



THE SABAN CENTER FOR
MIDDLE EAST POLICY
AT THE BROOKINGS INSTITUTION

MONOGRAPH SERIES

Number 1, December 2003

BUILDING A STATE, BUILDING PEACE

HOW TO MAKE A ROADMAP THAT WORKS
FOR PALESTINIANS AND ISRAELIS

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I. INTRODUCTION

The Middle East peace Roadmap—drafted in December 2002 by a diplomatic Quartet of the United States, the European Union, Russia, and the United Nations—seeks a “final and comprehensive settlement of the Israel-Palestinian conflict by 2005,” including a Palestinian state with provisional borders by late 2003. Despite this tight timeline and despite objections from other members of the Quartet, the U.S. government opted twice to postpone the Roadmap’s release, not submitting it to the parties until March 2003, after the confirmation of the Palestinian Prime Minister, Mahmud Abbas (also known as Abu Mazen), the Secretary-General of the Palestine Liberation Organization’s (PLO) Executive Committee. These delays in turn fueled Palestinian and Arab suspicions that the Roadmap was little more than an American ploy to distract the international community from the U.S. campaign against Iraq. However, in June 2003, the U.S. administration demonstrated stronger leadership and determination by pressing Israel to declare its public commitment to the Roadmap, albeit with a large list of reservations, and to organize two summit conferences in the region, at Sharm el Sheikh and Aqaba. The participation of president George Bush in the two summits signaled, for the first time, a new phase in the involvement of the Bush administration in the

Palestinian-Israeli political process. Serious doubts remain, however, regarding the willingness of the Bush administration to invest capital and energy as implementation of the Roadmap stumbles, the U.S. heads into an election year, and other officials advise the president against direct involvement in the process lest he be seen as repeating the “mistakes” of the Clinton administration.

Yet the Roadmap’s problems go beyond any lack of sustained American leadership. Although both the Israeli government and the Palestinian Authority (PA) have welcomed the Quartet’s Roadmap, it is doubtful that either side will be able to meet the obligations outlined in the plan’s first two phases. Given the circumstances surrounding the resignation of Mahmud Abbas as prime minister and given widespread Palestinian dissatisfaction with the Roadmap, it is unlikely that the new Palestinian Prime Minister Ahmed Qurei will attempt to implement genuine reform measures, which would meet tremendous resistance from Chairman Arafat, who will perceive such measures as aiming at his own marginalization. Power struggles within the Palestinian hierarchy now threaten to paralyze the Palestinian decision making process long before Qurei would be able to make any serious inroads in the implementation of the Roadmap.

Similarly, given Israel's reluctant commitment to the Roadmap, and its many reservations to it, and given Prime Minister Ariel Sharon's determination to continue to build a separation wall deep inside West Bank territory, attempts by Qurei to enforce and sustain a ceasefire may fail in the face of determined opposition from militant groups within the PA's largest faction, Fateh, and from the Islamist groups Hamas and Palestine Islamic Jihad (PIJ). Israeli insistence on building the separation wall undermines the whole logic of the second phase of the Quartet Roadmap with its vision of a state with provisional borders. It will be impossible for the Palestinians, who fear Sharon's concept of a mini-state as a long-term settlement, to entertain the concept of provisional borders while Israel continues to build the wall. Palestinians view it as concrete evidence that what is "provisional" today will become permanent tomorrow. Under Sharon and his right-wing coalition, Israel may refuse to fulfill its obligations, particularly in the face of spotty performance by the PA, either to freeze settlement construction or to withdraw the Israeli army to pre-September 2000 lines and grant an interim Palestinian state true territorial contiguity and genuine attributes of sovereignty.

The Roadmap could thus meet the same fate as the Mitchell report and the Tenet plan. Israel might subsequently decide either to separate unilaterally from the Palestinians or fully dismantle the PA and completely reoccupy its territories. Alternately, the United States and the international community might conclude that the only way to bring peace and stability to Palestinian-Israeli relations is by imposing some sort of international administration on the Palestinian territories, such as an American-led trusteeship. Even if Israel cooperated with this international administration, it is doubtful that such a process would either end the current violence or produce a legitimate, or even a cooperative, Palestinian leadership.

This paper seeks to chart a different way out of the current violence and stalemate in Israeli-Palestinian relations. But it has no illusions: almost nothing is likely to work under the present conditions. Given the failure of the ceasefire agreement reached between the PA and different Palestinian factions more than a year after Israeli reoccupation of Palestinian cities in the West Bank, it is almost certain that in the short run escalation in the violence will remain the dominant dynamic in Israeli-Palestinian relations. Violence cannot be fully stopped by military means alone, but a viable political process is unlikely to take hold while violence continues.

The capacity of any PA government to bring about a long-term stabilization in the security situation remains doubtful. Whether it is Abu Mazen or Abu Ala, the Palestinian prime minister neither has the capacity nor the resolve to do so in the absence of a greater Israeli willingness to provide him the tools to do it. In the short run, these tools include willingness to meet his basic needs of reducing Palestinian threat perception (i.e., halting the continued building of the separation wall, large scale prisoners' release, withdrawal from occupied cities, dismantling of settlement outposts, evacuation of settlements that impede Palestinian contiguity, etc.). In the long run, it entails Israeli willingness to enter permanent status negotiations building on progress made at Camp David in July 2000 and Taba in January 2001. But because Sharon's right-wing government views political progress as a reward to violence and in any case strongly opposes the compromises entailed in Camp David and Taba, it will not entertain a return to serious permanent status negotiations. As for meeting the short-term needs of the Palestinian prime minister, the Israeli government is unwilling to act generously given its fears that Hamas and PIJ will take advantage of its relaxation of measures.

For their part, Palestinians see no possibility of reaching any reasonable accommodation with a

Sharon-led government and so have little incentive to uphold a ceasefire. Worse yet, forces on both sides who opposed the Oslo process may see in the present conditions an opportunity to undo Oslo altogether. Such parties may be only too eager to provoke their opponents into prolonging the bloody game. Once the Bush administration reaches similar conclusions, it will be doubtful that it would continue to embark on a course of action that it concludes has little chance of success.

Still, should the process of escalation become too costly for one or both of the parties to bear, a return to the political process may be contemplated. This paper prepares for that contingency.

We begin, then, with a basic question: Where do we want to go from here? The conventional answer has been either to a permanent agreement or a new interim agreement. We will focus here instead on the objectives of such an agreement: how to end occupation and build a Palestinian state? The answer to this question is defined as Palestinian state building. The goal is a viable Palestinian state that is compatible with the vital interests of the other major parties to the conflict and that does not threaten regional stability. But the Palestinian state cannot be built unless a stable peace process that ends the Israeli occupation accompanies it. Building the state and building peace must go hand in hand, and neither can succeed unless there is an even balance.

This paper therefore identifies three key interdependent processes—Palestinian political reform, Israeli-Palestinian security, and the peace process itself—and proposes a plan of action that would make them work for, rather than against Palestinian state building. While the dominant dynamic today is military and violent escalation, the paper proposes ways of reversing that dynamic. But it cautions that we should not expect significant progress in any one process

without simultaneous progress in the other two. Indeed, this paper is predicated on the belief that a negotiated settlement is the only answer to violence and radicalism and that waiting for violence to stop before articulating a peace vision and a work-plan would only reward, and thus accelerate violence in the hope of achieving total victory. It would also encourage the different parties to the conflict to adopt unilateral measures, thus putting an end to any possible Palestinian-Israeli bilateralism. Palestinians who initiate the violence hope to force Israel into unilateral withdrawal—a “separation” on which Israel has already embarked by building a physical wall of concrete and electronic measures not only along its borders with Palestinian territories but also deep inside West Bank territory. Israelis who deny the right of the Palestinians to independence in their own state fear negotiations in just the same way.

In its search for a political horizon, the Quartet’s Roadmap lays out a work plan under which the three processes identified above would proceed simultaneously. Although this Roadmap provides the best current hope for the peoples of the region, it nonetheless lacks a clearly articulated short- or long-term vision detailed enough to win the hearts and minds of the majority of Palestinians. It does not define its most crucial proposal, a Palestinian state with provisional borders; nor does it show how that provisional state would differ from the arrangement that existed up until the September 2000 eruption of the intifadah. Second, it fails to provide any clarity with regard to the permanent settlement, reducing the incentives of both sides to show flexibility in the interim. The demand of the Israeli government, in the days leading up to the Aqaba summit, for a Palestinian abandonment of the refugees’ right of return before Israel can commit itself to the establishment of an independent and sovereign Palestinian state is just one example of what will always keep dogging the process in the

absence of a shared vision for the future. Lastly, it seeks to reduce and marginalize the role of the PA president very early in the process, thereby limiting his incentive to cooperate from the outset and potentially undermining the entire reform process. Arafat's successful undermining of Mahmud Abbas and his retention of control over the Palestinian security services are the result of Arafat's fear of his marginalization. Each of these issues must be addressed if the Roadmap is to have any hope of working. This paper is an attempt to do so. However,

clarification of the objectives of the process and the promotion of a more effective symbiosis between reform, security, and peacemaking will only be possible if U.S. and Quartet leadership is sustained. The decision by the Bush administration to commit itself to a direct role in the process was a highly positive sign, but continued trouble in Iraq, new possible threats from al Qaeda, and the approaching U.S. elections have already diverted its attention elsewhere. Without U.S. leadership there is little chance that progress on any of these fronts will be possible.

II. A GRIM SITUATION

After almost three years of bloody confrontation, economic destruction, and shattered hopes of peace and reconciliation between Palestinians and Israelis, the need for action is obvious. If the dynamics of violence and stalemate continue, only further devastation, pain, and suffering can be expected. Given the strategic predicament in which the two sides find themselves, any hopes for victory by either party are hollow: Palestinians are likely to end up with less than they would get through negotiations, while any triumph by the Israelis would bring a strategic dilemma worse than the one they face now. An Israeli “victory” in the battlefield, leading to a full reoccupation of PA areas, would confront Israel with a situation in which it has no negotiating partner as it begins to deal with the demographic ramifications of its “victory.”

The Oslo process, which in 1993 received the support of about two thirds of both Israelis and Palestinians, has been discredited. Oslo’s most important product, the PA, has all but collapsed. Today, it is being artificially sustained by donor grants that allow it to pay salaries for about 140,000 public sector employees, including some 50,000 men in its security services. Its ability to maintain order and internal security has been

devastated by Israeli attacks on its infrastructure and the Israeli reoccupation of Palestinian cities. Reoccupation has also destroyed the PA’s capacity to engage in strategic planning and long-term economic and human development. Service delivery is no longer available in most parts of the Palestinian territory. Israeli-imposed curfews and the ongoing siege have greatly constrained educational and health services.

Moreover, the PA has lost much of its domestic legitimacy, not only because of the collapse of the peace process, but also because of its failure to deliver good governance. The Palestinians’ faith in their governing institutions and leadership has been shattered: by mid-2003, 84 percent perceived corruption in the PA (compared to less than 50 percent in 1996); 19 percent evaluated Palestinian democracy positively (compared to more than 50 percent in 1996); between 20 and 40 percent evaluated PA performance positively (compared to between 60 and 80 percent in 1996); 35 percent supported Yasir Arafat (down from 75 percent); and only 27 percent supported the mainstream Fateh faction (down from 55 percent). While the appointment of Prime Minister Abbas received the support of almost two-thirds of the Palestinians in April 2003, that percentage dropped to 52 percent in

June.¹ Confidence in his government's ability to deliver political reform or progress in the political-security conditions also dropped sharply. The inability of Abbas to gain added legitimacy and take off illustrated the extent to which the PA had become irrelevant in the eyes of many Palestinians in the West Bank and the Gaza Strip. Eventually, the PA will be replaced with something else.

A. THREE ALTERNATIVES TO THE PA

In the short term, three likely alternatives to the PA can be envisaged: an Israeli military government, an international administration, or an interim Palestinian state. Each of these possibilities is unsustainable in the long run. The best alternative, a fully independent and sovereign state embedded in a permanent status agreement and an end to the conflict, is not presently conceivable given that the Israelis have zero confidence in Arafat and are uncertain about the direction of Palestinian leadership reform, and that Israel is ruled by a right wing coalition.

The first realistic possibility, an Israeli military government, could follow ongoing violence and continued Israeli reoccupation of Palestinian territories. Given current dynamics, this seems to be the default scenario. First, the lack of trust between Palestinians and Israelis has come to include a belief on each side that the opposing leadership can never be a peace partner. Despite the fact that an overwhelming majority of Palestinians are now willing to support a mutual cessation of violence, lack of significant progress on the ground will create great disappointment. Continued Israeli refusal to bring Arafat into the process of peace making will endanger any Palestinian prime minister's efforts to present himself as an effective peace partner. Second, while the United States seems to have finally

decided to engage in the peace process, continued doubts about its resolve and attention span, especially when confronted with potential failure and domestic trouble, remain. Third, the terms in which both the Israeli and Palestinian publics now view victory contribute, in the absence of quick positive changes on the ground, to a return to significant support for violence. Finally, the continued U.S. occupation of Iraq and the resulting violence in that Arab country may further radicalize the Arab "street," thus fueling the vicious cycle of violence and reoccupation.

Even full Israeli reoccupation, however, may not succeed in putting an end to the violence: the Palestinians may lose one battle only to adapt and fight again another day. Reoccupation could force Israel to choose between apartheid, forced expulsion of Palestinians, and a bi-national state. Israeli failure to make a choice, the most likely outcome, can only lead to de facto apartheid.

Alternately, an international administration could materialize following a decision by Israel to unilaterally separate from the Palestinians and set its own borders. In order to protect itself while depriving the Palestinians of any victory, Israel might even propose an American-led international administration of the evacuated territories. Failure of the PA to implement Palestinian commitments under the Roadmap and the likely resulting increase in anarchy among the Palestinians could also compel the United States and other members of the international community to intervene in an attempt to stabilize the situation and head off Israeli reprisals against Palestinian areas. While some Palestinians might find an international administration preferable to continued Israeli occupation, others might see it as an attempt to deny them the fruits of having forced a unilateral Israeli withdrawal. The international

1 All Palestinian polling data cited in this piece are from the Palestinian Center for Policy and Survey Research (PSR): <http://www.pcpsr.org/survey/index.html>.

administration's acquiescence in any continued Israeli settlement activities or Israeli occupation of Palestinian territory could lead to clashes with armed Palestinian groups. International attempts to encourage the development of credible and legitimate institutions and leadership are likely to fail if Palestinians equate cooperation with the international forces to treason. A Palestinian analogue to Afghan President Hamid Karzai could find himself isolated, ineffective, and discredited.

The final possibility, an interim Palestinian state with provisional borders as envisioned by the Bush administration, would be the natural outcome of a successful implementation of the Roadmap. Three other possible dynamics could contribute to such an outcome: successful Palestinian political reform, international pressure on the United States to maintain a leading role in the peace process and in the implementation of the Roadmap, and a continued rise in Israeli and Palestinian public support for mutual cessation of violence and for political compromise. Although this scenario may ultimately be the least likely of the three possibilities, we nonetheless seek to prepare for it here in the hopes of transforming a disastrous scenario into one capable of yielding sustainable state building.

B. ESCALATION AS A DOMINANT PROCESS

Palestinians and Israelis are locked into a highly predictable process of escalation. Over the past few years and especially since September 2000, three key domestic factors have affected perceptions of violence and victory on both sides and have jeopardized both leaderships' ability to pursue peace. As Israelis and Palestinians have lost confidence in the peace process, they have increasingly turned to violence; definitions of victory now focus on the other side's losses rather than one's own gains; and, finally, the two parties have neared political paralysis, thereby

all but excluding the possibility of a negotiated exit from violence.

With hopes for a breakthrough at Camp David collapsing and bloody confrontations erupting, the two sides have increasingly embraced the notion that violence pays. In the absence of a viable political process, the leadership and the public have both displayed unprecedented levels of support for non-diplomatic solutions. Indeed, some 60 to 90 percent of Israelis support Israeli use of force and collective punishment against the Palestinians. Having characterized Palestinians as an "existential threat" to Israel, Israeli chief of staff Moshe Ya'alon has made clear that only a decisive military victory will control what he called a "cancer."

Immediately after the July 2000 Camp David summit, some 57 percent of Palestinians said that a violent confrontation with the Israelis would help Palestinian goals in ways that negotiations could not. By August 2002, almost two years into the *intifadah*, that proportion had reached 70 percent. In June 2003, that level was still largely unchanged, standing at 65 percent. A poll in April 2003, revealed that in the absence of an agreed mutual cessation of violence, more than 90 percent of Palestinians supported armed attacks against Israeli soldiers and settlers, while 57 percent supported bombing attacks against Israeli civilians inside Israel. While support for a mutual cessation and *hudna* has never been greater, reaching 80 percent in June 2003, that support remained fragile, as a majority was also willing to support a Hamas decision to oppose the ceasefire.

The parties' definition of victory has also been transformed. Surveys consistently show that the two publics no longer define victory in terms of what benefits it brings them, but rather what damage, pain, and suffering it inflicts on the other side. In response to a July 2001 Palestinian Center for Policy and Survey Research (PSR) poll

that asked respondents to evaluate the *intifadah's* impact on the economic situation of the West Bank and Gaza Strip and on their own families, only 2 percent of Palestinians polled gave a positive evaluation, while an overwhelming majority of 93 percent gave a negative assessment. At the same time, more than two thirds of respondents continued to support the *intifadah* and to view its "achievements" positively.

A poll published in the Israeli daily *Ma'ariv* in August 2002 asked respondents to consider the July 2002 Israeli bombing attack against Hamas leader Salah Shehadeh, which also killed seventeen other Palestinians, including twelve children: Two thirds of the Israeli respondents expressed support for the operation, while only 26 percent said that it should not have been carried out. (Among right-wing voters, 85 percent supported the attack.)² According to the July 2002, Tel Aviv University Peace Index, 63 percent of Israelis said that Israel should not abstain from other targeted killings in the future, even if civilians might be harmed. Yet when asked whether they thought such actions would decrease or increase terrorism, only 22 percent replied that terrorism would decrease, while 44 percent said it would increase, and 24 percent said it would not change. Taken collectively, these developments are highly disturbing: as long as the opponent is bleeding, it seems that both sides are prepared to sustain conflict for a long time.

Lastly, the two sides are approaching complete political paralysis. On the Palestinian side, a number of factors have weakened Arafat's ability to manage the crisis with Israel and have brought public questioning of the PA's legitimacy. Prime Minister Abbas failed to gain enough legitimacy and credibility and it is doubtful Prime Minister Qurei will fare any better. A new "young guard" seeking political reform, the displacement of the

"old guard," and the end of Israeli occupation through violence has entered an alliance (albeit a temporary one) with radical Islamists. Israeli military reoccupation of West Bank cities has seriously damaged the PA's civil and security infrastructure. Finally, the already highly inefficient PA has failed to deliver services to Palestinians at a time of extreme need. In the prevailing conditions of reoccupation and lack of resources, and perhaps resolve, the PA has not yet been able to rebuild capacity in the civil or security areas. Each of these developments has seriously damaged the PA's legitimacy, leading to a rise in the level of anarchy and a paralysis within the security services. Islamists have in effect gained veto power in Palestinian political life for the first time since the emergence of the Palestinian national movement in the mid-1960s. The time may soon come when Arafat, Qurei, and the PA are deemed irrelevant, and radical nationalist and Islamist militias control the streets of Palestinian cities. Only significant change in the lives of the Palestinians can transform the situation, providing the national movement the needed credibility and legitimacy to put it in the driving seat again. But such a change is highly dependent on what the Israeli government of Ariel Sharon is willing to do.

Even if one assumes that the Israeli prime minister is willing to help Prime Minister Qurei in ways that he would not do for his "peace partner" Mahmud Abbas, Sharon will likely continue to find himself defending his position against progressively more radical right-wing elements inside his own Likud Party and other members of his governing coalition. These right-wing elements can always threaten to bring Sharon's government down, even if coalition partners to his left continue to provide parliamentary support. While the extreme right-wing parties were unwilling to leave the Sharon government when,

2 *Ma'ariv*, August 2, 2002

in May 2003, he showed willingness to endorse the Roadmap, they nonetheless have succeeded in tying his hands in the implementation process. Sharon's fear of being ousted by his right-wing critics limits how far left he can go, and increasingly pushes him to attempt more extreme means of ending Palestinian violence. Every time a new threshold is crossed, the right-wing demand for military action increases. If this pattern holds, extreme ideas such as the proposed "transfer" of Palestinians to Jordan may gain respectability, placing in jeopardy the stability of the Jordanian monarchy.

C. ROOM FOR OPTIMISM

Even in this grim situation, there is room for optimism. Although both the Israeli and Palestinian leaderships are under extreme political pressure, they can still count on public support for a negotiated outcome. The two publics respond to the current situation in complex but similar ways. It is true that the person in the street is falling victim to a creeping radicalization: he or she votes for radical or right-wing forces (since the start of the *intifadah* in September 2000, Hamas and Likud have increased support among their respective constituencies by more than 40 percent each) and advocate the most extreme means (including suicide attacks, sending tanks and F-16 fighter jets to populated areas, and "transfer" solutions). But according to seven consecutive PSR surveys since the start of the violent confrontations, almost three quarters of Palestinians nonetheless continue to support reconciliation between the Israeli and Palestinian peoples based on a two-state solution. In a May 2002 PSR survey, fully two thirds of Palestinians expressed support for the Saudi peace initiative. (The questionnaire described the initiative as involving three elements: a return to 1967 borders, two states living side by side, and full normalization of relations between Israel and the Arab countries. The question did not refer to the refugee issue or to the

"right of return.") In a PSR June 2003 poll, a Palestinian majority of 52 percent supported a mutual recognition of Israel as the state of the Jewish people and Palestine as the state of the Palestinian people. Support for the Quartet Roadmap in the same poll reached 56 percent.

PSR surveys conducted during the first half of 2003, among 4500 refugee families in the West Bank and the Gaza Strip, Jordan, and Lebanon and published in July 2003, show surprising results. While PSR's and other surveys of refugees have always confirmed that an overwhelming majority (more than 95 percent) insist on an Israeli recognition of their right of return, the new surveys show only a small minority of 10 percent wanting to exercise that right by returning to Israel and that the overwhelming majority want to live in a Palestinian state. Among this 10 percent of the refugees wishing to return to Israel, less than 10 percent (or just 1 percent of the total number of refugees in the three areas surveyed) would seek Israeli citizenship while the rest would seek Palestinian (or Jordanian) citizenship.

On the Israeli side, public support for the establishment of a Palestinian state, the evacuation of settlements, a return to the 1967 borders, and the restoration of East Jerusalem to Arab control has never been higher. Support for Palestinian statehood and the immediate and unilateral evacuation of all Jewish settlements in Gaza and isolated settlements in the West Bank now exceeds 60 percent. In June 2003, a Truman Institute survey found 65 percent of Israelis supporting the mutual recognition mentioned above. Support for the Roadmap was found to be 61 percent. The July 2002, Tel Aviv University Peace Index, referred to above, reported that 64 percent of the Israeli Jewish public support or strongly support the establishment of a Palestinian state "within the context of a lasting peace agreement, including the Palestinian waiver of the refugees' right of return to locations inside Israel's borders." (More

than 50 percent of those identifying as right-wing voters supported such a peace agreement, compared to more than 80 percent of left-wing voters and more than 75 percent of moderate voters.) In the context of the peace agreement described above, about 58 percent of the Jewish public expressed support for “the evacuation of the Jewish settlements in the territories, except for the large blocs such as the Etzion bloc and Ma’ale Adumim.” (More than 50 percent of those who identified themselves as right-wing voters supported the evacuation, compared to more than 90 percent of left-wing voters and more than 75 percent of moderate voters.) Moreover, a majority of 57 percent of the Jewish public agreed that if the Palestinians will waive the right of return to Israel as part of the peace agreement, neither “Israel nor Palestine will be entitled to sovereignty over the Temple Mount, the mosques compound to be administered by the Palestinians [or] the Western Wall.” (Right-wing, left-wing and moderate support for this statement reached 44 percent, 58 percent, and 71 percent respectively.)

It goes without saying that the positive changes in public opinion will remain academic and

irrelevant as long as the two sides are unable to engage in serious political negotiations and as long as the dynamics pushing for violence remain in place. Only if the vicious cycle of violence can be irreversibly broken will leaders on both sides be emboldened to take risks on behalf of peace. The dynamic of violence and escalation has proven stronger than that of de-escalation. Even as the parties have accepted the Roadmap and after the initial success in July 2003, in implementing a ceasefire, the prospects for a successful return to meaningful political negotiations remain limited. The success of the process of peacemaking is dependent on the ability of the parties involved to appreciate the need to link all three process mentioned above: Palestinian political reform, Israeli-Palestinian security stabilization, and a peaceful political horizon. The interdependent nature of these processes means that little can be achieved if progress in one is not simultaneously paralleled by progress in the other two. A Roadmap, or an action plan, that succeeds in doing that can produce successful Palestinian state building. But before we examine these processes in details, we need to define Palestinian state building.

III. STATE BUILDING

This paper focuses on four dimensions of Palestinian state building: the Palestinian definition of vital interests, perceived sources of threat, the regional role and place of the Palestinian state, and how to make the state viable.

A. PALESTINIAN VITAL INTERESTS

As the Palestinian national movement led by Yasir Arafat and his Fateh movement shifted from a liberation ideology to a focus on state building, Palestinian vital interests were transformed. These changes started in the mid-1970s, found expression in the 1988 PLO declaration of independence, and were first implemented following the 1993 and 1995 Oslo agreements.

Several events contributed to the transformation. Following the June 1967 Arab-Israeli war and the end of the Nasser era, pan-Arab national identity weakened and the Palestinian national movement correspondingly became more pragmatic in its aims and strategies. The aftermath of the October 1973 war, the Egyptian-Israeli peace process, and the 1982 Israeli invasion of Lebanon and subsequent PLO relocation to Tunis all forced a Palestinian reassessment of the local and international balance of power. Palestinian elites were subsequently forced to become more self-

reliant in their pursuit of political objectives. Indeed, as the socioeconomic and political conditions facing Palestinians started to change in the late 1970s and early 1980s, the focus of Palestinian politics shifted from outside (Tunis) to inside (the West Bank and Gaza), and from a pro-Jordanian Palestinian commercial class to an autonomous Palestinian national bourgeoisie. By the first *intifadah* in the 1980s, state building had become the Palestinian national movement's dominant ideology. Oslo's implementation made this transformation irreversible even if forces outside the national movement, such as the Islamists, refused to join the consensus.

Four vital interests have since guided Palestinian political moves and will probably remain central for the next few decades. First and foremost, Palestinian interests have been dominated by the drive for an independent Palestinian state in the West Bank and the Gaza Strip, with Arab East Jerusalem as its capital, recognition from the international community and Israel, and self-determination for all Palestinians, including refugees. While factions such as Hamas and PIJ continue to aspire to more ambitious goals, almost three quarters of Palestinians accept the prospect of Palestinian-Israeli reconciliation based on a two-state solution in accordance with 1967 borders.

The second vital interest is a stable, democratic system of government free of authoritarianism and corruption. The PLO's 1988 declaration of statehood spoke of a democratic parliamentary system of government, but this interest has not since ranked very high on the agenda of the PLO's old guard political elite. It does, however, characterize the way that young guard insiders define their future state. According to a November 2002 PSR poll, an overwhelming 89 percent of Palestinians in the West Bank and Gaza support a democratic political system, including regular elections, the election of the head of the state for a limited term, freedom to form political parties, a free press, and an independent judiciary. When comparing the PA to the governments of Israel, the United States, France, Jordan, and Egypt, Palestinians give the Israeli system the highest rating and their own the lowest.

A third vital interest involves the improvement of Palestinian living conditions through international donor support and the development of an open market economy. Throughout the PA's first five years, a majority of Palestinians continued to place economic well-being as the second most important Palestinian objective after ending occupation. Although more than two thirds of Palestinians support the establishment of joint Palestinian-Israeli economic ventures and institutions, an independent economy remains an essential objective.

Finally, Palestinians have identified a significant interest in maintaining stable political and security relations with Israel and the neighboring Arab states, particularly Jordan and Egypt. An overwhelming majority of Palestinians support a policy of open borders with Israel and the establishment of a confederation or other special relationship with Jordan. Palestine's strategic security needs can best be met within the context of a regional security regime that can replace traditional means of defense.

B. PALESTINIAN THREAT PERCEPTION

In seeking to achieve their vital interests, Palestinians have perceived several sources of threat. Since the end of World War I, Palestinian concerns have focused on survival as a national group within a defined territorial entity. Right wing Israeli references to Jordan as a "Palestinian state" have served to remind Palestinians that their very national existence remains contested by a large segment of the Israeli political elite. Palestinians also fear that refugees will either remain stateless forever or that they will be gradually de-Palestinianized and assimilated into other national groups.

Similarly, Palestinians fear threats to their homeland's territorial integrity and to its geographic link with the rest of the Arab world. Israel's policy of separating the West Bank from the Gaza Strip, by greatly restricting Palestinian free movement between the two geographically separate areas, raises concerns about the emerging Palestinian state's ability to remain united and contiguous. The dozens of Israeli settlements that dot the West Bank and Gaza Strip, often in the heart of Palestinian-populated areas, inspire much the same anxieties. Indeed, many Palestinians fear that by making it physically impossible to separate Israelis and Palestinians into separate states, continued settlement expansion could lead to de facto apartheid. Traditional Israeli security strategy, which viewed the Jordan Valley as a security asset and envisaged a long-term Israeli military presence along the Jordan River and the Dead Sea, has inspired Palestinian fears of any attempt to physically separate the Palestinian entity from the rest of the Arab world.

These threat perceptions represent serious security concerns. The ease with which Israel reoccupied most of the West Bank during the second *intifadah* would seem to legitimate Palestinian

fears that, if demilitarized, a future Palestinian state could be perilously defenseless. Israel might be tempted to reoccupy a new Palestinian state whenever it deemed doing so to be essential for its own defense—even if the threat to Israeli security had nothing to do with Palestine, but rather originated to its east.

C. THE REGIONAL ROLE OF PALESTINE

A secure and viable Palestinian state would play a significant role in reducing future violence and war, thereby contributing to regional security and stability. In the absence of a Palestinian state, current tensions will prevail, and both local and regional actors will continue to exploit the Palestinian plight to wage war and perpetrate violence.

Continued violence forces Israel and other regional powers to devote a large share of their gross national product to defense expenditures at a time when political instability deters direct foreign investment. Moreover, the absence of a viable Palestinian state will in the long run raise serious demographic concerns for both Israel and Jordan. Israelis will be forced to choose between a democratic state and a Jewish state, while Jordan will have to increase discrimination against its citizens of Palestinian origin.

The Palestinians hold the key to legitimating Israel's existence in the region. A viable Palestinian state operating in peace and cooperation with Israel could contribute to Israel's process of normalization in the region, determining the nature of Israeli relations with other Arab and Muslim countries. With that key, Israel's acceptance in the whole region would be assured. Normalization could go a long way toward easing regional tensions; facilitating economic, social, and political progress; and helping to tackle the pressing needs that have so far impeded human development in the region.

Addressing Palestinian grievances can also play a significant role in reducing the appeal of extremism and religious fundamentalism throughout the region. In this context, Palestine could become a partner in regional and international coalitions in the war against terrorism. Conversely, the failure of the Palestinian mainstream national movement to deliver independence and good governance to the Palestinians could lead to the rise of a religious extremist alternative that would continue to fuel extremism across the region.

Finally, by demonstrating that democracy is not incompatible with Arab culture and Muslim religious beliefs, a democratic Palestine could provide a model for the whole region, thus setting the stage for a speedier transition to democracy in other Arab countries.

D. THE MEANING OF VIABLE STATEHOOD

In the Roadmap, the Bush administration and other members of the international community identified a viable Palestinian state living in peace and security with the state of Israel as the ultimate objective of the Israeli-Palestinian peace process. Previously, in April 2002, President Bush said that without a clear prospect for a politically and economically viable Palestinian state, ending the violence would be impossible. In June 2002, he committed his administration to work toward the goal of a viable Palestinian state within three years.

Given recent experience, it seems clear that a state in name only would be too weak to maintain its peace commitments and would pose a danger to the entire region. Still, the concept of viability remains elusive. We will break it down into five core components: territorial, economic, security requirements, sovereignty, and governance.

1. TERRITORIAL REQUIREMENTS

Perceptions of territorial viability have a lot to do with political considerations. In short, the need for Palestinian domestic legitimacy makes the 1967 borders the only acceptable option for mainstream nationalists. Moreover, Palestinian and Arab perception of international law forces them to insist on those borders in order to provide justification to their advocacy of accepting Israel's legitimacy in what they perceive as 78 percent of Palestine. Precedents with Egypt, Jordan, and Lebanon, in which Israel withdrew to the pre-1967 lines, also play a significant role in de-legitimizing any deal that would give the Palestinians less than the 1967 borders.

The physical parameters of territorial viability are easier to identify. Palestinian territorial requirements can be met through three measures: geographic contiguity, a corridor linking the West Bank and the Gaza Strip, and intact borders with Arab neighbors. Territorial contiguity is essential to allow persons, vehicles, and goods free and unimpeded movement within Palestinian territory and to enable the state to conduct internal commercial activities and cross-border trade without unnecessary expense. Contiguity is also needed so that the state can develop its cities and towns and exploit its natural resources in order to accommodate population growth, economic development, and refugee absorption.

Some Israeli maps, especially those advocated by the right wing, feature Israeli annexation or security control of between 25 and 35 percent of the West Bank. Such an arrangement would render Palestine so small and fragmented as to be incapable of functioning as an independent territorial unit. Additional fragmentation caused by Israeli demands for control over a large number of roads would further jeopardize the Palestinian state's ability to govern effectively. Indeed, the constraints upon law enforcement in a highly fragmented Palestine could be so great as to pre-

clude effective, independent government. Israeli demands for the annexation of the Ariel "finger," reaching some 16 kilometers inside the West Bank, would also threaten geographic contiguity. Israeli annexation of three Israeli settlement blocs around Jerusalem would completely cut off Arab East Jerusalem from the rest of the West Bank. Likewise, some of the settlement blocs' north-south extensions would hinder Palestinian transportation and commerce, thereby affecting the very viability of a Palestinian state.

A forty-kilometer corridor linking the West Bank and Gaza is vital. The corridor could be a road, one hundred meters wide, under Palestinian sovereignty. In order to avoid cutting Israel in two halves, the road, which would be part of an Israeli-Palestinian territorial exchange, could go underground (or above ground) whenever necessary to allow for a fully unimpeded Israeli movement along its main highways and access roads. Without such a connection, the territorial integrity of a Palestinian state can never be assured, and political separation will remain a potential threat, especially given the two regions' separate historical legacies. The absence of a territorial corridor may thus pose an existential threat to the unity of a Palestinian state.

Israeli control of the Jordan Valley would also seriously undermine Palestinian territorial viability. Similarly, Israeli control over Palestine's border with Egypt would deprive the Gaza Strip of land access to the outside world. In both cases, vital Palestinian interests would be negatively affected. Palestinian-Arab economic and political relations would be dramatically curtailed, Palestine's ability to play an effective role in Arab politics and trade would be constrained, and Israel would wield a great deal of influence over Palestinian foreign policy. Palestine's special relationship with Jordan would be damaged, and it might even be impossible for Palestine and Jordan to create a confederation in the future. In short, the state of Palestine, with

its Israeli-based territorial corridor, would not be able to serve as a land bridge between the Arab East and the Arab West.

2. ECONOMIC REQUIREMENTS

To be viable, the Palestinian state needs to develop an independent economy that is not dependent on Israel for infrastructure services or for markets for its goods and labor. Palestine should not continue to rely on Israel for basic needs such as water distribution, electricity, and fuel. Palestinian economic viability thus requires the development of domestic alternatives to markets and employment in Israel. Palestine must have the freedom to trade internally and externally, with access to outside markets, its own airports and harbor, and a West Bank–Gaza territorial corridor. The state must also have the ability to exploit its natural resources and acquire the capacity to absorb returning refugees. While most Palestinians realize that the economic viability of their state would be better served by maintaining strong economic links with Israel, and indeed most prefer to have such extensive links and joint ventures with Israel, none would accept a continuation of the current unequal status.

3. SECURITY REQUIREMENTS

While the Palestinian state will accept major security constraints, it must nonetheless have the capacity to maintain public law and order and internal security. Without posing a direct military threat to Israel, the state must also have a self-defense capacity that can help to secure its territorial integrity, sovereign government, and independence against external attack or subversion. Alternatively, an international force deployed along Palestinian borders could provide the state with guarantees for its independence and territorial integrity while removing Israel's concerns about its own security.

4. SOVEREIGN JURISDICTION

The Palestinian state must be considered equal to all other states under international law. It must

have presumptive jurisdiction over all the people within its territory and must exercise authority over a defined territory. It must have the right to choose its own form of government and must have the capacity to enter into foreign relations with other countries and to participate in making international law. Moreover, it must have control over its international crossing points, territorial waters, airspace, and natural resources, including water.

5. GOVERNANCE

While the Palestinians have only established a system of government during the past few years, experience has already indicated the need for vast improvements to existing institutions and new capacities in public administration, strategic planning, and policy making. A Palestinian state will also confront new challenges. It will have greater jurisdiction over land and people, in addition to responsibilities in new areas such as Jerusalem, refugees, natural resources, foreign relations, external trade, and external security. It will need to develop corresponding institutions and capacities. The PLO's legacy also demonstrates how easily a presidential system of government could develop into an authoritarian one. A transition to democracy will therefore require the adoption of a parliamentary system. Past experience indicates the need to introduce vast improvements in existing institutions and develop new capacities in public administration, strategic planning, and policy making.

IV. PEACE BUILDING

In order to build a viable Palestinian state along the lines described above, we must turn to peace building. This paper proposes a work plan that proceeds via three parallel processes: Palestinian political reform, building a security system, and peace making. The three processes are highly interdependent: any one of them is unlikely to succeed without the other two. This section describes the objectives and components of the work plan along with the conditions for its successful implementation. We propose a timetable for each component's implementation and define the role of the United States in each step. Our work plan is similar in many ways to the Quartet's Roadmap: it combines the peace process with political reform and new security measures; its three-year timetable features phases with parallel commitments; it envisages a significant international monitoring and verification role; and its novel component is an interim Palestinian state with provisional borders. The difference, however, is that this work plan also identifies ways to deal with the deficiencies in the Roadmap that we identified earlier.

A. OBJECTIVES OF THE WORK PLAN

The objectives of the work plan are threefold. The first is to bring about a stable political and

security environment that will gradually reduce Palestinian and Israeli threat perceptions and eliminate the Israeli need to build a separation wall, thereby making both sides more willing to negotiate and compromise. Reducing threat perception could also go a long way toward reducing the appeal of radical and right-wing forces in both communities. Conversely, failing to reduce threat perceptions will render the whole work plan ineffective, as Israel would continue to place its confidence in the "wall" and the Palestinians in violence.

The plan's second objective is to guide the Palestinian political system toward parliamentary democracy. Success in this effort would allow the PA to regain the political legitimacy it lost in recent years as it failed either to bring an end to Israeli occupation or to build strong democratic political institutions. Political reform would also encourage the rebellious nationalists in the young guard to lay down arms and integrate into the reformed political system. An open parliamentary system would provide senior members of the young guard the opportunity to advance their political careers and agendas and, gradually, to replace the old guard. A system that ultimately transforms the authoritarian Palestinian presidency into a ceremonial office

would provide the new leadership with the international legitimacy it badly needs as it returns to the negotiating table and attempts to build a state. Additionally, such a step could also restore regional confidence in Palestinian intentions, thereby helping a new prime minister to more fully engage the concerned parties.

The third objective is to pave the way for a permanent status agreement that ends the conflict. Different aspects of permanent status negotiations (such as a shared peace vision, settlement evacuation, and refugee absorption) would be implemented at different stages, thus easing progress toward an end to the conflict. Indeed, with threat perception reduced, political reforms instituted, and confidence in the peace process restored, conditions may become ripe for the negotiation and implementation of a comprehensive permanent status agreement. Since the Camp David summit in July 2000, the parties have already made significant progress toward a permanent status agreement, culminating in the Clinton peace proposals and the Taba negotiations. Over time, public opinion on both sides has also indicated more willingness to support compromises along the lines articulated in the Clinton Parameters and the Taba negotiations.

B. CONDITIONS FOR SUCCESS

In order to maximize the chances for successful peace building, the work plan must meet five conditions:

1. To prevent a strategic impasse, it must have a clear long-term vision.
2. It must provide Israelis and Palestinians with dramatic, concrete, immediate, and sustained changes in their environment.
3. Commitments entailed in the plan must be sufficiently clear and measurable to prevent a tactical impasse.
4. The plan must be performance-based and commitments must be reciprocal.
5. Finally, the plan should contain credible means of monitoring and verification.

Vision: To be implemented, any action plan must assure the two sides that their core needs will be met. The Palestinians need to know that their basic objective of ending the occupation of the Palestinian territories occupied in 1967, building an independent state, and finding a just solution to the refugee problem is assured. The Israelis need to know that violence is rejected and that the Jewish identity of their state is guaranteed. The action plan must therefore contain mutual long-term commitments, or basic working principles, covering such difficult aspects of the permanent status arrangement as territory and refugees. With these commitments in hand, the two sides can more easily make interim compromises, such as further transfer of land or absorption of refugees wishing to live in the Palestinian state, without fearing any impact on their ultimate bargaining position in the permanent settlement. With a clearly established core vision, they can also reduce the chances of a strategic stalemate in the permanent status negotiations.

Real Security, Real State: It should be clear from the outset that the Israelis will not go along with any negotiated outcome that does not guarantee their security. The Israelis thus need to know exactly how security will be achieved. With that in hand, the separation wall must be stopped and dismantled in order to give the Palestinians assurances that the interim stage of a state with provisional border is indeed temporary. The building of a concrete wall gives the impression of final, rather than provisional, arrangements. Similarly, the Palestinians will not agree to any new arrangements that do not guarantee them free movement and more effective control over their land. They need to know that the “state with

provisional borders” envisioned by the work plan will be real on two counts: it will have geographic contiguity (possible only if several dozen Israeli settlements are evacuated) and it will have genuine sovereign attributes (such as control over resources and international crossings). The action plan must therefore provide a detailed description of security arrangements, provisional borders, and the exact attributes of sovereignty. Since these issues are also relevant to the action plan’s interim phases, leaving any of them for future negotiations is an invitation to failure.

Clarity: To avoid tactical stalemates around every corner, the two sides and the international community must have a common understanding of each party’s obligations. Phrases and concepts such as “ensuring contiguity,” “ending incitement,” “freezing settlement construction,” “collecting illegal arms,” and “state with provisional borders,” must have clear definitions and common interpretations.

Reciprocal and Performance-Based: Both sides need to know that commitments are reciprocal and movement along a timetable is performance-based. Israelis need to know that the Palestinians will indeed fulfill their commitments in a next phase before they show willingness to implement their own commitments in a current phase. Palestinians need to know that when they complete the implementations of all their core commitments, Israel will still fulfill its own core commitments in future phases even if only minor Palestinian commitments remain pending for the next phase.

Monitoring and Verification: In order to address claims and counterclaims regarding implementation, it is essential that a third party with significant credibility on both sides serve as referee. In the past, failures to implement Oslo commitments were justified by claims that the other side had failed to carry out its obligations. An international body with a clear

mandate and the operational capacity to monitor and verify progress would go a long way toward guaranteeing the mutual implementation of commitments. Ignoring the need for monitoring and verification could torpedo the process from the start.

C. COMPONENTS OF THE WORK PLAN

In addition to a geographic map showing the exact provisional borders of the Palestinian state, the work plan has four components, each of which represents a distinct phase. Stabilization is first; to be followed in turn by Palestinian political reform (including parliamentary elections); the establishment of an interim Palestinian state with provisional borders and clearly stipulated attributes of sovereignty; and, finally, the negotiation and implementation of a permanent status agreement. It must be clear to all parties involved that the terms of the map and the four components are integral to the end result, and that failure to implement commitments at any stage therefore risks a return to political stalemate, violence, and reoccupation. It must also be understood from the outset that the willingness of one side to make concessions at any stage of the plan is contingent on the willingness of the other side to make concessions at other stages. As noted, an international monitoring team supervised by the Quartet would be tasked with verifying intentions and assuring compliance.

1. STABILIZATION STEPS

The stabilization process seeks to reverse the dynamics of violent escalation. Seven elements are essential to this process; all of them must be implemented during this phase.

(1) *AGREE TO A CEASEFIRE AND RETURN TO THE STATUS QUO ANTE*

Palestinians and Israelis would agree to abide by a formal ceasefire and, by the end of this phase, to return to the status quo that prevailed before September 2000.

Deployment of forces and assignment of civil and security responsibilities would be in accordance with existing agreements up to and including the Sharm el-Sheikh Memorandum of September 4, 1999. The Tenet ceasefire plan would provide a detailed outline for these steps.

(II) *REBUILD SECURITY SERVICES AND BEGIN SECURITY COOPERATION*

Within the context of this plan, the Palestinian leadership would define and articulate the mission of the security services. One of the main functions of the services would be implementing Palestinian commitments stipulated in the work plan. In the interim, a U.S.-Palestinian security agreement would be signed. In accordance with this agreement, the United States would assume responsibility for helping the Palestinians reconstitute their security services. This joint U.S.-Palestinian partnership would not necessarily involve the deployment of a large American force, but would require substantial U.S. involvement in determining the role, mission, size, equipment, training, and deployment of Palestinian security services. The United States would also assume responsibility for rebuilding the destroyed security infrastructure and for arming and equipping the security services. Both Egypt and Jordan could play an important training role. At this early stage in the stabilization process, it would certainly be preferable if this training were to take place in Jordan and Egypt rather than inside Palestinian territory.

Once their overall mission is defined and their operational capacity is restored, the retrained Palestinian security services would be capable of enforcing a ceasefire and implementing other security commitments. It would be a mistake to deploy Jordanian or Egyptian security forces in any operational

role, as their presence might create suspicion among Palestinians about the independence of their future state. Moreover, Palestinian factions seeking to spread instability and enlarge the scope of the current conflict might target Arab and other outside security forces serving in an operational role.

Palestinian-Israeli security cooperation would then be resumed along the lines agreed to in the Wye River Memorandum of 1998 and detailed in the Tenet ceasefire plan.

(III) *MAKE LONG-TERM COMMITMENTS TO A PARLIAMENTARY SYSTEM AND IMPLEMENT SHORT-TERM REFORM MEASURES*

During this phase, the Palestinian side would continue to implement its 100-day reform plan outlined in mid-2002. It would also commit to implementing far-reaching reforms that would pave the way for creation of a parliamentary system in later phases. These reforms would ultimately entail deeper institutional reforms, constitutional amendments, the strengthening of the position of the prime minister, and elections.

In this phase, dozens of more preliminary reform measures would be launched, including implementation of the Basic Law; restructuring the PA ministries; preparing for national elections; unifying the security services; placing all revenues, expenditures, and payroll administration under the Finance Ministry's control; rationalizing budget preparation; reorganizing commercial and investment operations; submitting an amended draft of the civil service law to the Palestinian Legislative Council (PLC) for review; preparing a modern pension system; enhancing the authority of the Auditor General via regular reports to the president and the PLC; instituting internal auditing of all ministries; and fully implementing the Judicial Authority Law.

(IV) *ECONOMIC REBUILDING PACKAGE*

The stabilization phase seeks to foster rapid Palestinian economic growth, in turn leading to a radically lowered unemployment rate and a restored standard of living. The anticipated reduction in political instability and the removal of Israeli-imposed impediments including closures, curfews, restrictions on movement, and the exclusion of Palestinian labor and goods from the Israeli market will all have a beneficial effect on the Palestinian economy. Israel would also transfer to the Palestinians all the Palestinian financial assets it has continued to withhold. PA donor countries and institutions (including Arab states) would put together an economic package designed to provide immediate employment to approximately 100,000 workers, would open foreign markets to Palestinian exports, and would help rebuild the destroyed civilian infrastructure.

(V) *ANNOUNCEMENT OF ISRAELI-PALESTINIAN UNDERSTANDINGS ON EARLY STATEHOOD, SETTLEMENT FREEZE, SETTLEMENT EVACUATION, AND REFUGEE ABSORPTION*

Accepting the work plan would mean consenting to its map and all its components, including commitments on early statehood, a settlement freeze, a settlement evacuation, and refugee absorption. An Israeli-Palestinian understanding on early statehood for the Palestinians would be announced at this step of the stabilization phase, although the actual establishment of the interim state would not take place until the plan's third phase. This understanding on early statehood would be in accordance with the U.S. and Quartet commitment to establishing a fully independent and sovereign state within three years, and would also adhere to UN Security Council Resolution 1397 regarding the establishment of a

Palestinian state. The declared understanding would contain commitments by both sides to a Palestinian state with provisional borders and specified sovereign attributes. Neither the map of the provisional borders nor the sovereign attributes would be subject to further negotiation.

The two sides would also make additional commitments. In preparation for early Palestinian statehood, Israel would commit to an immediate freeze on settlement construction as described in the Mitchell Report, and would agree to evacuate all settlements impeding Palestinian contiguity immediately prior to the establishment of the interim state in the third phase of the plan. To demonstrate a commitment to settlement evacuation, Israel would begin working on an implementation strategy combining the legal, financial, and procedural components for compensating and relocating settlers in those settlements slated for evacuation. Work on the resettlement strategy would accelerate during the second phase of the work plan.

The Palestinian side would simultaneously begin work on an implementation strategy—again combining legal, financial, and procedural components—for resettling those Palestinian refugees wishing, in an exercise of their right of return, to live in the newly evacuated areas. Work on the refugee absorption strategy would accelerate during the second phase of the work plan, and implementation would take place during the third phase, following Israeli evacuation of the settlements. By planning at this stage to absorb refugees wishing to live in the Palestinian state, Palestinians would not be undermining their position in the permanent status negotiations, as their claim to a right of return would be maintained to be fully addressed in those negotiations.

However, they would be demonstrating their commitment to a shared vision of peace.

(VI) *INTERNATIONAL MONITORING AND VERIFICATION*

An international monitoring team would be deployed in the Palestinian areas. The team would be supervised by the Quartet and its mission would be to monitor and verify the parties' compliance with their commitments under the full work plan. The team would report its findings to the Quartet, the UN Security Council, and the parties themselves.

(VII) *DEFINE A VISION OF PERMANENT PEACE*

Oslo's open-ended nature was one of the main reasons for its failure. While Oslo promised an end to Palestinian violence in return for an end to Israeli occupation, its open-endedness made it difficult for either side to fully commit to the peace process and created incentives for both sides to cheat. It invited the Israelis to create facts on the ground (by enlarging the settlement enterprise), to deny the Palestinians additional territory (by postponing and freezing army redeployments) and to transfer minimal control to the PA (by denying it water rights, control over international crossing points, and control over security in so-called "B" areas, currently under Palestinian territorial and civil control and Israeli security control). Meanwhile, fearing that Israel might renege on its commitments, the Palestinians tried to keep all their options open, including armed struggle (the Palestinian side was therefore reluctant to crack down on Islamists or to halt use of textbooks for national mobilization). In order to be sustainable, any new agreement must avoid this deadly trap.

Indeed, one of the challenges facing any renewed effort will be the fear of a strategic

impasse when it comes to the difficult permanent status issues. To avoid such an outcome, the permanent status negotiations must be given all possible chances for success. Vital issues of territory and demography must receive sufficient attention during this first phase, so that the two sides cease to view the peace process as open-ended or indeterminate.

The two sides must recognize that permanent status negotiations will be based on more than UN Security Council Resolutions 242 and 338. These talks must also build on more recent progress, including the Clinton Parameters, the Taba talks, and the Saudi peace plan. From the outset, it must be clear to the Palestinians that, with a territorial swap, they will receive land equivalent to 100 percent of their pre-1967 territory. Similarly, it must be clear to Palestinians and Israelis that the refugee problem will be justly resolved (by an Israeli recognition of the right of return) without affecting the demographic nature of the Jewish state (by allowing for limitations on the exercise of the right to return to Israel). This mission is now possible given the prevailing refugees' attitude (as shown in PSR July 2003 refugee surveys mentioned above) that, while determined to obtain the right of return, would make a very limited demand for an actual return to Israel. The two sides should also agree that, as permanent status negotiations proceed, they would implement partial agreements on territory (including Jerusalem) and refugees as soon as they are resolved.

2. PALESTINIAN POLITICAL REFORM

Reconstitution of the Palestinian political system is an essential precursor to Palestinian state building. Democratic reforms at this stage will provide the Palestinians a means of regaining the international legitimacy and credibility they

have lost over the past three years. By helping to integrate all Palestinian factions into the political process, including groups such as Hamas and PIJ, reforms will grant the state building process much-needed legitimacy among the Palestinian people. Reforms will also give the Palestinian young guard a crucial incentive to lay down their arms. The young guard perceives the old guard regime as corrupt and tyrannical, and is unlikely to allow the old guard to return to negotiations without some guarantee that this would not be aimed at perpetuating the rule of what they perceive to be a failed, authoritarian regime. By integrating members of the young guard into the political system from the outset, political reform can reassure them that they will obtain an open and democratic state. This incentive is crucial: many Palestinians supported Oslo despite its shortcomings precisely because it was believed to promise real political reform despite the fact that it did not address any of the major issues of the conflict. Palestinian political reform is also good for the Israelis. Strong Palestinian institutions would be more capable of making and keeping peace commitments. Israelis would know that a reformed, democratic neighbor, different from the one they have known so far, was responsible for implementing the new agreements including the permanent one. No less important, early political reform would prolong the life of the PA long enough to give time to design a lasting and sustainable alternative.

Since April 2002, reform of the PA has emerged as one of the most vital Palestinian priorities. Capitalizing on this development, the Bush administration made political reform, specifically regime change, the centerpiece of its Middle East policy. The Quartet's Roadmap also makes reform a pre-condition for peace making. Palestinians were articulating a reform agenda long before the United States and Israel, but they placed little focus on regime change. Instead, they focused on six other dimensions: strength-

ening public institutions; introducing financial transparency and accountability; ensuring the independence of the judiciary and respect for the rule of the law; unifying the security services under a civilian command with governmental oversight; ensuring separation of powers through constitutional reform; and holding local and national elections.

In this first phase, Israelis and Palestinians would continue to prepare for measures that they would not implement until the next phase, such as settlement evacuation and refugee absorption. Implementation in this phase would focus on a four-point reform agenda comprising institutional reform, leadership reform, constitutional amendments, and parliamentary elections.

(I) *INSTITUTIONAL REFORM*

Over the past few years, a significant body of work has emerged exposing Palestinian institutional shortcomings. The PLC has continuously demanded with little or no success that the PA's executive authority implement far-reaching institutional reform. In this phase, the PA must embark on reforms such as those demanded by the PLC and recommended in "Strengthening Palestinian Public Institutions," a report jointly sponsored by the European Commission and the Council on Foreign Relations. Written essentially by Palestinian experts and scholars, the report has been the basis of an ongoing effort by an independent Council task force.

The following reform steps are essential:

- A stronger and more effective legislative council with a clearer legislative process and more effective oversight powers.
- The creation of an independent judiciary with a strong supreme judicial council, an effective infrastructure, and the capacity to enforce its decisions.

- Continued adherence to financial accountability and transparency, with control over revenues and expenditures unified under a strong finance ministry.
- Effective civil control over police and security services, including political, legal, and financial oversight and a strong interior ministry.
- A leaner, better-organized public administration that adheres to existing civil service law, with a unified pension system and central control over pay and recruitment.

(II) LEADERSHIP REFORM

The creation of the position of prime minister in the Palestinian political and constitutional system and the appointment in March 2003, of Mahmud Abbas as the first prime minister, allow for greater accountability in the system. Although President Arafat continues to enjoy greater popularity than any other Palestinian, over time many Palestinians have lost confidence in his ability to bring about good governance. His approval rating has plummeted from a high of 75 percent in January 1996 to 35 percent in June 2003. During the violent confrontations of the Palestinian second *intifadah*, most believe that he has failed in projecting leadership. Accordingly, majorities within the PLC and various Fateh institutions demanded the appointment of a prime minister. In July 2002, Fateh's Central Committee proposed the appointment of Mahmud Abbas as prime minister. Abbas' appointment restored some U.S. and Israeli confidence in Palestinian intentions, making it possible for the U.S. to allow the release of the Quartet Roadmap and for Israelis and Palestinians to endorse that plan.

The appointment of a prime minister must not presage Arafat's removal, nor should it

relegate him to a ceremonial position at this early stage in the process. Although a November 2002, PSR poll showed 73 percent of Palestinians supporting the appointment or election of a prime minister, only 47 percent would support (and 48 percent would oppose) a system that turned the presidency into a ceremonial office. Most Palestinians fear that American demands for new leadership are meant to clear the way for an unfavorable long-term interim agreement amounting to an Israeli protectorate in a small part of the occupied territories. In the fight to avert being left with a defenseless and dependent quasi-state, Palestinians strongly believe that they still need Arafat. He is their elected leader and the symbol of their national aspirations, and without him they would fear both Israeli and international neglect, as well as political strife at home.

(III) CONSTITUTIONAL AMENDMENTS

As part of this initial phase, the Palestinian reform agenda must strive to immediately reduce the power of the presidency, delegating much of its power to the prime minister. President Arafat, however, is an elected leader; moreover, he serves as the glue that keeps the Palestinian national movement together while containing the Islamist threat. Nevertheless, in the longer run, Palestinians recognize that a strong presidency is conducive to authoritarianism. Once a state has been declared, the newly-elected parliament must enact a constitution that provides for a strong parliamentary system of government, grants significant power to a prime minister, and renders the president's office ceremonial.

Over the past few years and particularly during the second half of 2002, many Palestinians have advocated a parliamentary system as an effective means of addressing

the current system's authoritarian nature. One of the draft constitutions proposed by an official PA-PLO constitution committee advocated a parliamentary system for the Palestinian state, although it left a great deal of power in the president's hands. Many Palestinian scholars believe the only way to overcome the PLO's authoritarian legacy is through a parliamentary system with a strong prime minister. Palestinians understand parliamentary systems with multiple parties and coalitions; after all, they have had ample opportunity to observe Israel's government at close quarters. Indeed, as noted earlier, Palestinians prefer Israel's system to other governments.

Once the Palestinian state is established, a parliamentary system would provide two great advantages: it would provide a peaceful forum in which parties and factions could compete for power, and it would severely restrict the ability of any one person to dominate the political scene for very long. The parties and factions that comprise Palestinian politics today— Hamas, Fateh, PIJ, Palestinian People's Party, and the Popular Front for the Liberation of Palestine, among others—would need to form coalitions, and this would force some degree of moderation. It is unlikely that any party would so dominate the scene that it could independently name a prime minister without forming a coalition. In such a system, the essential executive power would rest with the prime minister but he would be accountable to an elected parliament.

Placing power in the hands of a parliament rather than a president would speed the transformation of militias and political factions like Hamas into parties that compete for votes. It would also put an end to the PLO's legacy of one-man rule. Palestinians could at last escape the trap of supporting a bad government out of fear that any replacement would be worse. Importantly, young nationalists who are angry at the corruption and mismanagement of the old guard would be able to find a place in the new system of government.

The constitutional reform described above would require changes in three constitutional documents: the Basic Law, the Election Law, and the draft Palestinian constitution. The PLC had already debated and adopted an amendment to the Basic Law creating the position of prime minister, thereby moving one significant step toward a parliamentary system. But the amendment did not eliminate the need for presidential elections. While it would have been preferable to put the power of electing a president, in this phase, in the hands of the parliament, such an amendment could be incorporated in the Palestinian draft constitution. In this case, the adoption of a fully parliamentary system would take place in the third phase of the work plan, i.e., after the establishment of a state with provisional borders. Focus in this phase should therefore be on revising the current draft constitution so as to enhance the power of the prime minister and make the presidency ceremonial. About thirty articles of the draft constitution would need amending.³

3 For example, the following articles of the unpublished draft constitution dated June 2002 would need to be amended:

Art 51: the president calls for parliamentary elections, also determined by law

Art 53: the president may dissolve parliament if decision to do so is approved in a referendum

Art 78: the president ratifies laws approved by the parliament

Art 94: the president is head of republic and commander-in-chief of the armed forces

footnote continued on next page.

(IV) PARLIAMENTARY ELECTIONS

In his June 24, 2002, speech President Bush emphasized that the Palestinians must undergo regime change before Israeli-Palestinian negotiations can start. Although the Quartet Roadmap tries to fudge the issue, it too seems to endorse regime change. The issue of elections thus gains added urgency. The Roadmap sees fit to place elections and the withdrawal of the Israeli army to its pre-September 2000 positions in the same phase. But should elections really be held at a time when violence has hardened attitudes and shifted the domestic balance of power in favor of opposition forces?

Moreover, election requirements would necessitate the prior implementation of the stabilization phase described earlier. Some of these requirements would require full Israeli cooperation. Free campaigning requires the cessation of Israeli incursions into Palestinian areas and the withdrawal of Israeli forces from Palestinian territory, including the removal of checkpoints. As in the last elections in 1996, successful voter registration in Arab East Jerusalem would require full Israeli collaboration.

At the end of this second phase, Palestinians would elect a parliament and, in the absence of further amendment to the Basic Law, a president. Free and fair elections would require the participation of Hamas and PIJ, both regarded as terrorist organizations by the United States and Israel. As in the last elections in 1996, voter registration in Arab East Jerusalem needs full Israeli cooperation, a matter no longer certain. Free campaigning requires the cessation of Israeli incursions into Palestinian areas. Meaningful elections presume respect for their results; Israel, the United States, and the rest of the international community must be prepared to deal with those who are democratically elected, even if they do not like them.

3. EARLY STATEHOOD AND ARAB CONFIDENCE BUILDING MEASURES

Early Palestinian statehood is the means to kick-start the peace process; it is not the end of the process. If the Palestinians feel that Israel intends it to be the end, then a third *intifadah* is likely to be only a matter of time. Similarly, if the Palestinians do not implement their commitments, Israel can easily reoccupy the state.

3 (footnote continued from previous page.)

Art 96: the president represents Palestine in foreign relations, preserves the state, and defends the rule of the constitution

Art 97: the president is directly elected by the people

Art 102: the president makes and terminates ambassador appointments

Art 103: the president appoints a prime minister

Art 104: the president approves treaties ratified by parliament

Art 106: the president establishes advisory councils

Art 110: the president presents draft fiscal laws

Art 112-113: the president enjoys veto power with regard to legislation

Art 114: the president may declare state of emergency

Art 115: the president may issue proclamations during emergencies

Art 120: the prime minister and the ministers are responsible to the president

Art 122: competencies of the Council of ministers "in cooperation with the president"

Art 123: the president chairs meetings of the council of ministers when he attends them

Art 124: the president submits statement of public policy to parliament

Art 129: the president refers ministers for investigation

Art 133: the president calls the cabinet for meetings

Art 141: the president appoints the chief of the fiscal and administrative oversight bureau

Art 160: the president selects three judges for the constitutional court

Art 175: the president appoints the attorney general

Art 179: the president presents a motion to review any provisions of the constitution for amendment or cancellation

Eight steps would need to be taken during this phase. First, in coordination with the Israeli side, the new Palestinian parliament would declare the establishment of a Palestinian state with provisional borders, as delineated on Map II. Second, Israel would recognize the new state's borders and would simultaneously evacuate those settlements that impede the state's contiguity.⁴ Once the state is established, the new government would immediately implement three more measures: it would approve a new constitution establishing parliamentary democracy and giving the legislature the power to elect a ceremonial president; it would confirm a new government headed by a prime minister (the leader of the strongest parliamentary faction); and it would affirm Arafat as a president for life with limited powers. Three final steps would be gradually implemented before the end of the phase: the Palestinian state would begin implementing a limited program of refugee absorption by relocating those refugees wishing to live in the Palestinian state into the evacuated areas, including settlements for those willing to live in them; Israel would facilitate the Palestinian state's sovereign jurisdiction in all areas delineated in the work plan (any imposition of any temporary limitations on Palestinian sovereign jurisdiction would be in accordance with the limits set in the work plan); finally, and simultaneously with the last two steps, Arab countries would unilaterally implement several confidence building measures (CBMs) toward Israel.

It should be clear from the outset that a Palestinian state, no matter how "provisional," makes no sense unless it brings significant change to the lives of its citizens. A state lacking territorial contiguity is not viable or genuine. Similarly, a state that does not enjoy significant attributes of sovereignty will be viewed with ridicule by its own people; it will be nothing but

a make-believe state. Indeed, the success of the action plan's peace building process is contingent on the ability of involved parties to successfully present the interim state to Palestinians as a real state with true contiguity and sovereignty. The following is a description of the five non-reform oriented steps in the work plan's third phase.

(I) *A CONTIGUOUS STATE WITH PROVISIONAL BORDERS*

The Palestinian state would be declared in the areas currently under Palestinian territorial jurisdiction and in those areas evacuated by Israel (see maps I and II). The new areas would include international crossings, i.e., the Allenby Bridge and the Rafah crossing. The declaration will draw upon the permanent settlement vision described in the work plan. The state will be then recognized by Israel and the international community and will be admitted to the United Nations as a full-fledged state. Israel and Palestine will exchange ambassadors. In accordance with the permanent status vision and pending an agreement with Israel, the Palestinian state will declare its intention to have its capital in Arab East Jerusalem.

(II) *ISRAELI EVACUATION OF SETTLEMENTS*

Simultaneous with the declaration of the Palestinian state, Israel will evacuate its Gaza Strip settlements (with approximately 6,000 settlers) and some thirty-four settlements in the West Bank (with approximately 14,000 settlers) that impede minimum territorial contiguity.⁵ Evacuation would commence immediately upon the declaration of statehood and would progress incrementally. Evacuation would need to be completed long before the end of the phase in order to allow for state contiguity, exercise of sovereignty, and the absorption of refugees. The evacuation

4 See list and map of such settlements in appendix.

5 For a list and map of settlements to be evacuated, see appendix.

program would set legal, financial, and procedural guidelines for future evacuations, drawing on lessons learned from this limited exercise. Even though the Mitchell Report mandates that Israel freeze all settlement construction, the Palestinians would accept continued settlement activities in those settlements that would eventually be annexed to Israel as part of the territorial swap described in the shared peace vision. This exception to the full settlement freeze would be implemented only if the vision of the permanent status was sufficiently detailed to allow the identification of such settlements.

Israel would also agree to a temporary West Bank–Gaza Strip corridor facilitating the free movement of people and goods between the two parts of the Palestinian state. Construction of a permanent corridor would also commence during this phase. The two sides will need to determine the final details of the corridor construction: the location of the road, the areas in which the road goes underground or above ground, the nature of access to Israel from the road, etc. The permanent corridor must be completely sealed off from its surroundings, making it physically impossible for motorists using it to gain access to Israeli territory. While authority over the interim corridor (for example, traffic control) would be subject to Palestinian-Israeli negotiations during this phase, the nature of Palestinian sovereignty over the permanent corridor would be left to the final status negotiations.

(III) REFUGEE ABSORPTION

Once the Israeli army withdrawal and settlement evacuation have been completed, the Palestinian state would begin to implement a program of refugee absorption. While the Palestinian state would still need to negotiate the nature of the Israeli recognition of the right of return, refugees wishing to

exercise the right of return to the Palestinian state would be absorbed in the evacuated areas. It is expected that about 25,000 refugees could be accommodated in those areas, including the evacuated settlements. An absorption offer would be extended to all refugees living in the West Bank and the Gaza Strip as well as those currently living in host countries outside Palestine. The absorption program would set legal, financial, and procedural guidelines for future absorption plans, including lessons learned from this limited exercise. The guidelines and the lessons learned would be incorporated in a continuously updated absorption manual.

(IV) SOVEREIGN ATTRIBUTES

Upon its establishment, the new state will exercise sovereign jurisdiction over the following:

- It will enjoy diplomatic recognition as a state from Israel, the United Nations, and the rest of the international community, and will have the capacity to engage in foreign diplomatic relations with other countries subject to some mutually agreed-upon limitations, such as a prohibition on the deployment of foreign forces.
- The state will be free to negotiate its economic relationship with Israel and to establish trade relations with other countries, subject only to mutually agreed-upon security limitations such as the inspection of imports at international border crossings. (Palestinian exports crossing Palestine's international borders would not be subject to Israeli interference.)
- The state will enjoy sovereign jurisdiction over its territorial waters, water resources, and air space. The two sides may agree to temporarily restrict well-drilling as they work toward an agreement on water

management with the assistance of the international community. The state would have the right to build its own port in the Gaza Strip and to construct airports in the West Bank and the Gaza Strip. Israeli military use of Palestinian air space would be subject to monetary compensation. Israeli civilian use of Palestinian air space would be subject to reciprocal treatment.

- The state will exercise limited authority over the corridor between the West Bank and the Gaza Strip. Construction on the permanent corridor will begin immediately, even though the nature of future Palestinian sovereignty over it would remain to be determined.

The state will exercise control over entry and exit points at its international border crossings (including ports, airports, and land crossings), and will determine its own immigration policy. This would entail full control over exit points as well as partial control over entry points. Territorial contiguity between the state and its international crossings, currently absent with regard to the Allenby Bridge, will be assured. Israel will not maintain a presence at Palestinian exit points. Agricultural and manufactured exports, Palestinians, and visitors will exit Palestinian airports and border crossings without Israeli interference. Material entering the state will be examined by Palestinian customs officials, then subjected to inspection of international monitors to ensure that no prohibited weapons and material enter the state. Israel will have no control or authority over individuals entering the state, nor will it be able to verify their travel documents. Israel would raise issues related to the entry of individuals or categories of individuals (e.g., visitors from countries at war with Israel) in various joint cooperation forums, including joint security committees.

(v) *ARAB CBMs*

Simultaneous with the first exercise of Palestinian sovereignty, Arab leaders will announce the immediate implementation of confidence building measures (CBMs) designed to assure Israelis that they are making peace not only with the Palestinians but with the entire Arab world. Some of the normalization steps at this time may include public announcements by Arab leaders to Israelis, Arab recognition of Israeli passports, and Israeli use of Arab air space for commercial flights. These early CBMs would go a long way toward reducing Israeli threat perceptions and encouraging the public to support the unfolding peace process. Combined with expanded Arab financial and security roles under the new arrangement, they would help to make the Arab countries full partners in the peace process.

4. PERMANENT AGREEMENT

In the fourth phase of the plan, the two sides would enter permanent status negotiations with the aim of reaching a permanent agreement based on the work plan's shared peace vision as quickly as possible. The parties must finish the negotiations in a period not exceeding the timeline set by the Bush administration for the establishment of a full-fledged Palestinian state, i.e., within three years.

The two sides may find it useful to implement partial agreements as soon as they are concluded. For example, when the two sides agree on final territorial transfers and settlement evacuations, the borders of the provisional Palestinian state could immediately change. Refugee absorption could continue even as the Palestinian state continued to consolidate its control over immigration and international entry points. Settlements evacuated in the course of this process could immediately be used to house refugees. Other aspects of refugee absorption could be

implemented even if no final agreement had been reached on the nature of the Israeli recognition of the right of return. Palestinian water use could increase even if no permanent agreement had yet been reached on water rights. Arab neighborhoods of Jerusalem transferred to the Palestinian state could serve as home to the new state capital even while other questions about Jerusalem, such as the fate of its holy places, remained unresolved. International forces could be deployed in the Jordan Valley even if some aspects of security had not been fully negotiated by the parties. Only in the end, once all issues had been fully agreed upon, would the two sides sign an agreement on the end of the conflict.

D. THE U.S. ROLE

Despite the Bush administration's success in developing the Roadmap together with the other members of the Quartet, many doubt American commitment to the Roadmap's full implementation. American preoccupation with Iraq and the war on terror are perceived to have left little room for the sustained American engagement so necessary to successful implementation of any roadmap. Moreover, many inside the American administration do not seem to view the Palestinian-Israeli situation as ripe for a solution and are fearful of the potential impact of failure on Bush's re-election chances. Many view the current Palestinian-Israeli situation as much less hopeful than it was three years ago when conditions seemed near ideal for a settlement: Israel had a "peace government" under Prime Minister Ehud Barak; the United States had a highly committed administration under President Clinton; and the Palestinians had a much stronger and more credible PA.

Making things worse, Bush's June 24, 2002, speech made further American engagement conditional upon the removal of Yasir Arafat. Since it is inconceivable that the Palestinians will voluntarily abandon Arafat any time soon, the only outcome

of this policy may well be political paralysis and continued escalation of violence. Any violent removal of Arafat by Israel would only cause further escalation by weakening the Palestinian national movement vis-à-vis the Islamists.

No roadmap to peace can be implemented without a solid American commitment to lead the process and work with the elected leaderships on both sides. The United States should abandon its regime change requirement and instead should make reform a natural outcome of the peace vision's successful implementation. The Bush administration should, in collaboration with other members of the Quartet, embark on a course of action that would influence the nature and outcome of Palestinian political reform, including new elections.

If the United States instead continues to insist on regime change, Arafat may become stronger. In the power struggle between Arafat and Prime Minister Abbas, the isolation of the Palestinian president served only to weaken and embarrass Abbas, forcing his resignation. Palestinian reformers have become reluctant to criticize Arafat for fear of being associated with Israel and the United States. The U.S. belief that a coalition of moderate democrats could win against the Palestinian leader is unrealistic. Instead of ousting Arafat at the beginning of the process, it would be more practical to let him lead the very reforms that will gradually undermine his authoritarianism and lead to his own marginalization. Serious political reform, at the institutional, constitutional and leadership levels, not regime change, helps further the peace process. Regime change intensifies Palestinian anxieties and undermines the ability of reformers to pursue this program and at the same time lead the peace process.

Furthermore, the United States needs to assure the Palestinians that reform demands are not

meant to excuse any Israeli efforts to block progress toward ending occupation. The United States can help address Palestinian fears by leading efforts aimed at ending the occupation and building a Palestinian state. In addition to developing ideas and mobilizing support for them, the United States needs to facilitate the Roadmap's implementation. The United States should take a significant role in the stabilization process from the outset by developing a U.S.-Palestinian security partnership. In cooperation with the existing Palestinian leadership, the United States should lead the process of rebuilding, training, and equipping Palestinian security services. It is not realistic to expect Egypt and Jordan to manage this endeavor or to play a significant role in it given Palestinian fears that these countries could dominate and thus destabilize their security forces. U.S. involvement could also reduce Israeli concerns and help protect the new security infrastructure against Israeli attacks while it is being gradually rebuilt.

In short, the United States needs to do the following:

- Having developed a Roadmap to peace with its Quartet partners, the U.S. needs to present the Palestinians and the Israelis with a detailed action plan with a much clearer outline of the responsibilities of each side. The detailed action plan should include a vision for the permanent settlement (along the lines of the Clinton Parameters, the Taba achievements, and the Saudi Initiative) and a clear and detailed description of a Palestinian state with provisional borders as envisaged in phase II of the Quartet Roadmap. The detailed permanent status vision will make it easier for the parties to take the risks involved in the creation of a state with provisional borders when they are confident of the intentions of each other in the final arrangement. The detailed description of the state with provisional borders makes it possible for

the Palestinians to have a stake in the process, knowing that the state would be truly contiguous, independent, and with real sovereign attributes. With this in hand, they could take greater risks in implementing their commitments in the first phase of security stabilization and political reform.

- Build a U.S.-Palestinian security partnership that would restore the PA's capacity to maintain security and would involve Egypt and Jordan in the re-training process.
- Encourage and monitor Palestinian political reform and set benchmarks in cooperation with the EU. Reform should not be a precondition for Palestinian statehood, but the creation of a Palestinian state with provisional borders should be accompanied by significant Palestinian constitutional, institutional, and leadership reform.
- Display sustained commitment to full implementation of the Roadmap. Implementation should be monitored and verified by an international team, with full U.S. participation and backing.

E. TIMETABLE

The whole work plan described here can be implemented in a period not exceeding the three years proposed by the Bush administration. The following is a summary of the work plan's phases and a proposed timeline for their implementation.

1. DRAW AN ACTION PLAN OR ROADMAP: SIX MONTHS

- Launch international and regional consultations.
- Build international and regional consensus, perhaps through a Security Council resolution embodying the full action plan.
- Obtain Israeli and Palestinian approval of the action plan.

TIMETABLE

TASK	DATES	MONTHS
1 Draw an action plan or Roadmap	January 2004 – June 2004	6
2 Stabilization steps	June 2004 – March 2005	6
3 Reform and elections	March 2004 – June 2005	3
4 Early statehood and Arab CBMs	June 2005 – March 2006	9
5 Permanent agreement	March 2006 – March 2007	12
		Total 36

2. STABILIZATION STEPS: SIX MONTHS

- Both sides observe a formal ceasefire and a return to the September 2000 status quo ante.
- Palestinians rebuild security services and begin security cooperation with Israeli security services. The U.S. establishes security partnership with the PA and plays a significant role in restructuring, training, equipping, and monitoring Palestinian security services.
- Palestinians implement short-term reform measures and make commitments to long-term reform.
- Economic rebuilding package implemented by the international community.
- Palestinians and Israelis commit to statehood; Israel implements settlement freeze and commits to settlement evacuation; Palestinians commit to refugee absorption.
- The United States and other members of the Quartet define roles for regional and international actors and deploy international monitoring teams.

- The United States and other members of the Quartet commit the parties to a vision of permanent peace based on the Clinton Parameters, Taba achievements, and the Saudi Initiative, with a particular focus on borders and refugees.

3. REFORM AND ELECTIONS: THREE MONTHS

- Institutional reforms to proceed under an updated Palestinian 100-Day Plan.
- Leadership reform, with the consolidation of the position of the prime minister and the transfer of powers from the office of the president to the prime minister's office.
- Palestinian work on constitutional amendments to continue, including amendments to the Basic Law, Election Law, and the Draft Constitution.
- Elections (preferably parliamentary only) to be held.

4. EARLY STATEHOOD AND ARAB CBMs: NINE MONTHS

- Palestinians declare an interim state.
- Israelis complete evacuation of specified settlements.
- Palestinians implement three reform steps: adoption of new constitution, establishment of a government headed by a prime minister and appointment of Arafat as ceremonial president for life.
- Refugee absorption begins in newly evacuated areas and settlements.
- Palestinian state acquires sovereign attributes.
- First Arab CBMs implemented.

5. PERMANENT AGREEMENT: TWELVE MONTHS

- Final status negotiations resume. These negotiations can start the moment a Palestinian state with provisional borders is established. They need not wait for the start of this last phase.
- Territorial swap agreement is reached and territorial transfer and further settlement evacuation continue.
- Refugee absorption to be completed.
- Arab East Jerusalem becomes the capital of the Palestinian state.
- New security arrangements are instituted, with Israeli military forces to evacuate Jordan Valley and international forces to be deployed.
- End of conflict is declared.

VI. DIFFICULTIES

The proposed plan is likely to face four major difficulties. The United States, preoccupied with Iraq and elections and fearing failure, may refuse to lead the process. Bush administration hawks tend to see a victory over Iraq paving the way to a successful Arab-Israeli peace process and may therefore fail to take proactive steps. Fearing immediate marginalization, Arafat may resist political reform. For their part, many Palestinians fear another interim agreement on the grounds that it could wind up becoming permanent without their consent. In particular, members of the Palestinian young guard may refuse to renounce violence at the outset, demanding instead a full end to occupation before any ceasefire. Some Palestinian refugees may resist absorption in the absence of an agreement on the right of return. A Sharon government may refuse to evacuate settlements or negotiate under fire. Finally, some Arab countries may refuse to take any normalization steps early in the process, preferring instead to wait for its conclusion.

Although each of these difficulties will prove very hard to overcome, the resolution of any one may impart momentum to the process that makes it possible to overcome the others. Certainly, each of the parties will find in the full package elements that satisfy its core needs.

In the absence of an agreement on Palestinian statehood, the process of escalation may lead to one of the two other alternatives: an Israeli military government or an international administration. Both have the potential to transform the face of the Palestinian-Israeli conflict. An Israeli military government is likely to eventually lead to a third Palestinian *intifadah*. While the first *intifadah* (1987–93) was mostly nonviolent, the second turned immediately to violence and suicide attacks. It is not inconceivable that a third *intifadah* could turn to non-conventional means. Alternately, an international administration imposed on the Palestinians by force could expand the conflict into the international arena, making it a factor in the war on terror, and perhaps transforming that battle into a war on Islam in the eyes of many Arabs and Muslims.

It is very clear by now that there is no perfect or easy way to resolve the Israeli-Palestinian Conflict. But Palestinian state building through the interim state with provisional borders proposed here provides the most effective way to reconcile the needs of both sides and the alternatives bode for a very dark future for Palestinians and Israelis alike.






APPENDIX

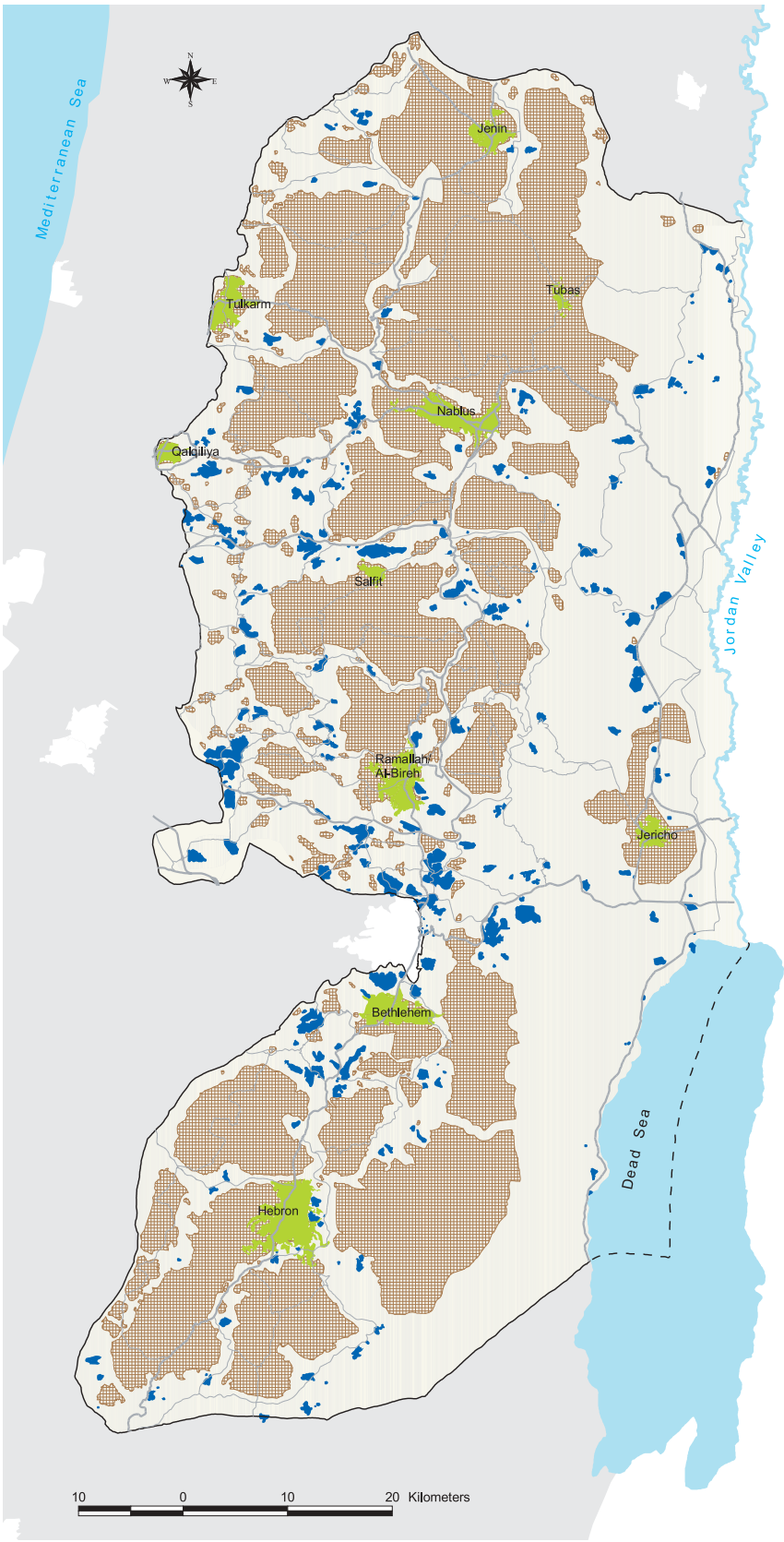
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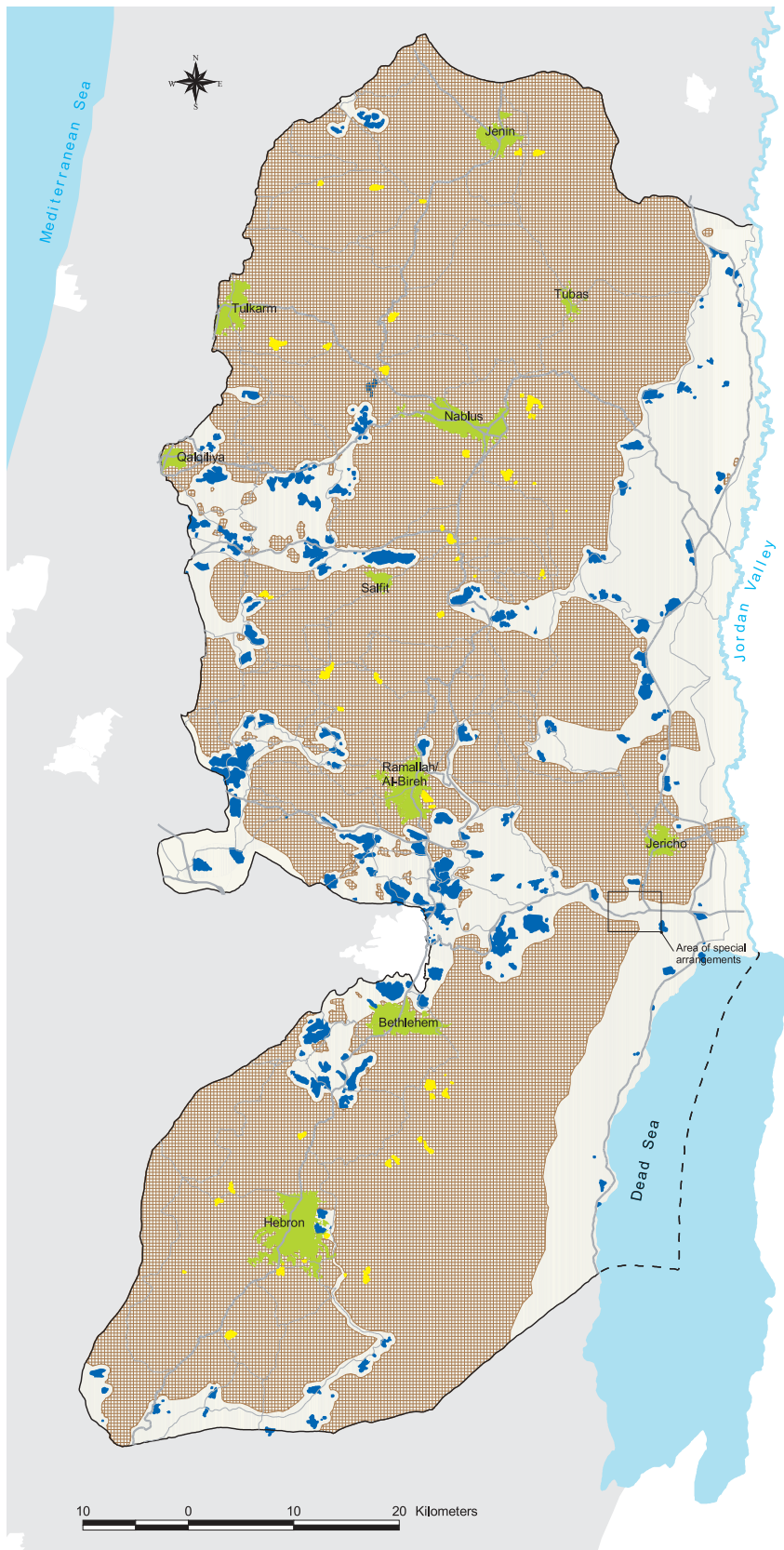
Map I West Bank

Current Palestinian
Territorial Jurisdiction

LEGEND

-  Current Palestinian Territorial Jurisdiction (40% of the West Bank)
-  Main Palestinian Cities
-  Jewish Settlements
-  Main Road
-  Regional Road









Map II West Bank

Proposed Provisional
Borders with Territorial
Contiguity

LEGEND

-  Area of Contiguity
(68% of the West Bank)
-  Evacuated
-  Subject to Evacuation
in Permanent Status
Negotiations
-  Main Road
-  Regional Road

Note:
Boundary representation is
not necessarily authoritative

TABLE I: WEST BANK SETTLEMENTS IMPEDING PALESTINIAN TERRITORIAL CONTIGUITY

Name	Population	Date of Establishment	Region in the West Bank	Nature of threat	Control of major highways	In the Middle of the West Bank?	Population Size	Nature
Ateret	268	1981	Center	minimum short-term contiguity	no	yes	small	Religious
Nahli'el	215	1984	Center	minimum short-term contiguity	no	yes	small	Religious
Pesagot	994	1981	Center	minimum short-term contiguity	yes	yes	small	Religious
Karmeit Zur	417	1984	Gush Etzion	minimum short-term contiguity	no	yes	small	Religious
Ma'ale Amos	400	1981	Gush Etzion	minimum short-term contiguity	no	yes	small	Religious
Nokdim	435	1982	Gush Etzion	minimum short-term contiguity	no	yes	small	Mixed
Tekoa	1000	1977	Gush Etzion	minimum short-term contiguity	no	yes	small	Mixed
Adora	630	1983	Mount Hebron	minimum short-term contiguity	no	yes	small	Secular
Beit Hagai (Hagai)	391	1984	Mount Hebron	minimum short-term contiguity	no	yes	small	Religious
Hebron	250	1980	Mount Hebron	minimum short-term contiguity	no	yes	small	Religious
Mezad/Mezadot Yehuda	404	1980	Mount Hebron	minimum short-term contiguity	no	yes	small	Religious
Negohot	409	1982	Mount Hebron	minimum short-term contiguity	no	yes	small	
Otni'el	507	1983	Mount Hebron	minimum short-term contiguity	no	yes	small	Religious
Pene Hever (Ma'ale Hever)	267	1983	Mount Hebron	minimum short-term contiguity	no	yes	small	Religious
Telem	96	1981	Mount Hebron	minimum short-term contiguity	no	yes	small	Secular
Alei Zahav	420	1982	North	minimum short-term contiguity	no	yes	small	Secular
Avnei Hefetz	737	1990	North	minimum short-term contiguity	no	yes	small	Religious

Name	Population	Date of Establishment	Region in the West Bank	Nature of threat	Control of major highways	In the Middle of the West Bank?	Population Size	Nature
Bracha (Har Bracha)	547	1982	North	minimum short-term contiguity	no	yes	small	Religious
Einav	538	1981	North	minimum short-term contiguity	yes	yes	small	Religious
Elon Moreh	1120	1979	North	minimum short-term contiguity	no	yes	small	Religious
Gannim	183	1983	North	minimum short-term contiguity	no	yes	small	Secular
Hallamish (Neve Tzuf)	951	1977	North	minimum short-term contiguity	yes	yes	small	Religious
Hermesh	217	1982	North	minimum short-term contiguity	no	yes	small	Secular
Homesh	214	1980	North	minimum short-term contiguity	yes	yes	small	Secular
Itamar (Tel Hayyim)	506	1984	North	minimum short-term contiguity	no	yes	small	Religious
Kaddim	172	1983	North	minimum short-term contiguity	no	yes	small	Secular
Kfar Tapuah	380	1978	North	minimum short-term contiguity	yes	yes	small	Religious
Mevo Dotan	334	1978	North	minimum short-term contiguity	no	yes	small	Secular
Migdalim	131	1984	North	minimum short-term contiguity	no	yes	small	Secular
Raheleem	56	1992	North	minimum short-term contiguity	yes	yes	small	Religious
Sa Nur	60	1982	North	minimum short-term contiguity	yes	yes	small	Secular
Shavei Shomron	750	1977	North	minimum short-term contiguity	yes	yes	small	Religious
Ma'ale Levona	452	1983	Center	reasonable short-term contiguity	yes	yes	small	Religious
Yizhar	291	1983	North	minimum short-term contiguity	no	yes	small	Religious

Total Population 14,742

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DR. KHALIL SHIKAKI is an Associate Professor of Political Science, and Director of the Palestinian Center for Policy and Survey Research (Ramallah). He received his Ph.D. from Columbia University in 1985, and since then has taught at several universities including Bir Zeit University, al-Najah National University, the University of Wisconsin (Milwaukee), and the University of South Florida (Tampa). Dr. Shikaki spent the summer of 2002 as a visiting fellow at the Saban Center for Middle East Policy at the Brookings Institution in Washington, DC.

Dr. Shikaki has conducted more than 90 polls among Palestinians in the West Bank and the Gaza Strip since 1993, and is recognized as one of the leading experts on Palestinian public opinion. His most recent poll included three comprehensive surveys among Palestinian refugees in the West Bank-Gaza Strip, Jordan, and Lebanon.

Between 1998–99, jointly with Dr. Yezid Sayigh, Dr. Shikaki led a group of more than 25 Palestinian and foreign experts on Palestinian institution building. The findings of the group were published in a Council on Foreign Relations’ report, *Strengthening Palestinian Public Institutions* (New York: Council on Foreign Relations, 1999). Shikaki and Sayigh were the principal authors of the report. Since 1999, Dr. Shikaki has continued to work with the sponsors of the report, the Independent Task Force on Strengthening Palestinian Public Institutions, advising them on Palestinian reform.

Dr. Shikaki has published widely in the Arabic and English media. His most recent publications include *The Israeli-Palestinian Peace Process: Oslo and the Lessons of Failure* (East Sussex: Sussex Academic Press, 2002), co-edited with Robert Rothstein and Moshe Ma’oz and “Palestinians Divided,” *Foreign Affairs* (January–February 2002).



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