



**TRANSITION
TO
PALESTINIAN
SELF-GOVERNMENT:
PRACTICAL STEPS
TOWARD
ISRAELI-PALESTINIAN
PEACE**

**REPORT of A Study Group
CONVENED by THE
AMERICAN ACADEMY
of ARTS AND SCIENCES**

Transition to Palestinian Self-Government: Practical Steps Toward Israeli-Palestinian Peace

Report of a Study Group of
the Middle East Program
Committee on International Security Studies
American Academy of Arts and Sciences
Cambridge, Massachusetts

Ann Mosely Lesch, Principal Author

Published in collaboration with
Indiana University Press
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Preface

The report which follows was produced by a Study Group called together by the American Academy of Arts and Sciences through its program on Middle East Security Studies. This program, co-chaired by Philip Khoury of the Massachusetts Institute of Technology and Everett Mendelsohn of Harvard University, is in turn a unit of the Academy's Committee on International Security Studies, chaired by Charles A. Zraket.

The genesis of this report focussing on the "transition period" in the Israeli-Palestinian negotiating process came through a series of conferences involving Israelis, Palestinians (and other Arabs), and Americans held by the Program on Middle East Security Studies at the House of the Academy in Cambridge, Massachusetts and on one occasion in Cairo, Egypt. The intent of these conferences was to focus on the "tough" issues which would be involved in Israeli-Palestinian peacemaking. Four publications were generated by these conferences, each reflecting commissioned studies: "Middle East Security: Two Views," by Ahmad S. Khalidi and Yair Evron (May 1990); "The Palestinian Right of Return: Two Views," by Rashid I. Khalidi and Itamar Rabinovich (October 1990); "Negotiating the Non-Negotiable: Jerusalem in the Framework of an Israeli-Palestinian Settlement," by Naomi Chazan with commentary by Fouad Moughrabi and Rashid I. Khalidi (March 1991); and, "The Saladin Syndrome: Lessons from the Gulf War," by Ze'ev Schiff and Walid Khalidi (August 1991). These papers were published as part of the American Academy's *Emerging Issues Occasional Paper Series* and are available from the Academy.

During the course of the conferences, a number of the participants suggested that we move directly to examining the "realities" of a transition period. The aim would be to de-mystify and to delineate the practical elements and the potential problems which

Israelis and Palestinians would face as they begin to proceed through the several stages of their negotiated settlement.

A joint team of Israelis, Palestinians, and Americans gathered on several occasions to discuss and design such a “transition report.” In the summer of 1991, US-based members of the group traveled to Israel, the Occupied Territories, Amman, Cairo, and Tunis. During the course of this trip, discussions were held with individuals across the political spectrum, including officials in government, political activists, and academics in universities and research institutions. The Committee is deeply grateful for the time spent and the views shared by the numerous people who met with the group during its trip.

In addition, the Study Group requested “background memoranda” from a number of individual scholars to help identify critical issues and important questions. The generosity of these colleagues is gratefully acknowledged and the titles of their memoranda are at the end of this Preface.

The realities of actually drafting a text and creating the report were taken on by the US-based members of the group. Throughout the drafting, close consultation and sharing of the text with colleagues in Israel and the Occupied Territories continued.

Mid-way in the drafting process, Ann Lesch was asked by the Study Group to take on the task of preparing the draft and serving as the principal author. She produced successive drafts which were circulated among members of the Study Group, commented upon, and edited by all members of the group and several additional specialists who were called upon for a close reading of specific sections of the text where verification of information was particularly important. A preliminary draft of the Introduction was prepared by Shibley Telhami.

Responsibility for the details of the text lies with the US-based members of the group. The Study Group as a whole endorses the overall themes and the viewpoints developed in the text and noted in the summary. The American Academy of Arts and Sciences is not responsible for any of the points of view adopted in the text.

This report is not a “blueprint” for the transition period nor even recommendations to those engaged in negotiating an agreement between the Israelis and Palestinians. It is, instead, an attempt to identify in direct terms the types of items and issues that will emerge as the processes of self-government are negotiated and developed, with the intent of indicating that the specifics are “do-able,” non-threatening, and beneficial to both parties. The shape

and form that the specific arrangement for the interim self-government will take is obviously the responsibility of the negotiators themselves and the parties they represent.

A note on the framework adopted in preparing this report is important. It became clear early in the planning stages that the nature of the “final status” agreements would significantly influence the shape and modalities of the interim period. If ultimate integration of the occupied Palestinian territories into Israel were the final goal, the interim arrangements would be strikingly different than if some form of independence or confederation with Jordan was to be the ultimate outcome. The group consciously chose to work within the latter framework and thus predicated its study upon this final outcome. It is obvious to all that only further negotiations will resolve this point.

The group deeply appreciates the work of the American Academy of Arts and Sciences staff, and especially Annette Mann Bourne, for continued help throughout the course of the project and for the final preparation of the manuscript for release. Jeffrey Boutwell, Associate Executive Officer of the Academy served both as a member of the Study Group and as coordinator of the project within the Academy. While the preliminary conferences on issues of Israeli-Palestinian security were held with the support of the John D. and Catherine T. MacArthur Foundation, the work involved in the preparation of the report itself was funded by a grant from the Ford Foundation.

10 July 1992
Cambridge, Massachusetts

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Background Memos for Transition Study Group

- Ephraim Ahiram, "Strategy for the Development of Industry in the West Bank and Gaza: A General Framework." (Leonard Davis Institute, Hebrew University, Jerusalem)
- Laurie A. Brand, "Palestinians in the Diaspora." (University of Southern California)
- Robert O. Freedman, "Soviet Jewish Immigrants and Israel's Next Election." (Baltimore Hebrew University)
- Alouph Hareven, "Educational Policies." (Van Leer Institute, Jerusalem)
- Edy Kaufman and Mubarak Awad, "Human Rights." (Hebrew University and Nonviolence International)
- Baruch Kimmerling, "Achieving a Comprehensive Regional Agreement." (Hebrew University, Jerusalem)
- Ruth Klinov, "The Palestinian Economy in Transition" and "Absorption Capacity of the Palestinian State as a Part of a Regional Settlement." (Hebrew University, Jerusalem)
- Ann M. Lesch, "Israeli Settlements." (Villanova University)
- Moshe Ma'oz, "Toward an Israeli-Palestinian/Arab Settlement." (Hebrew University, Jerusalem)
- Khalil Shikaki, "Palestinian Security Requirements and the Political Settlement." (World and Islam Study Enterprise)
- Russell A. Stone, "Some Notes on Public Opinion re: An Israeli-Palestinian Settlement." (State University of New York, Buffalo)
- Salim Tamari, "Problems of Transition." (Bir Zeit University)
- Shibley Telhami, "The Potential Political and Social Stability of a Palestinian State." (Cornell University)
- Mark Tessler, "Some Propositions about Democracy in the Arab World and its Relationship to the Israeli-Palestinian Conflict." (University of Wisconsin - Milwaukee)
- Elias H. Tuma, "Peace, Economic Cooperation and Integration in the Middle East" and "The Middle East: War, Cease-fire, and After." (University of California, Davis)

Introduction

The initiation of direct negotiations between Israelis, Palestinians, and other Arabs has raised hopes that one of this century's most persistent international problems could finally be settled. This report is intended to build on this hope with substantive suggestions, and also to present some contingency ideas just in case, as so often before, the new hope for progress gives way to despair.

There are two premises in this report. The first is the assumption that the negotiators are limited in their ability to generate substantive ideas by their political constraints and by their strongly-held national and moral claims. If progress is to be made, the negotiations must be pushed away from general principles toward substantive and practical issues; a group of academic experts like this one (made up of Israeli, American, Palestinian, and other Arab scholars) is less constrained in generating such ideas. The second premise is humanitarian: for those who believe that the Israeli-Palestinian status quo, with continued Palestinian and Israeli suffering, is morally unacceptable, there is a need for creative ideas to alleviate the immediate suffering. Even if the current negotiations succeed, most analysts assume that the process will take more time than many suffering local people can afford. These suggestions are therefore made not only to state-actors, but also to individuals and non-governmental organizations who are morally concerned, and who can make some immediate difference even if they cannot affect the direction of the negotiations.

The Practical Considerations

Our starting point is pragmatic. Moral considerations aside, it is clear that the recent momentum in the negotiations is largely due to the fact that all parties have something to gain; the end of the

Cold War between the superpowers, and the war in the Persian Gulf have made this process unavoidable for the key actors in the negotiations.

It is obvious, for example, that, without the active role of the United States, the process could not have begun and is not likely to succeed. While this American role has been made easier by the absence of competition with the Soviet Union, the recent crisis in the Persian Gulf War has made it impossible for the US to ignore the complications that the Arab-Israeli conflict brings to American policy in the Middle East. So long as conflict continues between Israel and its Arab neighbors, the US economic and strategic interests in the Arab world will be difficult to reconcile with the US commitment to the well-being of the state of Israel; only a settlement of the Arab-Israeli conflict can relieve this inherent tension in US interests. Moreover, despite the end of the Cold War, the US cannot disengage itself from the Middle East. Even aside from the obvious interest in oil, the American commitment to Israel, which entails economic, military, and economic support, means that the US is *de facto* involved.

While the Gulf crisis, at its core, was unrelated to the Arab-Israeli conflict, it is clear that Iraq attempted to exploit this conflict in a way that complicated US policy strategy. And, in October 1990, while the US sought to maintain an international consensus on the Gulf Crisis, Palestinian-Israeli confrontations in Jerusalem nearly derailed the US strategy. As in other Middle East crises of the past, the threat posed by the Arab-Israeli conflict to US interests in the region became impossible to ignore. The American effort to push for a settlement of the Arab-Israeli conflict in the aftermath of the Gulf War is largely driven both by traditional American interests as well as by a new self-image of the United States providing global leadership in the post-Cold War world.

The European states, particularly through their new European Community agencies and through the United Nations, have broadened their interest and active role in Middle East affairs. Enlarging economic ties, coupled with extended political interest, have raised the European stake in the shape of Middle East peacemaking and resulted in their insistence in being included in the current negotiating processes. But it remains clear that, although external parties such as the US and Europe have significant roles to play as supporters and facilitators of the negotiations, it will remain for the negotiating parties of the Middle East to reach agreements and to implement them.

The Palestinian interest in moving forward is obvious: the status quo is wholly unacceptable, and, if the past is any indication, time has only made the Palestinian predicament more difficult. The Gulf War created new Palestinian refugees from Kuwait, decreased funds available to Palestinian communities, and weakened the leverage of Palestinian allies. Any promise of reversing Palestinian fortunes is welcome.

Most Arab states also have interest in making immediate progress on the Arab-Israeli conflict. Those Arab states who joined the US-led alliance against Iraq have to show something for this support. Most, especially Egypt and Syria, had promised their confused populations that their behavior would lead to settling the Arab-Israeli conflict after the Gulf war. The immediate quiet in the region following the war is due in part to the rising hope about the prospect of Arab-Israeli peace.

The need for Arab states to see a settlement of the Palestinian-Israeli conflict is deeply rooted in the nature of Middle East politics. While most Arab governments continue to face transnational challenges to their legitimacy, the Israeli-Palestinian conflict has remained as one of the key issues fueling transnationalism in the region. Settling this conflict could substantially erode the appeal of Arab transnational movements.

Israel, too, has much to gain. Quite clearly, Israel emerged in a superior strategic position with the destruction of Iraq's military potential, and the absence of the Soviet Union as a patron of Arab enemies further eroded the threat of an Arab military coalition confronting Israel. Yet, the Iraqi Scud attacks brought home the need for an end to the state of war with Arab states. Moreover, the economic costs of absorbing hundreds of thousands of Soviet Jewish immigrants showed the need to cut high Israeli military expenditure; and the continued occupation of the West Bank and Gaza had negative implications economically, diplomatically and militarily. With the election in June 1992 of a Labor government led by Yitzhak Rabin, Israel is poised to take advantage of a very favorable regional and international configuration with which to make peace.

In short, all sides have immediate interests in making progress, but substantial disagreements remain on the nature of a settlement, and domestic political considerations within each polity make progress especially difficult.

Figure 1
Israel and the Occupied Territories

