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FIVE SCENARIOS OF THE ISRAEL-PALESTINIAN RELATIONSHIP IN 2002:

WORKS IN PROGRESS

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AN INTERDISCIPLINARY group of scholars charged itself with the task of developing scenarios of the future of the Israel-Palestinian relationship.¹ The group, which includes general theorists, decision-making specialists, modelers, discourse analysts, and experts on the Middle East, is primarily interested in the power of theoretical explanation under contingent historical conditions. We decided to explore the limits of theoretical explanation through forward rather than backward reasoning. We

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1. The first meeting of the group was held in February 1997 at the Mershon Center, Ohio State University; the second in September 1997 at the Washington, D.C. campus of the University of California; and the third in February 1998 at the University of California, Berkeley. We are grateful to the Mershon Center at Ohio State University, the IGCC at the University of California, the University of California at Berkeley, and the Program on Conflict Management and Negotiation at the University of Toronto for their financial support.

challenged ourselves to project our arguments into an inherently uncertain future.

Drawing on our varied theoretical perspectives, we would construct scenarios of the Israel-Palestinian relationship in the year 2002. The time period is far enough ahead so that there are significant uncertainties, but close enough so that we will be able to test the accuracy of the chains of reasoning that inform the scenarios. Our interest is not in point prediction but in the identification and connection of chains of contingencies that could shape the future. The project is not a forecasting tournament or competition, where advocates of different theoretical perspectives generate differential perspectives on a single outcome in the hope of subsequently identifying the "best" or most accurate performer. Rather, in a collective effort, through discussion, analysts from varied theoretical perspectives identify different driving forces and then attempt to combine these forces in chains of logic that generate a range of outcomes. These outcomes, and the chains of logic that connect to them, are our scenarios.

In building these scenarios, we identify as many additional characteristics and dimensions of the scenario outcomes as we can devise. This is simply a forward-looking version of the notion of "increasing the number of observations." Good ideas tend to emerge in the process of working out the path and dynamics of the causal story. We continually ask ourselves: in a world that is going in this particular direction, what other kinds of things are becoming more or less likely?

As a group, we are committed to report regularly on our work in the pages of this journal, so that we cannot, with the benefit of hindsight, remember our analyses differently four years from now.² When some of the linkages we identify work differently than we expect, as they almost certainly will, we can then have a conversation with the evidence that forces a serious examination of where the chain of reasoning was flawed, incomplete, or inconsistent. As the years progress, we will also have the opportunity to modify and reassess these scenarios. This process of revision should shed some light on whether as analysts we respond primarily to argument or to history as it unfolds.

2. See the first report: Steve Weber, "Prediction and the Middle East Peace Process," *Security Studies* 6, no. 4 (summer 1997): 167-79.

CONSTRUCTING THE SCENARIOS

WE BEGAN THE process of scenario construction by identifying the most important driving forces of the Israel-Palestinian relationship and then by specifying the possible outcomes.³ Our earlier report in the pages of this journal summarized the principal “drivers.” It is striking that, despite the difference in theoretical perspectives, there is a shared emphasis on the importance of domestic factors: the nature of governing coalitions, political leadership on both sides, and political stability. In the second basket of drivers were systemic constraints that function as parameters, external regional actors, global economic conditions, and third-party diplomacy.

Specifying the possible outcomes proved more complicated than we originally anticipated. At our first meeting, the scenario that commanded quick and strong support was the official future, the “two state” solution. As we unpacked the chain of reasoning that would lead to the outcome, and began to examine the conditions that would be required, and identified the critical uncertainties and the wild cards that could disrupt the process, confidence in the likelihood of this outcome declined markedly.

We identified four critical variables which, in our collective view, shaped the four-dimensional space of the likely outcomes in the relationship: violence–no violence; negotiated–no negotiated outcome; territorial status quo or status quo plus (SQ+) for the Palestinian entity; and Palestinian independence or autonomy. In considering violence, we distinguished among military-to-military violence, the Israel Defense Forces (IDF), and the Palestine National Authority (PNA) security forces; military-to-civilian violence, the *IDF against Palestinian civilians*, *PNA security forces against Israeli settlers*; and civilian-to-civilian violence, Palestinian “rejectionists” against Israeli civilians, and Israeli settlers against Palestinian civilians. In specifying a negotiated agreement, we do not imply a final status agreement, but an agreement reached through negotiation among the parties. The agreement may be one in a series, and its spacing and timing may be seen differently by the parties. In specifying the territorial dimension, we distinguished between the status quo of the Israeli deployment in 1997 and SQ+ for Pales-

3. See *ibid.* for a more elaborate description of the method of scenario construction. It has seven steps: the identification of driving forces; the specification of predetermined elements; the identification of critical uncertainties; the development of scenarios with clear plot or narrative lines; the extraction of early indicators for each scenario; consideration of the implications of each scenario; and the identification of “wild cards” that are not integral to the major possibilities but could change the situation dramatically were they to happen. In the project thus far, we have taken only the first four steps and not in the orderly sequence that is described.

tinians, which would require an Israeli withdrawal. Finally, we distinguished between an independent Palestinian state, whose sovereignty may or may not be recognized by Israel, and an autonomous Palestinian authority.

When these variables are partitioned in two-dimensional space, the following sixteen outcomes are logically possible:

Table 1
CONDITIONED OUTCOMES

Violence								Non-violence							
negot. agreement				no negot. agreement				negot. agreement				no negot. agreement			
SQ		SQ+		SQ		SQ+		SQ		SQ+		SQ		SQ+	
PI	PA	PI	PA	PI	PA	PI	PA	PI	PA	PI	PA	PI	PA	PI	PA

As a group we agreed that all the “no-violence” outcomes are unlikely. No member of the group argued that any of the outcomes could be reached without significant violence. Further, there was consensus that all the outcomes would be accompanied by violence. This itself is a sobering conclusion and has important implications for the way political leaders and policy makers present scenarios for the next five years. This assumption of violence led us to reduce the number of likely outcomes by half and to work only in the left-hand quadrant of Table 1.

Table 2
LIKELY CONDITIONED OUTCOMES

Violence							
negot. agreement				no negot. agreement			
SQ		SQ+		SQ		SQ+	
PI*	PA**	PI	PA	PI	PA	PI***	PA

We agreed further that at least three of these are so unlikely that they can be eliminated from the map of outcomes. There is no likelihood of a negotiated settlement, based on the current territorial status quo, resulting in an independent Palestinian state; it is inconceivable that the current or any future Palestinian leadership would agree to such an outcome. Nor is there any likelihood that any Palestinian leadership could agree, in a process of negotiation, to the current territorial status quo, resulting in an autonomous Palestinian entity. There is also a very low likelihood, in the opinion of members of the group, that without negotiation, an independent Palestinian state could be established on territory significantly greater than the current status quo. Enlargement of the territorial status quo would require a withdrawal by Israel, which in turn requires some negotiated agreement.

We consequently set ourselves the tasks of constructing the remaining five scenarios, of identifying the driving forces that could lead to these outcomes, of sequencing these drivers in paths to the outcome, of identifying the parameters or "state-of-the-world assumptions," and of grappling with the critical uncertainties. The larger group divided into three smaller groups and each was tasked with constructing one or two of these scenarios. What follows are the first versions of works that will change in the face of clearer specification, more elaborate connecting logics, and the humbling experience of history.

FIVE SCENARIOS: WORKS IN PROGRESS

SCENARIO 1: NEGOTIATED AGREEMENT, SQ+, PALESTINIAN INDEPENDENCE

A two-state solution to the Israel-Palestinian conflict could be reached through several paths. We outline what are, in our view, the four most likely sets of contingencies.

Scenario 1:1

If something happens in the regional distribution of power to pose an existential threat to Israel: for example, the development by Iran of a credible WMD capability, then an Israeli government will want to concentrate its resources on meeting that threat. Policing the Palestinians in such circumstances could be seen as an intolerable burden for Israel's security establishment. Therefore, the Israeli government will seek to end that burden by

negotiating a two-state settlement with the Palestine National Authority (PNA).

State-of-the-world-assumptions. 1) The PNA leadership remains largely as it is—secular nationalist, although not necessarily led by Arafat; 2) the strategic picture around Israel's borders remains unchanged—regimes in Syria, Jordan and Egypt remain as they are, no major escalation along the border with Lebanon occurs; peace treaties with Jordan and Egypt hold; 3) the level of violence in the occupied territories does not increase substantially over time; and 4) the SQ+ territorially means the handing over of most of the West Bank to the PNA, but with only symbolic Israeli territorial concessions in municipal Jerusalem.

Scenario 1:2

An upsurge in Islamist political fortunes in the region, under some circumstances, would push Israel toward a two-state solution with the Palestinians. This is predicated on the maintenance of a PNA that is secular nationalist; again, not necessarily led by Arafat himself, but with the PNA increasingly pressed by Palestinian Islamists. The PNA appears stable, but is pressed. If it looks as if the PNA cannot hold on, Israel would not make concessions, for fear that it would soon be replaced by an Islamist Palestinian leadership. If the Islamist revolution occurs in a state at some geographical remove from Israel (Turkey, Iraq, Saudi Arabia), then to bolster the PNA against a contagion effect, Israel would propose a two-state solution. If the Islamist revolution occurs in Jordan, Israel more likely would roll back into the West Bank and take direct control. If the Islamist revolution were in Syria or Egypt, the Israeli reaction would depend upon Israel's judgment about the strength of the contagion effect. If the contagion effect was seen as strong on the Palestinians, then Israel would roll back into the West Bank and Gaza. If the contagion effect was seen as manageable by the PNA, then Israel would be more likely to agree to a two-state solution, to bolster the authority of the PNA.

State-of-the-world assumptions. 1) The PNA leadership remains largely as it is—secular nationalist; 2) the level of violence in the occupied territories does not increase substantially over time. This might be the most crucial assumption, because if an Islamist regime change nearby led to a marked increase in violence in the West Bank and Gaza, it is unlikely that an Israeli government would agree to a two-state solution; and 3) the SQ+ territorially means the handing over of most of the West Bank to the PNA, but with only symbolic Israeli territorial concessions in municipal Jerusalem.

Scenario 1:3

This a “tipping point” scenario. We assume that before the assassination of Prime Minister Yitzhak Rabin of Israel, the parties were moving toward a two-state solution. Therefore, if all other factors remain relatively constant—secular nationalist PNA in control, no major changes in the region, the level of violence—a return to power by Labor will initiate a process leading to a two-state solution. A Labor government headed by Ehud Barak, who has the security credentials (as did Rabin) to sell a two-state solution to the public, with a comfortable Jewish majority in the Knesset, could negotiate a two-state solution with a secular nationalist PNA.

State-of-the-world assumptions. 1) The PNA leadership remains largely as it is—secular nationalist, although not necessarily led by Arafat; 2) the strategic picture around Israel’s borders remains unchanged—regimes in Syria, Jordan and Egypt remain as they are, no major escalation along the border with Lebanon, peace treaties with Jordan and Egypt hold; 3) the level of violence in the occupied territories does not increase substantially over time; 4) the SQ+ territorially means the handing over of most of the West Bank to the PNA, but with only symbolic Israeli territorial concessions in municipal Jerusalem.

Scenario 1:4

In this scenario, Israel and Syria reach a warm peace agreement; at the same time the Egyptian-Israeli relationship also warms up. We see “globalization,” and perhaps a regime change in Syria, leading to this beneficial kind of “global warming.” The PNA remains secular nationalist and in control of the territories. This is a much more benign regional security environment, and in Israel we begin to see a separation between the “security hawks” and the “religious hawks.” In such a situation, Labor could return to government. It could be in some kind of national unity coalition with parts of Likud (that is, the “security hawk” Likud), or leading a centrist coalition with such parties as Geshet and Israel b’Aliyah. In such an environment, Israel could agree to a two-state solution.

State-of-the-world assumptions. 1) The PNA leadership remains largely as it is—secular nationalist, although not necessarily led by Arafat; 2) the strategic picture around Israel’s borders remains unchanged—regimes in Syria, Jordan and Egypt remain as they are, no major escalation along the border with Lebanon, peace treaties with Jordan, Syria and Egypt hold; 3) the level of violence in the occupied territories does not increase substantially over

time; 4) the SQ+ territorially means the handing over of most of the West Bank to the PNA, but with only symbolic Israeli territorial concessions in municipal Jerusalem; 5) there is no major regional upheaval outside the immediate Arab neighbors of Israel; and 6) the United States is willing to make side-payments to the parties.

SCENARIO 2: NEGOTIATED AGREEMENT,
SQ+, AND PALESTINIAN AUTONOMY

The SQ+ left considerable room for variation. We developed two versions of the SQ+, that co-varied with differing negotiating processes and different degrees and kinds of violence:

Scenario 2:1: Minimalist Change

The SQ+ would include Zones A and B under the exclusive control of the Palestine National Authority; the PNA would control Abu Dis; Zone C would remain under exclusive Israeli control; and settlements would remain in place, under Israel's jurisdiction. The process of negotiation between Israel and the PNA would continue within the framework of Oslo II, with substantial U.S. involvement. There would be substantial civilian-to-civilian violence, and violence between Palestinian civilians and the IDF.

The future described in this scenario is one of "minimalist change" from the status quo current in 1997. Further incremental rounds of negotiation would lead to this outcome of PNA control of Zones A and B, within the framework of Oslo II, while Zone C remains exclusively under Israeli control. If the economy of Israel reverses its somewhat negative performance and improves; if Likud is able to consolidate its electoral strength after elections and form a more stable coalition, that does not rely on parties of the extreme right for critical support; and if the Palestinian economy improves significantly and Palestinian unemployment drops, then Israel could take the initiative and offer control of only Zones A and B to the PNA, and the PNA, persuaded that a return to power by a Labor-led coalition is unlikely in the short term, will accept an "interim" agreement on the two zones. It will reserve its right to press for further concessions.

State-of-the-world assumptions. 1) The Palestinian leadership remains largely intact and Arafat remains in power; 2) the level of violence against Israeli civilians remains relatively constant and does not escalate significantly; 3) negotiations have dragged on, without producing an agreement; and 4) Israeli public opinion is restive and frustrated, but unable to articulate a clear

alternative. It is interesting to note that neither U.S. engagement nor regional changes are part of the critical path in this story.

Scenario 2:2: Significant, Negotiated Change

Zones A and B, and parts of Zone C are under the exclusive jurisdiction of the PNA. Virtually all parts of Zones A and B are territorially connected. Israel and the PNA exercise shared control over specified parts of east Jerusalem, and Israel, the PNA, and Jordan share control of parts of the Jordan Valley.

The process of negotiation would have moved through Oslo II to Oslo III or "final status" negotiations. The PNA and Israel would do most of the negotiating, with minimal U.S. involvement; the PNA, Israel, and Jordan are deeply involved in secret negotiations paralleling the negotiations over final status. Palestinian violence against Israeli civilians continues in the immediate aftermath of agreement, but declines as the PNA consolidates its authority; Israeli violence (by "settlers") increases significantly; violence between the IDF and Palestinian civilians declines further.

This story requires considerable movement away from the status quo, through formal and informal processes of negotiation, driven largely by Israel and the Palestine National Authority. How would this movement begin, and what state-of-the-world assumptions are we making that permit such movement to begin?

If the Labor candidate for prime minister wins the next election and is able to build a stable centrist coalition; an internationalizing Palestinian coalition consolidates power, with or without the leadership of Arafat; the Palestinian economy improves markedly, especially in its capacity to create jobs; and there is a record of diffuse reciprocity between Israeli and Palestinian leaders on economic and security issues, then Israel could offer to the PNA an extensive agreement including substantial parts of Zone C and shared sovereignty over parts of east Jerusalem. Jordan, having been party to the secret negotiations, would approve and reinforce the agreement, and the PNA, anticipating that this is the "best offer" likely to be forthcoming, that the offer reflects Israel's reservation point, and eager to attract investment and enhance economic opportunities, accepts without forfeit of future rights.

State-of-the-world assumptions. 1) The level of violence against Israeli civilians remains relatively constant and does not escalate significantly; 2) negotiations have dragged on, without producing an agreement; 3) Israeli public

opinion is restive and frustrated, but unable to articulate a clear alternative; and 4) there is no negative downturn in the Israeli economy.

The assumption that the present Palestinian leadership remains largely intact, an important component of the minimalist story, drops out. U.S. support for the process is assumed in the story, but it is not a driving force in the narrative, and regional changes, unless they are of a high order of magnitude, are considered indeterminate of outcomes.

SCENARIO 3: NO NEGOTIATED SETTLEMENT, STATUS QUO, AND PALESTINIAN INDEPENDENCE

In constructing this scenario, we began by conceptualizing the outcome: what would an independent Palestinian state with roughly the status quo look like? We then traced the conditions under which such an outcome could conceivably arise.

The Palestinian entity is a sovereign state, a member of the United Nations and important international organizations, with demarcated boundaries, the symbols of sovereignty (stamps, flag, a national anthem), control over immigration, and recognized by the United States. Israel does not formally recognize the Palestinian state, and does not exchange ambassadors, but *de facto* deals with it, along a China-Taiwan or East Germany-West Germany model.

Territorially, the Palestinian state resembles the status quo: Zone A and parts of Zone B. The Palestinian enclaves are not contiguous; Israel did not make the necessary territorial concessions. In the interests of stability, Israel tacitly allows transit between the zones, but does not allow *de jure* corridors to exist. Most importantly, all of the Israeli settlements are retained and Jerusalem remains under Israeli control.

Economically, the Gaza seaport is the primary trade outlet, with Israel again *de facto* allowing transit between the West Bank and Gaza for economic purposes. The European Union, rather than the United States, plays a key role in financing the Palestinian state. Economic development is slow, and subsidies from the EU are important.

Politically, the Palestinian state would probably be quite repressive. In part because the leadership of the PNA accepted a restricted, noncontiguous state, there will be considerable opposition. Only Arafat would have the incentive, the authority and the stature to drive such a process forward in the face of disappointment, and even then he can only do so by declaring publicly, at every opportunity, that this is not the final territorial settlement. Equally, Israel declares at every opportunity that the settlement is final. The

opposition splinters, with important elements of Hamas and the PLO opposition co-opted into the state while others assume a rejectionist posture. Palestinian-Palestinian violence is likely to be relatively high—a simmering near-civil war, with levels largely depending on economic progress and Arafat's ability to "deliver." Israeli-Palestinian violence is low, since there is almost complete separation from the Palestinian state. A less repressive outcome is possible if the Palestinian economy improves, the Palestinians can control immigration, and Israel allows effective transit.

Scenario 3:1

The story can begin in one of two ways, either through a Palestinian or an Israeli initiative. Should the stalemate in the negotiation continue, Arafat fulfills his commitment to unilaterally declare independence (UDI) on 4 May 1999. No further Israeli withdrawals have taken place; hence Arafat speaks only for the population currently under PNA control. It is conceivable that Israel might respond by reoccupying the West Bank; such an action would, however, be politically and militarily costly. More likely, Israel, whether it is governed by Likud or a Labor-Right coalition, refuses to recognize the declaration of independence and threatens military reprisals should the PNA allow the troops of other Arab governments on its territory or build up its military capability.

In this scenario, Israel is led by a centrist coalition, either Labor or Likud, which does not rely upon parties of the far right or left. A Labor-Left coalition would not take this action, because of its commitment to a negotiated rather than an imposed solution; a Likud-Religious Party coalition would not accept a Palestinian state rather than autonomy. Either a Barak/Labor-Right coalition or a Netanyahu/Likud-Center coalition could conceivably respond with tacit acceptance. The PNA continues to be led by Arafat.

Scenario 3:2

The second version of this scenario begins with an Israeli initiative rather than with a Palestinian UDI. Israel would be experiencing intense frustration, a deep sense that the status quo is becoming unacceptable and some change is necessary. There is no compelling force for change, no idea which is gathering momentum, but rather a deepening sense that the status quo is unacceptable. Even though negotiations are ongoing, they are discredited as a failure. Furthermore, a growing sense of societal disintegration and polarization along secular-religious and ethnic cleavages leads centrist Israeli

public opinion to believe in the possibility of civil war. The weak, centrist government does not feel that it can afford a confrontation with the settlers; sending the IDF in to forcibly remove ideological settlers would, in the minds of the leadership, bring down the government and possibly spark a civil war. Therefore, the situation in Israel can be characterized as follows: a centrist government; a perception that the status quo is unacceptable; growing societal disintegration; a perception that the negotiations have failed; and no compelling alternative agenda on the table.

Under these conditions, a series of violent actions provides the tipping point which leads the Israeli government to take decisive action. Negotiations are discredited; the settlers cannot be removed; and consequently the Israeli government announces a unilateral separation from the Palestinian problem. Public opinion polls have shown that a solid majority would be happy to simply disengage from the Palestinians, and the violent actions convince the weak, centrist government that it is now necessary to do so. Separation is imposed, with the Palestinian labor force replaced by Asian, East European, and other imported workers. Israel declares that the current territorial disposition is final, that there will be no new negotiations, and that it considers the Oslo process to have been successfully concluded. By this move, the Israeli government believes that it will best achieve peace and security without a civil war or new negotiations; it views this as the best way to disengage from the problem with a minimum of domestic opposition. The United States does not reject this Israeli declaration, even if it does not wholeheartedly support it.

The Palestinians then respond with a UDI. Arafat, faced with Israel's unilateral ending of the peace process to which he has tied his political fortunes, realizes that he must respond with a dramatic gesture if he hopes to survive. Therefore, he declares the Palestinian state under current conditions, while continuing to argue that this is only a stage and that more territory will be acquired in the future. The Palestinian opposition is divided: many see the UDI as a sham, pointing to the Bantustan territorial configuration and the ongoing complete dependence on Israel; others, however, see this as an historic opportunity—and perhaps the last—and decide to throw their weight behind Arafat. When Palestine is declared, the PLO and the diaspora Palestinians are uncertain about their position.

Israel then accepts the de facto Palestinian state, even if it does not formally recognize it. Because it has defined its interests in terms of minimizing contact and friction, the Israeli government does what is necessary to facilitate stability and moderation in Palestine. It permits trade and contact between the Palestinian areas; and it permits Palestine to make its own

immigration decisions. It makes it quite clear to Arafat that it would view the building of significant military forces or an alliance with a hostile Arab power which included the moving of troops onto Palestinian soil as an act of war; but otherwise does not interfere with the building of Palestinian internal security forces. Indeed, Israel looks to build security cooperation with the Palestinian security forces even more closely than currently exists. The Palestinian control of immigration is crucial, because this is what allows Arafat to win considerable—though not universal—PLO and diaspora Palestinian support. He can claim that the Right of Return is now in Palestinian hands; but, at the same time, use his control of state power selectively to permit immigration in order to control opposition. The imposed separation continues the devastation of the Palestinian economy, but in order to make this final status work, the European Union pledges a significant financial assistance and helps to develop Gaza as a major sea port.

SCENARIO 4: NO NEGOTIATED SETTLEMENT, TERRITORIAL STATUS QUO, PALESTINIAN AUTONOMY

This outcome describes the status quo current in 1997, with the strong possibility of higher levels of violence in the PNA and Israel.

The perception among the Israeli public that the PNA is not living up to its part of the security bargain, that is to say, is not providing adequate security for Israel and individual Israelis, turns public opinion against any further concessions to Arafat and strengthens, in the near term, the current government. Hot pursuit into areas turned over to the PNA increases, but Israel's government has little appetite for a return to Palestinian-populated areas. The PNA cannot credibly threaten to change this Israeli calculation. The "lever of weakness" (more violence, collapse of PNA because of internal Palestinian frustration) is not credible, because it threatens Arafat's interests. He does not want to lose his institutional power base or the money that comes in from the outside by allowing a complete collapse into anomic violence. He encourages violence against Israel and seeks to co-opt Hamas elements to strengthen himself domestically. Such moves make it even easier for the Likud government to justify not dealing with the PNA.

This kind of situation could endure to 2002. It is not, however, very stable. Change could come, for example, because the Likud government, in the next election, would not be able to claim that they improved the security situation, and thus they would lose to Labor which could push the process onto a different path.

State-of-the-world assumptions. 1) No major change in the regional/international situation; 2) no U.S. incentive, given regional stasis and domestic political realities, to push the parties; 3) an increase in overall levels of violence, but not to constant and anomic attacks within Israel that lead to serious pressures domestically for rollback; and 4) Arafat remains in charge of the PNA.

SCENARIO 5: NO NEGOTIATED AGREEMENT, SQ+, PALESTINIAN AUTONOMY

This scenario of a non negotiated, SQ+, Palestinian autonomy depends on a unilateral initiative by Israel. A unilateral initiative is necessary, since the outcome is not negotiated, and it is difficult to imagine the Palestinians unilaterally declaring autonomy.

This scenario is most likely under a Likud-Center government, with Netanyahu or a similar successor as prime minister, or under a Labor-Right government increasingly frustrated with the peace process and the stalemate in negotiations. A Likud-Right government would object to the territorial concessions; a Labor-Left government would not impose a unilateral settlement. A Labor-Right (Barak) government could conceivably take this route.

The Palestinian entity would include significantly more territory than it currently controls. The Palestinian entity would be territorially contiguous, without the dismantling of Israeli settlements, a Palestinian role in Jerusalem, or a Palestinian border with Jordan along the Valley. The territorial concessions required of Israel would only be possible for a Likud-Labor-Right government if autonomy was a credible final status arrangement.

Politically, the Palestinians achieve no more than the current status quo—autonomy without sovereignty, but do so as a final settlement, not as a phase leading toward the ultimate goal of a Palestinian state or the fulfillment of the Oslo accords. The Palestinians would not have the right to control immigration, or build a military force.

The United States does not exercise a veto, instead deferring to the judgement of Israel's leadership. In this scenario, the United States has not made the peace process a priority; the president is not anxious to face the domestic consequences of pressing Israel. Convinced that pressure on Israel is unlikely to succeed and will be costly at home, Washington endorses the Israeli proposal and promises financial assistance to the Palestinians only if the Palestinians agree not to declare independence unilaterally. American financial aid is conditional on a Palestinian commitment to continuing security cooperation. The United States warns that it will not op-

pose an Israeli reoccupation of the West Bank should Palestinian leaders declare independence unilaterally.

This scenario is not driven by the existence of a major crisis, high levels of violence, or significant pressures to act; if violence levels were high, Israel would not likely surrender the kind of territory envisioned here—in other words, violence would loop this process back into Scenario 4—no negotiations, autonomy, territorial status quo.

Israel's unilateral action flows from a stalemated Oslo process, in which the negotiations are deadlocked and Israel wants to extract itself from seemingly endless rounds of negotiation. In the context of stalemated final status negotiations, Israel could claim to have done all it could to reach an agreement and blames the failure on Palestinian obstinacy. Under these conditions, Israel officially announces the end of the Oslo process and unilaterally asserts a final status settlement. Israel's objectives are to minimize Palestinian and American opposition and retain the domestic consensus for some kind of a solution.

Taking advantage of the disinterest of the United States, Israel issues a final status ultimatum, without negotiations. It combines territorial concessions rather more generous than previously envisioned by Likud governments with the unambiguous assertion that negotiations are over and that Israel will never accept a Palestinian state. The territorial map is drawn such that virtually no settlements need to be dismantled, but the Palestinians control significantly more than 40 percent of the West Bank. Israel rules out Palestinian control of any part of Jerusalem, the mass return of refugees, the dismantling of settlements, or the establishment of a state; instead, it offers autonomy and territory. Since Israel will retain effective military control over the territory that is given to the PNA, these concessions are not seen as threatening Israeli security.

These concessions depend on the confidence of Israel's leadership that there will not be a Palestinian state; if there is a real prospect of a UDI, then the surrender of territory will be seen as too threatening to Israeli interests and security.

Faced with a choice between semisovereignty but a hostile neighbor and no foreign assistance, on the one hand, or autonomy, territory, foreign assistance, and working relations with Israel, on the other hand, the Palestinian leadership opt for the latter. While they are obviously unhappy with the rejection of a state and the end of the Oslo process, they are in no position to refuse the offer of substantial territory combined with financial support.

The Palestinian leadership and coalition are critical in this scenario. If Arafat is still in control, he would make an intense effort to keep the nego-

tiations alive. If the negotiations deadlock, the United States disengages in frustration, and Israel unilaterally terminates the Oslo process but offers significant territorial concessions, Arafat is likely to make the tactical decision to accept what is offered at the moment, and regroup.

It is certainly possible that Arafat could choose to make a unilateral declaration of independence, which would then loop the process back to Scenario 3—no negotiation, a status quo territorial solution, and a Palestinian declaration of independence. If there is a UDI, Israel could either reoccupy the territory of the PNA, or accept the de facto declaration without formally recognizing the Palestinian state (see Scenario 2).

Arafat could be tempted to accept the arrangement as a temporary solution by considerable financial incentives or coerced by Israeli military threats of reoccupation. A post-Arafat regime, one made up of local elites—"an internationalizing coalition"—might be more likely to accept this as the best route toward economic reconstruction and the basis for an evolving relationship with Israel that would change over time. A Hamas or hard-line nationalist post-Arafat regime would not accept such an arrangement even on a temporary basis. Under no conditions, however, would any set of Palestinians consider this an acceptable permanent solution. While Israel might view such an outcome as a long-term solution, Palestinians would not. Irrespective of who the Palestinian leadership is, it will sell enhanced autonomy as a stage along the way to a state, despite public Israeli statements to the contrary.

Under any scenario where the PNA accepts permanent autonomy, one would expect intra-Palestinian violence and deepening repression, as well as Palestinian violence against Israeli civilians.

State-of-the-world assumptions. 1) Israel is governed by a Likud-Center or a Labor-Right (Barak) coalition; 2) the United States is not prepared to play an active role; 3) negotiations are stalemated; and 4) violence has not been high.

THE NEXT STEPS

THESE SCENARIOS represent only the first steps in a process that will continue until 2002. Several challenges are immediately apparent as the group looks at these five scenarios and the relationships among them. First, there may well be incompatible logics embedded within these scenarios. It would almost be surprising if there were not, since the scenarios were constructed by three different small groups, with members of widely differing

theoretical perspectives. While the reasoning for the chains of logic is not explicitly drawn in the narratives of the scenarios, it is embedded in the state-of-the-world assumptions and in the formalization of the “if-then” statements which are the basis of a planned computerized rule-based programming. The program requires explicit statement of “if-then” propositions that are the scaffolding of each scenario.

The most immediate task, then, is to examine the logic of each of the scenarios, expose any contradictions, and, if possible, remove the inconsistencies and harmonize the reasoning. Analysis of the rule-based programs will help to identify incompatible reasoning and, at our next meeting, the group will grapple with these contradictory logics.

The scenarios themselves make clear that there are connections among the stories, that the plot lines can flow through one another. These scenarios do not represent sealed universes, but interconnected contingent worlds, where forces can drive the process from one scenario to another. We need to identify these loops and links, and specify as clearly as possible the kinds of forces and contingencies that would move the relationship from one path to another. Some of these are not easily, if at all, subject to manipulation by policymakers, but others may well be.

In analyzing these scenarios, it will also be important to consider the parameters that we have identified and grapple with their estimation. How much movement around any of these parameters is tolerable before the plot line moves from one scenario to another? Are these truly parameters, and are some more important than others? The answers to these questions are theory driven, but will come in part through consideration of the sensitivity of any of these parameters to contingencies and wild cards.

Finally, we need to “rank” the five, and any additional, scenarios that may have been missed in this first cut. To do so, we need to identify far more precisely how much change and what type of change would be necessary for these scenarios to occur. We can then ask the difficult question: which of these scenarios and prior processes of change are more rather than less likely? We may well be unable to attach precise probabilities to any of these scenarios, but we should be able to identify the contingencies which make one outcome more likely than another. We may even be imaginative enough to consider some of the more obvious “wild cards” in the relationship, in Palestinian and Israeli societies, in the region, in the global system, and in third-party intervention, which could dramatically shift the Israel-Palestinian relationship from one story to another.

Scenario construction is a humbling analytic activity. As we unpack these stories, identify their driving forces, examine the multiple paths that can

lead to an outcome, assess the sensitivity of the outcome to exogenous shocks, and try to identify these shocks, our confidence in increasingly contingent and context-dependent prediction declines dramatically. We invite the readers of *Security Studies* to comment on these scenarios, to identify missing forces, to point to flaws in reasoning, and to suggest contingencies that have not been considered. These scenarios are works in progress.