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**Escalating to Nowhere: The Israeli-Palestinian War**

***Rough Working Draft: Circulated for Comment and  
Correction***

# **From Peace to War: Land for Peace or Settlements for War?**

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## **Introduction**

The reader should be aware that this is an initial rough draft. The text is being circulated for comment and will be extensively revised over time. It reflects the working views of the author and does not reflect final conclusions or the views of the CSIS.

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## II. From Peace to War: Land for Peace or Settlements for War?

The Israeli-Palestinian conflict is a war where both sides are to blame for a failed peace process. Much of this failure was the result of avoidable mistakes on the part of both Israel and the Palestinians and flaws in their respective leadership that could have been avoided. At the same time, the war also grew out of inherent weaknesses in the failed peace process. There was nothing inevitable about the failure of the peace process, but many of the factors that led to its failure and to war were present virtually from the beginning, and have done much to shape the course of the fighting since September 2000.

The end of the Gulf War in 1991 led the Bush Administration to undertake a new regional peace initiative in 1991. As a result, the Israeli government and the Palestine Liberation Organization (PLO) began secret peace negotiations, moderated by the Norwegians. Officials from Israel and the PLO held these talks outside of the framework of the Madrid Conference due to its perceived lack of effectiveness. The Oslo Declaration of Principles (DOP) was signed on September 13, 1993, laying the foundation for the peace process and surprising much of the world.

In retrospect, the Oslo Accords and the Israel-PLO Declaration of Principles on Interim Self-Government Arrangements (the DOP) of September 1993 probably represented the best agreement that could have been achieved at the time. Nevertheless, they had several critical weaknesses that helped lead to war:

- They were based on the assumption that Israel and the Palestinians could move forward and reach a full peace without formal arrangements for strong and continuing outside support and mediation.
- They only offered the Palestinians land for peace under severe restrictions, and the transfer of territory was implemented erratically and too slowly. “Land for peace” was not structured in a way that gave the Palestinians dignity or sovereignty, or the amount of land needed to sustain Palestinian support.
- They ignored deep divisions within Israel and the depth of opposition to the peace process inside Israel. They did not commit Israel to a well-defined course of action in limiting and rolling back Israeli settlements. Some Israelis perceived the peace process as a struggle to create new facts on the ground and to create the most favorable Israeli position possible before a final settlement. Others saw settlements as a means of blocking or altering a peace process Israel should not

have agreed to. Governments that did support peace failed to aggressively halt the settlement effort, believing this could come in the future.

- They did not anticipate the impact of other security problems in the peace process. Both Israel's search for peace with Syria and Jordan, and for a solution to its conflict in Lebanon, created other oftentimes conflicting priorities that meant Israel was not able to effectively focus on the peace process.
- The problems in transforming a Palestinian movement oriented around armed struggle into a protostate were underestimated, and particularly the security dimension. The Palestinians were not ready for the tasks they had to take on, and the new Palestinian Authority was not ready to reject armed struggle or move from a revolutionary movement to a protogovernment.
- They underestimated the threat posed by those Palestinian groups that did not accept the peace process and which were ready to use violence and terrorism to make peace impossible. They set too high a standard for Palestinian security, but also failed to force the Palestinian Authority to make a decisive commitment to abandoning armed struggle and rejecting any tolerance of terrorism.
- They allowed Israel to retain responsibility during the transitional period for both external and internal security in much of Gaza and the West Bank, and for maintaining the public order of settlements and Israeli citizens. However, they did not find mechanisms that prevented Israel from exercising such responsibility in ways that the Palestinians perceived to be continuing signs of occupation. Moreover, they did not bind the Palestinian Authority to cooperate in ways that would have minimized the risk of violence and terrorism.
- The economic and social underpinnings of a peace were left largely to slogans and good intentions. As a result, the peace process did little to close the gap between Israelis and Palestinians or to create a stable basis for a Palestinian economy. Israelis became richer, and any "peace dividend" for the Palestinians was too small and unstable to matter.
- They deferred dealing with the most serious issues that divided the two sides, rather than seeking to resolve them from the start. This was particularly a problem for Israel which, as the "have" power in the peace process, often failed to understand the pressures driving Palestinians as "have nots." The fundamental differences between both sides were not really resolved but papered over by leaving them to "final settlement talks" that had a deadline for completion, but no detailed plan and milestones for action.

Looking at this list of problems, it is clear why each side had reason to fear and distrust the other, and might pursue what it felt to be its vital interests at the cost of the peace process. At the same time, the impact of these weaknesses in the peace process was different on both sides. The most critical factor leading to the Israeli-Palestinian War from the Palestinian perspective was the fact that the peace process did not appear to bring dignity, sovereignty, or a clear right to Palestinian land and territory. Israeli settlement activity continued, while "land for peace"

faltered and did not bring sovereignty. The most critical factor from the Israeli perspective was that the peace accords did not bring security and did not put an end to terrorism. Instead, each major step in the peace process brought a new wave of violence where the Palestinian Authority did not act decisively to end attacks and suicide bombing.

The end result was that the peace process became a struggle for power and influence between the two sides long before the events of September 2000 created a state of low-intensity conflict. The Israeli government did not do enough to halt settlement activity during the process. It believed that it could defer the internal political problem until withdrawals solved the problem in most areas while, at the same time, seeking to create facts on the ground in key zones like the greater Jerusalem area. Moreover, the Palestinian Authority made too little of an effort to abandon the rhetoric of armed struggle, and at least tolerated some terrorist activity to use as a lever against Israel.

However, the Oslo DOP did not offer a permanent solution. It instead provided a framework for a solution and made a peace treaty between Israel and Jordan feasible. As part of the agreement, both sides committed themselves to continue negotiations, to improve relations between the two peoples in order to reach a peaceful settlement, and to recognize each other's right to exist as coexisting nations.

### **Problems in the Initial Framework for Peace**

The momentum and continuity of the peace process was another key problem. The process of trading land for peace began relatively slowly and under what originally was a deadline that called for its completion by September 1998. The Israel-PLO Declaration of Principles on Interim Self-Government Arrangements (the DOP) was signed in Washington on September 13, 1993. The Declaration provided for a transitional period of Palestinian interim self-government in the Gaza Strip and the West Bank that was not to exceed five years. Israel also agreed to transfer certain powers and responsibilities to the Palestinian Authority, which included the election of the Palestinian Legislative Council in January 1996, as part of the interim self-governing arrangements in the West Bank and Gaza Strip.

Initial progress was relatively smooth. The first transfer of powers and responsibilities for the Gaza Strip and Jericho took place pursuant to an Israel-PLO agreement on May 4, 1994, that became known as the Cairo Agreement on the Gaza Strip and the Jericho Area. The two parties

agreed to transfer additional areas of the West Bank as a result of the Israel-PLO Interim Agreement of September 28, 1995.

The September 1995 accords began major trades of “land for peace” on the West Bank that went far beyond the token control of Jericho, which the Palestinian Authority obtained in 1993. The accords instigated a “land for peace” process that raised far more serious issues in terms of conflicting Israeli and Palestinian goals and perceptions. They divided the West Bank into three distinct areas and stipulated that the Palestinian Authority was to gradually acquire control over seven largely Palestinian cities and approximately 450 Palestinian towns. According to the accords:

- Area A included Jenin, Nablus, Tulkarm, Kalkiyla, Ramallah, and Bethlehem. Special security arrangements were set up for Hebron, with one district largely under the authority of the Palestinian civil police and another -- where the Israeli settlers live -- under Israeli control. The Palestinian Council was given full responsibility for internal security and public order, as well as full civil responsibilities.
- Area B comprised roughly 450 Palestinian towns and villages of the West Bank. In these areas, which contained some 68% of the Palestinian population, the Palestinian Council was granted full civil authority as in Area A. As a result, the Palestinian Authority was to have authority over nearly 98% of the Palestinian population. The Council was to be charged with maintaining the public order, while Israel had overall security authority to safeguard its citizens and to combat terrorism. This responsibility was to take precedence over the Palestinian responsibility for public order. Twenty-five Palestinian police stations, each with 25-40 civil police, could be established in specified towns and villages to enable the Palestinian Authority to exercise its responsibility for public order. These included stations in Yamun, Meithalun, Kafr Ray, Jalqamus, and Burqin in the Jenin District; Asirat al-Shamaliyya, Talouza, Tell, Talfit, Tamun, and Aqraba in the Nablus District; Shuweika, Kafr Zibad, Anabta, and Illar in the Tulkarm and Qalqilya District, Tuqo'a in the Bethlehem District, and Yata, Dhahiriyya, Nuba, Dura, and Bani Na'im in the Hebron District. The agreement contained provisions fixing the number of police at each station and requiring that the movement of the Palestinian police in Area B be coordinated and confirmed with Israel.
- Area C comprised about 68% to 70% of the West Bank, and included unpopulated areas, Jewish settlements, future Jewish settlement areas, strategic roads, strategic high points along the West Bank hill ridge, and areas used by the IDF such as military depots, deployment areas, early warning and intelligence facilities, and training areas. Israel was to retain full responsibility for security and public order. The Palestinian Council, however, was to assume all civil responsibilities not related to territory, such as economics, health, education, etc. in the parts of Area C that are eventually turned over to the Palestinian Authority.

The agreement called for Israel to transfer 13% of Area C (full Israeli control) to the Palestinians, with 1% going to Area A (full Palestinian control) and 12% going to Area B (joint Israeli-Palestinian control). Furthermore, it called on Israel to transfer 14.2% of Area B to Area A. These transfers were to take place in three stages.

According to the schedule agreed to in September 1995, the Palestinian Authority was to gain control of Jenin on February 11, 1996, Tulkarm on February 18, Nablus on February 25, Qalqilyah on March 3, Ramallah on March 10, Bethlehem on March 17, and Hebron on March 24. The entire Israeli withdrawal was to be completed by March 24, 1996. In the course of these major redeployments, additional sections of Area C were to be transferred to the jurisdiction of

the Palestinian Council, so that by the completion of the redeployment phases Palestinian territorial jurisdiction would cover most of the West Bank except for areas where the jurisdiction was to be determined by the final status negotiations (settlements, military locations, etc.).<sup>1</sup>

### **Rabin's Assassination and the Impact of Netanyahu**

Before these steps could be taken, however, an Israeli Jewish extremist assassinated Prime Minister Rabin on November 4, 1995. This assassination deprived the peace process of one of its most important leaders, and proved to be a seminal act of terrorism that not only delayed progress in moving towards a final settlement but it also helped lead to war.

Initially, however, this did not appear to be the case. Partly as a result of the assassination of Prime Minister Rabin, Israel sped up its withdrawals from Jenin, Bethlehem, Tulkarm, Nablus, and Qalqilya. Nearly all of the transfers in Areas A and B were completed by early January 1996.<sup>2</sup> After that time, however, Palestinian attacks had powerful alienating effects. Israeli politics became far less supportive of the peace process and the effort to reach a final settlement, and far more demanding in regards to security.

The Palestinian Authority created serious impediments to the peace process. Foremost, it failed to renounce armed struggle and to crackdown decisively on terrorism. The September 1995 accords called for the PLO to revoke those articles of the Palestinian Covenant calling for the destruction of Israel within two months of the inauguration of the Palestinian Council. The Palestinian Authority, however, only took limited steps to comply and its actions were never convincing or carried out in enough depth to satisfy Israel. More detrimental perhaps, the Palestinian Authority made slow and inadequate efforts to deal with terrorism, organize effective security forces, and bring anti-peace extremist groups under control.

The election of Netanyahu as Prime Minister on May 29, 1996 brought a new Israeli government to power with little or no commitment to a true peace and which had a strong commitment to retaining control over the greater Jerusalem area and expanding Israeli settlements. The new government slowed and sometimes even halted Israeli withdrawals. However, Prime Minister Netanyahu did complete the first stage of the Wye Accords, withdrawing from approximately 1% of the West Bank. This action triggered a revolt in the Israeli government's hard-line coalition. Prime Minister Netanyahu subsequently froze the agreements and claimed the Palestinians had not upheld their end of the agreement. As a result,

Israel completed only the first stage of the transfers, moving 2% of Area C to Area A, and 7.1% of Area B to Area A, before it froze further withdrawals. Although this was not specified in the various accords, the IDF also retained the right to set up checkpoints and roadblocks around Palestinian cities and villages.

## **The Wye Agreement of 1998**

These events led to a near breakdown in the peace process during 1996 and 1997. In fact, it was the failure of previous efforts like the Israel-PLO Protocol Concerning Redeployment in Hebron that was signed on January 15, 1997, that led to a major new US negotiating effort in 1998. This effort resulted in the Israeli-PLO Wye River Memorandum that was signed on October 23, 1998. This new Wye agreement called for the withdrawal of Israeli troops from roughly 13 percent of the West Bank in exchange for specific security actions by the Palestinian Authority such as cracking down on terrorist groups. It called for Israel to resume its withdrawals in return for Palestinian concessions relating to timing and security. It called for greater cooperation among the Palestinian security forces in the crackdown against terrorism, an Israeli troop redeployment from an additional 13 percent of the West Bank (to take place within a 90 day period), and the transfer of more than 14 percent of jointly controlled land to full Palestinian control. The memorandum included other elements designed to act as incentives to the Palestinians such as the opening of an airport in Gaza, the guarantee of two corridors of safe passage between Gaza and the West Bank, and a third Israeli troop redeployment from the West Bank.<sup>3</sup>

As Table II.1 shows, however, the expansion of settlements continued. Terrorism did not stop, and each side perceived the other as guilty of violating the letter and spirit of the peace process.

## **The Sharm el-Sheikh Memorandum of September 4, 1999**

The failure to fully implement the Wye agreement was one of the main factors that eventually led to the collapse of Netanyahu's government at a time the Israeli public strongly supported the peace process.<sup>4</sup> Netanyahu was defeated in May 1999, and a pro-peace Prime Minister, Ehud Barak, was elected in a landslide victory. This helped lead to new negotiations and to the Sharm el Sheikh Memorandum of September 4, 1999. As part of this memorandum, Israel and the Palestinian Authority agreed that Israel would resume its withdrawals according to a new schedule.

- Israel was to transfer 7% from Area C under full Israeli control to Area B under joint control between September 11 and 13, 1999.
- The Palestinian Authority was to report on the collection of illegal weapons and arrested terrorist suspects on October 15, 1999.
- Israel was to transfer 2% from Area B under joint control to Area A under full Palestinian control, and 3% from Area C under full Israeli control to Area B on November 15, 1999.
- Israeli was to transfer 1% from Area C under full Israeli control to Area A under full Palestinian control, and 5.1% from Area B under joint control to Area A, on January 20, 1999.
- The target date for the completion of final agreement was September 13, 2000. (The original deadline set in the Oslo Agreement of September 13, 1993 was May 4, 1999.)

In return, the Palestinians agreed to implement an effective legal framework to criminalize the importation, manufacturing, or unlicensed sale, acquisition or possession of firearms, ammunition, or weapons in Palestinian-controlled areas.

If one examines the history of territorial transfer in terms of percentages, the shift in control of the West Bank was relatively slow. Oslo II put 2% of the West Bank in Area A (Palestinian military and civil control), 26% in Area B (Palestinian civil control and Israeli military control), and 72% in Area C (Israeli military and civil control.) The first of the three transfers called for in the Sharm el-Sheikh Memorandum was completed by Israel on September 10, 1999, and transitioned a total of 9.1% of the West Bank into Area A, 27.9% of the West Bank into Area B, and 63% of the West Bank into Area C. Israel fulfilled the second stage of the Sharm el-Sheikh redeployment plan on January 6, 2000, changing the percentages once again to 11.1% (Area A), 28.9% (Area B), and 60% (Area C).

The third part of the Sharm el-Sheikh redeployment agreement was completed on March 21, 2000, further altering the percentages so that 17.2% of the West Bank was under Palestinian

military and civil control (Area A), 23.8% was under Palestinian civil control and Israeli military control (Area B), and 59% remained under Israeli military and civil control (Area C). In short, the three Sharm el-Sheikh redeployments transitioned 39.8% of the West Bank to come under full (18%) or partial (21.7%) Palestinian control.<sup>5</sup>

Geographically the 39.8% of the West Bank that was transferred to Palestinian management was divided roughly equally between full and partial Palestinian self-rule. However, after the redeployments, nearly 60% of Palestinians living in the West Bank were living under Palestinian control—including all major Palestinian cities and towns. For instance, the towns of Salfit, Beitounia, Halhoul, Yatta, Dura and Dahariyah were all converted to Palestinian control, although the scale and effectiveness of self-government still varied by town.

While the percentage increases cited above left only about 40,000 Palestinians in Area C, the increases also left the West Bank deeply divided in many practical ways. In many cases, Israel retained control over the most valuable land, controlled a number of security routes, and maintained most of its forces. For example, a bridge between Hebron and Halhoul was put under full Palestinian control, but the highway over which the bridge crossed remained under full Israeli control.

The Sharm el-Sheikh Memorandum also called for the opening of two Palestinian “safe passages” between the West Bank and Gaza, based on the definition of “safe passage” given in the Oslo II agreement: movement “without any interference from Israeli authorities.”<sup>6</sup> Specifically, the Memorandum stated that protocol for a southern route of safe passage would be developed no later than September 30, 1999, and that the route would begin operating on October 1, 1999. It also called for a northern safe passage route, connecting Gaza with the northern part of the West Bank (and based upon the protocol developed for the southern route), to be established by February 5, 2000.<sup>7</sup>

Israeli and Palestinian differences over operational details delayed the development of safe passage protocol. Eventually a compromise was reached that addressed all of Israel’s security concerns and which determined that Palestinians would apply to the Palestinian Authority for transit cards, rather than to Israel, but Israel would retain final authority over the list of approved applicants forwarded by the Palestinian Authority. On October 5, 1999, Shlomo Ben-Ami, the Israeli Public Security Minister, and Jamil Tarifi, the Palestinian Civil Affairs

Minister, signed the “Protocol Concerning Safe Passage between the West Bank and the Gaza Strip.” This agreement established a “safe passage” corridor along a 44-kilometer (27-mile) route using Israeli roads between the Erez Crossing in northern Gaza and Tarkumiyeh in the southern part of the West Bank near Hebron.<sup>8</sup>

On October 25, 1999, the southern safe passage was opened for Palestinian traffic. According to the Palestinian Authority “the northern safe passage route was never opened.” Moreover, “the southern safe passage route was closed on October 8, 2000,” as a result of the outbreak of the Israeli-Palestinian conflict, and has yet to reopen.<sup>9</sup>

## **The Continuing Growth of Israeli Settlements**

The most significant failure of the peace process from the Palestinian viewpoint was that no Israeli government ever halted the settlement process. The Oslo Declaration of Principles made no mention of the establishment of a Palestinian state or required the cessation of Israeli settlement activity in the West Bank, Gaza, or the Golan Heights. According to Israeli writer Amos Oz, “Oslo was not even given a day’s grace. Immediately, even before the ink was dry, the one side planned jihad and the brainwashing for jihad, while the other planned settlements.”<sup>10</sup> While the realities of the document’s effect have been tirelessly debated, the facts on the ground speak for themselves.

From the signing of the Oslo Declaration of Principles in 1993 to 2003, according to the CIA World Factbook, the settlement population dramatically increased from approximately 254,000 in 1993 to 389,000 in 2003.<sup>11</sup> After the resurgence in violence in September 2000, the Mitchell Report, commissioned by former United States President Clinton, determined that a major instigator of the violence and obstacle to peace was in fact the expansion of settlements and recommended that Israel “freeze all settlement activity, including the ‘natural growth’ of existing settlements,”<sup>12</sup> The report continued to say that “The kind of security cooperation desired by the GOI [Government of Israel] cannot for long co-exist with settlement activity.”<sup>13</sup> In fact, the report stipulated that “A cessation of Palestinian-Israeli violence will be particularly had to sustain unless the GOI freezes all settlement construction activity. Settlement activity must not be allowed to undermine the restoration of calm and the resumption of negotiations.”<sup>14</sup>

These trends are shown in Table II.1, for the period from 1992-1998, and in Table II.2 for the period from 1994-2000 and the beginning of the Israeli-Palestinian War. The rise in

population by settlement in the West Bank is shown in Table II.3, the rise in Gaza is shown in Table II.4, and the rise in the Golan is shown in Table II.5.

As Tables II.1 to II.4 reveal, the number and size of Israeli settlements grew steadily, and no areas adjacent to Jerusalem were handed over to the Palestinians during the Israeli withdrawals.<sup>15</sup> The numbers involved may seem small to outsiders used to dealing with very large populations, or with countries with large amounts of arable land or more developed economies, but they were very significant to the Palestinians. From the period between the time that land for peace began and the outbreak of the Israeli-Palestinian conflict in September 2000, the number of settlers in the West Bank increased from 121,000 to 171,000, or by 41%; the number of settlers in East Jerusalem increased from 149,000 to 172,000, or by 15%; and the number of settlers in Gaza increased from 4,800 to 6,500, or by 35%.

## **The Problem of Palestinian Demographics and the Palestinian Youth Explosion**

The prospects for stability were made worse by Palestinian demographics, and a rate of population increase that was far faster than the Palestinian economy, water resources, infrastructure, and holdings of arable land could absorb. The Palestinian population in the West Bank had an extraordinarily high growth rate of 3.39%, and a very young population—nearly 44% of the population was 14 years of age or younger. The Palestinian population in the Gaza was 731,000 in July 1994, and 1,054,000 in July 1998. It totaled 1,225,911 in July 2002, and had increased by 68 percent since 1994. The population growth rate was 3.95%, one of the highest in the world, with 50% of the population being 14 years of age or younger.<sup>16</sup> According to US Central Intelligence Agency (CIA) estimates, the Palestinian population of the West Bank was 1,443,790 in July 1994 – roughly the point when key trades of territory for peace began – and 1,556,000 in July 1998. It totaled 2,164,000 by July 2002, a 50% increase since 1994.

The United Nations (UN) provides a separate estimate of the total Palestinian population of the Gaza, East Jerusalem, and West Bank. It indicates that this population was 1,005,000 million in 1950, and rose to 1,101,000 in 1960, 1,096,000 in 1970, and then leaped to 1,476,000 in 1980 and 2,154,000 in 1990. This increase was partly the result of improvements in income and health services during the initial period of Israeli occupation before the Intifada. The

Palestinian population rose to 2,629,000 in 1995 and 3,191,000 in 2000—a more than 20% increase during the five years before the Israeli-Palestinian War began.<sup>17</sup>

These demographic pressures affect Palestinian attitudes toward Israeli settlements, limit their ability to absorb any return from the Palestinian Diaspora, create massive problems for development, and create an extraordinarily young population that is easy to radicalize. Such pressures are expected to increase steadily with time, as indicated by World Bank estimates that the Palestinian population will increase to 3,569,000 by 2005, 4,186,000 in 2010, 4,819,000 in 2015, 6,005,000 in 2025, and 7,944,000 in 2045. Notably, the World Bank estimates that the Palestinian population of both the West Bank and Gaza will increase from 3.1 million in 2001 to at least 4.8 million in 2015 – an increase of 55% even *if* the current rate of Palestinian emigration out of Gaza and the West Bank continues, birth rates do drop sharply in the near future, and no Palestinians return from the Palestinian Diaspora in countries outside the West Bank and Gaza.<sup>18</sup>

Like the CIA data, the UN data portray an extremely young population that is growing rapidly and is vulnerable to political radicalization. In 2000, the median age of Palestinians was 16.8 years old. The number of Palestinians between 20-24 years of age, the most sensitive in terms of both demand for jobs and political radicalization, rose from 77,000 in 1950, to 126,000 in 1980, to 194,000 in 1990 and to 275,000 in 2000. This population group is projected to reach 418,000 in 2010, 599,000 in 2020, and 948,000 in 2050. The political impact of this kind of “youth explosion” is obvious.

These gross statistics cannot describe the political and cultural impact of such demographic changes in areas like Jerusalem, where every square meter tends to take on political sensitivity, and often has religious significance. They also cannot portray the impact of hyper-urbanization in the Greater Jerusalem area, Gaza, and some areas of the 1967 boundary and the fact that Israeli and Palestinian residential areas have moved steadily closer together. They do not show the resulting problems raised by the allocation of water and infrastructure, or rights to pasturage and arable land. Problems like residence permits, movement to areas of employment, visas, and education, compounded the problem and the political sensitivities involved. They also do not show that most Palestinians had to deal, at some level, with intrusive security activity by both Israel and the Palestinian Authority, and that most Israelis living near Palestinian areas or

who work with Palestinian workers could ever feel totally secure, did more to further aggravate the situation.

Moreover, the problems of land allocation and proximity were compounded by the economic disparity between Israelis and Palestinians. Measured in purchasing power parity terms, the CIA estimates that the average per capita income of Palestinians in 1996 was \$1,100 in Gaza and \$1,800 in the West Bank, while the average income of Israelis was \$17,500. Then in 2001, if per capita income is measured in more classic GNP terms, the World Bank estimates that Palestinian per capita income was \$1,350 in 2001, while Israeli per capita income was \$22,850.<sup>19</sup>

In broad terms, the per capita income of Palestinians did not improve in real terms during the peace process, while the per capita income of Israelis continued to rise steadily. Furthermore, while Palestinian unemployment statistics are oftentimes extremely uncertain, it seems almost certain that direct and disguised unemployment among young Palestinian males never dropped below 25% or surged to over 40% during periods of severe tension between Israel and the Palestinian Authority, when the flow of labor into Israel and Palestinian trade were severely restricted.<sup>20</sup>

**Table II.1**  
**The Pressures Leading to the Israeli-Palestinian Conflict:**  
**Changes in Israeli Settlers in Gaza and the West Bank: 1992-1998**

(Not including Israelis in annexed Jerusalem)

**Growth of Settlements**

	<u>West Bank</u>	<u>Gaza</u>	<u>Total</u>
January 1, 1992	97,800	3,410	101,210
June 1, 1996	145,000	5,500	150,500
June 1, 1998	163,173	6,166	169,339
July , 1999 (CIA)	166,000	6,000	172,000
Population Increase	65,373	2,756	68,129
Percentage Increase	67%	81%	67%
Number of settlements gaining population since 1992 (-1996?)	-	-	109
Number of settlements losing population since 1992 (-1996?)	-	-	13

The CIA estimated that in July 1999, there were 216 Israeli settlements and land use sites in the West Bank, 42 in the Golan Heights, 24 in the Gaza strip, and 29 in East Jerusalem. In addition to the settlers shown, there were 19,000 in the Golan and 176,000 in East Jerusalem.

**Status of Occupancy**

	<u>Residential Units</u>	<u>Empty Units</u>	<u>Vacancy Rate in Percent</u>
West Bank			
CIA Estimate	41,000	9,939	26
Israeli Central Bureau of Statistics	31,763	3,312	10.4
Gaza Strip			
CIA Estimate	2,300	1,300	56
Israeli Central Bureau of Statistics	1,847	754	41
Katfi Bloc Settler Council	1,500	340	22
Peace Now, Nov, 96	-	-	25
Golan Heights			
CIA Estimate	-	-	28
Golan Settler Council	-	-	6

Note: There are roughly 15,000 Israeli settlers in the Golan. Ariel Sharon called for an expansion of this total to 25,000 on September 26, 1996, and for building roughly 600 new dwelling units a year. The Likud government has indicated that Israel plans to increase the population of the settlements in the West Bank and Gaza by 50,000 over the next four years, and build 10,000 new dwelling units at a rate of 2,500 per year.

Source: Adapted from data developed by the Foundation for Middle East Peace and Ha'aretz. May 20, 1997 and May/June 1999. Some data adjusted or estimated by the author.

**Table II.2**  
**The Pressures Leading to the Israeli-Palestinian Conflict:**  
**Status of Settlements in the Occupied Territories in 1994-2003**

<u>Growth of Settlements</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997 - 1998</u>	<u>2000</u>	<u>2003</u>
Settlement population beyond Green Line	290,000	301,000	313,000	-	-	-
Settlements beyond Green Line	250	250	300	-	-	-
Settlers in West Bank	121,000	127,600	136,000	161,000	171,000	187,000
Yearly increase in settlers in West Bank	9,400	3,500	6,000	-	-	-
Residential sites in West Bank	181	180	190	207	-	242
Israeli population in 20 neighborhoods of East Jerusalem	149,000	153,700	166,800	180,000	172,000	177,000
Yearly increase in Israelis in East Jerusalem	9,000	4,700	2,600	-	-	-
Israeli population in 20 neighborhoods of Gaza Strip	4,800	5,000	5,000	6,000	6,500	5,000+
Yearly increase in Israelis in Gaza Strip	300	200	0	-	-	-
Settlers in Golan Heights	14,700	14,800	15,000	17,000	20,000	20,000+
Yearly increase in settlers in Golan	700	100	200	-	-	-
Settlements in Golan	36	34	36	42	-	-
Israeli settlers as percent of total population in the Occupied Territories	12	11	13	-	-	-
Unoccupied housing units in existing Israeli settlements	15,000	15,600	17,000	-	-	-
Housing starts in settlements beyond the Green Line	3,700	4,100	3,100	-	-	-
Housing completions in settlements beyond the Green Line	2,600	3,800	3,500	-	-	-

Source: Adapted from statistical Yearbook, Jerusalem, 1996; US report to Congress on the status of the disbursement of loan guarantees to Israel, Foundation for Middle East Peace, and CIA World Factbook.

**Table II.3**  
**Settlements in the West Bank by population~2002**

<b>Name</b>	<b>Population 1999*</b>	<b>Population 2000**</b>	<b>Population 2001***</b>	<b>Date of Establishment</b>	<b>Region</b>
Almon	672	698		1982	Benjamin
Ateret	287	302		1981	Benjamin
Beit El	3,800	4,120		1977	Benjamin
Beit Horon	720	772		1977	Benjamin
Dolev	850	880		1983	Benjamin
Geva Binyamin (Adam)	707	1,020		1983	Benjamin
Giv'at Ze'ev	10,000	10,300	10,500	1982	Benjamin
Giv'on haHadasha	1,180	1,190		1980	Benjamin
Hallamish	1,100	922		1977	Benjamin
Har Adar (Giv'at HaRadar)	1,380	1,420		1986	Benjamin
Hashmona'im	1,770	1,830		1985	Benjamin
Kedar	393	447		1984	Benjamin
Kfar Adummim	1,590	1,690		1979	Benjamin
Kokhav haShahar	1,080	1,150		1977	Benjamin
Kokhav Ya'acov (Abir Ya'acov)	1,260	1,640		1984	Benjamin
Lapid				N.A.	Benjamin
Ma'ale Adummim	23,800	24,900	25,800	1975	Benjamin
Ma'ale Levona	447	445		1983	Benjamin
Ma'ale Mikhmas	753	826		1981	Benjamin
Mahane Giv'on				1977	Benjamin
Mattityahu	1,410	1,380		1981	Benjamin
Mevo Horon	494	497		1970	Benjamin
Mizpe Yeriho	1,160	1,210		1978	Benjamin
Na'aleh	105	137		Appr. /1981+	Benjamin
Nahli'el	230	244		1984	Benjamin
Nili	666	721		1981	Benjamin
Ofarim	623	686		1989	Benjamin
Ofra	1,870	1,880	2,000	1975	Benjamin
Pesagot	1,030	1,090		1981	Benjamin
Rimmonim	474	499		1977	Benjamin

Shilo	1,490	1,580		1979	Benjamin
Talmon	1,150	1,250		1989	Benjamin
Vered Jericho	155	164		1980	Benjamin
Allon Shevut	2,230	2,680	2,900	1970	Etzion Bloc
Betar 'Illit	12,700	15,800	17,300	1985	Etzion Bloc
Efrat	6,230	6,430	6,500	1980	Etzion Bloc
El'azar	747	784		1975	Etzion Bloc
Geva'ot				1984	Etzion Bloc
Har Gilo	363	369		1972	Etzion Bloc
Karmeit Zur	422	481		1984	Etzion Bloc
Kfar Etzion	421	427		1967	Etzion Bloc
Ma'ale Amos	342	336		1981	Etzion Bloc
Migdal Oz	280	289		1977	Etzion Bloc
Neve Daniyyel	868	933		1982	Etzion Bloc
Nokdim	526	611		1982	Etzion Bloc
Rosh Zurim	290	265		1969	Etzion Bloc
Tekoa	948	980		1977	Etzion Bloc
Tzurif				1984	Etzion Bloc
En Hogla				1982	Jordan Valley
Almog	156	167		1977	Jordan Valley
Argaman	155	164		1968	Jordan Valley
Beit ha'Arava	45	55		1980	Jordan Valley
Beqa'ot	144	144		1972	Jordan Valley
Bitronot (Nahal)				1984	Jordan Valley
Elisha (Nahal)	n.a.	753		1983	Jordan Valley
Gilgal	164	180		1970	Jordan Valley
Gittit	109	100		1973	Jordan Valley
Hamra	149	147		1971	Jordan Valley
Hemdat	n.a.			1980	Jordan

(Nahal)					Valley
Kalya	262	260		1968	Jordan Valley
Ma'ale Efrayim	1,460	1,480		1970	Jordan Valley
Maskiyyot	N/A	507		1987	Jordan Valley
Massu'a	140	148		1970	Jordan Valley
Mehola	315	306		1968	Jordan Valley
Mekhora	120	113		1973	Jordan Valley
Menora	332	768		1998	Jordan Valley
Netiv HaGedud	143	139		1976	Jordan Valley
Niran	45	56		1977	Jordan Valley
No'omi	133	121		1982	Jordan Valley
Peza'el	228	224		1975	Jordan Valley
Ro'i	133	141		1976	Jordan Valley
Tomer	307	308		1978	Jordan Valley
Yafit	118	125		1980	Jordan Valley
Yitav	107	114		1970	Jordan Valley
Mizpe Shalem	208	210		1971	Megilot
Adora	291	271		1983	Mount Hebron
Asfar (Metzad)	356	361		1984	Mount Hebron
Doran				1982	Mount Hebron
Eshkolot	148	171		1982	Mount Hebron
Hagai	405	406		1984	Mount Hebron
Karmel	252	246		1981	Mount Hebron
Kiryat Arba'	6,240	6,380	6,400	1972	Mount Hebron
Ma'on	265	283		1981	Mount Hebron
Mezadot Yehuda	412	422		1980	Mount Hebron
Negohot	n/a	409		1982	Mount Hebron
Otni'el	553	560		1983	Mount

					Hebron
Pene Hever (Ma'ale Hever)	266	304		1982	Mount Hebron
Shani	490	483		1989	Mount Hebron
Shim'a	263	296		1985	Mount Hebron
Susiya	468	482		1983	Mount Hebron
Telem	101	97		1981	Mount Hebron
Tene (Ma'ale Omarim)	580	561		1983	Mount Hebron
Alei Zahav	355	391		1982	Samaria
Alfei Menashe	4,410	4,580	5,000	1983	Samaria
Ariel	15,100	15,600	16,000	1978	Samaria
Avnei Hefetz	695	785		n.a	Samaria
Barkan	1,080	1,150		1981	Samaria
Beit Arye	2,330	2,380		1981	Samaria
Bracha	714	752		1982	Samaria
Eli	1,730	1,900		1984	Samaria
Elkana	2,940	2,990	3,000	1977	Samaria
Elon Moreh	1,050	1,060		1979	Samaria
Emmanuel	3,150	3,040	2,700	1982	Samaria
Enav	504	500		1981	Samaria
Etz Efrayim	500	525		1985	Samaria
Gannim	149	158		1983	Samaria
Hermesh	272	279		1982	Samaria
Hinnanit	432	481		1981	Samaria
Homesh	163	159		1980	Samaria
Itamar	511	541		1984	Samaria
Kaddim	138	148		1983	Samaria
Karne Shomron	5,590	5,890		1978	Samaria
Kedumim	2,540	2,660	2,700	1975	Samaria
Kfar Tapuah	352	347		1978	Samaria
Kiryat Netafim	240	249		1982	Samaria
Ma'ale Shomron	486	527		1980	Samaria
Mevo Dotan	314	310		1978	Samaria
Migdalim	150	154		1984	Samaria
Nofim	362	385		b.s.up	Samaria
Oranit	4,780	5,070	5,200	1984	Samaria
Pedu'el	834	885		1984	Samaria

Rehan	100	120		1977	Samaria
Revava	389	504		1991	Samaria
Sa Nur	54	52		1982	Samaria
Sal'it	377	410		1977	Samaria
Sha'are Tikva	3,220	3,380	3,500	1982	Samaria
Shaked	468	497		1981	Samaria
Shavei Shomron	569	573		1977	Samaria
Ya'arit				N.A.	Samaria
Yakir	765	822		1981	Samaria
Yizhar	328	329		1983	Samaria
Zufin	794	857		N.A.	Samaria
Benjamin					
Hebron				1980	
Modi'in Ilit	13,000	16,400	19,200	1981	
Rotem (Nahal)				1984	
Shadmot Mehola	400	399		1978	
Shvot Rachel				N.A.	
Total:	177,411	192,976	128,700		

\* Source: List of Localities: Their Population and Codes, 31.12.1999. Jerusalem: Central Bureau of Statistics, 2000.

\*\* Source: List of Localities: Their Population and Codes, 31.12.2000. Jerusalem: Central Bureau of Statistics, 2001.

\*\*\* Source: List of Localities: Their Population and Codes, 31.12.2001. Jerusalem: Central Bureau of Statistics, 2002.

Available from: <http://www.fmep.org/database/westbank.html>, 2002.

**Table II.4**  
**Settlements in the Gaza Strip by population~2002**

<b>Name</b>	<b>Population 1999*</b>	<b>Population 2000**</b>	<b>Population 2001***</b>	<b>Date of Establishment</b>
Katif	296	317		1978
Bene Azmon	475	497		1979
Ele Sinai	324	334		1982
Gadid	259	289		1982
Rafiah Yam	127	129		1984
Kfar Darom	242	244		1970/1990+
Netzar Hazzani	301	312		1973/1977+
Gannei Tal	277	287		1979/1977+
Netzarim	297	347		1980/1992/1972
Neve Dekalim	2,230	2,280	2,400	1982/1983/1980
Gan Or	261	267		1982/1983+
Bedolah	197	184		1982/1986+
Morag	142	146		1982/1987/1972
Nisanit	750	874		1985/1984/1982
Pe'at Sadeh	196	110		1989*
Dugit	53	61		1990*
Kfar Yam	N/A	N/A		N/A
<b>Total</b>	<b>6,337</b>	<b>6,678</b>		

\* Source: List of Localities: Their Population and Codes, 31.12.1999. Jerusalem: Central Bureau of Statistics, 2000.

\*\* Source: List of Localities: Their Population and Codes, 31.12.2000. Jerusalem: Central Bureau of Statistics, 2001.

\*\*\* Source: List of Localities: Their Population and Codes, 31.12.2001. Jerusalem: Central Bureau of Statistics, 2002.

Available from: <http://www.fmep.org/database/gaza.html>, 2002.

**Table II.5**  
**Settlements in the Golan Heights by population~2002**

<b>Name</b>	<b>Population 1999</b>	<b>Population 2000</b>	<b>Population 2001</b>	<b>Date of Establishment</b>
Afiq	203	219		1967
Merom Golan	361	384		1967
Ne'ot Golan	207	219		1967
Senir	-			1967
Eli Al (Eli Ad) p. 73	233	242		1968
En Ziwan	251	233		1968
Mevo Hamma	356	363		1968
Ramat Magshimim	445	436		1968
Ramot	457	476		1970
El Rom	292	288		1971
Geshur	145	139		1971
Bene Yehuda	887	917		1972
Neve Ativ	153	156		1972
Haspin	1,170	1,170		1973
Nov	382	413		1973
Kefar Haruv	240	241		1974
Qeshet	445	441		1974
Ma'ale Gamla	254	253		1976
Sha'al	206	216		1976
Yonatan	236	250		1976
Katzrin (Qazrin)	6,060	6,160	6,100	1977
Avne Eitan	276	290		1978
Ani'Am	277	293		1978
Ortal	226	248		1978
Natur	54	56		1980
Si'on	-			1980
Allone Habashan	181	192		1981
Mezar	48	55		1981
Kela	-			1982

Nimrod	N/A	N/A		1982
Qela Allon (Qela)	N/A	62		1984
Qidmat Zevi	273	276		1985
Had Nes	332	365		1987
Kanaf	201	219		Appr.
Berukhim	-			
Daliyyot	-			
Dayyage haGalil	-			
<b>Total:</b>	15,313	15,731		1976

\* Source: List of Localities: Their Population and Codes, 31.12.1999. Jerusalem: Central Bureau of Statistics, 2000.

\*\* Source: List of Localities: Their Population and Codes, 31.12.2000. Jerusalem: Central Bureau of Statistics, 2001.

\*\*\* Source: List of Localities: Their Population and Codes, 31.12.2001. Jerusalem: Central Bureau of Statistics, 2002.

Available from: <http://www.fmep.org/database/golan.html>, 2002.

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<sup>1</sup> Summary text of peace accords, US State Department; Israeli government Internet data base, accessed October, 1995; information sheets provided by the Palestinian Authority; Washington Post, September 27, 1995, p. A-27.

<sup>2</sup> Executive News Service, December 4, 1995, 0755.

<sup>3</sup>“The Wye River Memorandum,” October 23, 1998, [http://www.state.gov/www/regions/nea/981023-interim\\_agmt.html](http://www.state.gov/www/regions/nea/981023-interim_agmt.html), accessed June 18, 2004.

<sup>4</sup> Hockstader, Lee, “Israel Will Resume West Bank Pullback,” The Washington Post, August 2, 1999, p. A1.

<sup>5</sup> Geoffrey Aronson, “Recapitulating the Redeployments: The Israel-PLO ‘Interim Agreements,’” Center for Policy Analysis on Palestine Information Brief # 32, April 27, 2000.

<sup>6</sup> The Israeli-Palestinian Interim Agreement on the West Bank and the Gaza Strip, Annex I, Article VIII, Subparagraph 2d. (1), September 28, 1995, <http://www.us-israel.org/jsource/Peace/iaannex1.html#article8>, accessed June 22, 2004.

<sup>7</sup> The Sharm el-Sheikh Memorandum on Implementation Timeline of Outstanding Commitments of Agreements Signed and the Resumption of Permanent Status Negotiations, September 4, 1999, <http://www.state.gov/p/nea/rls/22696.htm>, accessed June 22, 2004.

<sup>8</sup> Fara Naaz, “The Israeli Palestinian Track: Recent Developments,” Strategic Analysis, vol. 24, no. 1, April 2000; “Protocol Concerning Safe Passage between the West Bank and the Gaza Strip,” October 5, 1999, <http://www.us-israel.org/jsource/Peace/safepro.html>, accessed June 21, 2004; Reuters, October 5, 1999, 1042.

<sup>9</sup> PLO Negotiations Support Unit, “Israel’s Violations of the Oslo Agreements,” Fact Sheet, June 2002, <http://www.nad-plo.org/f16.php>, accessed June 22, 2004.

<sup>10</sup> Amos Oz in Ari Shavit, “Reality Bites,” Ha’aretz, available at: <http://www.haaretzdaily.com/hasen/pages/ShArt.jhtml?itemNo=2650053>.

<sup>11</sup> CIA, The World Factbook, 1993, 2003.

<sup>12</sup> The Mitchell Report, available at: <http://www.us-israel.org/jsource/Peace/Mitchellrep.html>

<sup>13</sup> The Mitchell Report, available at: <http://www.us-israel.org/jsource/Peace/Mitchellrep.html>

<sup>14</sup> The Mitchell Report, available at: <http://www.us-israel.org/jsource/Peace/Mitchellrep.html>

<sup>15</sup> Reuters, March 19, 2000, 0812; Associated Press, March 19, 2000, 0749.

<sup>16</sup> Estimates are taken from various editions of the CIA World Factbook.

<sup>17</sup> Based on UN population data base for 2002, accessed March 2004.

<sup>18</sup> World Development Indicators, 2003, Table 1.1.

<sup>19</sup> The CIA figures are taken from the World Factbook, 1998, and the World Bank figures from World Development Indicators, 2003, Table 2.1.

<sup>20</sup> These estimates are made on the basis on conversations with experts in the CIA and World Bank. They must be regarded as rough guesstimates.