A WASHINGTON INSTITUTE STRATEGIC REPORT

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Options for Resolving the Israeli-Palestinian Territorial Issue

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THE WASHINGTON INSTITUTE *for Near East Policy*

Published in 2011 in the United States of America by the Washington Institute for Near East Policy,
1828 L Street NW, Suite 1050, Washington, DC 20036.

Design by Daniel Kohan, Sensical Design and Communication

Front cover: President Barack Obama watches as Israeli prime minister Binyamin Netanyahu and Palestinian president Mahmoud Abbas shake hands in New York, September 2009. (AP Photo/Charles Dharapak)

MAP CREDITS

Israeli settlements in the Triangle Area and the West Bank: Israeli Central Bureau of Statistics, 2007, 2008, and 2009 data
Palestinian communities in the West Bank: Palestinian Central Bureau of Statistics, 2007 data
Jerusalem neighborhoods: Jerusalem Institute for Israel Studies, 2008 data
Various map elements (Green Line, No Man's Land, Old City, Jerusalem municipal bounds, fences, roads): Dan Rothem, S. Daniel Abraham Center for Middle East Peace
Cartography: International Mapping Associates, Ellicott City, MD

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The opinions expressed in this Strategic Report are those of the authors and not necessarily those of the Washington Institute for Near East Policy, its Board of Trustees, or its Board of Advisors.

Acknowledgments

FIRST, I WOULD LIKE TO THANK Sheli Chabon and Jennifer Logan, my research assistants over the course of this project. Their devotion to the study and their keen eyes in the face of miniscule map details and a blizzard of data have been remarkable. Through it all, they maintained good cheer, and they have more than earned their shared byline. I would also like to thank my research interns, Ari Bildner and Hardy Calvert, whose thorough work and dedication were indispensable. Victoria Taylor and Alex Tait from International Mapping Associates revisited the maps countless times, and I am indebted to them for their patience and their critical role in ensuring the study's integrity. My colleagues Robert Satloff, Patrick Clawson, Michael Singh, and David Pollock gave graciously of their time to read various drafts of the paper and offer insightful suggestions. Mary Kalbach Horan, George Lopez, and Alicia Gansz saw the study through the editorial process, and I am grateful for their professionalism and long hours. Shaul Arieli's maps were an invaluable resource, and Dan Rothem's cartographic expertise eased the project through its many phases. I am also deeply grateful for the honest advice I received from various Israeli and Palestinian officials who must remain anonymous here. Finally, I would like to express my sincere appreciation and gratitude to Ruth Ziegler for making my fellowship possible, and to Janine and Peter Lowy along with Yvonne and Michael Silverman for their generous support of this project.

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Settlements and Swaps: Envisioning an Israeli-Palestinian Border

AS ISRAEL AND the Palestinian Authority (PA) resume negotiations over the coming months, most observers believe the talks will focus on security and territory before addressing other issues. Whether the parties negotiate directly or through U.S. mediators, the gaps between them on these two issues would appear to be more bridgeable and less deeply emotive than their differences on the future of Jerusalem and the fate of Palestinian refugees.

This belief, however, derives from flawed conventional wisdom regarding the impact of Israeli settlements on potential territorial compromise. Settlements have definitely complicated efforts to reach such a compromise, and one can understand why so many observers, not just Palestinians, oppose them. Yet it is incorrect to assert—as many do—that settlements are evenly distributed throughout the West Bank or take up such a large amount of land that they preclude a two-state solution. In fact, most settlers live near Israel's pre-1967 boundary, and the vast majority of them reside in areas that constitute a small percentage of the West Bank. Accordingly, a border agreement may be more plausible than it is generally believed to be.

In past (and ultimately abortive) negotiations, both sides reportedly proposed territorial exchanges—commonly referred to as "land swaps"—as a means of addressing Israel's desire to retain certain lands east of the pre-1967 boundary. Through such exchanges, Israel would be able to extend its recognized border to include certain settlement blocs near the old boundary. In exchange, the PA would extend its control to certain areas inside pre-1967 Israel; these areas would in turn become part of a new Palestinian state.

This report—through analysis, detailed maps, and key demographic data—outlines potential options in the event that negotiators once again broach the idea of land swaps during new rounds of talks. Whether or not the parties can resolve the powerful issues of Jerusalem and refugees prior to conditioning the societal landscape for such discussions, they may be able to bridge the territorial differences sooner.[1]

To be sure, Henry Kissinger's "constructive ambiguity" sometimes has advantages. But ambiguity can also be destructive, and in the case of territorial negotiations, it is important to demystify the issue. Doing so requires an understanding of where demography meets geography in the West Bank—without reliable, up-to-date information regarding the West Bank's geographic contours and the location and size of Israeli and Palestinian population centers, imagining the shape of a future border is impossible.

This report takes as its starting point the preferences that the two sides appear to have brought to the table. Outside parties cannot determine which principles should guide resolution of the border issue; that decision is in the hands of Israel and the PA. The role of this study is to illuminate the possibilities for satisfying territorial criteria that the parties themselves have already articulated. The range of scenarios and maps presented here is designed to give policymakers concrete options; neither the author nor the Washington Institute for Near East Policy necessarily endorses any of these proposals.

BACKGROUND

Given that the land swap idea was addressed as early as the 2000 Camp David talks and persisted through the 2008 negotiations between former Israeli prime minister Ehud Olmert and PA president Mahmoud Abbas, the issue may well reemerge in some form during new talks. In July 2000, swaps were discussed at length at Camp David, and in December of that year, they were formally mentioned in the bridging proposals put forward by President Clinton, known as the Clinton Parameters. Specifically, those proposals described potential land swaps involving Israeli annexation of less than 3% of the Occupied Territories and allowing for a near 1:1 territorial exchange between the parties. (The term land swap does not by definition mean an exchange of equal amounts of land.) On

December 27, 2000, the Barak government's security cabinet approved the Clinton Parameters as a whole, including the land swap idea. Although the cabinet had reservations, these were centered on technical issues, not on the principles underlying the proposals.[2]

During the 2008 Olmert-Abbas negotiations, the two leaders agreed that for any land annexed by Israel as part of a territorial deal, the Palestinians would receive equal amounts of land from within the 1967 boundary. Olmert proposed a swap that would have met this 1:1 requirement, but the parties disagreed on the total amount of land to be exchanged. Olmert wanted to swap 6.3% of the territories acquired in 1967, while Abbas would only agree to 1.9%.[3] Soon thereafter, the peace talks collapsed with the December 2008 outbreak of hostilities in the Gaza Strip; as a result, Olmert did not have an opportunity to bring his entire proposal before the cabinet.[4]

In a speech to an Israeli peace group on September 19, 2010, Olmert stated,

> I will repeat the things I believe in and I think there is no other way. First, we must reach quickly an agreement [stating] that the territorial solution will be based on the borders of '67. When we deal with [the size of the] land exchange, I don't want to discuss now if it is this percentage or that percentage. I don't want to interfere, as this is certainly not my intention to impact moves the government is making. So there are some among you who think we should do a land exchange of this percentage and those of a different percentage. I have a specific percentage in mind that can wrap up the discussion. And the difference of what I think and what I know the Palestinians are thinking is even smaller than what I thought when I made my proposal to them. We are very close on this point, at least as I know the views today of the Palestinian leadership and the views that I presented to them.[5]

The current Israeli government has not taken an official stance on land swaps, much less on whether it would accept a 1:1 exchange.[6] But it has not ruled out such swaps, and various signs indicate that Israeli and Palestinian negotiators may well discuss the issue as new talks unfold. Indeed, at the White House ceremony relaunching the peace process, Prime Minister Binyamin Netanyahu declared, "We recognize that another people share this land with us. And I came here to find an historic compromise that will enable both peoples to live in peace, security and dignity."[7] Similarly, according to the Associated Press, a February 2009 cable sent by a U.S. diplomat indicated that Netanyahu had "expressed support for the concept of land swaps, and emphasized that he did not want to govern the West Bank and Gaza but rather to stop attacks from being launched from there."[8]

Abbas has also frequently called for swaps based on the pre-1967 boundary as a baseline for territorial adjustments. In a July 2010 interview with Jordanian journalists, for example, he noted, "We have said that borders need to be on a 1967 basis, with agreement on land swaps equal in value and size."[9] Such statements illustrate his recognition that the Palestinians will not gain the exact pre-1967 lands, but rather territory in compensation.

This report outlines three potential land swap options should Israel and the PA decide to trade settlement blocs for offsetting land within Israel's pre-1967 boundary. Each of the three scenarios would involve 1:1 swaps falling between Abbas's 1.9% threshold and Olmert's 6.3% target; in no instance would Israel annex more than 4.73% of the Occupied Territories. The accompanying maps show that such exchanges would go far toward achieving objectives supported by large majorities of Israelis and Palestinians—for the former, retention inside Israel of territory on which a sizable majority of Israeli settlers live; for the latter, gaining control over territory from within pre-1967 Israel that is equal in size to the land Israel gains in the West Bank.

The alternative—continued ambiguity—allows opponents of peace to frame the issue in their terms. More specifically, it enables Palestinian critics to allege that Israeli territorial offers constitute "Bantustans" or noncontiguous enclaves, and that Israel is therefore not serious about a two-state solution. And it allows Israeli critics to argue that the Palestinians want to uproot all 300,000 settlers living in the West Bank, causing something approaching a civil war in Israel. Both of these critiques have been so powerful that they have made the idea of compromise highly unlikely.