Israeli Perspectives on the Palestinian Refugee Issue

Orit Gal

Summary points

- At the beginning of the Oslo Process the greatest challenge was the question of Palestinian statehood; negotiation of the refugee issue was postponed until the later stages. Over a decade later, Palestinian statehood is generally accepted as a given, and the refugee issue has taken centre stage.

- The Israeli perspective, from a leadership standpoint, is seemingly characterized by a sense of being overwhelmed, owing to the complexity of elements making up the refugee issue, the multiplicity of actors involved, and a heightened sense of uncertainty as to the consequences of any negotiated settlement.

- More strategic work is needed at the political and policy-making level to determine the resolution level required for the agreement itself. Much of the detail involved will have to be developed outside the main negotiation framework.

- More research and strategy development work is needed concerning the Israeli public domain, to assess existing attitudes and possible avenues for widening the public discourse. To this end, the Israeli media should also be encouraged to present the different debates and elements of the issue.

- There is a need for an international task force of leading experts working alongside the negotiation process and translating both sides' strategic options into operational frameworks. Such support could ease the load on the actual negotiating parties, thereby facilitating the decision-making process.

Introduction

Drawing on a Chatham House workshop with leading Israeli and international experts held in May 2008, this briefing paper aims to bring forward the key challenges facing Israeli decision-makers when approaching the Palestinian refugee issue in the context of a comprehensive peace settlement.

Since the beginning of the Oslo Process the relative weight and attention given to each of the core issues to be negotiated has significantly evolved. Initially, the greatest conceptual and political challenge centred on the question of Palestinian statehood, with the refugee issue regarded to a large extent as a non-issue at best or, at worst, as one that would solve itself within the last stages of the negotiations. Yet a decade later, a convergence of various political, economic and cultural forces has reshaped the conflict environment and altered Israeli perceptions and expectations, with Palestinian statehood generally accepted as a given, and the refugee issue taking centre stage.

While the issue is little discussed within the general public domain in Israel, perhaps the best way to describe the Israeli perspective, from a leadership standpoint, is that there is seemingly a sense of being overwhelmed. This sense emerges from two factors: one is the realization that a failure to address the issue could ultimately prevent a final peace settlement, thus closing the window of opportunity on what is still held to be Israel's leading strategic objective – a negotiated comprehensive Permanent Status Agreement (PSA); the other is the lack of ability to clearly define Israel's interests concerning most of the detailed elements involved.

An Israeli systemic view of the refugee issue

The inability to clearly define Israeli interests stems from three factors which set the refugee issue apart from other core issues – the complexity of elements involved; the multiplicity of actors involved; and the heightened sense of uncertainty as to the consequences of any negotiated settlement.

1. Complexity of elements

The various elements to be negotiated can generally be divided into four interrelated dimensions – socio-political, geopolitical, economic and legal.

● *The socio-political dimension*: The Palestinian refugee issue touches on a number of socio-political elements that embody deep-rooted Israeli fears, both past and future-oriented. While the basic framework for the peace process is predicated on concluding the historical conflict between Jews and Palestinians, the refugee issue is the only core issue that relates directly to the events of 1948 rather than to those of 1967. The outbreak of the 1948 war and its consequences are central events in the identities of both nations – the establishment of the state of Israel for the victorious Jews and the *Nakba*[1] and the creation of the refugee problem for the defeated Palestinians. Any Israeli leadership negotiating an agreement on the refugee issue will inevitably be faced with domestic political obstacles relating to historical narratives, collective identity and constituting myths, any re-examination of which will be presented by the opposition as threatening to the future nature of the Jewish state.

Hence, to a large extent, it is the explicit and implicit declaratory aspects of any agreement on the refugee issue that affect the Israeli perspective the most.

Within the negotiation framework, the challenges relating to the explicit declaratory elements are as follows:

i. *To what extent and in what manner can history and competing narratives be accommodated within the text of the agreement?*
This is a vital question as any phrasing drafted within the agreement can be expected to be meticulously analysed and interpreted by the public. If an agreement is

1 Literally 'catastrophe'. The word is used to signify dispossession of the Palestinian refugees in 1948.

perceived or spun in the wrong way it could cause significant damage to the peace process, undermine its legitimacy and prove to be political suicide to any leadership promoting it.

The options for addressing this issue range from omitting any historical references, i.e. leaving the agreement as a strictly legal text, to recruiting the wise men of the world – prominent international figures such as Nelson Mandela, the Dalai Lama and Bill Clinton – to draft the opening text of the agreement, referring to the history of the conflict and emphasizing both sides' commitment towards its resolution.

ii. *How to address the Palestinian demand for Israel to take responsibility for the creation of the refugee problem?*

This demand places the Israeli leadership negotiating the agreement in a difficult predicament *vis-à-vis* the Israeli public as this element touches on two traditional collective standpoints. The first relates to the rationale that as it was the Palestinians who started the war, Israel cannot be expected to take responsibility for its consequences. The second relates to a lack of conceptual and emotional distinction made between the events of the war itself and the creation of the state of Israel, i.e. the idea of taking some responsibility for the creation of the problem is immediately associated, not with the events of the war but with the very presence of a Jewish community in this area, a presence that has yet to be accepted by the Arabs. This view may be summed up as 'we cannot apologize for existing'.

The leverage held by Israeli decision-makers on such matters is greatly dependent on how they perceive the public mood and its capacity to endure: to a large extent the leadership is constrained by what it thinks it can sell to the public without being toppled. Increasing this leverage will necessitate bringing forward evidence that the leadership might be under-estimating Israeli the openness of public debate. Some experts have claimed that a gap exists between the Israeli elite and general public opinion, with the public less interested in the political and historical nuances of an agreement. A study of Israeli school books for example, reveals that there has been significant change in the manner in which the events of 1948 are presented and explained and that specific references to the *Nakba* are already included in history lessons, thus preparing the ground for a much more open public debate than many leaders would assume.[2]

While Israelis are unlikely to accept full responsibility, polling figures from 2000 suggest that they are more likely to accept shared responsibility – with some 40% willing to acknowledge some responsibility for the refugee predicament.[3] Such attitudes can be expected to strengthen once a public campaign for supporting the agreement has begun. Hence, addressing the issue through a discussion of shared responsibility, not only with the Palestinians but also with the Arab countries which fought in the war, may help to further increase the political flexibility around the negotiating table.

---

2   Michal Ben-Josef Hirsch, 'From Taboo to the Negotiable: The Israeli New Historians and the Changing Representation of the Palestinian Refugee Problem', *Perspectives on Politics*, 5 (2), June 2007, pp. 241–58.

3   Ephraim Yuchtman-Yaar and Tamar Herman, 'The Palestinian Refugees in the Eyes of the Palestinian and Israeli-Jewish Public', in Joseph Ginat and Edward J. Perkins (eds), *The Palestinian Refugees: Old Problems and New Solutions* (Norman, OK: University of Oklahoma Press, 2001).

iii. How to address Palestinians' demands for acknowledgment of what they consider to be the refugees' right of return to Israel?

This poses perhaps the most difficult challenge for Israeli decision-makers to engage with. It is actually because this demand, put forward within the context of permanent status negotiations, is politically symbolic rather than an operational demand that it is viewed so suspiciously by the larger Israeli public. The demand for 'right of return' is commonly interpreted as something that stands in clear contradiction to the principle of a two-state solution, since how could Palestinians seek both their own state and the right to live in the other state at the same time? Hence it is viewed as a demand put forward so as to embed within the agreement a symbolic element that would completely undermine the concept of peace, hinting at Palestinian ulterior motives.

Like attitudes on the question of responsibility, it is the lack of a wider public discourse that can differentiate between past and future orientation, between the events of the 1948 war and the right of Jews to self-determination, and between collective and individual articulation of rights, that constrains the Israeli leadership's ability to open up this issue around the negotiation table.

Increasing the leverage of the Israeli negotiators on this issue will require further opening the Israeli public discourse on the refugee issue, where, as indicated above, the process is only just beginning (it should be remembered that the first public opinion poll on the right of return was not conducted until 1999).[4] In terms of public strategies, two conceptual aims can be defined, the first addressing individual rights and the second addressing collective symbolism.

From the individual perspective there is a great need to legitimize a distinction between the collective implications of the 1948 war and its individual manifestations, thereby disassociating the collective/ national claims over the land from the intuitive recognition of an individual's right to return to his or her own house, regardless of the circumstances of departure. In this regard it would seem that the ground is already partly prepared, as the idea of compensation for property is widely acknowledged. In this regard, although Jewish claims for compensation for property left by Jewish refugees from Arab states cannot be addressed through a bilateral Israeli-Palestinian agreement, at the very least they help to open and facilitate public discussion.

The second need is to address the issue through a discussion of collective historical rights. Legitimizing the notion that both peoples hold such historical rights to all the land, notwithstanding the current practicality of dividing this land into two sovereign entities – national homes to each people – could not only provide a bridge between Israelis and Palestinians but also go a long way towards reducing Jewish ideological opposition to an agreement.

iv. How to ensure the Jewish right to self-determination and regional acceptance of Israel as the Jewish homeland?

Underlying the negotiations on the refugee issue is a trade-off, whereby Israel provides symbolic gestures and financial compensation and in return receives recognition and acknowledgment of its future rights. In other words, Israel perceives that a negotiated deal will mark the end of its long conflict with the Arab world in general and

---

4   Cited in Hirsch, 'From Taboo to the Negotiable', p. 249.

with the Palestinians in particular. While some of the difficulties involved in this issue stem from the multiplicity of actors (to be discussed later), the Israeli leadership will need clear declaratory elements to this effect to be included in the agreement.

- *The geopolitical dimension*: As discussed above, the element of 'right of return' is in essence a symbolic political issue rather than an operational one. Therefore, whether Israeli agrees to accept an immigration of five, five thousand or fifty thousand Palestinians, this would not carry any real geo-political meaning or form any demographic threat to the Jewishness of the state of Israel. However, there are still many geo-political elements that will be designed within the PSA framework that could affect Israel's interests.

  Many of the operational arrangements concerning the solution to the refugee issue relate to the establishment of permanent residency and citizenship. This will most likely either give refugees the opportunity to stay in their current places of residence while promising them equal status as other citizens of the host country, or help them to emigrate to the newly established state of Palestine and/or a third country. To Israeli decision-makers negotiating the settlement, this raises the question of the extent to which Israel has a position concerning the final place of residence of refugees outside Israel. More specifically, should Israel hold a position concerning full integration of refugees in places such as Jordan or Lebanon? How would the strengthening or weakening of these communities in these bordering states affect other Israel strategic needs?

  So far, the leading rationale guiding the Israeli perspective on this issue has been a wish to maintain political stability, especially in Jordan. However, two constraints undermine this rationale. The first is the bilateral nature of the agreement. The second is the nature of the arrangements themselves, which on this issue will be implemented through the individual choices of so many people, with political and economic ramifications that are very hard to assess at this point, and therefore harder to translate into policy preferences. This is also another focal point of interdependency between economic and political processes that makes both defining Israeli interests and their order of preferences all the more difficult.

  A related question is whether Israel should demand a say in the numbers and even identity of refugees from outside the occupied Palestinian territory (oPt) wishing to move in. An intensive and uncontrolled immigration into what would be Palestine raises concerns about growing pressures on the borders, pressures that are likely to translate into new forms of violence. It can be assumed that the Palestinian leadership would also prefer controlled and balanced processes of immigration, coordinated with the development of its absorption capacities. However, the experience of the last seven years has shown how relying on the logic of convergence of interests is not enough. Hence from an Israeli perspective some form of international monitoring on this issue would be welcomed.

- *The economic dimension*: An agreement on the Palestinian refugee issue involves a complex array of economic elements with significant long-term ramifications that merit careful thought. Moreover, beyond the intricacy of the economic aspects themselves lie implicit declaratory aspects that affect the Israeli mindset. Under the general title of 'compensation and rehabilitation', the arrangements over the refugee issue are aimed at helping to transform the conflict environment into a more economically prosperous and balanced political economy. Such an objective requires the following considerations to be taken into account:

i.   Compensation to whom and for what?

Like other aspects of the issue, there has been very little Israeli public debate about the question of compensation. The seemingly most straightforward part is the need to compensate for property left behind by the refugees. But the intricacy of the issue becomes apparent when one starts operationalizing this process. First is the need to identify all the properties for which compensation is required, a task on which a lot of expert work has already been done. Second is the need to value the properties, a task on which many contradictory expert opinions have already been formed. Beyond both of these laborious tasks is a still harder one: the question of ownership. There is tension between the legal definition of land rights and the political aim of the arrangements – in other words, to whom should the money go?

In many cases wealthy families held the deeds to the land while most Palestinians held no land deeds but lived on and worked the land. Moreover, sixty years on, questions of inheritance rights also pose difficult policy challenges. Which legal model of inheritance rights should be adopted? While these may seem to be legal issues, their real impact is social, cultural and political as each decision reflects alternative processes of power distribution. From an Israeli perspective, the question is to what extent Israeli negotiators should involve themselves in such details.

Israel would probably like to see a professional international body established which could make these decisions so as to best promote Palestinian economic development. The question is whether Israel would prefer such a process to be delayed until after the actual signing of an agreement or whether it could be launched earlier, perhaps under the auspices of the Quartet.

Another option that has been considered is the possibility of providing compensation for the very status of refugeehood. From an Israeli perspective this is seen as part of the declaratory reconciliation package. One Israeli concern is how the status of refugee would be determined. Would it be restricted to the UNRWA definition? Would Palestinians from refugee families living in London, for example, be considered as well?

Israeli positions on this issue can be expected to depend on the general atmosphere created towards the issue of responsibility discussed above. Since such compensation would be given for the actual continuation of refugee status for sixty years, it might provide a good opportunity for developing the concept of 'shared responsibility'. However, this raises the question of who else should be involved in such a plan and how such an involvement can be ensured within the PSA framework.

ii.   How much compensation? And who pays?

Since the refugee issue has begun to receive the attention of expert evaluators, a whole spectrum of numbers, from tens of billions to hundreds of billions of dollars, has been thrown around. Notwithstanding the obvious Israeli preference for keeping the numbers realistic, two considerations are especially important. The first is for the agreement to clearly state a final estimate, figure or mathematical formula (such as a percentage of GDP) of Israel's contribution to the settlement. The second, and perhaps even more important from an Israeli perspective, is the number of parties contributing the funds. This again is an implicit declaratory element associated with the discussion on responsibility.

iii. Towards what end?

Assuming an international fund will be created, its resources would have to be divided between public and private ends. What would be the public programmes financed through the fund? How would the money be distributed between the Palestinian state and host countries such as Jordan? And who would be in charge of carrying them out? While the Israeli leadership could be expected to entrust many of the answers to international experts such as the World Bank, the participation of other agencies such as UNRWA, perceived as anti-Israel and suspected of harbouring an institutional interest in perpetuating the problem, would raise serious Israeli concerns, as they might be viewed as inserting spokes in the wheels of peace in a manner that would prevent any hope for resolution.

● *The legal dimension*: On the face of it, it might seem as though the refugee issue does not pose a legal challenge to the state of Israel. To date, no legal claims have been processed and no strategic threats have emerged from questions relating to the adherence to international law on this sixty-year-old issue. On the other hand, Palestinian attempts at raising political international support have been largely advanced through legal discourse. Hence, Israeli legal positions have emerged to a great extent as part of an attempt to counter Palestinian political strategy through the use of legal claims. As could be expected in such matters, each legal argument made by one renowned expert has been countered by another prominent authority.

Nevertheless, within the framework of a signed settlement Israel might run the risk of opening the door to future claims. For example, does a politically symbolic gesture of accepting shared responsibility for the creation of the refugee predicament hold legal meaning? Should Israel really get involved in designing the mechanism for distributing compensation? Does providing compensation for property necessitate a waiver of future claims by all recipients? This requires the Israeli leadership to be equipped with expert legal advice that would on the one hand mitigate any real future threats and on the other not overtake the political rationales and objectives underlying the peace agreement.

2. Multiplicity of actors

The second challenge to a clear definition of Israeli interests emerges from the multiplicity of actors and agendas involved in the refugee issue. As opposed to other core issues that are bilateral in their nature, the refugee issue presents much broader negotiation challenges for the Israeli leadership.

The first challenge in this regard is the question of representation. In continuation of the Oslo Process, negotiations on a Permanent Status Agreement are carried out between Israel and the PLO as the sole representative of the Palestinian people, both within and outside the occupied Palestinian territory. However, various trends within the Palestinian political system over the last decade have significantly undermined this assumed monopoly, thus casting doubts on the level of legitimacy and acceptability of any agreement among the wider Palestinian society. This is especially relevant to Israeli positions since the only thing that Israel can minimally aspire to receive in return for its symbolic and financial concessions is the recognition of its right to exist as a sovereign Jewish entity in the Middle East. If that end cannot be achieved through a peace deal, any Israeli leadership must ask itself why it should negotiate on this issue in the first place.

From an Israeli perspective, a weakened representational position of the PLO does not mean that such an exercise is strategically futile. It would, however, require other elements to enhance its legitimacy. One such vital element would be the Arab states' support, possibly reflected through some accommodation of the

Arab Initiative. The question is how and at what stage in the process the Arab Initiative should be introduced? Should similar considerations be made concerning a new UN Resolution? Would it be in Israel's interest to push for one and what should be its content?

The second group of questions associated with the multiplicity of actors relates to the host countries. While the principles that would govern the various processes towards resolving the refugee issue will be decided bilaterally, the bulk of the people affected live outside the borders of both Israel and the oPt. Any bilateral conclusion of this issue will have significant political and economic consequences for Lebanon, Syria and, perhaps most importantly from an Israeli point of view, Jordan. Hence there is a question as to Israel's interests concerning the integration of these players into the negotiation process, either directly or indirectly.

The third group of questions relates to non-governmental organizations – those currently active as well as those to be created to implement the arrangements reached. Israel would not be inclined to repeat its bitter experiences with UNRWA. However, this still leaves many questions open as to what status Israel should seek within such forums.

The last group of questions, seemingly outside the negotiation framework, relates to the Arab citizens of Israel. This community shares some of the grievances and needs of the wider refugee community on issues such as property claims and questions of identity. The consideration of this additional group opens a door to another whole system of conflict resolution processes needed to address the relations between Jews and Arabs within the state of Israel.

This multiplicity of actors involved not only increases the level of tensions emanating from the multiple agendas, but also raises a whole further set of questions relating to procedures. While Israel's operational role throughout the process of the implementation of the agreement can be expected to be marginal, various concerns will certainly arise and it is unclear in which forum Israel should raise these. How can an intricate bureaucracy of constrained mandates, limited responsibilities and breaks in command chains be avoided?

3. High uncertainty concerning consequential outcomes and irreversibility

While any agreement on borders, Jerusalem, water and even economic relations can be translated by policy-makers into a general picture of how things might look on the ground, the end-result of the implementation of a refugee agreement is very hard to picture. Will the bulk of the refugee population accept the settlement? Will the economic resources funnelled through financial compensation succeed in closing some of the development gaps and prevent further political grievances? How many people will actually choose to relocate and to where? How would this affect the Jordanian and Palestinian political systems?

Such uncertainties, and the sense of risk associated with them, are further exacerbated by the notion of irreversibility. The past seven years have shown how different arrangements can be reversed in the event of failure, even if at a significant cost. Large areas can be reoccupied, institutions effectively made redundant, resources withdrawn and economic ties severed. However, the movement of people and resources and their effect on the socio-political environment cannot be undone. Hence, Israeli decision-makers perceive a high level of risk on this issue.

Dominant rationales

The intricate array of elements, actors and processes discussed above has yet to be consolidated into a clear Israeli strategic position on the refugee chapter of the PSA. However, four integral principles do seem to cut across all the dimensions described above.

1. Stability

The wish to maintain stability is a common rationale, cutting across all Israeli considerations concerning the refugee issue. Hence there tends to be an Israeli emphasis on designing operational solutions that will maintain regional political stability, socio-economic stability and demographic stability.

While the strategic logic involved is quite obvious, its translation into the operational designs of the agreement is problematic. It can be expected that successful

implementation of the PSA would set off vast changes in the regional environment, injecting vast amounts of new resources, and changing power relations. Their exact manifestations cannot be anticipated. In the final reckoning, people will move where they feel they have a better future, mostly driven by the practicalities of everyday life.

Such complexity cannot be countered through micro-management. Hence, from a strategic point of view, it needs to be realized that the ability of Israeli policy-makers to engineer detailed incentives at the negotiation stage is very limited and is therefore most likely unnecessary.

2. Targeted economic assistance (rehabilitation)

One of the driving rationales underpinning the resolution of the refugee issue is the concept of 'rehabilitation', i.e. the need to significantly improve the welfare of refugee communities so that they experience the same level as the rest of the population wherever they reside or choose to do so. In this way, the material investment channelled through the refugee chapter will not only help resolve the refugee predicament but would also help create the post-conflict environment all sides aspire to.

As in the case for stability, the strategic logic underlying this rationale is clear and strong. However, a macroeconomic examination reveals two inherent constraints to this rationale. The first relates to the fact that in the case of many communities, apart from those residing in Lebanon, the relative material welfare of the refugees is equal to or even exceeds that of their counterparts. In these cases, apart from upgrading housing conditions, little needs to be done. (In fact, the whole issue of upgrading housing opens another Pandora's box, relating to the varying economic value of the land across and within camps, as evolved over the years and determined universally by location. This merits further consideration concerning the distribution of assets.) Specific investment programmes in refugee communities, not on the basis of need but rather on status criteria, could create tensions with other communities, whether within the West Bank and Gaza or in host countries.

The second macroeconomic and social consideration is that the benefits in many areas of public investment will be very hard to differentiate between the refugee and non-refugee populations. Investments in infrastructure, in creating more jobs, and in developing industry and trade are public goods which cannot be restricted and will benefit everyone in the economy. While this will be conducive to creating a prosperous post-conflict environment and investing in the Palestinian collective as a whole, it is expected to provide only a limited tool for targeting refugee grievances. Thus the public 'marketing' of the agreement will need to consider this issue carefully.

While the negotiation discourse stresses the need for 'rehabilitation', in operational terms it really refers to the need for 'economic development' – a broader, more costly and much lengthier process. The distinction requires further emphasis among both Israeli and non-Israeli policy-makers. It refers back to the notion that many of the needs articulated in the refugee issue are symbolically, culturally and identity-driven rather than the expression of material and/or legal grievances; thus there is less scope for leverage between the material and the symbolic.

3. End of claims

'End of claims' refers to the idea that the implementation of the PSA, and the refugee chapter in particular, would end all Palestinian claims towards the state of Israel. While being part of the legal discourse surrounding the negotiations, this rationale is still vague in strategic terms. Whose claims does this idea refer to? Is it to be understood as a collective/national waiver? This brings us back to the complexity of actors involved. Should the PSA be operationalized through the individual level, i.e. at the end of the process each refugee will sign off his or her claims? Such an extreme form of legalization, of course, cannot be expected to reflect historical or political individual claims. At best it could be linked to the element of compensation for property. However, as discussed above, in most cases the compensation element would not directly reflect past ownership in the legal sense. At worst, it would

provide a political veto tool for opposition groups hoping to derail the implementation process by encouraging non-cooperation. Hence there is a danger that strictly defined legal considerations could offset the political and economic logic that is needed to transform the conflict environment.

4. End of conflict

The concept of 'end of conflict' is an embodiment of the Israeli cultural notion of peace and is perceived as the ultimate goal of the agreement. A comprehensive peace agreement signifies the end of this century-old conflict, whereby the Palestinian and Arab societies agree to fully accept Israel as a permanent cohabitor in the Middle East. As the refugee problem represents and consolidates all the tensions that signify this conflict, nowhere is the notion of 'end of conflict' more vivid than in association with this issue.

While the moral value of this aspiration cannot be diminished, from a strategic perspective such a utopian message does manifest certain tensions that could encumber the political process and it may require reconsideration in terms of managing public expectation. In terms of the timetable, the principle of 'end of conflict' cannot be merely be attributed to a signed piece of paper but is tied to the implementation of its content and the actual manifestation of the post-conflict environment.

In terms of managing Israeli public expectations, there might be certain cultural differences that would require a reassessment of the attributes associated with the Palestinians as a rival. For example, a 2005 poll found that when asked, 'To what extent do you think that reconciliation between Israeli Jews and Palestinians is desired?', 67.3% of Jews replied 'very desirable' while only 5.6% of Palestinians replied the same; and 23.3% of Jews and 48.5% of Palestinians replied 'desirable', still leaving a considerable gap between the two. This could be superficially interpreted as a lack of desire for peace among the

Palestinian population, but perhaps should better be understood as highlighting the cultural differences between the two.[5] The natural tendency to attribute one's own cultural set of logics and concepts to one's rival could in this case create unrealistic public expectations and provide a tool for spoilers to undermine the support of the real positive policies that will emanate from a peace deal.

Perhaps a better manner in which to articulate the merits of a peace agreement would be to stress its overall objective in dynamic terms rather than as an ideal end-result. In other words, this would mean conceptualizing and presenting an agreement as a mutual understanding which introduces a new set of rules that will govern the actions taken by each side. The conflict itself will not disappear following a signing ceremony, but its implementation process will gradually alter the conflict environment in such a manner as to continuously lessen the tensions between Israelis and Palestinians, eventually changing the nature of the conflict. Rather than aspiring to end the conflict, it might be preferable to aspire to steadily lessen it until it is scarcely recognizable.

Conclusion

This assessment of Israeli perspectives on the refugee issue and the significant challenges it poses to any Israeli leadership wishing to negotiate its resolution, while raising key difficulties, should be viewed in optimistic rather than in pessimistic terms. The fact that both sides have reached the point where the refugee issue remains to a large extent the last piece of the agreement puzzle shows just how far both sides have travelled towards a comprehensive negotiated agreement. While the level of complexity involved is high, further work at the political, expert and public levels could secure its resolution.

From an Israeli perspective, more strategic work is needed at the political/policy-making level so as to determine the resolution level required for the agree-

---

5   Ephraim Yuchtman-Ya'ar, 'Ordinary Palestinians and Israelis: mutual perceptions, emotions and attitudes towards the idea of peaceful co-existence', *The Evens Program in Conflict Resolution and Mediation* (Tel-Aviv: Tel-Aviv University, 2005).

ment itself, as it is obvious that many of the details involved will have to be developed outside the main negotiation framework. The Israeli leadership should then articulate the leading principles it needs to secure within the agreement. To this end, more work is needed to enable the set of alternative operational frameworks involved to be presented to the decision-makers. This will require further systemic analysis that will not only review detailed policy alternatives but also present a systemic view of their interrelationship.

At the same time, more research and strategy development work is needed to assess existing attitudes and possible avenues for widening the public discourse in Israel. To this aim, the Israeli media should also be encouraged to present the different debates and elements of the issue.

From an international perspective, the leading contribution could be to convince both sides to support the creation of a task force of leading experts that could work alongside the negotiation process and present operational designs. This would take much of the load off the actual negotiating parties and translate strategic options into operational ones so as to help the decision-making process.

Chatham House Palestinian Refugees Project (The Minster Lovell Process)

The Chatham House project on the Palestinian Refugee Issue in the Middle East Peace Process, ongoing since 1999, aims at an in-depth examination of the regional, legal and political complexities of the issue. By the end of 2008, 28 gatherings will have been held, mostly in the Oxfordshire village of Minster Lovell, and also in Cyprus and the Middle East. The activities over that period have been funded by the European Union, the International Development Research Centre (Canada), the Swiss Agency for Development and Cooperation and the UK Foreign and Commonwealth Office.

The Minster Lovell Process provides an informal mechanism to bridge some of the communication gaps that exist between parties directly concerned with the Palestinian refugee issue. It seeks to raise awareness of the issue and to highlight the importance of its regional dimension through continuous dialogue in the absence of, and in preparation for, formal negotiations.

This briefing paper is the second in a series to be published in 2008.

For further information, please see:
www.chathamhouse.org.uk/palestinian_refugees

Chatham House has been the home of the Royal Institute of International Affairs for over eight decades. Our mission is to be a world-leading source of independent analysis, informed debate and influential ideas on how to build a prosperous and secure world for all.

Dr Orit Gal is an independent strategic consultant based in London, specializing in strategy development in complex environments. Over the past seven years she has concentrated her work on issues of complexity in conflict environments and the intersection between development economics and security. From 2004 to 2006 she worked for the Operational Theory Research Institute of the Israeli Defense Forces (OTRI). Her specific focus was integrating the political-economic dimension into military conceptual frameworks. Prior to OTRI, Orit worked as a project director for the Economic Cooperation Foundation, a leading Tel-Aviv think tank, where she participated in Track II processes *vis-à-vis* the Palestinians and developed policy recommendations on economic relations, the refugee issue and third-party roles.