




המכון ליחסים בינלאומיים ע"ש לאונרד דייוויס

*The Leonard Davis Institute for International Relations*



# Differing and Converging Views On Solving the Palestinian Refugees' Problems



*Shamay Cahana*



The Hebrew University of Jerusalem



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## INTRODUCTION

The talks between Israel and the PLO on permanent solutions for the Palestinian refugees are scheduled to be part of final status negotiations, which were to run from May 1996 till 1999. The refugee issue erupted in 1948, and has become a focus of conflicting passions and interests. Hence, the negotiations on the issue will involve complex debates and hard bargaining.

Indeed, for four decades after the 1948 War the scenario of direct Israeli-Palestinian negotiations on this issue was unrealizable. For most Arabs during that period, and for some Arab regimes and movements to this day, the desirable solution was the return of the refugees to their homes as masters of Palestine following the destruction of Israel. For Israel, a mass return was and still is regarded as posing an unacceptable security and demographic threat. It was not until the late 1980s, when the PLO began to adjust its policy to the requirements of peacemaking, that a possibility of accommodation emerged, leading to the present Middle East peace process, which began in about 1991 when Palestinian participation began to be seriously considered.

This paper's first section considers the political-diplomatic developments in the peace process up to spring 1996. The emphasis is on how actors have modified or departed from past positions, influenced by the changing balance of power, reevaluation of their own options, or interactions with other parties.

The next section considers some representative academic and professional writings, by Palestinian, Israeli, and other analysts, that

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provide insight into different perceptions regarding the Palestinian refugee problems and their solutions. Sometimes these writings reflect intellectual interactions between Palestinians and Israelis whose views, while still different, show some converging trends.

The final section offers concluding observations.

This paper is derived from a longer, more extensive study that ended at a time when the peace process was in crisis. Work on the paper was completed early in June 1996 after the victory of the right wing in Israel's elections of 29 May, but before a new official Israeli policy on the refugee issue had been formulated and reacted to by other actors. In any case, the prevailing view continues to be that the process is irreversible and must include a permanent solution of the refugee problem. This paper does not purport to offer answers, but highlights some of the outstanding problems and the more interesting ideas for their resolution.

First, however, it will be helpful to present briefly the contours of the Palestinian refugee problem.

## **Historical Overview**

According to estimates at that time, the 1948 Arab-Israeli war created a problem of some 650,000 Palestinian Arab refugees who had fled to the West Bank and Gaza Strip or to neighboring Arab states. The United Nations, which was led in its first years by the United States, proposed to the Arab countries and Israel a political settlement of their conflict that would encompass the Palestinian refugee problem. In the background were American ideas that a majority of the refugees should be absorbed in the Arab host countries or the West Bank and Gaza, and nearly a third of them would return to Israel.

Already in December 1948, the UN General Assembly adopted its Resolution 194, which offered an outline of a settlement of the conflict including, in its para. 11, a formula for resolving the refugee problem. Para. 11 refers to repatriation, resettlement, or compensation as possible

elements of a solution. In December 1949 the General Assembly established the UN Relief and Works Agency (UNRWA), where "works" meant provision of employment for refugees in development projects that would facilitate rehabilitation.

The Arabs first rejected Res. 194, but later picked out its para. 11 and have since persistently interpreted it as mandating an unconditional "right of return." By the mid-1950s they rejected any plan that might lead to resettlement and weaken their claim for repatriation. Israel, for its part, expressed readiness to enter negotiations on the refugee problem, but persistently opposed a mass return of refugees.

The 1967 War had mixed consequences regarding refugees. About 300,000 Palestinians—about a third of whom were 1948 refugees, hence second-time refugees—fled the West Bank and Gaza and were designated as displaced persons. The UN Security Council passed its Res. 237, which called on Israel to facilitate their return. Israel allowed only a relatively small number of them to return from Jordan. At the same time, over one-third of all the Palestinian refugees came under Israel's control in the West Bank and Gaza.

The new reality produced Security Council Res. 242, which was accepted by both Israel and the most involved Arab states and established a new basis for solution of the refugee problem in the framework of Arab-Israeli peace. Res. 242 does not refer to any former UN resolutions, and parts of it are somewhat ambiguous. It states that to achieve a just and lasting peace in the Middle East, there is a necessity for "achieving a just settlement of the refugee problem." It does not, however, define who the refugees are.

After the 1973 War, Security Council Res. 338 confirmed Res. 242 and added the need to make peace through direct negotiations.

The 1978 Camp David Accords did not offer agreed general solutions for the Palestinian refugee problems. In their "Framework for Peace in the Middle East," however, they laid down procedures for negotiations on transition to Palestinian self-government in the West Bank and Gaza. These include the constitution of a quadripartite



committee of Egypt, Israel, Jordan, and a Palestinian authority to discussion admission of 1967 displaced persons to the West Bank and Gaza. But this could not materialize, mainly because these Accords as well as Egypt were denounced by the rest of the Arab states and the PLO.

In 1982 the Reagan administration tried to launch a peace process that would incorporate Jordan along with Palestinian representatives, and that would deal with the refugee issue. But this encountered Arab and Israeli objections.

A renewed U.S. initiative in 1988 found greater practical responsiveness. It developed against the background of the intifada; the abandonment by King Hussein of his efforts to patronize the Palestinian cause, leaving it to the PLO; and the latter's acceptance of Res. 242 and 338 and promise to dissociate itself from terror. But progress was slow and difficult, also during the first period of the Bush administration from 1989.

By the eve of Iraq's invasion of Kuwait early in August 1990, the Arab-Israeli peace process was stalled. The Likud government in Israel rejected the PLO as a negotiating partner, and the U.S. had itself suspended talks with the PLO because of the latter's failure to condemn an attempted Palestinian terrorist attack on Israel from the sea. The Gulf War, however, would bring about dramatic changes.

## **TO THE MADRID CONFERENCE AND ONWARD (1991-1996)**

### **The Revival of the Peace Process**

The Gulf War created a new wave of Palestinian refugees, this time from Kuwait, and called attention to the risks of the yet unresolved refugee problem. At the same time it left the PLO, and to a certain extent Jordan, on the losing side. Their bargaining power in the context of a forthcoming peace conference declined considerably. On the other

hand, Egypt and even Syria gained credit with the United States by their participation in the war coalition. The ultimate political winner was the U.S., which acquired enough prestige to launch a "new order" in the Middle East, including a revived peace process. Israel's bargaining power increased in comparison to that of Jordan and the Palestinians, but its confidence had been shaken by vulnerability to long-range Arab missiles and by the fact that it had been an object of American military protection.

In essence, for the first time since 1948 the balance of political power between the U.S., the Arabs, and Israel, and between world powers, had become ripe for a breakthrough toward an American-guided peace. The refugee issue constituted a major obstacle even to convening a peace conference. The widest disagreement between Israel and the Palestinians concerned the refugees of the Palestinian diaspora; it needed to be decided whether, how, and when solutions for these refugees would be negotiated.

It was finally agreed to maintain two separate yet complementary negotiation tracks—a bilateral track between Israel and, respectively, Syria, Lebanon, and a joint Jordanian-Palestinian delegation; and a multilateral track for talks on regional problems. Whereas talks between Israel and the Arab states were aimed at achieving peace treaties, the negotiations between Israel and the Jordanian-Palestinian delegation on Palestinian issues were to be conducted in a two-phase format. In the first phase, the subject would be a five-year interim Palestinian self-rule in the West Bank and Gaza Strip; not later than the beginning of the third year of that period, talks were to begin on the final status of the West Bank and Gaza and on other major issues, notably Jerusalem and refugees.

The identity of the Palestinian representatives was a contentious issue, not only between Israel and the Arabs but also between the Likud and Labor in the Israeli cabinet. The modalities that were finally agreed upon could be seen as a victory for the Israeli hard-liners and a bitter pill for the Palestinians. "Outsiders" or residents of East

Jerusalem, as well as activists in PLO institutions, could not act as representatives in the peace talks, but only "insiders" who were none of the above. However, some ambiguity was left.

### **The Madrid Peace Conference**

Most of the speakers at the opening of the Madrid Peace Conference, on 31 October 1991, referred to the refugee issue. The statements of the foreign ministers of Syria and Lebanon are significant because they indicate why the two governments, respectively, boycotted the multilateral talks, a position they have maintained since then.

Syrian Foreign Minister al-Shara argued that "Israeli occupation of Syria and Palestinian territories has resulted in uprooting approximately half a million Syrian citizens from the Golan . . . who have not been able to return. The occupation has also resulted in the presence of over a quarter of a million Palestinian refugees in Syria who are denied the right of return to their homeland."<sup>1</sup>

This statement apparently reveals a Syrian calculation that, so long as Israel did not return the Golan Heights, Syria's entry into any negotiation on the Palestinian refugees or the Syrian displaced persons would weaken its case regarding the Golan. A demand that Israel allow displaced persons to return to the Golan might imply acceptance of continued Israeli control of the territory. Al-Shara's extremely inflated number of displaced persons suggests that, if and when the time comes for substantial negotiations with Syria on Palestinian refugees and displaced persons, its claims are likely to be out of proportion.<sup>2</sup>

Lebanese Foreign Minister Bouez maintained that his country "has paid the highest price because of the expulsion of the Palestinian people from its homeland"; that Lebanon could not provide its Palestinian refugees with the basic necessities of life. He cautioned against any attempt to solve the Palestinians' problems by settling them in Lebanon, with its limited resources and large population, its

delicate balance between different communities; such an attempt "will not give Palestine to its people and would lead to the very loss of Lebanon."<sup>3</sup>

Thus the Lebanese government was caught between the Syrian position and its own interest of using the conference for alleviating its burden of Palestinian refugees. In this case, as in many others, Lebanon yielded its interest to that of Syria. As a result, the multilateral talks on refugees were to focus on their Jordanian and West Bank/Gaza aspects, much less than on Palestinian refugees in Lebanon, Syria, and elsewhere.

### **The Multilateral Working Group on Refugees (RWG)**

In keeping with the decision of the Madrid Conference, a meeting was held in Moscow in January 1992 to plan the agenda of the multilateral track. Initially, the organizers had in mind four working groups to deal with regional topics such as water, environment, economic development, and arms control/security.

The Palestinians, however, demanded that the problems of Jerusalem, refugees, and Palestinian human rights be put on the agenda. Israel objected, recalling that the agreed modalities of the conference assigned such subjects to the second phase and that the refugee issues, in view of their political and security aspects, belonged on the agenda of the bilateral track. The U.S. finally resolved the crisis by suggesting the establishment of a fifth separate working group on refugees (the RWG), on the understanding that it would not deal with the political aspects of the problem.

It was concluded in Moscow that each of the working groups would have not a chairman but a "gavel holder," namely a diplomat, not from the Middle East, who would carry out the functions of a chairman but would not have the authority to decide on matters in dispute. The gavel holder for the RWG would be a senior Canadian diplomat.

A few days before the opening, however, Israel learned that there would be a Palestinian from the "outside" in the Jordanian-Palestinian delegation. Therefore, no Israeli delegation came to that meeting.

In a statement on 13 May, the Palestinian speaker expounded the PLO's political solution for the refugee problem. The essentials of that statement were later reiterated in the Palestinian statements in subsequent meetings of the RWG during 1992-1995, and may be presumed to indicate what positions the Palestinians are likely to take in the final status talks.

The Palestinian representative stated that UN Resolution 242 "is the basic frame of reference for the whole peace process," and then added his interpretation that "The basis for this 'just solution' lies in the implementation of basic UN resolutions on Palestinian refugees, in particular Resolution 194."<sup>4</sup> He offered a broad definition of the Palestinians who are refugees, and thus come under relevant UN resolutions: not only all those Palestinians registered as refugees by the United Nations Relief and Works Agency (UNRWA) but all those, and their descendants, "who were expelled or forced to leave their homes between November 1947 and January 1949," and also "all those displaced even inside the territory that became the State of Israel in the 1948-1949 period . . . all the 1967 and post-1967 displaced persons . . . the residents of 'border villages' in the West Bank who lost their agricultural land in the war of 1948" and some similar, probably smaller, groups.

The "fundamental legal framework for a just solution," according to that statement, is Res. 194, where "compensation . . . only appears as part of the solemn and practical recognition of the right to return, never as an alternative to that recognition." The speaker emphasized that the Palestinians "have consistently refused all the schemes of resettlement and naturalization into host countries."

Improvement of the refugees' living conditions was an unexceptionable goal, but the signal that the Palestinians might attempt to make the RWG into a replica of UN General Assembly political

debates confirmed Israel's reservations. Those concerns were intensified when, parallel to the meeting in Ottawa, the question of "return" was raised at a State Department press conference in Washington on 12 May. The next day, though, the American representative to the RWG offered a rectification: "There are certain highly charged refugee issues—such as resettlement, naturalization, repatriation and compensation—which are more appropriate for individual parties involved in the bilateral negotiations to raise in the context of the bilateral negotiations on final status."

In this spirit the RWG agreed to discuss practical initiatives for ameliorating the refugees' needs in such areas as public health, child welfare, vocational training, and job creation. The theme of "family reunification" was also approved as a humanitarian need, although Arab delegations described it as one form of the "right of return." (In the international context, family reunification takes place when members of one family that has been separated into different states or territories are allowed to leave one of them and immigrate to the other in order to reunite.)

## **The Impact of a Change of Government in Israel**

The second meeting of the RWG was scheduled for November 1992. The U.S. and Canada, working to ensure Israel's participation by securing Arab promises about the necessary restraint, found their task easier in the wake of the Knesset elections of June 1992, which resulted in a Labor government headed by Prime Minister Rabin.

The new Israeli government was ready to accept that the Palestinian representation would include a member from the "outside," provided he was not a PLO activist. But when the Israeli delegation arrived in Ottawa it was surprised to find that the Palestinian delegation was headed by a member of the PNC, Muhammad Hallaj, who lived in the U.S. A crisis broke out, and it took energetic American mediation and high-level Israeli and Arab efforts to arrive at a face-saving arrangement

in which Hallaj publicly stated that he was not a member of the PNC at that time.<sup>5</sup>

The new Labor government, like that of the Likud before it, realized that the members of any Palestinian delegation to international peace talks would have to be identified with or approved by the PLO. The Likud government had simply pretended otherwise; the Labor government sought a new formula. A gradual modification was improvised at the RWG in Ottawa, and a full change was introduced in Oslo a year later with the Israel-PLO Declaration of Principles.

In this session and in reaction to Arab arguments, the Israeli representative, Prof. Shlomo Ben Ami, recalled that there were also hundreds of thousands of Jewish refugees from the Arab countries. While welcoming the initiative for ameliorating the hardships of the Palestinian refugees, he asserted that "Israel will present the case for the compensation for all the havoc, destruction, the loss of life and properties of the Jews in Arab lands." Also at this session, there emerged a pattern of Palestinian-Israeli political repartee ending with a compromise statement by the gavel holder, which would be repeated in later sessions. The Palestinian spokesman would reiterate that the refugee problem must be solved according to Res. 194, with the right of return at the core, and that Israel must remove restrictions on family reunification. The Israeli spokesman would insist that permanent solutions be left to the second phase and current political-security matters be left to bilateral talks. The gavel holder, in summing up the session and having secured the consent of the contending parties, would state: "Some delegations suggested that our work should be built upon existing UN resolutions regarding Palestinian refugees. Others asserted that we should avoid becoming a political arena, and search for direct and realistic results to assist the victims of the Arab-Israeli conflict."

By now the composition of the RWG, its agenda and mode of action, had taken shape. Thirty-eight delegations participated, including observers of the European Community and the United Nations. The

RWG would study measures to alleviate the plight of the refugees, under seven categories: compilation of data base; human resources development; vocational training and job creation; family reunification; public health; child welfare; social and economic infrastructure development. The RWG expected that respective states or groups of states would volunteer to study one of these themes, then report the findings to the RWG.

For Jordan and the Palestinians in the RWG, early, concrete achievements in the matter of family reunification seemed to be the most important objective. The Palestinians and Jordanians claimed that tens of thousands of Palestinian families had long remained divided because their applications to the Israeli authorities to be allowed to reunite in the West Bank and Gaza had been rejected. They also raised the problem of several thousands of families in which one spouse, usually the husband, was a permanent resident of the West Bank and Gaza whereas the other, who was from the "outside," could enter and stay in the West Bank and Gaza only as a tourist for limited periods. A third problematic group of displaced persons were past residents of the West Bank and Gaza who had traveled abroad on Israeli exit permits, valid only for several years, but overstayed abroad without renewal. Jordan claimed that it harbored about 90,000 such Palestinians, and argued together with the Palestinians that Israel should take back people in this category.

A sizable family reunification was important to Jordan as a means of ridding the kingdom of many Palestinians who were not citizens. For the Palestinian leadership it was important, among other things, as a precedent for implementation of the right of return and as a proof that its peace policy was effective. In the RWG they emphasized humanitarian and legal arguments and engendered considerable sympathy among other delegations, including the Canadian, American, and particularly the French. The latter volunteered to "shepherd" (RWG jargon for "taking care of," "tending to") the issue of family reunification, and was mandated to do so by consensus.



## **The RWG Meeting in Oslo**

At the third meeting of the RWG in Oslo in May 1993, the Palestinians insisted that the right of return, and more specifically family reunification, be given priority on the agenda. By that time the French "shepherd" was ready with a report on the issue. In it France recommended that Israel relax its procedures and that the process of family reunification be conducted according to clear criteria and with some form of international supervision.

The Israeli delegation informed the RWG that the number of approved applications would be increased, but asserted that screening the applications involved discreet considerations that could not be shared with external supervisors, and that in any event the matter would be on the agenda of the envisioned quadripartite committee. The Palestinians, dissatisfied, insisted that the summation of the meeting state that the refugee problem should be settled on the basis of Res. 194. It took strenuous diplomatic efforts before the Palestinian delegation was instructed by its superiors to consent to the formulation that had been agreed upon for the summation.

At the same time as the Oslo meeting, clandestine direct talks were being conducted between Israeli and PLO representatives that would radically change the two sides' political relations.

## **The Implications of the DOP**

The Declaration of Principles (DOP) of 13 September 1993, with its accessory documents, marked a breakthrough in all that concerns Israeli-Palestinian relations, although as an operational document the DOP focuses on the proposed interim self-government, with minimal references to negotiations on final status.

The DOP refers to the Palestinian refugees-displaced persons only as one of the subjects to be negotiated in connection with final status. The DOP states that final status issues are to be excluded

from the interim arrangements and should not be prejudiced by them.

The agreements and protocols that have since been concluded between Israel and the PLO on the Palestinian Authority (PA) do not mention the refugees as a separate part of the Palestinian population. Nevertheless, it is likely that certain measures for improving the lives of refugees, previously rejected by the Palestinians, will be reexamined and endorsed by them as they attain self-rule. Indeed, the PA is already promoting housing projects in Gaza for both refugees and nonrefugees.

The signing of the DOP accentuated some old disagreements and evoked some new divisions within the Palestinian community. The most serious challenge to the relatively pragmatic Palestinian approach reflected in the DOP emanates from the masses of refugees and nonrefugees in the West Bank and Gaza Strip who are guided by Hamas and Islamic Jihad. The internal challenges to Arafat's official policies may explain the inconsistent expressions of Palestinian positions, often by the same leaders when addressing different audiences. This makes it difficult to assess what will likely be the Palestinian position at the moment of truth, and to what extent agreements will be observed.

### **The RWG Meeting in Tunis, October 1993**

The meeting of the RWG in Tunis, on 12-14 October 1993, was the first to take place in an Arab capital. It was also the first in which Palestinians were officially accepted as representatives of the PLO in an independent delegation, separate from the Jordanian one. Their relations with the Israelis were more relaxed, but their claims regarding permanent solutions were in some respects even more uncompromising.

The Palestinian representative reaffirmed that "We will oppose any attempt to project a solution of the [refugee] problem through schemes of resettlement in the host countries." He gave a maximal interpretation to the claim for family reunification, and declared that

the "sole raison d'être" of the RWG was the Palestinian refugees, which implied that it should not be concerned with Jewish refugees from Arab lands.

The head of the Israeli delegation, then-Deputy Foreign Minister Yossi Beilin, described more liberal criteria that Israel would apply in dealing with family reunification and in approving permanent residency.

Some participants advocated that the RWG devote much more attention to the refugees in Lebanon, Syria, and Jordan. It was feared that unless the Palestinians of the "outside" felt that they too were benefiting from peace, the peace process would be jeopardized. There was also apprehension that if the RWG remained only within its present parameters, its role would dwindle. Bilateral talks and arrangements on the Israel-Palestinian and Israel-Jordan levels could be more expeditious than the RWG on the same matters, and other international machinery for promoting economic and social progress in the West Bank and Gaza was starting to function.

### **The Refugee Problem at the UN General Assembly, 1993**

Traditionally, the PLO had been the driving force behind General Assembly resolutions that Israel regarded as unbalanced and hostile. The question now arose of whether the PLO would change its conduct at the UN on account of the DOP. But in the General Assembly discussion of the refugee problem under the item on UNRWA in December 1993, it seemed that little had changed.

In view of the peace process and the DOP, Israel and the U.S. pressed for the deletion of references to Res. 194 and related elements from a resolution (48/40A) encouraging contributions to UNRWA. But the PLO, and subsequently its traditional supporters, rejected the idea. Consequently the U.S. withheld, for the first time in over forty years, its customary sponsorship; European countries sponsored the resolution instead. The text of that resolution, which refers to both Res. 194 and

the DOP, also "notes with regret that repatriation or compensation of refugees . . . has not yet been effected"—even though the Madrid Conference had left this matter open until final status negotiations.

The U.S. and Israel voted against six more of the ten relevant resolutions; these six reiterated old PLO positions that no longer appeared consistent with the DOP or the Madrid Conference. To Israel, the General Assembly once again seemed a hindrance to the peace process. The PLO, Arab states, and their supporters continued to regard the Assembly as a means for promoting their interests.

### **The Israel-PLO Cairo Agreement**

On 4 May 1994, Israel and the PLO signed their agreement on the Gaza Strip and the Jericho area. The agreement established the PA; it described the transfer of power to it, Israeli withdrawal, and future PA-Israel relations.

Although the agreement does not distinguish between refugees and nonrefugees, the transfer of powers to the PA puts governmental responsibilities concerning refugee affairs into the hands of the Palestinians themselves. The Agreement also regulates the relations between Israel and the PA in matters controlled by Israel, notably movement of residents of Gaza and Jericho in and out of Israel and the employment of these people in the Israeli labor market. This correlated with predictions that the economy of the West Bank and Gaza would depend considerably on the Israeli economy.

The agreement is accompanied by an exchange of letters between Chairman Arafat and Prime Minister Rabin of 4 May, in which they undertake, among other things, to invite within one month Jordan and Egypt to establish the Quadripartite Committee on the 1967 displaced persons. That meant the PA could expect fairly soon to assume governmental powers concerning refugee affairs, also in the West Bank, and to have a say in admitting displaced persons into the areas under its control.

## **The Cairo Meeting of the RWG**

The sixth plenary meeting of the RWG took place in Cairo on 12-14 May, soon after the signing of the Cairo Agreement.

The achievements in the bilateral Israel-PLO and Israel-Jordan negotiations indicated that when Palestinians or Jordanians want something from Israel, such as extension of family reunification, they have a better chance in the bilateral than in the multilateral track; hence, the role of the RWG was devalued. On the other hand, the promising atmosphere stimulated extraregional countries to expand their activities in the RWG. "Shepherds" reported on progress in studying their specific areas and raising funds for projects.

For the Palestinian delegation, according to its speaker on 12 May, "the convening and activation of the Quadripartite Committee on . . . Displaced Persons should be at the center of concerns for this group." He also reiterated "opposition to schemes aimed at resettling Palestinian refugees in the host countries"; the Israeli delegation expressed disappointment at that position. In his summation the gavel holder disposed of this point of controversy with his formula of previous meetings, but with the significant difference that now he did not refer vaguely to "some delegations" that believed the work of the RWG should be built upon existing UN resolutions as against "others," but instead stated that the *Palestinian* and other *Arab* delegations had reiterated this position. This reflected a telling evolution in the orientation of European and other governments regarding the validity of General Assembly resolutions about durable solutions.

## **Bilateral Progress With Jordan, 1992-1993**

On 14 September 1993, a day after the signing in Washington of the DOP, Israel and Jordan signed a Common Agenda concerning their peace negotiations. Point 4 states: "Refugees and Displaced Persons: Achieving an agreed just solution to the bilateral aspects of the problem

of refugees and displaced persons in accordance with international law." This was amplified in the Treaty of Peace between the two governments of 26 October 1994. Its Article 8 recognizes that the refugee and displaced persons problems "cannot be fully resolved on the bilateral level," and that the parties should seek to resolve them in appropriate forums. It later became clear that Jordan was interested in an early activation of the Quadripartite Committee, whereas Israel advocated further delay.

### **The Refugee Issue in the General Assembly, December 1994**

At the annual General Assembly debate on the refugees in December 1994, the refugee issue was disputed, as usual, under the agenda item on UNRWA. The debate and the resolutions that were adopted reflected the policy of the traditional majority on this issue, albeit in an attempt to infuse the peace process with UN priorities. Previous General Assembly resolutions, starting with 194, were reaffirmed, and described as inseparable from the peace process. There was also a report on UNRWA, especially its newly established Peace Implementation Program (PIP), with a view to promoting material contributions. UNRWA's humanitarian work enjoyed general support, including that of Israel. The general perception was that UNRWA's headquarters should be moved from Vienna to Gaza, as a step in the process of transferring its functions to the Palestinians themselves.

The U.S. tried to dissuade the Assembly from passing resolutions on the issues of the permanent solution, since these were to be negotiated between the parties. Nevertheless, the Assembly adopted on 9 December 1994 its Res. 49/35 A-G, which are generally similar to 48/40 A-J of 1993. A notable political change was that whereas 48/40F called upon Israel to prepare for the "unimpeded return of all displaced inhabitants," in 49/35C the Assembly "expresses the hope for an accelerated return of displaced persons through the mechanism agreed upon by the parties in article XII of the DOP," namely, the Quadripartite Committee.

As in the General Assembly of 1993, the U.S. again refrained from sponsoring the resolution on "assistance to Palestinian refugees," 49/40A, which refers to Res. 194, and again it was members of the EU who did sponsor it. The U.S. and Israel were two of the few countries that abstained on the vote, and they were the only ones to vote against the resolution on the return of displaced persons and the one on the Palestinian refugees' properties.

### **The RWG Meeting of December 1994**

The RWG met on 13-15 December 1994 in Antalya, Turkey. The group was encouraged by progress in the implementation of the Israel-PLO DOP and by the Israel-Jordan peace treaty. "Shepherds" reported their findings and recommendations. The U.S., as a "shepherd," dealt with human resources, development, and job creation, the EU with economic and social infrastructure, Italy with public health, and Sweden with child welfare.

France reported on family reunification and Norway on the data base theme, whereby information about the scope of the refugee problem is gathered. The impression from the reports on socioeconomic matters was of slow and limited progress in improving the lives of the refugees because of political, administrative, and economic obstacles. Syria and Lebanon continued to bar or drastically restrict international assistance, beyond the conventional UNRWA aid. In Gaza and the parts of the West Bank where the PA was empowered to carry out socioeconomic functions, the needs and priorities of the PA had delayed the transfer of responsibility for the refugees from UNRWA to the Palestinians themselves. There had been a retardation in the flow of financial contributions, both public and private (apparently mainly because of domestic instability and diminishing international interest).<sup>6</sup> The American representative emphasized that his country found it difficult to continue allocating assistance to the Palestinian refugees at the same levels as before—because of general reductions in U.S. foreign aid, and

because there were new, more pressing problems of destitution in the world.

Nevertheless, the RWG could take credit for stimulating some modest measures and programs that might eventually contribute to long-range solutions. These included vocational training, job creation, scholarships, health and welfare services.

The theme of family reunification remained a high priority for the RWG. The gap between Arab and Israeli positions had narrowed somewhat; Israel had agreed to reduce the period for processing applications to less than three months, and had accepted an annual quota that would cover up to 6,000 persons. Israel also agreed to the regularization of the status of spouses and children whose visitor's permits had expired. Indeed, by December 1994 Israel had permitted about 35,000 Palestinians to enter the West Bank and Gaza; these were mainly policemen and civil servants of the PA, together with their families.

The Palestinian delegation, supported by other Arab delegations, again tried to launch a political discussion of its positions concerning permanent solutions; this evoked Israeli objection as well as Western reservations.

In December 1994, the RWG received several reports from UNRWA, the EU, and FAFO (the Norwegian Trade Union Center for Social Science Research) concerning the data base on the Palestinian refugees. Although none of them was designated for political planning of solutions, such reports might well serve that purpose. UNRWA presented its plan for a "Unified Registration System"; this plan, in its own language, is to constitute "the operational tool for running UNRWA's programs" and later "a national archive for Palestinians." Clearly, some of UNRWA's programs could serve to build infrastructure for long-range solutions.



## The FAFO Reports

FAFO submitted three reports: no. 176, "The Potential of UNRWA Data for Research on Palestinian Refugees: A Study of UNRWA Administrative Data"; no. 166, "Responding to Changing Trends in Palestinian Household Economy"; and no. 177, "Finding Ways: Palestinian Coping Strategies in Changing Environments." The last report seems to assume that the future of the Palestinian refugees lies, more or less, in the diaspora and in the West Bank and Gaza, and that long-range solutions to their problems largely depend on better treatment of them by host countries.

This report is based on case studies in four refugee camps—in Lebanon, the West Bank, and Jordan. It analyzes both the adaptation of Palestinians to their host societies, and the host societies' adaptation to the Palestinians, and asserts that "an important aspect of the adaptation is how governments in different states have constructed the formal rights that the Palestinians enjoy and the duties they are subjected to."<sup>7</sup> The report distinguishes four types of adaptation: assimilation, segregation, incorporation, and migration.

Assimilation is found in Jordan, where Palestinians were granted citizenship and have integrated into the economy and society. Segregation is typical of Lebanon, where Palestinians are treated as foreigners and excluded from the legal employment market. Incorporation, a situation halfway between assimilation and segregation, is characteristic of the Palestinian refugees in Syria, where they share most of the rights of the Syrian nationals but are denied citizenship. The report sees some degree of incorporation between a Palestinian refugee from the West Bank/Gaza and Israel if he makes his living by coming to work in Israel. Migration to the Gulf states or to the West, and mobility of Palestinians in their diaspora, extend the social network of the refugees and their opportunities for adaptation (which sounds like a euphemism for integration).

In other words, the report testifies that a process of spontaneous

integration into host countries has been occurring through assimilation, incorporation, or following migration and mobility. It stresses that the host country's legal framework is critical: much depends on whether refugees are granted citizenship, or given vital documents such as residency papers, work permits, or ID cards.

FAFO does not make political recommendations in this report. Yet it emerges that the removing or relaxation of certain legal restrictions would facilitate adaptation—in other words, that integration could provide a durable solution.

### **An EU Study**

The RWG also received from the EU an elaborate study on the assistance provided by the international donors to Palestinian refugees in the West Bank and Gaza, Jordan, Syria, and Lebanon. Its objective was to present recommendations for further coordinative assistance to refugees—which also meant, by implication, contributing to a process of solving the Palestinian refugee problem.

The researchers confronted a certain dilemma. Their stipulations stated that "final status issues are outside the terms of reference of the study." On the other hand, it "emerged during the course of research, that attempts to encourage development for Palestinian refugees would be frustrated if final status issues were not seen to be addressed."<sup>8</sup> The dilemma was resolved by promising that nothing in the report should be seen as implying that assistance to the refugees and displaced persons "should prejudice their rights or pre-empt final status negotiations." The Bristol report, as it is sometimes called, seems to be a relatively independent academic study, innovative and critical.

The essence of the report's criticism is that

The existing level of assistance provision, especially in the host countries, is untenable. . . . A fundamental reason . . . is that it is status centered, that is, directed towards

beneficiaries by virtue of their status as Palestinian refugees. Assistance should be targeted according to need. The reality is that many refugees live amongst the local poor and cannot be isolated from them. Assistance will not be effective unless directed towards communities in poverty, as well as the refugees themselves.<sup>9</sup>

The report points out that assistance to Palestinian refugees in the West Bank and Gaza "is undergoing a profound transformation. Donor funding is increasingly aimed at a sectoral development without differentiating between refugee and non-refugee."<sup>10</sup>

As a tool for assessing who is in need, the report proposes the concept of vulnerability, rather than the entitlement to relief that is the criterion for UNRWA. The report finds that the Palestinian refugees can be vulnerable in one or both of two ways: (a) because of the denial to them of legal status and legal rights by the host countries; (b) because of their socioeconomic conditions.

Thus the report is critical of faulty criteria in providing assistance to the refugees. Instead of individual projects it recommends long-term programs in which the beneficiaries, whether refugees or the local community, would participate so as to ensure their interest in good results. Advertently or not, then, the EU report challenged certain concepts and vested interests involved in international assistance to developing areas in general and to the Palestinian refugees in particular.

No wonder the EU report aroused Palestinian protestation and also reservations by the commissioner-general of UNRWA. The Palestinian delegation was particularly upset by the report's implication that the refugee problem could be solved through integration into host countries. The head of the delegation, Dr. Elias Sanbar, complained in his opening statement that the report failed "to address in any way the options of return and compensation. . . . We are a people, not a series of geographical sub-entities."

## **The Quadripartite Committee**

At the start of 1995, the establishment of a Quadripartite Committee was still pending. The Israeli government had profound reservations about a Palestinian right of return; furthermore, the Israeli public at large blamed the PLO for failing to honor its commitments to act against terrorism, and the opposition was criticizing the government for its concessions. The Arab parties, for their part, were interested in precipitating a sizable process of family reunification. Coordinating their policies on the matter, they prepared to claim a right of return for more than 800,000 displaced persons.

After several postponements, the committee was convened, for the first time, on 7 March in Amman, at the level of foreign ministers. The Arab ministers tried to incorporate in its agenda the right of return and elements of UN resolutions, but Israeli Foreign Minister Peres opposed this.<sup>11</sup> The committee established a standing subcommittee of experts that would discuss criteria for defining who were the displaced persons, and procedures for return of such persons. It was also agreed that the foreign ministers would periodically reconvene.

The Palestinian and Arab representatives publicly expressed disappointment with the limited results of the meeting, and the Jordanian foreign minister stated to the press that the problem of refugees and displaced persons was of uppermost importance and that the Arab parties would deal with it already in the transition phase, without waiting for the final status talks.

The prospect of an influx of masses of displaced persons induced public unease in Israel. The opposition warned against realization of the right of return; the minister of justice averred that the Palestinian right of return was not on the government's agenda.<sup>12</sup> Officials and pundits recalled that Prime Minister Begin was the first to commit Israel, at Camp David, to negotiations in such a committee; that Israel in fact held a veto power; and that the Palestinians of the West Bank and Gaza were themselves likely to restrict the influx of displaced

persons in view of their difficulty in providing even for their present population.

As the transfer of power to the PA proceeded, the Israeli authorities relaxed their regulation of entry of Palestinians to the West Bank and Gaza. This mitigated Arab demands in the subcommittee of the Quadripartite Committee, but the bone of contention during its several meetings of 1995 and early 1996 continued to be the definition of the displaced persons. Israel maintained that only 200,000-300,000 who had left the territories during the Six Day War met the criteria; the Palestinians claimed that all of about 800,000 Palestinians who had been registered as residents of the territories when the war broke out, including those who happened to be abroad, together with their spouses and children qualified.

As for the Israeli-Palestinian Interim Agreement on the West Bank and Gaza of 28 September 1995, or "Oslo II," it extended the powers of the PA to the large majority of Palestinians, including refugees, in the West Bank and the surroundings of Jerusalem. The agreement gives the PA governmental and administrative powers over at least a third of all UNRWA-registered refugees. This includes the power to conduct international relations and to negotiate agreements over economic matters and development plans.

## **Economic Challenges**

The hopes of improving the economic conditions of the refugees in the territories were only partially realized in 1995, as security problems curtailed economic relations between the territories and Israel. The situation further deteriorated early in 1996 when Israel, in response to grave terrorist incidents, imposed a wide-ranging closure on the territories.

The Palestinians have been very concerned with these economic aspects. A PA official has implied that the PA, in exercising "priorities

for return," would prefer to admit Palestinians who have homes to return to, or who are established entrepreneurs.<sup>13</sup>

In March UNRWA held a conference in Amman, with major donors, to discuss a budget for its five-year plan. The assumption was that a five-year transition period would be needed for transferring UNRWA's functions to local Arab authorities. The major donors, faced with a Palestinian and Arab assertion that the UN must continue to care for the refugees until their rights are satisfied, reacted with misgivings, including a fear that UNRWA would be held "hostage" until the international community had met Palestinian demands. Some believe that the Palestinians are realistic in worrying that they are not yet capable of taking over UNRWA. Some donors fear that, as happens in some developing countries, their contributions will be misused. Nevertheless, the international community is probably not prepared to support UNRWA for longer than several more years. Also, the dissolution of UNRWA will itself entail large compensation costs to its retired personnel.

International aid to the Palestinian refugees may also be reduced if the donors adopt other priorities involving refugees and displaced persons in Europe, Africa, or Asia who are more destitute. Thus, the resources for supporting permanent solutions for the Palestinian refugees may diminish.

A donor conference in Paris in April 1996 declined to finance a return of Palestinian displaced persons. Indeed, the PA could barely obtain financial resources for its police and basic administration.

### **The UN General Assembly and the RWG, 1995**

In late 1995, the UN General Assembly and the RWG each discussed the refugee issue with an eye to the approaching final status talks.

The annual UNRWA report spoke of 3.2 million registered Palestinian refugees, for whom UNRWA needed increased contributions. UNRWA is described as "uniquely positioned to serve

as a source for the nascent Palestinian authority."<sup>14</sup> The General Assembly resolved to extend UNRWA's mandate till 1999, the date set for the conclusion of the final status talks.

On 6 December, the General Assembly passed more or less the same set of resolutions on the refugee issue as in previous years. The U.S. and Israel voted against resolutions that, in their view, prejudice the issues of the return of 1967 displaced persons and refugee properties, as well as two resolutions touching on the right of return and Jerusalem. Overall, the General Assembly resolutions had little practical impact, except the one on extending UNRWA's mandate.

The RWG met on 12-14 December in Geneva. Reports of "shepherds" generally reflected modest achievements in implementing projects, with intentions to do more in the future. Almost all the activities the RWG had promoted had been in the West Bank and Gaza; it now promised also to attend to the Palestinian refugees in Jordan. Regret was again expressed that Syria and Lebanon were not participating in the group's activities. The Arab and some European delegations, as well as the gavel holder, expressed the wish that the RWG would become actively involved in the final status talks. This seemed to reflect a European interest in exerting economic influence on the permanent solutions—a tendency that Israel usually does not welcome.

However, the most talked-about item was again family reunification. The French "shepherd" reported both on a series of Israeli concessions (noted above) and on the larger, still-unsatisfied Palestinian claims.

The notion that integration of the refugees into their present locations might be a lasting solution, cautiously implied by the EU and Norway in the previous meeting, was now pursued, in the first place regarding the refugees in the West Bank and Gaza. Perhaps the most important outcome of the meeting was the decision to assist the PA in planning the rehabilitation of these refugees; indeed, the RWG decided to hold an intersessional meeting in Italy on the matter. Earlier in the

meeting, however, the Jordanian representative had dissented, citing Jordan's "benevolent" management of the refugees there and observing that this "enhanced rather than weakened the Palestinian aspiration for return." He recalled that the refugees accounted for half the population of Jordan and claimed that his country's stability would be compromised if they were not given options of resettling in the Palestinian entity or in their "original homes." This may point to Jordan's future position in negotiations.

### **Further Developments Into 1996**

Meanwhile, the refugee problem in the Palestinian diaspora continued to simmer. The more the PLO leadership focused on the West Bank and Gaza and its achievements in the matter of refugees did not go much beyond some modest family reunification and return of PA personnel, the more resentful and militant became the Islamic fundamentalists and other "rejectionists" in the territories and the Arab world. In September 1995, Libyan strongman Qaddafi threatened to expel all Palestinians from his country and challenge the PLO to secure their entry into Palestine. When he actually drove out several thousand, it was very difficult for them to be allowed into any other Arab country, thus exposing an Arab dilemma.

In January 1996, elections were held in the territories for the Palestine Council. Many of the candidates pledged to work for the cause of the refugees. Some refugees were elected, but their number is far below the proportion of refugees in the population. The results of the elections promoted the international legitimacy of Arafat and the PA, who were expected to act with greater authority.

None of this stopped Hamas and Islamic Jihad from pursuing their aim of subverting Palestinian-Israeli reconciliation. Some of their suicide bombings in Israel in February-March 1996 were traced back to refugee camps in Gaza. With elections imminent, the political



debate in Israel regarding the Palestinians grew sharper. The right accused the government of blindly conceding to the PLO, and warned that if reelected the Labor government would allow a massive Palestinian "return." For its part, the Labor Party pledged, as one of six principles of its Palestinian policy, that "no right of return will be recognized." Labor seemed inclined, however, to minimize a public debate over its policy on the refugees, and to delay any debate on the final status talks until after the elections at the end of May.

Meanwhile, in reaction to the terror attacks, the Israeli government adopted a policy of separating the Palestinian population of the territories from Israel. This was an aspect of its decision to freeze the peace process with the PLO until it cracked down on terror and canceled the offensive clauses of its charter. The closure caused unemployment and economic hardship, not least for the refugees.

Thus, as the final status talks drew near, the atmosphere was uneasy. Furthermore, Israel-Syria talks had been frozen since December 1995, and the clashes with Hizbullah forces in southern Lebanon led to Israel's Grapes of Wrath operation in April. The stalled peacemaking with Syria and Lebanon further hindered the peace process with the Palestinians.

Out of a mutual interest in demonstrating that the peace process would continue as scheduled, Israel and the PA held a formal opening of the final status talks on 5-6 May at Taba. The meeting centered on preliminary clarification of procedural matters, and adjourned until after the 29 May elections.

Although the refugee issue per se was not prominent in the Likud and Labor election campaigns, related considerations were. Whereas Labor deleted from its platform its previous opposition to a Palestinian state, Likud only further stressed its opposition. One reason given is the preventing of a situation where a Palestinian state would have independent control over immigration. Furthermore, critics of Labor accused it of being ready to accept the immigration of hundreds of thousands of Palestinians into the West Bank, whereas supporters of

the right firmly denied a Palestinian right of return to any part of the land west of the Jordan.

It remains to be seen what impact these concepts will have on future Israeli policy, and what international implications.

If and when durable solutions will be sought, a variety of additional problems that have not yet been dealt with in international forums will have to be addressed. These problems have already been explored by Arab, Israeli, American, and European scholars, analysts, and professionals in works that afford insights into the perceptions and positions of the various actors. The next section will consider some of these works.

## **PROFESSIONAL STUDIES AND ACADEMIC DISCUSSIONS**

In the late 1980s, when the prospects for Middle East peace negotiations were on the rise, potential participants began to gather information and plan options for a peace conference. This included turning to experts and institutions for analyses and proposals—not least regarding the Palestinian refugee problem. Scholars and journalists also addressed these matters on their own.

Several changes could be discerned: (1) With the PLO adjusting itself to dialogue with the United States and possible political accommodation with Israel, Palestinian and other Arab writers felt freer to take a similar direction. Consequently, Palestinian spokesmen and writers have endeavored to present to Western opinion a reasonable, open-minded approach that does not ignore Israeli concerns and observes the "rules of the game." (2) Israelis and Americans were encouraged by relatively moderate Palestinian pronouncements, leading them to intensify the quest for an accommodation. (3) Palestinian and Israeli individuals and small groups had engaged in political dialogue before, but since 1988 this has increased. American institutions have

encouraged exchanges of views and joint studies. (4) Actual developments in the peace process have stimulated further interaction. Dialogues have sometimes produced converging Arab and Israeli conclusions and even joint academic recommendations.

The unofficial material that has thus been produced may indicate conceptual trends as well as possible solutions that the involved governments and organizations have not yet discussed in public. Israel, the Palestinian Authority, the United States and other governments have made a point of publicizing in detail their recommendations for short- and medium-range solutions. But regarding long-range solutions, little more than general principles have been made public. In this respect, the U.S. has revealed less than Israel, and Israel less than the Palestinians. The U.S. seems to be preserving its role as "honest broker," and Israel has both internal and external considerations in keeping its cards covered for the time being.

The unofficial sources that are surveyed in this section are far less restrained, and can fill some of the gaps left by the reticence of the political actors.

### **Salah Khalaf: The PLO's Proposals to Israel**

Salah Khalaf, better known as Abu Iyad, was considered a deputy of Arafat until he was assassinated by a rival Palestinian group. In 1988 he became a key figure in advocating that the PLO present a moderate image that would win it recognition by the U.S. He was a driving force behind the PNC's decision to support an international peace conference for the Middle East and a two-state solution.<sup>15</sup> He also addressed the Israelis directly, calling for PLO-Israeli meetings before an international conference for working out security arrangements.

In the spring of 1990 Khalaf offered his political views in an article called "Lowering the Sword."<sup>16</sup> It discusses the implications of the declaration of a Palestinian state and of the resolution of the 19th PNC session on Palestinian-Israeli relations. Khalaf maintains that the

Palestinians offer Israel peace; tries to allay Israel's concerns about the emergence of a Palestinian state; suggests how crucial is the solution of the refugee issue and advises Israel what to do in that regard. His views on the refugee issue may be summarized as follows.

A Palestinian state in the West Bank and Gaza Strip, including East Jerusalem, would be insufficient to solve the problem of the millions of Palestinian refugees. Therefore, the "right of return" to Israel itself must play a part in negotiations.<sup>17</sup> The "right of return or compensation" principle has been legitimized by UN resolutions; "however, we are not totally unrealistic when we consider just how this right may be implemented." Total return is not possible; one of the reasons is that Israel systematically razed more than 400 Palestinian towns and villages. Furthermore, large numbers of Palestinians might not want to return and live under Israeli rule, especially if a Palestinian state existed as an alternative; and Israel would refuse to accept large numbers of Palestinian returnees "who would tip the demographic balance against the Jewish population." Nevertheless, it is essential that Israel accept the *principle* of the right of return or compensation, while leaving the details for negotiation; otherwise the stability of any settlement may be threatened. The international community is expected "to play its full role concerning the matter of compensation."<sup>18</sup>

This article expressed a line of argument that became typical of Palestinian representatives and writers who addressed American audiences. The article was also well noticed in Israel.

### **System of Dual Passports—Gottlieb**

About the same time, Gideon Gottlieb, professor of international law at the University of Chicago, presented in an article on "Israel and the Palestinians"<sup>19</sup> certain juridical concepts that might facilitate resolution of the refugee problem while corresponding to the two-state concept.

In distinguishing between a "state" and a "homeland," he observed:

States rather than homelands have rights and duties under international law. The notion of homeland has no juridical standing. However, it is entirely possible by treaty to give legal expression and legal status to the concept of a homeland as distinct and separate from the concept of state. . . . A people may thus perceive that it has rights in a homeland that stretches across state boundaries.<sup>20</sup>

He refers to the Israeli distinction between the state of Israel and the Land of Israel, and suggests that the Palestinians would be satisfied with a state of Palestine in confederation with the state of Israel in a common homeland, or alternatively with a confederation of three states, including Jordan. Gottlieb thus proposes a dual system of passports: one for the inhabitants of the West Bank and Gaza who would carry a "citizen's" passport of the confederation, and the other a "national" passport that would be issued both to them and to the Palestinians of the diaspora. This would differentiate between the rights of the refugees and of the inhabitants of the territories. "A national passport would express for every holder the emotional and symbolic bond that unites the Palestinian people. . . . The rights of 'nationals' in future consideration would have to be defined with care."<sup>21</sup>

As we shall see, the idea of dual passports has appealed to Palestinian, Israelis, and others.

### **An Israeli Strategic Analysis**

In 1989, the Jaffee Center for Strategic Studies (JCSS) at Tel Aviv University published a report on "The West Bank and Gaza: Israel's Options for Peace." The options considered are autonomy, a Palestinian state, and a Jordanian-Palestinian federation.

In its conclusions, the JCSS assesses that autonomy would be acceptable to the PLO only as a transition to political independence.

The report analyzes how the refugee question could be dealt with in the context of an Israeli-PLO agreement on establishing a Palestinian state in most of the West Bank and Gaza. The agreement, it is proposed, would stipulate that the refugee problem be solved through negotiated agreements on settling the majority of refugees in Arab states, including the new Palestinian state. The agreement would also abolish the claim of a right of return. Thus, Palestinians who wanted to escape degrading conditions in other places would be able to find refuge in the Palestinian state, but not in Israel.

A comprehensive solution should also include the termination of UNRWA's mandate and the dismantling of the refugee camps, enabling refugees to migrate or be integrated into host countries. The report acknowledges that even with all these elements, the stability of a settlement may be threatened by unfulfilled hopes and irredentist aspirations. However, the authors expect that so long as its main sources of aid were Western or pro-Western powers, the Palestinian state would opt for peace and regional stability.

### **Economic Plan for a Palestinian State—Abed**

In 1990, the Center for Contemporary Arab Studies at Georgetown University published a collection of papers on a possible two-state solution of the Israeli-Palestinian conflict.<sup>22</sup> One of the authors, George Abed, is a noted Palestinian economist who became an official of the International Monetary Fund in Geneva. In his paper "The Economic Viability of a Palestine State,"<sup>23</sup> the points of departure are early establishment of a sovereign Palestinian state, and early implementation of the Palestinian "right of return and/or compensation."

Abed assumes that 50,000-100,000 1948 Palestinian refugees will return to Israel proper. He further estimates that, in addition to the refugees now living in the West Bank and Gaza, nearly 700,000 from outside Palestine will seek to return; those who will not return will at least be enfranchised in the new state.

Abed is concerned with the demographic implications of the growing population, especially for Gaza, and remarks that Palestine would be "a crowded country, somewhat comparable to Belgium or Japan but not unmanageably overpopulated."<sup>24</sup> He then discusses at length Palestine's economic viability, and reaches a positive conclusion—provided a long list of conditions are met, involving a comprehensive reconstruction and development program.

The absorption and reintegration of returnees and the refugees already in the territories is expected to present daunting challenges. Abed notes, especially: infrastructure requirements, primarily housing; the need to provide work for the increasing labor force; and the fact that almost all the returnees to the territories (or the new state) will have to be accommodated in the West Bank, as the absorptive capacity of Gaza will have been exhausted.

The most urgent and costly element in the necessary infrastructure will be housing, and the greatest demand for new homes will be for local camp refugees and for returnees. In his "Reconstruction and Development Program," Abed estimates that 200,000 housing units will have to be built over 10-15 years at a total cost, in 1990 prices, of about \$4.5 billion. He estimates that other elements of the physical infrastructure will cost, in 1990 terms, \$5 billion. Abed also projects the total population of the Palestinian state in the year 2000 at 3.3 million, about half of whom will be refugees, returnees, and their descendants.

Expanding the industrial and agricultural commodities and remunerative services will require gradually increasing investments from private and public sources. Abed suggests that this will entail \$10 billion in investments, mostly from the private sector, over a period of 10-15 years. He estimates that his total program will amount to \$23 billion, to be financed by a combination of private Palestinian and international sources, official bilateral assistance, Arab states, and international financial and development institutions.

It is noteworthy that, although compensation appears among Abed's five basic principles of settlement, he does not include it as a

source for financing his program. He may have taken for granted that compensation money, once paid, will flow indirectly through private or public investments in the program. He may have considered that the issue of compensation is a matter for political and legal negotiations, the outcome of which is uncertain; or he may have shared the sentiments of Hadawi (see below).

### **Compensations—Hadawi and Kubursi**

Atef Kubursi, a Canadian professor of economics, prepared "An Economic Assessment of Total Palestinian Losses in 1948" that is incorporated in Sami Hadawi's book *Palestinian Rights and Losses in 1948*.<sup>25</sup> These do not deal directly with compensation but, in a unique manner, discuss Palestinian losses that might constitute the ground for compensation claims.

As an official of the mandatory government of Palestine, Hadawi specialized in land matters; later he served as land specialist with the UNCCP. His book is the fruit of a comprehensive study he performed together with several other Arab and non-Arab experts, at the request of Crown Prince Hassan of Jordan. For their conceptual and methodological model they turned to the claims that were presented in 1944 by the World Jewish Congress to the Allies for reparations from Germany, which were subsequently paid by West Germany.

Kubursi arrived at a valuation of Palestinian property losses in 1948 of 743 million Palestinian pounds, then equal to the sterling pound. He notes: "Translating this total into 1984 prices in US dollars brings it to \$92,000 million. The inclusion of human capital losses raises the total compensation to \$147,000 million. . . . Compensation for psychological damage and pain, following the FRG compensation schemes to Jews, would raise this total to a staggering \$170,000 million."<sup>26</sup>

The Hadawi-Kubursi study is outspoken in casting the blame for the Palestinians' losses on Israel and the UN. In his preface, Hadawi explains that



the study is not intended to be a claim for compensation payments of the value of immovable property. . . . The Palestinians, whatever the ultimate consequences, remain adamant in their refusal to accept compensation and thereby surrender their rights and interests in their ancestral homeland. However the study does not exclude . . . restitution and compensation for the other colossal losses—material, physical and psychological—suffered by the Palestinians, just as the Jews and the State of Israel were compensated by the West German government for crimes committed by the Nazi regime.<sup>27</sup>

Kubursi, in introducing his analysis, draws a parallel between the “victims of Nazi persecution” and the Palestinians as “victims of the Zionist persecution.”<sup>28</sup> He concludes by remarking that the financial figures reached would not “compensate the Palestinians for the loss of Palestine. It is simply a historical and monetary valuation of the injustice perpetrated by the Zionists, no more no less.”<sup>29</sup>

It is difficult to evaluate in 1996 to what extent the perceptions embodied in the book are shared by the Palestinian leadership, and to what extent such perceptions will motivate the people who may prepare a Palestinian compensation claim.

It is interesting to note that the figures about losses and damages that are given in Hadawi’s book are quoted uncritically by later writers.<sup>30</sup>

### **Observations of Rashid Khalidi**

Ideas similar to Khalaf’s have been presented by Rashid Khalidi, a prominent Palestinian scholar in the U.S. He has been identified with the mainstream of the PLO and considered an articulate proponent of its cause. After the Gulf War, when the American peace initiative was renewed, Khalidi published an updated version of his article on the

right of return under the title "Observations on the Right of Return."<sup>31</sup> He defines his remarks as "both speculative and subjective."

Khalidi maintains that the right of return has full international sanction; and that its implementation will not threaten Israel but promote peace. His reasoning is as follows: (1) When the Palestinians decided in 1988 to ground their claim for the right of return in Res. 194, they tacitly acknowledged the existence of Israel, and also admitted that they could not politically demand that all refugees be allowed to return. (2) Res. 194 limits the return to Israel to Palestinians who would be ready to become law-abiding citizens of Israel. (3) A third limitation is implicit: some PLO spokesmen speak of return to the Palestinian *state*, not necessarily to Palestinians' original *homes*. (4) Should Jordan and the Palestinian state join in a confederation, perhaps most of the Palestinians in Jordan would be content to remain there, enjoying their new Palestinian nationality and benefiting from compensation. (5) The Palestinians in Jordan and in Syria are integrated and are relatively secure; those who live overseas are also secure. (6) On the other hand, the problem of the refugees in Lebanon cannot be solved by settlement there. The situation of those who left the Gulf, as well as of those who remain there, is unstable. These refugees should have priority in exercising the right of return to the West Bank and Gaza, the Palestinian state, or Israel.

Khalidi suggests that the destination of return, whether Israel or the West Bank and Gaza, "will be primarily subjected to internal Palestinian social and political consideration, rather than subject to negotiation."<sup>32</sup> But he assumes that Israel will resist the return of significant numbers of Palestinians to Israel proper. At the same time, Khalidi expects that the Palestinians of Lebanon, who originate from Galilee, Jaffa, or Haifa, will have difficulty making their homes in the West Bank or Gaza.

Khalidi attaches great value to the principle of compensation, but does not mention specific procedures or objectives. He notes that if substantial compensation for property is paid to those choosing not to

return to their original homes in Israel, it would facilitate either of three alternatives: (1) settlement in the Palestinian state; (2) integration of Palestinians who remain or choose to live in Jordan, the latter being federated with the Palestinian state; or (3) providing for Palestinians who remain, at least for the time being, in host countries.

Khalidi emphasizes that he does not use the term resettlement because it "has in fact never had any chance of implementation," since the Palestinians will not relinquish their Palestinian identity even if they are permanent residents of Arab or other countries. He also refers to the fact that Arab host states would be reluctant to absorb large numbers of Palestinians permanently, since these states are wary about their own national identity.<sup>33</sup>

Khalidi is also not sure whether Israel will accept the return of any Palestinians to Israel proper. He tries to persuade Israel that the question of return "is not as serious a question as it initially appears." One reason is that most Palestinians would probably decline to return to Israel, where they would be part of an Arab minority. On the other hand, he argues that there could be enormous advantage to Israel in accepting some measure of return of Palestinians to Israel proper, since "a statesman-like approach by Israeli leaders to this matter would serve to . . . settle the most pressing issue in the entire conflict."<sup>34</sup>

Khalidi's assertions in this article about the responsibility for creating the refugee problem and about the "right of return" and resettlement were received by Israeli critics as dogmatic and misleading. For example, his statement that resettlement "has in fact never had any chance of implementation" seems to be belied by the fact that in recent decades millions of Arabs, including Palestinians, have migrated, resettled, and integrated both in the Middle East and elsewhere.

At any rate, this article reflected the gradual development of pragmatic Palestinian thinking. Khalidi takes into account Israel's opposition to the right of return and like Khalaf, though in a more sophisticated way, tries to convince Israel that it should allow a certain number of returnees.

These concepts apparently represent Palestinian thinking during the first phase of the Madrid peace process. The Israel-PLO DOP and subsequent agreements were to pose yet new challenges to American-Palestinian thinkers, some of whom became quite critical of Arafat's approach.

### **An Economic Plan From the West Bank**

The Center for Engineering and Planning (CEP), a private firm designated as part of the Palestine Studies Project with offices in Ramallah, published in March 1992 a "Masterplanning of the State of Palestine." In some ways this document resembles Abed's plan.

The "Masterplanning" offers guidelines "which may be used to formulate a detailed reconstruction and development plan for consideration by the future government of independent Palestine." The guidelines are based on eight major assumptions; several of them are relevant to the refugee issue:

*First*, the state of Palestine is the state of all Palestinians wherever they may be. . . .

*Fourth*, all Israeli colonies within the boundaries of the State will be vacated and the housing units in these colonies will be credited to the Palestinian housing stock.

*Fifth*, during the first five years after the state is established, some 750,000 Palestinians will return to settle in existing urban and rural towns, as well as ones to be constructed in selected areas. In the following five years, another 750,000 will also return to settle in the country.

*Eighth*, the Palestinian investment and funding . . . will be supplemented by . . . financial assistance from the Arab countries, USA, EEC and international organizations. . . . In addition, substantial sums of money will be provided by Israel in compensation to the Palestinian people for all the

losses and damages that have resulted from the creation of the State of Israel and subsequent actions taken by it against the Palestinian people. (pp. 3-4)

The document refers to a "sudden and significant increase in population" caused by return of Palestinians from abroad, and suggests that these persons be accommodated in the West Bank since Gaza has limited resources. In elaborating on the housing aspects, the document counts on 50,000-70,000 housing units constructed by "Jewish settlers in over 150 colonies." These include Jerusalem suburbs such as Gilo and Ramot, all of which are to be "vacated as a result of a territorial settlement between Palestine and Israel." The document predicts a formidable labor surplus by the year 2000 and calls for serious efforts to arrange for the absorption of that surplus "in the neighboring and regional markets," probably alluding to Israel and the Gulf states.

### **American-Palestinian-Israeli Study Group**

One of the institutes most actively engaged in the study of Middle Eastern conflict resolution is the American Academy of Arts and Sciences, based in Cambridge, Massachusetts. In 1992 a study group organized by the Academy published its report on "Transition to Palestinian Self-Government: Practical Steps Toward Israeli-Palestinian Peace." The study group consisted of ten American, Arab, and Israeli scholars; the primary author of the report was Professor Ann Mosely Lesch.

The study group claims not to prefer any one final settlement, but its common belief was that "the most stable end result is Palestinian self-determination."<sup>35</sup> The report focuses mainly on economic and political issues, and tends to endorse the ideas of Khalidi. The following are key passages from the report's summary:

the Palestinian concept of return has evolved substantially over time. Palestinians . . . understand that once they accept

Israel's right to exist they can only implement the right within the part of the land that comprises the Palestinian state. Palestinians whose families originated in what is now Israel would, in practice, receive compensation but would not return to their former homes.

The report goes on to say that the Palestinian Self-Governing Authority

would have the right to decide how many refugees would be settled in the territory it controls and at what rate, in keeping with the availability of resources to absorb them. Priority might be given to those Palestinians who face the greatest difficulty in the diaspora: the Palestinian community in Lebanon, especially those in refugee camps . . . and the Palestinians who fled Kuwait . . . and can neither return nor be successfully absorbed in Jordan. Those who have citizenship and residency in Jordan are not likely to return unless they originate from the West Bank or Gaza. In fact, some Palestinians might move to Jordan during the interim or final periods, particularly if a Palestinian-Jordanian confederation were formed.

Palestinians . . . in the diaspora would have their legal status regularized. Some would gain permanent residency . . . while holding a Palestinian passport; others might be invited to become citizens in the host country, retaining the right to visit the Palestinian homeland. Arabs should be encouraged, within the context of a regional settlement, to extend such residency and citizenship rights.

Because the continuation of a Palestinian refugee problem constitutes a potential threat to Israeli security—as a base for recruiting armed groups—compensating refugees and resettling them in a way that grants them citizenship either

in Palestine or in host Arab states would be important for Israeli security. Moreover, Palestinians would welcome the resolution of the problem of property confiscated from Jews who fled Arab countries after 1948 as part of a regional effort to mitigate the human tragedies caused by that conflict.<sup>36</sup>

This seems to be a useful attempt to harmonize concepts and ideas of politically moderate Israelis and Arabs, which at that time were the object of serious reservations, for different reasons, from both the Israeli and Palestinian mainstream. At any rate, this text provided food for thought and subjects for debate.

### **Economic Projects From Harvard and the World Bank**

The multilateral working group on economic development of the Middle East peace process requested the World Bank to prepare a report on needs and possibilities for development. On the basis of a task force that it sent to the area in January-February 1993, the Bank published a report entitled "Developing the Occupied Territories: An Investment in Peace."

In June of that year the Institute for Social and Economic Policy in the Middle East at Harvard's Kennedy School published a report called "Securing Peace in the Middle East." It was the product of over thirty Israeli, Jordanian, and Palestinian economists who worked with senior economists from Harvard and MIT, headed by Professor Stanley Fischer, the former vice-president and chief economist of the World Bank. He was also one of the report's editors.<sup>37</sup>

Neither of the two reports takes a stand on long-term solutions of the refugee problem. They both refer to the possibility that many 1967 displaced persons may return, but do not mention any specific numbers or rates of arrival.

The Harvard report dwells on present and projected job deficits in the West Bank and Gaza during the transition period. It calculates

that whereas the local economy will provide 4,000 new jobs a year, the number of job seekers will amount to 9,000. It warns: "If workers returning from the Israeli labor market are added to returning refugees, the pressure of unemployment could soar to dangerous levels."<sup>38</sup>

The Bank report stressed the problem even more: "given the rapid population growth of the past, and the unusually low current labor force participation rate . . . the labor force is set to double before 2010, even without considering the return of any Palestinian expatriates to the [occupied territories] in the wake of a peace agreement."<sup>39</sup> Considering that the prospects for finding or creating employment for Palestinian returnees would be relatively limited, the report advises to refrain from attracting them back until the economy recovers and starts growing. In elaborating on the economic prospects in the West Bank and Gaza, the report notes that the number of returnees will depend, among other things, on the perceptions of expatriate Palestinians about future economic opportunities there.

In discussing the development of the territories and their population, the Bank report does not distinguish between refugees and nonrefugees. It does, however, refer to the greater need of the camp refugees for improved housing and to the large investments that will be required for housing of returnees. "Many refugee camps would be upgraded into better quality permanent residential communities, and much of this would probably be privately financed . . . the investment in private housing for returnees alone could amount to \$450 million annually between 1994-2000."<sup>40</sup> Since the least expensive new housing units in the West Bank and Gaza sell for about \$45,000, the Bank apparently assumed that the returnee families would create an annual demand for 10,000 units. The report recommends that the authorities prepare emergency plans to accommodate possible rapid influxes of refugees, and that they both expect and encourage private investments.<sup>41</sup>

In connection with housing the report recognizes that the refugee camps, with their poor inhabitants, deserve special public assistance, and notes that in order to improve housing performance various



legal, economic, technical, and administrative constraints should be removed.

In view of the important role of UNRWA in these sectors, the Bank assumes that the Agency would resume its operations during the transition period. It recommends, however, that this be done along with a social survey, analysis, and rationalization of the system of in-kind transfer and subsidies, so as to replace "the current patchwork of benefits with a more equitable, unified system of protection . . . access to free or highly subsidized services now available only to registered refugees should be extended to others on the basis of relevant criteria, rather than on refugee status."<sup>42</sup>

With this the World Bank takes a stand on a controversial question. The Bank report takes yet another contentious position in advocating that the cost of housing be financed from private investments. Other authorities see hardly any alternative to public financing, mainly from foreign sources.

### **PLO—Development Program**

In July 1993, the PLO issued a "Program for Development of the Palestine National Economy for the Years 1994-2000." The Program was prepared by the PLO's Department of Economic Affairs and Planning beginning in 1991; its coordinator was the senior Palestinian economist Yusif Sayigh. It provides a more detailed and ambitious plan for a Palestinian economy than the Harvard and World Bank reports. The Program's estimates of investment and aid needs are much higher than those two, in part because it envisages the return of 500,000 refugees up to the year 2000.<sup>43</sup>

A basic premise of the Program is that during the five-year interim period the PA and Palestinian society will launch a comprehensive social and economic program. Another assumption is that the 1967 displaced persons, whose number the Report estimates to have increased

to about 650,000, are entitled to return to the West Bank and Gaza, but only 500,000 will choose and be able to do so during 1994-2000.

The Program notes the high unemployment already existing in the territories, and says that with the new entrants into the labor force a colossal challenge may arise, since even with a far-reaching program the labor market "would still fall short of full absorption of 50,000, by the terminal year 2000."

The Program also refers to housing for the 500,000 returnees and improving the housing conditions of camp refugees. It also speaks of "the mobilization of diaspora Palestinians who number about 3 million and comprise hundreds of thousands of semi-skilled and skilled laborers, technicians, administrators, professionals, industrialists . . . eager to make a substantial contribution to their homeland."

In discussing the "expected assistance from Arab and international sources," it states that "compensation by Israel for damage sustained by the Palestinians is also expected."

### **Peres on the Refugees in *The New Middle East***

In the book he published in 1993,<sup>44</sup> then-Foreign Minister Peres expressed prevailing Israeli perceptions of the Palestinian refugee problem and certain new ideas about its solution. Some of these reflect growing attention to Palestinian aspirations. The book views the basic solution to the problem, as to many other Middle Eastern socioeconomic and political problems, as lying in regional economic development. Within an expanding and prospering regional economy, Peres suggests, new incentives and opportunities would be created to encourage refugees' integration into their host countries. Peres's chapter on the refugee problem is the last in the book, and is a corollary of his general vision, presenting observations rather than an operational program.

Peres expresses understanding for the "emotive load" of the claim of a right of return, but rejects it as a "maximal claim [that], if accepted . . . would wipe out the national character of the State of Israel, making

the Jewish majority into a minority."<sup>45</sup> He suggests dividing the political process into a negotiation stage, a transitional stage, and a permanent settlement stage. During the negotiation stage, work can begin on improving the conditions of the refugee camps. In the transitional stage, the period of Palestinian self-rule, the work would concentrate on rehabilitation and building economic infrastructure. During this period, the status of "refugee" would be replaced by a new status that would be represented by the identity card issued by the Palestinian authority. Also during that period, agreement should be reached on a policy for family reunification, on the understanding that it would be of limited dimensions.

"Once a permanent settlement has been worked out, the Israeli government should have no objection to free movement into and within the Palestinian-Jordanian confederation" (the political entity favored by Peres), and "no Palestinian will be denied the right to enter confederation territory." With this, Peres apparently means to enable diaspora Palestinians to maintain contact with the Palestinian territory and its people by free visits. In this and some other points, Peres's views converge with relevant Palestinian views. Peres also calls for some absorption of 1948 Palestinian refugees from Lebanon in the Palestinian-Jordanian confederation, a move that might "stabilize the internal situation in Lebanon."<sup>46</sup>

For Peres the overall permanent solution of the refugee problem would be the integration of the refugees into their host countries. That would require international economic participation, to which Israel would be ready to contribute and in which the activity of the Palestinians themselves would be "the key concept."<sup>47</sup> Peres has since been very active in campaigning for such international economic participation.

### **Israeli Questioning Statistics—Efrat**

In May 1993, Moshe Efrat published the findings of a study he conducted on the economic integration of the Palestinian refugees into Arab host

countries.<sup>48</sup> From examining Arab and UNRWA sources, he concluded that statistical data about the refugees that they present in international publications are often misleading.<sup>49</sup> Using his own methodology, he found that the total Palestinian refugee population in June 1990 in all host countries, excluding Israel, was only about 1.2 million, and with the territories and East Jerusalem 540,000 more, but not 2.4 million as reported by UNRWA; that the total Palestinian refugee population living in UNRWA camps was in 1990 20% lower than what UNRWA claimed; that the total of displaced persons came to about 100,000 at that time whereas the Jordanian and UNRWA assessments were three to four times higher; and that in 1990 Palestinians by origin, both refugees and nonrefugees, constituted only 30% of the total population of the East Bank, and the refugees alone amounted to only 10%. He finds that on the whole, with the exception of the Gaza Strip, the Palestinian refugees are steadily being integrated into the Arab host countries, where they are a small percentage of the population.

Efrat asserts that radical changes in the economic and social positions of the refugee population over the years fostered their de facto integration into the host countries. On the other hand, where they have been discriminated against, as in Lebanon, or where they constitute a high percentage of the population, as in Gaza, the integration process has been restricted.

Efrat, based on his estimate of the number of the Palestinian refugees to be 1.2 million, deduced their labor force to be 240,000 persons, and the percentage of unemployed among them to be 10%. He assessed that, from the economic angle, it would be necessary to reintegrate 25,000-30,000 unemployed refugees into the productive life of the host countries.<sup>50</sup> The rehousing of camp refugees would require about 105,000 new housing units, a quarter of these in Lebanon and Syria, another quarter in Jordan, and half in the West Bank and Gaza.<sup>51</sup> Efrat doubts that Israel will permit huge inflows of refugees to the territories, at least so long as many workers from there need to be employed in Israel itself. He considers that the Palestinian self-rule

will first have to provide jobs for those employed in Israel and for local youngsters entering the labor market, and that this may take ten years even with huge investment. Therefore, it would not be realistic to plan on absorption of returnees for at least a decade, and on delaying, in the meantime, further international economic assistance for the integration of refugees into host countries.

Arab and other foreign scholars have disputed Efrat's calculations as unrealistically low. They too, like all other observers, as yet lack sufficient, scientifically obtained data.

### **Shiblak's Study on Palestinian Refugees in Arab Countries**

Abbas Shiblak's paper "In Search of a Durable Solution: Residency Status and Civil Rights of Palestinians in Host Arab Countries," which was prepared in the Refugee Studies Program of Oxford University in 1993, focuses on Arab host countries' attitudes toward the refugees. Shiblak, a Palestinian researcher, presented his study at a conference on the Middle East multilateral talks at the University of California in June 1993 (where he met Moshe Efrat and contested his positions).

Shiblak rejects the view that the refugee problem could gradually be eliminated or has already been resolved by the refugees' integration into Arab host countries. It appears, however, from his research that many of the hindrances to integration are political and administrative. It may follow that if these were removed, the refugees could gain residency status and ample civil rights in these countries.

In his conclusions, Shiblak remarks:

Any resolution of the Palestinian refugees needs to take into account the two dimensions of their plight: the Israel dimension and the Arab dimension . . . a political settlement based on the fulfillment of the Palestinians' national aspirations for a homeland of their own, would be the key factor. . . . More serious discussion is required . . . in search

of a durable solution within wider regional perspective in terms of development planning, absorption capacity, citizenship rights and freedom of movement.<sup>52</sup>

This marks a significant change in Palestinian perceptions as to where and with whom the solution of the refugee problem lies. Whereas in past years the prevailing Arab argument was that there could be no solution unless Israel gave in to their claims regarding the refugees, Palestinian voices are now increasingly heard that call for the Arab states and also the Palestinians to facilitate resettlement in Arab countries.

Shiblak describes at length various difficulties in establishing the legal status and civil rights of the refugees in these countries, including how "rights of family reunion are grossly compromised." He notes:

Restrictions of various kinds and degrees are now imposed on holders of refugee documents in all Arab States, affecting residency rights, freedom of movement, employment, property ownership and access to government services . . . education services, health and social benefits are being increasingly restricted and denied in some cases.<sup>53</sup>

Shiblak assumes that repatriation will remain part of the solution and will basically apply to the Palestinian state, in accordance with its absorptive capacity. Thus he refers to permanent settlement of refugees in Arab host countries as a component of a durable solution that will also involve Palestinian statehood as well as compensation. He recalls what international codes of conduct prescribe for the treatment of refugees in host countries, and compares this with inappropriate practice in Arab countries.

Shiblak describes how at first the Arab governments showed willingness to grant the Palestinian refugees residency, though not political rights. At the same time, they refused, as a matter of principle,

to share the humanitarian responsibilities of UNRWA and formally resisted resettlement or naturalization as a way of solving the problem. The main exception was Jordan. However, "Arab commitments to give secure and permanent residency status to Palestinian refugees waned over time. The majority of Arab States do not appear to uphold this principle. Most of them, like Lebanon and the Gulf States, never in fact fully implemented the 1965 protocol, while others like Egypt, have done so inconsistently."<sup>54</sup>

Shiblak himself does not draw precise operational conclusions from his survey, but it has important implications.

### **Jarrar: A Perspective on the Future From the West Bank**

In May 1994, the Palestinian Academic Society for the Study of International Affairs (PASSIA) published a book in Arabic by Najeh Jarrar, *Palestine Refugees: International and Future Perspective*. Jarrar teaches economics at el-Najah University in Nablus, where he heads the Refugee Studies Research Center. His book offers a view on the past, present, and future of the refugee problem.

Jarrar expects the return of 750,000 displaced persons and refugees to the West Bank and Gaza during the first five years and 750,000 more during the next five years, as well as the return of several hundreds of thousands to Israel itself.<sup>55</sup> At the same time, he notes four factors whose present or future dimensions are not yet sufficiently known: (1) the future of the Israeli settlements, which have a bearing on the limited absorptive capacity of the West Bank and Gaza; (2) the political stances of non-Palestinians at the multilateral talks; (3) the situation of the Palestinian refugees in Arab host countries, which can affect the prospects of repatriation or integration; and (4) the extent of prospective international financial assistance.

Jarrar estimates that with the return of the first 750,000 displaced persons and refugees, the population of the West Bank and Gaza will rise by the year 2000 to four million. That will require investment of

\$12 billion from the public sector plus \$13 billion from private sources to provide 1,250,000 jobs and construct 200,000 housing units.<sup>56</sup> Jarrar recommends that the above investments be financed with compensation money, and expects Israel to pay the Palestinians \$25 billion.<sup>57</sup> He derives this figure from Peretz in his 1993 work, who in turn took it from Hadawi's 1988 book.

In his conclusions, Jarrar proposes that the refugee problem be solved by the following measures:

1. *Candidates for repatriation* (besides the 1967 displaced persons): (a) Of the 350,000 Palestinians in Lebanon, 250,000 will return to Galilee, from where most of them originate and where the density of population and space allows their absorption; this on the premise that Israel, "the state that occupies their land and is industrially advanced, should care for their absorption." The remaining 100,000 should be absorbed in Lebanon, where they will amount to only 3% of the population.<sup>58</sup> (b) The half-million Palestinians in Jordan are in a problematic political status. Half of them should be given the choice of staying in Jordan or returning to the West Bank. (c) "In the [other] Arab states there are half a million Palestinians who are searching for an identity and a permanent home[land]."<sup>59</sup>

2. *Territorial implications*: In view of these perspectives, Jarrar contends that the area of the Gaza Strip should be at least doubled, so as to sustain the present population and its natural increase (3% a year) as well as returnees. He observes that the greater part of the Negev is uninhabited and that the area allotted to the Gaza district in the Partition Plan (Res. 181 of 1947) was more than double its present size.

3. *Israeli settlements and housing*: Jarrar estimates that the withdrawal of the Israeli settlers from the territories will vacate vast areas of land and approximately 50,000-70,000 housing units, which will contribute to solving the refugees' housing problem.

4. *Compensation* that Israel will pay to the refugees is estimated at \$25 billion, which will suffice for the development of the territories and the integration of the returnees.



Having set such disputable goals, Jarrar discusses the realities as of 1993. He observes that Israel continues to reject Res. 194; that the U.S. works for regional settlement, not repatriation; and that the international community has provided too little aid for absorbing returning displaced persons. At the same time he is hopeful that the multilateral talks and international economic interests in the Middle East, as well as the participation of rich Arab countries and Palestinian enterprises, will enhance regional development. He observes that Israel also encourages such plans because it expects to benefit from them, in terms either of discouraging Arab violence or of expanding its own opportunities to use its technological superiority.

Jarrar believes the Palestinians should change their own priorities toward economically strengthening the Palestinian presence in the West Bank and Gaza, including the capacity to integrate returning 1967 displaced persons and, so far as possible, 1948 refugees. That will depend, in turn, on: (1) the extent of international economic assistance and its purpose, and (2) the extent of mobilization of the Arab world and the international community for the removal of the Israeli settlers from the territories.

In case Israel refuses to accept refugees and there are no Arab and international pressures to force Israel to do so, the alternative will be development projects in Jordan, Syria, and Lebanon, with a view to integrating most of the refugees in those countries. Jarrar then asks what he considers the primary question: what will convince the refugees to integrate into these societies? The answers depend on the degree of refugees' willingness to do so, and on the extent to which the local conditions would make this possible. The fact that Jarrar concludes his book with these questions is yet another indication of Palestinian recognition that the option of resettlement in Arab host countries is realistic and legitimate. .

## Ziad Abu Zayyad Addresses Israelis

Abu Zayyad is a lawyer and politician from Jerusalem. For several years he published a Hebrew-language magazine called *Gesher* (Bridge), aimed at presenting Palestinian views to Israelis, and since 1994 has been coeditor of the *Palestine-Israel Journal*. He carries out political assignments on behalf of the Palestinian leadership, and has often addressed the Israeli public on the issue of the Palestinian refugees and displaced persons, particularly in order to allay Israeli concerns about the right of return.<sup>60</sup>

Abu Zayyad insists on the Palestinian perception of the right of return, in identical or similar terms to those of Rashid Khalidi or PLO spokesmen at the RWG. He expresses, however, a consistent Palestinian trend since the 1970s toward realism and compromise vis-à-vis Israel. He describes the Palestinians as continuing to believe in their "right of return," but as "prepared to bring it to the negotiating table. This claim can be satisfied either through the actual return of a mutually acceptable number of refugees, or a symbolic number of them, or through compensation, or even through the implementation of any other option agreed upon through the negotiations on a comprehensive settlement." He advocates return of suffering refugees from Lebanon, Syria, or Jordan to the Palestinian state; those who have already settled in various parts of the world might choose not to come. "A Palestinian Law of Return will certainly be of great moral value to both [categories of people]." For the 1967 displaced persons, Abu Zayyad claims full right to return to the West Bank and Gaza; he estimates their number today as 700,000-800,000. Their return, in his view, should be spaced over the transition period.

He estimates that the level of compensation would be an important factor in the 1948 refugees' choice of where to finally settle. He objects to any attempt to offset Palestinian claims for compensation with counterclaims about property abandoned by Jews who left Arab countries, arguing that it was not the Palestinians who forced them to

leave those countries and therefore the issue should be negotiated directly with the Arab countries of origin.

In brief, Abu Zayyad, who maintains a continuous dialogue with Israelis and is considered a relatively moderate pragmatist, does not diverge from the essential concept of a permanent solution presented by PLO spokesmen in recent years. One or two nuances may, however, be significant—the suggestions that a great deal is negotiable, possibly more than what was assumed in the past; and that the level of compensation may be detrimental. Still, the views Abu Zayyad expresses in his brief article and interview are by no means official.

### **A Palestinian Argument—Zureik, 1994**

An article by Professor Elia Zureik that appeared in autumn 1994, "Palestinian Refugees and Peace,"<sup>61</sup> may be indicative of arguments that will be used in negotiations. Zureik now lives in Canada, but grew up in Israel and is well versed in Israeli political culture. He headed the Palestinian delegation to the RWG meeting in May 1993 and attended some of the other meetings. His positions on the right of return, attacks on Israel's policy, and advice to Israel on this matter resemble, with some variations, those of Rashid Khalidi; he adds criticism of America and other Western participants in the RWG talks.

For the final status negotiations, he advocates a Palestinian stance along the following lines: (1) Strict adherence to Res. 194; at minimum a Palestinian demand that a free, independent plebiscite be taken to assess the extent to which the refugees would want to exercise their right of return. (2) Those who do not wish to return should have full guarantees that their status in the host countries will be regularized, and that they will be allowed to hold dual citizenship—both of the Palestinian state and of the host country. (3) A challenge to Israel to allow the return of part of the 1948 refugees or their descendants, say 300,000, to Israel proper. (4) Rejection of the notion that the Palestinian refugees must "pay the price of dislocation [of Jews] from Arab countries.

The Palestinians' reaction is two-fold: First they support the right of displaced Jews from Arab lands . . . to return to their countries of origin. *Second*, those not wishing to return should be compensated accordingly." For Jews displaced from Arab countries, compensation should be sought from the relevant Arab governments.<sup>62</sup>

He expresses concern about what he regards as the U.S. administration's "retreat from even formal adherence to the principle of the right of return" as seen in the UN General Assembly of December 1993 and also in the RWG, where the U.S. "repeatedly pointed out that Res. 194 has no place in the RWG deliberations."<sup>63</sup> Zureik also complains that the Palestinians have done little to prepare themselves for the final status talks. In order "to avoid disaster on the refugee issue" he proposes steps to be taken by the Palestinians and Arabs: (1) Coordination on the matter of refugees with Lebanon, Jordan, Syria, Egypt, and other Arab countries. This should include negotiations on regularizing the status of refugees in host countries who are unable or unwilling to return, if possible through granting of citizenship. (2) The Palestinian communities, both in the West Bank and Gaza and the diaspora, should hold an open debate on the refugee issue, including the aforementioned plebiscite. The leadership should explore possible solutions directly with the refugees themselves.<sup>64</sup>

Regarding the Arab states, Zureik notes that Arab governments'

tolerance of Palestinians in their midst has declined over time, particularly after the Gulf War. Citizenship and residency rights have been denied to Palestinian refugees everywhere in the Arab world, except Jordan, the initial rationale being solidarity and the affirmation of the Palestinian right of return. . . . Lebanon, Egypt and lately the Gulf countries deny the Palestinians the right of work, free education, health and freedom of movement.<sup>65</sup>

Thus, notwithstanding Zureik's advocacy of repatriation as the rightful solution for the refugees, he seems to admit implicitly that

reality calls for settlement in Arab host countries as a major solution. His prescription that the Palestinians (presumably the PA or PLO) coordinate their policy on the refugees with Arab states, such as Syria and Lebanon, and with leaders in the diaspora, could block progress on the refugee issue by subordinating it to contradictory interests, including of a "rejectionist" nature.

### **Public Debate in Lebanon Over the Palestinians**

The Madrid Conference ushered in a serious debate about the destiny of the Palestinian refugees in Lebanon, and the option of Palestinian resettlement became the "hottest concern in Lebanon and the source of the most intensive debate among politicized citizens."<sup>66</sup> Hilal Khashan, a professor of political science at the American University of Beirut, conducted a study on Lebanese attitudes toward the resettlement issue. The first question asked respondents whether they believed there were serious international plans to settle Palestinians in Lebanon; most responded affirmatively. To the question of whether they believed resettlement would be imposed on Lebanon, most of those who expressed an opinion again concurred. Three-fourths, however, opposed the idea of resettlement. Khashan observes that most Lebanese believe the future of the Palestinians will eventually be decided by the U.S.

Some 74% believed that resettlement would have damaging repercussions for Lebanon, with 46% responding that it would even lead to resumed civil war. When asked how the respondent's religious community should react to imposed settlement, 40%—apparently Maronites and Shi'ites for the most part—opted for military resistance. Only Sunni respondents tended to regard resettlement as eventually beneficial to them.

Overall, the study is said to demonstrate that the resettlement idea is opposed by many governmental officials, spiritual figures, confessional leaders, and commentators, as well as much of the public.

Khashan suggests that the future of the Palestinians in Lebanon depends on two main factors: (1) The inability of the Palestinian entity to secure for the 1948 refugees the right of return during the transition period increases the likelihood that they will be left to resettle permanently in Lebanon. (2) The possible emergence of a strong Lebanese central government, which might be able to grant the Palestinians greater opportunities to stay in Lebanon.

The Lebanese government might then accept resettlement as part of a peace package that includes generous financial aid for Lebanese economic reconstruction. In this case Lebanon would probably insist that resettled Palestinians be granted non-Lebanese travel documents . . . they might continue to live in Lebanon as residents with comprehensive civil rights, minus the right of Lebanese citizenship and its privileges. This would put the Palestinians in Lebanon on a par with their brethren in Syria.<sup>67</sup>

A third factor that Khashan does not mention is the extent of Syria's influence on Lebanon in this matter. So far Syria has tended to subordinate secondary interests to primary strategic goals. What Lebanon will do concerning the Palestinian refugees in the country seems to be of secondary importance to Syria.

### **What Future for Palestinians in Lebanon?—Salam**

In Autumn 1994 the magazine *Majallat al-Dirasat al-Filastinyya* and its sister publication in French, which are edited by PLO intellectuals, published a policy paper written by Nawaf Salam, a lawyer and lecturer at the American University of Beirut, on the issue of the Palestinians in Lebanon.<sup>68</sup> Salam presents legal-political requisites for a resettlement that would balance Palestinian needs and Lebanese interests. He recapitulates the legal and political basis of the right of return, but at

the same time observes that the Western powers realized as early as 1949 that the main solution would be resettlement, continuing to vote for Res. 194 only as a "ritual act."<sup>69</sup> He further observes, philosophically, that negotiations such as those conducted in the Madrid process cannot succeed without concessions, and it is not necessarily justice but the balance of power between the parties that decides which of them has to concede. In the present circumstances, he acknowledges, the balance of power works in favor of Israel. This makes Israel's opposition to a "return" to its territory a decisive fact, so that only a return to the West Bank and Gaza is feasible.

Salam, however, assumes that the first priority for settlement of refugees in the West Bank and Gaza will go to the refugees who are already there; next the 1967 displaced persons; only afterward will 1948 refugees residing in Lebanon, Syria, and other countries have a chance to return. Moreover, "if there were to be any 'return' at all, it would almost certainly be confined to the territory of the West Bank and Gaza, and even then it would be *symbolic* [emphasis added]." Any return to Israel proper will be for very limited family reunification. The prospects that many refugees now in Lebanon would opt to return under such conditions are, in Salam's view, meager, given the limited absorptive capacity of the West Bank and Gaza and the fact that the refugees now in Lebanon are from Galilee and Haifa. Thus he concludes that "the host countries would seem to have little chance of resisting formulas that might be put forth in the near future concerning resettlement of the refugees on their soil."<sup>70</sup>

He goes on to propose a Lebanese initiative for forging a united Arab position in international peace negotiations. This would involve rejecting the resettlement of Palestinian refugees in the Arab host countries if this entailed their naturalization in these countries, and instead insisting on their resettlement there only as *Palestinian citizens*. Salam advocates this as a lesser evil, since resettlement with naturalization "will undermine both Palestinian national identity and Lebanese national reconciliation."<sup>71</sup> This is contrary to the Jordanian

policy of previous decades, whereby Palestinians were automatically naturalized as Jordanian citizens, but it is similar to Syria's practice with its Palestinians.

Salam's proposal is a deviation from the traditional Lebanese approach and an attempt at a compromise. According to its provisions, the Palestinian national authority would grant citizenship, Palestinian identity cards, and passports not only to Palestinians in its territory but to all those who continue, by necessity, to reside abroad. Lebanon, for its part, would have to define the political and civil rights of the Palestinian citizens dwelling in its territory, which would not be as extensive as those of its own citizens; this would involve creating a new category along the lines of permanent residents. The Palestinian residents would be obliged to respect Lebanon's laws, safeguard its sovereignty and security, and remain within their status as foreigners.

The granting of permanent residency could not be seen as preparatory to granting Lebanese citizenship. It would constitute a political solution to a collective problem. Naturalization might, however, be granted to individuals on a case-by-case basis.

Salam's formula, as mentioned, focused on legal-political aspects; a discussion of its economic implications would have been pertinent. In view of Lebanon's record of instability and Salam's own emphasis on the balance of power factor in deciding the outcome of peace negotiations, the durability of a long-range solution for the refugees now in Lebanon cannot be taken for granted. Changes in the regional or internal Lebanese balance of power might upset the arrangements he advocates. The fact that the majority of Palestinians in Lebanon are inclined to side with the "rejectionists" might also be a disturbing factor. The chances of Salam's proposals might be better if they could be based on firm, mutual Lebanese-Palestinian interests, including considerable economic interests, and not be opposed by Syria. Vigorous American influence might make a difference.



### **An Israeli Approach Suggested by Shlomo Gazit**

Shlomo Gazit is a retired general who served as head of Israel's military intelligence and as coordinator of governmental activities in the territories. More recently he has been a researcher at the Jaffee Center for Strategic Studies and a frequent adviser on Palestinian affairs to the prime minister and defense minister. In 1994 the JCSS published his analysis and suggested solutions for the refugee problem.<sup>72</sup> In essence, he advocates that Israel meet the refugees' aspirations halfway by making affordable concessions.

Gazit criticizes the Israeli policymakers for missing chances, in negotiations with the Palestinians, for obtaining commitments from them on limiting their claims for a right of return. He emphasizes that there is an overwhelming consensus in Israel against the return of refugees to Israel proper, but suggests this should not exclude a limited family reunification.<sup>73</sup>

Regarding displaced persons, Gazit distinguishes between those who lived in the West Bank as local residents before 1967 and those who were there as 1948 refugees. He assumes that, except for displaced persons who might constitute security threats, the Israeli government would have no reason to prevent their return to their homes and families. As for 1948 displaced persons, he believes there would be no sense in their returning to the West Bank to live once more in refugee camps, and that solutions for them should be discussed in the framework of overall solutions for the 1948 refugees. Nevertheless, were the PA to undertake that all these returning displaced persons be resettled and rehabilitated within the interim phase, in Gazit's view Israel should not object.

To the extent that returning displaced persons would reclaim West Bank properties that have been turned over to Israeli settlements, Gazit suggests that Israel should insist that so long as final borders and the fate of the settlements have not been determined, no steps be taken on such matters. Because a return of hundreds of thousands to the

West Bank before the local economy is ready for them might foster irredentist and terrorist activities, Israel, Gazit maintains, should demand that the return be gradual and well controlled.

Gazit believes that if all other major Israeli-Palestinian issues are settled, including establishment of a Palestinian state, Israel need not object to a Palestinian "law of return" to such a state; but in that case the two parties should agree on how to regulate the inflow, so as to preempt dangers. He does not entirely rule out a return of some refugees to Israel proper (possibly as "family reunification"), at Israel's discretion.<sup>74</sup>

In his view, the chances that Israel and the Palestinians can achieve a solution while basically excluding the return of refugees to Israel depend on what the Arab states will do, specifically: the willingness of host states to absorb Palestinian refugees and grant them citizenship or permanent residency; the willingness of states that expelled Palestinian workers during the Gulf War to readmit them; and the actual willingness to cooperate of Arab states whose financial involvement is needed. Otherwise, Israel will either have to delay the process or continue to negotiate with the Palestinians only. The first alternative would be risky; but since a full solution of the refugee problem is so vital for Israel, it must strive, in its negotiations with them, to obtain certain commitments from the Palestinians: (1) The PA will declare that it relinquishes the right of return; that the status of "refugee" is abolished so far as its citizens are concerned; and that all of UNRWA's functions are transferred to the PA. (2) Refugees will be fully rehabilitated and integrated into the area of the Palestinian entity.

Gazit recommends that Israel offer the Palestinians a moral-psychological compensation for their concessions on the refugee issue. It should take the form of an official declaration, devoid of operational points or admissions of Israeli responsibility, but recognizing the Palestinians' losses and deprivation.<sup>75</sup> He also recommends that Israel participate in payment of compensation to Palestinian refugees, in a

way that is limited and could not be interpreted as admitting responsibility.

Gazit discusses three possible forms a permanent solution could take: autonomy, a Palestinian state, and a Jordanian-Palestinian federation. He concludes that autonomy as a permanent arrangement cannot provide a full solution to the refugee problem; only the other two options are feasible. In the case of a federation, there must be no pressure to transfer Palestinian refugees from the East Bank to the West Bank, and the law of return would apply to either one.

Gazit also notes scenarios that might hamper or prevent a solution, such as Palestinian refusal to relinquish the right of return, refusal by the Arab states to cooperate, the winning of power by an Israeli right-wing coalition that might freeze the process, overthrow of the present PLO leadership by a radical fundamentalist leadership, or a violent Arab-Israeli eruption. Such possibilities, in his view, should be taken into account.

Gazit's ideas have drawn considerable attention from Palestinian scholars and politicians, among others. Had they attracted wide public attention in Israel, they might have found support among circles to the left of center.

### **Evolution in Palestinian Perceptions**

Since Oslo II, a certain evolution in Palestinian analysis and suggested solutions has occurred that is manifested in some articles in the *Palestine-Israel Journal* of autumn 1995. Rashid Khalidi recapitulates, with some adjustment, his ideas discussed above; among other things, he then stresses a need for Israel to atone for turning Palestinians into refugees in 1947-49 and pay them not only property compensation but also reparations, estimating a sum of about \$40 billion.<sup>76</sup> He observes that Jews from Arab countries, have, in parallel, "a perfectly legitimate claim."

Khalidi suggests: (1) Israeli acceptance in principle of the right of return, expecting that only some would return, be it "under the guise

of family reunification," (2) that all Palestinians be allowed to carry the passport of the Palestinian state, (3) that Palestinians in Jordan choose between full Jordanian citizenship or citizenship in a Jordanian-Palestinian confederation, and (4) that Palestinians who stay in Lebanon receive Palestinian citizenship together with permanent resident status in Lebanon. That, and the status of those who will remain in Syria, will require difficult negotiations. In several points, except with respect to responsibility for Palestinian refugeehood and the idea of reparations, Khalidi's suggestions somewhat resemble Gazit's.

In another article, Elia Zureik takes a very critical stance against Israel as well as his own people. Besides his stern defense of the right of return, he accuses Israel of trying to minimize the results of the multilateral talks on family reunification and rejects out of hand the idea that Israel allow the return of only 50,000-70,000 refugees, since that is a tiny percentage of them. He takes Gazit's views into account, and states: "in the best of circumstances the Israeli position is unlikely to represent anything remotely close to the Palestinian position, or even that of other Arabs."<sup>77</sup> In conclusion, Zureik criticizes the Palestinians for lack of coordination with Arab governments and absence of plans for returnees. He calls for a plebiscite in the refugee community on their preferences with respect to returning or staying where they are. He contends that at minimum the PA should institute its own law of return and citizenship law.

Salim Tamari, lecturer in sociology at Bir Zeit University (West Bank), who has been a delegate to the RWG and the Quadripartite Committee, notes in his article several issues that he expects will dominate the debate over the refugees:

1. Whether or not to link the permanent solutions for the displaced persons to those for the refugees. He advocates that the Palestinians seek a separation, at least during the transition phase (1996-99), one consideration being to prevent assertions that the settlement of displaced persons in the West Bank and Gaza would preclude further claims by refugees on rights within Israel. A second consideration is to assure

that the international community, in particular the UN, will continue to debate the status of the refugees, whereas the displaced persons issue is discussed in the context of the Quadripartite Committee.

2. "The right of return to lost homes and properties in West Jerusalem should be raised on a par with Jewish claims (and actual movement) to homes and properties in Palestine Jerusalem." In this connection Tamari refers to data that were announced by Faisal Husseini in May 1995, according to which "70 percent of West Jerusalem property belonged to Palestinian Arab refugees" from the area of Jerusalem.<sup>78</sup>

3. Palestinian interests demand that in the face of Israeli opposition to the right of return either to Israel or the West Bank and Gaza, and American reservations, the PA debate the applicability of Res. 194. The PA, Tamari argues, owes this to its constituents, particularly in the diaspora. On the other hand, the Palestinian negotiators "cannot simply go to the final status talks armed only with abstract UN resolutions. Concessions at the practical level are bound to occur."<sup>79</sup>

## CONCLUDING OBSERVATIONS

### Special Features of the Palestinian Refugee Problem

Over past decades, some of the Palestinian refugees' problems have been mitigated or redressed by the refugees' own initiatives or by opportunities provided them by host countries. But more often, problems have been redressed through incremental processes of economic and social integration.

At the same time difficulties have grown, as a result of Arab-Israeli wars or inter-Arab clashes, deteriorating economic and social conditions, and demographic pressures. Indeed, in several respects the Palestinian refugees' problems have become harder to solve than those of most other modern refugee groups. This is attributable, first, to the *duration* of the problem. It has been very rare for a group to

maintain its international status as refugees for over 10-15 years, let alone down to the fourth generation.

Second, there are *demographic* complications. Usually refugee groups amount to relatively small proportions of the populations of the receiving or sending countries, so that the problems associated with these groups are of manageable dimensions. But the numbers of the Palestinian refugees were already high in 1948, in relation to the populations of Israel and the neighboring areas and of countries where they sought asylum. With their exceptionally high birth rates, their present total population is four to five times higher than in 1948, even without the displaced persons of 1967. And at present rates of natural increase, this population is projected to double in less than twenty years.

Third, the situation has been further complicated by the *multiplicity of intervening actors*. In most refugee cases, those who become involved are the sending and receiving countries and a relatively small number of international organizations. In the case of the Palestinian refugees, the external involvement has been both extensive and highly politicized. This has led, on the one hand, to polarization and deadlocks in the quest for solutions, and on the other hand to the large and continuous international assistance.

### The National Factor

The most aggravating factor, however, is the Palestinian sense that refugeehood means the denial of nationhood, essentially by Israel. For Israel, the right of return, meaning a mass influx of Palestinians into Israel proper, is unacceptable, and apparently for most Israelis the immigration of large numbers of Palestinians to the West Bank and the Gaza Strip would also be threatening. The rising Palestinian prospects of finding national satisfaction in a Palestinian state seem to have alleviated this contradiction.

Many UN General Assembly resolutions have lent credence to the contention that the refugees' problems could be solved only if Israel

was to satisfy "Palestinian rights." In recent years, however, international and Palestinian studies have devoted more attention to problems arising from relations between the Arab states and the refugees, and to difficulties found in Palestinian society itself.

### **Intrinsic Palestinian Socioeconomic Deficiencies**

A considerable part of the social and economic problems of the Palestinian refugees do not necessarily stem from their displacement. They are endemic to many Middle Eastern and other Third World societies, even where populations have lived in the same place for centuries.

Many such developing countries and populations have seen improvements in their educational and health standards in recent decades. This has often been combined with population increase to the point of overpopulation, massive transition from agriculture to industry, migration to cities, emergence of an urban proletariat with pockets of unemployment and poverty, and migration to foreign lands as "guest workers" or "economic refugees." Thus, had the Palestinian refugees stayed in their homes, they would in any case have undergone similar processes, although in a smaller and milder degree. The same remedies, involving internal reforms, mobilization of national resources, and development programs, would still be needed. In brief, many Palestinian problems that call for external assistance are common, in different degrees, to refugees and nonrefugees in Middle Eastern and other Third World societies.

### **Achievements and Shortcomings During the Transitional Period**

The spirit of the Middle East peace process and the parameters that the Madrid Conference established for dealing with the refugee issue have

already produced progress in some spheres, but have exacerbated the situation in some others.

Certain changes are evident when comparing the current and past behavior of the actors. Debates are now less heated, relatively more rational and pragmatic than before. At the same time, the more the parties pass from generalities to details, the chances of clashes increase as new topics surface that can stir up difficulties.

Another problem for the negotiators and decisionmakers is the political opposition among their own people. Arafat's policies on the refugees encounter severe protests from the Palestinian diaspora as well as the West Bank and Gaza. This restricts his maneuverability vis-à-vis Israel and the United States, and leaves Israel uncertain regarding the stability and credibility of the PLO and the reliability of its commitments on refugee matters. Israel has had similar, although not symmetrical, problems at home, where there have been deep sensibilities and objections regarding possible concessions to the Palestinians on these matters, as manifested in the Israeli elections of 1996. Internal disagreements on new aspects are likely to emerge as a different official policy produces new trends.

The prospects of Israeli-Palestinian understanding have improved since the mainstream of the PLO started to mitigate its claims for the right of return to Israel proper, indicating that in practice Palestinians will settle for a limited return to Israel proper provided that the rate of their return to the West Bank and Gaza will be entirely or mostly decided by themselves. No Palestinian leader, however, is ready to give up the *principle* of the right of return.

Seemingly parallel to the decline of the "return" claim, the claim for compensation, possibly seen as a more feasible alternative, is on the rise among Palestinians.

In the academic sphere the years since 1989 have been fruitful in researching the facts and problems. Academic Arab-Israeli dialogue has grown, sometimes leading to convergence of views and sometimes sharpening disagreements.



The separation between the first and second phases in grappling with the refugee issues has had its advantages. Indeed, the boycott of the talks on refugees by Syria and Lebanon has also had its advantages, since it facilitated step-by-step progress with the Palestinians and Jordan with fewer distractions. At the same time, some serious problems were only deferred and not resolved, especially in Lebanon. If and when Syria and Lebanon join in the negotiations over the refugee issue, the bargaining may expand significantly.

### **Pending Problems for the Second Phase**

As the process enters the second phase, it is clear that the spectrum of topics that must be dealt with before a comprehensive, permanent settlement can be reached is still varied and extensive, and fraught with conflicting views and aspirations.

The experience since 1990 shows that the legacy of the previous four decades, when the refugee issue was regarded as inextricable from the Arab-Israeli conflict, is still overwhelming; that the link between the social demand for normalizing the lives of refugees and the political demand for national priorities continues to be strong; that the process of confidence-building between the Arabs and Israel is slow and possibly fragile; that internal Palestinian and Israeli opposition to prevailing policies remains; that international assistance has fallen below expectations, and so on.

Moreover, it is clear that much more needs to be settled than refugee problems that exist between Arab parties and Israel. The bilateral Arab-Israeli talks on final status are only one component in a network of efforts that are required for arriving at understandings and arrangements in other sectors, such as:

1. International economic or political arrangements with third parties, especially the American and European donors. There have been serious problems between donor governments and the PA, host

countries, or UNRWA regarding targets, dimensions, and management of contributions for the refugees' needs.

2. Inter-Arab arrangements concerning present and future conditions for Palestinians in Arab countries and their relationship with the Palestinian homeland.

3. Domestic problems that may arise in regional and extraregional countries in relation to the solutions in question. For example, the disagreements in Israel over the Palestinian issue may intensify when an official policy on the refugees is unfolded. Something similar may await the PA and cannot be ruled out for Lebanon and Jordan. The U.S. administration, for its part, may face obstacles in passing legislation for aid associated with certain solutions.

### **Required Information and Analysis**

The prospects that the diverse actors will achieve agreement and cooperation depends, to a considerable degree, on their possession of ample and mutually acceptable information. Important work has been done in this direction, but much is still lacking. Information has not yet been sufficiently organized and analyzed in the following areas:

1. The socioeconomic and legal problems: who is a Palestinian refugee and who is a displaced person; how many persons are there in each group; how are they distributed geographically or according to their economic, social, and legal circumstances?

2. The Palestinian refugees' situation in comparison to that of other refugee groups, including the nature of their principal problems, with attention to the link between social and political-national demands.

3. Different types of long-range solutions, such as: repatriation, settlement, resettlement, naturalization, planned or spontaneous integration; models and examples of how these have worked in the world; their implications for the receiving countries and the refugees; options for their application to Palestinian refugees and receiving areas

in the Middle East (Jordan, the West Bank and Gaza, Syria, Lebanon, Iraq, the Gulf states, Israel) and extraregional countries (U.S., EU, and others).

4. Compensation for refugees in international law; models and precedents of individual or global compensation; methods of establishing eligibility for claims regarding compensation for losses and of calculation of current value for past claims; methods of adjudicating claims, and of balancing competing claims; modes of payment and sources of funds for payment.

5. The absorptive capacity of the above Middle Eastern countries; possibilities for increasing such capacities through development of new opportunities for work and other means of self-sufficiency; development of means of production in agriculture, industry, and services, or through public or private enterprise, or through fiscal, monetary, and trade policies.

6. The criteria for international assistance; the pros and cons regarding assistance on the basis of "rights" versus "needs," of "vulnerability" versus "status," and of assisting the refugees as integral part of the general population versus assisting them through separate funds and projects specified for them.

Many of these questions have already been analyzed, but too often in a subjective or tendentious way. If the common aim of the parties is henceforth to be durable solutions, then mutual trust is essential, and trust requires objective information and fair discussion.

### **The Unpredictability of Negotiations**

Well-prepared data bases and subtle intellectual analyses may be invaluable contributions. However, the working out of solutions to these complex issues will ultimately be done by the decisionmakers. These solutions will reflect the actual bargaining, the give-and-take and trade-offs involved, as well as interactions with third parties and

with domestic forces. Interests and considerations that may seem more or less irrelevant often emerge in the form of unanticipated claims or as part of "package deals" that are arrived at. Outcomes may be far different from rational forecasts that are made at the start of negotiations.

The agenda for the second phase lists several other main issues of the Arab-Israel conflict apart from the refugee issue, all of which are complex and are supposed to be settled within three years. It should also be borne in mind that even when the diplomatic process is concluded with the signing of agreements, the practical tests of implementation will only begin. The durability of agreements will need to be tested for years as part of peacemaking between governments, and will also depend on the cooperation of the peoples involved.

## NOTES

1. *Israel Foreign Relations*, Vol. 12, 1993, p. 645.

2. Syria itself reported to the UN in 1967 on 110,000 displaced persons from the Golan (see *Yearbook of the UN* 1967, p. 241, on the report of Gussing as Special Representative). According to Israel the number was 85,000. It should also be noted that the Palestinians constitute only 2% of the total population of Syria and present little or no internal political or economic burden to its government and people.

3. *Ibid.*, p. 640.

4. "Facts and Figures About the Palestinians," Center for Policy Analysis on Palestine, Washington, D.C., 1992. This and following quotations from speakers at the RWG meeting are taken from respective press releases at those meetings.

5. That did not prevent Hallaj from telling the press soon afterward that he would "rejoin the PNC" as soon as he was invited. He also stated later in an article that the Palestinian representation at the RWG had succeeded in placing the issue of family reunification on the agenda and that this constituted a breakthrough in promoting the Palestinian diaspora's right of return.

6. An attempt at an augmented international effort began with the pledging conference that the U.S. hosted in Washington in October 1993. It

embraced major donors from around the world, the Arab countries, the PLO and Israel, the World Bank and the UN. It was agreed that the World Bank, in cooperation with other international financial institutions, would take a leading role in developing and helping to mobilize programs to support public investment and attract private funds for the future Palestinian entity. New coordinating structures for international assistance to the Palestinians have supplemented the Middle East peace process. The World Bank acts as a secretariat that is assisted by institutions with expertise and operational experience in the Middle East. The Washington Conference has been followed by further conferences, such as the Casablanca Economic Conference in November 1994, and campaigns to generate public and private investment, not least from wealthy Arab and Palestinian sources. But the results, at least up to mid-1995, were far below expectations.

7. "Finding Ways: Palestinian Coping Strategies in Changing Environments," FAFO Report, No. 177, 1994, p. 10.

8. EC Report, "Executive Summary," 1994, point 12.

9. Ibid., points 5 and 6.

10. Ibid., p. 11.

11. Interview with Foreign Minister Peres on Voice of Israel, 8 March 1995.

12. *Jerusalem Post*, 9 March 1995.

13. Ibid.

14. Annual UNRWA Report, UNGA Supplement No. 13, A/50/13, p. 2.

15. *Middle East Contemporary Survey*, 1988, pp. 242-243.

16. *Foreign Policy*, No. 78, 1990.

17. Ibid., p. 100.

18. Ibid., p. 123.

19. *Foreign Affairs*, No. 4, Fall 1989.

20. Ibid., p. 118.

21. Ibid., p. 123.

22. M. Hudson, ed., *The Palestinians*, Georgetown University, 1990, p. xvii.

23. Ibid., pp. 199-226.

24. Ibid., pp. 202-204.

25. London: Al-Saqi Books, 1988.

26. Ibid., p. 122.

27. Ibid., pp. xvi-xvii.
28. Ibid., p. 118.
29. Ibid., p. 189.
30. Khalidi (see note 18), p. 40, fn.; D. Peretz, *Palestinians, Refugees and the Middle East Peace Process* (Washington: U.S. Institute of Peace, 1993), p. 91; N. Jarrar, *Palestine Refugees: International and Future Perspective* (in Arabic) (Jerusalem: PASSIA, 1994), p. 117, citing Peretz, *Palestinians*.
31. *Journal of Palestine Studies* 21, 2 (1992): 29-40. The previous version was published in October 1990 as "Occasional Paper No. 6," American Academy of Arts and Sciences, Cambridge, Mass.
32. Ibid., p. 38.
33. Ibid., p. 39.
34. Ibid., p. 40.
35. A. M. Lesch et al., "Transition to Palestinian Self-Government: Practical Steps Toward Israeli-Palestinian Peace," American Academy of Arts and Sciences, Cambridge, Mass., 1992, p. 18.
36. Ibid., p. 53.
37. S. Fischer, ed., *Securing Peace in the Middle East* (Cambridge: MIT Press, 1994).
38. Ibid., pp. 20-21.
39. World Bank, "Developing the Occupied Territories: An Investment in Peace," Washington, D.C., 1993, Vol. 1, p. 6.
40. Ibid., Vol. 3, p. 86.
41. Ibid., Vol. 5, p. 94.
42. Ibid., p. 49.
43. Fischer, 1994, p. 61.
44. S. Peres, *The New Middle East* (New York: Henry Holt, 1993).
45. Ibid., p. 189.
46. Ibid., p. 192.
47. Ibid., p. 193.
48. M. Efrat, "Palestinian Refugees: The Dynamics of Economic Integration in Host Countries," Israeli International Institute for Applied Economic Policy Review, Tel Aviv, 1993.
49. Ibid., p. 3.
50. Ibid., p. 33.
51. Ibid., p. 193.

52. A. Shiblak, "In Search of a Durable Solution: Residency Status and Civil Rights of Palestinians in Host Arab Countries," Refugee Studies Program, Oxford University Press, 1993, pp. 27-28.

53. Ibid., pp. 6-7.

54. Ibid., p. 6.

55. Jarrar, *Palestine Refugees*, p. 117.

56. Jarrar borrows these figures from Peretz (pp. 81-82), who on his part quotes there "Masterplanning" (p. 135) and Abed. However, Abed projects that the return of 750,000 will raise the population in the West Bank and Gaza by the year 2000 to only 3.3 million and calculates the financial needs of his plan accordingly. On the other hand, "Masterplanning" envisages that the return of 1.5 million displaced persons and refugees from 1990 to 2000 will raise the population to 4.8 million. Jarrar might have chosen the middle.

57. Ibid., pp. 116-117.

58. Ibid., p. 117.

59. Ibid.

60. In "The Palestine Right of Return: A Realistic Approach," *Palestine-Israel Journal*, Spring 1994, pp. 74-78; interview with Abraham Rabinovich, *Jerusalem Post*, 3 June 1994.

61. *Journal of Palestinian Studies* 24, 1 (1994): 5-17.

62. Ibid., p. 13.

63. Ibid., p. 130.

64. Ibid., p. 14.

65. Ibid., p. 15.

66. H. Khashan, "Palestinian Resettlement in Lebanon: Behind the Debate," *Montreal Studies on the Contemporary Arab World*, April 1994, p. 4 (mimeograph).

67. Ibid., p. 15.

68. *Revue d'études Palestiniennes*, Autumn 1994, pp. 9-19; an abridged version was published in *Journal of Palestine Studies*, Autumn 1994, pp. 18-27.

69. Ibid. (JPS), p. 23.

70. Ibid., p. 23.

71. Ibid., p. 24.

72. "The Problem of the Palestinian Refugees" (in Hebrew), Jaffee Center for Strategic Studies, Tel Aviv University, 1994.

73. Ibid., p. 11.

74. Ibid., p. 16.

75. Ibid., pp. 23-24.

76. *Palestine-Israel Journal*, Autumn 1995, pp. 73-74.

77. Ibid., p. 40.

78. Ibid., p. 13.

79. Ibid., p. 14







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