

# Federated Palestine Sovereign Entity as a Pathway to Peace

by [Jerry Gordon](#) and Rod Bryant (November 2018)



*Home from the War*, Joseph Pearson

**Dan Diker is a former Secretary** General of the World Jewish Congress, and now Director of the Program to Counter Political Warfare at the Jerusalem Center for Public Affairs. He is the editor of the [Defeating Denormalization–Shared Palestinian and Israeli Perspectives on a New Path to Peace](#). The English translation of the Hebrew version underlined what the ‘experiment’ revealed in JCPA seminars–*The Israeli Palestinian Path to Economic Prosperity*. It was about normalization of relations between Arabs and Israelis using what Diker called a “bottom up” approach. The prospect of realizing the potential of this experiment appears to be in jeopardy given murderous attacks in mid-September in Gush Etzion and in the Barkan Industrial Park in Samaria in early October 2018.

On September 16, 2018, 45 year old American-Israeli Ari Fuld in Gush Etzion was murdered by a 16-year-old Palestinian youth. On October 7, 2018, Saliman Na’alwa, a 23-year-old Palestinian electrician and employee at a firm located in The Barkan Industrial Park in Samaria handcuffed then shot and killed two Israelis with his semi-automatic Carlos weapon: a secretary, Kim Levengrond-Yehezkel, and an accountant, Ziv Hajbi, while wounding a third employee, a 54-year-old Israeli woman. Israeli general security and the IDF launched an immediate manhunt for the Palestinian suspect from a village near Tulkarm. On October 20th, an accomplice of the shooter in the village of Shuwaykah was [arrested](#) by the IDF.



These murderous Palestinian attacks came shortly following the 25th Anniversary of the failed Oslo Peace Accords signed on September 13, 1993. Diker shared his views that the culture of terrorism, hatred and incentives for these murderous

attacks may have prompted recent Trump Administration legislative and executive actions to deny Palestinian Authority funding under the Taylor Force Act. Nevertheless, Diker suggests that these horrific attacks will not stymie the growth of the peace through prosperity model of the Industrial Parks leading to a possible federation of the Palestinian areas in the disputed territories with security provided by Israel and Jordan. Diker says this is recognition of the evident failure of the corrupt Palestinian Authority incentivizing terrorism. This has prompted US National Security Adviser Ambassador John Bolton to say that the PA does not meet the international legal definitions of a state.

What follows is our interview with Dan Diker.

**Rod:** The reasons why we have invited Dan Diker back are the last three terror attacks that occurred in Judea and Samaria on the West Bank, where Arab and Israelis are working together. These Palestinian terrorist acts threaten the potential of [peace through prosperity](#) concept that we talked about a number of weeks ago that is really a noble idea. That idea has been prominently advocated by Dan Diker of the Jerusalem Center for Public Affairs (JCPA).

**Jerry:** Yes. Dan Diker is Former General Secretary of the World

Jewish Congress. He is head of a JCPA project that is focused on exactly what you are talking about. He has produced a significant book that involved both Israeli and Palestinian authors focusing on how to produce peace through prosperity something that we know about here in the United States. The name of the book is called, [\*Defeating Denormalization\*](#). It provides case studies of how this has worked in more than sixteen industrial parks established nearly three decades ago by Israel in the dispute territories of the West Bank employing more than thirty thousand individuals both Palestinians and Israelis in firms headed by Israeli and Palestinian entrepreneurs.

**Rod:** This last murder of two individuals was in the Barkan Industrial Park (R) in Samaria. The interview with Dan Diker should provide useful talking points when people want to be informed about Israel and the



Peace Process. We have Dan Diker on as a frequent guest to explain the relevance of possible peace plans of the Trump Administration.

**Jerry:** Unfortunately, on October 7, 2018, there was a terrorist murder in an industrial park in Samaria in the disputed territories. Two Israelis were killed and the suspect, who was an employee of this manufacturing facility in the Barkan Industrial Park, apparently escaped, launching a manhunt for him by both the Shin Bet and the IDF. It also raises the question of Normalization proposals that Dan Diker, who is with the Jerusalem Center for Public Affairs, has written about with both Israeli and Palestinian authors called, *Defeating Denormalization*. Dan, could you provide us

with an update on what the reaction has been like?

**Dan:** I am currently in the United States. First hand reports that I have received are that the National Security Agency and the IDF are still investigating the motives and the organizers behind this terror atrocity in the Barkan Industrial Zone. I think it's important to point out that this is the second attempt to kill what they call cooperation and peaceful coexistence between Palestinians and Israelis throughout sixteen industrial zones. These zones were established specially to help nurture very good cooperation that exist between tens of thousands of Palestinians and Israelis in areas adjacent to the 'green line,' the defacto demarcation separating pre-67 Israel from the disputed territories. These industrial zones have been a great source of normalization and cooperation between Palestinian and Israeli cities, towns, and villages that share the same areas. It seems that the Gush Etzion attack just a couple of weeks ago where Ari Fuld was murdered by a sixteen-year-old knife-wielding Palestinian attacker and this latest atrocity are attempts to destroy the delicate but important sense of coexistence between both communities.

**Rod:** Dan, you said that these attacks possibly might disturb the very sensitive and important cooperation between the two peoples: the Israeli people and the Palestinians. Why is this development important and what does this have to do with the research that you have done and released in your book with both Israeli and Palestinian Arab writers?

**Dan:** Rod, what is very important here is to create peace from the ground up. It's called bottom up peacemaking. Bottom up peacemaking begins with socioeconomic cooperation and

equality. That is what has been achieved in sixteen industrial zones in Judea and Samaria, otherwise known as the former West Bank of the Hashemite Kingdom of Jordan. Israeli and Palestinian Arab companies employ career-oriented Palestinian workers and managers and reaches upwards of 30,000 Palestinian employees of these companies who are earning three and a half times what they might earn in Palestinian Authority-dominated areas in the West Bank. I have visited, as part of our research, these industrial areas and can report to you the strong economic and social bond between employees, both Jews and Palestinians, because you have very happy, well-paid workers who are well-treated. That begins to support the infrastructure for peaceful, political co-existence. This is what these recent terror attacks by Palestinian terrorists have attempted to destroy. They are really targeting Palestinians and trying to destroy this groundswell of peacemaking that so many Palestinians want twenty-five years after a failed OSLO Peace Process experiment. If you go onto our website, JCPA.org, and look for my book *Defeating Denormalization*, you will see firsthand testimony by Palestinian writers as to why they are frustrated and have given up on the Palestinian leadership and why they want to hitch their future to the State of Israel as Palestinians.

**Jerry:** Dan what has been the reaction of the Israeli government and public after you published the Hebrew version of *Defeating Denormalization*.

**Dan:** What was important for the Israeli public to see in *Defeating Denormalization – Shared Palestinian and Israel Perspectives on a New Path to Peace* was that you had here a real model for moving ahead on a political and ultimately diplomatic track beginning with socioeconomic cooperation. There has been a substantial degree of cynicism in Israel

among certain portions of the public and the political leadership that economic peace is sort of a throwaway term. That it is an excuse for avoiding political solutions. What we saw though our research was that political outcomes can only be the result of a strong, broad pyramid-like foundation for peace which is created by middle class professional cooperation. That is precisely what we have here. The book has been very favorably reviewed by the Israeli media. Israeli media, just like the American media, tends to skew left of center. However, the type of cooperation that they saw on the ground in testimonials that they read about by Palestinian professionals, analysts and professors for the first time in this book gave them reason for optimism and I think it gives us all reason for optimism. That is why I think ultimately these recent terror attacks will not derail the growing broadening sense of socioeconomic cooperation and peaceful relations between the two communities on the West Bank. Those tens of thousands of Palestinians that daily cross the pre-67 armistice line and security checkpoints into Israel where they earn very good livings in Israel and then return home in the evenings.

**Jerry:** Dan, this comes at a time when the Trump Administration has significantly cut out the presence of the Palestinian Authority here in the United States and cut back significantly on funding for the PA. Where does your proposal fit in with their version of the Mideast peace plan?

**Dan:** Jerry that is a very important question that you have raised—one that was actually raised by Sander Gerber who was on your program. He was very much behind the U.S. legislation that passed Congress called the Taylor Force Act which was enacted to cut funding to the Palestinian Authority as long as they continued to pay the terrorists out of the official

Western backed PA, annual budget. I think your question is extremely important because what lies behind these attempts by Palestinian terrorists, whether it is directly or indirectly backed by the Palestinian Authority, is a culture of terrorism and hatred towards Jews that you can see very clearly in Arabic publications.

If you go onto the internet and look at the dialogue and discourse going on in the Palestinian areas in school books and the public square you will see denial of any rights to Israel. However, there is also incitement of Palestinians to engage in violence, what they call martyrdom in their culture. The Trump Administration to its credit has said the US government will not tolerate this type of deception. Either the Palestinian Authority wants to be a partner for peace and accepts Western assistance to see whether they can develop the framework to become a viable pre-state country which they tried to do for twenty-five years or they have failed. Because "the pay to slay" type of culture is one that the U.S. Administration will not tolerate. The bottom line is that the current U.S. Administration has decided to prohibit a two-faced deceptive approach of committing terror in the morning and talking peace in the afternoon by the Palestinian Authority. That is why this Administration, under President Trump, has enacted into law Congressional passage of the Taylor Force Act. Lest we forget, Taylor Force was a young West Point graduate who was murdered in the streets of Jaffa by a Palestinian terrorist. The legislation called for cutting hundreds of millions of dollars of the Palestinians annual assistance by the United States government until it stops that policy of "pay to slay". The Palestinian Authority continues the pay to slay policy and over \$300 million dollars a year has been paid to convicted terrorists or to terrorists' families that have been killed in the line of murdering Israelis. That ties into our discussion because this is the



Palestinian Authority government indoctrinating and incentivizing an entire society of young people to murder and terrorize Jews by paying them millions of shekels over the course of their lives if they perpetrate these crimes as so-called Martyrs.

That is exactly what will happen to the 16-year-old Palestinian youth in Gush Etzion who, on September 17, 2018, murdered Ari Fuld by stabbing him in the back. He will receive something like six million shekels, a million and a half dollars, until he reaches seventy-five years of age. He is currently imprisoned by the State of Israel. It is very likely the reward for the Palestinian terrorist who murdered the two Israelis in the Barkan Industrial Park now being hunted by the Israeli Defense Forces. If he is found and captured or killed, either he or his family will receive millions of shekels. This is unacceptable to the current Administration in Washington. It is the first US Administration that has taken a no-tolerance position towards this duplicitous policy by the Palestinian Authority that leads to these types of murders—which leads to the destruction of the peace process.

**Jerry:** Dan, this Administration has done more than just the enactment of the Taylor Force Act. They have basically closed up the PLO representative's office in Washington, DC. What kind of a message does that send to people who thought that this process would eventuate in any sort of peace accord?

**Dan:** I want to mention again JCPA fellow and financier Sander Gerber, who was very much responsible for pushing the passing of the Taylor Force Act in the United States Congress. He wrote an [op-ed](#) in [realclearworld.com](#) in which he argues very cogently that the United States government has not made its

case for why it has taken these actions against the Palestinian Authority. That is something that is very important. The Administration may have taken these actions because it's intolerable that the United States legitimizes and finances anyone in the international community who has a policy to destroy its peace partner, it's neighbor, the state of Israel. The United States government has said that it will not play a role in facilitating the murder of Jews through money that comes from American taxpayers. I think that Gerber makes the point very well in his op-ed that the United States has to make the intellectual case much more clearly which would then answer or obviate the need for you to ask the very important question that you just asked.

**Jerry:** There have been comments from National Security Advisor Ambassador John Bolton that questioned the legitimacy of the Palestinian state. What is the significance of his remarks?

**Dan:** I think Ambassador Bolton has taken a very consistent long-term view on the diplomatic process between the Palestinians and the Israelis. I think he has recognized a misunderstanding in the international community that also has been pushed by overly optimistic and somewhat naive Israelis, including government leaders, over what Palestinian statehood should look like. There is so much misinformation in the international community that needs to be cleared up. Point one. There never was a Palestinian state; this was never a Palestinian national entity. Palestine, as we know it, historically was a geographical entity that was controlled by the Ottoman Empire for 400 years and then administered by the British Empire until 1947. That was when the international community through the United Nations divided the British Palestine Mandate into two states for two people; a Jewish state and an Arab state. That was their proposal under UN

Resolution 181, approved in November 1947.

In 1920, the international community recognized Israel's long-standing historical rights to reconstitute the Jewish National Home in the geographical area of Palestine. Having said all of that, what has happened in recent years is there has been too much made of the fact that Israel should basically be asked to live in indefensible borders based on the pre-1967 June War 1949 Armistice line in order to create what people have thought of as a "viable" Palestine. This has been very misleading and an inversion of history in which people think that the Palestinians really have the rights of the Jews. This sort of inversion is what I think US National Security Advisor Bolton wants to straighten out of a very unstable situation—that if the Palestinians want to secure sovereignty, then they have to earn it. They cannot earn sovereignty by incentivizing and inciting young people to murder Jews. That is notwithstanding the fact that there are thousands of weapons in the Palestinian Authority areas that end up in the hands of young people who commit these terror attacks.

**Rod:** Sometimes I wonder if the PA would spend as much energy focusing its people on the prosperity of their local community, municipalities and governance there wouldn't be half the problems we have here. It seems their principal interest to keep people in a state of chaos. Do you agree or not?

**Dan:** I think that is true, Rod. One of the major misunderstandings in the international community has been that the Palestinian government is not interested in advancing what America understands as the traditional Democratic rights of its citizens. They are only interested as a non-Democratic

terrorist kleptocracy in maintaining as much power and control at the top of the pyramid as they can. This corrupt ongoing policy of abrogation of human rights of Palestinians—never mind of Israelis—has been what has driven Palestinians away from its own leadership and towards much deeper cooperation with Israel.

**Rod:** I'm really hoping that the shift of this current US Administration towards the peace process and Palestinians is actually going to actually turn over a new leaf. If you were put in the position to advise the current Administration, what would be the priorities? Not allowing them the budget that they had before to continue terrorism? Shutting down their offices and encouraging them to become more legitimate?

**Dan:** Rod, I am always delighted to be on the Beyond the Matrix because you folks think in a very out of the box way. I think it is very important when it comes to the Middle East to be able to think in an out of the box way because that is the only possible means of making sense of the region and trying to forge a new future for a very troubled region.

**Rod:** That is the reason why we call it Beyond the Matrix. If you were to be able to be in the position to advise this current Administration what would be the priorities? What would you ask them to focus on?

**Dan:** One of the most important aspects of forging stability in the Middle East is fundamentally changing. If you look at Syria, for example, it does not exist as a traditional nation state as the world looked at it for the last 60 years. Today,

Syria is really four or five different countries with the Kurds up in the Northeast and the Alawites—a 15 percent minority that, via the family of Bashar al-Assad, controls a small federal area in the Northwest on the Mediterranean Sea. Then you have the Christians, the Druze, and other minorities versus the Sunni majority. The way we look at Syria really should be through a federated solution-lens. That is the same way that Iraq and Lebanon have been structured. That reflects the ethno-religious makeup by family, clans, and tribes. I believe this is the way we have to look at the Palestinian issue. Because if you look at the families in Ramallah, Hebron, and Jericho, they are fundamentally different than families in Gaza. They do not have the same family, clan and tribal allegiances. Therefore, it might be the same federal approach that is actually being taken in Syria. Look, for example, at the way the Kurds have handled themselves both in Northern Iraq Kurdistan as well as the Kurdish autonomous area in Syria. We should think of a possible triangle of peace for Palestinians, Jordanians and Israelis. Now I don't use the word confederation when it comes to Jordan and the Palestinians because that is a word that frightens a lot of people. We are not talking of compromising in any way Jordanian National Security or demographics. Jordanian security is a fundamental priority for the State of Israel, the US and the Western Alliance.

You have so much instability in the Middle East with ISIS still in Eastern and Southern Syria and neighboring Iraq trying to penetrate Jordan. Thus, if you had a triangle of peace anchored by a type of federal security and economic relationship between Jordanians and Palestinians without sacrificing any of Jordan's vital interests and if you have a financial economic confederation with Israel, you would have two strong anchors and security, one on the East side of the Jordan River, one on the West side with Israel. In the middle,

you would have a Palestinian federal state that would be demilitarized and landlocked. The Federal Palestinian entity would not have any natural resources, but certainly would have two strong secure and stable neighbors that can help this new Palestinian federal state grow. Yet it would not create a vacuum that, by many measures, otherwise would be a failed state that could threaten its neighbors through possible infiltration by ISIS, Al Qaeda, Islamic Jihad, Hamas or other Islamic terror groups.

**Jerry:** Dan where does that place the Trump Administration's peace plan proposal that has yet to be revealed?

**Dan:** We don't know what the Administration's peace plan is, as it hasn't been released. I think we do have indications that the Administration is highly sensitive to Israel's vital security requirements such as maintaining the concept of defensible borders—especially those borders facing the East where Israel has traditionally confronted very cruel adversaries such as the former Ba'athist Iraqi regime and Syria on Israel's Northern border. Then you have two borders distant the Saudis, and then current peace treaties with adjacent Jordan and Egypt. As I said earlier, you have Islamist terrorists in Southern Syria. There is the very important Judea-Samaritan hill ridge that gives Israel a topographical advantage of over three thousand feet facing the East. Anyone trying to infiltrate Israel from the Palestinian areas would be very hard-pressed to do that from parts of a federal Palestinian sovereign or semi-sovereign entity. They are very sensitive to defensible borders for Israel facing the East.

Having said that, the Administration is trying to create a

viable Palestinian sovereign entity that would offer the Palestinians stable and secure independence. We don't know the types of trade-offs that would be included in the plan. As I mentioned on your show earlier, the Administration is aware of the federal approach. There are news reports that the Administration representatives such as Special Envoy for Negotiations Jason Greenblatt and Senior Adviser to President Trump Jared Kushner had brought to King Abdullah II of Jordan and PA President Mahmoud Abbas the possibility of some sort of federal relationship which, while accepted by Abbas, was rejected by King Abdullah II, which is understandable. I think it was, perhaps, not detail-oriented, frightening the Jordanian leadership. Nonetheless, these are the types of ideas that the Administration has entertained. I think that is one of the reasons that the plan had yet to be unveiled, as is still a diplomatic work in progress.

**Rod:** Let me ask you, what is the remote chance that there could be a negotiation toward a federal sovereign state for the Palestinians in a portion of the Jordanian area?

**Dan:** The federal Palestinian state might look like something like a New Jersey, Delaware or Maryland in terms of area. It would be where most Palestinians live today. It would not bite into what is on the East bank across the Jordan River in what is Jordan today. It would be linked in certain ways to Jordan that would actually enhance stability and security for both sides and not compromise or threaten it in any way. You have many examples of this around the world—protectorate areas such as Puerto Rico, or city states such as Singapore, which is very prosperous, safe and secure. I think that we have to start looking at the Palestinian issue that way and not through the lens of what they call a full, two states for two peoples solution. Because in the Middle East today, any vacuum

of sovereignty . . . whether it is by Israel who got out of two very dangerous experiments, one from Southern Lebanon . . . we pulled back unilaterally from Southern Lebanon in 2000 and we got terrorism on the Golan Heights right on our Northern border. Then in 2005, Israel unilaterally pulled out of Gaza areas where Jews had lived for decades and what did we get? We got Hamas, Islamic jihad firing rockets into Israel. We didn't have that before the withdrawal from Gaza. The minute a vacuum of security is created, it is quickly filled up by jihadi elements. So, we can't make that mistake a third time.

**Rod:** That is very good advice. Jerry did you have a final question?

**Jerry:** What you are describing, Dan, is almost a 'back to the future solution' because, prior to OSLO—the twenty-fifth anniversary that occurred recently on September 13th and, in my personal experience before the First Intifada broke out in 1987, the economic status of Palestinians was far better than it is now.

**Dan:** Well, yes and no Jerry. In 1985, there was a decision taken by the PLO and Jordan to enter into a confederation. That was obviously a different time, it was a different King. It was King Abdullah II's father, King Hussein. However, the idea of federal links is not foreign. In the early 1960's King Hussein of Jordan wanted to create the United Arab Republic and annex the West Bank. This is a different time and a different reality. However, the notion of a federal or nonfederal approach to security, stability and peacemaking is not foreign certainly as regards the Palestinian areas and Palestinian, Israeli and Jordanian relations.



**Rod:** Dan Diker, thank you so much for coming back to Beyond the Matrix here on Israel News Talk Radio. Shalom.

**[Listen](#) to the interview with Dan Diker on Israel News Talk Radio–Beyond the Matrix!**

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