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## FROM SWORD INTO PLOUGHSHARE — REGIONAL ARRANGEMENTS FOR ISRAEL AND THE PALESTINIANS?

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*The Reality of Globalization / The Impact of Transnational Corporations / Forms of Regional Cooperation / Regional Arrangements between Israel and the Palestinians / A Regional Identity? / A Slow Beginning / The Question of Nationality / Interest Articulation / Problems of Communication / Conclusions*

### **The Reality of Globalization**

At the edge of the millennium, globalization is no longer an academic or theoretical thesis but an evolving reality that has changed the essence of the nation-state. The upgrading of the world's communications infrastructure has created a new, rapidly-changing reality in which news of opportunities reaches everywhere. The technological revolution in computing and telecommunications has been the main factor fueling the economic rationale for playing globally.

Over the past fifty years, world trade has been largely liberalized, international capital markets have gradually opened, and more and more nations are taking part in the world economy. Yet, apart from relatively limited international trade in goods and services and a few industries that globalized early, national economies have remained predominantly local. Since the early 1980s, the forces at work in the

world economy have begun to break down the barriers between national markets, and the ultimate result is a reconfiguration of the nation-state and the world system.

### **The Impact of Transnational Corporations**

Transnational corporations from the developed states of North America and Western Europe have been seeking profitable investments worldwide, and their activity has been a major factor in reshaping national and international markets, decentralizing traditional power centers, and re-fragmenting markets. The newly investing corporations act in three ways: (a) to develop and establish totally new products and markets for new clientele, thus utilizing the benefits of new technologies; (b) to mix and blend into the existing, traditionally operating markets, introducing new and more efficient working methods and technologies, and enlarging the existing clientele, resulting

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in greater activity and competition through rivalry; (c) to exploit existing knowledge and resources in order to continue traditional manufacturing for the existing, shrinking market. Transnational corporations dictate their needs to the host country, creating symbiotic relationships with the ruling elite. They receive low-wage human resources in return for bringing development, modernization, infrastructure, and urbanization, thus enhancing liberal values and democratization in a later phase.

Another profitable method for increased development has been cooperation with neighboring states, which leads to gaining an enlarged market that is accessible at relatively close proximity.

### **Forms of Regional Cooperation**

There are two main types of regional arrangements:

1) The organic type characterizes functionally cooperative states, where civic culture is state- and community-oriented. Regional agreements evolve as a result of closeness in culture, mutual understanding, and shared values. Although religion or belief is not always the same, a general philosophy encompasses all the participants. Regional groupings of this type which exist today include the Association of Southeast Asian Nations (ASEAN), the Southern Common Market (MERCOSUR), and the Nordic Council.

2) The economic type characterizes states which, as a result of economic pressure, decide that they would benefit from economic cooperation, which then led to social and cultural exchange. Examples of this type of regional grouping include the European Union, the Caribbean Community (CARICOM), and the North American Free Trade Association (NAFTA).

Each of these regional agreements differ from the others, although all seek to achieve a balance among the interests of the participants. Often this is possible when the synergetic energy that exists in regional arrangements is exploited.

Another benefit from the expansion of regional arrangements has been the fading of violent conflict. After the collapse of communism in the Soviet Union and Eastern Europe, the U.S. remained the only global superpower. In order to enlarge its influence and reduce security costs, Washington has encouraged regional arrangements to assume responsibility for peace-keeping. The active role

that NATO has played in the Kosovo conflict was a direct output of common American-European interests. However, since not all the members of NATO favored the action taken in Kosovo, NATO's military intervention raised new questions about the boundaries of the EU and moral issues about sovereignty. In the final analysis, although worldwide security, disarmament, and deterrence have not yet been achieved, and nation-states continue to advance their security interests, a decline in traditional wars must be noted.

### **Regional Arrangements between Israel and the Palestinians**

What are the possibilities for the development of a regional arrangement between Israel and the Palestinian future-state? This question is based on the success of such arrangements elsewhere in the world, the resolution of traditional conflicts such as in South Africa and Ireland, and the strengthening of positive, cooperative forces.

Since the 1970s, various plans for confederation between Israel and Jordan, and later between Israel, Jordan, and the Palestinians, have been drawn up, without any institutionalized results. The primary reason for failure has been the absence of trust between the parties, who fail to discern the benefits of such cooperation.

Yet the establishment of a confederation between Israel, the Palestinians, and Jordan remains an attractive idea. The problem of representation of the Palestinians was solved by the Oslo process, and the future may bring the founding of a Palestinian state. The existing institutionalized and legally elected body (the Palestinian Authority) can negotiate for the benefit of the Palestinians. The quest for economic development would benefit both sides. But still, can the Israelis and Palestinians realize the mutual advantages that could end the traditional mistrust and the conflict itself?

### **A Regional Identity?**

For regional arrangements to succeed, scholars have noted the prior need for a "regional identity" that distinguishes each region. The importance of that identity is in creating communal processes and finding a common denominator to enhance development. Regional rhetoric, policy, social functions, myth, similar or almost similar beliefs, ethnicity, and history are the main variables that demarcate

regions. The derivation of regional identity makes cooperation feasible without harming the existing social and communal infrastructure. Such cooperation is based on mutual understanding and accepting each side's differences. Therefore, policy is agreed upon between elites and executed by bureaucrats. The communities that are divided between the member states cooperate through mutual heritage and culture, enlarging the responsibilities and roles of the communities by establishing informal institutions.

New norms, values, and rules are integrated with the traditional. An actor who adopts the new values contributes to structural changes in the state that lead to organizational, social, and even political change.

### **A Slow Beginning**

In the case of Israel and the Palestinian Authority, we can observe a slow process of mutual acceptance. Rabin, Peres, and the Netanyahu government, reluctantly, all came to terms with Arafat and the Palestinian Authority. The Wye agreement of October 1998 and the Israeli elections of 1999 prove that, regardless of political ideology, the Israeli political consensus accepts the Palestinian autonomy concept. If this leads to sovereign statehood, this would remove the first barrier to an eventual regional arrangement.

The differences between the two civil societies is great. The Israeli civil service is derived from Western-style bureaucracy, combined with Eastern European working methods, whereas the Palestinian bureaucracy is based on extended family ties, combined with Oriental-originated bureaucracy. This situation creates conceptual problems such as in defining the actual meaning of "time," "bribery," "fulfilling obligations," and the like for both sides.

An additional obstacle involves the presence of uncompromising individuals in the civil service in both parties who oppose the change and regard communal goals as a danger to national existence.

Therefore, communication and cooperation is difficult. Establishing a transcultural working method requires an agreed framework of concepts and good will from both sides.

Despite these difficulties, good relations and fruitful cooperation exist between the Israel Ministry of Health (IMOH) and the Palestinian Health

Authority (PHA). Both parties have shown good will, and direct contacts and dialogue have persisted.

In the field of energy, regional electricity interconnection between Israel and the Palestinian areas has increased the reliability of the system and provides electricity to consumers at lower cost. Furthermore, specific plans have been prepared for connecting the Jordanian, Egyptian, Palestinian, and Israeli electricity networks. Unfortunately, the Jordanians, Palestinians and Egyptians went ahead and signed a mutual electricity agreement that leaves Israel out. They excused their action by claiming it was a result of difficulties in the progress of the peace process.

Questions involving the scarce strategic resource of water have not been solved, but both sides are engaged in negotiations about water distribution and temporary solutions have been designed.

The list of functionally-based joint Israeli-Palestinian committees which have been agreed upon includes the following:

1. Public health, including preventive medicine and epidemiology.
2. Drugs and pharmaceuticals
3. Food quality control
4. Training programs for health and medical personnel.

Additional fields of Israeli-Palestinian cooperation today include referral of Palestinian patients to Israeli hospitals for hospitalization and ambulatory care. About 4,000 Arab patients from the territories are referred yearly for hospitalization and about 8,600 patients are referred yearly for ambulatory procedures and therapeutic care. Palestinian Red Crescent ambulance drivers receive training in first aid and emergency medicine from Israeli Magen David Adom instructors. The PHA and the IMOH purchase drugs and immunizations from the same Israeli source. In addition, joint projects have been developed in the areas of primary health care, occupational medicine, rehabilitation, and post-graduate training, which are carried out and supervised by the Economic Cooperation Foundation.

New institutionalized outside actors have appeared who join the game and blend into the region, enhancing growth and development as well as cooperation. At the Erez crossing in Gaza, an in-

dustrial park has been established which provides jobs for Palestinians and investment opportunities for Israelis and transnational corporations (like Coca-Cola).

Cultural change is occurring on both sides. Palestinian society has been exposed to Israel since 1967 and more than one generation has gotten used to Western-style democratic society, which has caused sociological changes in the hierarchical Palestinian society, thus introducing new norms of freedom of speech and disobedience toward elders. A younger generation has replaced the traditional leadership. Yet it was the younger generation that pressed for the use of greater violence and sought to build a national liberation army whose officers were from the new intellectual elite. Further evidence of the impact of secularization on Palestinian society may be seen in the construction of a gambling casino in Jericho, which has proven attractive to secular Israelis.

### **The Question of Nationality**

Nationality derived from one's nation's history and culture is an important factor in the individual's relation to the state, but globalization opens the possibility of a "regional nationality." Improvements in communications have led to the transmission of such ideas to the most remote parts of the community.

In Israel and the territories, the question of nationality is the essence of the conflict. Therefore, regional identity does not encircle all of the nationalities that live there.

The Israeli Jews have established a problematic Israeli-Jewish identity, accepting the Arab minority but without integrating it into Israeli socioeconomic life. The Israeli Arab minority itself is in transition, deserting its former Israeli Arab nationality and moving closer to the Palestinian nationality. The question of dual loyalty arose soon after the 1999 elections when newly elected Prime Minister Ehud Barak nominated an Israeli Arab Knesset member from an Arab party to a seat on the Knesset Foreign Affairs and Defense Committee, where the nation's top military leaders present sensitive security briefings.

Palestinian nationality itself has evolved since the beginning of Zionism a hundred years ago, the establishment of the Hashemite Kingdom of Jordan (that had oppressed the Palestinians), and the pol-

icy of Egyptian President Nasser who used the establishment of the PLO to strengthen his own position in the Arab world.

Palestinian nationality differs from that of the other Arab nationalities, not because of different values, but because the other Arab states regard the Palestinians as different. Since they lack a state with which they can identify, their loyalty is to Palestinian political parties and, to some extent, to the Palestinian Authority.

### **Interest Articulation**

Interest articulation represents national character and civic culture. The Palestinian Authority has been successful in creating a semi-democratic interest articulation system, based upon a continuum of political parties including Arafat's Fatah, the largest party, other secular parties (Popular-Front; Democratic Front), and the religious Muslim parties.

Arafat ensured majority support for PLO nominees from Fatah during the 1996 elections by dividing the West Bank into sixteen election districts, a system which thus minimized the success of the smaller parties. Arafat personally selected the Fatah nominees, regardless of their popularity or political achievements. Political opponents were prohibited entry into Gaza and the West Bank.

Another kind of interest articulation was seen in the Israeli municipal elections in 1998. Fauzi Nimer from Gaza, a member of the Palestinian National Assembly who is responsible for contacts with Israeli Arabs, sent an official letter to Israeli Arab voters encouraging them to vote in the Jal-julia council elections for a pro-Palestinian candidate.

### **Problems of Communication**

Examining the content of Palestinian communications, we find voluptuous speeches promising a glorious, uncompromising, victorious future. Words like "martyr," "holy war," "holy capital," "land," and "motherland" appear frequently in every speech, far more than words like "peace process." Since the Wye agreement, Arafat has often vowed to declare an independent state with Jerusalem as its capital. This communication style is derived from Muslim culture and speaks to the intellectuals and radical revolutionaries as well as to the common people.

Yet communal communications between Israeli Jews and Palestinians barely exist, though there have been ongoing meetings between small ideologically-motivated groups from both sides.

### Conclusions

So what are the possibilities for establishing a loose confederation between Israel and the Palestinians for the economic, social, and security benefit of both sides?

The philosophy of confederation is based on sovereign states collaborating on some subjects while retaining full state sovereignty on others. Such a loose type of confederation would fit into the pattern of economically-based regional arrangements, which would then foster social and cultural exchanges.

The benefits of such a solution are evident. Each member is able to preserve its own cultural characteristics while a new cooperative subculture and civil culture would evolve organically. Such a development may lessen the hostility of some circles on both sides who oppose any cultural spill-over. The resulting cultural pluralism might contribute to the integration of Israel (to a limited extent only) into the region and to greater trust between the parties.

Furthermore, the respective ruling elites will be able to maintain their power centers and foster their own growth and development. Since economic stability, foreign investment, and increased development is an essential interest for each of the parties, cooperation in peace-keeping and reducing terror would be logical. Radical and fundamentalist groups which opposed this pragmatic approach would have two options: to join in the legitimate political game and continue their ideological struggle in that arena, or to endanger themselves in violent encounters with the military forces of both Palestinians and Israelis. While such an approach means the elimination of the use of terror as a powerful, coercive, political and diplomatic tool, the alternative will be more profitable for both sides.

A loose confederation may also help to par-

tially solve the historical conflict. The question of nationality has been an issue of long-standing dispute for both sides. Israelis did not begin to accept the existence of Palestinian nationality until the late 1980s. Palestinians base their demands on the historical fact that they occupied the territory before the Zionists, thus ignoring Jewish history. The Palestinian Charter even demanded the extermination of the State of Israel. Thus, the two nations have been locked in a religious-based, historical dispute. A solution based on mutual respect and acceptance will enable Israelis and Palestinians to co-exist, achieving a "mutual testing period," during which cooperative economic forces will be at work to strengthen the fragile ties.

As noted, some inter-community cooperation is evolving, especially between Israeli Jewish investors, the Israeli Arab minority, and the Palestinians. Such cooperation is often based on contacts and encounters between Christian Israeli Arabs and Christian Palestinians.

Yet, at present, the functional variables that are essential for cooperation towards a regional arrangement between Israel and the Palestinians exist only partially and at a very low level. Most successes have been in humanistic fields involving health, infrastructure, and tourism. Cooperation in these fields is the easiest, since both sides experience immediate benefits. However, in areas that are more complicated and include more variables, less cooperation has been noted. It is up to the political elites to overcome the generations of mutual mistrust in order to broaden regional cooperation between Israel and the Palestinians.

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Shosh Shor is a political scientist by training who has been studying the phenomenon of regional arrangements throughout the globe. This *Jerusalem Letter/Viewpoints* is based on her presentation on "Federalism and Peace-Making" at the Fall 1998 meeting of the International Association of Centers for Federal Studies held at the Jerusalem Center for Public Affairs.

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