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Solution of the Palestinian refugees (PR) is integral to the ongoing peace process between the Arab countries and Israel as well as the negotiations between Israel, and the Palestine Liberation Organization (PLO). The refugee issue is politically significant because a majority of the Palestinians are classified as refugees. They form large conglomerations in the host countries in which they reside and therefore can have a political impact if they were to participate in political activity. Furthermore, the Palestinians have become politically alert especially since the intifada and it would be unwise to ignore them in any solution to the Arab Israeli conflict that may be pursued.

The refugee question, however, is important in economic and social respects as well. The Palestinian refugees embody a large stock of human capital which is underutilized primarily because of their political status in the countries of current residence and because of the ongoing conflict with Israel. Their mobility is restricted in most cases, their economic decisions are not free and their opportunities are not based on merit. As a result their product is presumably

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far below their capabilities. This underutilized capital is reflected in the quality of life they experience, the level of unemployment they suffer, and the inequality of opportunity they face wherever they reside in the Middle East compared with the citizens of those countries. The loss, however, is shared by the Palestinians themselves and the countries:in which they reside..

The PR are in an almost unique situation also because of the apparent common conviction that even after a peace settlement with Israel has been concluded, they will. not be able to return to their homes or country--a similar situation has been evolving for the Bosnian Muslims who are being evicted in the process of what has become known as ethnic cleansing. The PR are therefore threatened with the permanent loss of identity as Palestinians and of their homes and country. The loss, however, would not be as devastating as it sounds if it were the result of a voluntary decision by Palestinians to migrate or assume another national identity. The critical nature of this status is clearly reflected in the ambivalent attitude of the Palestinians of Jordan. While they have acquired citizenship, or the right to citizenship, form a majority of the population of Jordan, elect and get elected, and travel on Jordanian passports, they still call themselves Palestinians rather than Jordanians, and act as if the Israeli-Palestinian conflict is their own. Even those who were born in Jordan and have never set foot on

Palestinian soil behave as if they were only recently displaced and turned into refugees.

Another feature that adds gravity to the refugees situation is that a high percentage of those registered as refugees live in camps, in very crowded houses, with few of the amenities of life enjoyed by others. They depend on the good will of the host country, aid from the United Nations, and employment opportunities that cannot be filled by citizens of the employing countries.

These conditions have prevailed as long as the Israeli Palestinian conflict has continued. Now that conflict is in the process of being resolved the refugee status has become anachronistic. A solution has to be found that will do at least two things: enhance the peace process, and give the Palestinians refugees the opportunity to rehabilitate themselves as citizens and productive people. I propose, first, that without resolution of the refugee problem the peace process may be seriously handicapped. Second, resettlement of the PR outside Palestine is the only viable option. Third, If given viable alternatives to returning to Palestine, the majority will choose another option. Fourth, the Gulf countries should be a mutually most attractive destination for resettlement. Finally, resettlement would most successful if the PR take personal economic responsibility; therefore, financing resettlement should be by interest-free loans rather than by grants.

In the next section we shall look at the size and distribution of the refugee population; next I shall explore the possible solutions which have been discussed in the literature; In the final section I shall propose what I consider to be most viable solutions or approaches to the problem and the steps to take in the immediate future.

Profile of the Palestinian Refugees.

The PR are a relatively small segment of the total refugee population. As of 1993 there were 18.2 million people registered as refugees around the world. Another 24 million people were recorded as displaced within their own countries. The largest single group are Afghans, followed by the Palestinians, Yugoslavs, and Mozambiquis. Refugees and displaced people exist in all continents, in virtually all cases as a result of civil wars and therefore hope to return to their homes once such wars come to an end--as noted above the Palestinians and Bosnian Muslims are exceptions. The Palestinians have been scattered around the world, **but** those holding a refugee status are concentrated in Middle Eastern countries, as follows: North Africa, 9,400; Syria, 299,200; Lebanon, 319,400; West Bank, 459,100; Gaza Strip, 560,200; Jordan, 1,010,700.* [World Refugee Survey, 1993, as reported in the Britannica Book of the Year, 1994, Chicago: Encyclopaedia Britannica, Inc., 1994, p. 254] Others may be regarded as refugees but are not registered as such with UNRWA and therefore may not be included in these statistics, though any decision made regarding refugees would effect them

as well. The PR have acquired fairly high levels of education through UNRWA, generosity of the host countries, and aid from international foundations. Their level of skill is above average for any country in the Middle East, with the exception of Israel. Their ability to participate in productive economic life has varied according to the country in which they reside, ranging from full equality of opportunity, as in Syria, to highly restricted activities as in the Gulf countries. The same variation applies to their freedom of mobility, educational and health privileges, and social ;status. However, except in Jordan, the Palestinians have no political freedom. They cannot participate in the political affairs of the country of residence, regardless how long they have been in that country. This is the symbol of statelessness since they became refugees. The assumption is that a resolution of the Israeli-Palestinian conflict will also resolve their refugee problem and restore to these stateless people full political rights as commensurate with the national status of free people.

The economic and political status of the PR is complicated by a number of conditions. First, they are concentrated in relatively resource-poor countries and regions such as Jordan, Lebanon, and the Gaza Strip. Second, because of their concentration they dominate in the localities in which they reside in the respective countries and hence can make a difference if they were active participants in the politics of the country. Third, their

numbers continue to rise rapidly through natural growth-- though not much more rapidly than the growth of the native population. Fourth, in addition to their stateless status, the PR are still considered outsiders by the citizens of the countries in which they reside. Their refugee status is actually reinforced by the attitude of the people of the host country. Hence, resolution of the refugee problem must cope with all these conditions and make it possible for the Palestinians to free themselves of the refugee status, both technically and behaviorally.* [For a vivid detailed description of the refugee conditions see Don Perez, "Palestinian Refugees and Middle East Stability," Washington, D.C.: DARSP, Nov. 1992]

Before proceeding to explore solutions we should distinguish between two groups of refugees, those within the Occupied Territories(OT) and those outside it. The former group already resides within the Palestinian territory and, therefore, once the political conflict has been resolved, the solution to its problems will be primarily economic and social. The political solution is part of the peace process. Those who reside outside the OT face territorial, political, as well as social and economic problems that: await resolution. These distinctions will be elaborated, in the next section.

Potential Resolutions of the Refugee Problems:

A. Territorial and Political Solutions. The question of territory and political status has in effect been resolved

for the two groups of refugees, those who reside in the OT but have been displaced from their homes and live in camps and those who have been displaced but do not live in camps. These groups, which number around one million, are within the Palestinian territory and will enjoy the same rights as the Palestinians who have remained in their homes in the OT. Their problem is primarily social and economic.

Another group whose resettlement and political status have been essentially resolved includes those who are considered potential returnees to the OT by the PLO leadership, estimated at about 750,000 people.* [A statement to that effect was made by Nabeel Shaath at the Carnegie Mellon University conference ...; See also George Abed, ed., The Economic Viability of a Palestinian State, Washington, D.C.: Institute for Palestine Studies, p. 6] These potential returnees will probably be involved in the administration of the Palestinian entity and their families, coming from various parts of the diaspora. How they will be chosen remains for the Palestinian authorities to determine. For our purposes, however, this group can be removed from the status of refugees from the political and identity standpoints.

Another assessment of potential returnees has been made in the Masterplanning the State of Palestine.* [Ramalla, West Bank: The Center for Engineering and Planning, March 1992 pp. 3, 134] According to this estimate between 250,000 and 750,000 refugees will return during each of the first

five years of statehood. If 1.5 million refugees were to return from the outside in addition to the refugees who are already within the OT, then the total refugee population will be virtually resettled within the Palestinian entity. In that case, the remaining problems would be economic and social rehabilitation and development. However, it is doubtful that that many will return.

In my previous study, with Haim Darin-Drabkin, we proposed an economic plan that would absorb all the refugees within the state." [The Economic Case for Palestine , Croom-Helm, 1978] We believed then as I do believe now that the Palestinian economy can absorb all the refugees. However, I am not as confident that the road to economic viability with all the refugees returning would be as smooth now as it seemed then, nor do I believe that as large a percentage of refugees would be as eager to return now as were then. As to the economic viability question, the population has increased dramatically in the meantime, but the resources have not; actually the resources have declined because of capital destruction and deterioration of the infrastructure under occupation. Furthermore, I suggest that refugee expectations have changed both on account of political development and divisionism among Palestinians, and because of the passage of time and potential prospects elsewhere. Therefore I would estimate the potential returnees to be no more than those estimated by PLO leaders (750,000). I adopt this estimate on the assumption that the PLO will play a central role in

facilitating the return of refugees in due course, facilitate employment and housing, and ease their integration in the community. Without PLO approval, those who return on their own will probably face risks of unemployment, housing shortage, and difficulty of fitting in the community. Therefore, the decision to return or not to return will be made on the basis of comparison between available options and the better the alternative option, the fewer refugees will opt to return to Palestine.

The non-returning refugees will form the crux of the PR pending territorial and political status problem. These are concentrated in Lebanon, Syria, and Jordan. Although the Jordanian authorities have expressed little displeasure towards integration of the Palestinians in Jordan, they have shown concern regarding the capability of the Jordanian economy to absorb them. More indirectly, however, there has been concern regarding the role the Palestinian may play in the politics of Jordan once they are convinced that Jordan is their ultimate home country. Such concern is significant for the majority of Palestinians in Jordan, those who reside in refugee camps or who have not become integrated in the Jordanian society and polity. *[Some of these people will be among the potential returnees to the Palestinian entity.]

However, some of those returnees will also come from Lebanon and Syria. In any case, the fate of those who are not accounted for so far, a little over one million people, is crucial to a successful peace settlement. It is with these

refugees that I shall be concerned in the rest of this paper.

Several options have been recurrent in the literature as hypothetical solution though only some of them are feasible. Probably the most desirable though not evidently feasible solution is for the refugees to return home to Palestine, either to their original homes or at least to the Palestinian entity. However, this solution has been acknowledged as physically and political unfeasible, as has been apparent for a long time. Therefore, substitute solutions have been discussed. One of these is a formal recognition of the right of the refugees to return home as per UN Resolution 194 but not its implementation; instead viable alternative options for resettlement would be provided. Thus the refugees would have the formal right to return but practical difficulties would be allowed to preclude implementation. The argument for this proposal is that it resolves the political identity crisis of the PR and reduces the problem to the securement of territorial space for resettlement outside Palestinian territory. *[I discussed one version of this solution in my Peacemaking and the Immoral War. Arabs and Jews in the Middle East, Harper and Row, 1972, pp. 97-100; for a recent explicit statement of this approach to the Palestinian right of return see Ziad Abu Zayyad, 'The Palestinian Right of Return: A Realistic Approach,' Palestine-Israel Journal, # 2, Spring 1994, pp. 74-8; for changing interpretations of that right see Rashid Khalidi, "Observations on the Right of Right of

Return, " Journal of Palestine Studies, vol. 21, # 2, Winter 1982, pp. 20-40]]

Resettlement outside the Palestinian entity may be planned according to one of several possibilities. Probably the easiest solution from a logistical standpoint is resettlement in the host country. In that case the refugee camps will be dismantled and their occupants will be encouraged to seek their place of residence anywhere in the respective country. Though in some countries new communities are established to house resettled refugees, it is important that freedom of choice of residence and community be respected.. Such a solution, however, is replete with political, economic, and social difficulties. For instance, transforming the refugees into citizens with full political rights could alter the shape of the polity in the respective countries to an extent that the citizens would not be comfortable with that transformation, as may be the case in Lebanon. Another obstacle to this solution is the limited absorptive capacity of most countries of the region., unless large sums of capital are invested in them. Lebanon provides a good illustration of this handicap. A third obstacle is social in the sense that the Palestinian refugees have not always been welcome in the host countries and resettlement on a permanent basis may create social conflict with the native people. Therefore, while this solution may seem most logical, other options must be considered.

Another option is to encourage or plan resettlement in Arab countries which have sufficient absorptive capacity and political maturity and stability to be able to stand the shock of large numbers of newcomers to the country to share citizenship and participate in the polity. Syria is one such country; Iraq is another; Sudan is a third. Although these countries have political troubles of their own, the resettlement of a few hundred thousand Palestinians within their territories will not make much difference to the stability of the political system in the country; on the contrary, such resettlement may help to create stability by bringing in new ideas and human resources. A variation of this option is to offer the Palestinian refugees a place for resettlement while at the same time allowing them to obtain a Palestinian citizenship and thus retain their Palestinian identity. This option, however, is unstable since a Palestinian citizenship away from Palestine can have only a symbolic meaning and may not be adequate to substitute for the political and psychological benefits inherent in active citizenship within a country.

My preferred resettlement option outside the current host countries is to resettle most refugees as citizens in the oil exporting countries which suffer from labor shortage, especially the Gulf states. Such a program of resettlement would have mutual benefits to the refugees and the adopted countries. First, the Gulf states need labor to keep their economies fully functional; having citizens employed is more

desirable than having migrant labor. Second, as citizens, the new settlers can be selected so as to maximize the benefits to both parties, including loyalty to the new home state. Third, the benefits these countries can offer should be a sufficient incentive for the new citizens to integrate in society and avoid any activity that might threaten these benefits; especially in view of the fact that the return to Palestine is no longer an option. Finally, the Palestinian settlers will offer the new home countries large stocks of human capital at little or no cost; they will come with training and skills to put to work in the economy. This is how the New World has been built, and how Israel has managed to develop its economy as an island within an underdeveloped region. Kuwait, Saudi Arabia, and the United Arab Emirates jointly have the capacity to absorb and the need for all the non-returning refugees who might opt to settle in those countries.

Still another option is to encourage mobility and resettlement outside the Arab countries and the Middle East region. A million people can be easily absorbed in the new world, the United States, Canada, Latin America, Australia, and New Zealand. This solution is most attractive from the standpoint of the opportunities it offers to the individuals who take advantage of it. It is, however, costly to those who desire to retain their Palestinian or Arab identity beyond one generation or who believe that they have a role to play in the creation and nourishment of the new Palestinian

entity. Resettlement outside the region implies willingness to be assimilated into the new community one joins. These various solutions are not mutually exclusive. They may all be applied according to the place and resources available to make them successful. This leads us to the social and economic solutions.

B. Social and Economic Solutions. In order to be successful these various solutions have certain requirements in common. First and foremost the Palestinian refugees, as groups and as individuals, must have a say in the choice of the solution applied to them. Second, whatever solution is opted for, it must give sufficient promise that the living conditions of the resettled family will be improved socially and economically and that its members will become more productive, independent, and free. A third prerequisite is the provision of sufficient resources for viable resettlement according to the new environment. Probably a major source of success would be the ability to match resource availability with potential occupations and skills of the settlers to the extent possible.

On the other hand, there are certain conditions to be avoided if resettlement is to succeed and the refugee status is to be abolished. For example, there should not be a single hint or implication that the resettled people are undesirable in the Palestinian entity. A second condition to be avoided is the selection of country or region for resettlement according to ethnic, religious, or economic

class background of the settlers. To suggest that one's religious beliefs or affiliation or that economic wealth will be the determining factor in the choice of resettlement destination can be a source of instability and threaten a backlash against resettlement outside the Palestinian entity. Another implication to dispel is that resettlement outside the Palestinian entity is evidence of Israel's victory or Palestine's defeat in the conflict. Resettlement should be projected as the best possible solution of a conflict, reached through negotiation, and implemented through cooperation between the refugees themselves and the respective agencies involved in the resettlement operation. Finally, it is imperative that no implication of charity, pity, or aid to helpless people should be allowed to filter through to the potential settlers and threaten their self respect and needed cooperation. Their self respect must be safeguarded so that their potential abilities can be mobilized in the resettlement process. Having stated the conditions to encourage and those to avoid in the resettlement process, I shall point out certain steps that seem imperative in resolving the PR problem as part of the peace process.

Imperative Steps to Take

The following steps are premised on the assumption that wherever resettlement occurs the receiving country will be fully cooperative to facilitate mobility and integration of the new settlers into the community. We assume also that the

Palestinian authorities and the United Nations will be directly involved in implementation of the resettlement plan. International agencies should be involved as facilitators but not as decision makers as to who goes where for resettlement. We assume further that the resettlement program and the resources made available for it are independent of the issue of compensation for Palestinian properties left behind in Palestine. The issue of compensation for such properties must be isolated from the process of resettlement; compensation is an accounting matter; resettlement is a political, social, and economic process whose success depends primarily on cooperation of the settlers and the receiving country. Given these assumptions, we recommend the following steps as soon as possible in the peace process.

First and foremost is the need to survey the refugees to find out what attracts them most among the feasible solutions. The PR issue has been on a backburner for a long time. Interest in the refugee problem has been limited to the provision of basic needs and containment of their political activity. The highly qualified and enterprising among them have freed themselves of the refugee environment though not always the status, but these are relatively small in number. Those who have remained as refugees, the majority of the dislocated, are nationalistic and ambitious for freedom and identity as political solutions. To reconcile those expectations with feasible solutions is probably the most serious obstacle to tackle. However, regardless of the

solution attempted, the objective is bound to be removal of the refugee status and rehabilitation of the social and economic life of the dislocated people.

The success of the solution will probably depend on the degree of freedom of choice and voluntary cooperation of the refugees. To impose a resettlement program will no doubt meet stiff resistance and can easily cause political disorder. Imposition would be considered akin to the occasional suggestions by certain Israeli leaders to conduct population transfers to get rid of Arabs in the OT. It would also be as hateful as the so-called ethnic cleansing in former Yugoslav states.

A different approach is to entice the PR to move out of the camps on their own in order to get economic and civic benefits and avoid being forced to move out or at least abandon the refugee status. This approach will no doubt be branded as blackmail but could succeed. Other approaches with lesser degrees of imposition may be applied but all such approaches will be seen as imposed solutions. Therefore, to avoid such an obstructive stigma it would be constructive to survey the preferences of the PR from among the feasible solutions, coopt leaders and skilled Palestinian refugees to help in the implementation of the selected solution, and tailor programs to fit expectations to the extent possible.

To my knowledge no survey of the rank and file of the PR has been conducted. Negotiations regarding PR future and proposals for resolution of their problem have been carried

out by political leaders and academic experts with little explicit or systematic consideration of the refugees' desires or preferences. The leaders and politicians do not necessarily represent the refugees. Academicians who might or might not have visited refugee camps are not better qualified to reflect refugee preferences. Though surveying refugee preferences might have been difficult while a liberation movement underway, the question of the refugee preferences can no longer be ignored, given that an agreement has been signed for peaceful solutions of the Palestinian-Israeli conflict, including the refugee problem.

It is imperative for policy makers to find out what the PR prefer, what it takes to gain their cooperation, and how best any selected program can be administered to assure its success. A well-designed survey would go a long way toward answering these questions. The results will have strategic significance in the peace process. While the survey would give the PR some say in their future affairs, it would also make them aware of the difficulties and constraints that must be overcome to resolve their problem. It would help in the design of the appropriate program and thus increase the probability of its success. Finally, it would enhance the position of the Palestinian leaders among their constituents and internationally, promote harmony between the PR and the communities in which they eventually integrate, and give the refugees who will not return to Palestine a certain degree of self-respect as having participated in choosing the solution.

A second and connected step is to coopt the Palestinians in the formulation and implementation of the various options that are feasible. Once the survey results are known it would be most effective to recruit qualified administrators and staff from among the refugees so as to give them both employment and responsibility for the success of the program. Coopting the PR should serve as a major first step in their rehabilitation and restoration of their self confidence as self-reliant citizens wherever they happen to reside. Cooptation of PR leaders and staff should serve also to highlight the wealth of human capital they represent and can potentially use in building their economic and social future. This measure should also prove to be less costly than other approaches of leadership and staffing, given the social savings that can be realized by utilizing local talent and gaining confidence of the PR community.

A third step which overlaps both of the above steps is to embark on a campaign of reeducation of the refugees regarding their future as citizens, not dependent refugees. The PR have lived in refugee camps or in other communities as refugees believing that they have a right of return to their home and country. They have built expectations to that effect, even as it has become more and more unlikely that they will be able to enjoy that right. Therefore it should be a big shock to them to face a fact that after such a long wait they have no "guaranteed" right of return nor any reason to hope that some day they will be able to return to home or

country. The PR are bound to be angry enough to cause instability in the region. Reeducation is a way to smooth the transition. The PR should be fully informed about the negotiation process, the feasible and infeasible, the costs and benefits of different alternatives, and the prospects that lie ahead.

The PR need to be convinced that they are not being abandoned or sacrificed by their own people, the Palestinians who are settled, that their status is not uncommon, and that solutions are never exactly as one desires. They need to be convinced also that the chosen solution or solutions are the best under the circumstances. Illustrations of how other refugees have had their problems resolved and how they have been rehabilitated would be helpful. Literary explanations, videos, and organized visits to resettled communities can be highly useful to strengthen PR cooperation, reduce opposition, and provide models for implementation of the chosen solutions.

The process of reeducation is long and energy consuming, but its functions can hardly be overestimated. The most important benefit is to strengthen the confidence and determination of the PR to succeed outside the refugee camp or without the refugee status and help of others, in spite of the hardships they are bound to face. If successful the transformation through reeducation can also be a preventive measure against a backfire by the PR who are denied their most desired solution while other Palestinians enjoy theirs.

The sooner the PR begin to identify with their future country or community, the more fruitful will be reeducation, and the more promising its results.

These three steps are tied closely to the availability of adequate resources, the method of utilization of these resources, and the amount of economic freedom the individual gains by sharing them. The needed resources are of two types: economic opportunity, and capital or purchasing power. Economic opportunity means that the PR will enjoy the same economic freedoms enjoyed by other members of the communities they join, including freedom of enterprise, residential and occupational mobility, rights of ownership, and security of investment. The resettled PR should be able to pursue any economic activity, public or private, enjoyed by the community members without discrimination against them because of their newness, former national identity, or previous refugee status." [Reeducation of the receiving community becomes essential in this regard; though Palestinians in Jordan have the right to Jordanian citizenship and some have acquired it, there are charges of economic discrimination against them, even against those born in Jordan.* [Voice of America, Arabic broadcast, Oct. 7, 1994] Equality of opportunity for the resettled citizens or residents will help to assure them that resettlement as a solution embodies equality status in the economies in which they become integrated. It also enhances their incentives to perform and excel for their own benefit. They should now be

able to buy homes, become owner farmers, shopkeepers, business leaders, and crafts people and professionals according to their qualifications and merits. Only then can they be fully integrated in the new communities and can the refugee status be fully obliterated.

Resettlement capital is the other form of indispensable resources. The PR have depended on the United Nations resources for a long time. It is time for them to depend on their own resources. Therefore, the resources made available to them should be in the form of interest-free loans drawn from a revolving fund established for their resettlement. The fund, capitalized from all available international sources, would extend loans to individuals and families to cover moving and transportation costs to their new communities, sustenance and shelter for a given period of time, say six months, and an additional sum to invest in a business or other project if requested. Repayment begins a year and a half after settlement in the new community in small enough instalments to be affordable and not threatening to the new business or the borrower. Given that the value of an interest-free loan will diminish over time because of inflation, it means that its burden will also diminish. At the same time the need for the revolving fund will also diminish because the number of PR to be resettled will decline and eventually vanish.

One argument against a program of lending to the PR instead of giving them outright grants is that they have

suffered a lot and have lost land and property and therefore should not be burdened with loans. Two points should be emphasized in this regard: the loss of land and property left behind in Palestine is a separate issue and should be negotiated separately from solution of the residence and political status of the refugees. It is safe to assume that compensation will be paid to those who qualify for compensation as resolved by the negotiating team;; of the respective parties. On the other hand, an interest-free loan can hardly be a burden and yet it can be a major source of self-respect, a positive factor in building self-reliance, probably an advantage over the benefits enjoyed by the citizens, and a mechanism to assure availability of resources for other refugees who will need them in the future.

An important financial issue is the burden resettlement of PR may entail on the receiving communities. Given that a sudden increase of population will increase the demand for services and uses of the infrastructure, it should be possible to contribute to those communities adequate funds to offset the costs of absorbing the new members of the community. These sums, however, should be in the form of grants rather than loans, both to entice them to cooperate and to free them from the burden of absorbing relatively large population increments from the outside. Rapid expansion of the schools, transportation systems, utilities, sanitation and public health requires funds that usually are beyond the means of most communities in the Arab countries. Provision

of funds for those purposes will not only make absorption possible but it will reduce any negative sentiment against the new members of the communities because of increasing burdens on their public budgets. Such expenditure will also serve to inject capital, create jobs, and help to integrate the newcomers into their new communities.

Summary and Conclusions

Given the imminent peace agreement between Israel and its Arab neighbors, it has become imperative to address the refugee problem and search for a final solution. In this study I have addressed four aspects of the problem: first, economic and social rehabilitation of the Palestinian refugees is an integral part of the peace process. Second, a survey of the feasible options leads to the conclusion that resettlement outside Palestine is the most viable option to satisfy political as well as social and economic objectives, and resettlement in the oil-exporting Gulf states can be mutually beneficial to the refugees and to the receiving states. Third, success of resettlement options and other solutions depends much on the degree of choice the refugees have and the input they contribute to those solutions. Fourth, resettlement resources should be dispensed in two ways, as interest-free loans to the settlers from an internationally financed revolving fund, and as grants to the receiving countries to help them absorb the new settlers. Finally, to advance resolution of the refugee problem and enhance the peace process it is imperative to conduct a

survey of refugee preference, explore ways to coopt. them in the design and implementation of feasible solutions, and establish an international fund to extend interest-free loans to settlers and grants to the countries as soon as resettlement becomes possible.