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# Middle East Brief

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## Policy Options: The Obama Administration and the Palestinian-Israeli Conflict

Prof. Shai Feldman and Dr. Khalil Shikaki

What are the assets available to the incoming Obama administration for resolving or at least reducing the intensity of the Palestinian-Israeli conflict? What liabilities and constraints will the next administration face and what opportunities might it attempt to exploit for this purpose? This document constitutes a first attempt by two experts—one Israeli, the other a Palestinian—to examine these assets and liabilities, these opportunities and constraints, and to evaluate the various options available to the next administration for solving or ameliorating the Palestinian-Israeli conflict.

### Assets and Liabilities

In addressing the Palestinian-Israeli conflict, the incoming Obama administration will be burdened with a number of liabilities. To begin with, the issues associated with the current financial crisis and the (possibly long-term) economic recession, have far greater impact on the lives of Americans than the conflict in the Middle East, necessarily relegating the latter to a lower priority. The financial crisis has also created a perception that America suffers from serious structural weaknesses, which may diminish its clout in the region.

Second, the Obama administration will inherit President George W. Bush's record of failure to realize his "vision" of a two-state solution to the Palestinian-Israeli conflict. This "vision"—articulated in June 2002—is no nearer to fruition today than it was when President Clinton left office in 2001. The long-brewing failure of the

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Bush administration has in turn engendered considerable skepticism in the Middle East regarding America's ability to "deliver" on Arab-Israeli peace.

More broadly, the U.S. is currently hampered by the perception that the Bush administration's main project in the Middle East—its effort to bring peace and stability by democratizing the region's regimes—has failed miserably. Specifically, the assumption that elections would automatically lead to greater moderation and peace in Arab societies has backfired. Rather, electoral processes have led to greater representation of the Muslim Brotherhood in Egypt's parliament, Hezbollah's strong showing in the Lebanese elections in May and June of 2005, and Hamas's landslide victory in the January 2006 Palestinian elections.

Finally, any effort to address the Palestinian-Israeli conflict will also suffer from the regional consequences of the Iraqi debacle. The devastation wrought in Iraq has left Iran as the only significant regional power in the Persian Gulf, and has created a perception that the region's radicals and rejectionists—Iran, Hezbollah, and Hamas—are gaining ground, while the forces of moderation are in retreat.

Nonetheless, the Obama administration will also inherit significant assets. The first of these is that the last phase of the diplomatic process, launched by the Bush administration in Annapolis in November 2007, has prepared the groundwork for a breakthrough. The very fact that these talks took place was a very positive development relative to the deadly violence that characterized Palestinian-Israeli relations during the seven years of the Second Intifada.

Equally important, as the interview given by Israeli Prime Minister Ehud Olmert in late September 2008 makes clear, there now exists a far greater appreciation on the part of Israel's mainstream leadership of the decisions required to resolve the conflict with the Palestinians.

An even greater success story involves the far higher level of safety and security recently achieved in some parts of the West Bank. Some of this improvement is the result of the cumulative fatigue experienced by Palestinians who fought hard during the previous seven years and have now chosen to take part in the "amnesty" scheme offered by the Palestinian Authority (with Israeli acquiescence). But equally important have been the efforts led by U.S. Army General Keith Dayton and his staff to train Palestinian Security Forces battalions in Jordan and to deploy them in the West Bank. Together with parallel successes in training and deploying Palestinian police, these efforts have allowed the PA to establish a "monopoly of force"—resulting in far higher levels of security—in Jenin and Nablus. Based on this track record, the Israeli defense community has recently approved the deployment of similar forces in the tinderbox that is Hebron—which is the best evidence of the IDF's confidence in these forces' performance.

Another important asset is that the situation in Iraq looks far better than it did a year ago. A large number of provinces have been pacified, in no small measure owing to the surge in U.S. troops "on the ground." While factors such as the cease-fire announced by Moktada al-Sadr and the decision of Sunni tribal leaders to shun al-Qaeda also played an important role, the success of the surge arrested the tendency to underestimate America's power and influence in the region.

Finally, the U.S. increasingly enjoys a relative improvement in its relations with the governments of Egypt, Jordan and Saudi Arabia. Paradoxically, this improvement is associated with the failure to democratize the Middle East mentioned above. The perception on the part of these regimes that Washington has largely abandoned this project has contributed to reduced anxieties: The U.S. is no longer seen as seeking to destabilize them. This in turn has created a friendlier environment for cooperation between these governments and the United States.

## Opportunities and Constraints

What opportunities will the incoming Obama administration be presented with as it attempts to address the Palestinian-Israeli conflict? The most important seems to be the commitment on the part of both Israeli and Palestinian leaders to resolve their conflict “from the ground up” while at the same time making significant progress within a “top-down” framework.

Furthermore, in the past year the Palestinian partner to this project—the Palestinian Authority, headed by President Mahmoud Abbas, and his government, headed by Salam Fayyad—has increased its standing and capacity to “deliver.” This has been demonstrated in the realm of good governance—meaning increased competence and reduced corruption—as well as in the security sphere, as discussed above. Indeed, one effect of the rupture between the West Bank and Gaza and between Hamas and Fatah is that the PA has been less constrained from establishing its now near-complete monopoly of force in the West Bank, which is why the PA now seems capable of implementing an agreement reached with Israel insofar as the West Bank is concerned.

At the same time, up to the breakdown of its cease-fire with Israel in early November, Hamas adhered to its commitment for some months. This demonstrated that the Palestinian Islamic movement is capable of making cost-benefit calculations—and that once it decides to embrace a cease-fire, it is capable not only of ensuring that all factions of its own movement adhere to the adopted policy but also of coercing all other factions in Gaza—some more extreme than Hamas—to abide by it. Another indication of increasing pragmatism among senior Hamas leaders is former prime minister Ismayil Haniya’s recent statement to a group of visiting European parliamentarians that his movement would accept an Israeli state and adhere to a *hudna* (a comprehensive armistice) with Israel were the latter to withdraw to the 1967 lines.<sup>1</sup>

The international community’s continued commitment to help Palestinian state-building economically opens up other opportunities. At the donors’ conference held in Paris in the aftermath of Annapolis, the PA received some \$7.6 billion in pledges, roughly \$2 billion more than expected. And within the broader regional environment, the most important possibility for resolving the Palestinian-Israeli conflict is that members of the Arab League have not retreated from the so-called Arab Initiative of 2002. The Initiative, reaffirmed in 2007, suggested that were Israel to withdraw to the 1967 lines, the Arab states would normalize relations with Israel, treating it as another Middle East state.

The less hostile Syrian environment—especially the ongoing “proximity talks” conducted by Israel and Syria for over a year under Turkish auspices—is also auspicious. While the talks have yet to produce an agreement, and although Syria has not abandoned the option of using force to restore its sovereignty over the Golan if diplomacy fails, the talks do signal that Syria

remains committed to exploring the possibility of concluding a peace treaty with Israel. Given the uncompromising position held by some of Syria’s closest allies—notably Iran and Hezbollah—its willingness to engage Israel in such exploration is significant.

Syria’s pragmatism is also reflected in Lebanon. While fully engaged in the rearmament of Hezbollah, Syria has recently signaled for the first time its willingness to abandon its insistence that Lebanon is part of “Greater Syria” and accept the country’s independence. Accordingly, Syrian leaders have recently discussed publicly the possibility of opening an embassy in Beirut.

While these positive developments present important opportunities, the Obama administration will also face some very serious constraints. To begin with, the heritage of the Second Intifada—of Palestinian violence and Israel’s tough measures to stem the violence—was a complete breakdown of trust between the two sides. Recent strides in improving security in the West Bank have begun to rebuild that trust, but there is still much work that needs to be done in this realm.

The incoming administration will also inherit the parties’ complete failure to implement the 2003 Quartet’s Road Map to Middle East Peace. While the PA had begun to carry out some of its obligations in the West Bank, it has been unable to do so in Gaza. Likewise, Israel has largely failed to carry out its responsibilities, particularly those pertaining to the redeployment of the IDF, a freeze on settlement activities, and the dismantlement of illegal settlement outposts.

Also, while there have been many expressions of goodwill and considerable advanced planning with respect to rebuilding the Palestinian economy, Palestinians residing in the West Bank and East Jerusalem have yet to experience any significant improvement in their personal economic fortunes. To date the opposite has been the case, with Palestinians experiencing increasing constraints on access and movement as a result of hundreds of earth barriers, dozens of checkpoints, and the effects of the separation barrier. For its part, Gaza has experienced a rapid deterioration of its economy, to the point that the ability to feed its population now rests entirely with external providers of humanitarian relief.

A fourth major constraint is the ambiguity surrounding the nature of the Obama administration’s future Israeli partner, as new elections are scheduled to take place in Israel on February 10, 2009. Under the best of circumstances it will take another two months before Israel’s new government will become functional. And at this early stage it is impossible to predict who will lead the next government, what parties will become part of the governing coalition, and what will be the balance of power both within the governing coalition and between the coalition and the opposition.

The picture on the Palestinian side is not much happier or clearer. The problem begins but does not end with the present near-complete rupture between Fatah and Hamas and, as a

result, between the West Bank and Gaza. The root of the present difficulties seems to be the unwillingness of Fatah to accept the results of the January 2006 parliamentary elections, but the rupture has been dramatically exacerbated by Hamas's violent takeover of Gaza in June 2007. The conflict between the two sides may come to a head exactly when President Obama takes office, since according to Hamas's interpretation of the PA's constitution President Abbas's term ends in January 2009, although Fatah argues that it ends a year later. The two sides are heading toward another, possibly more extreme, crisis of legitimacy.

Were this not bad enough, the governing Fatah movement is experiencing its own crisis of leadership and legitimacy, with the "Young Guard" among the movement's leadership challenging the legitimacy of the movement's "Old Guard." The debate centers not only on the alleged incompetence and corruption of the latter but also on whether members of the Young Guard who bore the brunt of the two Intifadas are receiving their fair share of the movement's leadership positions.

## Options

Given these assets and opportunities available to the incoming Obama administration but taking into account the liabilities and constraints it must deal with, what options might be available to the administration for dealing with the Palestinian-Israeli conflict? The following analysis will focus on five options. It should be noted that these options are not mutually exclusive; it is possible to conceive of a policy that combines elements of more than one of them. However, for analytical purposes it would be best for the incoming administration to think of the options available to it along the lines outlined below.

### *I. U.S. Re-engagement*

The first option is to continue the Annapolis process, but with more substantial and more effective U.S. involvement. This means a far greater U.S. willingness to offer ideas ("bridging proposals") for closing the gaps between the parties' positions. More effective involvement would probably require the appointment of a Special Envoy who would serve in effect as a Czar of America's Arab-Israeli peacemaking efforts. In this role, the individual appointed would be expected to coordinate not only the presently separated efforts of the U.S. Embassy in Tel Aviv (which deals with the Israeli government) and its Consulate General in Jerusalem (which deals with the PA) but also the activities conducted by USAID and the three U.S. teams currently working on Palestinian-related issues: those now headed by U.S. generals James Jones, Keith Dayton, and Paul Selva. In addition to seeking to achieve more effective mediation between the two negotiating parties, the appointed envoy would oversee the reforming of the Palestinian security sector—most importantly, the establishment of a "monopoly of force"—and would monitor the redeployment of IDF units, the removal of checkpoints

and roadblocks, the implementation of a freeze on settlement activities, and the removal of illegal outposts.

A second component of this option would be to continue to support the work of General Dayton and his team in training and deploying the Palestinians' National Security Force. This mission has already had, as we have observed, a measurable, even dramatic effect on the level of safety and security experienced in key urban areas of the West Bank. Sustaining it would also require encouragement of European efforts to train the Palestinians' civil police.

A third component would be a greater U.S. role in a more rapid rebuilding of the Palestinian economy. This would require that the U.S. not only prod the external supporters of three industrial parks currently envisaged (in Jalameh, near Jenin; in Tarkumiya, near Hebron; and in the Jericho area) to complete their work but also orchestrate greater Palestinian-Israeli cooperation in overcoming the remaining obstacles to the implementation of the evolving plans. It may require, too, that the Obama administration play a greater role in encouraging private investors to establish production lines in the envisaged parks. And it would entail providing greater American encouragement to the three initiatives currently associated with the Middle East Investment Initiative (MEII): mortgages for low-income housing, mid-level loans to Palestinian businesses, and business loan guarantees against political and violent turmoil.

The biggest advantage of this option is that it builds on existing efforts and is likely to enjoy a high level of acceptability and invite minimum resistance. In some of its dimensions—especially with regard to enhancing the capacity of the Palestinian security sector—it is based on a proven track record. The cumulative success of this "bottom-up" approach—in Jenin, in Nablus, and now possibly in Hebron—allows key components of this option to be seen as having been "battle-tested." And its success may turn out to be the only effective way to counter the now endemic rupture between Gaza and the West Bank. If there is improvement in the West Bank in realms that affect the daily lives of Palestinians, the population in Gaza will, it is hoped, become increasingly aware that there is a more successful alternative to the model offered by Hamas.

The main drawback of Option I is that while offering a "new and improved" version of existing practices, it rests on a model that has thus far failed to deliver on what Palestinians care about most: an end to Israel's occupation. Moreover, without a dramatic change in the American administration's modus operandi, it is not clear how Israelis and Palestinians would be persuaded to implement their obligations under the Road Map.

### *II. The Jim Baker Option*

The "Jim Baker Option" is characterized by a more assertive U.S. role than is envisioned in the re-engagement model outlined above. Like Option I, it combines a "top-down" effort—helping Israeli and Palestinian negotiators conclude

a “permanent status” agreement as stipulated in the 2007 Annapolis final statement—with a “bottom-up” approach that seeks to improve the security and economic conditions of Palestinians on the ground. Option II, however, envisages different modalities of U.S. involvement in the process. The crux of a more assertive U.S. role is that the Obama administration would present the parties, who have been discussing if not negotiating permanent status issues for some 15 years, with “bridging proposals” early in its first term in office.

The second pillar of this option is U.S. willingness to apply leverage in order to obtain the parties’ consent to the compromises that are needed if a permanent status agreement is to be reached. That entails a more proactive and less accommodating, less understanding, and less patient U.S. approach toward the parties’ difficulties with the “painful concessions” to which they have alluded but which they have largely avoided thus far. Nevertheless, it would be a mistake to equate leverage with pressure. Incentives and various types of “side payments” may be just as important if not more effective in cajoling the parties to the desired goal.

The main advantage of Option II is the proven track record of such an approach, as exemplified by the success of Henry Kissinger in getting Israel, Egypt, and Syria to conclude the disengagement agreements in the aftermath of the 1973 War; of Jimmy Carter, in getting Israel and Egypt to conclude the 1978 Camp David Accords and the 1979 Peace Treaty; and of Jim Baker, in getting Israel and Syria to Madrid in 1991. By contrast, the Clinton and Bush administrations’ more sympathetic approach has yielded very little in the way of Arab-Israeli peacemaking.

Moreover, given that America’s European allies have suggested for some time that the U.S. become more active and assertive in Arab-Israeli peacemaking, Option II may provide a basis for greater trans-Atlantic consensus regarding policy in the Middle East. This, however, would entail contributions from both sides. Alongside a greater U.S. willingness to employ leverage, Europe would need to do the same by making the support it provides its friends in the region contingent on greater cooperation on their part so as to enable a Palestinian-Israeli deal.

The first disadvantage of Option II is that it is likely to be resisted by both parties. Israel will fear, as it did during its dealings with Kissinger, Carter, and Baker that the application of U.S. leverage will translate into crude pressure on the one party with regard to which the U.S. enjoys considerable leverage: namely, Israel. Surprisingly, however, Palestinians are similarly anxious with regard to the possible U.S. use of leverage. Their opposition is predicated on the notion that U.S. policy is structurally biased in Israel’s favor; therefore, they assume, any bridging proposals offered by the U.S. and any employment of leverage by Washington will be aimed at achieving Israel’s strategic goals. In this regard, each side’s fears mirror-image those of the other.

A corresponding requirement of Option II is that, in addressing the aforementioned anxieties, U.S. bridging proposals and application of leverage must be fair and equitable. Additionally, if the administration does not explain the logic of its actions to key members of the Senate and the House as well as to their senior staffs, the application of leverage could be derailed by the Congress. For this to be avoided, the Obama administration will have to take its case to the political leadership of both the U.S. Jewish community and the Arab-American community—and possibly, through the media, to the general public as well.

### *III. The Regional Approach: The Arab Initiative*

Option III requires a paradigm change in America’s approach to the conflict’s resolution. Whereas both Option I and Option II regard Israel and the Palestinians as the main players in resolving their dispute, Option III focuses on creating a regional environment more conducive to resolving their bilateral conflict.

The centerpiece of this option is the U.S. taking an active role in reviving the 2002 Arab Initiative, possibly repackaging it and presenting it to Israel. Doing so would require the U.S. to orchestrate the formation of an Arab coalition, possibly an Arab Quartet comprising Egypt, Jordan, Saudi Arabia, and one of the smaller GCC states.

The Initiative is propelled by the notion that the Arab world can alter Israel’s incentive structure by creating a friendlier regional environment. In turn, the new environment would at least partially offset the risks Israel would have to undertake and the painful concessions it would have to make in order to conclude a permanent status deal with the Palestinians. As such, Option III would, it is hoped, make an Israeli-Palestinian bilateral permanent status deal easier to achieve, but it would not replace the need for it.

While Israel rejected the Arab Initiative when it was first proposed in 2002, focusing at the time on the Initiative’s provision with regard to Palestinian refugees, it has shown greater interest in the grand bargain it offers in recent years—in part owing to the dysfunctionality of the Palestinian domestic scene. As Palestinian domestic affairs have become increasingly chaotic, a growing number of Israelis have concluded that the Palestinians are incapable of delivering a stable peace and that Israel should instead seek its rewards from the Arab world at large.

From Israel’s standpoint, the biggest advantage of Option III is that it offers far greater incentives for ending its conflict with the Palestinians. The Arab states are seen as far more able than the Palestinians to reward Israel, through economic and other interactions, for concluding a settlement.

The most important such reward would be a willingness on the part of the Arab states to regard Israel as a full partner in regional affairs. That willingness has already begun to develop, in the judgment of some Israelis, as a result of growing concerns in certain Arab quarters regarding the Iranian threat. To these Israelis, the new Arab approach was demonstrated during

the first few days of the summer 2006 war in Lebanon, when Arab states openly blamed Hezbollah for the violence. It was manifested again in September 2007 when the Arab world remained silent after Israel's alleged bombing of a nuclear facility in Syria. By early October 2008, these very same fears led Bahrain's foreign minister to suggest a regional security dialogue in which both Israel and Iran would take part. What these developments have in common is a new willingness on the part of the Arab world to replace the long-standing view of Israel as a major source of the region's problems with a new notion of Israel as also being part of the solution.

For the Palestinian Authority, Option III offers to provide broad Arab legitimacy for any agreement it concludes with Israel. Moreover, with a direct stake in the success of the process, the Arab states are likely to take a more active role in ensuring that the Palestinians as well as the Israelis comply with their obligations in the framework of an agreement with Israel. In particular, by asking Hamas to tolerate rather than actively support an agreement, the Arab states can press Hamas to refrain from derailing the process.

One complication associated with Option III is that any policy that requires the cooperation of a large number of players is much more difficult to implement. From Israel's standpoint, however, the greatest difficulty is that the offer made to Israel in the framework of the Initiative ties the rewards offered Israel with the latter's withdrawal to the 1967 boundaries. This option is clearly contingent, then, on the conclusion of a peace treaty between Israel and Syria, under which Israel would cede the Golan to Syria. Thus, implementation of this option would require a *near-simultaneous Israeli withdrawal from all the territories captured during the 1967 war*.

From the Palestinians' standpoint, the greatest disadvantage of Option III is that to some extent they will lose control over the peace process. As Arab states develop a larger stake in the successful outcome of Palestinian-Israeli negotiations, they may well exert pressure on the Palestinians to make concessions that they might otherwise prefer not to make.

#### *IV. Permanent Status Minus*

In contrast to the first three options examined above—all envisaging the conclusion of an Israeli-Palestinian permanent status agreement—Option IV aims to achieve a more modest goal: settling the permanent status issues minus some aspects of the Jerusalem issue and the Palestinian refugees' Right of Return. This option would put in place a mechanism for continuing negotiations to resolve outstanding issues, perhaps bringing on board parties who have a stake in them, such as Jordan, Egypt, and Saudi Arabia.

The main advantage of Option IV is that it would build on the progress already made in Annapolis in order to achieve the establishment of a Palestinian state, the delineation of the prospective state's permanent borders, the location of its capital in Arab East Jerusalem, and the putting in place of security arrangements. Option IV would allow implementation of agreed-upon issues without holding them hostage to the lack

of agreement on others, like sovereignty over the Holy Basin in Jerusalem and the refugees' Right of Return. And if some immediate progress could be achieved early on in Obama's term, it would be a big plus for the new administration.

For Israel, this option's greatest advantage is that it would enable an immediate positive breakthrough in Palestinian-Israeli relations, putting to rest perceived demographic threats to the integrity and Jewish character of the State of Israel. This could usher in a period of peace and stability and the potential acceptance of Israel in the region.

For the PA, Option IV would provide immediate independence, sovereignty, and implementation of the two-state solution. As such, it would be the first time since the early 1990s that the nationalist forces among the Palestinians would be seen as having delivered on their promise to end the occupation and bring about a significant material change in the lives of Palestinians residing in the West Bank and Gaza.

At the same time, the deal envisaged in Option IV may be tolerated by Hamas, since it would not address the two most hypersensitive ideological issues for the Palestinians: sovereignty over the Holy Basin and the refugees' Right of Return. As such, tolerating the agreement would not require Hamas to abandon its basic ideological commitments. Indeed, the agreement might even be tolerated by large parts of the Palestinian Diaspora if it stipulated a process for resolving most if not all of the practical dimensions of the refugee issue.

A major disadvantage of Option IV is that to date President Mahmoud Abbas and Israeli foreign minister Tzipi Livni have both been adamantly opposed to negotiating anything less than a permanent status agreement. In Israel's case this opposition seems to center on an unwillingness to entertain the "painful concessions" associated with a deal with the Palestinians except in the context of "closing the file." Since even a deal that sets aside Jerusalem's Holy Basin and the refugees' Right of Return will require withdrawal to approximately the 1967 borders, and since this would entail the dismantlement of dozens of settlements and outposts and the relocation of tens of thousands of settlers, Israeli leaders are likely to remain reluctant to consider such an agreement other than in the context of ending the conflict.

This is especially the case given the tendency in Israel to regard a willingness to abandon the Right of Return as the ultimate "litmus test" of Arab willingness to accept Israel as a Jewish state. The possibility that the Arabs would one day seek to reopen this file is considered an existential threat. Moreover, Israelis will also fear that while the envisaged deal might be less demanding than a permanent status agreement, the payoffs to Israel would also be more limited, as Arab states may be reluctant to normalize relations with Israel until their interests in Jerusalem and in the refugee issue are fully addressed.

To many Palestinians, the problem with Option IV is that it would delay realization of their demand for the Right of Return and of their claim of sovereignty over the holy places.

Conceding the latter issue would be seen as denying them a critically important element of legitimacy. They will also fear that once this option is implemented most Arab states would consider the conflict resolved and normalize their relations with Israel without waiting for a final settlement of the outstanding issues. Thus, they fear, they will lose critical leverage for inducing Israel to ever resolve these matters.

### V. *Interim Negotiated Disengagement*

The final option to be explored here revolves around a negotiated Israeli disengagement from the West Bank. It entails the redeployment of the IDF and its military installations as well as the removal and relocation of all settlers and settlements east of the separation barrier. In contrast to Israel's 2005 unilateral disengagement from Gaza, this option calls for coordinating and negotiating Israel's disengagement from the West Bank, with the Palestinian Authority assuming territorial and civil-security jurisdiction over the area. The PA would thereby commit itself to refrain from, and prevent any resort to, violence following Israel's disengagement. Additionally, in the newly evacuated territories, the PA would have the option of declaring a state with provisional borders.

This option's greatest advantage would be an immediate positive change in the lives of Palestinians residing in the West Bank. In the territory east of the separation barrier—comprising over 90 percent of the West Bank—the Israeli occupation will have ended, and all its associated restrictions on Palestinian access and movement will have been lifted. For the incoming Obama administration, as was discussed in the case of Option IV, this option would enable an immediate major change “on the ground,” unhindered by a lengthy and inconclusive negotiations process.

Option V would require that Israel and the PA reach an agreement that would allow for an orderly Israeli withdrawal from controlling Palestinian lives and a parallel assumption of responsibility on the part of the PA. Since even the boundaries to which Israel would be withdrawing would be considered provisional, none of the permanent status issues will have been resolved. At the same time, it would be reasonable to expect that a negotiated disengagement, once completed, would lead to further Palestinian-Israeli negotiations. For example, with a joint aquifer, the two entities would have to reach an agreement on water usage.

For Israel, the biggest advantage of this option is that it would allow it to cease bearing the burden of controlling the lives of millions of Palestinians against their will. The end of occupation would likely have immediate positive ramifications with respect to Israel's international and regional standing, allowing those in the region who for different reasons have an interest in normalizing relations with Israel to do so. At the same time, such a move would address Israel's demographic concerns by allowing it to withdraw to boundaries within which a large Jewish majority resides. From the standpoint of the Kadima party, such a negotiated disengagement would constitute implementation of the idea upon which the party was founded by then prime minister Ariel Sharon, extending

the process that began with Israel's disengagement from Gaza to the West Bank.

For Palestinians residing in the West Bank, Option V would provide immediate relief from many of the objectionable aspects of Israeli occupation, such as settlement activity and outpost erection beyond the separation barrier—and would assure the lifting of roadblocks and checkpoints and other limitations on access and movement. Thus, Palestinians would gain greater control over land and resources without having to make new concessions. As with Option IV, implementation of negotiated Israeli disengagement would allow the nationalist-led PA to demonstrate that it is able to deliver meaningful positive change in Palestinians' lives.

On the Israeli side, however, given existing perceptions about the disastrous outcome of Israel's disengagement from Gaza, it is not clear that any Israeli government would be able to implement what will likely be perceived—and will certainly be portrayed by its opponents—as an action similar to the earlier withdrawal from Gaza. That the option considered here entails a *negotiated* disengagement is unlikely to persuade enough Israelis that the difference is significant. Moreover, based on that earlier experience, Israeli opponents of this option will argue that Palestinians will interpret it as a “victory for violence,” inviting even more terrorism in an effort to push Israel all the way to the 1967 lines and beyond.

For Israel, then, this option entails all the downsides of Option IV but in more accentuated forms. Implementation of this option would require a total confrontation with the Israeli settler community but without even a promise of peace, let alone an end to the conflict. From a domestic Israeli standpoint, there is a question whether in reality this option in fact exists.

For the Palestinians, Option V also entails some serious disadvantages. With Israel presumably remaining in control of all exit and entry points, Palestinians in the West Bank will argue that they have not gained true sovereignty and that the Israeli occupation continues, only through other means (as they have argued in the case of Gaza). Palestinians will also likely argue that statehood is meaningless if they are not allowed to establish their capital and state institutions in East Jerusalem. Finally, as was the case in Gaza, Islamists will claim that Israel was *forced* to pull out. They would also blame the nationalists for allowing Israel an orderly negotiated withdrawal, arguing that in time Israel would have done this unilaterally.

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While this Brief was not intended to produce specific policy recommendations, analysis of the policy options provided here will hopefully make it easier to reach an informed judgment as to America's future course in its efforts to resolve or at least ameliorate this enduring dispute.

## Endnotes

1 See Amira Hass, “Haniya: Hamas willing to accept Palestinian state with 1967 borders,” *Ha'aretz*, November 9, 2008.



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