Gaza Viability: The need for enlargement of its land base

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Foreword

What was only a dream and pious wish when this article was written in 1991 - a "Gaza First" policy to begin the Arab-Israeli peace-making process, has become unexpected reality. Israel and the PLO have "declared" peace, and Gaza and Jericho will be the first-step in the overall process.

The argument that is made here - that economic development prospects for Gaza could prove a cruel hoax <u>unless</u> the land base is trebled, is as valid now as it was before Labour gained power in Israel, and Arafat and Rabin met at the White House in the mutual recognition ceremony.

The United States has taken the lead in seeking development capital for Gaza from the Gulf States, Saudi Arabia, Japan and the World Bank. Israel is communicating this urgency to the European Community. Arafat talks of an eleven billion dollar investment need over the next few years, and economic planners - Israelis, Palestinians and Americans are putting forth ideas about infrastructure, industrial and agricultural development.

However, in all of the euphoria over this first peace step, there is a singular lack of attention to the Gaza land problem. The model presented in this paper suggests that Gaza's 362 Km² should be expanded to 1,000 Km² through the acquisition of unused Egyptian and Israeli lands. Moreover, while the problem of Israeli settlements in Gaza especially the Qatif bloc, is being sidestepped, it is clear that the area occupied by the settlements (nearly one-ninth of the total land area) will be sorely needed to meet short-term development planning. The 3,500 Jewish settlers of Gaza will have to be relocated if tourism is to be developed. Since the ink is scarcely dry on the PLO-Israeli peace document, such a proposal may be viewed as quixotic.

However, we think otherwise. Economists and political scientists all too often have a spatial block

when it comes to their thinking. It is here that Geography pulls its weight. The land problem in Gaza must be addressed quickly - at least in the first stage of infra-structural planning. For the strategy of capital investment hinges on whether funds are to be poured into an ecologically disastrous "high-rise" world, or whether they should be directed along lines of sound, rational land use planning.

We are not so naive as to assume that the Governments of Israel and Egypt are now in a political position to offer Gaza additional lands. This can come only towards the end of the peace process. However, it is urgent that current planning takes such an eventuality into consideration. Capital alone will not solve Gaza's economic and social problems. Capital, an expanded land base and internal tranquillity can.

Introduction

Since the Gulf War's end, the United States mounted a vigorous international effort to bring Israel and the Arabs to the negotiations table. There have been other initiatives to seek a resolution to the conflict. This one differs because it is based upon a broad international consensus and because the emphasis is upon the process of negotiations, not the end result. The effort is not a solo American one. The Soviet role was critical in influencing the Syrian stand. Moreover, American insistence upon a European Community and United Nations presence, in spite of Israel's initial opposition, recognised the important stake of Maritime Europe in the Middle East, and the revitalised role of the United Nations as a consensus-seeking mechanism, rather than an instrument of the Cold War.

With respect to the protagonists themselves, surely the earth-shaking events of the past few years - the end of the Cold War, the shattering defeat of Saddam Hussein, the ascendance of Egypt to

leadership within the Arab world, the intifada, and the rising tide of Soviet Jews' immigrations to Israel, favour peace prospects. Without its Soviet patron, Syria can only seek a resolution of the Golan problem through negotiations. Jordan's economic and political plight, exacerbated by the return of Palestinians from the Gulf and the defeat of its Iraqi ally, has motivated King Hussein to try to return to the centre of the negotiations stage. More than ever beleaguered because of the Palestinian Arabs, the failed political and military strategies of the PLO and the economic consequences of the intifada, the protagonists are now desperate for peace. Most have come to the realisation that they have lost the war option. Israel, facing enormous economic problems in absorbing the Soviet immigration, may also be more amenable to compromise. Its military supremacy within the region, and the prospects that the United States will continue to help it maintain that supremacy without having to contend with Soviet countermeasure, make it feasible for Israel to take political risks in the pursuit of peace.

All parties apparently agree that Jerusalem should be left to the last. There the problem is to find a political/administrative structure that makes due provision for national, international and local interests and yet keeps the city open and unified. Boundaries in this case will have to be lines of accommodation, not separation.

There also seems agreement that the West Bank-Judea and Samaria, should be treated in stages in accordance with the lapsed aspects of the Camp David agreement. The first period, local autonomy and Palestinian self-rule would then be followed by negotiations over the ultimate disposition of the territory. At that stage the question of where to draw the boundaries between Arabs and Jews will be the key issue. There are many who feel that the peace breakthrough will most easily be achieved in the Golan Heights. Clearly, Assad has only agreed to come to a conference if he can pursue the "land for peace" option. Despite Shamir's demurrals, many Israelis suspect that the Likud and the Israeli Right will compromise on the Golan because they have little religious or ideological stake in the region. However, the governing coalition in Israel cannot guarantee any peace agreement with Syria that involves the return of land. Only Labour and the Left can. Within a nearly divided Knesset, the Likud needs all of Labour's votes to offset the large numbers of its own right-wingers within its

coalition who are opposed to any territorial compromise.

For Labour, which initiated settlement on the Golan to protect its Galilee communal and cooperative villages - the nuclear core of the Socialist Zionist state - the Golan Heights are viewed as strategic assets. Labour's commitment to territorial compromise is not likely to forgo continued Israeli control of the western edge of the escarpment, the northern, Mount Hermon source of the Banias River and the defensive positions in the south and southeast that overlook the Yarmuk and Raqqad gorges that are defences against Syrian, Iraqi and Jordanian threats. Therefore, the bargaining over the Golan is bound to be hard and protracted.

For Gaza, the issues of boundaries *per se* are not vital. Rather, the question is the size and content of the land base. The area should prove more amenable to negotiations because Egypt, Israel, Syria, Jordan and even the West Bank Arabs have little psychological and strategic stake in Gaza. Indeed, the subtitle for this page might be "Gaza - a place that only Gazans want".

Why Gaza?

The rationale for peace negotiations focusing attention on Gaza is that there is a chance to make tangible progress, especially if pressure is brought to bear by the international community, and external economic help is provided. But only a territorially-enlarged Gaza would have the capacity to make Gaza independence a reality, rather than an economic trap.

Israelis are far less militarily concerned about Gaza than they are about Judea and Samaria, and it has no religious symbolism to them as an area. Public opinion polls consistently show that 85 per cent of the Israeli public supports withdrawal from Gaza. It is peripheral to the interests of the adherents of Eretz Yisrael Ha Shlema (the "Undivided Land of Israel"). Historically, Gaza was not part of the Israelite Kingdom, having been retained by the Philistines during the Israelite conquest of Canaan. The few Jewish settlers there, who number only about 2,500, many of them students in religious schools, live in fourteen villages and campuses, nearly all situated on the sand dunes adjoining the coast at the southern end of the Strip.

Strategically, Gaza holds few problems for Israel. Even in the event of a rupture of Israeli-Egyptian relations, a Gaza that is *not* under Israeli control would be vulnerable to overwhelming Israeli military pressure because it can be so easily cut off and enveloped. The Gaza Strip was a threat to Israeli border settlement security from 1950-56 by actions of the Egyptian Army and the PLA (Palestine Liberation Army), and especially by *fedayeen* action in 1955-56. Again in 1969-72, although under Israeli occupation, it was a centre for terrorist activities against Israel. However, the Israeli Defence Forces are now far better able to contain such activities, given their high-technology surveillance devices and encircling positions.

The *intifada* has put Gaza in perspective for many Israelis. The "ungovernability" of the Strip and the cost of clamping down on the uprising have moved various Israeli groups to advocate unilateral military withdrawal, hermetically sealing off the Strip and leaving it to its own devices as it seeks some form of limited autonomy.

However, unilateral withdrawal from Gaza as it now is constituted would leave the Strip destitute and in turmoil. In all likelihood, it would become a PLO or Hamas (the fundamentalist Islamic movement) base against Israel (Jaffe Centre for Strategic Studies 1989). Such an eventuality would require rapid re-entry of Israeli forces. A Gaza mini-state sponsored in the first stage by Israel and Egypt is a more viable alternative to unilateral withdrawal.

Past Israeli overtures, suggesting possibilities for limited authority for Gaza have come to naught. However, there is now evidence of increasing impatience in Israel with the burdens of the Gaza occupation. Recently two proposals have surfaced - one from the Israeli Left and one from the Israeli Right, each groping for a solution for Gaza. On December 10, 1990, Labour MK Yossi Beilin, former deputy Foreign Minister, announced on behalf of Labour's Mashov Circle (a liberal, intellectual faction) that his group would seek to amend the Labour Party's platform to advocate a sovereign Palestinian entity in Gaza that would be the core of an eventual independent Palestinian national entity. While this has met with opposition within party ranks, it nevertheless has become a matter of public debate. In February of 1991, Labour Party head Shimon Peres called for unilateral withdrawal from Gaza.

Beilin's proposal (Beilin 1990) is for a "Gaza First Peace Conference" involving an elected Palestinian delegation under the guidelines agreed upon between Israel and the United States in January 1987 and between Israel and Jordan in the London Agreement of April 1987 between the Foreign Minister Peres and King Hussein. Alternative negotiating frameworks that he sets forth are an international conference or an Egyptian-Israeli negotiations leading towards a multi-national trusteeship under the United Nations and eventual self-determination for Gaza. The Beilin plan sees Gaza as the first stage of an overall peace process which will be tied to political stability and autonomy in the West Bank, and ultimately a Palestinian national entity in confederation with Jordan.

On 23 December, Defence Minister Moshe Arens appointed a committee to study economic development possibilities in the Gaza Strip, as a way of separating the territory's economy from Israel's. Arens, a major leader within the Likud party, acted in consonance with a decision by a ministerial committee headed by Prime Minister Yitzhak Shamir, to encourage Israeli military government to try to set up an independent economic infrastructure.

Clearly, these initiatives have different premises one that the occupation should cease, the other that
Israel should maintain sovereignty over the Strip,
while separating it from Israel proper
economically. Separation would reduce the
security risk of having tens of thousands of Arabs
from the Territories working in the heart of Israel.
Ultimately, the two positions could converge
because an economically independent, but
politically subordinate Gaza would stand out as a
colonial possession at a time when the world no
longer brooks colonialism, and the pressures for
self-rule would become overwhelming.

Israel cannot unilaterally impose either independence or economic self-sufficiency on the Palestinians of Gaza. As they have spurned overtures to relocate Gaza refugee camps to new housing on the basis of rejecting piecemeal solutions that do not take into account independence and the problem of the West Bank as a whole, so are they likely to respond negatively to such new initiatives. This is the diplomatic strength of the Beilin proposal.

Egypt's participation thus becomes critical; its mediation could tip the scales. Egypt's involvement could reassure the Palestinian Arabs that independence for Gaza would not foreclose subsequent talks on Judea and Samaria, thereby making it politically feasible for the Gazans to enter into the discussion.

Egypt can play the ideal interlocutory role because, while it is a geographical neighbour, it has nothing to gain from annexing Gaza. Indeed, it had no interest in doing so when it occupied the Strip from 1949 to 1967. (Ironically, Israel still applies Egyptian law in the Gaza Strip.) Sinai and the Suez Canal, not Gaza, are Egypt's strategic divide with Israel. The focus of Egypt's planning attention is on North Sinai from the Suez Canal to El Arish where there is potential to relocate populations from the overcrowded Nile Delta. It does not want the additional economic burden of Gaza. Egypt also holds some of the resource keys to Gaza's economic development prospects. By its involvement, Cairo would bring economic credibility to plans for creating the new state.

Prospects for bringing Egypt into the process are good. In fact, Sadat once supported the idea of a "Gaza First" approach and even suggested adding North Sinai territories to the Strip that would include Rafia and Yamit (Quandt 1986:149). Solving the Gaza problem would be an important step in vindicating Camp David. It would demonstrate that the peace agreement with Israel had not been made at the expense of the Palestinian Arab cause, but, indeed, had served that cause. It would also reinforce Egypt's return to Arab world leadership, a return already strengthened within the anti-Saddam Arab coalition by its prominent role in opposing Iraq's invasion of Kuwait.

Palestinian euphoria over the support that it has received from Saddam Hussein is now but a bitter memory. The Palestinians will have to look elsewhere and this will inevitably draw them back to the Egyptians - the only Arab power capable of leading a new peace initiative. While the Gazans would reject Israel's supervision of local elections to initiate a self-determination process, they are likely to accept joint Egyptian-Israeli sponsorship.

Boundaries, Land and Other Resource Needs

We have spoken of the need for a geographically-expanded Gaza. A major problem in dealing with the Gaza question is that most solutions that have been considered are too narrowly framed in political and economic terms (Ben-Shahar *et al* 1989). A geopolitical approach that specifically takes into account the necessary interplay between people and their environment would be more fruitful. To speak of independence or some form of autonomy for Gaza without reference to its land and resource needs and to the ecological fragility of the overcrowded Strip, is to ignore the problem of viability.

The nearly 500,000 refugees (478,000 according to UNRWA counts, 280,000 of whom are crowded into camps) could not be resettled in new towns within the present boundaries of Gaza, unless they were to be relocated within a massive jumble of high-rise apartments. But this would be ecologically disastrous, given the terrain of dunes and shifting sands, the shallow water table and the need for diffused water and sewerage runoff catchment areas.

To become a successful mini-state, one that would serve as a "gateway" or exchange-type of state, Gaza will need additional land, larger supplies of water than are now available to it and access to energy. The Strip is already too small to sustain its present population, let alone to provide for economic development and population growth. Its 362 km² (44 km in length by 8 km in width) house an Arab population of 700,000, or a density of about 2,000 persons/km² (5,100/sq. mile) - among the highest in the world for a non-industrialised society. This population is growing at the rate of 3.4 per cent per annum. Gaza covers only 1.3 per cent of the total land area of the Occupied Territories, even though it holds nearly 40 per cent of their Arab populations.

A rough estimate of the need for additional area is another 650 km², for a total of 1,000 km². Table 1 provides the desired areas by categories. The data are driven by population increase requirements of 1 million in ten years and 1.2 million in twenty years, and by ecological considerations which call for setting aside land reserves to protect the fragile desert environment, and permit no building within 200 to 400m from

the shoreline. Building calculations are based upon low-rise residences, hotels, factories and commercial enterprises. Clearly, less land area would be required with high-rise building, but ecologically this would be highly undesirable. A series of land requirement options could be developed under alternative building height scenarios.

Table 1: Projected Land Requirements for Gaza State

	Area
Land Requirements	(sq. km)
Housing/cities, towns, villages ²	250
Hotels ³	15
Industry ⁴	10
Commerce ⁵	5
Agriculture ⁶	200
Roads and other public infrastructure	100
Shoreline, beach and dune protection ⁷	100
Parks and reservations	70
Land reserves	250
Total	1,000

Additional lands for a Gaza state can only come from Egypt and Israel. The two countries have areas adjoining Gaza that are nearly empty and barren which they can afford to relinquish in the interests of the benefits that they would both derive from resolution of the Gaza question (Figure 1).

Ideally, Gaza's boundaries should be extended westward for 30 km along Egypt's North Sinai coast, to a point east of El Arish, and to unite all of Rafia and include the area from which Israel withdrew in accordance with the Camp David agreement. This would provide the new mini-state with an uninterrupted coastal strip of about 75 km. The beach has a gradual slope, and the coastline, which adjoins a 15-20 km wide underwater shelf is very gently curved - an idyllic sea border. Shifting sand dunes back up against the beach, south of which is a plain of sands, sandstone hills, gravel and alluvium. East and south of the coastal zone are slightly higher lands (150-300 m above sea level). These are largely covered with sand but in some cases between the dunes there are pockets of agriculturally suitable fertile loess soils (or sandcovered loess) that are both aeolian and riverine in nature.

The total area of approximately 1,000 km² could be created with the addition of land contributions from Israel and Egypt. The Israeli inland supplement might consist of about 150 km² (15 km

by 10 km) of empty Negev lands bordering North Sinai. The area would not adjoin the Gaza Strip directly, but would extend from the southern edge of Holot Halutza (the sands of the Halutza syncline) for 15 km to include the sands of Holot Agur and then follow the ridge line of Har Keren (the Keren uplands, 10 km north of the ancient Nabatean site and modern border post of Nizzana), which is approximately 350 m above sea level. The area would be connected to Gaza by inland Egyptian territory that follows the current international border.

The Israeli lands could be matched by the Egyptian contribution of 200 km² (30 km by 7 km) from the northeasternmost Sinai coastal strip, and 300 km² (37 km by 8 km) of the bordering North Sinai plain, extending southward to the 200 m elevation rise (Ruweisot Atara) to include Wadi el Azariq and connect up with the lands transferred by Israel. The interior North Sinai plan is very sparsely populated by

Bedouins and the Israeli lands are empty. The proposed section of the North Sinai coast contains the western edges of the town of Rafia, which were split away from the rest of the town by the Egyptian-Israeli peace treaty, and the small town of Sheikh Suweid, 10 km to the west of Rafia. The Sheikh Suweid-Rafia area is a flood plain suitable for cultivation as well as land development in general.

The territory of an enlarged Gaza would have a modified T-shape, with the top of the "T" following the Mediterranean, and the vertical leg straddling the present Israel-Sinai border. Such an area could relieve Gaza's overcrowding, provide for agricultural and natural land reserves, and spread urban activities (including small towns and hotels) to provide a unique, low-rise cultural landscape.

The new boundary line would have to be drawn so that Israel would retain the Kerem Shalom cluster of settlements within its national borders. There, at the junction of the northwest Negev, Gaza and North Sinai, 17 Israeli villages have been established, including some which were displaced from North Sinai, to seal off the southern end of the Gaza Strip. No Israeli political party would agree to dismantle Israeli settlements that are located inside Israeli territory. There are still bitter memories of the 1982 Israeli withdrawal from

North Sinai when 18 settlements including the town of Yamit, were dismantled. The boundary would also be drawn north of the Nizzana-Abu Aweigla road so that Israel's Beersheba region would have direct connection to Egypt's El Arish and the coastal road Qantar on the Suez Canal, or the inland highway to Ismailiya on the Canal. Merging Gaza with the adjoining section of North Sinai would allow for the reunification of Rafia, where a barbed wire fence now marks the border and cuts off Palestinians on the Egyptian side from their services and markets in Gaza Rafia. Elimination of the border at this northern end would resolve the inequities of the boundary that currently follows the 1906 international line between Egypt and Ottoman Palestine, and which takes no regard for the needs of a people living on both sides to be able to interact freely (Brawer 1988:170-71, 214-15). Placing the border east of El Arish would have historical precedent, for in the nineteenth century the boundary between Egypt and Palestine extended from El Arish to Suez, at the head of the Gulf of Suez. While Egypt has announced recreational development plans for all of the North Sinai Coast, its efforts are likely to be concentrated in the area of El Arish, the largest urban centre, and the lands extending westward to the Bardawil Lagoon and the Suez Canal. Only very modest activities are to be found at Sheikh Suweid, and the economic benefits that Egypt can gain from developmental activities in Gaza as well as the political dividends from a genuine peace are greater than the costs of giving up some land.

The future of Israeli farm settlements and religious school campuses located in Gush Qatif (the Qatif cluster) in the south-western end of the Gaza Strip, would have to be addressed, in the long run they should be removed. Israel is not likely to agree to their dismantling. However, they could remain in place through a political accommodation that accords their populations permanent resident rights in the Gaza state, while retaining their Israeli citizenship and special communal status. Just as Israelis might opt to remain in Gaza under these circumstances, so might some Israeli Arabs adopt Gaza or West Bank citizenship at some future time, while maintaining inalienable residential rights in Israel.

Alternatively, the area in which the Gaza Israeli settlements are located could be affixed to a multinational corridor that would extend from the Gaza state across Israeli territory to the West Bank and to Jordan (Cohen 1986:80-83, 112).

In addition to its land needs, the new state would require access to water and energy. Egypt seems to be in a position to provide these resources. Gaza is a water-deficient region, semi-arid in the north and arid in the south. Its water resources are overexploited (Schwarcz 1982:95-100). Average rainfall is 275 mm (10 inches) per annum, higher in the semi-arid north (370 mm) where some winter crops can be successfully grown, and lower in the arid south (220 mm) where dry farming is very marginal, and winter crops are low grade. In general, there is a high dependency on irrigation, especially because the mean annual evaporation is three times the natural rainfall. Citrus, which had doubled in acreage to 18,000 between 1967 and 1980, is by far the largest crop. However, in the past decade acreage has shrunk by over 25 per cent due to water shortages and increase in water salinity. Treefruit crops and livestock acreage are stable. During the same period, field crops have dropped, while vegetable strawberry and melon production has increased rapidly to 4,000 acres, much under greenhouses at the southwest corner of the Strip. The vegetables are grown intensively along the desert coast under the "MWASSI" system whereby 2 to 3 m ditches are dug between rows of sand dunes with mechanical diggers. The bottom of the ditch is then covered with a thin layer of silt brought from nearby wadis and mixed with chemical fertilisers. The crops are lightly irrigated by sprinklers because their roots are so close to the groundwater table, 2-3 m below (Brawer 1991).

In spite of the water deficiencies, half of all land in Gaza is agricultural (45,000 acres), two-thirds of this under irrigation (30,000 irrigated acres vs. 15,000 acres of rainfed crops). There are no surface water resources. Instead, wells provide the irrigation from groundwater which occurs in sand and stone aquifers 10 to 50 m below the surface that originate in adjoining Israeli territory. (Rooftop cisterns are used to catch rainwater for some of the household consumption needs.)

While the groundwater, which is replenished by winter rainfall, can be better exploited through increased efficiencies of irrigation, it is necessary to guard against lowering the watertable to a point where seawater would intrude into the Gaza aquifers. Already half of the subterranean waters have a salinity greater than 800 mg./litre. As a consequence, future economic development of the Gaza Strip needs to focus on urban pursuits that are less heavy users of water than agriculture. While

not the largest employer, farming is currently the main local source of the economy, representing 26 per cent of total income (Kahan 1987).

Egypt's role in helping Gaza to develop is critical, for in the long-run, the Gaza Strip might have to import fresh water from Egypt, whose Nile now loses several billion m³ which flow out to the Mediterranean. Egypt's Sinai Canal that takes water from the Nile through the North Sinai to El Arish, can be readily widened and extended to the Gaza Strip. There is some concern that diverting additional Nile waters could create the problem of reducing the scouring power of Nile distributaries as they enter the Mediterranean, thus clogging the Delta. An alternative or supplement to the use of Nile waters would be large-scale desalination plants. The cost of waters from the sea are so high that they would have to be used for urban purposes only.

Despite the wide extent of agricultural land, the Gaza Strip is already highly urbanised (over 80 per cent of the population including those in the refugee camps), many of the farm workers living in the towns or refugee camps. In fact, 40 per cent of the population lives in three urban centres: Gaza (population 135,000), Khan Yunis (population 60,000) and Rafia (population 50,000). However, Gaza has few significant industrial enterprises (Benvenisti and Khayati 1988). Instead, the main sources of income are the 60,000 Gazans who have been working in Israel, cash support from UNRWA to residents of the refugee camps, jobs held by UNRWA and other relief agency employees, and cash remittances from Gazans working abroad. The industries that exist are either small-scale crafts or agricultural and fish processing enterprises. It is important that agriculture, the heaviest of all water users, be downsized in its land and water requirements, and that manufacturing and services replace lands now under cultivation.

Egypt's role in providing energy can also be critical. Egypt has a surplus of natural gas. To meet Gaza's energy needs for future urbanised activities, natural gas can be shipped from Nile Delta gas fields to the Gaza Strip at economically-justified prices. A pipeline of about 250 km could be easily constructed (as well as extended later to Beersheba) (Ben-Shahar *et al* 1989). The export of water and natural gas to Gaza would not only be a source of foreign trade earnings to Egypt, the

pipelines would also be of benefit to the development of the Egyptian North Sinai coast⁸.

Economic Prospects

The Gaza State's most important economic potential lies in tourism. Its climate is ideal and it can become a new Mediterranean Riviera. Unlike Israel's tourist facilities and most of those of Egypt, or such a luxury resort as Cancun, Gaza's should not consist essentially of tightly-packed high rise, luxury hotels. Rather, the 75 km of coast would allow for dispersed leisure vacation centres perhaps in clusters of 50 to 100, to 250 to 400 rooms, protecting against overuse of fragile ecosystems. In addition, ranch-style facilities could be built in the interior desert to take advantage of specialty tourism oriented to nature and exploration. Our reference is therefore to a mixed tourist centre of hotels, apartments, villas, bungalows and camps, with both large-scale foreign and local investment and management.

As a labour-intensive industry, tourism has the potential to employ up to 0.5 persons for every room. Thus, an expanded Gaza mini-state, eventually with 20,000 hotel rooms, would directly employ up to 10,000 persons in tourism. Using a multiplier value of one for the regional economic impact brings the total up to 20,000 jobs. The broad mixture of facilities, from popular-price to expensive to low cost hostels, could attract yearround foreign tourist flow, as well as Israeli and Egyptian visitors, and exceed the 60 per cent capacity calculations used in Table 1. The luxury centres could develop gambling and entertainment to rival what Beirut formerly offered, and the coastal waters could offer sports fishing. A longterm target of 750,000 annual visitors (half of what Israel now attracts and about 40 per cent of Egypt's foreign tourists) to support 20,000 hotel rooms seems achievable. This is on the scale of the large state-owned holiday resorts developed along the Black Sea littoral at Mamia in Romania and Zlatni Pjasac in Oulparia. An average of 6 person days per visitor, and a 60 per cent occupancy rate, would yield about 2.75 million person days or from \$400 million to \$700 million per annum (at an expenditure range of \$150 to \$250 per day). Many tourists are likely to be individuals who link their stays to visits in Egypt and/or Israel.

The climate of the Gaza mini-state is ideal for tourism, with coastal summer temperatures averaging 80°F (26.4°C) in August, the warmest month, and 57°F (13.7°C) in January, the coldest. The summer is perceptibly cooler and drier than the coast from Tel Aviv to Lebanon. In the interior, summer night-time temperatures are pleasant (60°F), although winter nights can be cold (47°F). Limited rainfall, minimal cloud cover, western (Mediterranean) breezes enhance the ambience. As a measure of comparison Eilat summer temperatures, during the period that it receives the bulk of its tourists, are much hotter than those of Gaza. Its winter temperatures are about the same or marginally warmer, but exposed to cool winter winds that sometimes sweep down the Arava from the north and northeast.

A balanced and well-planned tourist industry could make the Gaza mini-state the unrivalled Riviera of the Eastern Mediterranean. The combination of unspoiled beach, offshore waters, dunes, desert interior, warm and dry climate and accessibility to the outside world is unique. But to make it all work, interior land reserves have to be added to the coastal strip. This in turn depends upon the land contributions from Israel and Egypt. Such contributions would not only fulfil humanitarian and economic needs, they would also address the national self-interests of both countries. As partners in a Gaza Authority charged with paving the way for the new state, Egypt and Israel could also plan to extend joint tourist projects within the mini-state to their respective national territories. For Israel, especially, Gaza would represent formidable tourist competition for Eilat, Egypt's developing East Sinai coast which starts at Taba, and its plans for the North Sinai coast. Jordan's Agaba resort would also be affected. However, there is a certain measure of winter-time complementarity that would give an edge to the Gulf of Aqaba region, and Eilat's tourism competes for land and environmental quality with the port. In peace, this port and associated industries could be expanded to take up the loss in tourism.

An expanded Gaza mini-state would be able to house its resident populations in new garden-type towns. The first candidates for new housing are those living in the refugee camps. Many of the towns should be located away from the coast in the inland desert plains areas to provide adequate space for expansion of individual housing units, and to guard against overdevelopment of the shoreline and adjoining sand dunes.

Another major economic activity could centre around the frequently-proposed new deep-water port to be constructed at Gaza, serving the new mini-state, the West Bank and Jordan. A port project would require political arrangements between Jordan and Israel that would provide for customs-free transit. In fact, Gaza could be a "Free Port" in the Free Trade Zone tradition of the "Free Polis" that it was during Pompeii's times. However, unless the port were also able to serve Israel's Beersheba region, its economic prospects are dubious. Ultimately, the port and areas nearby could be the western terminus of a duty-free multinational corridor containing a highway as first envisaged in the Alon Plan (Cohen 1972). Ultimately, such a corridor might include light assembly plants, and possibly the proposed Med-Dead Canal which would integrate Gaza, Israel, the West Bank and Jordan.

With a mixture of employment in tourism, port activities, financial services, education (Gaza could support a higher education institution of 10,000 students), agricultural processing, farming and free-trade zone for activities like assembly of components, Gaza could become a balanced ministate. Brawer estimates that with the help of Nile water, agriculture in the Gaza Strip can support 30,000 families (180,000 people) through the conversion of farm acreage to the "MWASSI" system whereby a family can make a reasonable living from 1½ acres (Brawer 1991). At peace with Israel, its economy could continue to benefit from wages earned by those holding jobs in Israel, although the numbers would be far fewer than the current figures. Financially, the costs of setting up such a mini-state can be readily borne by outside grants and loans, as well as commercial investments. Constructing 20,000 hotel rooms and related services, 50,000 modest houses for the current refugee camp residents, and a port and road and pipeline infrastructure might cost \$4.5 to \$5 billion - a modest price indeed for a giant step towards peace.

The prospects for a solution.

The prospects for a solution in Gaza hinge on an Israeli-Egyptian agreement to promote the new state's economic development, to add land to it, and to guarantee its external security. Palestinian Arab suspicion of Israeli intentions could be allayed by a process whose first phase would be the

establishment of a joint Israeli-Egyptian Authority to maintain external security and mobilise the necessary economic resources as a new, demilitarised mini-state emerges. This would be followed by full independence. Negotiations over Gaza can break the stalemate that has dogged Phase Two of the 1978 Camp David agreement, and be a prelude to the broader peace.

The time to address the Gaza problem is now, and the initiative lies with Israel and Egypt. The two nations have shown that they can work with each other, in spite of the various strains and pressures which have marked their relationships since the peace agreement. Their military forces are not arrayed along their boundary; the Taba dispute was arbitrated in 1988; and the Egyptians have been earnest in their commitment to try to safeguard Israeli tourists from terrorist attacks upon them in Sinai and Egypt.

It is important for Israelis to take a realistic view of the future. It's not decades away; it's at hand. Some see risks for Israel in giving up any territory, but creative initiatives are required to gain the rewards of peace. In the development of a Gaza plan, the stages could start with the present land area of the Strip, then include the Egyptian North Sinai area and finally Israel's Negev land contribution. Giving up Israeli territory, even though empty, would represent a major concession for Israel because of concerns that it would set a precedent for later negotiations with the Arabs. On the other hand, Israel could cite its ceding of Negev lands as a quid pro quo for holding on to certain tactically important West Bank areas when negotiations get under way there. Moreover, Egypt would not allocate land if Israel were to refuse to do so, and giving up land to Gaza would be equally difficult for it.

For Israel, the political problems of not dealing with Gaza immediately are especially acute. Religious fundamentalism has become increasingly entrenched, as the Hamas movement has gained in strength *vis-à-vis* the PLO. Israel's recalcitrance in dealing with the PLO even indirectly reinforces the position of Islamic extremists who represent an even greater obstacle to accommodation than the secular radical PLO.

Allied victory in the Persian Gulf, the end of the Cold War, the erosion of the PLO's financial support because of its tilt towards Iraq, the importance of the Arab states aligned in the Allied

coalition and Israel's inability to play a strategic role in the war because of America's dependence on its Arab partners - these are all part of the new Middle Eastern geopolitical reality. They reflect a new political reality which Israel can disregard only at its long-term peril.

Gaza's poverty and overcrowding cry out for immediate relief, a condition that cannot be met under the present political circumstances. A bold initiative to bring peace to this area could attract world-wide economic support on humanitarian as well as political grounds. It would also be the start of a broader accommodation on the West Bank, in the Golan, in East Jerusalem and with the Arab states.

There can be no economic development for Gaza without self-determination, and self-determination without economic development is a snare and delusion. Neither development nor self-determination are possible without a coordinated Israeli-Egyptian initiative, and especially without substantial territorial enlargement of the Strip.

This paper presents a vision and a plan for a modern gateway state - the Riviera of the Eastern Mediterranean. It is very possible, however, that what has been proposed would be culturally unfeasible even if Gaza should attain independence. A state controlled by Hamas is most likely to reject the concept of a hotel/recreational-based economy that would offer the same types of services available elsewhere in Mediterranean tourist centres. Many of the ingredients needed for a large, pulsating hotel and travel industry - from bathing briefs to mixed swimming, to a night-life of dancing, gambling and liquor - are unacceptable to Islamic fundamentalists. The fact that one Arab land, Lebanon, once housed such a thriving industry in Beirut and other sea and ski resorts is only a limited guide to Gaza's future. For the hedonism of Lebanon's tourist life flourished within a Christian-dominated government and society.

Without a massive recreation industry to support 20,000 jobs directly and perhaps another 40,000 indirectly, Gazans would continue to be dependent on work in Israel. The domestic economy would lose the direct benefit of \$400 million to \$700 million per annum, for which job remittances by those working in Israel would compensate by only about \$200 million to \$250 million. These calculations exclude contribution of the recreation

industry to construction, furniture manufacturing, horticulture and land, sea and air transportation. While the demand for overall land area would be only marginally decreased, perhaps from 5 to 10 per cent, the political economic nature of Gaza would be radically different from what is envisaged in this paper and the state's economic prospects would be considerably dimmer.

All too often we deal with boundary delimitation in territorial disputes as ends unto themselves. In the case of Gaza, the boundary issue is only a means. The boundary is an envelope and what is important is the size and content of that envelope. If it seems unrealistic and utopian to bring forth suggestion for the peace negotiations that asks Israel and Egypt to provide "gifts" of land not under debate, I must content myself with the observation that all must pay a price for a genuine peace. In international politics the line between dreams and "harsh realities" are often breached - and sometimes in most surprising ways. We've seen this in the world-shaking events of the past few years. Our hopes are to see it again in the resolution of the Arab-Israeli conflict. Gaza can be the first chapter in a new book of peace.

Notes

- 1 This chapter was written in the summer of 1991, prior to the historic Madrid conference. Since that time the "Peace Process" has survived numerous rounds of negotiations without breaking down completely, yet has yielded no significant agreements. Thus the options for alternative conflict resolution outlined in this chapter are perhaps even more relevant now than at the time of writing.
- Includes 150 sq. km for 25 resettlement towns. Present built-up area is 60 sq. km, with population density of 10,000 sq km. Proposed urban density is 2,500/sq. km. Figures are based upon low density housing of 1.5 acre units and urban population of 1 million in 20 years.
- 3 Estimated 20,000 rooms and facilities. Total floor area of 1.5 million sq. km x 6 for attached parking, gardens and sports facilities.
- 4 Estimated 50,000 workers at 30 sq. m floor area/worker and 90 sq. m/worker building surround. Based on 20 per cent of workforce of 250,000 (half of population of 500,000, ages 16 and over, from total population of 1.2 million).
- 5 Estimated at 6 sq. m floor area/person and 18 sq. m for building surround.

- 6 Based on 30,000 farm families at 1.5 acres/farm, and 1,000 families at 10 acres/farm.
- 7 No building 200 m to 400 m from shoreline.
- This paper has not dealt with the question of the offshore territorial arrangements that would have to be made in the event that a Gaza, and/or West Bank/Gaza state were to emerge. Gerald Blake (1988) suggested that the waters and seabed of offshore Palestine would be a great asset to the landlocked West Bank as well as to Gaza itself. His map of a 12-mile territorial sea and a conical shaped Exclusive Economic Zone 200 nautical miles from the coast, raises questions not only of the sea's resource exploitation potential, but of how environmental and navigation controls can be cooperatively developed that will accomodate the needs of the abutting Egyptian and Israeli sovereignties. A detailed study of Gaza's potential should take into account the Offshore territory and the problems attendant upon delimiting the sea boundaries as well as those on land.

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