Jordan-Palestine borders. The Palestinian security forces are equipped for internal security and border security. Both sides bear full responsibility for violence prevention and for the protection of citizens and residents from the other side living within their borders.

The Palestinian security forces would be allowed light offensive weapons to prevent internal violence. They may procure it from the international force for a limited period of time and for this specific use. The *Peace Agreement* includes a detailed protocol defining the ways to handle

any failure on both sides of the border to protect civilians from such violence.

In both states, stringent laws are enforced to prevent incitement, violence, and acts intended to violate the agreement. Both states transparently report on their actions according to these laws. Each of the sides is entitled to appeal to an international institution established for this purpose concerning any failure to adhere to the agreement. Joint Agreements on shared resources, for example, civilian and military airways or aquifers, are based on cooperation for the welfare of all the citizens of both nations. The negotiation on cooperation for using these shared resources is based on full sovereignty of both sides, and on eternal concession on any of its part, to enable this cooperation.

Clearly defined procedures and definitions would be followed for control population movement between Israel and Palestine. A barrier would be built along the agreed border which only people with official permits are entitled to cross. In due time, based on mutual evaluation and understanding, the two states could undertake to simplify border crossings as much as possible. The long term goal is reaching a situation where free border passage is allowed.

Internal changes program in the two states: Each state will adjust its constitution and legislated laws according to the peace agreement. There will be an application of fully democratic principles in the local and central governance, including legalization of consultation mechanisms and sharing decisions concerning the future with the citizens.

Each state will encourage the free expression of opinions and the freedom to join non-governmental organizations and political parties in accordance to the law and agreement fulfillment.

Each state will fully implement equal rights and duties for women and minorities.

Any citizen will have the ability to perform the duties of his faith and to fulfill its commandments and duties without restriction. Another right that the state promises is the right of freedom from religion, including the freedom of any person to change his religion. Citizens are not obliged to follow any specific religion, religious institute, or religious ritual, and are free of any religious restriction, and have the right of speech, belief and equality before the law.

Each state will build a strong legal system and controlling institutions acting independently from the state and governing bodies.

A program for educational changes in the two states: A mandatory learning of the other's language and culture to a degree that enables free and fluent communication is needed. A Palestinian-Israeli history book to be written by academicians (such as historians) from both nations would describe the historic events in a way that is accepted by both, to be used as a key source for learning the historical narrative of both states and the conflict (Iram, Wahrman, and Gross, 2006). Studying the reconciliation agreement is

to be mandatory study. Teachers and students will engage in exchanges between the states, with the goal that every student will enjoy the opportunity to be taught by a teacher from the other nation, and that at least 10% of the students will study at least one semester in the other state.

The Hashemite Kingdom of Jordan

The Hashemite Kingdom of Jordan is a constitutional Monarchy that has gone through three constitutions since its establishment in the early 20th century. It hosts several millions of the Palestinian refugees and has awarded citizenship to many Palestinians between 1952 and 1967. The relationship between the Jordanians and the Palestinians had been smooth until the late 1960s and after the formation of the PLO. The PLO presented itself as the sole representative of the Palestinian people, which began a very competitive and tense relationship between the PLO leadership and the Jordanian Monarchy that led ultimately to the severance of the long official ties between the Palestinian people living in the WB and Jordan in August 1988, leaving the PLO as the sole representative of the Palestinian cause.

Part B: Transitory Stages

In order to make sure that the peace treaty is implemented, it is necessary to utilize the most well known Arab traditions for enforcing implementation of a peace accord within Arab society by using Arab culture. The parliaments of the two nations will accept the peace agreement and program principles as guidelines through the progress towards a complete solution to the conflict between them and accept the Jaha member list – a group of respectable men whose role is to bridge gaps and help the sides break down the agreed upon solution into a detailed and fully accepted program, without any open issues left that may set the region on fire again. The Jaha members will not impose their opinion on either of the sides, but have the needed moral authority to be accepted by both sides.

An international administration will be established, to raise the money needed for conflict resolution (including the Palestinian refugee problem) beyond the investments raised by Israel and Palestine. The administration will manage the direction of rehabilitation budgets to Palestine and to any other place

to be agreed upon by both sides, *determine* the eligibility for compensation for property loss on both sides, the ways to pay the compensations, the source for the payments and their activation, and will provide a solution to any other demand for financial or organizational support to each side as part of the Israeli–Palestinian conflict resolution. The main goal of the administration will be providing the maximum number of people on both nations the feeling that they have been fairly treated, with a sense of the conflict being resolved. Representatives of the Arab league will be members on the administration executive.

An overall outline plan will be set up for the development of Israel and Palestine during the 25 coming years in joint cooperation with the Palestinian refugees and the Jewish settlers who remain within Palestine's borders. The outline plan will include the absorption of nearly million Palestinian refugees in the West Bank (mostly from Lebanon and Syria and another 200,000 to 300,000 Palestinians from other places who are interested in moving to another country) and the resettlement of the Jewish settlers to locations within Israel. The outline plan will let communities stay together if they wish, supply alternative residence in exchange for lands for which the settlers have private ownership or personal lease contracts.

The transitory stages for the application of the Palestinian law on the entire area of Palestine, the construction of the barrier and the gateways along the agreed upon borderline, including the border in Jerusalem and the re-settlement of the first wave of the refugees in Palestine, will take five years. The other population and status changes and the internal changes in Israel and Palestine will extend over 25 years.

Once the outline plan for the development of Palestine and Israel is completed, the details of the agreement and the implementation process finalized, and the laws support it formulated, a booklet will be compiled to include all details of the reconciliation agreement. Each parliament of the two nations will sign a copy of that booklet. The agreement will come into effect, once agreed upon though a referendum of the citizens with voting rights from states.

As part of the reconciliation process, a negotiation process will be undertaken to determine which prisoners and prisoners of war imprisoned due to their involvement in the conflict until the declaration of the truce will be freed.

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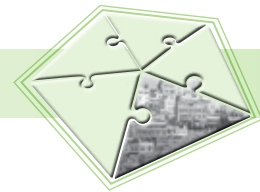
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The Future State of Palestine - Scenarios after Independence

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In the Arab world today the status quo is no longer sustainable. What worked before in term of the state deciding and the people following, does not work anymore. The people have self-empowered themselves and realized rights are not granted but taken. They are more aware and more demanding. Unless the regime is responsive and acknowledges this transformation, it risks placing itself in major trouble.

Regimes have proved incapable of delivering to their publics and do not provide any direction for the future. To appease the West – whom the Middle East placed as their patrons – they raise the flag of democracy. Unless rhetoric translates into action the people will only grow bitter.

A major security issue facing the Middle East is the deteriorating economic conditions. Be it due to corruption or world inflation, it makes no difference to someone struggling to provide for his/her family. When the state is not able to deliver the most basic of needs to its citizens that translates into a major security threat.

In Israel, Jordan, and Palestine, governments have to honor their words. A peace treaty did not provide any deliverables. The dividends of the so-called peace were not distributed nor were they tangible, if existed.

With the consolidation of the State of Palestine, many opportunities arise as well as many challenges. Since 1967, Israeli policies have made separation difficult and to created a dependent economy in the territories. Whenever the Israelis close the border separating Israel from the Occupied territories, it brings wide spread suffering to the Palestinian population causing severe economic stress among the Palestinians. Given Israel's consistent efforts at stripping the Palestinian people of any means of viability as a state, how is a state going fair? Is it viable? If not, what options lie ahead to ensure that it does not turn into a failed state?

The concept of citizenship and of its accompanying rights and obligations is crucial for any state to flourish, yet how important would being aware of ones rights and obligations be, if the main ingredients for a state are lacking?

In the previous section, authored by Prof. Dajani, we discuss at length the institutions of Palestine. While this is a major milestone, it needs to be supplemented by a viable economy, political sovereignty, and a defense mechanism, which would ensure sustainability to the state.

There has been much talk of a confederation as an option for the nascent Palestinian state. Most recently, His Majesty King Abdullah II of the Hashemite Kingdom of Jordan, in a speech at the graduation of Mu'tah University, said the following:

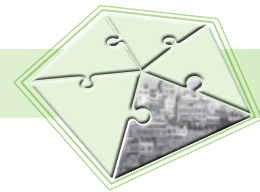
As for talk of a confederation, which comes up every now and then, it is out of context and premature. This issue will not even be on the table until a fully independent Palestinian state is established, and even then only based on the will of both countries and peoples. Any talk on this issue before that is not in the interest of either the Palestinians or Jordanians. As for talk of "alternative homeland," naturalization and "Jordan option," which we have addressed several times in the past, it is mere illusion. Under no circumstances will Jordan accept a solution to the Palestinian cause at its own expense. This is one of the constants of the Jordanian state that will never change. We need to put an end to those rumors, and God willing this is the last time we talk about this topic. (Abdullah II, 2013).

Without going too much into analyzing the speech, King Abdullah is basically stating that a confederation is indeed an option ONCE THE STATE OF PALESTINE IS ESTABLISHED. This paper neither condones such an option nor condemns it, but rather aims at objectively shedding some light on it. What are the risks and benefits, if any?

The issue of a confederation is a sensitive issue for Jordan, partly due to the high percentage of Jordanians of Palestinian origin as well as the whole notion of "Jordan is Palestine", a policy which is advocated by certain politicians on the extreme right wing of Israeli politics, which states that rather than establishing a Palestinian State in the West Bank and Gaza Strip, it should be established in Jordan, replacing the Hashemite Kingdom. Policy and decision makers tip-toe cautiously when discussing such an option – if considered an option. Thus, a two-state solution is important for Jordan because it thwarts any attempts to solve the Palestinian issue at Jordan's expense, given hard line views within Israel that have attempted to push the view that a Palestinian state should exist *in* Jordan.⁷

The basic assumption of this paper is the actual existence of a state of Palestine. Any solution that does not promise Palestinians and Israelis alike control over their own fate will not last. No one will accept that their destiny be subordinated to the needs of others. For decades, there has been a firm belief that the only way that Israelis and Palestinians can live

⁷ Minister, Member of Knesset (MK) Danny Danon, Danon said there will never be a Palestinian State, and that the Palestinians are "settlers", should be part of Jordan..."Israel will turn the Palestinians into settlers under Jordanian authority, and this is that..." Previously in July 2009 a bill was introduced into the Knesset declaring Jordan as the Homeland of the Palestinians and supported by 53 of its 120 members. (http://www.huffingtonpost.com/2009/06/03/jordan-palestinian-homela_n_210833.html)



together in the long term is by creating two separate states. In the 2011 Annual Arab Public Opinion Survey conducted in October 2011 by the Anwar Sadat Chair for Peace and Development at the University of Maryland, a majority of Arabs polled (67%) continue to say that they are prepared for peace with Israel based on a two state solution along the 1967 borders (Telhami, 2011). A joint poll conducted in 2011 by the Harry S. Truman Research Institute for the Advancement of Peace, the Department of Communication and Journalism at the Hebrew University of Jerusalem, and the Palestinian Center for Policy and Survey Research in Ramallah found that 58% of Israelis and 50% of Palestinian support a permanent settlement package along the Clinton Parameters (Geneva Accord, 2011).

However, the old assumptions about what is possible must be re-examined in terms of current realities. The fact is that there are a variety of possible scenarios — not simply a final two-state solution. However, this paper will only deal with confederation as an option; confederation with Jordan and a tri-state confederation including Israel, Jordan, and Palestine.

The basic assumption is that a fully independent and sovereign state of Palestine exists on the basis of the 1967 border with minor border adjustments⁸. That being the case, for a better future and a sustainable viable state of Palestine, it is essential to remain open to all approaches that will provide self-determination for Israelis and Palestinians, and economic and political independence.

Options for a Viable Palestinian State

Jordan's Position

At the United Nations and around the world, a strong belief persist that any solution to ending the strife must be based on a two-state solution with Jerusalem as a shared but divided capital. Jordan is committed to the two-state solution; by which a sovereign, independent, viable and territorially contiguous Palestinian state with clear delineated borders would be established along the 1967 border with East Jerusalem as its capital; this state lives side by side in peace, security, and harmony with Israel and all the countries of the region within a regional context that culminates in comprehensive Arab-Israeli peace. That said, what options can be considered as future scenarios after the independence of Palestine?

The establishment of an independent Palestinian state is a top security priority for Jordan, as much as it is for regional and international security, and a pre-requisite for any future alliances. All final status issues are directly related to Jordan, including the issues of borders, security, refugees, water and the holy city of Jerusalem. Furthermore, all final status issues directly affect the Jordanian economy, tourism, healthcare and education.

⁸ http://www.brookings.edu/~media/events/2011/11/21%20arab%20public%20opinion/20111121_arab_public_opinion.pdf

There have been many proposals for an Israeli-Palestinian peace agreement and a future Palestinian state⁹; those include the 1993 Oslo Accords, July 2000 Camp David Summit, December 2000 Clinton Parameters, January 2001 Taba Talks, Quartet Road Map, the 2001 Nusseibeh–Ayalon Principles, the 2002 Arab Peace Initiative, and the 2003 Geneva Accord. Jordan is committed to the Arab Peace Initiative (API), which has been on the table since 2002, and still is¹⁰. It is a collective and comprehensive Arab and Islamic peace offer, which would guarantee peace and security for all the countries and peoples of the Middle East, usher in economic prosperity, and ultimately unleash the vast potential of the peoples of the region.

As discussed in the previous section, the future state of Palestine would be demilitarized with a police force (as has been agreed on in the Abu Mazen–Beilin Plan [article iv (5)] and further in the Geneva accords). The state would treat all its citizens equally under law, where the rights of all are safeguarded and protected.

Any future state of Palestinian would be a state of institutions, which would include a presidency, a legislative body, a strong and independent judiciary, a central bank, and a strong local police force. Jordan envisions cooperation and the signing of agreements of mutual interest with Israel and Palestine in the fields of economy, tourism, security, fighting terrorism, border control, agriculture, environment, water, technology, and energy.

That said, this paper aims to highlight the extent to which an independent state of Palestine would be viable and able to meet its international obligation and domestic challenges. It aims to present the different scenarios already in discussion, whether on the global scene or within domestic politics, and what each proposed scenario would contribute to the viability of a future state of Palestine. The ideas proposed in this paper are solely the author's responsibility and do not represent any official position on behalf of any government.

⁹ For a description of general points of each proposal visit: http://www.cfr.org/israel/middle-east-peace-plans-background/p7736?breadcrumb=%2Fregion%2Fpublication_list%3Fgroupby%3D2%26id%3D406%26page%3D2#p4

¹⁰ The Arab Peace Initiative is a comprehensive peace initiative first proposed in 2002 at the Beirut Summit of the Arab League by King Abdullah of Saudi Arabia. It has been re-endorsed at the Riyadh Summit in 2007. The API provided a collective, proactive effort to solve the conflict by addressing not only their needs but also the needs of Israelis. Specifically in return for Israel accepting to withdraw fully from Arab lands occupied in 1967, and the establishment of a sovereign, independent Palestinian state on the Palestinian territories occupied since June 4, 1967, in the West Bank and Gaza, with East Jerusalem as its capital. In return the Arab states committed themselves to a collective offer to end the conflict with Israel, security guarantees for all states in the region, including Israel, a collective peace treaty and normal relations with Israel, and a just and agreed-upon solution to the refugee problem based on UN Resolution 194. (see text of Arab Peace Initiative at: http://news.bbc.co.uk/2/hi/middle_east/1844214.stm)

Viability - Main Concerns

How stable, self-sufficient, governable and socially integrated will Palestine likely be? Will a future state of Palestine bring more tension to the region or alleviate unrest?

The Palestinian–Israeli conflict has been identified as the root of Middle Eastern unrest, and of many global challenges. Thus, there is indeed clear international interest to resolve it. The regional dynamics in the recent years have dramatically changed. The “Arab Spring” is sweeping the Arab World, Islamic movements are rising to power, which is already the case in Tunisia, Morocco, and Libya (and was the case in Egypt, until the Morsi government was deposed). The situation in Syria is greatly discomfiting, and the *Nusra* party, an Islamic extremist organization associated with Al-Qaeda, is gaining momentum. Such a trend of Islamic movements gaining positions of power translates into the Israeli fear of a Hamas takeover of a nascent state of Palestine, filling the vacuum created by decades of occupation.

The existence of a state of Palestine, friendly to its neighbors, depends on the joint cooperation of the international community. The inception of the state of Palestine will usher in profoundly different consequences that could result in either success or failure. That said, to ensure success, the United States, Arab states, Israel, the Islamic community, and the various nations around the world will have to be involved, share responsibilities, and enter into partnerships. Each will have an economic and political role to play that would translate into a component of viability.

Webster’s Dictionary defines the word viable to mean: “capable of existence and development as a relatively independent social, economic, or political unit” (Miriam Webster Dictionary, 2007). Sovereignty is also an important factor, as it directly relates to the state’s ability to make independent decisions. For purposes of this paper I take viability to mean the extent to which a nation is capable of surviving with its own identity as an entity addressing the political, ethnic, social, economic, and religious spheres. It must also take into account internal and external security, regional and foreign relations, available natural resources, population distribution, geography, among others.

Palestine, if allowed and properly facilitated, might successfully form a viable sovereign state. However, this is contingent upon external factors. To evaluate this potential, the following is an exploration of the viability components of a future state of Palestine. For a state to be viable, essential components need to be present, paramount among those is a national consciousness, in addition to the other main factors of viability mentioned above.

Factors of Viability

There is no doubt that a Palestinian national consciousness exists, namely the Palestinian’s awareness of being a national entity, unique and apart from any other.¹¹ In this section I

¹¹ Dorothy Stein describes the Arabs in pre-Zionism Palestine as unorganized and attributes the rise of their nationalism and their

will attempt to give a general view of the factors of viability outlined above and how these factors relate to the nascent state of Palestinian.

Geography

- **Borders:** Ideal borders make an unmistakable demarcation of the frontiers between nations. Well-defined borders help overcome a large majority of conflicts over disputed territory. They also provide barriers to hostile forces and bolster a country’s defenses. While providing defense, good borders should not pose significant obstacles to peaceful trade and travel.
- **Location:** Aggressive neighbors versus friendly neighbors can be an important factor with respect to viability.
- **Maritime Access:** Denial of access or attempts to gain maritime access have sparked major wars in the past. One of the causes of the 1967 Arab-Israeli war was the Egyptian closing of the Straits of Tiran. Gaining or protecting ocean access was an important element in Iraq’s war against Iran and invasion of Kuwait. Thus, having continuous maritime access is an important factor in the peaceful viability of Palestine.

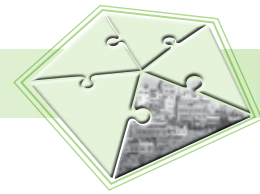
Economy

While the author is not an economist, a viable national economy is considered to be independent of any exogenous factors and able to generate economic prosperity in terms of employment and to develop and delivers services to the population.

A functioning economy is defined as having geographical linkage between all areas of the country, free movement of labor and capital, its own currency, the ability to determine its own fiscal and monetary policies, control over its own natural resources, the capacity to determine economic relations with other countries, and the ability to make the necessary legal arrangements to regulate and protect the economy.

Israeli policies since 1967 have been directed systematically towards securing military, economic, and political control over Palestinian territories, as well as the weakening the nascent Palestinian economic base, thus diminishing national aspirations. Palestinians have been hostage to Israeli policies of raising the individual standard of living on the one hand

denial of Jewish claims to the land as the result of a “sense of having been wronged.” Before their exile from Israel/Palestine, Stein argues that “the Arab factions wanted a state in which the Arab majority would ensure the rights of the Jewish minority” (Stein, 2004). According to Rashid Khalidi, in reaction to the growing threat imposed by unrestricted Jewish immigration, Palestinian loss of control on the land, and what was viewed as British mandate’s favoritism toward the Jews, Palestinians began to form their own distinct nationalism (Khalidi, 1997). Although Edward Said contends that Palestinians under Ottoman Empire rule did refer to themselves as Palestinians and “made important distinctions between themselves, the Syrians, the Lebanese, and Transjordans,” their own “self-assertion was articulated in response to the flow of Jewish immigrants into Palestine since 1880s, as well as to the ideological pronouncements made about Palestine by Zionist organizations” (Said, 1979).



while weakening the economy on the other. Employing Palestinians in Israel and using the Palestinian territories as a supplementary market for Israeli goods inevitably increased dependence on Israel.

Creating this dependency has been a deliberate and systematic process of making the separation of the Palestinian territories from the Israeli economy an impossible endeavor. By the early 1990s, Israel started institutionalizing several restrictive policies and measures towards the Palestinians. Those were policies of collective punishment such as curfews, restrictions on movement of people and goods and closing public institutions. True that closure policies were due to political consideration, yet they had an economic rationale – after all economy and politics complement one another.

Furthermore, Israeli policies of building settlements, separation, building the wall, control over natural resources increased the Palestinians economic hardship and consolidated the process of exploitation and dependency; creating a complex political and economic reality in the Palestinian territories.

The following is an overview of the main economic factors that the future state of Palestine is faced to contend with:

- **Financial infrastructure** – Without access to capital, a modern economy cannot develop. Without an expeditious means of transferring and exchanging funds, progressive commercial enterprise cannot occur. Without an establishment for interfacing with the international financial community, trade cannot take place. The presence of or the ability to develop extensive financial expertise, sophisticated, well-regulated financial networks, and the institutions that provide the actual physical and fiscal infrastructure are essential for national survival in the modern world.
- **Commerce and trade** – Trade and commerce are ultimately the economic life line of a nation. Internally, the population must develop a healthy and widely diverse range of goods and services that are exchanged, sold and bought to generate the economic resources and demand necessary for an economy to progress. Externally, import and export are crucial in bringing needed money into the country, as well as essential goods and materials unavailable domestically.
- **Workforce/labor pool** – The quality and availability of labor, both skilled through professional, are crucial for national development and survival. It is economically important to have an abundant labor supply, but it is also highly desirable to have sufficient jobs for most or all of the population to keep the economy operating optimally, enable citizens to be economically productive instead of burdensome, and to avoid internal dissatisfaction and disruption.
- **Raw materials and natural resources** – These are useless unless they are reasonably and economically accessible. Of still greater importance, however, is an industrial base that can make good use of available raw materials.

- **Agriculture** – The closer a nation comes to feeding itself, the more stable it is likely to be, and the more energy and financial resources it can spend on social and economic development.

In order to meet financial demands, it is extremely important for Palestine to establish a well-regulated central national bank, essentially independent of political influence, to act as a moderating influence on the banking industry and economy. With regards to currency, it would be beneficial for Palestine to adopt a foreign currency in the transitional period, since rushing into creating its own currency might end up being detrimental to the viability of the state.

To ensure economic health and success, a state must have commodities, products, or services that others want to purchase. The presence of these is a function of available raw materials, degree and efficiency of industrial development, availability of financial mechanisms, and transportation means to facilitate exchange of goods, commodities, and services. An Israeli-Jordanian-Palestinian common market could greatly expedite Palestine's economic development.

It is a given that any political solution would necessarily have economic solutions guaranteed by the international community. If there is international commitment to establish the state of Palestine, part of the solution would likely involve heavy economic and financial support. For this discussion, the question of economic viability does not revolve around how the mechanics of Palestine's economic system would work, as to whether the necessary ingredients exist to allow a viable economy, in whatever form, to be set up and operated.

With regards to natural resources including energy, water, agricultural land and marine resources, a country without adequate energy reserves – namely oil – is forever at the mercy of suppliers. In addition, water is one of the most obvious, crucial natural resource. Huge volumes of fresh water are essential for agriculture, industry and domestic use. Agriculturally suitable land is a finite natural resource. Without adequate farm, forest and grazing land, no matter how well managed, a nation's sustainability is severely degraded and its economic prospects weakened dramatically. As regards marine resources, many nations depend on products from the sea for a major portion of their food supply and economic resources. This is the case in the Gaza strip.

Although Palestine is not totally destitute, it is not well endowed with either natural resources or raw materials. It would appear that full self-reliance for Palestine will be impossible given natural and man-made constraints and limits.

Palestine has few energy resources. There are no known fossil fuel reserves. The only exploitable hydroelectric potential is the long awaited Red Sea-Dead Sea project canal, which would be located wholly outside of Palestinian territory, controlled by Jordan and Israel. Presently, the territories are dependent on fuel imported through Israel for power generation. For the foreseeable future, Palestine will be completely dependent on external sources for fuel, unless

it is able to develop the offshore natural gas that has been discovered near Gaza.

Compared to many areas of the Middle East, Palestine has some available and dependable water supplies. Still, it is far from being a water-rich area. Primary sources of water include the Jordan River system, several important aquifers, desalination¹² potential from the Mediterranean and Dead Seas, and precipitation. The water scene is complicated by the fact that most of the water sources available must be shared between five neighbors-Palestine, Israel, Jordan, Syria and Lebanon. Currently, Palestine does not have full access to its share of the water. As an independent state, Palestine should have a much greater ability to negotiate a fair distribution of water resources.

Besides water, agricultural land is Palestine's only other significant natural resource. Agriculture has been the primary industry in the region. It still ranks as the most important segment of the Palestinian economy, although total cultivated area has declined from 2,300 square kilometers prior to the 1967 war to 1,945 Square kilometers in 1989. This is due partly to land confiscations by the Israelis and to the disproportionate allocations to Israel, which have resulted in virtual stagnation in the expansion of irrigation for Palestinian agriculture. Increased availability of water could increase the agricultural value of the land exponentially, however, inefficient water use and obsolete water management practices by the Palestinians contribute to the situation. However, the most significant problem is the over-appropriation of water by Israel.

The eastern Mediterranean has some productive fishing grounds that have been harvested by Gaza fishermen for centuries. With independence will come full access to marine resources as prescribed by international law.

The Socio-Demographic Factor

- **Language** – A common language has significant influence in unifying a people.
- **Ethnicity** – Ethnic homogeneity does not guarantee political and social harmony, nor does ethnic diversity automatically generate conflict. Nevertheless, ethnic differences tend to feed social disruption, while ethnic uniformity generally promotes more social harmony.
- **Social fabric/class differentiation/stratification** – Too wide a gap between upper, middle, and lower classes, with no promise of upward mobility, can be more socially disruptive than ethnic differences. This is particularly true in many developing countries where there is a vast, severely economically depressed underclass contrasted with a minuscule but highly visible privileged class, as is the case in Palestine.

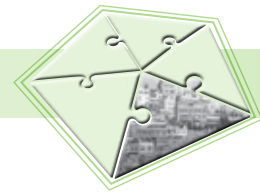
12 Probably desalination is the most promising source for additional water resources. This method is already employed by Israel and several of the Gulf states, yet it has the disadvantage of its high costs.

- **Religion** – Palestinian society's level of tolerance for religion in general, and specifically for religious variety, interacts/conflicts with the character of the specific religion or religions involved. Religion has both a stabilizing and destabilizing influence.
- **Education and literacy** - The level and quality of education within a population profoundly affects the quality and effectiveness of all aspects of the nation. A poorly educated populace¹³ severely weakens a country economically, socially, technologically and militarily.
- **Population density and distribution** – A country with too widely dispersed a population would have difficulty mobilizing and effectively developing its resources, infrastructure and social institutions. Too dense a population, on the other hand, can present serious social, security, health, and economic problems.
- **Health** – Experience, proficiency, and availability of health care professionals, as well as accessibility and sophistication of medical care facilities are important factors in national stability. Lack of health facilities can impede national development and deplete essential human resources.
- **Quality of life** – Economic, educational, cultural, health, social, governmental, and resource issues are among the many variables influencing quality of life. Quality of life in turn is a major component in national stability and political health. A low quality of life can contribute greatly to popular unrest, particularly when people's expectations are raised by comparing one's own local conditions with others.

With regards to some of the socio-demographic factors, Palestine will have an easy adjustment, yet the challenge persists with regards to other challenges. Given the fact that Palestinians speak Arabic, uniformity of language will contribute to the potential for success of the state of Palestine. Ethnic homogeneity will also contribute to that success given that the majority of the population is comprised of Arabs with few ethnic groups native to the area.

On the surface, religion would seem not to be a major issue for Palestine. An overwhelming majority of all Palestinians are Muslim. Christians live in harmony with the Muslim majority. However, there is a strong resurgence in fundamentalist Islam that potentially could cause rifts in the social fabric of a future Palestinian state. Some of the most significant effects of this will be political. The current revival of Islamic fundamentalism is a recent development, beginning its resurgence in the 1970s, epitomized by Khomeini's rising to power Iran in 1979. Palestinians began to turn increasingly toward fundamentalism as an outlet for their frustrations during the early-to-mid Eighties. With the First Intifada, the Islamic fundamentalist influence began to rise.

13 As mentioned previously, since the early 1990s there has been systematic Israeli closures of public institutions namely schools and universities. Also the Intifada contributed to that end.



The primary issue, which is already endemic and could escalate during the state-building process, is the question of the nature of the state itself -- would it be secular or religious? There is great likelihood that the extremists will moderate and gravitate back toward the center if not towards secularism once their goal of an independent Palestinian state is achieved. In such an event, religious fundamentalism would become far less influential in the political and social life of Palestine. Yet, on the other hand, there is fear of Islamic movements rising to power.

A possibly serious socio-demographic problem is the size of the potential Palestinian population in proportion to available land. Once a state is founded, many Palestinians in the Diaspora might choose to return almost immediately. In the unlikely event that most, or even all of the expatriate Palestinians were to return, the rapid rise in population would further exacerbate the already overcrowded conditions in Gaza and in some more congested urban areas of the West Bank. With the establishment of the state of Palestine, a program would have to be instituted to address that challenge and to intelligently provide for the re-settlement of expatriate Palestinians returning to the new state.

One of the most important factors that would ensure a viable and sustainable future state of Palestine is the reconciliation between Fatah and Hamas. This aspect is being addressed in another section of this document and only mentioned here to highlight its importance.

The Political Factor

Issues related to how the populace traditionally relates to politics and government is important. A certain degree of unity is essential for a nation to survive intact. Extremes of either apathy or radicalism can be equally damaging to a nation's stability. In addition, the manner in which a nation deals with others in the international sphere can impact greatly on its own survival. This becomes particularly important in a country with limited military resources, which requires the skillful use of diplomacy to defuse potential international problems.

Security

- **Defensible borders** are always a security asset. Some nations have neighbors that historically pose significant threats. It remains the case that external rivalries can pose significant threats to security, or even a nation's existence. Lebanon, for one, has experienced the reality of this principle through invasion from both Syria and Israel. Furthermore, there is always some degree of threat from internal dissension and violence. Internal schisms, civil unrest, or rival power groups undermine the fabric of the nation, threatening its very existence. The propensity for internal unrest is an indicator of a nation's stability and survivability.
- **Public safety** – The first and most important element in public safety is public respect for law and order.

- **Military** – A military establishment is traditionally seen as one of the essential institutions of statehood. It is deemed indispensable to either deter or eliminate external threats, and lend reinforcements in event of internal disaster or civil unrest. However, maintaining such an establishment is extremely expensive, and can drain a nation's economy, in itself a serious threat to survival. Establishing a military can thus be a plus or minus for viability, depending on circumstances. In the absence of a significant military establishment, the existence of a suitable alternative means of maintaining security against external threats is imperative. These alternatives might take the form of alliances or mutual support pacts.

Palestinian state security is inextricably intertwined with Israeli security perceptions. It is not possible to consider the one without the other. Since its establishment as a sovereign state, Israel has complained of the inherent lack of security caused by the immediate proximity of hostile territory to vital Israeli population centers.

Security concerns are paramount between Israel and Palestine. Palestine could legitimately make similar complaints as Israel about its fear for its safety and security. Given the demilitarized aspect of any current agreement, Palestine would be located between two more militarily powerful states, Jordan and Israel, illustrating the geographical vulnerability of the new state. Furthermore, in the event of a military alliance between Palestine and Israel, Jordan could be subject to the same fears.

Threats to Israel may arise with the formation of the Palestinian state if a belligerent regime would rise to power or if the government could not prevent radical Palestinian factions from attacking Israelis. Furthermore, should a radical government come into power in Palestine, Jordan will be alarmed.

Another security issue Palestine may well have to cope with, is both Jewish-originated and radical Arab terrorist or guerilla attacks. The former calling for fulfillment of its "Biblical destiny" and the latter calling for "Historic Palestine". The problem of maintaining security against external threats would be further complicated by domestic security issues. Internal strife and disruption could tear the state apart. The solution to this lies partially with the Palestinian government, and partially with the Israeli government. Both governments must decide at the outset what levels of behavior vis-a-vis the other can be tolerated, and resolve to quash without hesitation any activity that might endanger the delicate balance of peace between the two countries.

To survive, Palestine will require a strong, well trained, and, most importantly, highly professional police force. The Palestinian government will have to establish a strong, professional internal security force dedicated to keeping the peace and preventing unauthorized armed confrontations. During the peace talks, suggestions have surfaced that part of the transition will involve the establishment of a Palestinian police force in the territories. Abiding with agreements, it will be important that the police force be apolitical and

professional. With regards to military, most plans addressing the creation of Palestine presume that the state will be demilitarized, having at best a paramilitary border guard, or perhaps a few light infantry units to provide government security. An alternative would be security partnerships. Israel would likely never tolerate Palestine allying with more powerful Arab states. A formal alliance with Israel might be politically very difficult, however, a security alliance within the framework of a confederation with Jordan or a tri-state confederation between Israel, Jordan and Palestine would be less politically costly and may help alleviate some of these concerns.

Having established the basics for the viability factors, it is important to note the interconnectedness of these factors. Each one of these factors has an impact and consequences on the other either positively or negatively. While each falls in a realm of its own, each can have significant impact in the other realms. For example security factors, whether internal or external, connect with all other categories, in that they provide, when present, the sound foundations necessary for the conduct of the business of society; when absent, they guarantee the virtual still-birth of a nation-state.

Having outlined the factors, how do they relate to the state of Palestine and what aspects are currently present or lacking. The following section serves to highlight the viability of the future state, and provides scenarios that might contribute to its survival.

How Viable is a Future Palestinian State

Given the above, it is apparent that Palestine will emerge with many immediate shortcomings. Unless the perception of the quality of life is improved, we can expect an agitated and frustrated population. While dissatisfaction with quality of life seldom in itself brings about a state's collapse, it can be the catalyst that sparks a chain of events that can bring collapse as a result – as was most evident with the recent development in the Middle East in the form of the “Arab Spring”. In Palestine's case, rising and falling expectations will play a significant role in the inner stress and turmoil of the state. Yet with the creation of the independent state of Palestine, comes with it the lifting of restrictions imposed by the military government, which will cause an immediate impression of a dramatically improved quality of life. If Palestine takes immediate steps to follow up with progressive initiatives to build the state politically, economically, and socially, quality of life will continue to improve. As long as quality of life is perceived to be improving in a reasonable fashion, much turmoil can be avoided.

The viability of the state of Palestine depends on certain elements necessary for success somewhat outside of Palestine's control. It also relates to certain criteria Palestine would have to meet in order to succeed once it becomes a state.

It seems that success economically can only be obtained by developing an export-oriented manufacturing-based economy. For this to work, Palestine would need a liberal

representative government, primarily secular, and fairly non-restrictive.

Agriculture, the traditional mainstay of the Palestinian economy, will still be important, but will only be able to augment the state's finances in the future, not support them. Furthermore, it is apparent that a great deal of outside aid and capital will be essential to get Palestine “up and running.”

Presuming there is an equitable peace agreement, dividing land, water, and resources fairly, the best scenario for success would also seem to indicate a need for friendly and strategic relations with Israel and Jordan.

It is worth noting that it is in Israel's interest to guarantee the sovereignty of the state of Palestine. Should Palestine ever be occupied by a hostile power, its value as a buffer zone not only disappears, but it becomes a major security liability.

Thus, for the foreseeable future a Palestinian state would exist in a tense environment, both internally and externally. From the very outset, therefore, Palestine would be hostage to the good will and trustworthiness of its neighbors. Unfortunately, one of the greatest obstacles to Palestine's becoming a state in the first place, and maintaining its autonomy once statehood is achieved, is the security concerns of the Israelis.

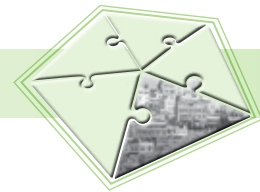
Future Scenarios - The Concept of a Confederation

While there are many scenarios available, namely a unitary state, a national state and of course a two-state resolution to the conflict. This paper is concerned with only the confederation scenario with Jordan or a tri-state confederation scenario including Israel, Jordan, and Palestine. The basic assumption is the actual existence of a state of Palestine, providing scenarios which ensure the viability of the future state.

In a confederation, “constituent states retain ... their political independence but band together in perpetual union under a common constituting to form a joint government for quite specific and limited purposes ... The appeal of a confederation is in its provision of greater autonomy for the constituent units...” (Elazar, 1991).

Prerequisites for a successful confederation are democratic governance and constitutionalism. While Israel currently fulfills these two prerequisites, Jordan is introducing some limited democratic reforms. It is assumed that the future Palestinian state would be democratic. The transition of Jordan and Palestine to full-fledged democracies is essential not only for the success of the confederation, but also for peace and security in the Middle East.

For Palestinians, the right to return home and the right to live in dignity and equality in their own land are not any less important than the right to live free of military occupation. A separate state addressed only the latter, but there can never be a just and lasting peace that does not address all those rights.



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The Inter-Party Rift In Palestine: Challenges to Democratization and Implications for Israel

Anat Kurz

The inter-party rivalry in the Palestinian arena goes back to the early days of the first intifada, which began in December, 1987. During the second intifada (which began in September, 2000), the rift between the two parties deepened and evolved into a geographical-political split and the practical division of the Palestinian arena into two authorities – the Fatah-led Palestinian Authority (PA) that rules in the West Bank, and Hamas that controls the Gaza Strip. This rift, which proved a major obstacle for consolidating a central government in the Palestinian territories, can be expected to impede progress towards implementing democratic norms and directives in the newly-born Palestine.

Notwithstanding likely related challenges, it can also be argued that the very creation of Palestinian statehood, which would be established on the basis of an agreed-upon settlement with Israel, will likely decrease militant inclinations among Palestinians, hence motivate Hamas' leadership to integrate into a nationally and internationally-recognized Palestinian State. The prolonged stagnation in the Israeli-Palestinian political process deepened the inter-party rift, since it weakened the PA and reinforced radical opposition forces, primarily Hamas. In turn, Palestinian statehood may well be expected to weaken the appeal of the camp which rejects the idea of an endgame, enhancing inter-party accommodation. Consequently, the chance for institutionalizing democracy and good governance in the newly-born Palestine will increase dramatically.

Intra-Palestinian reconciliation, as an essential move towards consolidating a Palestinian national representation that would be able to implement understandings and agreements, should also be regarded by Israel as a vital interest of its own. This is precisely the logic that should determine refrain on the part of Israel from attempts to obstruct inter-party efforts at mending differences - during negotiations on establishing Palestinian statehood and of course after independent, sovereign Palestine becomes a political reality.

1. Pre-Statehood Challenges

Interestingly enough, the rift between Fatah and Hamas was reinforced and accelerated by moves conducted during the second intifada which intended to enable the renewal of the Israeli-Palestinian political process. These moves were the Israeli demand that the Fatah-led PA contain the violence as a precondition for renewing the dialogue, and the United States' conditioning its recognition of the PA as a political partner on a change of leadership, administrative reform and

elections in the territories. An additional development that deepened the intra-Palestinian rift and turned it into a clear political-geographical split was the Israeli withdrawal from the Gaza Strip. For its part, the split played a critical role in foiling political moves, which were essentially attempt to strengthen the Fatah-led PA and promote the peace process.

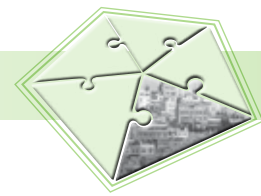
The Violence Factor

In the first several years of the second intifada, Israel's insistence on absolute calm in the security arena before political negotiations could resume, defined for Hamas, as well as for other militant factions, the nature of activity that would prevent the political process from getting back on track. By escalating the violent struggle, Hamas and like-minded forces sought to provoke harsh and rather expected military reactions on the part of Israel. Indeed, rounds of confrontation - waves of terrorist attacks followed by Israeli responses and Israeli military actions followed by waves of terrorist assaults – preempted attempts to restore mutual trust and bring the sides back to the negotiating table. Hamas' violent course of action was also – some would even say primarily – intended for wresting the institutional advantages granted to the Fatah leadership by the establishment of the PA.

In the wake of the second intifada, the Fatah forces, for their part, also sought to preserve their supremacy over the national political sphere by leading the violent struggle. The price, however, was high. By taking the reins of the struggle, the PA incurred severe military repercussions. Israel held the Palestinian Authority responsible for the violence, no matter who was the perpetrating faction and regardless of the PA's disintegration and reduced control over the situation in the West Bank and Gaza Strip.¹⁴ Against the backdrop of increasing anarchy in the West Bank and Gaza Strip, Hamas consolidated its political influence as well as military infrastructure.

The suspension of the political process and the helplessness of the PA in the face of the continued Israeli occupation strengthened among Palestinians identification with the strategy of struggle that Hamas embraced, advocated, and led. Sympathy for Hamas crossed organizational lines, and also included strata that for years had been affiliated with the

¹⁴ For that, Israel became the target of severe international criticism. Yet, the criticism leveled at Israel was offset by the understanding shown by the US administration for the struggle against Palestinian violence, particularly after the attacks of September 11, 2001.



Fatah-led national camp. Because Hamas was perceived as more trustworthy and less corrupt than Fatah, support grew for Hamas as a promising alternative to the Fatah-led PA.

The Winding Road to Democracy

The American administration called for institutional reform in the PA, as a means for enhancing prospects for renewing the peace process. This approach was the basis of 'The Roadmap for Peace in the Middle East', which was originally formulated by the European Union in September 2002 and then adopted by the Quartet – the international forum which includes the United States, the European Union, Russia and the United Nations. The Roadmap detailed three stages, starting with a cessation of violence and reforms in the PA, and a freeze on the Israeli construction in the West Bank, followed by general elections in the territories and the establishment of a Palestinian state within provisional borders, and the establishment of a permanent settlement in the course of 2005 (Office of the Spokesman, U.S. State Department, 2003). Israel, for its part, joined the demand for reform, despite reservations about the American administration's call for general elections in the PA (which was inspired by the anticipation that democratization in the greater Middle East would curb the regional drift towards fundamentalist Islam). President George W. Bush even explicitly demanded that the PA's founding leadership be replaced by new leadership that would engage in serious dialogue towards a settlement.

Like the government of Israel, the PA was also not eager to hold elections, fearing that results would demonstrate the widening influence of Hamas. However, the PA acceded to the US demand and prepared for the elections that were held in January 2006. Recognition of the inability to hold elections during a violent confrontation with Israel impelled Prime Minister Mahmoud Abbas (Abu Mazen, presently the president) and Fatah to coordinate the campaign with Hamas. The leadership of Hamas assented to the call by Abbas to suspend the inter-party struggle and the struggle with Israel during preparations for the elections.

Actually, the inter-party coordination was intended by the respective parties to promote antithetical interests. The PA hoped that the election results would reinforce its international status and this, in turn, would strengthen its standing at home. The Hamas leadership, on the other hand, sought public support that would allow it to continue to undermine Fatah's status, primarily by foiling moves towards a political settlement.

The two sides attained their objectives, although Hamas' achievement was more concrete. The PA was again recognized as partner for negotiations, yet Hamas' electoral victory brought in its wake a period of paralysis in the peace process. Thus, the split in the Palestinian arena added a structural and political difficulty to the known, substantive differences between the PA and Israel that had already proved instrumental in delaying progress toward a settlement, and could be expected to continue to do so in the coming years, as they did.

Takeover of the Gaza Strip by Hamas

Israel was prompted to the unilateral move of comprehensive withdrawal from the Gaza strip by the wish to free itself from the burden of combat against the Palestinian violent struggle carried out in and from the Strip; the aspiration to reduce direct friction with Palestinians; the desire to gain international legitimacy for a military response to violent provocations and skirmishes. The disengagement - withdrawal of military forces and evacuation of settlements - from the Strip took place in August 2005.¹⁵

The move was followed by a dramatic intensification of the inter-party struggle over control of the Strip. This development spurred intensive efforts at restraint in the Palestinian arena and the pan-Arab sphere. In November 2006, Hamas and Fatah agreed on a lull in the struggle against each other and in the fight against Israel. Egypt, Jordan, and Saudi Arabia – troubled by Iranian penetration in the Gaza Strip through support for Hamas and by the stalemate in the political process, which enhanced Hamas' rise to power – mediated the formulation of a national unity government. The government was established on the basis of understandings that were articulated in February 2007 by representatives of the two parties in Mecca, Saudi Arabia (Fattah, 2007; Kurz, 2007). However, its platform did not include readiness to revive the negotiations with Israel: inter-party reconciliation required the PA to forgo an immediate political option (The Palestinian Unity Government Programme 2007, (2009). This of course drew harsh international criticism against the PA. In any case, the unity government was short-lived. Fatah's refusal to transfer control of PA security forces to the Interior Ministry headed by Hamas, as required by the PA's basic law, prevented inter-party power-sharing and translation of the democratization process in the Palestinian arena from theory into practice.¹⁶

In June 2007, a fierce confrontation broke out in the Gaza Strip between the two camps. Hamas forces defeated Fatah operatives there. Israel observed the demise of Fatah's control on the Strip from the Gaza border. Since then the Fatah-led authority focused on preserving its hold on the West Bank, while enjoying increased economic and military support from external sources – primarily the US, the EU, Jordan and Israel. This aid was provided with the goal of preventing the fall of the West Bank into the hands of Hamas, and on the basis of the PA's declared adherence to the political course of action. Hamas entrenched itself in the Strip under the Israeli and Egyptian-imposed strict limitations on movement of people and goods in and out of the area, while being boycotted diplomatically and economically (with

15 The disengagement from Gaza followed another unilateral move that Israel had initiated: the construction of a physical barrier – the fence/wall – in the West Bank, with the aim of separating Israeli and Palestinian population centers in the area.

16 As emphasized by Miller, L. M., et al. (2012: xxxiv), "Militaries have sometimes been effective stewards of democratization, but eventually need to be brought under civilian control for democracy to be consolidated."

the exception of consumer goods defined as essential) by Israel, the United States, and the European Union.

To Annapolis and Back

Initially, the Hamas takeover of the Gaza Strip, while demonstrating the weakness of the PA, inspired hope for the revival of the political process. This development, which drew a clear dividing line between the camp committed to the notion of a negotiated settlement and the camp that remained steadfastly opposed to a permanent settlement, was underlying the renewed interest, shared by Israel and the PA, to revive the dialogue. The talks, which were also intended for isolating Hamas and weaken its influence in the Palestinian arena,¹⁷ was launched under American auspices in an international conference that took place in November 2007 in Annapolis.

Two negotiating channels were launched at the conference; one dealt with ongoing conflict management, notably in the West Bank only, and the other focused on various aspects of a permanent, comprehensive settlement to be applicable for the Palestinian sphere as a whole. Progress was achieved especially on the conflict management track, but towards the end of the year allotted by the Annapolis process and the end of the tenure of the Ehud Olmert government, Prime Minister Ehud Olmert sought to exhaust the potential of the dialogue and presented the PA a proposal for a far reaching withdrawal from the West Bank (Benn, 2008; Barnea and Shiffer, 2008; Herzog, 2011). What the main points of the PA's response would have been, and whether it would have promoted an agreement or merely emphasized differences of stances is not known.

Notwithstanding the renewed recognition of the PA as a negotiating partner and despite Hamas' isolation, Hamas remained a key player in molding the Israeli-Palestinian arena. Actually, it was Hamas, in late 2008, which signaled an end to the talks. Then, a war broke out between Israel and Hamas, after Hamas failed to heed to explicit Israeli warnings that a military offensive loomed if it did not stop the escalating rocket fire across the boundaries of the Strip into Israeli territory. The end of the war, which caused many civilian casualties and massive damage, left Hamas in control of a stricken area. Iranian aid helped the movement rehabilitate its military infrastructure and entrench its prominence, although civilian rehabilitation was delayed by Israeli-imposed sanctions and limitations, and the distribution of resources by Hamas itself which favored military equipment. True, Hamas became a target of public criticism for provoking the Israeli offensive, yet the erosion in its domestic prestige did not help Fatah restore its control of the Strip.

As for Israel, sentiments inspired by the late 2008-early 2009 war between Israel and Hamas were reflected in the results of the February 2009 elections. The Israeli public supported

¹⁷ Ehud Olmert: "Annapolis' greatest strength lies in the fact that... it is taking place without Hamas... The international community understands that Hamas cannot be a part of the process" (2007, November 29). YNET.

parties that took a hard line toward Hamas and the question of negotiations with the PA. Furthermore, the war in Gaza significantly reinforced Israeli concerns over redeployment in the West Bank – let alone withdrawal from the West Bank. Benjamin Netanyahu, who headed the new government, delayed a formal acceptance of the two-state solution to the conflict, and even then it was accepted primarily to deflect massive American pressure (Netanyahu, 2009).

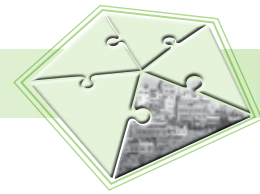
The political process has remained frozen for years. Differences on opening conditions for talks, and indeed, on the very purpose of the talks, have magnified the fundamental obstacles that for many years have prevented the peace process from moving forward and the establishment of a Palestinian state. Both the PA and the government of Israel chose policies that circumvented direct political dialogue. As a condition for returning to negotiations, the PA demanded a complete freeze on Israeli construction in the West Bank. It also demanded that discussions begin with the question of borders. For its part, the government of Israel called for resumption of dialogue without preconditions. However, it also demanded that the issue of security arrangements be placed at the top of the agenda. Looking ahead, it conditioned the conclusion of an agreement on Palestinian recognition of state of Israel as the home of the Jewish people (it should be noted that this prerequisite was also presented as a condition to resuming talks). These demands were persistently rejected by the PA.

Like the late 2008 – early 2009 confrontation between Israel and Hamas, the large scale confrontation that broke out between Israel and Hamas in November 2012 had a major effect on the inter-party balance of power in the Palestinian arena. Both rounds of fighting damaged Hamas's military infrastructure. However, both rounds also highlighted and enhanced the increasing popularity of Hamas, necessarily at the expense of the Fatah-led PA, and ended with ceasefire agreements that attested to and confirmed Hamas's control over the Gaza Strip. The political backing that was given to Hamas during the latter round of fighting by the Muslim Brotherhood-led government of Egypt, in addition to the American support of the indirect dialogue between Israel and Hamas on terms for a ceasefire, constituted a diplomatic achievement for Hamas, in addition to the credit it earned in the Palestinian arena by the very fact that it stood up to Israel militarily.

2. State-Building Challenges

Against the backdrop of the continuous freeze in the political sphere, the PA focused on three courses of action: building institutional and economic infrastructures in the West Bank; seeking international backing for its stances vis-à-vis Israel and for Palestinian statehood; efforts to reach accommodation with Hamas with the hope that eventually it could re-establish itself as a sole, legitimate leadership of the Palestinian residents of the West Bank and Gaza Strip as well.

The Institutional Enterprise in the West Bank: The PA took the initiative to fashion a new reality on the ground in the West



Bank, if not territorially then in the security, institutional and economic spheres. In August 2009 Prime Minister Salaam Fayyad – who was nominated after the Hamas takeover of the Strip – embraced the vision of a pluralistic democracy that would be based on an independent economy to the extent possible (The Palestinian National Authority, 2009).¹⁸ The West Bank entered a comprehensive process of construction from the ground up that was backed by determined and extensive international sponsorship. Resources were steered towards making the civil services and administrative system more efficient, instituting law and order, fighting corruption, and initiating new economic projects (The World Bank, 2010; Zanotti, 2011). True, the development was dependent on continuous and massive international support. Additionally, it was not felt uniformly throughout the West Bank. Limitations on the movement of people and goods also delayed the development of the private sector and therefore the full potential of the economic drive was not realized. Yet, the overall growth rate was not negligible¹⁹ and apparently contributed much to underscoring the benefits of living under the PA rule as compared to living in an area under the control of Hamas.

A focal dimension of the institutional buildup, which significantly facilitated progress on all other dimensions, was the reform in the PA's security forces. Since 2002, the reform was a constant issue on the agenda of Palestinian politics and in the context of international efforts to advance an Israeli-Palestinian settlement. Efforts to reform the security agencies, led by the United States and the EU, were enhanced in subsequent years as part of the intertwined intra-Palestinian and international endeavor to reform the Palestinian political system as a whole. The process was slowed down for a while with the Hamas electoral victory in early 2006 but accelerated again and further intensified in the aftermath

18 In response to the concern expressed by officials in the United States and Europe that a unilateral declaration of sovereignty would be detrimental to the possibility of advancing a settlement based on agreement, President Abbas declared that it would be coordinated with the EU and the US administration (Haaretz, 2010). Fayyad too withdrew from the idea of an intended unilateral declaration of statehood and explained that August 2011 was essentially a target day for establishment by the PA of the state's institutional infrastructure (YNET, 2010a).

19 According to a UN report presented in April 2011 at a meeting of a PA donor nations, the West Bank saw the launch of some 1,700 development projects; 120 schools and three hospitals were established, and some 1,000 miles of road were paved. See (Really, 2011; Danin, 2011).

It should also be noted that according to the report issued by the World Bank (2012) in, in order to develop a more sustainable, independent economy, the PA will have to improve its trade infrastructure, lower governmental costs, increase the revenues required to fund essential governmental services and focus on developing links between the education system and the private sector. In conclusion, the report stated that the Palestinian economy is not strong enough to support independent statehood (WNGrowthstudy.presentation.pdf. 2012, July 25). Israel's control of the West Bank was emphasized as responsible for preventing the realization of the area's development potential.

of the Hamas takeover of the Strip.²⁰ Those involved in the quest for a settlement to the Israeli-Palestinian conflict were led to place growing emphasis on a security reform as means to strengthen the position of the Fatah-led Authority. This purpose was backed by the allocation of extensive financial resources. Shortly following the conclusion of the Annapolis conference, in conventions held in December 2007 in Paris and in June 2008 in Berlin, international donors – primarily EU states and the United States - pledged a large sum of money to be invested in reforming the Palestinian Authority's security agencies.

The progression of the reform yielded some notable achievements (Kristoff, 2012). The struggle of the reformed agencies (carried out in coordination with the Israeli army and alongside IDF activity) curbed attempts by militant opposition activists to draw Israel and the Palestinian residents of the West Bank into confrontation and did much to enhance normalization of the daily life, as well as institutional and economic buildup in the area. However, being sponsored by the United States, EU members and Israel, in addition to the forces being almost entirely composed of Fatah-affiliated personnel, the security reform impinged on the status of the PA itself.

The PA's Diplomatic Momentum: In light of the political deadlock, the PA waged a diplomatic campaign to enlist support for a vote in the US General Assembly on recognition of a Palestinian state within the 1967 borders. The orchestrated campaign, which was meant to spur Israel – and spur the United States to inflict pressure on Israel – to relax its position on the parameters of an agreement, gathered momentum in advance of the General Assembly meeting of September 2011. Notably, it also presumed that the General Assembly would weigh the question of Palestinian self-determination with the same norms and political logic that in 1947 acknowledged Israel's independence.²¹

Israel, for its part, came under pressure to help the American administration thwart the Palestinian initiative or at least to postpone it by presenting a concrete plan that would revive the political process, yet refrained from doing so (YNET, 2010b). The announcement that the United States would veto a Security Council resolution to recognize an independent Palestinian state led the PA to forego the Security Council vote and the proposal for full membership in the United Nations (MacFarquar, 2011). But instead, in November 2012, it turned to the General Assembly with a request to upgrade its observer status. The approval by the General Assembly of the petition to recognize Palestine within the 1967 borders as an official UN non-member observer (ten days after

20 For the mandate of the external sponsorship of the security reform in the PA, see: www.consilium.europa.eu/uedocs/.../EUCOPPShandoutFeb2006.pdf. See also: Geneva Centre for the Democratic Control of Armed Forces (DCAFF), 2008.

21 This position was stated explicitly in an article published in May 2011 by Mahmoud Abbas as a preemptive response to policy statements by the American President Barack Obama and Israeli Prime Minister Binyamin Netanyahu over the following week (Abbas, 2011).

the end of the confrontation between Israel and Hamas) strengthened the PA's international status. Nonetheless, as long as there's no concrete progress towards establishment of a Palestinian state, the PA will find it difficult to translate this achievement into a significant change in the balance of power with Hamas.

National Reconciliation?

In 2011, for the purpose of reinforcing its democratic image as part of the preparations for applying for international recognition of a Palestinian state, the PA revived the plan to hold general elections. Since holding elections without Hamas' inclusion threatened to deny the results any legitimacy, the PA tried to reach an inter-party agreement on at least the elections procedure. For its part, Hamas made its participation in the elections conditional on institutional coordination with the PA. Obviously, its leadership perceived the evident change in the PA's position towards the inter-party issue to be an opportunity to breach the borders of the geographical and political enclave in which it found itself.

The PA's wish to broaden its popular base by accommodation with Hamas was further enhanced in light of the failure of advancing Palestinian statehood at the UN, which dashed hopes of reducing the influence of Hamas through a political breakthrough. Moreover, as far as both parties were concerned, the failure of the initiative exempted their leaderships from the need to formulate a joint position regarding the association between statehood and a permanent-status settlement with Israel. An elemental obstacle to mitigation of the ideological and strategic inter-party disputes appeared to be removed.

In May 2011 in Cairo, Fatah and Hamas signed an agreement of principles for institutional coordination. The signing of the Cairo agreement concluded a four-year period of efforts under Egyptian auspices to mend the split in the Palestinian arena. Hamas' representatives to the inter-party dialogue agreed to sign a "reconciliation agreement", which had already been drafted by the Egyptian intelligence in October 2009 and deferred by Hamas leadership under pressure from Syria and Iran.

The Cairo agreement stipulated the intention to establish a temporary government of technocrats, prepare jointly for presidential and Legislative Council elections, and to revise the structure of the PLO in order to allow for Hamas to integrate into the organization.²² Notably, the agreement did not as much as hint at the massive military infrastructure of Hamas; for obvious reasons, the PA preferred to postpone the discussion on this highly sensitive matter of monopoly on weapons until after elections and the delineation of the power relations between Fatah and Hamas according to their results.

Yet another significant factor that played a role in laying the groundwork for the reconciliation attempt was the turmoil that at that time was sweeping throughout the Middle East.

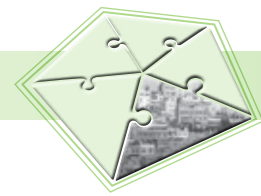
²² For the full text of the reconciliation agreement, see: <http://middleeast.about.com/od/palestinepalestinians/qt/Fatah-Hamas-Reconciliation-Agreement.htm>.

True, the residents of the West Bank and Gaza Strip were not carried away by the riots of the so-called 'Arab Spring'. The institutional, security and economic progress felt in the West Bank in the past several years was an obvious explanation for the fact that the regional turmoil did not spread there. This was probably the case, despite vehement opposition to the continued Israeli rule in the area and the widespread, sometimes blatant criticism of the PA for its inability to bring about a political-territorial change and promote the vision of independence. Even in the Gaza Strip there were no widespread riots, though for an entirely different reason. Demonstrations of support for Egyptian protesters against the Mubarak regime, which were organized in the Strip, were suppressed by local security forces who sought to prevent them from turning into protests against Hamas rule.

At the same time, apparently inspired by the popular uprisings in the region, rallies were held in the West Bank and Gaza Strip where there were calls for an end to the rift between Fatah and Hamas. The call to regulate the inter-party relations was presented both as a national goal in and of itself and a means of facilitating the end to Israeli rule in the West Bank – an essential stage towards unifying the West Bank and the Strip under a single authority. Undoubtedly, fear of widespread public protest, inspired by the assertiveness of the masses throughout the region, was among the factors that urged the leaderships of both Fatah and Hamas to try and promote inter-party understandings.

Furthermore, Hamas appeared to be losing its stronghold in Damascus, as the civil war that erupted in Syria threatened to topple the Bashar al-Assad regime. A regime change in Egypt gave Hamas yet another boost towards the signing ceremony. The Temporary Supreme Military Council, which had replaced Mubarak's regime during a transition period before general elections were held, sought to limit the potential for a flare-up in the Strip by reconstructing civilian infrastructures and integrating Hamas in the PA. Showing greater openness towards Hamas, the Council promised increased economic aid (to be extended by Qatar) as well as defense against a possible Israeli offensive and pledged to eventually remove the ban on the movement of people on the Egyptian border with the Strip. With the recent ousting of Egypt's President Morsi, Hamas has become further weakening within the intra-Palestinian sphere, as a main source of support no longer exists.

As could be expected, the move towards inter-party reconciliation encountered severe criticism on the part of Israeli official spokesmen. In response to the move, Israel also blocked the transfer of funds to the PA, yet revoked the sanction under international, particularly European pressure. The reaction of the United States administration, on the other hand, was quite restrained and demonstrated an evolving change in the approach to the intra-Palestinian rift. A State Department spokesperson expressed hope that the Cairo agreement would improve the chances for renewing the peace process – indeed, should Hamas meet the demands posed by the Quartet as preconditions for dialogue (recognition



of Israel, a halt to the violent struggle and recognition of agreements signed between Israel and the PLO) (Haaretz, 2011; Quartet for Middle East Peace, 2006).

Hope that Hamas might embark on a strategic shift and moderate its approach towards the peace process and Israel - if not explicitly than implicitly and in an incremental manner that would also be reflected in the endorsement of a non-violent course of action - was concurrently nourished by intensified debates in the ranks of the party's leadership on what path should be taken (Brown, 2012). As a matter of fact, hints that Hamas might consider relaxing its rejection of a negotiated end-state settlement had already been registered before the eruption of the turmoil in the Middle East in 2011.²³

Anyhow, (at least) until early 2013, the Cairo agreement remained subject to the same dynamic that thwarted previous attempts to bridge the gaps between the Fatah-led PA and Hamas, and appeared to be yet another fleeting episode in the ongoing inter-party power contest. The leaderships of the rival parties did not manage to overcome the intense hostility between them and overpass their ideological and political differences, to formulate principles of division of power and to draft a joint election procedure (El-Saleh, 2012; Rhdoren and Akram, 2012; Ma'an News Agency, 2012). The elections, intended to be held in May 2012, did not take place.

3. Statehood First, Democratization Later: A Worthwhile Risk?

Palestine, like any other state, will not be democratic or able to consider itself to be on the way to democracy, without pluralism, inter-party understandings on electoral, parliamentary and power-sharing regulations and without monopoly on weapons for nationally-based security forces. Pluralistic it is. However, with regard to promoting democratic norms and directives, the leadership of the newly-born Palestine will probably face an exceptionally tremendous challenge.

The rivalry between two prominent parties in the Palestinian political arena, each in control of a defined area, played a critical role in obstructing efforts to lead an effective democratization process in pre-statehood Palestine. For many years, the split in the Palestinian arena also frustrated attempts to advance an Israeli-Palestinian agreement on a two-state, final status settlement. To be sure, the split did not create the prolonged periods of political stagnation, rather, it was the stalemate in the political process that encouraged a Palestinian search for ideological, conceptual and strategic

alternatives to the disappointing and frustrating dialogue, and an alternative leadership to the one that failed to advance a solution to frustrated national aspirations.

Additionally, the political stagnation fed the rivalry between camps supporting various solutions to their distress and advocating different strategies of struggle towards independence and deepened the inter-party rift. In turn, the intensified rivalry had a destructive influence on the political process since it weakened the power and influence of the camp that was declaratively dedicated to advancing a negotiated settlement – the Fatah-affiliated Palestinian Authority. Concurrently, the appeal of Hamas, which persistently rejected the idea of a final-status settlement with Israel as the basis for statehood, was significantly reinforced. Ironically, the military and economic pressure Israel brought to bear on Hamas with the intention of weakening it and strengthening the PA actually accelerated the institutionalization of the division of the Palestinian arena into two authorities. As the balance of power between the two camps evolved over the years, neither camp was capable of imposing its ideological vision and institutional authority on the other and therefore on the Palestinian political system as a whole.

Looking ahead, it may be expected that when a Palestinian state is officially declared, the implementation and enforcement of the terms of statehood, particularly its relations with Israel, will present a complex task because of the inter-party rift. A related ambitious task would be the establishment of institutional cooperation between the two camps and the co-optation of Hamas into the PA. Particularly in the embryonic phase of statehood, tension between the PA and militant activists affiliated with Hamas and other radical factions can be expected to trigger violent clashes. As in the past, the violence will likely spillover to the Israeli-Palestinian arena, provoke Israeli counter-action, and threaten to draw Israel and the Palestinians into yet another cycle of violence that would dramatically slow-down the Palestinian state-building enterprise.

This in fact is the recurring course of events that throughout the years of faltering peace process provided Israel – both the public at large and decision makers – legitimacy, excuses and numerous opportunities to postpone dealing seriously with terms that would facilitate formulating an historic settlement. This is precisely what is likely to happen, unless, instead of waiting for the Palestinian arena to stabilize and for a democratically-elected and agreed-upon national representative leadership to be instituted, Israel and other regional and international actors relevant to the peace process make a concrete and determined attempt to reverse the situation and commit to resolute political process to establish a Palestinian state. In other words, concrete breakthrough towards Palestinian statehood cannot be generated without a change of paradigm - abandoning the prerequisite of mending the rift in the Palestinian arena before Palestinian statehood becomes a reality. The approach, which was underlying the Annapolis and other initiatives intended for

23 On Hamas' apparent readiness to accept a settlement that would win support among the majority of the Palestinian people, see, for example: [head of Hamas' political bureau] Mashal Surprises: 'Hamas will accept any arrangement that wins a majority'. (YNET, 2010b, October 21). It should be noted, however, that this statement was qualified by a plan for the only agreement that would be acceptable to the party (Mashal, 2010) (and most likely rejected by Israel).

resuming Israeli-Palestinian dialogue, appears to be valid: the circular connection between the political stalemate and the rift in the Palestinian arena can possibly be untied by the establishment of a Palestinian state on the basis of an agreed-upon settlement.

If this path is taken, Israel might consequently be able to extricate itself from the dynamics of the conflict and help breathe new life into the Palestinian peace camp. After all, the declared commitment of the PA's leadership to an agreed-upon settlement has remained the main foundation of its international legitimacy. This commitment represents a central component of the support this leadership enjoys among the residents of the territories who are tired both of the Israeli occupation and of the struggle against the occupation. This commitment is what distinguishes the Fatah-led PA from Hamas, which is wearing down the steadily weakening peace camps on both the Israeli and Palestinian sides.

It is also possible that the very establishment of Palestinian statehood will challenge the solution to the hardships and grievances of the Palestinian people formulated in Hamas' platform, and also erode the growing attraction of the notion of a bi-national state as a solution to the conflict. Actually, a weakened commitment to the idea of a two-state solution is ominous not only for Israel - as it threatens its security and ideological foundations - but also for the Fatah-led PA: the absolute supremacy of the mainstream, Fatah-led national front was wrested from it by Hamas during the second intifada, in a process that was greatly accelerated by the Fatah's leadership loss of a clear political course. Therefore, in order to survive, the Fatah-led PA should help itself by exerting increased efforts to formulate policies that would enhance statehood – through negotiations with Israel.

Thus, establishment of a Palestinian state on the basis of a settlement that would be as close as possible to meeting Palestinian strategic demands and national aspirations and hence earn critical public support in the territories could bolster the PA and rehabilitate the status of the mainstream camp in the Palestinian arena. Progress in this direction can also be expected to coincide with reduced strength of the opposition camp, and may even encourage within Hamas a softening of the rejectionist stances and cooperation with the PA – without which chances for advancing a concerted democratization process in Palestine will remain slim.

The very intention of reaching understandings regarding democratic codes in the pre-statehood Palestine, notwithstanding the delay in translating such declared intentions into practice, was not without significance. The Fatah-Hamas reconciliation agreement reflected intent to institutionalize within a unified political system the balance of power created over the years between them. It attested to awareness of the need to formulate new rules of the game - an election procedure and power sharing based on the election results - by which they will continue to conduct their power struggle. Perhaps this is the only way to establish in Palestine an authority that will enjoy widespread national

legitimacy and hence prospects of advancing an effective democratization process.

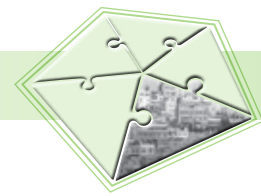
4. Policy Implications for Israel

A nationally-legitimate Palestinian leadership and functioning Palestinian government is an Israeli interest. From a purely structural perspective, this would mean that it does not really matter what party rules the government. However, the strategic-ideological determinants of the various Palestinian parties contesting for national predominance and leadership cannot be absolutely ignored. Thus, from an Israeli perspective, any such representation would challenge prospects of progress towards real peace if based on institutional coordination between Fatah and Hamas, while Hamas still adheres to its rigid ideological directives. Therefore it is highly important to Israel that the demands that were presented to Hamas as preconditions for dialogue, which essentially imply endorsement of the two-state final status settlement, remain on the international agenda.

To be sure, this interest should be shared by the Fatah leadership as well. After all, the process of consolidating a viable Palestinian state would not be effectively advanced without on-going and comprehensive economic and security coordination between the Palestinian government and Israel. Most probably, Fatah will have to ensure its intention to maintain peaceful relations with its neighbors, particularly Israel, does not hurt efforts to alleviate inter-party tensions. Concurrently, it will have to work hard to prevent Hamas from dictating a militant political agenda or from escalating the violent conflict with Israel, which would force it to choose between standing shoulder to shoulder with Hamas and being committed to the political path. Together with Hamas, it will also face the challenge of preventing extremist militant factions from provoking yet another Israeli-Palestinian cycle of violence that could dramatically slow down the state-building enterprise of Palestine.

However, in order to ensure that the consolidation of normal relations between Israel and Palestine is not made more problematic, and especially to maintain an opening for an eventual official acceptance by Hamas of Israel's existence and the notion of an end of conflict, it will be enough for Israel, at least during the first phase of Palestinian independence, to accept a de facto recognition by Hamas. This would mean that the Palestinian government, whether it includes Hamas or not, will serve as an address for Israel and the international community for any intent and purpose.

There is no way to ensure that establishing a Palestinian state will immediately transform the atmosphere in the Palestinian territories and enhance inter-party reconciliation and coalition building on the basis of shared institutional interests. Furthermore, there is no way to ensure that Palestinian statehood will diminish militant inclinations among radical factions; rather, such factions will likely resort to violence intended for preventing full realization of the intertwined visions of the two-state solution, progress



towards normalization between Palestine and Israel, and democratization in Palestine.

Notwithstanding such an unfortunate likely scenario, the Israeli public and leadership should acknowledge that without Palestinian statehood, the desired transformations in the conflict arena and in the intra-Palestinian sphere will not be possible at all. They should also recognize that advancing and achieving the desired goal of Palestinian statehood, that will also enjoy a viable democracy, would also not be

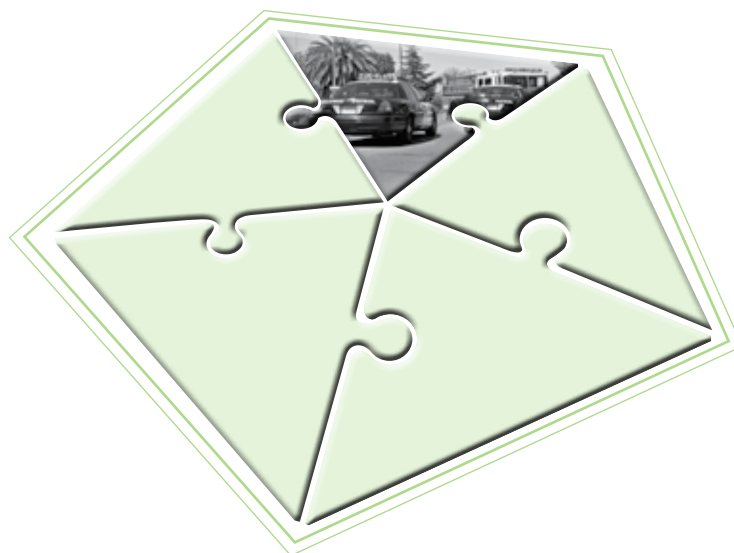
feasible without comprehensive coordination on security and economic matters between the various Palestinian parties, first and foremost between Fatah and Hamas.

This means that in order to facilitate the establishment of a nationally-legitimate and broadly-based Palestinian representation, Israel should not only abandon the paradigm of driving wedges between Fatah and Hamas, but even endorse active encouragement of reconciliation and institutional cooperation between the two contesting parties.

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Middle-East Regional Security Cooperation following the Establishment of a Palestinian State



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1. Introduction

Regional and sub-regional organizations have proliferated since 1945, with a fresh surge in the 1990s, and many of them have had the overt or existential mission of security building. There has, however, been little new generic analysis of the role of the 'region' (itself clearly a subjective construct) in relation to security, while the established analytical models—the alliance, the collective security system, the security regime and the security community—often fail to capture either the discourse actually used, or the work done, by today's real-life groupings.

Regional security cooperation can also be examined from the viewpoint of normative quality and effectiveness. Relevant criteria are whether the cooperation is free and democratically conducted, or coerced and hegemonic; whether it takes a zero-sum approach (to another group, or outsiders in general); whether it is rigidly framed or shows ability to grow and adapt; and whether it gives an appropriate return on the efforts invested. It is difficult to say what conditions make such cooperation possible or impossible: some groups have worked well even with one member much bigger than the others (although it is hard to get deeply integrative results in such cases), in regions with a great diversity of states, among states of different material levels of development, and even in face of severe cultural and historical differences.

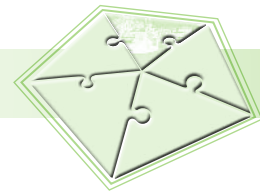
Regional security cooperation has become well entrenched across much of the globe and continues to spread. Critics

may dispute its usefulness in face of the toughest security challenges, like terrorism and violent conflict, and it is true that even the strongest regional groups have imperfect records and could not pretend to master all such challenges on their own. Their strength lies rather in finding non-conflictual paths to difference resolution and peace-building, and in exploring the added value of multi-state cooperation for new as well as old security tasks. Can such security groups be good neighbors in a world that still contains many single-state powers and unorganized regions? In principle, their security achievements can be of more general value so long as they work within the framework of the UN and other global norms; but much remains unclear about their impact on practical global politics.

This research paper discusses Middle Eastern security cooperation, which could be established following a solution to the Israeli-Palestinian conflict.

2. Context and Assumptions

This section outlines the main parameters of the international force that will be appointed to oversee the implementation and stabilization of an Israeli-Palestinian peace agreement. It details what will be the main functions of such an international mission, its rules of engagement, composition and the main challenges that the mission is likely to address, depending on the conditions under which it will operate.



Without entering into the details of a future Israeli-Palestinian peace agreement, this paper is based on the assumption that, as part of any agreement, Israel will withdraw from most of the Palestinian territories that are currently under its control (for possible exceptions, see the "challenges" section below). It is also assumed that any peace agreement will apply to both the West Bank and Gaza.

Israeli withdrawal will be conditioned on broad security arrangements whose purpose will be to address the threats that Israel might face following the withdrawal and to guarantee that Israel will not emerge more vulnerable from the agreement.

In areas where the IDF will remain deployed, the repartition of responsibilities between the IDF, international forces and Palestinian forces will have to be particularly well defined. To avoid friction, Israeli and Palestinian forces should operate in distinctive areas with the international forces stationed between them to guarantee that their operations remain in line with the provisions of the agreement.

Israel's full withdrawal from the Palestinian territories is expected to take place after a number of years and depending on the level of performance of the Palestinian security forces. During this time, there may be elements who will seek to undermine the process in order to prevent or delay the implementation of the withdrawal. In order for the Palestinians to fulfill their responsibilities as a state, the following framework is proposed:

- A continuous development of the Palestinian security forces in order to fulfill their functions successfully, in a manner consistent with international standards.
- The Palestinians will establish strong trilateral and regional security cooperation mechanisms with all neighboring and regional states, based on the principle of reciprocity and sovereign equality, in order to meet security interests and concerns of all on an equal basis.
- The Palestinians will not enter into security/ military alliances with parties hostile to Israel.
- Palestine will be a state with limited arms. This means it will have a strong security force with only the arms necessary to carry out its necessary functions, on the basis of international best practice. These functions are:
 1. To protect national security interests based on a defensive security strategy;
 2. To maintain and uphold internal law and order and carry out law enforcement duties pursuant to the rule of law;
 3. To protect their international borders from aggression, infiltration, smuggling and other unlawful actions.
 4. To fight crime and terrorism.

Given persistent mistrust between Israelis and Palestinians, an international presence (including monitors) will be required to oversee the implementation and stabilization of an agreement, both during a transitional period and possibly in the longer-term.

During this transitional period, the principle role of the international forces should be to oversee the orderly transfer of responsibilities to the Palestinian security forces while ensuring that they remain at a distance from Israeli settlements until the evacuation of latter is complete.

Accordingly, the necessary functions of the international force should be as follows:

Monitoring and Verification

Monitoring functions should be carried out by civilian monitors. Their mandate should be kept modest and simple, preferably with low visibility so as to attract as little attention and enmity from the population as possible.

Their tasks will include:

1. Monitoring compliance of both sides with the agreement.
2. Verifying the non-militarization of the Palestinian state. This will include challenge inspections, periodic inspections and random tours.
3. Monitoring the border crossings, in cooperation with Jordan and Egypt. The tasks of international monitors should therefore include the supervision of Palestinian and Israeli responsibilities at the border crossings.
4. Monitoring access to roads according to a special regime, such as safe passage between Gaza and the West Bank and along road 443.
5. Monitoring open access to holy sites.

Monitoring the Performance of the Palestinian Forces

The international actors - including Jordan, but particularly the United States Security Coordinator (USSC) - which are currently involved in Palestinian State building efforts will continue their support and assistance in the development and professionalization of the Palestinian Security Forces as they take over the responsibilities that previously belonged to Israel. In addition to its current tasks, the USSC should be mandated to monitor the performance of Palestinian forces. This function could be conducted as an integral part of ensuring the non-militarization of the Palestinian state since it will be part of the overall effort to transform the Palestinian security forces into a non-military state security apparatus.

In order to grant the Palestinian forces the necessary space to develop their capacities and demonstrate their new attributes of sovereignty, monitors should keep as low a profile as possible.

Assistance in Force-Building and Improving Palestinian Capabilities

The force will actively work to assist the Palestinian government and security forces in the following tasks:

1. Border security and management of international border crossings.
2. The force will carry out training and capacity building programs to improve the performance and capabilities of Palestinian security forces and other institutions.

Deterrence against a Violation of the Agreement

1. One of the main tasks of the international force will be to deter Israel and the new Palestinian state from violating the provisions of the agreement. Regarding the Palestinian forces, the international mission will carry out the tasks mentioned above, namely guaranteeing the non-militarization of the state and the performance of the Palestinian forces. Regarding Israel, the responsibilities of the international presence should also include, de facto, restraining future IDF operations on the ground.
2. Deterring against disturbances at sensitive sites - Alongside the civilian monitors and inspectors, the international force should also include a robust and visible military component whose task will be to deter against disorder at sensitive sites. These forces should be deployed at sensitive locations, such as the Jordan Valley, along the Israeli-Palestinian border, close to the early warning stations, next to holy sites, and at the entrances to and along special regime roads. Their functions would mainly consist of checkpoint operation, reconnaissance patrols, and the manning of observation posts.
3. Deterring against the infiltration of rebellious elements - Along the Jordan valley, the military component of the international force will work with Jordanian Armed Forces to deter the penetration of rebellious elements seeking to destabilize the Palestinian state and operate against Israel or Jordan. However, because the international force will not be granted executive powers, it will not be in a position to prevent smuggling or terrorist infiltration. A cooperation mechanism will have to be in place according to which any incidents will be reported as early as possible to the Palestinian, Jordanian and Israeli forces, who will act according to their respective areas of responsibility.

Liaising between the Parties to Resolve Emerging Conflicts

In addition to the bilateral Israeli-Palestinian liaison mechanism, the international mission should establish a liaison mechanism at both the operational level and the political level between Palestine, Israel, Jordan and Egypt. While the operational level will deal with the daily operational aspects of the mission, the head of the mission will act at the political level to address any specific issues or repeated incidents that the operational level fails to resolve. Both levels will be critical for coordinating action if one security force fails to adequately address an emerging threat.

Interaction with Civilians

An international force brought to maintain security must deal with more than hard security, such as disarming spoilers or conducting armed patrols. It must also engage with the local population, interacting not only with officials in order to preserve law and order but also with NGOs, religious leaders, neighborhood groups and the returning Diaspora community. Whether part of their mandate or not, they must deal with day-to-day matters and issues pertaining to the civilians on the ground, for which soft power is far more appropriate.

Rules of Engagement

The international mission should allow the use of force under conditions of self-defense and forceful resistance that aims at preventing forces from conducting their assigned missions.

The international force should not be granted executive powers as this would deprive the Palestinian authorities of their responsibilities. Given the progress made over the years by the Palestinian forces and institutions, granting executive powers to international forces would be counterproductive. Moreover, it could harm the public perception of the mission's legitimacy and of the Palestinian state's authority.

Organizational Umbrella and Composition of the Mission

The international force should consist of a US-led coalition of states trusted by Israel, Palestine, Jordan and Egypt. As the main guarantor of the peace agreement, the US should lead the political management of the mission as it does the Multi-National Force and Observers (MFO) in Sinai. US leadership will be essential to reinforcing the credibility and moral authority of the mission and, thus, its deterrence capacity. However, the UN, NATO and/or the EU may actively participate in the taskforce.

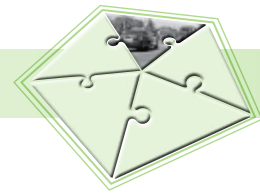
Arab participation in the mission would be a positive contribution and would enhance the engagement of Arab stakeholders as guarantors of the agreement. Their contribution could take place within the framework of regional security arrangements.

3. Regional Trends

The section analyzes regional and global trends that are expected after the signing of a peace treaty between Israel and the Palestinians. These trends and the implied challenges will increase the need for require regional cooperation.

In order to maintain relevance, international organizations such as the IMF, World Bank, the World Trade Organization (WTO), the World Health Organization (WHO), the Organization for Economic Co-operation and Development (OECD), the United Nations and the North Atlantic Treaty Organization (NATO) are likely to pass measures of reform that will adapt their core institutions to today's realities lest they become obsolete. We should also expect the emergence of new international organizations, which will help reshape the global landscape with profound geopolitical, security, and economic implications for America and the Western world.

Regional organizations such as the African Union, Arab League, the European Union and others will maintain their relevance by continuing along their own paths of economic and political integration. State actors and central authorities will continue to weaken, while the power and influence of non-state actors will grow. Many of the current challenges that we face will remain, and new ones will emerge as an ever greater number of countries split off from existing states. National governments will remain essential, but states' roles as the chief suppliers of services will be weakened.



This weakening of state actors will make it difficult to strengthen regional organizations and cooperation.

The states that will emerge as the strongest will be those that have figured out how to do more with less. They will be the governments who have successfully embraced radical sustainability -- maintaining vibrant economies through largely renewable energy and creative reuse of just about everything -- while maintaining a strict monetary regime.

Managing bilateral relations while simultaneously engaging in global negotiations with nearly 200 states will become increasingly unwieldy.

At the regional level, the speed and flexibility necessary to resolve crises will require cooperation between states, while the representation of all countries affected by the issues at stake will be necessary for long-term durability and legitimacy.

A Middle East Free Trade Agreement based on the core states of Jordan, Israel, Palestine, Egypt, and Turkey could potentially be signed. The European Union would be a key partner of a nascent Mediterranean Union.

States would seek greater regional integration in order to:

- Realize economic welfare gains.
- Increase the region's collective bargaining power in global issues.
- Maintain security and prevent conflict.

Economic integration would require good governance, education reform, social investment, freedom of the press, and knowledge of a market-based economy.

4. Challenges

The international mission is likely to face three major challenges in implementing the tasks outlined above:

Non-State Actors

Non-state actors with interests in challenging Israel's security and the authority of the Palestinian State will pose the greatest challenge to the stability of the peace agreement and to international forces. The international mission may itself become a target as a means of exerting pressure on the Palestinian Authority (similar to Bedouin attacks on MFO forces in the Sinai).

The Palestinian state will be responsible for preventing terrorist activity and the establishment of terrorist infrastructure within its territories. The monitoring mechanism described above will aim to guarantee that these obligations are met. Israel will commit to preventing provocations and hostile acts by Jewish extremists against the Palestinian state.

The Transformation of the Arab World

The Arab Spring belied the "Arab predicament", by refusing to follow the script which puts the Arab-Israeli conflict at the center of the increasing Islamization of Arab societies, their search for charismatic leaders, and their identification with supranational causes. Other than "secular" dictatorships or

"Islamic" totalitarianism, the Middle East has other possible options from which to choose.

The Arab Spring put several irreversible processes into place.

Islamist parties may have more power and freedom to maneuver today than they did in the past, but they too are expected to conform to democratization. How they do so will be driven by the constraints and dynamic characteristics of the social, religious, political, and geostrategic fields in which they operate.

"Islamic identity" in the wake of the Arab Spring does not necessarily translate into greater attendance at mosques. Religion is increasingly becoming a matter of personal choice. Religious identity and faith are different (and sometimes opposing) concepts in politics. Indeed, religious identity may be one way to bury faith beneath secular politics. Islamists are entering into a political space whose constraints not only limit their supposed "hidden agenda" of establishing an Islamic state, but also push them towards a more open and democratic way of governance, since therein lies their only hope of remaining in power.

Mobile phones, satellite television, and the internet have allowed younger generations to associate, connect, and debate on a "peer-to-peer" level, supplanting the traditional top-down, authoritarian system of knowledge transmission.

The uprooted global jihadist model has lost its attraction to young activists, and efforts to recruit local militants for the global cause are faltering (IPT News, 2011).

The growing influence of the 'street' on state decision-making is strengthening the formation of democratic regimes, which could pave the way for greater domestic and regional cooperation.

"A More Democratic World Will Be a More Peaceful One?" Not necessarily. While the well-worn observation that true democracies rarely fight one another is historically correct, democracies have proven perfectly willing to fight non-democracies. Moreover, democracy sometimes heightens conflict by amplifying ethnic and nationalist tensions and by pushing leaders to appease belligerent factions in order to remain in power.

Democracy, economic interdependence (especially trade) and international cooperation are mutually supportive of each other and contribute to peace within the community of democratic countries. Comparatively speaking, democratic leaders have less to lose by going to war with autocracies.

Security

Prolonged confrontation between states and non-state actors generates a diverse set of challenges, such as terror attacks, low-intensity conflicts and military confrontations below the threshold of war -- all of which undermine domestic and regional stability. However, most states can work with others to **combat terrorism** and extremism in ways that invite collaboration from other key actors in the region. Their security and intelligence communities often cooperate closely.

Technological changes are also making war less brutal. Armed drones and precise weaponry can attack targets that in the past would have required ground maneuvers involving thousands of heavily armed troops, displacing huge numbers of civilians and destroying valuable property along the way. Meanwhile, Iran will soon obtain nuclear weapons capability or become a nuclear threshold state. The implications of this dangerous scenario are as follows:

- The forced readjustment of the region and the international community to a nuclear Iran.
- A strengthening of the radical camp led by Iran, which operates a network of couriers, rogue elements, and non-state actors to undermine regional stability and any consolidation of a new regional order.
- A 'domino effect' wherein other Middle Eastern countries will strive to achieve nuclear military capabilities.
- An increase in subversive activities by non-state actors, destabilizing the region and disrupting the daily activities of civilian populations in the region. These non-state actors will be emboldened by the assumption that Iran's nuclear umbrella will prevent a military response from Middle Eastern countries and world powers.
- A wider distribution of non-conventional weapons and weapons of mass destruction (including platforms) from Iran to its proxies. Weapons of mass destruction may fall into the hands of non-governmental entities and extremists. Although we must still wait to see the outcome of events in Syria

Greater complexity of a wider spectrum of threats will be difficult to address simultaneously

Whether or not Iran goes nuclear, spoilers and extremists will attempt to disrupt civilian routine activities and attack countries' strategic assets, especially within their strategic depths. We will see an increase in the threat of terrorism, especially the use of surface to surface rockets and missiles with improved accuracy. These non-state actors will develop more flexible capabilities that will enable them to adapt more quickly to new situations, all while operating from within civilian environments. This will make it more difficult to locate and strike high quality targets and to identify the enemy's centers of gravity and command centers.

Future conflicts will be characterized by a combination of asymmetrical and symmetrical confrontations, involving a variety of terrorist organizations with different methodologies and pitting large-scale military capabilities against enemies that use urban space and civilians as human shields.

Cyber Warfare will also play a larger role. The enemy will focus on attacking and disrupting vital state infrastructure and the orderly operation of its security systems. Cyber warfare's ability to neutralize advanced technology and damage its vital components affords the enemy qualitative advantages.

Lastly, the presence of UN peacekeepers has been shown to significantly reduce the likelihood of a war's re-ignition after a cease-fire agreement. In the 1990s, about half of the world's

cease-fires broke down, but that has been dramatically dropping in the past decade (CSP Global Conflict Trends, 2013). Despite being used as a perennial punching bag in American politics, the U.N.'s peacekeeping efforts are quite popular: in a 2007 survey, 79 percent of Americans favored strengthening the U.N (Porter, 2007). That's not to say that there isn't room for improvement - there's plenty. However, the U.N. has done – and is likely to continue doing - a lot to contain war around the world (Goldstein, 2011).

Components of a shared vision for addressing the challenges of the Middle East: Tools for achieving this vision

The aim is to design a stable Middle East that is based on peaceful relations and regional cooperation. The following components will enable an increase in cooperation and bring forth stability:

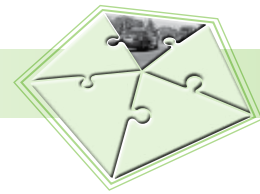
- **A coalition of states** composed of **stable, accountable and effective regimes** that could counterbalance the negative influence of the radical camp and rebellious non-state actors.
- **Peaceful relations between the Arab states, Turkey, and Israel**, based on the **recognition of Israel's right to exist** and on stable regional economic and security cooperation.
- **A stable energy sector** that contributes to regional stability, especially in the Arabian area, as well as fruitful economic relations between Middle Eastern states and the countries of the world. The energy sector can also serve as a basis for technological innovation, the strengthening of inter-state cooperation, and additional cross-border initiatives (shared energy networks and reserves and a cross-border balancing of energy demands).
- **The alleviation of food and water shortages** as a result of sharing and cooperation in resource allocation, as well as jointly-developed solutions. **Environment cooperation, joint** safeguarding of water resources, and sewage treatment.
- **People-to-people** initiatives and dialogue intended to strengthen understandings, elucidate controversies, and heighten recognition and respect of the values, faiths and cultures of others.

Advancing the above vision requires a comprehensive and systematic plan whose five essential dimensions are outlined below. The plan should strengthen the internal synergy of these dimensions.

Regional stability will require the promotion of co-existence, cooperation, and friendship, restraint in the use of force and violence that could threaten the existing order, and efforts to undermine counter pressures.

Basic components of a stable environment:

- Regional Security architecture.
- Regulation of relations by peace treaties.



- Regional arrangements with rules that govern behavior; encouraged fulfillment of existing arrangements via deterrence and positive incentives, such as economic development.
- Implementation of channels of dialogue, cooperation mechanisms and coordination committees. These can serve as forums for sharing information, joint control-centers (and additional functions as required) and will enable actors to pursue comprehensive solutions to regional challenges.

The Response

The Security Dimension

A strong militarily coalition, with a **qualitative military edge** over regional radical elements and states opposed to peace, as well as a strong image of a **powerful regional military coalition** is essential for the following reasons:

- Strengthening and stabilizing peaceful relations and regional cooperation.
- Minimizing negative alternatives and thwarting radical elements that act as spoilers and initiate conflict in the region.
- Neutralizing the military prowess of radical elements and dismantling their existing terrorism infrastructure.

Regional security cooperation should be supported by several pillars, including:

Deterrence – a strong, reliable and robust deterrence, based on a strong aggregate military power and freedom to use force when needed. Another essential component is **strategic and security cooperation** between this peace coalition, the U.S. and Europe.

Shared early warning - advanced and accessible intelligence cooperation that **identifies threats and negative trends in advance** so a range of relevant tools can be applied (political, diplomatic, economic, consciousness and military). This would enable neutralization of the threat (ranging from terror to intentions of WMD use) prior to its taking place. A common and unified intelligence picture should be forged with regional partners, the U.S., and Europe.

A common defense architecture – A common defense architecture should be established to protect civilians and strategic assets, especially from weapons of mass destruction, ballistic missiles systems, high trajectory weapons and aerial platforms. A **regional defense system** would be based on two capabilities: advanced warning and early detection and an active defense system to intercept ballistic missiles, planes, and rockets. Operational cooperation with the US or other superpowers would aid this endeavor (see the section on Regional Middle East Cooperation for more details).

Preventing Iran from achieving nuclear capabilities, which may be adapted to military use. This is a supreme regional and global objective and a crucial step towards a

stable Middle East that is not controlled by radical and unruly agents. A nuclear capable Iran has a range of negative regional implications, including:

- A tangible existential threat to Iran's enemies, especially if Iran remains in the grip of a radical regime.
- A nuclear umbrella for spoilers and radical agents in the region, who will feel emboldened in light of the limitations imposed on Israel and other states that might otherwise take military action against them.
- A rise in the frequency and force of regional confrontations, both symmetrical and a-symmetrical in character.
- An intensified and wider regional arms race, including a possible “domino effect” of acquiring nuclear capabilities among other states in the region; in essence, the collapse of the NPT regime.
- Greater domestic investments in the military-security arena at the expense of economic and civil society.

A Joint Regional Security Organization, assisted by the international community, to prevent the smuggling of weaponry and prohibited substances (including dual use), illegal border crossings, and free movement of terrorist operatives and extremists across borders, via sea and by air.

Designating extremist operatives who object to international standards and who act against principles of international law. Al-Qaeda branches, the Iranian Revolutionary Guard (including the Quds Force), the Mujahidin, Hezbollah, Hamas and the Islamic Jihad should be included in this framework. Serious restrictions should be enforced to limit these groups' activities, fundraising, and direct/indirect influence.

Controlling the regional arms race. A regional agreement mandating the transparency of military buildups would go a long way in this regard. A mechanism should be established to examine the operational needs of each country and their attendant plans for military buildup. A joint assessment of the regional balance of power could help to preserve stability.

The Governance Dimension

Regimes should be empowered and their capacity and effectiveness strengthened. States across the Middle East should be responsible for ensuring the maxim of “**one government, one law, one army.**” The development of **responsible, stable and effectively functioning regimes** that enjoy domestic legitimacy should be encouraged.

State accountability is central to realizing sovereignty and to creating a coalition of states with exclusive authority over domestic matters, especially in the areas of internal security and external military capabilities. Every state should have **one military force**, subject to one government, as well as **strong and effective internal security forces that are capable of enforcing law and order, disarming armed militias, armed operatives, and terror groups.**

Every state should be responsible for **dismantling terrorist infrastructure** within its own borders, as well as for preventing

the use of public spaces and infrastructure by state and non-state agents and proxies for their own purposes.

State armies should be strengthened with a focus on defense capabilities, safeguarding of sovereignty, protected and effective border regimes, and preventing smuggling and infiltration by terrorists, radical agents, and criminal elements.

The Political Dimension

Political arrangements between Middle Eastern states:

- First and foremost, **a peace agreement must be struck between Israel and the Palestinians** that will establish a viable, sovereign, responsible, stable, and effective Palestinian state committed to maintaining its international arrangements in general, and its security agreements in particular. A political arrangement between Israel and the Palestinians will only be sustainable if it adequately addresses each state's security needs. The parties will be unable to agree to any arrangement that diminishes their security, especially if it puts their citizens and strategic assets at risk.
- Any agreement between Israel and the Palestinians must be based on a unified Palestinian state entity that includes the West Bank and Gaza. The Palestinian state must have a complete monopoly on force and must be committed to preventing the growth of non-state actors with military capabilities and terrorist infrastructure. In order to neutralize their influence, an inter-Arab and international effort should be made to exert control over the "Oxygen pipe" (the border and crossings with Egypt and Israel) to stem weapons smuggling.
- **A political agreement could also be reached between Israel and Syria** if it moves Syria from the radical resistance camp to the moderate camp, led by the Western world. Any such agreement must account for Israel's security needs and neutralize any possible threat posed by Syrian forces or other hostile forces to the Golan Heights. In addition, it will be incumbent upon Syria to cease the smuggling and flow of weapons to Hezbollah and negative operatives in Lebanon, dismantle terrorist infrastructure and headquarters within its borders, and crack down on terrorist operatives in its territory. This process must be accompanied by a **political arrangement between Lebanon and Israel that dismantles Hezbollah's military and strategic capabilities or** assimilates them into the Lebanese military.
- Middle Eastern states should contribute to the establishment of peaceful relations by cooperating with Israel on regional and economic security, providing guarantees for Palestinian, Syrian and Lebanese compliance, and implementing normalization.

The Social Dimension

Radical agents' influence on Middle Eastern societies must be reduced. To achieve this, the following steps are essential:

- **The eradication of separatism and deepening of cooperation** between people, faiths and denominations;

the inclusion of minorities and protection of equal rights and opportunity.

- Reducing the attraction to radicalism **by providing alternatives that benefit the masses**, acknowledge their needs, and improve the living standards of the weaker parts of the population.
- **Strengthening the state system** and welfare as a preferred alternative to the tribal framework.
- **Outlawing terrorist and radical organizations** and reducing the scope of their activities that take place under the guise of charity and assistance; strengthening the state welfare component in response to the competition posed by such non-state organizations.
- **Educating for peace and against violence.** Investments should be made in education systems that strengthen the personal responsibility and commitment of every individual to a better future for their family and people.
- **Putting an end to incitement to violence, terror and resistance**, especially incitement in the media, mosque sermons, rallies and education. New laws should be established in all regional states to fight hate and incitement towards the races and faiths of others.
- **Strengthening the public's sense of solidarity and influence** over the policies and direction of governments, gearing them towards a better future for the people.

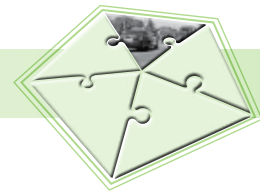
The Economic Dimension

There are several challenges to regional economic security today. First, there has been a decline in inter-state military conflicts and an increase in attacks perpetrated by small groups of individuals. Second, economic and technological globalization has increased interdependence among countries to the extent that the effect of events in one country often spill over internationally. Lastly, the emergence of new economic powers, growth of the world's population, exhaustion of clean water and arable land, and pressure on mineral resources have made the global community more vulnerable than ever.

Economic security also requires environmental sustainability. Today, developing nations often deplete their natural resources, in an attempt to sustain their current population, at the expense of their future. Ensuring economic security and more sustainable societies in developed and developing nations requires several shifts in countries' actions.

Countries must shift their fragmented approaches to security to an integrated approach. Security is more than just physical survival (food, shelter and satisfaction of other basic needs). The very basic concept of security must be expanded to include considerations of the population's standard of living, including the education, employment, justice, freedom of expression and political participation, among other factors.

National approaches to security must also shift towards regional and international approaches. The globalization of markets and free flows of capital, information, and to some extent labor bring tremendous opportunities. However, they also pose new threats



to economic security, including systemic risk in international financial markets, cross-border money laundering, piracy of intellectual property rights, and illegal migration. Economic security is contingent on the ability to strike a balance between economic openness and economic sovereignty.

Short-sighted and passive approaches to security must become more pro-active. Fragile and poor states are not only a danger to themselves, but also to their neighbors. In some cases, they pose a threat to the world, as is the case with Somali pirates. National initiatives that aim to resolve military or social conflicts but also promote political stability and economic development are key to economic security.

There are multiple steps that Middle Eastern states in particular can take to promote their economic security. At the international level, they should enhance trade and cooperation with countries from within and outside the region and work as constructive partners in international organizations such as the World Trade Organization and the United Nations.

On the domestic level, they should focus on strengthening education and building human capital. These measures would result in higher productivity, greater innovation, and more sustainable growth and development. States should also diversify their national products, as well as foreign trade and investment. Social security can be improved through solidarity systems that reinforce identity and create a sense of community belonging.

5. Needs and Objectives

Operational Objectives

To accomplish these strategic and political objectives, an international peace-enabling force should have at least five operational objectives. In conjunction with Israel, Palestine, and perhaps Jordan and Egypt, such a force should do the following:

- Help to monitor and patrol border crossings, checkpoints, ports, waterways, airspace, and perhaps corridors linking the West Bank and Gaza.
- Join (where appropriate) in Israeli and Palestinian confidence-building measures and dispute-resolution mechanisms.
- Supervise population transfers of Israeli settlers and (if still pertinent) IDF forces from Palestinian territory, and provide security during this withdrawal process.

Taken together, the steps detailed above can be classified a Smart-Power, that is, a combination of Soft-Power and Hard-Power

Hard-Power Steps:

- a. Establishing a **regional security mechanism**.
- b. Agreeing on the **designation of Spoilers**.
- c. **Formulating rules** for limiting the activities of non-state organizations and rogue states.
- d. **Combating smuggling**.

- e. **Preventing the infiltration** and passage of **terrorists and funds** slated for terrorism and extremist organizations.
- f. **Resoluteness in implementing international decisions**.
- g. **Monitoring** of institutions and organizations that support rogue actors.

Soft-Power Steps:

- a. Promoting **people-to-people** dialogue and activities.
- b. Developing channels of dialogue between states and non-state actors for achieving stability.
- c. Formulating rules of engagement for **informal channels and informal dialogues**.
- d. Developing a **mechanism** to prevent regional miscalculation.
- e. **Developing a "coalition of hope"** with the broad participation of states and organizations to oppose the "coalition of recalcitrant entities".
- f. Encouraging participants to implement international arrangements.
- g. **Preventing incitement and provocation** by monitoring the media and Internet networks.

Human Security

In addition to the focus on security building and regional cooperation, attention needs to be paid to "soft power" and to what the United Nations codifies as "human security". Traditionally, security implied protecting the state - its boundaries, people, institutions and values - from external attacks. In a world of increasing ethnic tension and extremism, attention needs to be paid to the general welfare of civilians as well. "Human security" focuses on supplying civilians with the building blocks for survival, dignity and livelihood. To do this, it offers two general strategies: protection and empowerment (Human Security Initiative, 2011).

In modern warfare, as explained by political theorist Mary Kaldor (Kaldor, 1999) wars are not just fought between states (and non-state actors) alone, with civilians maintaining their traditional role as passive victims of war. Today, civilians have become protagonists whose support is essential. Moreover, the end of a conflict will most likely produce a situation in which the civilians will have to live together or in close proximity. Therefore, improving the lives of civilians could both help alleviate the pressures (economic, medical, psychological, etc.) that fuel acts of desperation and lessen the hate between different civilian groups.

A strong and stable Middle East will need improved and adapted security to counter military threats (both conventional and unconventional) but it will also need a shift in civilians' mindsets, brought about by a "bottom up" focus on civilian security. Only this dual effort can clear the path for what is actually needed for a stable, peaceful Middle East.

RMEC: Regional Middle East Cooperation

Objectives

The overall objective of this Regional Middle East Cooperation (RMEC) organization is that a strong military coalition, with qualitative military edge over the regional radical rogue elements, will enable the strengthening and stabilizing of peace and regional cooperation in addition to preventing the radical elements that deny state and peace structures. Finally, it will help neutralize the radical elements, their military and terrorism empowerment as well as dismantling existing terrorism infrastructure.

The more specific objectives of creating a joint Regional Middle East Cooperation security organization is to help provide stability as well as solving internal conflicts within a shorter time frame. With the building of cooperation and friendship, states will be able to refrain from the use of force and violence that would threaten the existing order. The organization would put an emphasis on creating an early warning system but would also create a framework for the interception of threats. In tandem, the RMEC aims to create a security cooperation framework in order to prevent the smuggling of weapons, the spread of weapons of mass destruction (WMD), create an early warning system for ballistic missile defense as well as joint anti-terrorism collaboration. The RMEC would also be tasked with finding a way to deal with any potential 'spoilers' - opponents of such a security cooperation organization in the Middle East.

Concept

The RMEC respects the sovereignty of each member and for that reason membership and participation in the organization is voluntary. A founding document will be drafted as a collective, detailing the main responsibilities and founding principles of the RMEC. A foundational and crucial building block of this organization is the need to build a joint vision upon the outcome of the cooperation in order to prevent misperceptions of members about each other. In addition, a joint vision is important since it aids in understanding the issue at hand in the same manner and adopting a common approach. The Mediterranean dialogue group is an example of this concept, where each member understands what the other is looking for within this group and therefore misperceptions are avoided.

A joint vision will enable the RMEC to work with other organizations, both politically as well as militarily, in a similar way as when foreign forces were involved in the NATO operation in Libya in 2011. Logistically cooperating with other groups and within the organization itself will be the fruit born out of a joint vision and developing this framework. Essentially, this will enable the organization to work on another front that is important in the region, which is preventing an arms race, the smuggling of weapons across borders as well as the free movement of terror operatives. It will build trust between members and a system, which will prevent misperceptions as much as possible and therefore take away the base instinct that exists in the region to arm up against your neighbor.

Each member takes the financial responsibility of participation upon themselves and finances their own involvement in the organization. Inspired by the North Atlantic Treaty Organization (NATO), the members pledge to help one another but not exclusively militarily. Countries can commit to financially aid the country in need while others could aid by supplying weapons, intelligence assistance and so on. On the subject of supplying arms, the organization will be creating a virtual arms depot, which would enable all members to know that if they are in need of weapons, other members will be able to provide them. Finally, sending military forces is obviously an option, but that will be on a volunteer basis in the exact way that the UN peacekeeping forces function.

Structure

The structure of the RMEC aims to enable quick response to local issues with the use of cooperation and the exchanging of intelligence all the while having a larger overarching body that will group together all members. The structure of the RMEC is inspired by an agreement that was reached in the framework of ACRS - Working Group on Arms Control and Regional (Jentleson and Dassa Kaye, 1998). There will be one central headquarters for the organization along with regional security centers (RCS). The ACRS model called for the main headquarters to be located in Jordan and two satellites security centers in Qatar and Tunisia.

The RMEC will attempt to coordinate and involve the United States as well the EU community in their efforts and in all aspects of this cooperation organization. This will include working alongside NATO. Cooperation on matters such as arms, military training, mentoring of forces as well as cultural and economic issues. Most importantly, the RMEC will strive to create interoperability with NATO forces. This will be done in order to create a joint infrastructure and joint communication in which the forces of the different countries would be able to work together. Once there is a similar and understandable joint military language, cooperation and joint military ventures will become a possibility. This international involvement and cooperation is important because it will provide the RMEC with more leverage in its efforts to create a safer Middle East.

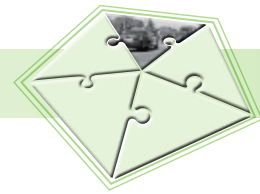
The regional groupings will be:

- Israel, Egypt, Palestine, Jordan.
- Syria, Lebanon, Turkey, Iraq.
- Saudi Arabia, Gulf States, Yemen.
- North Africa- Libya, Tunisia, Morocco, Algeria.

Each security center will have three branches to which each regional country member will send a representative.

The Political Branch

The political branch responsible for formulating the policy of cooperation and compliance with the obligations of the participating countries and heads the intelligence and operations branches and coordinates the other sub branches. This is central to the main headquarters because



it serves, above all, as policy maker and maintaining body, by synchronizing all the other efforts as well as the civilian oversight within the civil-military relations equation. The political branch will consist of political attaches from each country to the main HQs as well as to the regional security centers. They will be the main link back to their government and will provide the political position of each country. It is in charge of uniting many different aspects of this cooperation organization such as the economic, infrastructural and journalistic (information sharing, media and information warfare) aspects. In addition, it synchronizes the civil affairs of the organization such as humanitarian aid and civil society issues. Finally, the political branch will also include the legal branch. The legal branch will consist of international law experts that will advise the operations branch as to the legality of their plans. The political branch is extremely important because it helps to deal with a threat from different angles rather than just military force and serves as the synchronizer of all efforts.

The Intelligence Branch

The foundation of the intelligence branch is to build a joint and unified intelligence picture and a common mechanism for member states, in order to understand what the regions challenges and which approach to use in order to solve them. It will be in charge of fielding and receiving intelligence reports as well as up-keeping the regional intelligence database. It will also be in charge of distributing the overall intelligence picture to the main HQ and the relevant members. Intelligence officers from each member country, in the case of the main HQ, and from each regional grouping, in the case of the security centers, are going to be the main working force of this branch.

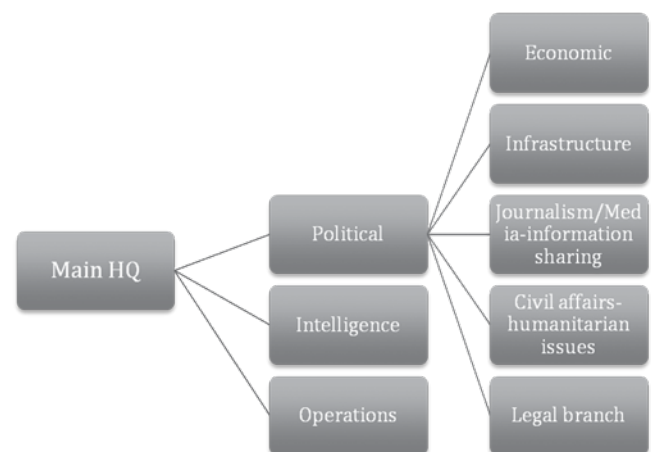
The Operations Branch

The operations branch is responsible for the use of force and to formulate an integrated technique for operational intelligence, which is the optimum and immediate response to the threats. The operations branch will perform the net assessment process, on the basis of which decisions will be made about how the use the force and types of cooperation between the member states. Essentially, operations take the political guide provided by the political branch in addition to intelligence reports and creates the suitable operations and logistical plan. Liaison officers from each country or regional member are going to be permanently present at the HQ's. The main task of the operations branch is to evaluate the intelligence reports within the scope of the organizations operational possibilities and abilities such as troop readiness and position. It then figures out the best possible solution for the issues by analyzing intelligence and capabilities in order to make an action plan.

Main HQ Compared to Regional Security Center

The Main headquarters, located in Egypt, would mainly be in charge of the policy of the organization as well as coordinating efforts and linking between the different members. It is the synchronizing center, policy maker and overarching entity

in charge of the organization. The regional centers would be located in Jordan, Saudi Arabia, Tunisia and Turkey. These centers are operations centric in that their main task is to solve issues and deal with threats in a direct manner. In the case of a full-fledged war, the main headquarters will be tasked with concentrating and coordinating the response. There could be a scenario where a regional member will help another with a domestic issue or an internal threat, such as avoiding a failed state scenario, dealing with terrorist cells and so on. This case will not demand of the main headquarters to be involved in any way, which will enable regional members to address issues directly and in a more timely manner.



Decision Making Process

Reception of Intelligence

When one country gets intelligence about a threat to his region, he first transmits it to his own regional security center that will assess the threat as well as pass along the information to the main headquarters. If the threat concerns the countries in the regional security center alone, they will determine what the next step is on their own without the input of the other members. Dealing with the threat will therefore be limited to the members that are affected directly by it and enable them to take action in a shorter time span because it does not require a general meeting in the main HQ. If the threat is relevant to members of another regional group as well, the information will be shared and both of those regional security centers will determine the course of action together. The main HQ is always aware of threats, even if regional actors will not require their aid in dealing with the situation and therefore is kept in the loop at all times by regional actors and centers. If the threat concerns the whole region, the information will be dispatched to all regional security centers as well as the headquarters where an emergency meeting will be called to determine what the next course of action should be.

Consensus vs. Majority for Decisions

The need for consensus vs. a majority when decisions are taken will depend on the kind of threat that is being faced.

Some threats will require an automatic response on the part of the members such as the knowledge of an imminent terrorist attack; whereas other decisions such as waging a full fledged war will require a consensus decision on the part of all members. Other consensus needing cases include: the general organization policies, the decision to help a country internally, pre-emptive strikes, economic sanctions as well as the banning of dual-use materials. Consensus does not depend on the agreement of all members, rather the lack of opposition. Meaning that some members are welcome to abstain from voting and will not be considered as opposing the measure. If the issue is limited to a regional scope, the regional members can decide on their own how they will respond on a majority or consensus basis. Countries can also decide to deal with a threat bilaterally. The organization does not prevent members from dealing with threats on their own or along with other members. If anything, it increases the communication and joint tools that can be used by these actors.

If we look at the way decisions are taken by NATO, they require a consensus by working on the basis of committees in which each member votes on a certain issue and then they try to come to an agreement. This agreement is based on consensus, therefore serving as negotiation opportunities where everyone presents their positions and tries to come to a consensus within that framework. Essentially, the RMEC's security policy is inspired by NATO's, which says that an attack against any of them is an attack against all of them. What is interesting about NATO's policy that could be very fitting for the RMEC is that everyone needs to assist the member that is attacked but their actions do not necessarily have to be military in nature. This can range from economic aid, providing weapons to full military cooperation. Members have the freedom to choose how they would assist the member that was attacked but they have to respond in some way (NATO, 2013).

Potential Scenarios

In order to better understand the manner in which the RMEC organization will cope with specific challenges, we will look at a few examples, the first of which will be the reception of intelligence pertaining to the shipment of illegal weapons from Iran to Sudan. In this particular case, the HQ, which would be the first to receive this intelligence, will speak to the relevant regional grouping after having evaluated the complete intelligence image, which it would provide to Saudi Arabia, for example, and warn it not to allow the shipment free passage. This would be considered an imminent threat and will therefore not demand a vote by other members.

A second scenario is the discovery of a terrorist cell attempting to pass from Iraq to Jordan. The options that are available at this point are numerous, the first of which is dealing with the threat alone, meaning that Jordan will catch this cell. Secondly, a bilateral approach on the part of both Iraq and Jordan is a possibility. Finally, a regional approach is also possible, bringing in regional actors to aid in the capture of the cell and the procedures that would follow. This range

of options is important to note since it emphasizes the flexibility of the organization and its belief in the sovereignty of each country in making decisions pertaining to its own security and national interests. Without such an emphasis on flexibility and sovereignty, the RMEC is highly likely to disintegrate and lose its relevance within the region due to the fact that issues are not as clear-cut in the Middle East as they might be elsewhere along with the differences that exist between members.

The direct aiming of ballistic missiles on one of the member states is an additional scenario in which regional groupings will be able to aid each other. As mentioned before, one of the aims of this organization is implementing an early warning system which means that in this specific case, members within the region will be able to initiate the use of this system and deal with the threat. An example of this could be the case where such missiles threaten Jordan and Israel's Iron dome system has the capability of covering its neighbors and therefore shoots the missiles down. The issue of cruise missiles is similar but could also, like ballistic missile as well, be dealt with bilaterally as well as regionally.

Two scenarios that would need consensus would be if one member is invaded or attacked by another country for example Iran invading Bahrain. The second scenario would be joining a mission, or playing a supporting role in an operation with another organization such as NATO. In both of these scenarios, a consensus decision will be needed since they involve long-term consequences that will impact all members.

6. The Regional Balance of Power

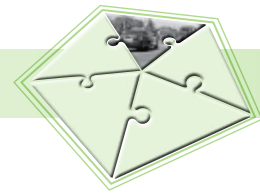
The balance of power in the Middle East, which has dictated the actions of the regional actors over the last four decades, was initially established based on the traditional threats and challenges perceived by regional states from one another. Over the years, the Israeli-Palestinian conflict has been perceived as one of the main sources of instability and threat to the region.

Regional insecurity is somehow rooted in the "balance of power" between different states. Peace and regional stability will be preserved only by preventing the enhancement of capabilities of those who oppose peace with Israel, such as Iran and its satellite states.

The creation of the Palestinian state is intended to stabilize the region, by ending the conflict between Israel and the Palestinians and the Arab countries. This intended move towards regional stability could cause some regional state-actors, such as Iran and Syria, and non-state actors, such as Hamas and Hezbollah, to attempt to destabilize the region and re-shift the balance of power to their benefit.

Palestine

The Palestinian state and Israel will work to achieve the following objectives, in cooperation with the regional countries, the United States, Europe and the international community:



- Bring an end to violence and terrorism.
- Decisively promote peace and fight terror, while being willing and able to build a strong democracy based on tolerance and liberty.
- Mutual acceptance by both parties of each other as neighbors.
- Receive regional and international support in building the state economy and security apparatus.

The Palestinian state must be characterized with maturity, good governance and efforts to build a good economy with a good social system for the welfare of its people and society. Most importantly, it must take all measures to maintain high level of security arrangement with its neighbors.

The Middle East has been one of the most unstable regions of the world. Instability has declined in the past decade, as evidenced, in part, by the absence of major Arab-Israeli wars, but the potential for full-scale warfare remains. Radical revisionist states and regimes, including Iran and Syria, still use terrorism and military threats in order to advance their objectives. The major conflict zones (Arab-Israeli, Persian Gulf, Syria, etc.) have not disappeared, and there remains an ever present possibility of instability in one zone spilling over into the others.

A goal is for the Palestinian State to be major source of stability in the region, with a stable sovereign government that possesses an effective control of its security forces. As part of this vision, the Palestinian security apparatus will work to implement law and order and fight all sources of radicalization and alliances with peace-opposing elements that may cooperate with spoiler states and non-state actors. Such a scenario would have a very stabilizing impact on the balance of power in the region.

A Palestinian state that has a strong central government, would also contribute to the security of Jordan and Israel, and may even cooperate with Jordan and Israel to form the nucleus of a stable and Western-oriented regional security framework (which could eventually include Egypt and other countries).

The Palestinian state will weaken the radical alliance working to destabilize the region. Such an alliance, incorporating Hamas, Hezbollah, Syria, Iran and elements of al-Qaida, would be a major source of conflict and terror.

Israel and Palestine

In order to promote peace and security, the Israeli interest would be to have a friendly, cooperating, Palestinian state, whose military power would be limited. Since the Palestinian state would easily be deterred by the more powerful Israeli Defense Forces, the assessment is that the direct military threat from a Palestinian state to the security of Israel would be minimal.

Some Israelis believe that the threat would increase if Palestinian forces controlled the area between the Jordan River and the "Green Line" (the borders prior to 1967)

because it would mean the loss of Israeli strategic depth: a full-scale attack across any border could easily reach major Israeli cities within a few hours. However, the security deficit resulting from the control of territory by a Palestinian state could be balanced to some degree by the ability of the Israeli Air Force. Indeed, advanced strike aircrafts would enhance Israel's ability to attack offensive air and ground formations before they cross the Jordan River. Additionally it must be stressed that Jordan has committed itself through the Israeli-Jordanian peace treaty to stop any party from acting against or attacking Israel from its territory.

The Palestinian State will be demilitarized, but as the Palestinians gain control of the borders and ports in Gaza (including the airport), some radicals may be able to obtain surface to surface missiles and small hand-held SAMs, as well as anti-tank weapons, land mines and small weapons. Significant effort and arrangements by Israel, Jordan, Egypt and a third party will be needed to implement an effective system of monitoring and verification. Such arrangements vary from the presence of manpower to placing (and using) effective detection and warning system to monitor all Palestinian borders against infiltration, smuggling, and illegal crossing.

Palestine and Iran

Iran is geographically too far away to pose a conventional military threat to Israel or Jordan, and thus a potential Iranian-Palestinian conventional threat is not realistic. However, Iran continues to be the center of radical Islamic and anti-Israeli activity, supporting Hezbollah in Lebanon, as well as other radical groups in the Middle East. In addition, over the past few years, Iran has enhanced its ballistic missile program and redoubled its efforts to obtain weapons of mass destruction. Iran possesses a huge arsenal of missiles, UAV's and Cruise missiles (capable of reaching Israel, Jordan and Turkey). These capabilities, combined with an ideology which rejects the legitimacy of Israel could be greatly hampered by a western-allied Palestinian state.

Iranian influence among Palestinians is rooted in the support and training it provides for radical Islamic groups who destabilize Israel and its security, such as Hamas and Islamic Jihad. Once the Palestinian state is established, Hamas and other groups might break relation with Iran altering Iran's policy in the region and shifting the balance of power against Iran.

Because Iran is located at the periphery of the Arab-Israeli conflict zone, and Iranian intelligence capabilities are limited, it will be tempting for Iran to gain influence and control over the Palestinians. The Palestinians could provide Iran and Hezbollah with vital intelligence information in the event of a confrontation, tipping the balance of power in favor of Iran and its allies. Nevertheless the Palestinian state must be vigilant, limit cooperation with Iran and act aggressively against cooperators.

Some analysts say there may be some comparisons between the Palestinian environment and the situation in Lebanon,

where Iran closely influences Hezbollah (providing training and weapons). However, there are also some important differences between these two cases, the most important one being that Hezbollah is composed of Shia Muslims, the same branch of Islam to which the government in Teheran subscribes. As a result, their cultural and religious backgrounds are closely tied together. Meanwhile, the Palestinians are part of the Sunni branch of Islam and therefore their links to Iran are relatively limited. Therefore, it will be easier for the Palestinians to disengage from Iran once they receive support from alternative friendly sources such as the United States, Europe or the Arab states.

The fall of the Assad regime and the expected impact on neighboring Hezbollah will mean the loss of a regional great ally for Iran. But Iran will continue to cultivate its partnerships with Islamic Jihad and Hamas against Israel, and it would be a mistake in this context if the Palestinian State did not denounce such acts and relations with Iran.

Iran's deep involvement in the Syrian conflict means that it will likely remain a major player in the Levant even after the removal of the Assad regime. In particular, it will seek to cultivate ties with different extremist actors in the region in order to strengthen its position vis-à-vis Turkey, Israel and Jordan. Specifically it will seek to improve its relation with non-state actors in post-Assad Syria and with Hezbollah in Lebanon, as a means of maintaining overland lines of communications with the Hezbollah. Additionally, it will work to prevent the emergence of a Syrian base of support for Iraq's Sunni Arabs. More broadly, continuing violence and heightened foreign involvement in Syria will likely exacerbate sectarian tensions in Lebanon, Turkey, and Iraq, as well as Arab-Iranian tensions in the Gulf.

Palestine and the Radicals

The Palestinian state should be very limited in power and should be mindful not to endanger its own vital interests and survival by threatening its neighbors. Some outside actors will attempt to destabilize the country, thus creating regional tension and negatively impacting regional stability and the balance of power. Such actions will create security issues for Israel and Jordan.

Therefore Palestinian leaders must be wise enough to renounce all sorts of violence and acts of terror, and refuse to cooperate with those who intend to endanger the peace and stability.

Palestine and Syria

Syria has in the past stated that it is ready to recognize a Palestinian state within 1967 borders with East Jerusalem as its capital, on the basis of the preservation of Palestinian legitimate rights.

But Syria is presently in turmoil and its future policies depend on who will control it in the future. Syria's location in the heart of the Middle East and its key role in the region, mean that the geopolitical outcome in Syria will impact the whole region.

Syria **has been a key Palestinian ally** through the years, actively supporting Hamas and Hezbollah while sharing a border with Israel. The outcome in Syria will greatly impact Middle-Eastern peace.

Syria may be divided into more than one sectarian regime based on ethnic or religious divides, as separate states could be established for Alawites, Sunnis and Kurds. Jihadist groups may seek to use Syria as a base of operations for attacks against its neighbors (particularly Israel, Jordan, and Iraq). In such scenarios, we will see more violence in Syria that will potentially spill over to neighboring countries, thus destabilizing the region.

If Muslim and radical groups replace the Assad regime, there will be tension and instability in the region and potential spillover to Jordan. This scenario will mean security challenges for Jordan and will directly affect the security of Israel.

The triumph of the Sunni opposition in Syria could embolden Islamists in Jordan and in the Palestinian state, causing instability and attempting to overthrow the current regimes.

An extreme Muslim regime will side with radical groups against the newly established Palestinian state and make Syria a safe haven for terrorists and radicals acting against neighboring countries. This scenario would negatively impact the regional security and stability, and would shift the regional balance of power.

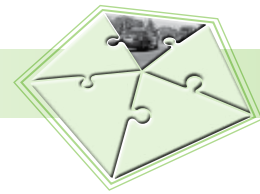
Lebanon and Hezbollah

Lebanon is an almost failed state, governed by a weak government and divided by many forces with opposing religious and political ideologies. These groups are militarized to a certain level with Hezbollah having the upper hand. Lebanon's anti-Israel policies are similar to Syria's policies and stem from the power Hezbollah exerts over the Lebanese government. Since Syria withdrew from Lebanon, Iran's influence in the country has only grown.

Iran helped create Hezbollah, a Shiite movement, following Israel's invasion of Lebanon in 1982. Hezbollah was once an Iranian proxy, but has clearly outgrown this label over the past two decades and become Iran's brother-in-arms. Today Hezbollah has strong indigenous roots in Lebanon. The relationship is complex and multi-directional: beyond its strategic value against Israel, Hezbollah's successes and popularity in the Arab world makes it a treasured ally for Tehran.

Hezbollah has the capability to strike anywhere in Israel, although Israel now deploys air defense systems designed to counter the threat. Hezbollah possesses a large and varied arsenal of weapons that can shift the balance of power to the organization's advantage, disturbing and destabilizing the region.

Hezbollah views Israel as an occupier. Although its impact on the regional balance of power seems overblown, its capacities are real. More importantly, there is a genuine concern that Hezbollah would be loyal to Iran rather than



to the Palestinian cause, necessary drawing Lebanon into a war with Israel to do Iran's bidding.

Although Hezbollah operates firmly within Iran's strategic orbit, on political and day-to-day internal matters, it enjoys great autonomy. Its electoral victories are the result of its successful (if reluctant) entry into Lebanese political life. Hezbollah's multifaceted strategy of successes against Israel, its strategic positioning on the ground, social services network and the competence of its leader Hassan Nasr'Allah have rallied Lebanon's Shiite community. This is however, complicated by the triangular relationship with Syria. When Syria occupied Lebanon, Hezbollah had to bow to Syrian strategic imperatives which, at times, differed with Iran.

Iran will continue to attempt to preserve Hezbollah as an essential element of its deterrence and defense posture against Israel and the United States. Hezbollah's military strategy has always been to remain distinct from the state's military because a non-state actor is more flexible and can better fight and survive a war.

Hezbollah, like Hamas, maintains a rocket arsenal and regularly threatens to use it. Hezbollah fired nearly 4,000 rockets at Israel during the 2006 war and is believed to have upgraded its arsenal since. Hezbollah's leaders say their main goals are to strengthen political Islam and combat what they call the Israeli occupation of Palestinian land. Such rhetoric should weaken with the establishment of the Palestinian state.

The Lebanese government must be strong and well supported by the international community in order to bring Lebanon back to normal statehood. It must work to become the only source of security for its people, with no militias controlling or interfering with the country's politics and security.

Hezbollah and its Lebanese supporters must realize that the changes in the region will work against them and must adapt with the rest of the actors in Lebanon to disarm and become a regular political party, working for the good of its people in Lebanon and in the region.

Hamas and Palestine

Although it is presumed that Hamas and the PLO will have worked out some kind of reconciliation, some Hamas elements will still oppose the creation of a Palestinian state, claiming that the settlement is not to the full satisfaction of all Palestinians. Khalid Meshal told king Abdullah during a short visit to Amman that Hamas would accept a two-state solution, but other Hamas leaders denied this and stressed that they would never consent to giving the Zionist state even one inch of Palestinian land.

Hamas will lose credibility among the Palestinians once a Palestinian state achieves its independence. In addition, the failings of Islamist leadership in many Arab states, particularly Egypt, has altered public acceptance of such leaders and Hamas's credibility would become more questionable for the Palestinians.

Qatar and Saudi Arabia can pressure Hamas to part way from Iran, reconcile with the government in Ramallah and accept the two-state solution.

Egypt

The balance of power in the Middle East has shifted fundamentally, and not in Jerusalem's favor. With the overthrow of Egyptian autocrat Hosni Mubarak, Israel lost its most important security partner in the region. Although President Morsi has officially left the Muslim Brotherhood, he remains indebted to the Islamist group.

As a result of the Arab spring, there are three competing powers in Egypt: the Muslim Brotherhood, The Military and the Liberals. This power struggle has degraded Egypt from a main regional player to one with internal instability that is less active in regional issues. Egypt will keep changing according to internal politics, social unrest and disturbances in the country.

The fall of Mubarak and the rise of the Muslim Brotherhood are equally troublesome for the Palestinian officials in Ramallah, as this eliminates their most powerful Arab ally and in parallel raises the support for their rivals, Hamas in Gaza. The election of the Muslim Brotherhood's has only intensified anxiety in Jerusalem and Ramallah.

However, it is unlikely to see a radical shift in Egypt's dealings with Israel and the Palestinians. The cooperation in Sinai and the role Egypt played to secure the ceasefire agreement between Hamas and Israel was proof that the regime will maintain the policy of cooperation with Israel on security matters.

In any case, regardless of who is in power (again, assuming a democratic transition has not been foreclosed), Egyptian policies are likely to become more responsive to public opinion, rather than less. Likewise, as Egypt stabilizes politically and economically over time, its involvement in foreign engagements is likely to increase rather than decrease.

Egypt supports any Palestinian-Israeli breakthrough and maintains that initiating a credible peace process between Palestinians and Israelis is possible even under present conditions. Thus, a future Palestinian state will have full recognition of Egypt.

In early January 2013, Egyptian President Mohamed Morsi invited Palestinian Authority President Mahmoud Abbas and Hamas leader Khalid Meshal to Cairo. The objective was to discuss the Palestinian state and to work toward reconciliation of the two factions, Fatah and Hamas; according to officials, there was little progress.

In summary, the new regime in Egypt will continue to support the Palestinians in Gaza and push for reconciliation between Hamas and Fatah, with the aim of uniting the two factions under a Palestinian state.

Turkey

The current cold relations between Turkey and Israel are improving and are expected to return to their previous state.

Turkey continues to offer significant support for the Palestinians; Turkey can play an active role in the region and help mediate peace and security between Israel and the Palestinian.

Turkey has joined a coalition with Egypt, Saudi Arabia and Qatar that should cooperate with Israel and the Palestinians to establish peace and security. This coalition could create a regional power able to shift the balance of power against Iran.

Jordan

Jordan believes that an independent Palestinian state in the West Bank and Gaza has become the only way to stabilize the region and end the Arab-Israeli conflict. Jordan maintains good relations with Ramallah; however, the fact that 40% of the Jordanian population is from Palestinian origin makes Jordan uneasy, since any Palestinian unrest affects Jordanian and Israeli security.

Jordan has to be sure that the Palestinian state fosters safety, security and peaceful neighborly relations.

The Jordanian goal of security, stability and peaceful neighborly relations will be met by the creation of a stable, accountable and viable Palestinian state.

There is a common understanding between the Jordanian and Palestinian leadership regarding a future relation that could lead to a sort of confederation between the two countries. But this scenario would materialize only after a Palestinian state is established and a public referendum shows majority acceptance.

On the other hand, Hamas and its Islamist ideology worry Jordan, which has had its own problems with the Muslim Brotherhood. Rhetoric aside, Jordan has an uneasy relationship with Hamas and will likely not accept Hamas controlling the Palestinian state.

Jordan has religious, economic, historical, political and social ties to the West Bank which, despite the 1988 severance of administrative links, remain salient today. The Hashemite role as the custodians of the Holy sites in East Jerusalem will be kept under Jordanian administration with guaranteed access to all faiths. This roll can be negotiated with the Palestinians after their independence.

Jordan must always retain effective control of the border and the border crossing, possibly with third party monitoring. This would enable the protection of its many interests regarding the border: regular traffic across the Allenby bridge, the interests of its many refugees, the substantial Palestinian population residing within its territories and the obvious territorial proximity.

Historically, water sources were shared by all people in the region. However, there currently is not enough water to attend to all private, agricultural and industrial needs. Water is important for Israel and the Palestinians and is a Jordanian national security issue. Therefore Jordan has great interest in a future regional agreement and cooperation regarding water issues.

Jordan is committed to support the Palestinian state by training the Palestinian security forces, improving their capabilities to maintain peace and stopping Palestinian radicals from carrying out acts of terror against Jordan and Israel.

The ideal Jordanian scenario would be a stable and peaceful Palestinian state in the West Bank and Gaza, which would maintain close economic and political ties with Jordan and live in peace with Israel and its other Arab neighbors. Only after such a scenario is accomplished and after the Palestinian people vote in favor of a confederation with Jordan, can Jordan accept the idea of such a confederation.

Events in neighboring Syria will spill over to Jordan if extremists gain power and achieve victory over the Assad regime. This will create a major security concern for Jordan and Israel. Therefore, the US and international community must tread carefully so as to ensure that only moderate secular groups receive aid and assistance in replacing the Assad regime, rather than the extremists, who should not be allowed to seize power.

Saudi Arabia and the Gulf States

The Saudis have been longtime supporters of the Palestinian economy and policy and they will continue to support the state of Palestine in the future.

As a result of the Arab spring, Saudi Arabia is becoming more active in regional stability and, due to its economic power and political status, it can play an effective roll in the Israeli-Palestinian conflict and in the creation of a Palestinian State.

Saudi Arabia, Qatar and the United Arab Emirates spend petrodollars in an attempt to assist the Palestinians but also in order to manipulate them into their sphere of power (Qatar with Hamas and Saudi Arabia with Fatah).

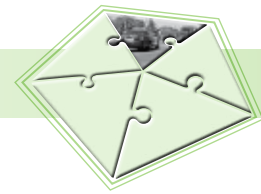
The Saudis, who are the main sponsors of the Arab Peace Initiative, will support the Palestinian State politically and economically while Qatar will be the main Arab supporter of Hamas.

The Gulf countries and mainly Qatar, will be able to use their money to pry Hamas away from Iran. This is because Sunni Hamas has a stronger connection with the Gulf States than with Shiite Iran.

Iraq

Post-Saddam Iraq has a majority of Shiites in government and has shifted towards Iran. This trend has been clear in Iraqi policy towards Syria and Assad. Undoubtedly, sectarian support for Shiites will be seen in future regional conflicts.

Iraq would not like to see a Sunni revolt on its territory as an effect of the Arab Spring. Therefore the Iraqi leadership will keep its door open to Iranian influence, and is expected to become an Iranian satellite, which will help spread Iran's negative regional influence in many spheres, including on the Palestinian issue.



7. Conclusion

This study analyzes the purpose of regional and global trends which are expected in the era after signing a peace treaty between Israel and the Palestinians. The trends will affect the development of challenges that require regional cooperation.

There is an expectation that the process of weakening of the state actors as a central authority will continue, coupled with an increase in power and influence of non-state actors. This challenge will be combined with an expanding number of countries splitting off from existing states. National governments will remain essential for many purposes, but the role of states in securing supply all services to citizens will be weakened.

The weakening of the state actors makes it difficult to enable strengthening of regional organization and cooperation. The states that will be the strongest will be those that have figured out how to do more with less. They will be those whose governments have successfully embraced radical sustainability -- maintaining vibrant economies through largely renewable energy and creative reuse of just about everything -- combined with a strict monetary regime.

At the regional level, the speed and flexibility necessary to resolve crises will require a coalition of states, while long-term legitimacy and durability would still require the representation of all countries affected by a particular issue through large standing organizations.

There is potential to formalize a new Middle East free trade area based on the core of Jordan, Israel, Palestine, Egypt, and Turkey; alternatively the European Union could be interlocked with an emerging Mediterranean Union.

The balance of power in the Middle East is determined by the threat perception of the different regional states, with

the Israeli-Palestinian conflict one of the major threats to the stability of the region.

The creation of the Palestinian state should be a stabilizing factor in the region and limit the role of Iran and the negative non-state actors. This requires true effort on the part of the Palestinians, Israel, the regional states and the entire international community.

In order to preserve and enhance regional stability, those states and non-state actors opposing a stable and moderate Palestinian state must be prevented from further developing their power. The countries that support peace must form a coalition to minimize the negative influence of the anti-peace camp.

Most Palestinians will support the Palestinian state, which will weaken Hamas and other rejectionist groups. Jordan will support the Palestinian state and will not accept Hamas taking over control.

Syria is currently engaged in a civil war which is unlikely to end soon, with different scenarios for a post-Assad regime, ranging from rule by the Muslim Brotherhood to disintegration into sectarian mini-states. If a moderate government replaces the Assad regime, Syria will be more supportive of peace and of the Palestinian state. The fall of the Assad regime will keep Iran out of the Levant and leave Hezbollah without a link to Iran, shifting the balance of power in favor of Israel and moderate regional forces. Jordan and Israel must work together to ensure that the United States, Europe, and other countries are careful to aid the right groups.

Turkey and Saudi Arabia can play an active role in regional peace and security issues, along with Egypt and Qatar, creating a regional coalition that can support the peace and deter Iran from spreading its power in the region.

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Biographies of Researchers

Prof. Munther S. Dajani

Prof. Munther S. Dajani received his graduate (second and third) degrees from the University of Texas-Austin Texas. He is currently Dean of Al-Quds-Bard Honors College at Al Quds University in Jerusalem. AQBHC is a branch of Bard College, Anandale-on-Hudson, N.Y. Professor Dajani has served as Chair of the Political Science Department which he founded, and Dean of the Faculty of Arts at Al Quds University. He was Knighted by the Italian President in 2007. He also served in Public Office at the Ministry of International Cooperation, and as Director General of the Ministry of Economy and Trade. He has published many books and articles and participated in several international conferences.

Brig. Gen. (ret.) Udi Dekel

Udi Dekel, Deputy Director and Senior Research Fellow at the Institute for National Security Studies, was head of the negotiations team with the Palestinians in the Annapolis process under the Olmert government. In this framework, he coordinated the staff work and led twelve negotiating committees. In February 2013 he was appointed Deputy Director of INSS. Brig. Gen. (ret.) Dekel's last post in the IDF was head of the Strategic Planning Division in the Planning Directorate of the General Staff, and as a reservist he is head of the Center for Strategic Planning. Brig. Gen. (ret.) Dekel's areas of research include: decision making processes in Israel and the connection between policy and the military; the multidisciplinary integration in Israel of policy, diplomacy; the military; economics, society, and communications; the peace process with the Palestinians and with Syria; strategic trends in the Middle East and challenges for Israel; the influence of the new media on the Arab world and Iran; security concepts; strategic military concepts; and strategic planning processes.

HE Ambassador Hind Khoury

With an educational background in economics and business management and 15 years of experience in Palestinian economic and institutional development, Hind Khoury has occupied responsible positions with a number of international development organizations in the Occupied Palestinian Territories between the years 1988 to 2004. These organizations included UNDP, USAID, UNFPA, SIDA, UNESCO and NORAD where she worked on issues related to economic, business and tourism development, human rights, public sector reforms, and donor coordination. She served as Director of Events and later of International Marketing with the Bethlehem 2000 Project Ministry. In 2005, she was invited to join the Palestinian Authority cabinet as minister of Jerusalem Affairs and in 2006 until 2010 she served as Ambassador (Delegate General) of Palestine to France. She also served as a Member of the Board and Executive in a number of important NGOs such as ARIJ, The Arab Thought Forum and Sabeel, a Palestinian Liberation Theology movement with friends in many parts of the world. She is also a recent member of the editorial board of the Palestine-Israel Journal and is a Rotarian.

Dr. Anat Kurz

Anat Kurz is Director of Research and a Senior Research Fellow at the Institute for National Security Studies. She holds an MA degree in social Psychology and a PhD in political science from Tel Aviv University. She has lectured and published extensively on various insurgency-related issues, the institutionalization processes of organized popular struggles, terrorism as a mode of warfare, the Palestinian national movement, revolutionary Islamic organizations and movements, and policy dilemmas of dealing with sub-state conflicts. Dr. Kurz has taught in the Security Studies Program of the Political Science Department at Tel Aviv University. She is a regular participant in ongoing Track II dialogues on Israeli-Palestinian conflict resolution and Middle Eastern regional security.



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Mr. Amjad Qasas is serving as the CEO of Pal Professionals Consulting and Investment Services Company in Ramallah and the Local Representative of Netherlands Senior Experts in Palestine. Mr. Qasas has over 20 years of experience working in the Palestinian economy, worked as a GM of Pal Lease company the first and largest leasing company in Palestine. Mr. Qasas also served as the trade development manager in Pal Trade; the National Trade Development organization of Palestine (in addition to working for twelve years in the Banking sector. Mr. Qasas is a Board of Director Member in Young Entrepreneurs Palestine. Mr. Qasas managed several donor development and B2B projects and has participated and supervised a number of economic and financial studies in Palestine. Mr. Qasas holds a B.A. in Economics and Computer science from Yarmouk University in Jordan and attended several trainings conducted by UNIDO, ITFC, AABFS and other reputable institutions.

Dr. Matti Steinberg

Dr. Matti Steinberg received his PhD from the Hebrew University in Jerusalem, in 2004, in Islamic and Middle Eastern Studies. He has taught at the Hebrew University, at the University of Haifa and at the Interdisciplinary Center, Herzliya. He served as the first Gruss-Lipper visiting scholar and lecturer at the Woodrow Wilson School for Public Policy, Princeton University in 2011. He wrote and co-authored five books and dozens of professional articles about Middle-Eastern and Islamic fundamentalism issues with special emphasis on the Palestinian issue. His recent book *Unending Quest: The Development of Palestinian National Consciousness, 1967-2007* was published in Hebrew in 2008. For this book, Dr. Steinberg received the Tshetshik Prize in Security Studies from the Institute for National Security Studies in 2010. Prior to his academic career, Dr. Steinberg filled several high-ranking positions from 1974 until 2006 in the area of security and intelligence research, amongst them serving as senior advisor to the Chiefs of Israel's General Security Services from 1996-2003.

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Dr. Avichai Snir received his PhD from Bar-Ilan University, Israel and completed his post-doc at Humboldt Universitaet zu Berlin, Germany. He currently lectures at the School of Banking and Capital Markets at Netanya Academic College and at Bar-Ilan University. His main fields of interest are pricing, behavioral economics and political economics in Israel and the region.

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Prof. Susser, PhD (Tel Aviv University, 1986), is a Senior Research Fellow at the Moshe Dayan Center for Middle Eastern and African Studies and former Director of the Center (1989-1995, 2001-2007). Prof. Susser teaches in the Department of Middle Eastern and African History at Tel Aviv University and in 2006 he received the Faculty of Humanities outstanding teacher's award. Professor Susser's research and teaching has focused on Modern Middle Eastern History, Religion and State in the Middle East and Arab-Israeli issues, with special reference to Jordan and the Palestinians. He has been a Fulbright Fellow, a visiting professor at Cornell University (1986-7), the University of Chicago (1990) and Brandeis University (1998, 2007-8), and a visiting fellow at the Washington Institute for Near East Policy (1987, 1996-7). In 1994 he was the only Israeli academic to accompany Prime Minister Yitzhak Rabin to his historic meeting with King Hussein of Jordan for the signing of the Washington Declaration.

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