

An aerial photograph of a coastal region. On the left, a large, dark blue body of water, likely the Mediterranean Sea, is visible. To the right, a narrow strip of land extends from the coast. This strip contains a small, dark lake and a prominent white building. The surrounding land is brown and appears to be a dry, hilly or mountainous terrain with some agricultural patterns. The overall scene suggests a strategic or geographical area of interest.

*A Collaborative Development Zone
for Israelis and Palestinians*

William J. Hartnett

**A Collaborative Development Zone
for Israelis and Palestinians**

2007

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Dedication

This research is dedicated to the Jewish and Palestinian peoples

Acknowledgments

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The quantum physicist Niels Bohr supposedly said that the opposite of a trivial truth is a falsehood, but the opposite of a profound truth is another profound truth. To the extent that some of this research guidance is true, there can be opposite points of view which also have merit. Decisions of the two peoples are choices, and the peoples themselves are not well served by even well-intentioned dogmatic prescriptions.

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A Collaborative Development Zone for Israelis and Palestinians

Underlying Situation

A Collaborative Development Zone for Israelis and Palestinians

This is a policy proposal for a collaborative development zone for Israelis and Palestinians based on the portfolio endowment policy. This policy proposal is intended to characterize a realistic choice for the two peoples, a choice that advances both the immediate exercise of their rights to self-determination and their pursuit over the long term of sustainable development. In the words of Ludwig Wittgenstein, it is “written for those who are in sympathy with the spirit in which it is written”,¹ in the belief that they have the potential to form the durable joint consensus necessary for freedom, security and peace.

At the outset, we discuss some background to the situation, since: “Getting hold of the difficulty *deep down* is what is hard. Because if it is grasped near the surface it simply remains the difficulty it was. It has to be pulled out by the roots, and that involves our beginning to think about things in a new way. . . . Once the new way of thinking has been established, the old problems vanish, indeed they become hard to recapture.”² And the Middle East situation is certainly deep-rooted and complex, as emphasized almost forty years ago by the Chinese representative during the discussions on UN Security Council Resolution 242. The sense of history in the area, and the potential for unresolved conflict between the two peoples to ignite a paroxysm threatening international peace and security, were poignantly evoked not long ago when sixteen people (including thirteen soldiers) were killed in Megiddo – also known as Armageddon.³

We will base our discussion on three assumptions. First, humanity outgrows the notion that “might makes right”. From this perspective, the threat or use by states of force inconsistent with international law, including especially the Charter of the United Nations, is an unacceptable throwback to the past. Some very serious people believe this assumption is counter-factual, particularly for powerful states able to bend or break international law. Other people believe that violations of international law are not the prevalent practice.⁴

This controversy is also an issue underlying the status of self-determination as a fundamental norm of international law despite contrary state practice⁵ and even the reality of international law itself.⁶ But our assumption that “humanity outgrows the notion that ‘might makes right’” is not a statement about the past, but a statement about how we will collectively choose to acquit ourselves during the choices with which we are presently met.

Second, religious fundamentalism will not resolve the situation. Even if some believe that Allah requires all non-Muslims in the Middle East to submit to Sharia rule, or that Yahweh has deeded all the Holy Land to the Israelites, such agendas are not the basis of a just and lasting peace. According to Baha’i literature, pointing out a deep connection among the faiths of man, the golden rule is universal: “What is hateful to you, do not to your fellow man. That is the entire Law; all the rest is commentary.” (*Judaism*) “No one of you is a believer until he desires for his brother that which he desires for himself.” (*Islam*) “Do unto others as you would have them do unto you.” (*Christianity*) Perhaps this is because there still exist only those civilizations which have had the wisdom, albeit hard-earned and still imperfect, to balance the relatively short term gratification of narrowly defined self interest with the longer term survival value of tolerance, respect and empathy.⁷

Third, neither people can ultimately be coerced by agenda manipulation. Even experts studying agenda manipulation in the relatively well-defined and behaviorally constrained arena of the United States Congress are “only beginning to identify and understand [participants’ available] strategies”.⁸ People quickly recognize and adapt to attempts at agenda manipulation.⁹ If neither people are “fools which it is possible to deceive”,¹⁰ then gambling on coercive agenda manipulation would lead to unpredictable dangers.¹¹ Therefore, perhaps it is worth trying something different: a focal alternative maximizing legitimacy to reverse the polarity of the relationship between the two peoples.¹²

With these assumptions, the way forward must be by principled identification and balancing of legitimate rights and interests. The most fundamental collective rights at stake are the respective rights to self-determination of the two peoples. There are, of course, vital individual rights also at stake, including the right to life itself. But in this situation, legitimately promoting and safeguarding the collective rights may be the best, or even the only, way to protect those individual rights. Indeed, “much of international law is the same as self-determination or shares the same values”, and self-determination can be seen as “principle norm of international law today”.¹³ The existence of peoples as genuine entities extends further into antiquity than international law itself, much less the birth of the modern nation-state system. Therefore, a compelling case can be made that the right of peoples to self-determination is in reality even more deeply rooted than international law itself.

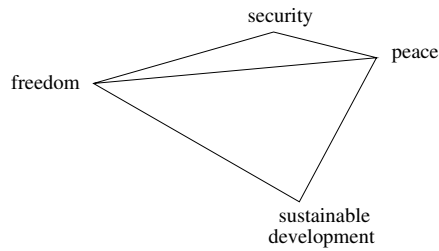
Equal rights and self-determination of peoples is (sic) a core principle of the Charter of the United Nations, the foundational document of modern international law.¹⁴ The classic characterization of self-determination is:

“All peoples have the right to self-determination; by virtue of that right they freely determine their political status and freely pursue their economic, social and cultural development.”¹⁵

Historically, self-determination in modern international law developed alongside decolonization, resulting in tension with the powerful principle of the territorial integrity of states (itself especially cherished by the governments of nation-states, both to safeguard their internal authority and to promote some stability of international affairs). However, in the Palestinian / Israeli situation, respect for *both* self-determination *and* territorial integrity could be not only mutually reinforcing, but even contingent upon each other, and *together* be vital prerequisites of international stability.

While the legitimate rights underlying the Israeli / Palestinian situation have deep historical roots, they are just as meaningfully anchored in the future. Self-determination is “essentially the right of peoples to determine their future”.¹⁶ Sustainable development is one possible objective of peoples in determining their future; that objective has in fact been expressly adopted by the peoples of the world in a series of solemn convocations; so the pursuit of sustainable development is a true duty of states under international law.¹⁷ Interpreting sustainable development as “ongoing improvement of the world system according to a legitimately constructed social preference relation”¹⁸ is particularly apposite, with its explicit emphasis on legitimacy.

Figure 1: Freedom, Security, Peace and Sustainable Development



In the context of the Israeli / Palestinian situation, sustainable development comprises freedom, security and peace (see Figure 1), as well as the familiar economic and environmental priorities. Freedom, security and peace are deeply connected to each other, and the realization of sustainable development for each people is deeply connected to its realization for the other. The two peoples have demonstrated that as highly as they value peace, they value security more highly, and freedom more highly still. Peace without security is viewed with considerable justification as an ephemeral illusion. But both peoples seem to consider security without freedom even less acceptable. This is very much in the spirit of those timeless and universal words often attributed to Benjamin Franklin: “Those who would give up Essential Liberty to purchase a little Temporary Safety, deserve neither Liberty nor Safety.”¹⁹

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There is already a consensus, which continues to strengthen, that the aspirations for self-determination of the two peoples are indeed legitimate, including the ultimate political expression of statehood where territorial integrity is fully respected. The perception of legitimacy can be reinforced among the two peoples themselves: on the one hand by viewing Israel's birth – admittedly displacing Palestinian families and communities – as the claim on the part of the Jewish people that its right of return to its ancestral land was not extinguished even after two millennia, and on the other hand by considering the reaction to be expected if a proud and resilient people descended from a warrior like Abraham is subjected to indignities and curtailments of basic liberties for generations on end.

Making the case for the right to self-determination of the Jewish people in Israel may seem superfluous considering its military might – including weapons of mass destruction – but recall that our discussion is not premised on a belief that “might makes right”. According to the Declaration of the Establishment of the State of Israel of May 14, 1948, this right was based on the “irrevocable” UN General Assembly Resolution 181, and on their “natural and historic right”, and that right was “the natural right of the Jewish people to be masters of their own fate, like all other nations, in their own sovereign State”.

With respect to the Palestinian people, in the words of Dr. Haidar Abdul Shafi, “Self-determination, ladies and gentlemen, can neither be granted nor withheld at the whim of the political self-interest of others, for it is enshrined in all international charters and humanitarian law. We claim this right; we firmly assert it here before you and in the eyes of the rest of the world, for it is a sacred and inviolable right which we shall relentlessly pursue and exercise with dedication and self-confidence and pride.”²⁰

But what if those aspirations, however legitimate they may be, are seen as mutually inconsistent? One logical precondition for a meaningful and stable regime of rights is that the legitimate exercise of a right requires the respect of that same right for others²¹ This respect should include the *minimum negative condition* of non-deprivation of others' rights.²² A healthy and robust regime of rights also entails a *positive responsibility* to promote those rights according to one's individuated connection to a situation, including one's ability to influence it.

Unfortunately, the history of self-determination includes much more violence than if the community of nations had not relegated it so much to the category of "self-help rights", which more nearly express the notion that "might makes right". Where it is necessary to balance the rights of different peoples, the community of nations can, ideally, serve as a profoundly valuable referent in identifying and promoting legitimate outcomes.²³

UN Security Council Resolution 242 (November 22, 1967) is the lodestone which points by consensus toward a focal resolution, in this complex field of superposed rights. It also has the virtue of providing a focal "reservation" outcome in the case where a unitary state is embraced but later unwound, so enhancing the initial prospect. Resolution 242:

"Affirms that the fulfillment of Charter principles requires the establishment of a just and lasting peace in the Middle East which should include the application of both the following principles:
(i) Withdrawal of Israel armed forces from territories occupied in the recent conflict;
(ii) Termination of all claims or states of belligerency and respect for and acknowledgment of the sovereignty, territorial integrity and political independence of every State in the area and their right to live in peace within secure and recognized boundaries free from threats or acts of force."

Resolution 242 also emphasizes “that all Member States in their acceptance of the Charter of the United Nations have undertaken a commitment to act in accordance with Article 2 of the Charter”, according to which:

“All Members shall settle their international disputes by peaceful means in such a manner that international peace and security, and justice, are not endangered.

All Members shall refrain in their international relations from the threat or use of force against the territorial integrity or political independence of any state, or in any other manner inconsistent with the Purposes of the United Nations.”²⁴

Is it possible for the legitimate aspiration of the two peoples, as epitomized by the UN Charter and Security Council Resolution 242, to be not only reconciled but mutually reinforcing? We will consider a proposal designed to facilitate precisely that: a portfolio endowment policy where new enterprises are created in a collaborative development zone or “Green Belt” along the Green Line which demarcates territories occupied in the 1967 conflict.

But before presenting this proposal, it is worth characterizing the alternatives confronting the two peoples. After all, wanting to know in advance about the consequences of our choices is a normal, healthy attitude. One useful point of view is: the two peoples together constitute a system; that system is able to exhibit different behavior modes; it is the broad regime or phase of the system which the two peoples collectively choose. The two peoples are coupled together in their *choice of broad regime or system phase* to inhabit.

Outgrowing the dangerous notion that “might makes right” irrevocably excludes as illegitimate two conceivable choices: *capitulation / domination* and *paroxysm*. We will assume that a premeditated paroxysm, which could take a number of forms, will be deterred by some combination of morality, infeasibility, economic repercussions, and the stark uncertainty of severe

consequences (e.g., individual indictments, collective delegitimization, and immediate or eventual retaliation by the other people or its sympathizers).²⁵

We will also assume that it is unrealistic to expect capitulation, either from a prosperous people armed with weapons of mass destruction, or a people suffering severe hardship for generations which nonetheless has exhibited very positive opinion polls for the long term, at least prior to the most recent Intifadah.²⁶ Given the heritage in common of the two peoples, even belief in the resilience of one's own people reinforces the unrealism of expecting capitulation from the other people.

The historical situation can be referred to as *stalemate*,²⁷ where interests are thought to be opposed and unilateral decisions create confrontation which follows a stochastic process staying above some minimum threshold. Because complex, noisy feedback systems are deceptive and can induce persistently maladaptive responses, we will develop and explore – in the section “Why Stalemate?” – a natural stalemate model elaborating several key insights:

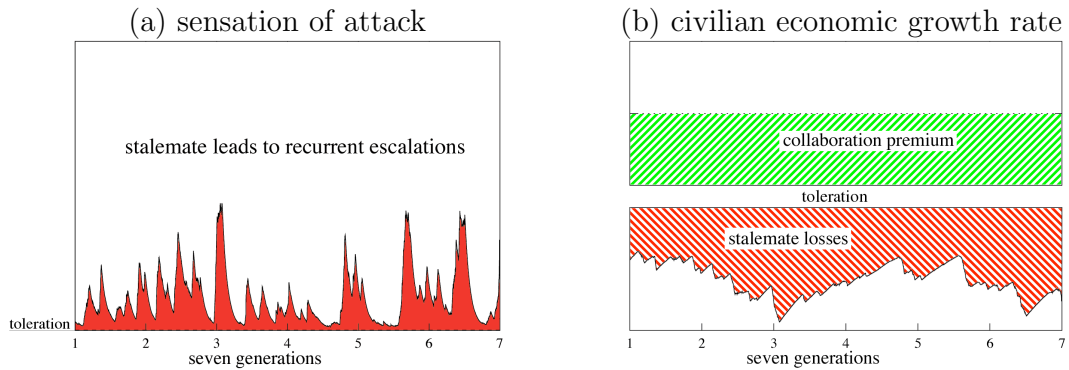
- Without significant mutual accommodation, or an external reference such as the international community, paroxysms are induced dynamically.
- Trying to extract accommodation by aggressiveness isn't very promising.
- Interpreting the other's harm as one's own benefit is extremely dangerous.
- With good objective functions, peaceful mutual accommodation becomes a focally attractive equilibrium.

The seeming objective of peaceful mutual accommodation, in other words, each people leaving the other alone in peace, might be termed *toleration*. *Genuine collaboration* is more ambitious than toleration, but can, perhaps counter-intuitively, nonetheless be a more stable choice in an uncertain world. It is the choice of genuine collaboration – the mutual effort to achieve a resolution with maximum legitimacy – which is the subject of this proposal.

Figure 2 is a stylized summary of some reasonable expectations about the choices of stalemate, toleration and collaboration:

- Toleration is represented as the reference level. Sensation of attack remains at zero – i.e., no systematic violence or oppression – with a corresponding reference level of civilian economic growth rate.
- Stalemate is illustrated with a generic sample path for sensation of attack, which results in ongoing losses in the civilian economic growth rate.²⁸
- Genuine collaboration has optimum security – zero sensation of attack – and also creates a sustained premium in the civilian economic growth rate.

Figure 2: Stalemate, Toleration, or Genuine Collaboration?



But if it is so undesirable, why has stalemate persisted? One explanation might be that “even though one does not want suffering, due to being obscured with respect to the causes of suffering one engages, as if intentionally, in achieving the very causes of suffering”.²⁹ Alternatively, in the terms of theoretical finance, a choice to incur the dangers and costs of stalemate could result from a maladaptive endowment effect, with a reluctance to give up an out-of-the-money option on revanchism or territorial expansionism – either of which would violate the international community’s understanding of UN Security Council Resolution 242 – despite the extravagant option premium due to the ongoing opportunity cost in economic growth and security.

Notes

¹Ludwig Wittgenstein, “Culture and Value” (1980), containing quotes of his organized by year; this quote is from 1930.

²Id., the quote being from 1946 (emphasis in original). According to Albert Einstein: “Problems can never be solved at the same level of awareness that created them.” Quoted by Zac Goldsmith, editor of “The Ecologist”, p.5 (July/August 2005).

³For a historical perspective on the threat of ethnic conflict spreading regionally, see Sandra Halperin, “The Spread of Ethnic Conflict in Europe: Some Comparative-Historical Reflections”, in David A. Lake, Donald Rothchild (eds.), “The International Spread of Ethnic Conflict” (1998). One particularly cogent part of her analysis finds that favorable post-World War II conditions which had reduced the threat of ethnic conflict spreading regionally are now deteriorating:

“In both parts of Europe, the transition toward a system of class stratification has, because of its greater inequality, generated ethnic and class divisions and tensions reminiscent of pre-World War II Europe.” (P. 173)

⁴Consider the rather different views of Thomas Franck, e.g., “The Power of Legitimacy Among Nations”, p. 7 (1990) and Noam Chomsky, e.g., “Hegemony or Survival” (2003).

Possibly the most powerful meme about whether might makes right is the classic Melian Dialogue of Thucydides. This dialogue is set in 416 BC between invading Athenians (then the most powerful Greek city-state, and bent on regional hegemony) and the leaders of Melos (a small independent island with ethnic ties to Sparta):

“Athenians: . . . [J]ustice – in human terms – is decided through a balance of power; at other times, the powerful arrange matters in their own interest and the weak yield . . .

Melians: . . . [D]on’t cause the ruin of the common good . . .”

Translation by the author from Thucydides, “History of the Peloponnesian War”, p. 159 (original Greek with a translation by C.F. Smith, 1921, 1998), with thanks to Josiah for his help with my translation.

However, equating justice with the outcome of a power struggle, even a balanced one, is illogical – whether from confusion or from a dissocial insensitivity to word meanings. John von Neumann used to quote the Melian Dialogue word for word when advocating a preemptive nuclear strike against Russia. William Poundstone, “Prisoner’s Dilemma”, p. 143 (1992) (see note 25).

(When the Melians resisted, they were first walled in and then destroyed. In 411 BC, the fabled Athenian democracy was lost to an oligarchic coup. By 404 BC, Athens was defeated by Sparta.) (See also note 70.)

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While our discussion about the underlying situation has been based on assumptions revolving around rights and the limits of raw power (even though, yes, it can, sometimes, coerce or destroy), the genuine collaboration which is the object of this proposal represents a choice with independent appeal. An arrangement of genuine collaboration has the potential to enrich the system, if one believes in the value of diversity and respect.

⁵Hartnett, *infra* note 17, pp. 91-95.

⁶*Id.*, pp. 70-72. “If international law is difficult to make, yet it is made; if its growth is slow, yet it grows. If there is no judiciary as effective as in some developed national systems, there is an International Court of Justice whose judgments and opinions, while few, are respected.” Louis Henkin, “How Nations Behave”, p. 25 (1979). But even this modest assertion has problems. See Noam Chomsky, “Understanding Power”, Peter Mitchell, John Schoeffel, eds., p. 86 (2002). “The law’s prospects, then, will prosper or falter with the forces making for healthy international society.” (Henkin, p. 317)

⁷Baha’i literature also recounts: “Hurt not others in ways that you yourself would find hurtful.” (*Buddhism*) “Blessed is he who preferreth his brother before himself.” (*Baha’i Faith*) According to one world religious leader: “All religions essentially have the same message of compassion and human improvement.” Tenzin Gyatso, H.H. The Dalai Lama, “Kalachakra Tantra Rite of Initiation”, p. 197 (translation by Jeffrey Hopkins, 1989). Consider also: “Historically, religious values have developed in response to long-term social needs. To survive, a society must have a long-term value structure to counteract short-term pressures. Without long-term values, living for the present, if carried to an extreme, makes the future impossible.” Jay W. Forrester, “Christianity in a Steady-State World”, (Episcopal sermon by the creator of system dynamics; December 9, 1979).

⁸Peter C. Ordeshook, Thomas Schwartz, “Agendas and the Control of Political Outcomes”, *American Political Science Review*, vol. 81, #1, pp. 179-200, 195 (March, 1987).

⁹ “[Agenda] setters are also subject to those who would upset their calculations by the introduction of new issues and dimensions . . . [E]ven those unschooled in agenda manipulation soon learn the importance of agenda control and seek the means to thwart that control.” *Id.*, p. 194

¹⁰Jabotinsky, *infra* note 43, referring to the Palestinian people and surely believing the same about the Jewish people.

¹¹Gambling on coercive agenda manipulation could be like “catching a reindeer with a crippled hand on a thawing hillside: think not to do it”. “Havamal”, in the “Elder Edda” (related by Snorri Sturleson, translation from the Icelandic by W.H. Auden, P.B. Taylor, 1969).

¹²In our discussions, members of the two communities have questioned the realism of

reversing the polarity of the relationship of the two peoples. I think that a people which believed itself incapable of making a choice which is in its short and long term interest would be selling itself short, and that projecting onto only the other people such an incapacity is inconsistent with the amount of heritage shared by the two communities.

¹³Louis Henkin, interview with the author (Nov. 17, 1995).

¹⁴See, e.g., Bruno Simma (ed.), “The Charter of the United Nations: A Commentary”, pp. 56-72 (1995). Note that the underlying philosophy of the UN Charter, which is clearly reflected in its text, regards “equal rights and self-determination of peoples” as a single integral concept. In a sense, this point of view is the antithesis of “might makes right”.

¹⁵United Nations General Assembly Resolution 1514 (1960). To a certain extent, the codification in international law of the even more deeply rooted right of peoples to self-determination reflected the search for allies and converts in the Southern Hemisphere by the contesting superpowers.

¹⁶Louis Henkin, *supra* note 13.

¹⁷William J. Hartnett, “The Pursuit of Sustainable Development as a Duty of States under International Law” (MIT Dissertation, Interdisciplinary Studies; 1996), which also treats the development of self-determination and its current status in international law.

¹⁸*Id.* Recall also H.H. The Dalai Lama’s characterization of the message of world religions as “compassion and human improvement”, *supra* note 7.

¹⁹This quote and a discussion of its history and authorship can be found on the Wikipedia web site at http://en.wikiquote.org/wiki/Benjamin_Franklin. At America’s Superbowl, Paul McCartney sang “Freedom”, especially written after September 11, 2001, whose lyrics repeat: “This is my right, to live a free life, to live in freedom. . . We will fight for the right to live in freedom.” The Irgun, a clandestine military organization whose command was assumed by Menahem Begin, distributed as wall posters its underground monthly *Herut* (Freedom). “A Land of Two Peoples”, pp. 173, 174, 190 (see note 117).

²⁰In his capacity as Head of the Palestinian Delegation to the Madrid Peace Conference, in his opening speech in October, 1991.

²¹ “[E]veryone’s rights are importantly dependent on respect for the rights of others, on the rule of law, and on a healthy society.”

Mary Ann Glendon, “A World Made New”, p. 239 (2001).

“If deliberation is not to take the form of a mere clash of unyielding interests, and to end in seemingly irreconcilable conflicts...equality . . . and freedom depend . . . on: the belief that each and every [people] possesses great and

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inherent value, the willingness to respect the rights of others even at the cost of some disadvantages to one's self, the ability to defer some immediate benefits for the sake of long-range goals, and a regard for reason-giving and civility in public discourse."

Mary Ann Glendon, "Rights Talk: An Impoverishment of Political Discourse", p. 179 (1991), mapping (with permission) her thoughts from individual onto collective rights.

22 "That gentleman, who this minute is passing by my window along the street, has a right to life only because and only insofar as he recognizes my right to life. . . That relates also to peoples."

Ze'ev Jabotinsky, "Ethics of the Iron Wall", *Razsvet* (Nov. 11, 1923) (translation from the Russian by the author). Therefore, it would seem that according to Ze'ev Jabotinsky, a people which violates another people's right to self-determination correspondingly diminishes its own entitlement to self-determination.

²³Some people may question the existence of the "international community". Consider, for example, brilliant, conservative U.S. Supreme Court Justice Scalia's rather dismissive accusation that "the views of other countries and *the so-called international community* take center stage" (in the Supreme Court's recent ruling that it violates the United States Constitution to execute people who were 17 or younger at the time of their crime). *Roper v. Simmons*, Slip Opinion No. 03-633, p. 16 of the Scalia dissent, emphasis added (March 1, 2005). In that case, the U.S. Supreme Court itself said "It is proper that we acknowledge the overwhelming weight of international opinion" (p. 24 of the Opinion of the Court); but it seemed mostly concerned with "the evolving standards of decency that mark the progress of a maturing society" (p. 6 of the Opinion of the Court). Another approach is to view the system as a whole where the legitimacy of enforcement decided by some parts of the system of violations within other parts is strengthened where the decider's "individual" interests are not involved. In this case, legitimate enforcement represents a healthy connection strengthening the system. One could listen to the newly released music cd "A Beautiful Arrangement" by Nicola Williams for a special expression of appreciating the inter-connectedness of a diverse system.

²⁴The purposes enumerated in the Charter of the United Nations are:

- 1) To maintain international peace and security . . . ;
- 2) To develop friendly relations among nations based on respect for the principle of equal rights and self-determination of peoples . . . ;
- 3) To achieve international co-operation in solving international problems . . . , and in promoting and encouraging respect for human rights and for fundamental freedoms for all without distinction as to race, sex, language, or religion; and
- 4) To be a center for harmonizing the actions of nations in the attainment of these common ends."

²⁵One warning signal is dehumanizing propaganda, a "breeding ground" for paroxysms beyond the pale of international law. See generally:

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<http://www.ictr.org/ENGLISH/basicdocs/statute.html>, and

[http://www.icc-cpi.int/library/basicdocuments/elements\(e\).html](http://www.icc-cpi.int/library/basicdocuments/elements(e).html).

Ze'ev Jabotinsky, known both for his advocacy of Jewish interests and for his forthright language, considered "forcing the Arabs out of Palestine, in any form whatsoever" to be "absolutely impossible" and explicitly foreswore any such attempt (see note 43).

If only out of concern for their historical legacy, wise leaders must carefully evaluate dissocial urgings even from very smart people. Indeed, according to H.H. The Dalai Lama, "From the Buddhist point of view, an extreme grasping at self-centeredness is thought to be a highly cognitive affliction". "Investigating the Mind: Exchanges between Buddhism and Biobehavioral Science on How the Mind Works" (Conference at Massachusetts Institute of Technology; September 13-14, 2003.)

For example, John von Neumann, the brilliant originator of game theory, was quoted as saying: "With the Russians it is not a question of whether but when . . . If you say why not bomb them tomorrow, I say why not today? If you say today at 5 o'clock, I say why not 1 o'clock?" Clay Blair Jr., "Passing of a Great Mind", *Life*, p. 96 (Feb. 25, 1957). And it seems preemptive nuclear attack remained a live issue. See Heather A. Purcell, James K. Galbraith, "Did the U.S. Military Plan a Nuclear First Strike for 1963?", *The American Prospect*, p. 88 (Fall, 1994). It does not take much empathy to think of the large number of innocent people who would have perished during such a Strangelovian catharsis. According to Louis Henkin, "one nuclear aggression by a major power might render meaningless all the observances of all norms and obligations by all the nations of the world". "How Nations Behave", pp. 47-48 (2d ed., 1979).

²⁶Choices of tactics during the stalemate are consistent with this assumption.

²⁷See, e.g., Henry Kissinger, "White House Years" (1979), as quoted in Chomsky, *supra* note 6, Chapter 4, fn. 41 (<http://understandingpower.com>).

²⁸The sample path is from a model which stochastically interlinks attack postures, sensations of attack and estimates of the other's attack posture. Here we assume mutual tit for tat response functions with generic parameters, with the benefit of the international community being involved as a reference. The sample path was chosen for its median outcome out of a large number of sample paths. The graph for sensation of attack uses an exponentially smoothed average with a one year time constant. The sensation of attack time series, with a one generation time constant and on an inverted scale, is used to portray the economic growth which is sacrificed as long as stalemate continues.

²⁹Tenzin Gyatso, H.H. The Dalai Lama, *supra* note 7 at p. 197. For the record, all the quotes by His Holiness the Dalai Lama have been included due to the author's personal belief of their relevance and cogency, without any endorsement by the Office of His Holiness. See also the discussion below at note 88, concerning complex systems whose counterintuitive behavior can induce maladaptive responses.

**Collaborative
Development
Zone**

A Collaborative Development Zone for Israelis and Palestinians

The subject of this policy proposal is the collaborative development zone, a necklace of enterprise parks centered along the Green Line demarcating territories occupied in the 1967 conflict. This collaborative development zone could be thought of as a “Green Belt”, as depicted in Figure 3. One powerful focus of this proposal is the portfolio endowment policy.³⁰

The portfolio endowment policy automatically endows every citizen with a financial instrument composed of a portfolio of enterprises.

A highly liquid, specialized nationwide marketplace supports a range of investment choices at periodic intervals.

This portfolio endowment policy can serve as the focus of a collaborative development zone joining the two communities.

There are a number of advantages to this portfolio endowment policy, broadly including:

- efficiency (practically, and in theoretical finance terms), and
- equity (reducing inequality and promoting fairness).

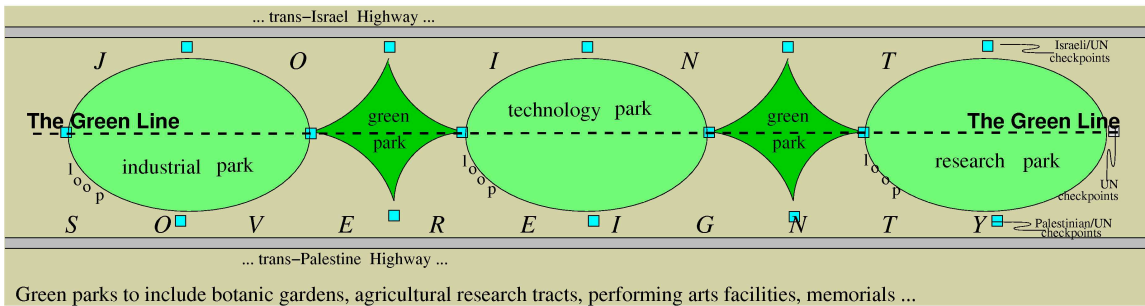
There is perhaps no region where an innovative, fair-minded implementation of such a policy could be more helpful, helping change the past negative trajectory into a high-consensus positive future.

This proposal is grounded in finance and in international law. It does not presume to prejudge the relative merits of freely arrived at one- or two-state resolutions.³¹ The polarity of the relationship is more important than the quantity of states. It is states which exist for the purpose of serving the interests of individuals, peoples and nations - not the reverse. But in the case where the two peoples adopt a two-state approach, the collaborative development zone could be established by a truly classic Treaty of Friendship, Commerce and Navigation between Israel and Palestine.

Figure 3(a): The Jewish and Palestinian Homeland



Figure 3(b): Proposed Green Belt



A general principle of international law recognized by civilized nations is that the legitimacy of a political disposition is dependent on how well individual and collective rights are respected, protected and promoted, and how fairly disputes over rights are resolved. Perhaps ideally, if it were the will of the parties, the collaborative development zone could be constituted under a regime of joint sovereignty.³² Such joint sovereignty would symbolize the truly positive-sum nature of this proposal.

Enterprises are chartered jointly by Israel and Palestine. Financial capital from the Middle East, Europe, Asia and the Americas is invested in appropriate enterprises, such as education, technology, medicine, resource stewardship, dispute resolution techniques, consumer manufacturing (domestic and export), etc., but excluding military enterprises. However, in most cases the vast preponderance of capital will be the talent and energy contributed by members of the two communities and the good will contributed by the international community.

The corporate purpose of Green Belt enterprises poses special issues. True stakeholders include all the citizens of Palestine and Israel along with the international investors, and also include the international community taken as a whole, through the connection with international peace and security. The corporate purpose of each Green Belt enterprise should incorporate the explicit commitment to respect (in a formal, legal sense) the collective rights of the Jewish and Palestinian peoples and the individual rights of each and every individual with whom it interacts, and also to respect (in a more colloquial sense) the heritage of both communities. Serious violations of the corporate purpose should be subject to correspondingly serious sanctions, by either Israel or Palestine.³³

Some Inter-related Categories of Green Belt Enterprises

Agriculture. The green parks within the Green Belt can include agricultural research tracts, including training in best practices such as environmentally friendly organic farming. Farmers' markets all along the Green Belt can provide important security for farmers and consumers alike, besides being very attractive to visiting tourists.

Branding. Provide branding and world-wide marketing for cultural marketables, agricultural produce, etc. Certify the quality of agricultural produce and other products. For example, a consumer foods brand with a poignantly significant flagship product of extra virgin organic olive oil from olive trees in a newly peaceful common Palestinian and Jewish homeland could command an instant premium and valuable shelf space in stores world-wide.³⁴

Consultancies. Establish an organization making available elite inter-ethnic teams (not only Jewish and Palestinian) trained in international peace-keeping, facilitation, negotiation and alternative dispute resolution. Such teams could serve as a "delta force" for peace and development, commanding respect and bringing to challenging situations real hope for positive resolutions. Other consultancies could provide expert cultural, linguistic, legal and accounting advice to investors in the collaborative development zone and throughout the Middle East.

Cultural Marketables. Music, videos, arts and crafts of both heritages would have a ready market not just to tourists but world-wide. It would be only natural for some of these to be created within the Green Belt itself, whether in arts and crafts centers, recording studios or as outdoor performances.

Education. Publish textbooks, for local use and for export in major world languages, on vital topics such as individual and collective rights and responsibilities, respect of diversity, language training, resource stewardship, and

including tools and techniques to think clearly about real-world systems.³⁵

Finance. Extend micro-entrepreneurial loans for all sorts of small enterprises, collateralizable by the portfolio endowments.

Health. Hospices and holistic clinics could attract first-rate professionals from around the world to work alongside, learn from and train native colleagues. In some cases, siting them in former settlements may be very attractive.

International Institutes. Research institutes, e.g. under the auspices of the United Nations University or the United Nations Environment Programme, would find the Green Belt a natural home. Another poignant possibility would be a research institute on international peace and security and the control of weapons of mass destruction, near Megiddo.

Tourism. The shared Jewish / Palestinian homeland represents an unsurpassed tourist destination, given political stability and aggressive tourism development. The land of Jerusalem has deep historical significance and religious links, and will attract many new visitors when the area becomes peaceful and stable. The green parks within the Green Belt will also attract tourists, with their memorials, botanic gardens, and facilities and areas for formal and informal performing arts.

Utilities. As one example, research, develop and administer regional Mediterranean waterworks, including desalinization and power generation.³⁶ The gracious sharing of water powerfully symbolizes positive relationships.

This list of categories is of course just a start. The main purpose here is to offer a selection of ideas to illustrate some of the potential of genuine collaboration and to stimulate positive, creative, long-term thinking.

Notes

³⁰The portfolio endowment policy has been developed and motivated by the author in: “Social Welfare and the Privatization of Large State Enterprises in Newly Democratic Nations”, MIT Technology and Policy Program (Thesis, 1993); “Shares for All: Options for Distributing Wealth through Privatisation”, [South African] Centre for Policy Studies Transition Series Research Report 54 (1997); “Privatization Marketplace”, United States Patent 6,112,188 (2000); “Endowing Citizens with a Portfolio of State-Sponsored Enterprises for Efficient and Equitable Privatization”, MIT Sloan School of Management Finance Group, Working Paper 4252-02 (July, 2002).

³¹See, e.g., “Building for Peace in the Middle East: An Israeli-Palestinian Dialogue”, (UN Department of Public Information, 1992):

“We do not deny the rights of the others if they accept the principle of mutuality. If you accept my right to settle and live wherever I want, I will accept your right to do likewise. . . [O]ur demand for a Palestinian State alongside Israel wasn’t a Palestinian proposal. It was a Palestinian response to the wish of Israel. We wanted to live with Israelis and the Jews in one State. When they insisted on having a Jewish State, we tried to be practical and offered them the proposal of a two-State solution.”

Ziad Abu Zayyad, adviser to Palestinian Negotiating Team, p. 87.

“In order to have a solid, durable solution to the Palestinian problem, one must offer a large territory and other foundations for the solution. . . Is there enough space [in Gaza and the West Bank] for economic infrastructure, roads, railways, access to ports, security and economic viability? . . . Forget about my position as an Israeli; consider my comments as those made from the point of view of an observer: Is this enough of a solution? No. It is too small. This spells instability and the continuation of friction, not the end of conflict. And therefore, according to my point of view, the best solution is a confederative, or federative, infrastructure that includes Jordan and Palestine as well. . . [I]f I want a real solution for your problem, because your problem is my problem, I want to have a stable, broad-based solution. This is the traditional position of my Party.

Avraham Burg, member of the Knesset (Labour), p. 37.

See also UN Security Council Resolution 1397, “*Affirming* a vision of a region where two States, Israel and Palestine, live side by side with secure and recognized borders. . .” (March 12, 2002).

Our assumption that “neither people can ultimately be coerced by agenda manipulation” also relates to outside intervention. The international community has a vital role in regularizing the Israeli / Palestinian situation in accordance with international law, but other countries have no right to usurp Israeli and Palestinian self-determination.

Note that a genuinely consensual and legitimate resolution will also serve to regularize a variance – between border claims and beliefs of the international community – which is anomalously significant relative to Montevideo Convention 1(b).

³²I do not consider myself qualified to prescribe specific dimensions for the collaborative development zone. However, it doesn't need to be a constant width over its entire length. Ultimately, the collaborative development zone is at least as much a concept as a swath of land. For example, even settlements away from the Green Line could be transformed into tourist resorts that become properties of several new holding companies incorporated “within” the zone. Part of the answer to the question how large to make the zone could be the same as for Ireland's hugely successful special-status International Financial Services Centre. The IFSC, built on what was a problem zone in Dublin, has been described as being “as long as a piece of string”, sometimes extending clear across the island.

This proposal is of course also consistent with modest deviations from the exact Green Line in the form of freely arrived at land swaps. One particularly interesting possibility is to start with a reasonable width which doesn't constrict Green Belt objectives, taking into account land use issues such as population centers and transportation planning, and with an explicit option for the two peoples to extend this positive-sum arrangement in the future just as far as indicated by a genuine joint consensus as mutual trust is earned.

³³Active or even passive violations of the duty to respect individual and collective rights could be punished by either Israel or Palestine. Culpable individuals of whatever rank in the organization could face dismissal with statutory revocation of severance benefits.

³⁴Competitions could be held to choose a logo – and perhaps periodically changing or sub-brand logos for different products – with a preference toward entries by inter-heritage teams. The greetings “Shalom” and “Salam” convey an historical resonance and mutual aspiration for peace; perhaps combined they could become a powerful world-wide brand.

³⁵An ancient Chinese proverb says: “To prepare for one year, plant rice. To prepare for ten years, set trees. But to prepare for one hundred years, educate people!” According to C. Edwards Deming, “Learning is not compulsory . . . neither is survival.” From a poster at the MIT Space Systems Laboratory.

³⁶“The Dead Sea [is] the lowest point on the earth's surface, lying three hundred ninety-four meters below the level of the Mediterranean. To convert this tremendous difference in levels into a source of power [would be] the simplest idea in the world.” Theodor Herzl, “Old-New Land” (1902; translation from the German by Lotta Levensohn, 1960).

³⁷The Israeli settlers themselves could be remunerated for their individually calibrated property interest in some elective combination of cash-equivalents, such as allocations of alternative housing, or shares in new holding companies into which the settlements are folded. Such remuneration would presumably be handled by the State of Israel (which