

Policy Focus

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Special Studies
on Palestinian Politics
and the Peace Process

Israeli Preconditions for Palestinian Statehood

Ze'ev Schiff



The Washington Institute
for Near East Policy

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RESEARCH MEMORANDUM

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Executive Summary

Israel and the Palestinians will soon begin fateful negotiations for a “final status” agreement to resolve the core issues at the heart of the Israeli–Palestinian conflict. For Israel, these negotiations will determine the size and character of the state (whether it remains a Jewish state or becomes a binational state). For the Palestinians, these negotiations will determine whether they will establish their own independent state and finally resolve the Palestinian refugee problem. The goal of final status negotiations is, therefore, to resolve the Israeli–Palestinian conflict once and for all, through formulas that meet the basic requirements of both sides.

For the Palestinians, the issue of statehood will almost surely be the first item on the final status agenda, with discussions concerning the limitations on the state’s powers coming later. For Israel, this sequence of negotiations is dangerous. The first step should be for the two parties to negotiate the terms and conditions for the establishment of a Palestinian state, such as its borders, limitations on its sovereignty, and its security relationship with Israel. Only once these conditions are fixed and accepted by both sides would they turn to the next item, the joint agreement to establish a Palestinian state.

Israel’s interests will be served best if a Palestinian state comes into existence as a product of negotiations and mutual consent. Therefore, Israel should welcome the inclusion of statehood as a central item on the agenda of final status negotiations and should seek to shape, through negotiations, the size and powers of the state that will emerge. The Palestinians will do everything they can to ensure that their state is viable and to oppose the creation of a state composed of enclaves lacking contiguity. They will want direct, territorial links with other Arab countries (Jordan and Egypt), will demand control over border crossings, and seek to avoid having extraterritorial enclaves (Israeli settlements) within their territory. Israel has an interest in reaching an agreement that not only safeguards Israel’s security but also satisfies Palestinian political aspirations. Therefore, Israel should pursue a win-win approach that produces an agreement in which each party has a stake.

Jordan can and should be a central player in this process. Israel has a strong interest in ensuring that a Palestinian state be determined with Jordan's consent and participation, and that Palestinian-Jordanian cooperation be enshrined as a structural aspect of Palestinian statehood. Israel has an interest in participating in some elements of Jordanian-Palestinian cooperation, effectively making such cooperation trilateral. Jordan is intrinsically and existentially connected to the Palestinian question in numerous ways. If Jordan is brought into the process, the prospect for regional stability will be enhanced immeasurably.

In light of the foregoing considerations, what are Israel's basic security-related preconditions for Palestinian statehood?

Borders: In the West Bank, to enhance its margin of security, Israel should seek to expand the coastal plain eastward, widen both sides of the Jerusalem corridor, expand into the area east of Jerusalem, toward Ma'aleh Adumim, and retain the Jordan Valley and the eastern portion of the Judean Desert, with the Valley's final disposition determined at some future date. As for Gaza, Israel has no essential security requirements that need to be reflected in border changes. Given its small size, Israel must reject the principle of trading territory currently within its sovereign borders for the aforementioned additional territory. Once agreed upon, the border must be inviolable and not subject to further claims. As for the move to permanent borders, this process will take place in stages.

Water: About 60 percent of Israel's water comes either from aquifers located in the West Bank or from aquifers inside pre-1967 Israel, which are themselves connected to the West Bank. Israel's objectives are to protect its water sources, prevent their contamination, and insulate them from the chaos in the Palestinian water market that might ensue with the onset of statehood. These objectives can be achieved only through active and ongoing cooperation between Israel and the Palestinian state. Moreover, Israel should recognize that the Palestinians have a legitimate claim to more than their current allocation of water resources. Israel should be magnanimous in meeting Palestinian requirements, and should also try to meet the Palestinians part way on the question of full control over certain water sources. The option of joint control over certain water sources, with veto rights for each of the parties, should be examined.

Settlements: As of September 1998, Israel has 144 settlements with 169,327 residents in the territories. Israel cannot—and should not—contemplate the forced evacuation of settlers. Relatively minor revisions of Israel’s borders could enable the majority of settlers to live within sovereign Israeli territory. Those settlements that will remain inside Palestinian territory (living under Palestinian law) should be reorganized into blocs, with the residents of those settlements given the option of being dual citizens. This would mean that some existing settlements, located in outlying areas, would be closed. Certain other settlements could be defined as “security zones,” the ultimate political disposition of which will be decided through negotiations at some future date. One idea must be rejected from the start: Individual settlements in the territory of the Palestinian state should not have extraterritorial status.

Refugees: The refugee problem may be the most difficult to solve. The first operational principle in solving the refugee problem—a principle that must be recognized before a Palestinian state is established—is that a solution cannot be found *in* Israel, only with the aid and assistance *of* Israel. Israel should never agree to discuss the Palestinian “right of return” to Israel; nor can Israel ever permit the Palestinian state to promote irredentist claims by Palestinians living in Israel or by those who would like to “return” to territory inside Israel. Israel should agree to discuss only how Palestinian refugees can be most easily and efficiently absorbed in their new state, how they should be resettled elsewhere, and how to organize a joint Palestinian–Israeli–Jordanian committee to deal with these issues. Israel should participate in a humanitarian effort to rehabilitate the refugees.

Security Arrangements: Security arrangements are the bedrock of Israel’s conditions for Palestinian statehood. Without proper security arrangements, Israel will become even more vulnerable than it currently is. In this area, Israel should insist that the Palestinian state be:

- prohibited from entering into, or participating in, any military pact or alliance with another country;
- prohibited from permitting the deployment of foreign troops on its territory;
- demilitarized, except for internal security forces possessing light weapons, with a small coast guard and no air force;

Israel will, moreover, maintain a limited, defensive military presence in the West Bank primarily to provide early warning of threats from the east and northeast (the balance of Israeli forces now in the West Bank will be removed). Control over border crossings between the Palestinian state and Jordan and Egypt will gradually be shifted from Israel to the Palestinians, and Israel and the Palestinian state will establish joint supervisory committees to verify compliance with the security arrangements in their peace treaty. U.S. personnel could participate in these as observers.

The United States will almost surely have to play a leading role in this process. American involvement will be crucial to the successful conclusion of final status talks and the peaceful establishment of a Palestinian state—whether as an honest broker during negotiations, as monitor of the Israeli–Palestinian peace treaty and its security arrangements, as facilitator in finding a solution to the Palestinian refugee problem, or as the strategic ally of Israel, helping to safeguard Israel’s security in case the agreement collapses and the Palestinian war against Israel resumes.

In conclusion, it is important for Israelis to come face to face with a new strategic reality: A Palestinian state will be established. The relevant questions are when it will happen, how big the state will be, and under what conditions and limitations (including the question of its relationship with Jordan) it will be established.

Will the establishment of a Palestinian state mean that Israel is free from risk and danger? Unfortunately, the answer is “no.” For that reason, Israel must carefully protect its security and always remain strong. Even if a peace treaty between Israel and the Palestinian state becomes the most detailed agreement in the history of Arab–Israeli relations—in the history of diplomacy itself—it will not suffice. Neither the number of pages in the agreement nor the details in those pages will determine its success or failure. What will determine the future of peace between Israelis and Palestinians is whether solid majorities in both societies, along with their leaders, decide that a peace agreement offers real advantages to both sides. If the two sides believe the opportunities outweigh the risks, peace may be possible.

INTRODUCTION

Israel and the Palestinians will soon begin fateful negotiations for a “final status” agreement. These negotiations will be difficult and complex, much more so than the anxiety-ridden process that has consumed the parties since the Oslo Declaration of Principles was signed on September 13, 1993. After years of discussing “interim” items, this new set of negotiations will finally focus on the core issues that are at the heart of the Israeli–Palestinian conflict. Both sides attribute a strategic importance to these issues; indeed, within both camps, there are those who define some of these issues as having existential significance.

For Israel, these negotiations will determine both the size and character of the state. They will decide whether Israel can remain a Jewish democratic state or whether an inexorable process will take hold whereby Israel evolves into something entirely different from what was founded in 1948—that is, a binational state, rather than a Jewish state, *per se*. These negotiations will also define Israel’s borders and determine whether the state will have the physical attributes to maintain its own defense. The security arrangements that will emerge from these negotiations will dictate whether Israel and its populace will be more secure than they are today or whether they will face even more frequent and more deadly risks to lives and livelihoods.

For the Palestinians, these negotiations will determine whether—and how—they will exercise their right to self-determination and their right to be free from any kind of occupation. They will decide whether the Palestinians are able to establish their own independent state and whether that state will be viable. As envisioned, these negotiations may finally resolve the Palestinian refugee problem, perhaps the most vexing and enduring such problem in the world.

Many Palestinians argue that if Israel rejects their claim to establish a Palestinian state alongside Israel, the only alternative is to demand the establishment of a democratic, secular state for both Arabs and Jews, encompassing all of historic Palestine—an outcome that would mean the end of Israel as a Jewish state. Some Palestinians note that if Israel rejects these two options, most Palestinians will choose a third one, the path of confrontation and zero-sum conflict offered by the Islamic fundamentalist Hamas movement. In response, some on the Israeli side say that there is a third, more acceptable alternative—“no” to independent statehood; “no” to a secular, democratic state; but “yes” to continued autonomy. Yet, all Israelis should realize that this is just another way to maintain the occupation and, after Oslo, occupation is surely not a solution acceptable to the Palestinians.

The goal of final status negotiations is, therefore, to resolve the Israeli–Palestinian conflict, once and for all, through formulas that address the fundamental interests and meet the basic requirements of both sides. From the beginning of Israeli–Palestinian negotiations at Oslo, the putative peacemakers realized that this would be no easy task. In fact, their early assessment was that the core issues of the conflict were so complicated that they would be better left for the final phase of negotiations. On the one hand, they were concerned that addressing these highly complex and deeply symbolic issues too early would risk the premature collapse of talks. On the other hand, they believed that the experience of solving relatively easy problems first, which was the central focus of the “interim phase” of Oslo, would itself accustom the two parties to the patterns of cooperation, coexistence, and problem-solving that would shrink their mutual anxieties and enable them, eventually, to address the core problems in a more sober, constructive manner.

From today’s perspective, it is clear that this was a vain hope. Both parties failed to estimate correctly the power and resourcefulness of the extremist forces in their respective camps. The Oslo negotiators failed to forecast the waves of terrorism and bloodshed by Hamas and Islamic Jihad and the massacre committed by Israeli settler Baruch Goldstein in a Hebron mosque. These events left hundreds of innocents dead or wounded and deepened the chasm of mutual mistrust. They also failed to envision the potential of an Israeli extremist met-

ing out his own idea of capital punishment to an Israeli prime minister for the sin of handing portions of the Land of Israel to the enemy. What is especially disconcerting is not that the people who designed Oslo were so wrong in believing that the early part of Oslo implementation would be eased by postponing the tough problems to the end of negotiations; rather, it is that these hazards can only worsen once the negotiations over final status issues enter their advanced stage.

According to the Oslo accords, those negotiations will address the following issues: the future of Jerusalem; the demarcation of borders, the disposition of refugees; the status of Israeli settlements in the territories; the definition of security arrangements; the parameters of relations and cooperation with neighboring countries; and any other issue the parties choose to discuss. Over time, Palestinian and Israeli leaders and analysts have added other important issues to this list, such as the question of water.

Interestingly, the issue of Palestinian statehood is not specifically mentioned in any Israeli–Palestinian agreement as a topic for “final status” negotiations, although it was clearly understood that establishing an independent state was the Palestinians’ main objective. Yet, the question of a Palestinian state has emerged as the preeminent topic of these negotiations. Clearly, the question of statehood should not—and cannot—be ignored. Although it does have its own discrete aspects, statehood cannot be divorced from discussions over most of the other final status issues, such as borders and security arrangements. At the same time, to explain the absence of any reference to statehood among the list of final status issues, many Palestinians declared that it was solely a Palestinian matter, not subject to negotiations with Israel, and therefore not an item appropriate for the agenda. Statehood will be established, they say, so there is nothing to negotiate.

Many signs suggest that the Palestinians are correct. Although the Oslo accords prohibit the Palestinian Authority (PA) from engaging in foreign relations, much of the world treats it as a near-sovereign entity and Israel raises barely a whisper of protest. Not only has the Israeli Labor Party formally reconciled itself to the principle of Palestinian statehood, but prominent figures in the Likud Party—including hardliner Ariel Sharon—have acknowledged this principle as well. For most observers, it is clear: Final status negotiations concern not *whether*

a Palestinian state will be established, but *when, how and under what conditions* it will happen. Will it emerge through mutual agreement or via unilateral declarations? Will the process involve confrontation and bloodshed or negotiations and compromise? Will a way be found both to satisfy Palestinian political aspirations and to allay Israel's concerns about the existential threats, security and otherwise, that such a state could pose?

The outlook is not necessarily bright. As the clock began ticking down to May 4, 1999, the date by which the "interim period" was set to expire and final status talks were scheduled to be completed, PA *Ra'is* Yasir Arafat, with increasing frequency, announced his intention to declare unilaterally the establishment of a Palestinian state, should one not have already been created through mutual agreement. Israel in reply stated that it views such threats as a blatant violation of the Oslo accords, an "anticipatory breach" of the fundamental commitment to resolve all disputes through negotiations. Moreover, Israel has vowed to respond to any unilateral declaration of independence (UDI) by the Palestinians through unilateral steps of its own, perhaps to include annexation of West Bank territory still under Israeli control. Although May 4 has passed, this series of events could occur at some subsequent date and would surely mark not only the end of the Oslo accords but also the beginning of a new, probably bloody, chapter in the Israeli-Palestinian conflict, one whose end or outcome cannot be predicted.

It should be noted that the Palestine Liberation Organization (PLO) has already declared the establishment of an independent Palestinian state with Jerusalem as its capital. That announcement was on November 15, 1988, at the height of the *intifada*, when Arafat and the PLO hierarchy were headquartered in Tunis. Dozens of countries, especially from the Arab and Muslim worlds and the Soviet bloc, gave diplomatic recognition to independent "Palestine," but neither the United States nor any major Western European nation recognized this "virtual" state. A UDI in 1999, however, is liable to be viewed differently. The chief difference between then and now is the issue of territoriality. Today, Arafat controls at least part of the territory he would claim for his state. In fact, he heads a Palestinian government located within historic Palestine, backed by a Palestinian military force. Another important difference is that the PLO today enjoys official recog-

dition from Israel and the United States, along with important bilateral agreements and relations with both. With Israel, a key element of the Palestinians' relationship is the mutual commitment to resolve all disputes through negotiations, rather than through unilateral acts or violence, but that by itself may not suffice to prevent many countries who did not recognize UDI in 1988 from doing so in 1999.

If, as envisioned, the Wye River Memorandum does lead to the convening of long-overdue final status negotiations, then the explosive question of a Palestinian UDI may be put on hold. That is because, for the Palestinians, the question of independent statehood will almost surely be the first item on the final status agenda. The Palestinian approach is that once the two parties agree on the establishment of a Palestinian state, the new state can proceed with negotiations for a formal peace treaty with Israel. By this route, the Palestinians would agree to forgo a unilateral declaration of statehood in favor of establishing a state via mutual agreement with Israel. Only later would the two sides discuss possible limitations on the state's powers, both security-related and others, which that state would accept for itself.

For Israel, this sequence of negotiations is dangerous, because once a Palestinian state is established, it will reject any significant limits on its sovereignty. Therefore, Israel has a strong incentive to pursue a final status agreement through exactly the reverse order of events. The first step is for the two parties to negotiate the terms and conditions for the establishment of a Palestinian state, such as its borders, limitations, and security relationship with Israel. Only once these conditions are fixed and accepted by both sides would they turn to the next item, the joint agreement to establish a Palestinian state.

In retrospect, some may argue that this approach should have been adopted long ago. If Israel had asked Arafat in an earlier phase of the process what was his main aspiration in negotiations with Israel, he would have replied that his overarching goal was to establish the State of Palestine during his lifetime. It is reasonable to assume that Arafat would have been willing to pay a higher "price" for Israeli consent to the establishment of a Palestinian state in the past than he is willing to pay today. Theoretically, Arafat would have achieved his dream of leading the Palestinians to independence much earlier, with him serving as the founding president of the Palestinian state, and Israel would

have gained some advantages in the process that may not be possible today. This would have allowed both Palestinians and Israelis to save time, money, and—most important—blood. Of course, history is replete with “what if” scenarios; one can never be sure that the situation for all sides was ripe enough for them to address the complex issue of Palestinian statehood before now.

Regardless of what was or was not done in the past, the two parties can still adopt the proper approach to resolving their conflict. Psychologically and strategically, the starting point for Israel should be that a Palestinian state is inevitable. Israel's objective should be to use final status negotiations to define the shape and type of a Palestinian state with which it would prefer to live side-by-side in the future. Israel's strategic interests will be served best if a Palestinian state comes into existence as a product of negotiations and mutual consent. Therefore, Israel should welcome the inclusion of statehood as a central item on the agenda of final status negotiations and should seek to shape, through those negotiations, the size and powers of the state that will emerge.

In Israel, the basic divide is between those who advocate “separation” between the two peoples and their political entities and those who argue that only by cooperation and integration can the two sides maximize their security and reach their full economic, social, and political potential. In reality, this is a largely sterile debate. The combination of both perspectives is unavoidable. Total separation is unfeasible and total integration too risky. Finding the proper balance should be one of the main objectives of negotiations.

A WIN-WIN APPROACH

Israel must realize that the Palestinians will come to the bargaining table with their own basic objectives. Even if the understood basis of negotiations is the eventual establishment of a Palestinian state, the Palestinians will do everything they can to ensure that their state is viable—territorially, politically, and economically. They will oppose the creation of a state composed of enclaves, patches of territory lacking contiguity. They will want direct, territorial links with other Arab countries—Jordan and Egypt—and will demand control over border crossings. They will seek to avoid having either extraterritorial enclaves (Israeli settlements) within their territory or armed foreign citizens (Israeli settlers) free to act outside of Palestinian law. They will expect Israel and the international community to take the preeminent role in settling the refugee problem. In economic matters, the Palestinians may accept the principle of cooperation with Israel as the route to economic prosperity, but they will reject any effort by Israel to exploit its military or economic power to obtain advantages that Palestinians believe are contrary to justice and international law. In general, even if Palestinians recognize that their sovereignty will be, to some extent, circumscribed, they will want to maximize their powers and will want Israel—and the world—to treat it respectfully as a fully sovereign state.

Israel, of course, does not need to accept Palestinian objectives as unalterable facts of the negotiations. Yet, it is important for Israelis to realize that an agreement that extracts the maximum concessions from Palestinians may be a bad agreement—that is, it would be an agreement that has within it the seeds of future conflict. Israel has an interest in reaching an agreement that not only safeguards Israel's security but also satisfies Palestinian political aspirations (or, at least, one that

does not leave Palestinians too dissatisfied). Israel has no interest in seeking to perpetuate an arrangement in which the Palestinian state lives with a sense of suffocation, with a feeling that a one-sided agreement was forced upon it, and with the gnawing sense that something must be done to change its terms or nullify the deal altogether.

Therefore, Israel should reject a zero-sum approach—in which one party's gain must result in the other party's loss—and instead pursue a win-win approach. The former invariably begets bad agreements that are unlikely to last for long. The latter always produces agreements in which each party has a stake. For the two sides to reach such a positive agreement, each must take into account the concerns and essential interests of the other. Whereas even this route will not ensure a stable, lasting agreement, pursuing the adversarial alternative is sure to produce an agreement that is short-lived.

JORDAN'S ROLE

For Israel, it is important not to view discussion of the establishment of a Palestinian state as a solely bilateral affair. A third party—the Hashemite Kingdom of Jordan—can and should be a central player in this process. Indeed, Israel has a strong interest in ensuring that the shape and powers of a Palestinian state be determined with Jordan's consent and participation, no less than Israel's, and that Palestinian–Jordanian cooperation be enshrined as a structural aspect of Palestinian statehood from the very moment of the founding of the new state. Moreover, Israel has an interest in participating in some elements of Jordanian–Palestinian cooperation, effectively making such cooperation trilateral.

It would be a serious mistake to isolate Jordan from the process of establishing a Palestinian state. Maintaining such a distinction would be artificial. Jordan is intrinsically and existentially connected to the Palestinian question in numerous ways—from geography (borders) to demography (refugees); and from water, particularly the Jordan River, to natural resources, such as the Dead Sea. The capstone of all issues, of course, is religion—and specifically, the status of Jerusalem. The establishment of a Palestinian state will have a direct and immediate impact on Jordan in all these areas; the effect can be either positive or negative, depending to a great extent on the role Jordan plays in the process of establishing a Palestinian state. Conversely, the future of the Palestinian state will be shaped by its relationship with Jordan, which can also be a force for good or bad as far as Palestinians are concerned. For Israel, the involvement of Jordan—especially in security arrangements—is absolutely essential. Overall, if Jordan is brought properly into the process, the prospect

for regional stability within the Israeli–Palestinian–Jordanian triangle will be enhanced immeasurably.

Conversely, if final status talks reach a stalemate and the Palestinians fulfill their threat to issue a UDI, Jordanian interests will be adversely affected. If violent hostilities erupt between Israel and the Palestinians, they may spill over into Jordan and provoke a range of political, military, and ideological challenges to the Hashemite regime. One can even imagine Jordan being used as a tool in Arafat's UDI strategy toward Israel. In this scenario, he might try to pacify Israelis after declaring unilateral independence by immediately inviting Jordan to create a Jordanian–Palestinian confederation; this confederation might then offer to sign its own peace treaty (or at least security agreement) with Israel.

Under the proper circumstances, Israel would welcome the creation of a Jordanian–Palestinian confederation. The basic conditions are that such a confederation be established with Jordan's full consent, that its creation and operation not put Jordan at risk, and that the confederation support and fully participate in security arrangements with Israel.

From Israel's perspective, Jordan would ideally be a full participant in the negotiations over final status, although facing two Arab parties at the same bargaining table at the same time can be a disadvantage. Jordan's role in final status negotiations could have been raised in the original Oslo talks, but only after the conclusion of those early negotiations did Prime Minister Yitzhak Rabin contact King Hussein, inaugurating the peacemaking process between them. Within a relatively short period of time, the Israelis and Jordanians reached a series of agreements, including a peace treaty, in which the two sides agreed on many items touching on the Palestinian issue. In addition, the two sides forged extensive bilateral security relations and, with Washington's blessing, Jordan emerged as a tacit partner in Israel's growing strategic relationship with Turkey. In any case, given the long history of Jordanian–Palestinian suspicion and mistrust, the Palestinians are not likely to approve of a formal Jordanian role in final status talks.

Even if Jordan is unlikely to sit at the bargaining table alongside Israel and the Palestinians, it is important to recognize the full scale of the Jordanian component in those talks. Each of these three parties views the Israeli–Palestinian conflict as constituting a threat to its very

existence: Israelis consider their continued control over more than 2.5 million Palestinians in the West Bank, Gaza, and eastern Jerusalem as a mortal danger to its character as a Jewish democratic state; Palestinians see the possible denial of their right of self-determination and their right to establish an independent state as an existential challenge; and Hashemite Jordanians calculate that the risks to their regime of a failed peace process (or a peace process that succeeds solely at their expense) are a threat to their very survival. From a security perspective, among others, Israel, Jordan, and Palestine also constitute a single unit. Stability in this political–geographic triangle will have a positive effect on the stability of the entire region.

Thanks to the spread of a large Palestinian population among the three entities, this tripartite region should also be viewed demographically as a single bloc. Even in the most benign circumstances, the large Palestinian minority in Israel (about 1 million) and the even larger Palestinian population in Jordan (almost surely a majority, with most educated guesses allotting it about 60 percent of the country's more than 4.5 million population) will have strong links to any Palestinian state in the West Bank and Gaza. And, of course, the movement of refugees among the three entities—either voluntary or forced—is sure to affect all of them.

In approaching final status negotiations with the Palestinians, Israelis must keep in mind the importance of Jordan for Israel's security interests. Jordan serves as a critical buffer against dangers from the east—both from Iraq and from Iran; close Jordanian ties with either (or both) of those states would pose a strategic threat to Israel. Similarly, the potential for an alliance between Jordan and Syria would pose a major strategic challenge to Israel. Indeed, from Israel's perspective, one of the main achievements from the Israel–Jordan peace treaty is the effective death-knell it sounded to what Israel had once called its “eastern front.” Indeed, as long as Jordan remains at peace with Israel, there is no threat of an eastern front. As a result, Jordan–Israel peace provided Israel with a new type of strategic depth—a forward strategic depth. If bilateral security cooperation with Jordan continues to deepen, one could almost go so far as to say that Israel's security border has moved eastward, to the Jordan–Iraq frontier. In the ideal set-up, from the view of Israeli strategic planners, Israel's strate-

gic depth to the east would then include a demilitarized Palestinian belt immediately to Israel's east and the Jordanian belt stretching from the Jordan River to the Iraqi border, which—according to the Israel–Jordan peace treaty—no foreign forces are allowed to enter; between those two belts would be sandwiched the Jordan Valley, in which Israeli forces would remain stationed.¹

If bilateral cooperation between Jordan and Israel currently lessens the dangers of conventional war, in the future it may also facilitate defense against ballistic missiles from Iraq or Iran. This can be done in various ways, ranging from cooperation in early warning and other intelligence to the deployment on Jordanian soil of means for intercepting missiles and aircraft on their way from the east. The possible deployment inside Jordan of early warning systems or the Arrow anti-missile missile system are examples of such “forward defense.” Such a deployment would extend antimissile defense to Jordan and the future Palestinian state, as well as to Israel.

It is important to note that popular disappointment with the pace at which the two sides have reaped the economic benefits of Israeli–Jordanian peace, especially in Jordan, has not undermined the pace or depth of security cooperation. Not everything about this relationship has become public knowledge, but it is no exaggeration to characterize the achievements as impressive.²

From Israel's perspective, Jordan's contribution on matters of internal security is also crucial. Here, the two key facts of geography are that Jordan will have borders with both Israel and the Palestinian state and that the Jordanian–Israeli border is Israel's longest. As a result, Jordan will play a key role in controlling border crossings and in fighting terrorism, against radical groups operating in Jordan as well as terrorists from other countries crossing Jordanian territory as a way into the Palestinian state and Israel. In this regard, Israel needs to put a high value on the need for effective Jordanian–Palestinian cooperation on counterterrorism, no less than on Israeli–Jordanian and Israeli–Palestinian cooperation. It is vital for Israel that all three parties play their roles in what must be viewed as a joint war on terrorism.

In general, Israelis must recognize not only their own strategic interest in a strong, stable, and secure Jordan, but also Jordan's interest in everything that transpires in the West Bank, on a day-to-day

basis and over the long term.³ Every shock on the West Bank is felt on the East Bank, causing reverberations there. Whoever fears Palestinian subversion in Jordan or Palestinian irredentism against the Hashemites must do everything to prevent it. A Palestinian takeover in Jordan would be a strategic nightmare for Israel and a destabilizing earthquake liable to rattle the entire region. If Palestinians were to rule Amman, that could mark the establishment of a single, large Palestinian state stretching from Iraq to Israel's coastal plane. Clearly, Jordanian cooperation with Israel should limit this danger. For this reason, Israel should be interested in Jordanian involvement in the final status settlement with the Palestinians.

Striking the proper balance between cooperating with Jordan and seeking a lasting agreement with the Palestinians is a tricky and difficult task. Whereas Israel has an interest in the stability and integrity of Jordan, it must also help to nurture stability within the new Palestinian state, lest an unstable regime there seek external outlets for its internal problems. These are connected vessels, which can easily affect one other.

Along the way, Israel must be considerate of Jordan's multiple interests. It would be a mistake to treat Jordan as if it were a state under Israel's protection or to forget that Jordan is an Arab country, with inter-Arab commitments. (For example, Israel should not expect Jordan to agree to any unilateral Israeli decision to annex the Jordan Valley.) Certain Jordanian interests are liable to conflict with certain Israeli interests; for example, Jordanians will prefer a much larger flow of Palestinian refugees from the East Bank to the West Bank than Israel would, and Amman would prefer a larger, more contiguous Palestinian entity to accommodate larger numbers of refugees than Israel would. Even under King Hussein, Jordanian-Israeli relations were sensitive and fragile; with his death (and the departure of former Crown Prince Hassan from an active leadership position), the sensitivity and fragility of relations may deepen. Nevertheless, if proper leadership is exerted by new King Abdullah and the Israeli government, this relationship can be husbanded in a manner that serves the interests of both sides and, over the long term, can also advance the interests of moderate, constructive elements within Palestinian society.

NOTES

- 1 To some extent, a similar effect also exists along Israel's southern front. Because of the demilitarization of the Sinai Peninsula mandated by the Egypt–Israel peace treaty, Israel's security border has moved from the international border to the Suez Canal, which the Egyptian military is not allowed to cross with large armored forces. Here, too, Israel has formed a forward strategic depth as a result of the peace treaty.
- 2 Moreover, Jordan is also a tacit, but not secret, partner in the burgeoning Israel–Turkey security relationship. Israel has an interest in eventually bringing the Palestinian state into this arrangement as a way to legitimate and even strengthen it. Throughout, it is important for Israel to keep this partnership at a level short of an alliance, so as not to irritate Syria unnecessarily or trigger resistance from Egypt. The goal should be to forge an essentially defensive security regime among the participants.
- 3 Whereas Israel's Labor party for decades had long recognized that Jordan had a stake in the West Bank, this has only recently become accepted within the Israeli right, including the Likud. In the past, when they wanted to articulate their opposition to the establishment of a Palestinian state, Likud leaders often maintained that "Jordan is Palestine," meaning that the obstacle to peace was the Hashemites because they blocked the Palestinian majority in Jordan from creating a Palestinian state east of the Jordan River. With Ariel Sharon, this slogan took on an operational form; signs indicate that, in an earlier period, he was willing to lend tangible assistance to the effort to transform Jordan into a Palestinian-ruled state. His constructive relations with Jordan since serving as minister in Binyamin Netanyahu's government suggest that even he has undergone a change of attitude on this matter.

ISRAEL'S PRECONDITIONS: A PREFATORY NOTE

The following will examine in detail the conditions that Israel should demand during negotiations with the Palestinians for the establishment of a Palestinian state. This exercise focuses only on those conditions related to security. Meeting those conditions would ensure that the establishment of a Palestinian state would pose the minimum risk to Israel's security. Discussing "security" invariably leads to discussing many of the issues on the agenda of final status negotiations. Some are directly related to the question of security, as they can have an immediate effect on Israel's security. How the two parties resolve the issue of Palestinian refugees, for example, has direct bearing on Israel's existence. In contrast, the question of Jerusalem may have vital symbolic, national, and religious importance, but its resolution is not a question of Israel's security. Therefore, this paper will not deal with Israel's conditions on the issue of Jerusalem. Other issues, such as borders and settlements, have both political *and* security aspects, but only the security aspects will be discussed here.

Yet, even to discuss these items in such a way raises an important cautionary note. It would be a grave mistake to discuss the establishment of the Palestinian state separately from the other final status issues, and it would be a tactical error of the greatest magnitude to separate the individual items from each other and negotiate them separately. For example, it is not possible to resolve the question of settlements and then proceed to the question of refugees, or to resolve the question of Jerusalem and then move to the question of borders; such a step-by-step approach is artificial, and even to attempt negotiations

in such a fashion would be counterproductive.

Instead, Israel should seek to have all the items in a single basket, addressed in a comprehensive manner, so as to allow the parties enough room to make compromises between issues as well as on individual items. In this way, either party can compensate for compromises on one issue with compromises by the other party on another issue. If, for example, the Palestinians know they may receive a major Israeli concession on the issue of borders or water resources, they are more likely to offer their own major concession on the issue of refugees or security—and vice versa. In this way, the parties will be able to negotiate more effectively and with greater maneuverability. Because the parties will deal with the whole picture, rather than with each issue separately, they can achieve better tradeoffs, as well as a more satisfying, creative and comprehensive settlement.

Reaching a comprehensive agreement, however, does not necessarily mean that its implementation will occur in a “big bang.” On the contrary, the implementation of various aspects of an agreement can be phased over time. This could be the case, for example, for the evacuation of certain settlements and the consolidation of others into settlement blocs; phasing could also apply to the absorption of refugees into a Palestinian state, so as to protect the fledgling state’s economic and political stability.

The starting point of negotiations should be that if the two parties agree on the preconditions outlined herein, then Israel will agree in principle on the eventual creation of a Palestinian state, with subsequent talks necessary to reach detailed agreement on all items on the agenda. The purpose of negotiations is to define, through mutual agreement, the size, powers, conditions, and limitations of that state in advance of its establishment. Throughout, it is important for the negotiators to keep in mind their strategic objective—to reach an agreement that ends the Israeli–Palestinian conflict, once and for all.

BORDERS

Defining the borders between the State of Israel and the Palestinian state will be a fundamental issue of final status negotiations. A state needs borders, without which it is not a clearly defined entity. Most of a state's borders should be demarcated by the time it is established, because without borders it is difficult for other states to give it diplomatic recognition.

Of course, a number of countries' borders remained undefined for many years after independence. Often, borders are left unclear because of border conflicts or because a stronger state opposes the territorial claim of a weaker neighbor. In the Middle East, many states have borders that are not currently defined, or that remained undefined for many years, or that are not recognized by neighboring states. The borders between Iraq and Kuwait, between Saudi Arabia and Yemen, between Qatar and Bahrain, between Egypt and Sudan and between Egypt and Libya are among the region's disputed frontiers.

Israel's own borders have not been clearly defined since the time of its independence and have, from time to time, been altered over the past half-century. Sometimes borders changed as a result of war, sometimes as a result of peace; once, in the case of Taba, the border was altered through international arbitration. An interesting episode occurred in the Jordan-Israel peace treaty. According to that agreement, large sections of the border were redrawn, but Jordan refused to demarcate borders with Israel in that part of the Jordan Valley where the Palestinian entity is supposed to be located. In addition, the Jordan-Israel treaty included, for the first time in Arab-Israeli peacemaking, the precedent of territorial exchanges and the inclusion of special arrangements for Israeli presence beyond the international border. These include the leasing by Israel

of sovereign Jordanian territory and, elsewhere, the creation of a special regime in the Arava region in which Israel is permitted to continue farming and drilling for water, on condition that it coordinates with the Jordanians in advance of its activities.

The Israeli–Palestinian case may offer its own unique aspects. For example, it is possible that the process of demarcating borders will not be completed in a single act, with every inch of the new state’s frontier clearly defined before the new state’s founding. Instead, decisions could be made over time, perhaps in phases, linked to other items on the final status agenda.

One could envision a situation in which both parties decide that a given area (or areas) will be declared as a “security zone,” the final disposition of which will be decided after a predetermined period.¹ According to this option, the two parties would reach agreement wherever they could. In disputed areas, security zones would be established that would remain under Israeli military control for a defined number of years. During that period, Israel would not be allowed to establish new settlements within the geographical boundaries of these zones or make any significant changes there. Assuming the period passed peacefully, by the end of the prearranged period, the two parties would, through mutual agreement, decide the ultimate sovereign status of the zones. Palestinians could reasonably assume that the size of their territory would be enlarged by the end of this process.

For Israel, the main objective in defining borders is to ensure that the country’s final frontiers are defensible against any kind of attack. This term—defensible borders—is frequently used. Even United Nations Security Council Resolution 242, the basis of Arab–Israeli peace-making, uses this concept: “To live in peace within secure and recognized boundaries, free from threats and acts of force.” To any Israeli, however, it is apparent that the authors of this phrase were not very familiar with Israel’s geography. It is extremely difficult to establish truly defensible borders for a small state like Israel, particularly as there are almost no suitable geographic features on which to fit the borders, either within the state or nearby. On many occasions, it has become painfully clear that territorial proposals coming from well-meaning outsiders are meaningless because they are based on faulty or inadequate knowledge of the geography of the Israeli–Palestinian

and Israeli–Arab conflicts. This is especially true of proposals made by people who come from large countries with major geographic formations like high mountain ranges, wide rivers, or vast wildernesses, all of which provide width and depth to make borders defensible. For Israel, the term “defensible borders” is—owing to the geography and small size of the state—an abstract concept. (In truth, the same can be said about the future Palestinian state, but because this state will be adjacent to other Arab countries, it will have a degree of strategic depth that Israel will never have.) The structural difficulty in establishing defensible borders for Israel is the main reason some strategists and political leaders have suggested that the country’s security borders may not always be identical to its political borders.

For lack of a better option, Israel must determine clear criteria for demarcating its borders. Important as these criteria may be, they will obviously be hard to enforce everywhere, and at times they may even contradict each other. The first such criterion concerns assessing potential near-term and long-term threats to Israel’s security that could emanate from within the Palestinian territory along Israel’s eastern, northeastern, and southern borders. In analyzing these threats, Israel must consider the possibility of an external threat as well as the threats of terrorist attacks and cross-border infiltration; Israel has to consider the dangers to which it has been and will be exposed if peace is not kept.

Another criterion in defining Israel’s border requirements is to determine which areas are the most critical for the defense of the state—that is, areas where Israel has interests that are vital or even essential for its existence. This would include, for example, areas necessary for defending the narrow coastal plane, where the country’s main cities, industries, and scientific centers are located. Other examples of areas where Israel has interests vital to its existence include the state’s water resources or the zone around Ben Gurion Airport, the country’s major international gateway, which should not be within the range of foreign artillery or small anti-aircraft missiles.

A third important criterion is the need to avoid, as much as possible, the inclusion of a large number of Palestinians within Israel’s borders. Given the demographic and political implications of the already growing Palestinian minority within the state, Israel has a strong interest in preventing any unnecessary expansion of its Arab popula-

tion. Here, however, Israel may face a dilemma. On the one hand, Israel needs to expand, to the extent possible, the territory it controls, to protect the state's water resources and increase its strategic depth. On the other hand, Israel has an interest in limiting expansion if the territory under consideration has a large Palestinian population that would come under Israeli control. Those who define Israel's border have to find a suitable formula that will be a compromise between, on the one hand, the needs of security, geography, and the importance of protecting water resources and, on the other hand, the need to avoid excessive demographic hazards.

At the same time, Israel has a demographic interest running in the opposite direction—the need to avoid leaving excessive numbers of Israelis outside Israel's sovereign borders in the area designated for the Palestinian state. This, too, may become a source of troubles between the two states, and every effort should be made early on to limit the scope of the problem.

In the end, the solution for the demographic problem may involve some form of negotiated population exchange, but all signs indicate that such a possibility is highly unlikely in the Israeli–Palestinian context. Some Israelis and Palestinians will want to remain in their towns and villages; given an option, some—though not many—are more likely to prefer having the political status of the territories in which they live change hands from one side to the other rather than have to physically relocate themselves. The key determinants will be the national mood, the security situation, and the ability of the parties to implement the agreement and to guarantee the security of minority groups.

In sum, therefore, Israel's objective is to have borders that minimize the chances of friction with the Palestinian state, be it friction caused by demography, economics (water and natural resources), or of course, military threats.

Some add to these three criteria another requirement—the need to prevent confrontation between Israeli settlements in the territories and the surrounding Palestinian population, as well as to preserve the ability to defend each settlement. This condition will be especially difficult to meet, as it will be nearly impossible to draw borders that allow satisfactory defense for all the settlements Israel has built in the West Bank and the Gaza Strip. Even the informal agreement of understand-

ing between Palestinian negotiator and PLO leader Mahmud Abbas (Abu Mazen) and Labor Member of Knesset Yossi Beilin failed to reach agreement on a final status map in which all the settlements remained within Israel's territory. Indeed, if the Beilin–Abu Mazen understanding constituted *any* achievement it was that the parties were able to include *most* of the settlers within Israel's borders. The understanding did not include all the settlements, and certainly not all the main roads leading from Israel toward the Jordan Valley through the territory of the future Palestinian state. Defending such a distorted border is almost a military impossibility, especially given that the relationship between Israelis and Palestinians, after decades of conflict, is so complex and sensitive.

In light of the above, and to protect the territories essential in determining its sovereign borders with a future Palestinian state, Israel must do the following:

1) *Expand the coastal plain eastward.* The wider the strip, the better able Israel will be to defend the state's main population centers and key industrial and other strategic sites, as well as to protect the state's vital water sources. Expanding the coastal plain will also provide for the defense of the so-called "seam line," which separates the Israeli and Palestinian settlements.

2) *Widen both sides of the Jerusalem corridor.* This narrow territorial connector that runs from the coastal plain to the capital city will have Palestinian territory to its north and south. Israel must therefore widen the access from the coastal plain to Jerusalem to guarantee that transport and communication with Jerusalem does not rely on a single route. Israel should also expand into the area east of Jerusalem, toward the town of Ma'aleh Adumim, which, in practical terms, has become the eastern suburb of the capital and an integral part of the city.

3) *Remain in the territory that was at one time designated in the "Allon Plan."* Named for former foreign minister and military strategist Yigal Allon, the plan includes the Jordan Valley and the eastern portion of the Judean Desert. A portion of this area can be designated as security zones to remain in Israel's hands, with its final disposition determined at some future date, based on the overall security situation and the experience of peace. Control of this region is essential to provide security against potential external threats from an eastern direc-

tion. This will also provide a solid infrastructure for security arrangements in the Israeli–Palestinian–Jordanian triangle.

As for Gaza, Israel has no essential security requirements that need to be reflected in border changes. There, the overriding common interest is to increase the viability of the future Palestinian state, which may require Israeli actions to preserve adequate land reserves and water resources for the Palestinians.

Two other principles are critical. First, given its small size, Israel must reject the principle of trading territory currently within its sovereign borders for the additional territory described above. And second, once agreed upon, the border between Israel and the Palestinian state must be inviolable and not subject to further claims. Specifically, the Palestinians must renounce any future claims to any territory outside of the mutually agreed border and renounce any claims of responsibility for or representation of the Arab citizens of Israel.

As for the move to permanent borders themselves, this process will take place in stages, with the creation of security zones between the two states in interim stages to deal with areas of mixed populations. Overall, Israel's interests lie in establishing a demarcated border to prevent infiltration of Palestinians and Arabs from other countries. Borders are essential to prevent a Palestinian "return" to Israel by the back door.

NOTES

- 1 This was proposed to Prime Minister Binyamin Netanyahu by one key adviser, Maj. Gen. (res.) Avraham Tamir, the former director-general of the Foreign Ministry whose role in peacemaking dates back to the original Egypt–Israel negotiations.

WATER

In the Middle East, water is a strategic commodity, over which nations have fought wars and made alliances. Israel treats this issue as one of strategic importance and will give it a central role in negotiations over the establishment of a Palestinian state, no less important than more traditional security concerns. Yet, more than any other issue, water also has the ability to promote productive cooperation between the parties, if they truly intend to live peacefully alongside each other. Unlike geographic borders, which are relatively easy to demarcate, water flows according to its own logic, irrespective of political differences. Not only does water flow underground, but these subterranean aquifers cross boundaries between states. Moreover, unlike other assets a state may have, water is a vulnerable commodity; for example, unsupervised drilling or pollution of the aquifer on one side of the border can immediately affect the flow of water on the other side of the border. This means that merely erecting high fences between adversarial neighbors is not sufficient to protect one party's water resources from another party.

About 60 percent of Israel's water comes either from aquifers located in the West Bank or from aquifers inside pre-1967 Israel which are themselves connected to the West Bank. The linkages are so tight that aquifers on Israel's coastal plane are directly affected by drilling in the West Bank. The reverse is true in Gaza—the water supply for the Gaza Strip is largely dependent on water from Israel.

Israel's objectives are to protect its water sources, prevent their contamination, and insulate them from the chaos in the Palestinian water market that might ensue with the onset of statehood. These objectives can be achieved only through active and ongoing cooperation between Israel and the Palestinian state. Without clear, detailed, and unambiguous commitment to such cooperation—including firm guar-

antees that Israel's water sources will never be harmed, directly or indirectly—it is doubtful whether Israel can acquiesce in the establishment of a Palestinian state. This is a precondition upon which Israel must insist vigorously. (For Israel, it is quite desirable that Jordan also participate in cooperation concerning those water sources it shares with Israel and Palestine, such as the Jordan River.)

As Israel works toward these objectives, it is also important to keep in mind a sense of fairness regarding water usage and the prospect that inequities can promote instability. It is not politically tenable, for example, for citizens on one side of the border to have an abundance of clean water while those on the other side of the border have a supply that is either insufficient or dirty, or both. Similarly, it is not sustainable, in a final status context, for Israeli settlers in the West Bank to enjoy three or four times more water than their Palestinian neighbors, with Jewish children playing in swimming pools while nearby Arab children lack enough water to bathe. Ariel Sharon, Binyamin Netanyahu's minister of infrastructure, was one Israeli official who understood this problem and told Palestinian leaders that he was in favor of equal sharing of the water among residents of the West Bank, Palestinians and Israelis. Yet, his approach has been to keep ultimate control over the water sources in Israel's hands. In other words, Sharon's idea is to distribute water equally but not distribute equally the territorial control over water resources. As they negotiate the terms for the establishment of their own state, the Palestinians are not likely to accept this proposal.

Even those in Israel who are willing to accept the principle of a different distribution of water supplies between Palestinians and Israelis repeatedly emphasize the 1966 Helsinki Convention, which addresses the question of fair distribution of water among states. One of the principles underlying that convention is the idea that, in determining formulas for such distribution, careful care must be given to ensure that transferring water to one side will not significantly harm the state providing the water. In other words, the transfer itself should not lead to a significant adverse affect on the lifestyle of those giving up their water for their neighbor's benefit. Therefore, current usage is a factor that must be given strong consideration in these negotiations. How negotiators balance these competing interests will be a difficult task.

Israel must also take into account that rising birth rates in Jordan

and the Palestinian state will accelerate their future demand for water—demands that will be directed mainly at Israel. Even before the Arabs begin to improve their own water sources, they will demand that Israel appropriate some of its water to the Palestinians and Jordanians. For Israel to do so would mean, in effect, paying a political surcharge for having succeeded in its long, uphill effort to develop and improve the quality of its limited water sources.

In thinking about the role of water in final status negotiations, it is important to note that the water issue also already constitutes an important part of the interim agreement between Israel and the Palestinian Authority and that it plays a central role in the Jordan–Israel peace treaty and subsequent bilateral agreements. In the Israeli–Palestinian case, the water agreement for the interim phase makes reference to the Palestinians’ water “rights” in the West Bank (though not in the Jordan River basin, as the Palestinians had first demanded). This was an important, though partial, achievement for the Palestinians. Whereas Israel accepted a Palestinian right to certain amounts of water (which will be reassessed in the future), the Palestinians demanded—but did not receive—“control” over water sources.

During final status negotiations, the Palestinians are almost sure to demand additional amounts of water, and Israel should recognize that the Palestinians have a legitimate claim to more than their current allocation. Israel should be especially magnanimous in regard to drinking water for Palestinians and should even offer to assist the Palestinians in this regard. Israel should also try to meet the Palestinians part way on the question of exercising full control over certain water sources, especially those that provide water mainly to the Palestinian population. The option of joint control over certain water sources, with veto rights for each of the parties, should be examined.

This idea—mutual veto over some water sources—is the principal compromise Israel should offer. Yet, in other areas, Israel must be very careful to ensure that its rights are not adversely affected. Israel must be especially vigilant to prevent anything that may cause water sources—either under Israel’s sole control or those under joint control—to be damaged. Israel must also be careful not to allow any possible contamination of or damage to its water quality. Israel should insist that the joint water plan include a “joint supervision” system, in which there is swift and

strict enforcement, through a joint mechanism, of all laws and regulations concerning water usage within the Palestinian state, so as to prevent rogue drilling and unlawful pumping. In the absence of agreement on water usage, past distribution patterns should remain in force.

One way to protect the water sources is by correcting the border on the coastal plain. (This is also necessary, from a military point of view, to defend Israel's "narrow hips.") Water experts say that Israel has an interest in ensuring that no unauthorized drilling occurs in a zone two to six kilometers east of the Green Line, inside the West Bank. Israel also must make sure the Palestinian state has clearly defined plans for regulating sewage water, which is a main source of contamination and can all too easily drift over the Israeli side of the border.

(In this regard, the Palestinian state needs to commit itself to full cooperation with Israel on an array of other environmental security issues, recognizing that actions on one side of the border can cause irreparable harm on the other side of the border. This includes specific commitments to protect joint natural resources, including water and Dead Sea minerals. This is in addition to a commitment on a joint effort to prevent all forms of environmental pollution.)

A rigorous water regime will also benefit the Palestinians by safeguarding their water sources. Otherwise, the Palestinians can expect an accelerated process of water salination in the West Bank that will be detrimental to the political viability and future economic development of their state. This would be similar to that which occurred in the Gaza Strip after the Israeli withdrawal, when Palestinian civilians drilled hundreds of wells without obtaining permits from the PA. The Israeli-Palestinian joint plan should include a chapter on creating new water sources for both parties, whether by purifying sewage water, damming flood waters, or building large desalination facilities. All this is possible if the Palestinians accept the basic principle of preventing any danger to Israel's water sources. For Israel's part, it is necessary to agree in advance that the water serving Israeli settlements in Palestinian territory will be disconnected from the Palestinian water system and that the settlements will, in the future, receive their water supplies directly from Israel. As a first step, Israel should stop its practice of drawing water for settlements from the eastern aquifer in the West Bank, as that water source should be entirely at the Palestinians' disposal.

SETTLEMENTS

The question of Israeli settlements is one of the most difficult and sensitive on the agenda for final status negotiations. There are 144 settlements in the territories: 122 in the West Bank and 22 in Gaza; these numbers do not include neighborhoods built inside the expanded municipal boundaries of Jerusalem, which Palestinians consider to be settlements. According to September 1998 statistics from the Israeli Ministry of Interior, the total population of the 144 settlements is 169,327, with 163,161 in the West Bank and the 6,166 in Gaza. More than half of the residents live in nine large settlements, such as: Ma'aleh Adumim, Ariel, Givat Ze'ev, Efrat, Kiryat Sefer and Beitar, the latter two of which contain a large Haredi (ultra-orthodox) population.

For Palestinians, nothing epitomizes the Israeli occupation more than settlement activity. Most Palestinians do not believe that a Palestinian state can exist as a viable political entity as long as settlements remain in its midst. For Israelis, settlement in the areas commonly known by their biblical names—Judea and Samaria—combines issues of security, history, and ideology. But it also has a very practical aspect, because any decision regarding the settlements will have an immediate effect on tens of thousands of Israeli families who are settlers. Indeed, for Israel, the question of settlements is first and foremost an issue of national cohesion; a decision to evacuate settlements could fuel deep national divisions and might even spark a civil war whose psychological shock and human cost could far outweigh the benefit of peace with the Palestinians. This is a danger that no Israeli leader can afford to ignore.

In relating the question of settlements to the overall issue of negotiating for the establishment of a Palestinian state, it is important to

place the settlement story in historical context. Both major Israeli parties—Labor and Likud—share responsibility for building settlements, because both supported, funded, and built settlements while in power. Yet, the two parties did not share the same approach to the placement of settlements within the territories. Although Labor did permit the inauguration of Kiryat Arba, on a hill overlooking the West Bank city of Hebron, Labor's settlement construction generally focused on the sparsely populated Jordan Valley and the region around the capital city of Jerusalem; in the decade following the 1967 war, when Labor was in power, only about 10,000 Israelis moved into a small number of settlements, primarily in the Jordan Valley. Likud took a different approach. The current pattern of settlement placement—with numerous small settlements scattered throughout the territories, especially in proximity to densely populated Palestinian areas—was designed and implemented by Likud governments with a strategic purpose in mind: to prevent, in the short run, the creation of a territorially contiguous Palestinian autonomy and, in the long run, to prevent the establishment of a Palestinian state. That is the obvious intent of constructing dozens of tiny settlements, often on the outskirts of Palestinian towns and cities, rather than establishing large settlements that are, by their very nature, easier to defend.

Given this background, one cannot accept complaints by settlement supporters that Israeli redeployments in the West Bank leave some settlements isolated and difficult to defend; their isolation is precisely what the settlement planners intended as a way to tie the government's hand. Therefore, decisions about the scope and areas of Israeli withdrawals should be viewed only through the lens of what best serves Israel's interest in realizing a comprehensive peace treaty with the Palestinians, not to satisfy the demands of settlement proponents.¹

Another important aspect of the situation is that the settlers themselves do not constitute a monolithic bloc. Over the years, Israelis have moved to the territories for a variety of reasons: Zionist ideology, religious appeal, economic incentive, or simply convenience and proximity to major urban centers. These different motivations have an important impact on how different groups of settlers view their political future, the future of their settlements, and the question of relocation and compensation.

Finally, it is important to understand the complexity of the security establishment's views regarding the value of settlements for Israel's security. These nuances were reflected in the views of late Prime Minister Yitzhak Rabin. Rabin argued that some settlements were valuable for Israel's security, because they were located on strategically important territory. Other settlements, he said, had no strategic or military significance and should only be viewed as "political" settlements—perhaps important for religious, economic, historical, or ideological reasons, but not because they added to the security of the state. Indeed, some of these, he noted, were a security *burden* to the state. Generally, and not surprisingly, Labor-founded settlements fit Rabin's description of "security" settlements, whereas Likud-founded settlements fit his description of "political" settlements.

One must be careful not to misinterpret this distinction. Even those in Israel who argue that many settlements have no security importance do not deny the security importance of the West Bank itself; the two should not be confused. The complexity of the issue was manifest when the Netanyahu government asked the Israel Defense Forces (IDF) to prepare a map of Israel's military interests in preparation for ministerial discussions on the peace process. Surprisingly, when the General Staff's planning department—to which responsibility for this task was given—prepared its map, it did not include all the settlements on the list of Israel's security interests in the territories. The military explained that security importance could be attributed only to those settlements located in areas defined as having security importance. Examples of these areas are the Jordan Valley or a location adjacent to a crossroads considered by the military to have strategic significance. Interestingly, the IDF did not claim that the settlements were *not* important national interests. Rather, it maintained that such a determination had to be made at the political level, rather than by the military. In an effort to overcome this definitional problem, then–Defense Minister Yitzhak Mordechai and Infrastructure Minister Ariel Sharon each prepared his own set of "security interest" maps. Unlike the IDF's security interest maps, both Mordechai's and Sharon's maps included the settlements.

Although the IDF's set of maps surely did not reflect the army's day-to-day experience with settlers in the territories, there is no avoiding the fact that the two groups clash on a regular basis. Indeed, one

would be hard-pressed to find a general commanding the West Bank who has not run into confrontation with settlers. Often, these confrontations deteriorate into harsh verbal exchanges or even lead to demonstrations in front of the officer's home. Usually, the settlers' complaints focus on the claim that the IDF fails to provide them with adequate protection and that the IDF does not handle the Palestinians with a firm enough hand. In addition to the IDF, the internal security service—the General Security Service (better known by its Hebrew initials, Shin Bet)—has also been the object of accusations and confrontations. The settlers have complained that the Shin Bet was maintaining surveillance on their leaders and attempting to plant its agents among them.

The tug of war between settlers and the security establishment must be viewed against the backdrop of continuous tension between settlers and the local Palestinian population. It is abundantly clear that settlers and their families are exposed to daily security dangers, with many having been killed or injured as a result of sniping, stabbing, and bomb-throwing. At the same time, it is also true that many settlers are routinely armed with weapons issued to them by the IDF or otherwise purchased privately, over which there is only limited supervision by the IDF or the Israeli police. In addition, many of the settlers serve their military reserve duty in the West Bank, a controversial practice that has been criticized for adding to the volatile local political scene by putting settlers into closer proximity to potential conflict with Palestinians.

All this is prelude to a discussion of the overriding political reality of the situation: Ideologically and religiously motivated settlers and their supporters, the strongest, best-organized, and best-funded pressure group in Israel, are staunch opponents of the Oslo accords: They can be expected to oppose any agreement that calls for substantial Israeli withdrawal from the West Bank and which could lead to the establishment of a Palestinian state. Any Israeli government that chooses the path of large-scale territorial compromise as the route to peace will come face-to-face with a confrontation with these settlers and their supporters.

Operationally, two additional facts must be considered. First, from a military perspective, in the event of a full-scale confrontation with the Palestinians, there is virtually no way to defend all the settlements

at the same time. Especially difficult to defend would be those small, isolated settlements abutting large Palestinian population areas. Although the political echelon can indeed order the military to protect those settlements, it is doubtful whether the IDF can deal with this problem without re-occupying the West Bank and most of the Gaza Strip. Moreover, in the event of this kind of confrontation, the job of protecting each of the settlements, their access roads, and related infrastructure (such as electricity, water, telephone, food delivery, and transport) would require most of the IDF, including large reserve forces. The settlers and their vehicles would have to be escorted along designated roads, monopolizing the IDF and preventing it from concentrating on the larger task of preparing for a war against regular armies. Interestingly, when then-Chief of Staff Lt. Gen. Amnon Lipkin-Shahak asked Prime Minister Netanyahu if he thought it was possible to protect all the settlements, Netanyahu's answer was negative. Yet, Netanyahu did not present this position to his cabinet, which to this day has never had a comprehensive discussion on the future of the settlements.

Second, from a national perspective, Israel cannot—and should not—contemplate the forced evacuation of settlers. Such an effort is sure to lead to confrontations that will deteriorate into violent clashes between settlers, on the one hand, and the military and police, on the other hand. These clashes are likely to end in bloodshed of the sort that Israeli society might not be able to sustain. After all, successive governments have told settlers that they should consider themselves patriots for fulfilling a national mission; Israel cannot afford to turn them into refugees within their own country. To prevent this nation-rending experience, Israel must make a much greater effort to reach a national consensus on a solution to this question. This would mean that agreement *among* Israelis comes first, followed by an agreement *between* Israelis and Palestinians.

Clearly, there is no single, easy solution for the settlement question. Solving this dilemma will require different types of solutions, for different circumstances, applied to different communities of settlers; this is a fact of life which the Palestinians will have to accept.

- One key piece of the solution will be found in border revisions. Relatively minor revisions could enable a sizable number of settlements—whose residents constitute a majority of the settlers—to

live within sovereign Israeli territory. (According to the Israeli Ministry of Interior, nearly 90,000 settlers live in the area of greater Jerusalem and in settlements adjacent to the Green Line along the coastal plane.)

- Another part of the solution could be to restructure those settlements that will remain inside Palestinian territory into blocs, with the residents of those settlements given the option of being dual citizens. This would mean that some existing settlements, located in outlying areas, would be closed, with residents relocated into these larger blocs, which would have transportation corridors to Israel.
- For a smaller number of settlers, another part of the solution, broached in discussions between some settlers and PLO officials, would be to maintain some settlements within Palestinian territory, under Palestinian law, with Palestinians having the right to purchase homes in them and to live in them as they would in other communities, all the while protecting in full the civil rights of Israelis who would remain. In this situation, Israelis would live in a Palestinian state on the same term as Israeli Arabs live in Israel.
- Certain other settlements could be defined as “security zones,” the ultimate political disposition of which will be decided through negotiations at some future date.

In contemplating solutions to the settlement issue, one idea must be rejected from the start: extraterritoriality. For the sake of a viable and secure peace, individual settlements remaining in the territory of the Palestinian state should not have extraterritorial status. If they did, the new state of Palestine would consist of little more than a series of patches, enclaves, and roads, and Palestinian police and courts would have no legal jurisdiction over the foreigners (that is, Israelis) who would travel through these Palestinian patches and enclaves on their way to their own patches of land and enclaves of people. If the new Palestinian state is to absorb any refugees—and surely some will return to the West Bank—it is impossible to imagine that a state based on enclaves successfully integrating them. Even if an enclave-based Palestinian state were to come into existence with all the symbols of sovereignty, the imposition of extraterritoriality would always be a

thorn that pricks the Palestinian citizenry and prods them into seeking to change their status vis-à-vis Israel. Under such pressure, the Palestinian state would be hard-pressed to maintain its own national consensus that agreements signed with Israel are worthy of keeping.

With imagination and determination, additional ideas for resolving the settlements question may emerge over time. None of them, however, will succeed unless the two parties truly strive for a solution that will end the conflict between them. If pursued in an atmosphere of goodwill, each phase of implementing arrangements for the settlements could constitute a vital confidence-building step between the parties; if pursued in an atmosphere of mistrust and vengeance, each phase could also prompt a spiral of conflict both between Israelis and Palestinians and among Israelis themselves.

In the interim, Israel should take two steps once final status negotiations begin in earnest. First, as long as negotiations continue, Israel should recognize that it is both unreasonable and counterproductive to permit settlers to seize additional land and to construct what are in effect new settlements. (Although such new settlements are usually within the “planning boundaries” of existing settlements, they are often in reality completely separate communities, more than a kilometer away from the original settlements.) Israel should take the approach that as soon as final status talks commence, only “natural growth” on genuinely contiguous territory would be permitted, not additional “facts on the ground” that could complicate the search for a lasting solution.

Second, to ready itself for almost any reasonable solution, Israel should now begin the process of preparing its population—and especially the settlers—for eventual reorganization of the settlements. The basic principle would be to close down some existing settlements, especially those in outlying, remote areas that are likely to be inside the territory designated for a Palestinian state, and to relocate their residents into large blocs, as close as possible to the Israeli border. Such blocs will be more secure and better able to maintain their own cultural and educational system. These blocs could be organized, for example, in the Jordan Valley, in Gush Etzion, in the area east of Jerusalem, along the Trans-Samaria Highway, in Gush Katif, and elsewhere. Such blocs would include the large majority of settlers currently residing in the territories.

NOTE

- 1 Ironically, the man who conceived and implemented the original plan to disperse settlements and thereby prevent Israeli withdrawals and the establishment of a Palestinian state is none other than Binyamin Netanyahu's foreign minister, Ariel Sharon, who was assigned to head the team conducting final status negotiations with the Palestinians. The question that must be asked is, could Sharon agree to compromises with the Palestinians that would inevitably run counter to the interests of the settlements he himself created?

REFUGEES

Of all items on the agenda of final status negotiations, the refugee problem may be the most difficult to solve. It is the oldest active refugee problem in the world, with some Palestinian refugee camps more than fifty years old. Discussing the question of refugees touches the heart of the Israeli–Palestinian dispute, immediately prompting debate over who bears responsibility for the Arab–Israeli conflict, for the 1948 war, and for creating the refugee problem in the first place. Once that question is settled, the parties move on to a series of other questions—What constitutes a just solution? Should Israel pay the price of the other side’s military defeat? Is the problem amenable to comprehensive or only partial solutions? Where will refugees live? Who owes compensation to whom? Who should pay? And what about the claims of hundreds of thousands of Jewish refugees from Arab countries who lost their property and were forced to flee in the years following the founding of the state of Israel?

Unlike other items on the final status agenda, this one poses basic questions of representation: Does the PLO, and the eventual Palestinian state, represent all Palestinian refugees everywhere, including those who have since become Jordanian citizens, supported for decades by the Jordanian state? Should Jordan be party to negotiations over refugees? Should Jordan receive some compensation directly from these negotiations or should it negotiate separately with the Palestinians (or the Israelis) on this matter? Can the refugee problem be settled without the direct participation of Syria and Lebanon? The question of representation also moves in the opposite direction—that is, Will the PLO, and the eventual Palestinian state, claim to represent those Israeli Arabs who were “internal refugees,” those who

were displaced during the war from their homes and villages and lost their properties?

As difficult as these problems are, there are several immutable facts that the parties must accept if they are to reach a solution to the refugee problem. At the outset, it is important to recognize the enormity of the problem. Although statistics are disputed, the United Nations Relief and Works Agency for Palestinian Refugees (UNRWA) claims there are approximately 3.47 million Palestinian refugees scattered throughout the Middle East and elsewhere, with the largest concentrations in Jordan, the West Bank, and Lebanon.¹ For its part, Israel cannot simply ignore the existence of the refugee problem—regardless of who bears or shares responsibility for its creation. Israel must recognize that the Israeli–Palestinian conflict will not end without a good-faith effort to solve this gnawing problem. If Israelis believe they can sweep the refugee file under the rug, perhaps with the consent of the current Palestinian leadership, they are wrong; the conflict will persist and those who have been ignored or left out of its solution will raise the mantle of war against Israel as though no agreement had ever been signed. This does not mean that Israel has to accept the Palestinian demands—on the contrary, what Palestinians propose would constitute a threat to the existence of the state of Israel—but Israel cannot ignore the existence of the problem altogether. On the contrary, Israel must offer a helping hand and do everything in its power to resolve the refugee problem, so that it does not become an incubator for the eventual resumption of conflict.

For their part, the Palestinians cannot remain oblivious to the fact that their shoddy handling of the refugee problem will have a negative, counterproductive effect on Israel. Israel, they should recall, pursues peace as a choice, not as a wartime necessity; Israel won its wars against the Arabs yet it still chooses to make painful territorial concessions and seek a historic compromise with the Palestinians. Why? The main reason is the heartfelt Israeli desire to remain a Jewish democratic state, not a state that rules over other people through force. Although opinions differ on the wisdom of the Oslo accords, it is quite clear that Yitzhak Rabin and Shimon Peres did not pursue the Oslo path out of a sense of weakness or defeat; on the contrary, despite all the years of wars, terrorism, and *intifada*, they entered the peace pro-

cess still believing that all the territorial cards were firmly in Israel's hands.² Compared to the very real fear of imminent Arab attack and the threat of being driven into the sea, which shaped Israel's national existence for much of the past half century, Israel's current strength constitutes a tremendous change in its strategic situation.

With this in mind, Palestinian leaders must know that Israel's great concession for peace will be territorial—the willingness to permit the establishment of a Palestinian state, as part of a peace treaty. The Palestinian state and the other states where refugees currently reside will have to provide the setting for the solution of the refugee problem; Palestinians cannot expect that Israel will both concede territory *and* absorb Palestinian refugees. That is simply impossible. No Israeli government could agree to shrink the size of the state by withdrawing from territory and then exacerbate the demographic problem inside the state—indeed, threaten the state's existence as a Jewish democracy—by also agreeing to absorb refugees. Adding more Palestinian refugees on top of Israel's already fast-growing Arab population is something that Israel must seek to prevent at all costs.

Both parties, Israel and the Palestinians, should also recognize that there is a third party tied to the refugee problem: Jordan. Jordan has absorbed three waves of Palestinian refugees: in 1948, when the State of Israel was established; in 1967, following the June War; and in 1991, following the Gulf War, when upwards of 300,000 Palestinians carrying Jordanian passports were expelled from Kuwait. For a half-century, Jordan has opened its doors to far more Palestinian refugees than any other Arab country. Throughout, the burden on Jordan—a poor, weak state with few natural resources—was heavy. As Israelis and Palestinians seek to resolve the refugee problem, Jordan expects to have this burden finally eased in all its aspects—politically, demographically, economically, and in terms of natural resources, such as water. Specifically, Jordan expects that, as part of the final resolution of the refugee problem, a certain number of refugees currently residing in Jordan will move across the river to the territory of the Palestinian state. Even if many of the Palestinians choose to remain in Jordan and maintain their businesses there, Jordanians expect that they will be citizens of Palestine, voting for institutions in the Palestinian state. In either situation, Jordan expects substantial financial compensation

for its past support to the refugees and for the still-daunting task ahead of integrating a huge number of them into Jordanian society.

As mentioned above, the first operational principle in solving the refugee problem—a principle that must be recognized before a Palestinian state is established—is that a solution cannot be found *in* Israel, only with the aid and assistance *of* Israel. Whereas Israel must be willing to provide help to find a solution, Israel should never agree to discuss the Palestinian “right of return” to Israel; nor can Israel ever permit the Palestinian state to promote irredentist claims by Palestinians living in Israel or by those who would like to “return” to territory inside Israel. Israel should agree to discuss only how Palestinian refugees can be most easily and efficiently absorbed in their new state, how they should be resettled elsewhere, and how these efforts can proceed without causing shockwaves that could reverberate throughout the region.

In this regard, as part of the process of absorption and settlement of the refugees, a joint Palestinian–Israeli–Jordanian committee should be established to focus specifically on the process of absorbing refugees into the new Palestinian state. This committee will consider the full set of issues regarding the flow of refugees into the new state, with an eye toward ensuring that state’s economic stability. A condition of Israel’s acceptance of the idea of Palestinian statehood should be that the Palestinians agree to coordinate the flow of refugees with Israel, so as to avoid the local and regional upheavals that could accompany an unregulated stream of refugees. From Israel’s perspective, preference of entry should be given to the displaced persons of 1967, whose return to Palestinian territory Israel has already acceded to in the Oslo accords.

Israel should participate in a humanitarian effort to rehabilitate the refugees, recognizing that it bears no responsibility to compensate these refugees for damages suffered during a war initiated by others during which Israelis themselves suffered greatly. Additionally, Israel should reject claims for compensation of Palestinian refugees, perhaps by presenting in return Israel’s own claims to regain Jewish property in Arab countries.

In 1949, during the failed Palestine Conciliation Commission talks in Lausanne, Switzerland, Prime Minister David Ben Gurion made a conditional offer to absorb about 100,000 Palestinian refugees. At that

time, the number of Palestinian refugees was estimated at 700,000, with the entire Jewish population of the new state less than one million. Ben Gurion's condition for the absorption of 100,000 Palestinian refugees was that Arab countries would absorb the rest, terminate their conflict with Israel, and sign peace treaties based on the armistice frontiers. When the Arabs rejected these conditions, Ben Gurion withdrew his offer and Israel has never repeated it.

Since then, great changes have occurred. In 1967, the June War produced a new wave of refugees. A quarter-century later, the Palestinians finally decided to accept the idea of territorial compromise, with the potential for two states to coexist alongside each other within mandatory Palestine. By then, dozens of Israeli settlements had already been constructed in the territory lost in 1967, many of which were and are populated by settlers likely to wish to remain in their homes even if Israel signs a peace treaty with the Palestinians. This phenomenon does raise the possibility of injecting, as part of the solution to the refugee problem, the idea of permitting the resettlement in Israel of a number of Palestinian refugees equal to the number of Israeli settlers remaining in settlements within a Palestinian state; Palestinians resettling in Israel would gain entry only through the family reunification program. This benefit of this approach would be to inject a certain mutuality into the demographics of a final status agreement, in the sense that every Israeli who resides in Palestinian territory knows that, because of him, a Palestinian will be allowed to reside in Israel—and vice versa. If, for example, 50,000 of the current settler population of approximately 150,000 choose to keep their residences in the new Palestinian state, then an additional 50,000 Palestinians would be permitted to live inside Israel.

Of course, even this method does not offer a solution for the refugee problem. In fact, it is not certain that this problem *can* be fully solved, without devising a solution that comes at the direct expense of one side or the other.

NOTES

- 1 The Palestinians dispute the UN estimate, claiming 4.9 million refugees in the Middle East and elsewhere.

- 2 Other factors helped to propel Israel into the Oslo accords, of course, from domestic political considerations to a strategic analysis that Israel should seek to make peace with the “inner circle” so as to be better prepared for an eventual confrontation with the “outer circle” of regional radicals, especially Iran and Iraq.

SECURITY ARRANGEMENTS

Security arrangements constitute the backbone of Israel's set of conditions for Palestinian statehood. With agreement on security arrangements, the peace between Israel and a Palestinian state will be grounded in stability and the two parties will have a firm basis for cooperation in numerous other fields. Without agreement on security arrangements, Israel would put itself at risk by permitting the establishment of a Palestinian state. Indeed, if the two sides cannot agree on security arrangements, Israel should oppose the creation of a Palestinian state.

Under ideal circumstances, security arrangements would not be necessary, but after such a prolonged conflict, the shift from confrontation to peace requires a carefully conceived system of control and cooperation between Israel and the Palestinians. (Preferably, this system would include the Jordanians, too.) Israel's insistence on security arrangements stems from its justifiable concern, based on sound military assessments, that the creation of a Palestinian state could greatly increase the threats to the existence of the State of Israel. The creation of that new state will itself significantly reduce Israel's strategic depth; Israel's borders with that state will be difficult, if not impossible, to defend; and all Israel's airports and main population centers will be within range of Palestinian artillery. Without proper security arrangements, Israel will become even more vulnerable to surprise attack. Once the added factor of technological advances is introduced into the equation, it is doubtful whether Israel will be able to mount an effective defense against an all-out surprise war, such as was launched against it in 1973.

Not only will the establishment of a Palestinian state leave Israel more vulnerable; it will also reduce Israel's deterrence power. In such

a small area—that is, the territory west of the Jordan River—the fact that Israel may have nonconventional arms will provide no deterrence against surprise attack; from the perspective of a local aggressor, those weapons are irrelevant. For this reason, Israel must be prepared to react immediately against repeated, massive, or intentional violations of the security arrangements. (These violations, which would not be spelled out in any written agreement, would be understood to include such items as repeated, large-scale acts of terrorism emanating from Palestinian territory, the smuggling or manufacture of major weapons systems into the Palestinian state, or the clandestine construction of factories for standard military explosives.) Not only must Israel be ready to retaliate against such significant violations of security arrangements; it must also prepare itself to implement a policy of extraterritorial defense.

It is neither practical nor advisable to include in an agreement-in-principle precisely what Israel would do (or what Israel has the right to do) in the event of a Palestinian violation of Israeli security. Instead, the agreement should contain a general statement to the effect that Israel has the right to respond to and defend against violations of the agreement. Details of inspection and supervision will be outlined in implementation agreements to be negotiated over time.

For Israel, the objective is to establish a comprehensive system of security arrangements. These arrangements would be continuously monitored and supervised, first and foremost by Israel itself. Such arrangements would govern security relations between the two sides, place limitations on the capabilities and actions of the Palestinian side, and detail cooperative efforts to fight and prevent terrorism. Israel should view the security arrangements as a total package, individual aspects of which complement and overlap each other, not as a series of separate and distinct measures.

Following are the main conditions upon which Israel should insist in discussing the security arrangements. The order of their presentation does not indicate any prioritization in terms of importance. Rather, as noted above, they need to be viewed as an organic whole.

Military Pacts and Diplomatic Relations: The Palestinian state will be prohibited from entering into, or participating in, any military pact or alliance with another country, except for security ar-

rangements with Israel or a tripartite regional security regime with Jordan and Israel. The Palestinian state will be prohibited from having, within its borders, diplomatic representation (such as embassies and attachés) from any country that is officially at war with Israel or calls for Israel's destruction.

Deployment of Foreign Troops: The Palestinian state will be prohibited from permitting the deployment of foreign troops on its territory, either temporarily or permanently, and will take all measures at its disposal to prevent such deployment. Similarly, it will be prohibited from permitting the passage of foreign forces through its territory and the training of foreign forces on its territory, either by themselves, alongside Palestinian forces, or in any collective effort. The Palestinian state will be prohibited from inviting or admitting any foreign military instructors or advisers without Israel's prior consent. In the event that Jordan, Israel, and the Palestinian state establish a tripartite regional security regime, the deployment in Palestine of foreign military instructors or advisers will require the consent of both Jordan and Israel.

Demilitarization: Except for internal security forces possessing light weapons, the Palestinian state will be demilitarized. This means that the Palestinian state will be prohibited from acquiring, developing, purchasing, or deploying major weapon systems, including (but not necessarily limited to) the following: tanks, missiles (of all ranges), military aircraft, attack helicopters, antitank weapons, anti-aircraft systems (including those mounted on helicopters), artillery, land mines, mortars, torpedo boats, and various types of electronic warfare. The same prohibition will apply to sensors designed to assist missiles or long-range weapons systems. (The Palestinian forces will be permitted a limited quantity of rocket-propelled grenade launchers.) A ban on the manufacture of weapons will apply on all of the above as well as on all other weapons or weapons system, including light arms. The Palestinian state will be prohibited from building any military fortifications (such as tank ditches) and from laying any mines. The Palestinian state will forswear any acquisition, development, purchase, manufacture, or deployment of nonconventional weapons, including chemical, biological, and other weapons of mass destruction. The Palestinian state will be prohibited from establishing any nuclear facil-

ity—civilian or otherwise—and will not manufacture, develop, or acquire any kind of fissile material.

Palestinian Forces: The Palestinian state will be permitted to maintain a defense-oriented security force whose main tasks would be to maintain public order, ensure internal security, fight terrorism, prevent border incursions and infiltration, and deter those who wish to sabotage these missions. In essence, this will be a strong police force. Its size will be identical to the limits agreed upon in the 1995 Interim Agreement (Oslo II)—that is, a total of 30,000 police deployed in the West Bank and Gaza. This force, which is larger than the Israeli Police and Israeli Border Guard combined, is sufficient for the tasks described above.

Through common agreement, a constitutional cap will be put on the amount of money the Palestinian state can spend on defense and its armed forces, defined as a percentage of the state's gross domestic product. Reaching agreement on this will be difficult, with disagreement sure to erupt over conflicting interpretations of defense expenditures and the role of other sources of revenue to the defense budget (such as grants, gifts, foreign aid, and training).

The Palestinian state will be prohibited from having a standing army, mandatory military service (that is, conscription), national militia, or a military reserve system. No person found to be involved in terrorist activities against Israel since the signing of the Oslo accords on September 13, 1993, or belonging to an organization that works actively against the peace process (such as Hamas and Islamic Jihad) can serve in the Palestinian force. The force will be prohibited from conducting military training at any level beyond that of platoon. The force will be deployed throughout the Palestinian state in a way that does not block or impede transit routes to any Israeli settlements that may, according to the peace treaty, continue to exist on Palestinian territory, and in a way that does not effectively constitute a siege of any settlement.

The Palestinian force will be armed primarily with light personal weapons. It will also be allotted a reasonable quantity of machine guns; several dozen wheeled armored cars (with no cannons of any caliber or antitank weapons); and a number of transport helicopters. One cannot say, therefore, that the Palestinian state will be fully demilitarized; demilitarization will be extensive but not absolute.

In addition to these land forces, the Palestinian state will also be permitted to have a small coast guard, which will be responsible for the defense of the Gaza shoreline. This force will consist of patrol vessels and naval radar devices.

An unequivocal condition of Israel's acceptance of the idea of Palestinian statehood is an agreement on cooperation between the IDF and Palestinian ground and naval forces. Cooperation is integral to Israel's ability to ensure Palestinian compliance with security arrangements and is, in a political sense, symbolically important to build peaceful relations between the two peoples. Military cooperation is as important in dealing with common threats and challenges as intelligence cooperation is in the fight against terrorism. Eventually, military cooperation could expand to include such common efforts as joint reconnaissance on land or sea, exchange of visits and training, and joint exercises, to name a few.

Air Space: Whereas demilitarization of the Palestinian state on land and at sea will be partial, demilitarization in the air will be total. The Palestinian state will be prohibited from having any air force of any kind. The aircraft at its disposal will serve only commercial and transportation purposes, with provision for an agreed number of police helicopters and light aircraft for ferrying dignitaries. None of these aircraft will be armed.

For Israel, maintaining air control over the territories is one of the most important conditions for accepting Palestinian statehood. Without air control, Israel's air forces would virtually cease to function. Not only would Israel lack adequate space to train, but Israel would lose part of its capacity to defend itself from threats of aggression from the east. Maintaining control of air space would permit Israel to maintain unrestricted control over early warning stations located in the mountainous regions of the West Bank. In addition, air control would consolidate Israel's capacity to confirm the demilitarization of the Palestinian state.

As part of the air regime for the Palestinian state, commercial and civil aviation in the Palestinian state, as well as foreign commercial air traffic to and from Palestinian airports, will be managed through full coordination with Israel's air traffic control. The Palestinians will have responsibility for local air traffic control within defined areas surround-

ing their airports. Local air traffic control will be fully coordinated with the regional air traffic control, which will remain the sole responsibility of Israel. Israel will be responsible for demarcating flight corridors to and from these airports and between the Gaza Strip and the West Bank, in coordination with Palestinian authorities.

Israeli Air Force aircraft will continue to conduct training flights over the areas of the West Bank and the Gaza Strip, without interruption. Flights over Palestinian population centers will be conducted within the same guidelines imposed on the air force for its flights over population centers in Israel. In cases of emergency, the air force will be given preference for its flights, as is also the case within Israel.

Israeli Military Presence: Israel will maintain a limited, defensive military presence within the territory of the West Bank, primarily to provide early aerial and intelligence warnings from the east and northeast. This presence will continue until such time as comprehensive peace is achieved between Israel and all major Arab countries, including Syria and Iraq, at which time it will be reevaluated.

Israel will require up to three warning stations; air and ground defense forces will be deployed near each station, either in territory designated as "security zones" or in areas leased to Israel. At least one force will be deployed in the Jordan Valley and will serve as a sort of tripwire. Israel will have free access to these zones via special roads and will make a good faith effort to ensure that such roads do not pass through Palestinian populated areas.

The balance of Israeli forces currently deployed in the West Bank, including military camps and emergency storage facilities, will be removed. Israel and the Palestinian state will reach an agreement permitting, at Israel's discretion, full freedom of movement for additional Israeli forces through designated routes in the West Bank, toward the Jordan Valley, in the event of war or threat of war.

Control over border crossings between the Palestinian state and both Jordan and Egypt will gradually be shifted from Israel to the Palestinians. An Israeli liaison officer (or team of officers) will remain at the border crossings, until both parties agree that this Israeli presence is no longer necessary.

Fighting Terrorism: A cornerstone of the security arrangements will be detailed commitments between the two parties to maintain regu-

lar, ongoing cooperation in the war on terrorism, including efforts to work against groups and individuals that oppose the peace process, Israel and its citizens, and Jewish targets around the globe (for example, to prevent a repetition of Argentina-type terrorist attacks). This cooperation will be unconditional and unconnected to the political relationship between the two parties. Operationally, it will be based on the security memorandum agreed upon at the Wye River summit in October 1998, and it will reaffirm the Palestinians' commitment in that memorandum to ban all armed militias (except for the Palestinian police), to root out the "infrastructure" of terrorist groups, to confiscate all illegal weapons, and to establish an effective system of licensing and registering all police and civilian-held weapons.

Joint Inspection: Israel and the Palestinian state will establish joint supervisory committees to verify compliance with the security arrangements in their peace treaty. These committees will also supervise the Palestinian free passage routes between the Gaza Strip and the West Bank. It will also be useful, though not essential, for U.S. personnel to participate in these committees as observers, to sit on a steering committee charged with overseeing the inspection regime, and, with the consent of all parties, to recommend changes in the inspection procedures. Regular, sustained, and proper inspection must be mutual, but a third party could enhance this process and the United States is the most appropriate candidate. Not only is its influence over the two parties considerable but the United States could also leverage this role into enlisting substantial international and inter-Arab support for the process. In any case, it is also important that any U.S. involvement be gradually reduced and eventually phased out. In the event a tripartite regional security regime is established with Jordan, a Jordanian representative should also participate in the inspection system on those issues concerning Jordan directly.

Amending the Treaty: The treaty and its terms, especially those regarding security arrangements, should have no expiration date. Any change must be made through the common consent of both parties. The two parties will agree to revisit the relevant terms of the treaty in the event of significant changes in the regional situation, such as the establishment of a Jordanian–Palestinian confederation.

CONCLUSION

The establishment of a Palestinian state will be the focus of final status negotiations between Israel and the Palestinians. Either directly or indirectly, virtually every item on the agenda will revolve around this central issue. Even if significant progress in final status talks is not forthcoming, the question of Palestinian statehood is sure to loom large. If they are rational, the two parties will seek an accommodation which gives them more time to continue the negotiations, at which point it is reasonable to assume that the question of Palestinian statehood will come up for a more thorough discussion.

So far, no Israeli government—left or right—has accepted the idea of Palestinian statehood. If there is any Israeli willingness to discuss Palestinian statehood, it will probably be done in secret negotiations, rather than via the media glare that will surround the formal sessions of final status negotiations.

In this process, the United States will almost surely have to play a leading role, offering bridging formulas that will help the negotiations move forward. American involvement will be crucial to the successful conclusion of final status talks and the peaceful establishment of a Palestinian state—whether as an honest broker during negotiations, as monitor of the Israeli–Palestinian peace treaty and its security arrangements, as helping hand in the solution of the Palestinian refugee problem, or as the strategic ally of Israel, helping to safeguard Israel’s security in case the agreement collapses and the Palestinian war against Israel resumes.

In this regard, the United States and Israel need, as part of a side-agreement to the peace treaty, to reach an understanding concerning the security implications of Israel’s territorial concessions, the need to deter

and prevent any massive violation of the agreement by the Palestinian side, and the steps the United States will take to support Israel in the event such a violation occurs. This should include a recognition of American understanding that Israel will take all appropriate and necessary measures to defend against and counter gross Palestinian violations that put Israel's security at risk. It is desirable that Israel and the United States define in general terms what would constitute a gross violation, though it is unlikely that the United States would agree in advance to specific Israeli responses or countermeasures. (For that matter, it is also unlikely that Israel would wish to telegraph those responses so clearly.) Israel, however, should try to persuade the United States that the crossing of certain red lines by the Palestinians would constitute grave threats to Israel's security and that the United States should use its considerable power and influence to prevent such violations.

In conclusion, it is important for Israelis to come face to face with a new strategic reality: A Palestinian state will be established. The relevant questions are when it will happen, how big the state will be, and under what conditions and limitations (including the question of its relationship with Jordan) it will be established. There are many signs that Israeli public opinion is beginning to get used to the idea of a Palestinian state. Opinion surveys show that Israelis have, for many years, been moving away from "opposition to Palestinian statehood under all circumstances" and toward a position that makes acceptance of Palestinian statehood conditional on certain limitations and requirements.

Whereas growing numbers of Israelis are willing to make a significant territorial concession for real peace, they want to know whether the establishment of the Palestinian state will actually bring a final and lasting end to the long and bloody conflict between them and the Palestinians. Will the founding of a Palestinian state mark the end of all claims and demands on Israel or will the new state become a springboard for new demands? Israelis are also worried about the future of the Palestinian leadership. Will they be able to honor their commitments? Will they be able to prevent opposition groups from using terrorism against Israeli citizens? It takes neither wisdom, nor strength, nor courage for a Palestinian leader to accept an Israeli agreement to withdraw from the territories and to establish a Palestinian state, but how many of them are wise, strong, and courageous enough to abide

faithfully by all the conditions that will be enshrined in a peace treaty with Israel?

Will the establishment of a Palestinian state mean that Israel is free from risk and danger? Unfortunately, the answer is “no.” For that reason, Israel must carefully protect its security and always remain strong. Even if a peace treaty between Israel and the Palestinian state becomes the most detailed agreement in the history of Arab–Israeli relations—in the history of diplomacy itself—it will not suffice. Neither the number of pages in the agreement nor the details in those pages will determine its success or failure. What will determine the future of peace between Israelis and Palestinians is whether solid majorities in both societies, along with their leaders, decide that a peace agreement offers real advantages to both sides. If the two sides believe the opportunities outweigh the risks, peace may be possible.

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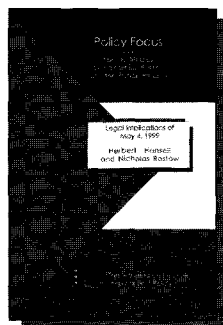
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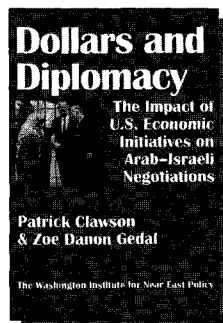


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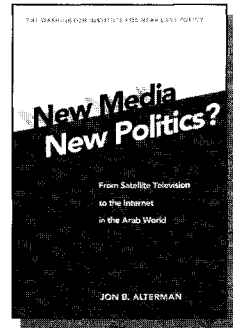
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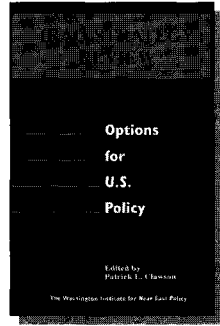
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