

THE JORDANIAN-ISRAELI RELATIONSHIP: THE REALITY OF “COOPERATION”

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On October 26, 1994, the Hashemite Kingdom of Jordan became only the second Arab country after Egypt to sign a peace treaty with Israel. The signing of this agreement brought optimism for the possibility of ending the greater Arab-Israeli conflict and initially led to increased cooperation between the two states. However, relations quickly deteriorated as the political situation changed, resulting in a cold peace. Today, especially after the Gaza War, the prospects for ending the Arab-Israeli conflict seem grim, and mistrust between the Arabs and Israelis is extremely high.

This case study analyzes the Jordanian-Israeli relationship in the context of comprehensive regional peace. It strives to pinpoint critical issues that created roadblocks to a warm peace, suggests methods for overcoming these obstacles, and considers how this relationship can influence the search for comprehensive peace in the region. While the study focuses mainly on the Jordanian-Israeli relationship, it begins by highlighting the benefits that could accompany a comprehensive warm peace in the region.

Strategic Foresight Group, a think-tank based in India, released a report in late 2008 called *Cost of Conflict in the Middle East*, estimating that the opportunity cost to the Middle East since the Madrid Conference in 1991 is \$12 trillion and arguing that a sustainable, warm peace could improve the economies, standards of living and quality of life for countries in the region. Jordan's relationship with Israel is a good paradigm to analyze: the two countries have cooperated at the regional level on security, trade, water and some joint ventures and infrastructure projects. However, the peace between these states has not trickled down to the public.

Economic and other types of cooperation can play a role in helping to achieve, warm peace between Arabs and Israelis, but they raise many questions. Why has the hope of economic prosperity, development and interdependence not brought warm peace between Arabs and Israelis? Studies show it would bring tremendous dividends, but does that fit into the priorities of the key players involved? How does the political situation between the

Palestinians and Israelis influence perceptions in the Arab world and the desire to cooperate with Israel?

COSTS OF THE CONFLICT

The Strategic Foresight Group report uses 1991 as the benchmark year for its calculations to determine the costs of the Middle East conflicts because that was the year of the Madrid Conference, which brought hope that the region would turn a new page. It focuses on three types of costs: (1) economic or direct costs incurred due to destruction and damage caused by war, (2) opportunity costs reflecting growth that did not take place due to conflict, and (3) opportunity costs reflecting missed regional trade and investment opportunities and indirect costs.¹

Economic Costs

The Middle East possesses the fundamentals to achieve solid economic growth; it has human resources, physical infrastructure, reasonably open economies, urban populations and international exposure. However, political conflicts in the region have kept it from achieving its potential. For example, the Israelis currently only trade with Jordan, Egypt, Qatar and the Palestinians. The lack of an organization that can bring these countries together with others from the region significantly hinders growth potential.²

The region also lacks long intervals of peace that could allow stable economic activity. The Strategic Foresight Group report illustrates that during peace intervals, GDP growth rates per annum average about 6 percent. Also, Saudi Arabia had the largest opportunity loss in the region since 1991, valued at \$4.5 trillion, with Israel's loss totaling over \$1 trillion.³ When these numbers trickle down to the average citizen, the

calculations show that every Israeli, Saudi Arabian, Palestinian and Lebanese citizen would have enjoyed a doubled income level if there had been peace in the region.⁴

The economic costs of the Middle East conflict are also affected by the refugee situation. Jordan, Syria and Lebanon all have large numbers of refugees. The number in Jordan, at 38.9 percent, is equal to more than a third of its population, and Jordan spends almost 7 percent of its GDP on refugees.⁵

Another angle through which to analyze economic costs is the impact of the Arab boycott of Israeli goods. Although the effect has been weakened since the 1990s, when some Arab countries lifted the boycott, there is still very little trade. The boycott has three different levels. The primary boycott prohibits Arab people and states from doing any business with Israel. The second attempts to prevent businesses anywhere in the world from conducting any economic activity with Israel by threatening economic retaliation. Finally, the boycott punishes firms that deal with blacklisted businesses, even in international shipping, aviation and tourism. For example, most ships going to Israel are barred from Arab ports, and airplanes en route to and from Israel cannot fly through Arab airspace.⁶

According to the Israeli Chamber of Commerce, the Arab boycott causes Israel to lose about 10 percent of its export potential, equaling \$30-50 billion in this decade. Studies also show that Arab countries could provide Israel with nearly 5 percent of its import needs. Israel's energy requirements and Arab oil exports are also affected by the boycott. For example, Israel spends \$10-15 billion per year importing oil at the 2008 market price. With peace in the region, the Gulf States and Iran could provide most of this; in fact, they will lose out on nearly \$30 billion by not exporting oil to Israel.⁷

Military Costs

The Middle East has the highest military-expenditure burden in the world as a percentage of GDP. Out of the world’s 10 largest military spenders, seven are from the Middle East.⁸ This has a significant impact on the cost of the conflict; countries are spending significant resources on arms that could be spent on other needs.

Costs to Palestinians

The human cost of the Palestinian-Israeli conflict has been high. In fact, from the second Intifada in 2000 through 2010, the Palestinians suffered roughly 5,963 fatalities.⁹

Economic losses, moreover, have severely degraded the quality of life among Palestinians. In 1998, the Palestinian National Commission for Poverty Alleviation defined two poverty lines: the official line, defined as earning \$2.40 per day per capita; and the deep poverty line, defined as earning \$2.00. Between 1998 and 2005, the official number of poor and deeply poor persons nearly doubled.¹⁰

Palestinians have also “lost” significant numbers of trees on their farmlands; the Israeli blockade of the Gaza Strip has suspended Palestinian industrial operations; and Israel has withheld over \$1 billion in tax revenues. Palestinians have also been hampered significantly by the increase in road closures and time wasted at checkpoints. It is estimated that between 2000 and 2010, Palestinians will have lost 120 million man-hours at checkpoints.¹¹

Costs to Israelis

Israel has also incurred costs in its conflict with the Arab world, ranging from casualties that include civilian deaths to living in an environment of fear and mistrust. From the beginning of the al-Aqsa Intifada in September 2000 until 2008, the Israelis lost 716 civilians and 328 security-force personnel.¹²

Significant economic opportunity is lost as a result of the conflict, specifically in energy, trade, tourism and investments. During the al-Aqsa Intifada, unemploy-

ment jumped from 8.8 percent in 2000 to 10.8 percent in 2003 and did not stabilize to its pre-Intifada levels until 2006. Additionally, Israel’s GDP

took a sharp dive, from 8.9 percent in 2000 to -0.4 percent and -0.6 percent respectively in 2001 and 2002. It was not until 2004 that its GDP began to stabilize.¹³

The conflict also significantly depressed the tourism industry in Israel. From 2001 to 2006, Israel suffered a tourism-revenue loss of over \$15 billion. If there were peace in the region, estimates show that Israel’s tourism revenue would have been about \$5 billion in 2006 instead of the actual \$1.9 billion.¹⁴ Although revenue has been trending upward since 2002, it is clear that the industry fluctuates with the intensity of the Arab-Israeli conflict. The occupation of the Palestinian territories also puts a burden on Israel’s economy, with scholars estimating the cost of the occupation to range from \$10.5 billion to \$62.8 billion.¹⁵

The size of the peace dividend for each side in a state of warm peace is staggering. The dividend would be about \$4,429 per Israeli household per year for the first five years.

BENEFITS OF WARM PEACE

Peace agreements between Israel, Jordan and Egypt have not brought significant dividends. Although they brought an end to the state of war, opened diplomatic channels and achieved small amounts of economic cooperation, it did not bring the active economic, cultural, social and political harmonization that creates sustainable levels of cooperation and benefits for all parties.

The Israeli Peace Dividend

The size of the peace dividend for each side in a state of warm peace is staggering. The dividend would be about \$4,429 per Israeli household per year for the first five years. Although the Israeli economy would suffer a net loss because of the cost of change for the first year, the economy would grow rapidly in subsequent years.¹⁶

The Israeli Peace Dividend can be calculated using this formula:

$$\text{Peace Dividend} = \text{Marginal Increase in GDP} - \text{Cost of Change}$$

The cost of change comprises the indemnity to Israeli settlers and compensation to Palestinian refugees plus interest. This cost of change is estimated to be about \$45.5 billion, annualized at \$9.1 billion per year. The Marginal Increase in GDP can be obtained by subtracting the projected GDP (using GDP for 2010) from the peace GDP.¹⁷

The Arab Peace Dividend

The Arab peace dividend is equally impressive. While the formulas for the peace dividend and marginal increase in GDP are the same as the formulas used for the Israeli Peace Dividend, the cost of change is calculated differently because it consists of compensation to Palestin-

ian refugees, infrastructure costs of the Palestinian state and interest. For the Arab countries, these costs total \$52 billion annualized at \$10.4 billion.¹⁸

The potential peace dividend for Saudi Arabia would begin at about \$3.6 billion in 2011, after calculating its share of the cost of change, and increase to about \$52.5 billion by 2015. Egypt's dividend would begin at \$1.8 billion in 2011 after paying its share of the cost of change and would increase to \$17.3 billion by 2015. The Arab marginal increase in GDP would come from factors similar to those used for the Israelis with the addition of increased oil exports to Israel and technological cooperation with Israel to increase economic productivity.

THE JORDANIAN-ISRAELI RELATIONSHIP

Summary

Jordan and Israel have a unique relationship stemming from Jordan's control over East Jerusalem and the West Bank from 1948 to 1967 and its linkages with Palestinians who settled in Jordan at various points in time, making up anywhere from 50 to 70 percent of its population. Since 1948, Jordan has dealt with Israel in a pragmatic fashion, likely because the two share a very long border. Prince Abdullah of Jordan, who later became King Abdullah, agreed to the UN partition plan of 1947, which called for Arabs and Jews to live side by side in two separate states. However, Jordan participated in the 1948-49 war, mostly due to Arab pressure, and gained control of the West Bank and East Jerusalem, later annexing the West Bank in 1950.

King Hussein also believed that his country could gain more from peace with Israel and maintained a de facto peace,

despite occasional cross-border skirmishes. However, Jordan resentfully participated in the Six-Day War because of pressure from the Arab world and domestic unrest threatening the regime's stability. Israel won the war, united East and West Jerusalem and regained control of the West Bank. Several historians argue that if King Hussein had not taken part in the war, Jordan would have retained control over East Jerusalem and the West Bank. But it is uncertain what impact domestic pressures would have had on the regime.

In 1972, King Hussein announced a plan for a United Arab Kingdom, which would have been a federation between the East Bank (Jordan), West Bank and Gaza Strip. Each region would have had its own government and judicial system, Amman being the capital of the Jordanian territories and Jerusalem of the Palestinian territories. This was rejected by Egypt and the PLO at the subsequent Arab League summit, which recognized the PLO as the sole representative of the Palestinian people.¹⁹ This was a blow to Jordan's ability to regain the territories it lost in the 1967 war. Both before and after this decision, Jordan's relationship with the PLO involved a constant power struggle over the future of the West Bank, Gaza Strip and East Jerusalem.

In 1987, the London Agreement failed between King Hussein and Shimon Peres, starting a process by which Jordan forfeited its claims to the West Bank and Gaza Strip to the Palestinians. The London agreement had outlined procedures for an international conference that would focus on peace negotiations and addressed all key issues in regard to the Occupied Territories. However, it failed when Peres could not gather the support from his government to endorse it, leaving King

Hussein severely disappointed, as he was under the impression that Peres had the Israeli government's full support.²⁰

In 1988, King Hussein announced that Jordan was severing its legal and administrative ties to the West Bank. Although the decision was primarily motivated by political frustration, shouldering the economic burden of the West Bank added to the weakness of the Jordanian economy, and the King was disturbed by what he considered the Palestinian leadership's ingratitude towards Jordan's efforts.²¹ From this point forward, Jordan would not negotiate with Israel on behalf of the Palestinians. In 1993, the State of Israel and the Palestinian Liberation Organization signed a Declaration of Principles that paved the way for Jordan to negotiate its own formal peace agreement with Israel.

The Peace Agreement

The Washington Declaration, signed in Washington, D.C., on July 25, 1994, ended the state of war between Jordan and Israel and created the space for negotiations over the final peace agreement. The declaration called for Jordan and Israel to aim for “achievement of a just, lasting and comprehensive peace between Arab states and the Palestinians, with Israel.”²²

The declaration safeguarded Jordan's role over Islamic Holy Shrines in Jerusalem, stating that Israel would give high priority to this role in any final-status negotiations.²³ It also laid down practical steps to build ties between the two countries, such as establishing direct telephone links, opening border crossings, and linking the Jordanian and Israeli power grids.²⁴

The major hurdles that had to be overcome before reaching an agreement were the issues of borders, water and refugees. The parties agreed to make the final border

the 1922 demarcation line, with some compromises that included land swaps and a guarantee of 25 years of private use to Israeli farmers whose property would come under Jordanian sovereignty.

The Treaty of Peace was signed on October 26, 1994. It guaranteed Jordan's water rights from the Yarmouk and Jordan Rivers and pledged that the two countries would work together to find solutions to the region's water shortage. The refugee issue was left for final-status negotiations; however, Israel committed to addressing the issue in accordance with international legitimacy and law, including relevant UN resolutions on the matter.²⁵

At the time the Washington Declaration was signed, polling showed the public mood in Jordan to be highly favorable toward it. The signing of the Declaration of Principles had brought hope that the Israeli-Palestinian issue and other regional problems would be resolved for good. Additionally, the treaty brought short-term peace dividends to Jordan such as the writing off of its \$702 million debt to the United States. It helped end the isolation Jordan had endured for not distancing itself from Iraq during the first Gulf War and insured the government's sovereignty.

The agreement was about more than just security; it included cooperation in economics, science, the environment and many other areas. Although some of this cooperation came to fruition during the early years of the treaty, much of it was short-lived. Some say that Jordan created high expectations about such peace dividends in order to convince the public to support the deal. While this may be true, the intricacies of the issues involved in cooperative initiatives severely complicate the prospects for success.

THE REALITY ON THE GROUND

Direct Trade

The amount of direct trade between Jordan and Israel is not high, but it is increasing. In 2007, Israeli exports to Jordan totaled about \$250 million and increased to about \$288 million in 2008. These mostly consist of vegetable products, precious stones and metals, paper products, textiles, machinery and electrical equipment. Jordanian exports to Israel, consisting mostly of chemical, mineral and vegetable products, and textiles, amounted to about \$54 million in 2007 and nearly doubled to \$105 million in 2008.²⁶

It is possible that Jordan is not the final destination for Israeli exports but is used as a gateway by some Israeli companies to ship products to countries that do not have direct business dealings with Israel due to the Arab boycott. Additionally, while Israel seeks more cooperation with Jordan, most of the trade and economic dealings between the two countries are discreet; Jordan's anti-normalization movement works to promote boycotting Israeli goods and stigmatizes those who cooperate with Israel.

Despite these pressures, some Jordanians are realists who believe that their country's survival depends on its ability to work with all of its neighbors. Some companies that import goods from Israel are known to remove the "made in Israel" tag before selling them, and many Jordanians buy fruits and vegetables in their local markets knowing they are from Israel.²⁷

Structural barriers that inhibit increased trade also exist between Israel and Jordan. One issue is that of back-to-back transport of goods. Under this system, when Jordanian goods reach the Israeli border crossing, they are unloaded from Jordanian trucks and inspected for

security reasons and then reloaded onto Israeli trucks to be transported to the final destination. Jordan complains that this system limits the flow of goods, increases costs and causes significant delays. There was a brief period when Jordan and Israel agreed to allow a point-to-door system, but Israel stopped it after the beginning of the Second Intifada. It has been said that trials of the point-to-door system will be started, which may lead to its reinstatement.²⁸

Furthermore, Jordan's accreditation of goods is not recognized in Israel due to differing standards. A sample of any good being exported to Israel must be sent to an Israeli laboratory to be tested. This process can take up to several months. However, testing cannot be done in Jordan because Israel only accepts results from its own labs.²⁹ Israel wonders how it can be expected to accredit laboratories when Jordan's professional associations work to prevent formal accreditation. The parties signed an agreement laying the groundwork for mutual recognition of certificates, marks of conformity, standard procedures and fees for services rendered, but until now, formal letters of accreditation still do not exist, although there is informal respect for results in some fields such as medicines.

Jordanians also criticize Israel's customs tariffs, VAT, purchase tax and the TAMA, which reduce profit margins. Originally, no tariffs were to be imposed on trade between Israel and Jordan, partly to help bridge the gap between the two economies, but also because Jordanians viewed them as Israeli attempts to monopolize the Palestinian market.³⁰ The biggest issue was the TAMA, which is generally used by Israel when it considers the customs tariff too low to prohibit competition with local companies. Currently there are no extra tariffs on Jordanian goods entering the

West Bank, but Jordan must compete with Israeli products, which are of higher quality and about the same price. Some Israelis say that Jordan is taking the easy way out on trade issues by blaming tariffs.

Israelis have problems trading with and investing in Jordan. The Jordanian market is much smaller than Israel's and does not match well with Israel's advanced high-technology sectors. Israel is also frustrated that cooperation with Jordan must be carried out secretly because of political sensitivities, while in Israel it is said that relationships with the Arab world are out in the open. Israelis say they want countries like Jordan to prosper, pointing to Israeli investors who closed factories in Israel during the early years of the peace agreement, creating unemployment in their own country to help push the peace process forward.³¹ These investors felt cheated, particularly as they were unable to secure legal representation for business disputes in Jordan. Although they admit there were financial incentives to do business in Jordan, there was also a desire to further a relationship with an Arab country.

Qualified Industrial Zones

The Qualified Industrial Zones (QIZs), established in 1996, have been the most significant initiative to increase industrial cooperation between Jordan and Israel. Qualifying goods manufactured in the zones receive quota-free and duty-free access to the U.S. market. The zones were established under the Israeli-U.S. Free Trade Agreement (FTA) and are designated by Israel and Jordan with approval from the U.S. government. The purpose of the QIZs was to encourage peace in the region through economic cooperation, to promote foreign direct investment (FDI) in Jordan and to increase Jordanian exports to the United

States. Israelis were to benefit from Jordan's low-cost labor, while Jordan was to gain from Israel's advanced technology and management and its access to the U.S. market.³²

Every product a company seeks to export to the United States under the QIZ agreement must meet certain conditions. It must be manufactured in the QIZ, and the direct cost of processing operations performed in the QIZ, the West Bank, the Gaza Strip or Israel cannot be less than 35 percent of the appraised value of the good. One method of achieving this value is for the direct costs to comprise 11.7 percent from Jordan, 8 percent from Israel and the remainder from the QIZ, Israel, the Gaza Strip, the West Bank or the United States. This process is regulated by a joint committee consisting of Jordanians, Israelis and an observer from the United States.

The potential for QIZs to create warm relations between Israel and Jordan and their impact on Jordan's economy are both questionable. On paper, the statistics are positive. In 1999, \$2.5 million worth of goods were exported to the United States through QIZs. By 2007, this number exceeded \$1.14 billion. In 1999, there were only two companies in the QIZs, and the number of employees in the zones was about 5,000. By 2007, the number of companies increased to over 50 and the zones employed over 46,000 workers.³³ Also, QIZs operate at a high level of productivity and make the United States one of Jordan's major export destinations.

Despite these statistics, there are underlying problems. Jordanians are extremely unenthusiastic about doing business with Israeli companies. Further, Israeli companies mostly take on subcontracting work rather than invest directly into QIZs, with most direct investment coming from countries outside of the re-

gion. The impact on Jordan's labor market has not been substantial. Foreign workers make up nearly half of the employees in the QIZs, and wages are very low: about \$200 per month for foreign workers, with starting salaries at around \$120 per month. These foreign workers are not covered by Jordan's labor laws and thus can potentially be exploited by factory owners.³⁴ Many Jordanians feel the QIZs help the Israelis and the United States but not Jordanians, who need jobs that pay a living wage.

Supervisors at QIZs say they prefer to hire foreign workers because they are more committed and better trained and experienced in the manufacturing industry. These workers are often trained in their home countries before coming to Jordan, whereas the cost of training Jordanian workers is said to be prohibitive.³⁵ Many also say that Jordanians are culturally averse to working in the garment industry; they are accustomed to government or management-level positions.

Those opposing the QIZs blame low wages and bad working conditions for the reluctance of Jordanians to apply for jobs there. They argue that Jordanians have more societal obligations than foreign workers and often will not accept a lack of job security, wage freezes and extremely long hours. They cannot compete with foreign workers, who have fewer obligations and are willing to work overtime for low pay.

One bright spot for QIZs is their impact on the Jordanian women who work in QIZs, providing additional income to their households while being empowered to participate in public life. However, their jobs do not allow for significant salary increases or training to move up to higher-skilled positions, and working conditions are often poor.³⁶ Despite this, even the slightest

additional income earned by these workers can have a positive impact on family life.

QIZ supporters also contend that Jordan benefits through support services because QIZ companies must subcontract to domestic firms for workers' transportation, food, housing, banking and insurance.³⁷ Understanding the linkages QIZs have with the broader Jordanian economy requires analyzing what comprises the 11.7 percent of the value-added that is required from Jordanian sources. Forty percent of this value comes through direct labor costs, the remaining 60 percent through processing costs of utilities, transport, medical insurance, government expenses, banking needs and other similar expenses.³⁸ Shipping mostly goes through Haifa in Israel rather than Aqaba, Jordan's port city, mostly because of Haifa's faster shipping times, reliability and strong international linkages. This is true despite the fact that ground transport to Aqaba is cheaper than to Haifa.

Beyond the processing costs, the linkages the QIZs have with the rest of the economy are limited. Jordan does not have the raw materials to contribute to the textile industry, and the percentage of required Israeli value-added drains the potential of local manufacturers to provide those materials. Additionally, there is no local competition generated by the QIZs, because all of the products are exported directly to the United States.³⁹

The QIZs face challenges in the years ahead. Labor costs in Jordan are still relatively high compared to other countries,

including Egypt, which also has a QIZ agreement. Further, with the elimination of import quotas by the United States in 2005, the QIZs lost their preferential status of quota-free access to the U.S. market, and other developing countries such as China and India began to dominate the global market for apparel. Jordan could circumvent these effects by focusing on high-tariff products, over which it still has an advantage. QIZ manufacturers are also hoping that the 8 percent Israeli value-added requirement will be lowered in the future.

Jordan has its own FTA with the United States, which aims to eliminate all trade

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barriers between the two countries by 2010. This FTA will have an impact on QIZs; there are differences between the agreements that could create both advantages and

disadvantages. The FTA requires a local Jordanian content of 35 percent, whereas the QIZ only requires 11.7 percent, with included content from Israel. For the QIZs, the area of production must be designated as a QIZ by the U.S. government, whereas under the FTA, only the rules-of-origin requirements must be met. Thus, the buyer, industry, shipping costs and an individual company's circumstances are all factors that will influence how a company chooses to produce. The number of Arab investors in QIZs has been low because of the lack of diplomatic relations between their countries and Israel. This could mean that more Arabs will invest in projects working through the FTA.

Anti-normalization Movement

Jordan's anti-normalization movement has created institutions that impose rules and regulations to prohibit any interaction with Israel. This movement has brought together ideologically opposed parties, such as Islamists and leftists, to form an opposition to the peace treaty with Israel.⁴⁰ Headed by the Islamic Action Front (IAF), the political arm of the Muslim Brotherhood in Jordan, the Islamists base their opposition on religious ideology, claiming that Palestine and Jerusalem are Islamic lands and must be liberated through jihad.⁴¹ The leftists base their arguments on economic and territorial exploitation by Israel. However, the Islamists have adopted a less religious tone, often using leftist arguments.

The goal of the anti-normalization movement is to use civic organizations and professional associations to reduce the practical significance of the peace treaty. The main office of Jordan's professional associations houses an anti-normalization committee as well as the associations of 14 professions, including doctors, lawyers and engineers. Each has its own council, and any Jordanian who wishes to practice in one of these professions must register with the respective association.

Professional associations are seen as the one true democratic outlet in Jordanian life since most Jordanians do not have faith in the parliamentary electoral system. The example most frequently cited by the opposition is the 1993 election, when the regime changed the election rules to ensure its allies would win and ratify the treaty with Israel. In previous elections, the law designated a specific number of parliamentary seats for each electoral district and allowed voters to vote for the number of seats designated for their district. For example, a voter in Amman's second district, which

had three designated seats, would cast three ballots for candidates of his or her choice.⁴²

This system enabled coalition building and allowed parties such as the IAF to increase their representation. However, the new law allotted one vote to each voter regardless of the number of seats in the district, so in the above-mentioned scenario in Amman's second district, a constituent could only vote for one candidate, and the three with the highest number of votes were seated. This was extremely beneficial to tribal leaders loyal to the regime; the IAF lost almost half of its seats.

The treaty was overwhelmingly ratified by parliament, but the opposition believes that the change in the election laws diminished the will of the people. In the associations, members choose their leaders democratically. Each has its own internal governance, and if someone practices a profession without registering with the association, the company that hires that individual can be penalized.

The professional associations also take measures against members who cooperate, or "normalize," with Israel. This has been interpreted to include attending an international conference with Israeli participants or even visiting Israel for personal reasons. Such individuals must appear before an internal-governance panel comprising three individuals with the power to expel offenders. This is an economic threat to those who cooperate with Israelis, as Jordanian law requires professionals to be members of their associations.⁴³

Expulsions can be overridden by the government's Higher Court of Justice because of the Jordanian-Israeli peace treaty, but according to the leadership of the associations, the reputation of the individual would be ruined and they would find it difficult to find work. This is probably an

exaggeration; there are companies and individuals who work with Israelis, and there are jobs outside the network of the associations. It is unlikely, however, that many people would risk their livelihood and social standing by supporting normalization.

The anti-normalization committee used blacklisting against those engaging with Israelis. These blacklists were made available to neighboring Arab countries and even displayed on the screens of some satellite channels.⁴⁴ This led to a boycott of those normalizing with Israel.

The Jordanian government puts pressure on the associations for their anti-normalization positions. In 2002, the government determined that the anti-normalization committee was illegal and declared null and void its decisions, both inside and outside the associations. The committee was originally disbanded but was later reformed with modifications. A compromise was reached: the committee could call for boycotts, hold lectures and conduct studies on the importance of anti-normalization, but it could not issue blacklists or related public directives to that effect or expel members.⁴⁵ Also, the government does not permit the associations to plan activities outside of their main offices.⁴⁶

Arguments have been made that the anti-normalization movement has pushed most cooperation out of the public sphere. Many believe the reason most proposals for cooperation were not implemented was because of the anti-normalization movement. The question arises as to whether association members do not cooperate with Israelis out of fear of repercussions from the associations. Association leaders argue that people do not want to cooperate with Israel and that even government officials are against the peace agreement. They say their rules are respected, not feared. There

is merit to this argument, as a significant percentage of Jordanians resent Israeli actions and intentions in the region.

Association leaders are opposed to peace with Israel and blame Jordan's signing of the peace agreement on outside pressure. It is questionable how successful the opposition's tactics are today, as there are ways to circumvent their repercussions. However, the associations point to their successes, citing the 1997 Israeli trade fair in Jordan, when they mobilized a demonstration of 4,000 people.⁴⁷ One association leader pointed to the opposition's efforts to boycott a hotel in Amman in which the Israelis held their Independence Day celebration. The hotel had to close down.

Visa Issues for Jordanians

While Israelis easily obtain visas to enter Jordan, it is difficult for Jordanians to obtain visas to enter Israel. This has been a source of constant tension. Whether Jordanians desire to visit Israel for tourism, business or family reasons, obtaining a visa is challenging. Israel says that it used to issue more visas to Jordanians, but thousands of Jordanians of Palestinian decent went to the West Bank and did not return.⁴⁸ They say the Palestinian Authority did not take responsibility for ensuring that these individuals returned to Jordan, so the Israelis made the process more difficult.

The Israeli viewpoint is not monolithic, even within the government. There is a strong difference of opinion between the Foreign Ministry and the Ministry of Interior, whose security apparatus gives clearances on visas. The Ministry of Interior relies on low-level employees, who ultimately have more of a say than ambassadors and embassy staff on the issuances of visas. Other branches of the Israeli government, which deal with day-to-day

visa issues, would like to see an increase in the number of visas issued to Jordanians.⁴⁹

The Israeli embassy issues visas with ease to males under 16 and over 60 and to females under 18 and over 50; others must be approved by Israel's security apparatus, a process that can take one to two months or longer. There is a VIP list for certain types of individuals, such as businessmen, but it has not solved many of the issues. For Jordanians, especially those of Palestinian origin, this issue creates significant tension, because many have families in Israel or the Occupied Territories whom they cannot visit.

Jordanians and Israelis involved in bilateral cooperation believe that arguments about people going to the West Bank and not returning are illogical, since the Israeli embassy and Ministry of Interior know the reason an applicant is applying for a visa. To them, it is not rational to delay or deny a visa application to those applying for business reasons or to attend events focusing on bilateral and regional cooperation.

Tourism

It was thought that cooperation on tourism would be an important aspect of the peace treaty between Jordan and Israel, as the industry plays a significant role in both countries. Besides the economic boost cooperation on tourism would provide, it was thought that the ease of access, especially for Israelis to Jordan, would increase people-to-people contact and create understanding.

While there was some increase in tourism, the full potential of this opportunity was not reached. The problem for Jordanians has been obtaining a visa to visit Israel. Many Israelis visit Jordan's touristic sites such as Petra, but the opening of the southern border crossing has allowed Israelis to make day trips and bring with them every-

thing they need, including food and drink. Because of this, many local businesses do not benefit, and Jordan raised entrance fees to its sites in order to cover maintenance costs.⁵⁰ In addition, Jordan's port city of Aqaba on the Red Sea has not been able to compete with Israel's Eilat, which is better equipped to handle tourists, despite recent development in Aqaba.

In 2007, Israel received about 11,500 Jordanian tourists, about .05 percent of its total for that year. This number was significantly higher than the 2,700 tourists who came from Egypt in the same year, perhaps indicating that many of these Jordanians were of Palestinian origin visiting family in Israel or the Occupied Territories. However, the number of Jordanian tourists in 2007 was dramatically lower than the 77,900 Jordanians who visited Israel in 2000, before the Second Intifada. When looking at the venues for arrival, one sees that Israel benefits. In 2007, Israel received about 183,000 tourists from its crossings with Jordan, meaning that over 150,000 non-Jordanians visited Israel through Jordanian-Israeli crossings.⁵¹

The number of Israeli visitors to Jordan has increased since earlier this decade. In 2007 and 2008, Jordan received between 275,000 and 280,000 Israeli tourists, compared to 152,000 in 2002. The majority stayed overnight. The only problem with looking at these statistics is the inability to determine how many of the Israeli visitors to Jordan were Arabs with Israeli citizenship. Jordan also receives a significant number of arrivals through its crossing points with Israel; the Jordan Valley crossing in the north received over 300,000 arrivals in 2008.⁵²

While it is apparent there is significant movement across the borders, the political situation has kept tourism from being a

major contributor to warming relations. Israelis say they enjoy traveling and point to the number of Israeli tourists who travel to Turkey, but they say their security must be guaranteed and because of this do not feel comfortable going to Jordan. At the early stages of the peace agreement, it was common to see Israelis in Jordan; today that is not the case. In fact, some Israelis believe decreased Israeli tourism to Jordan is part of the reason for the decreased tourism at Petra.⁵³

Educational Exchange

Educational exchanges between Jordan and Israel are extremely limited. The only Israelis studying in Jordan are the 3,000 Arab Israelis studying at Jordanian universities. Jordanians rarely complete their university studies in Israel; they know it will be difficult to find work if employers see that their degrees were completed in Israel and because their degrees are not accepted by the professional associations. In fact, only one Jordanian professor has taken a year's sabbatical in Israel.⁵⁴ Both countries have certification procedures for accepting the other country's degrees, but practical considerations on the Jordanian side prevent students from even attempting to study in Israel.

Water Cooperation

Water distribution is very important in a region with extreme scarcity. The Jordan River is a very highly contested water source. Its tributaries originate in Syria, Lebanon, Israel and the Golan Heights, with each country asserting rights over its water.⁵⁵ Several proposals have been presented to help maximize cooperation over the limited water in the region, and some are in the process of being implemented, mostly between the Jordanians,

Israelis and Palestinians. Cooperation on water-related matters has been one of the bright spots of the Jordanian-Israeli relationship and was made one of the top priorities in the peace negotiations. While many scholars have predicted water wars in the region, Jordan and Israel work well together on water issues.

The crux of the water conflict between Israel and Jordan involved the right to utilize water from the Jordan and Yarmouk Rivers. In the peace negotiations, Jordan put water utilization on the same level as security, territorial rights and the refugee problem. This was the only dispute within the Arab-Israeli conflict not directly related to territory and thus gave rise to the opportunity to find a bilateral solution with a real negotiated settlement.

The resolution of this conflict is an essential part of the treaty, which allocates fixed quotas of water to each party and stipulates future storing and diversion systems on the two rivers. Other provisions discuss cooperation on water pollution, distribution of groundwater resources, the prohibition of a unilateral change in flow of the two rivers, and finding future sources of water.⁵⁶

According to the peace treaty, each country receives most of its water through its respective river. Jordan's is mostly allocated through the Yarmouk and Israel's through the Jordan. The treaty also allocates water from the other river to each country. Israel receives 25 million cubic meters (mcm) from the Yarmouk, and Jordan receives 30 mcm from the Jordan.

Israel is also permitted to pump an additional 20 mcm of water during winter from the Yarmouk into the Sea of Galilee. This amount is redirected to Jordan during the summer months. This is a significant reduction from the amount of water it was

using from the Yarmouk prior to the peace agreement. However, Israel is permitted to maintain its usage of the previous levels of water from the Yarmouk until Jordan builds a dam on the river.⁵⁷

Jordan's share of water from the Jordan River is a significant improvement compared to its situation before the peace agreement, when

it did not receive any. Out of its 30 mcm allocation, 20 mcm comes from the river itself, while the rest comes from the Sea of Galilee until it can be provided by a

desalination plant that processes groundwater sources. The treaty also states that Israel and Jordan will work together to provide Jordan with an additional 50 mcm of fresh water in the future, but it does not specify how the costs for this would be distributed.⁵⁸

Some argue that the water regime under the peace treaty favors Israel, as Jordan receives less under the treaty than it would have under previous proposals before peace. But there is no question that Jordan benefitted from the treaty with respect to its water supply; previous plans allocated water to Jordan based on its control of the East and West Banks. In fact, Jordan's water gain is one of the major selling points used by supporters of the treaty to convince the Jordanian public. The question is exactly how much the treaty will increase Jordan's water supply in the future, since financial considerations will have an impact on the development of dams and desalination plants.

The treaty does not specify the quality of water Jordan is to receive from Israel. Thus, at times Jordan has received polluted floodwater, and this has led to tensions. As recently as early 2009, the Jordanian Ministry of Water and Irrigation detected polluted water contaminating the Yarmouk, which provides Amman with almost one-

third of its water. However, once the polluted water was detected, the water tunnel was closed down, the water was discarded, and Israel compensated Jordan by replacing the polluted

water. A similar incident occurred in 1998.

When such incidents occur, the two sides work together to find solutions. Some Jordanians believe that, when it comes to water, Israel is far more accommodating than Syria, which takes more than its share of the Yarmouk River, despite Jordan's protests. One Jordanian expert on water issues cited two occasions in the past 10 years when Syria declined Jordanian requests to release more water because of shortages in Jordan; in contrast, Israel released additional water and took a share back later.

OBSTRUCTIONS TO WARM PEACE Mistrust

A lack of trust on both sides is a major reason warm peace has not been realized. Jordanians, like the rest of the Arab world, sincerely believe that Israel does not want peace. They point to the recent wars in Lebanon and Gaza, the blockade against Gaza and increasing settlement expansion

When it comes to Jordanian-Israeli cooperation, Israelis point to the risks both sides must face. To them, Jordan's risks are purely self-inflicted psychological barriers, whereas Israel's barriers are largely technical.

as evidence. Because of this, most Jordanians do not believe that there is any hope for a just resolution to the Palestinian-Israeli conflict. There are also issues supported by fringe groups in Israel that cause concern. Many Jordanians fear the concept of "Greater Israel," if Israel expanded into the West Bank, the Gaza Strip, and parts of Syria, Lebanon, Jordan and Egypt. Even more, Jordanians fear the "Jordan option," which refers to Jordan's being turned into a substitute homeland for the Palestinians.

The idea of the "Jordan option" was first raised in the 1960s, but the Likud considered this idea for several years. The PLO also originally considered Jordan to be a part of greater Palestine and did not remove this claim from its charter until the 1980s.⁵⁹ Although this concept is not a mainstream idea in Israel, it has not disappeared entirely. It was revived in early 2009 by a right-wing Knesset member, but the Israeli Foreign Ministry immediately distanced itself from the suggestion. Jordanians continue to fear it and point to the peace deal with Israel as a way for Jordan to delineate its border with Israel and protect its sovereignty.

In addition, Jordan considers Israeli settlement expansion in the West Bank to be a threat to its national security, as it could lead to annexation of significant portions of the West Bank. It is also uneasy about Israeli policies seeking separation from Palestinians and unilaterally withdrawing from occupied lands. Jordanians who took the political risk at the signing of the peace treaty of building relations with Israel are disappointed with the outcome and do not believe that, in the future, individuals will take the same risks, going against Jordanian society to normalize relations with Israel.⁶⁰

The Israelis also believe that Arabs do not want real peace. They point to the rocket attacks from Gaza after its 2005 pullout, the kidnapping of two Israeli soldiers in 2006 that led to the Israeli offensive against Hezbollah, and the unwillingness of Arab states to support confidence-building measures that would enable Israel to be assured about its security concerns.

The Israelis say they are ready for increased cooperation with Arab states, particularly Jordan, but are skeptical of the fact that the Arabs have not reciprocated. The reality is that most cooperation between Jordan and Israel occurs largely out of the public eye for fear of social repercussions. If this is the best type of peace Israel can hope for, how can they trust security guarantees offered by any Arab country? When it comes to Jordanian-Israeli cooperation, Israelis point to the risks both sides must face. To them, Jordan's risks are purely self-inflicted psychological barriers, whereas Israel's barriers are largely technical.

Societal Issues

Societal issues in Jordan play an important role in the perception of both the Israeli-Palestinian conflict and the Jordanian-Israeli relationship. These issues are mostly connected to demographics in Jordan, where between one-half and two-thirds of the population is of Palestinian origin. Jordan is one of the only countries that gave rights and citizenship to most of its Palestinian refugees. There are various categories of Palestinians in Jordan with permanent residency but carrying different types of documents.

Some Jordanians of Palestinian origin carry a Jordanian passport with a national identification number, which gives them

access to all governmental services. Others carry Jordanian passports, but without national identification numbers, meaning their access to services is more limited. Palestinians from Gaza carry a two-year temporary passport, which must be renewed. This creates various layers of society and significantly influences how people in Jordan view themselves and the government's position on the Palestinian issue.

Within these layers of self-identification one can find Palestinians who consider themselves Jordanian and have little attachment to their ancestral home, whereas others identify themselves as only Palestinian. Among the population that is originally Jordanian, one can find those who are even more supportive of the Palestinian cause than many Palestinians. At the same time, many of them strongly believe that Jordan is a country that must have good relations with all of its neighbors, including Israel. They argue that Jordan lacks resources such as oil and water and requires strong alliances. Thus, although they support the Palestinian cause, they are pragmatic about Jordan's relationship with Israel and the West.

A recent problem surfaced in 2009, when Jordan began revoking the citizenship of thousands of Palestinians living in Jordan to avoid having them permanently resettled there. This raised tensions between Jordanians and Jordanians of Palestinian origin, making Palestinians feel as if they were being squeezed out.⁶¹ The Jordanian government said that the move was aimed at ensuring that Palestinians would not be prevented from returning to their original homes inside Israel and would maintain their identity as Palestinians. These Palestinians will keep their permanent-resident status by retaining their identification cards, issued as family-unification documents to those who have

families in the West Bank. Among those who had their citizenship revoked were individuals working for the Palestinian Authority or the PLO and those who had not served in the Jordanian army.⁶²

The pace of normalization is also an important consideration. One Jordanian official pointed to the decades when the Jordanian public was told to consider Israel to be the enemy — then all of a sudden to be Israel's friend. While visionaries like King Hussein could make the transition with ease, it was never easy for the public, especially when seeing Israeli officials visiting Jordan shortly after the signing of the agreement.

Impact of the Israeli-Palestinian Conflict

Arab sentiment towards Israel hinges on the state of the Palestinian-Israeli conflict. This is especially true for Jordan, where Palestinians make up a significant percentage of the population. In fact, 35 percent of Jordan's population comprises Palestinian refugees, and 42 percent of all Palestinian refugees are in Jordan. Thus, more than any other country, Jordan is inextricably linked to the Palestinian situation.

As previously stated, after the peace deal was signed, enthusiasm ran extremely high on both sides. The Jordanian-Israeli agreement was to pave the way for regional peace and a final resolution to the Palestinian situation. However, soon after the agreement was signed, the relationship cooled. It began with the assassination of Israeli Prime Minister Yitzhak Rabin at the hands of an Israeli extremist. Jordan's King Hussein had a good relationship with Rabin, but his relationship with Rabin's successor, Shimon Peres, was not nearly as strong.

In addition, the Peres government authorized the assassination of Yahya Ayyash, a senior Hamas member who had devised several suicide attacks against

Israel. Israel also suspended peace talks with Syria, claiming that it was harboring terrorists.⁶³ Peres lost the next election to Benjamin Netanyahu, whose victory initially brought a short-lived sense of optimism to King Hussein and the pro-peace camp. However, the political situation eroded, with increased violence between Israelis and Palestinians, and Netanyahu took tough stances on a unified Jerusalem and the formation of a Palestinian state.

Jordanian-Israeli relations continued to deteriorate soon afterward, following the killing of seven Israeli schoolgirls by a Jordanian soldier in al-Baqura. Although King Hussein made a trip to Jerusalem to personally offer condolences to the families of the victims, relations remained strained. In 1997, they hit rock bottom with the Mossad's failed attempt to assassinate Khaled Meshal in Amman by injecting poison into his ear. Netanyahu had given his permission for the plan to proceed, leaving the Israeli chief of staff and director of military intelligence unaware.⁶⁴ This action violated Article 4 of the peace agreement relating to security.⁶⁵

Shortly after the collapse of the Camp David talks in July 2000, Ariel Sharon visited the Haram al-Sharif, the Temple Mount, which sparked the beginning of the Second Intifada under the leadership of Fatah. Sharon's visit to the holy site was perceived by Palestinians as an Israeli attempt to demonstrate its desire to keep the area under Israeli sovereignty. The Second Intifada brought a wave of attacks and negative sentiment throughout the Arab world that sent the peace process into a tailspin.

The following year, Sharon came to power as Israel's prime minister, and the Israeli-Palestinian peace track foundered, with the re-occupation of Ramallah and

other Palestinian towns and the siege of Yasser Arafat's headquarters. As Jordanians protested, the government called for the dispatching of peacekeeping forces to protect Palestinian civilians and summoned Israel's ambassador in Amman to protest Israeli actions.⁶⁶

U.S. President George W. Bush held a meeting with the Israeli and Palestinian prime ministers in Aqaba to try to restart the peace process, but no positive developments emerged. As the Israelis increased pressure on the Palestinians through more incursions, curfews and the building of the separation wall, Jordan felt threatened. To the Jordanians, these Israeli actions, specifically the wall, constituted a threat to Jordanian national security, as they encouraged more Palestinian immigration into Jordan.⁶⁷

The most recent Israeli operations — the war against Hezbollah in 2006 and the war in Gaza from December 2008 to January 2009 — led Arabs, including Jordanians, to believe that the Israelis did not want peace. During the 2006 war, Jordan's King Abdullah criticized Israel for turning Hezbollah's fighters into martyrs and blamed the rise of such groups on Israel's lack of willingness to return lands to the Palestinians. The war in Gaza also brought increased pessimism to the Jordanian street. Several demonstrations, including protests outside the Israeli embassy in Amman, took place, and opposition leaders called for the expulsion of the Israeli ambassador and an abrogation of the peace treaty.

The Israeli relationship to other Arab countries has been and will always be linked to its relationship with the Palestinians. For the Arab states and Israel to form trust and warm relations, the situation on the ground must improve. If the Arab public would see the creation of a Palestinian state and steps taken by the Israelis and Palestinians to live

in peace side by side, they would be encouraged to move in a similar direction. But for the Israelis there is no guarantee, which leads to their hesitation to make tough compromises with the Palestinians.

EXPANDING COOPERATION

Since the signing of the peace agreement several projects have been proposed for spurring cooperation between the two countries. The proposals focused on security, economics, tourism, the environment and several other topics. However, the vast majority of them did not move past the planning stages. Examples include the Haifa-Amman railway link and the Aqaba Eliat Peace Airport. Often there was a lack of political will on either side to move forward with a project, in addition to cultural and logistical roadblocks and the impact of the situation between the Palestinians and Israelis.

While trade can benefit both sides economically, it does not encourage the people-to-people contact that is needed for warm peace; and, in the case of Jordan it is generally limited to agriculture and textiles because of the economic gap between the two countries. Also, while joint ventures in advanced economic sectors would be great, mistrust hinders the ability of each side to enter into such initiatives. For Jordanians, it is difficult to overcome the fear of being economically exploited; for Israelis, it is difficult to look past the fear that their investments and technology would not be secure in Arab countries.

However, there are some initiatives that could be implemented in the short term to help bring people together towards common goals. These include small projects that increase people-to-people contact and the joint development of energy and water resources. Projects in these areas could yield

tangible results, while building the confidence between governments and people that leads to private-sector cooperation on larger-scale projects. Additionally, water and energy projects could address important needs of both countries. However, none of these projects provides a silver-bullet solution; they are part of a package of proposals that must come with improvements of the political situation on the ground.

People-to-People Contact

Personal contact can overcome issues of fear and mistrust. It is the first in a series of steps needed to foster cooperation and dialogue. In Jordan, this work is currently being carried out by the Amman Center for Peace and Development (ACPD), which was founded on the hope that warm peace is possible between Arabs and Israelis. The ACPD runs projects between Jordanians and Israelis in several fields including regional security, youth and women's activities, agricultural development, professional-skills enhancement and healthcare.

The goal of each of these projects is to bring Jordanians and Israelis together to discuss not only the political situation, but also common interests in occupations, hobbies and culture. These projects occur on a very small scale and out of the spotlight, as large-scale, high-profile projects have the potential to be politicized and used for purposes that are contrary to the ultimate goal of the project.

One small example of the ACPD's work is a workshop for Israeli and Jordanian teachers held in Jordan. The two-day workshop included seminars that helped the teachers improve their skills as well as leisure time for them to get to know each other on a personal level. The obvious issue that arises in any such event is mistrust, but other barriers unrelated

to politics exist, such as differences in culture, language and customs. The results of these projects are very positive, but the effort must be sustained.

The ACPD's projects can also easily be expanded to include professionals, academics, students and average citizens from other Arab countries to help further dialogue and understanding between Arabs and Israelis. Jordan can, and should, use its relationship with Israel to serve as a gateway between Israel and the Arab and Muslim worlds. As the peace process moves forward in the future, Jordan could invite participants from other Arab countries to take part in activities such as those being conducted by the ACPD. This is a significant burden for Jordan to carry and would likely come with significant domestic opposition, but no other Arab country is geographically well-situated or politically strong enough to shoulder the weight.

Joint Development of Water Resources

As previously mentioned, the cooperation between Jordan and Israel on water has been relatively successful, with both sides working out differences bilaterally without escalation of problems. This type of cooperation should continue to serve as a way for both countries to work together. It can also be expanded to include countries such as Lebanon and Syria, which have similar water concerns and share the same water sources.

An example of a project that can address both water and energy needs is the peace canal between the Red Sea and the Dead Sea, otherwise known as the "Red to Dead Project." It is to be a joint venture among the Israelis, Jordanians and the Palestinian Authority and has multiple purposes, one of which is to save the Dead Sea, where water levels are rapidly declining due

to decreased water inflows. The Dead Sea is historically very important to the region and serves as a top tourist destination. Currently, its water surface area is down from 950 square kilometers to 637; the sea could dry up in 50 years if no action is taken.

The fundamental goal of the project is to create a canal that pumps water from the Red Sea to the Dead Sea and is lined with desalination facilities to produce drinkable water and stations to generate the hydro-power required to run most of the process. It would potentially produce 570 mcm per year of water for Jordan and 280 mcm for Israel and the Palestinians. In addition, the project would produce about 550 megawatts of energy.

However, the project faces many challenges. First, it will cost at least \$5 billion. Also, the environmental impact of such a project is uncertain. Thus, a number of feasibility studies are underway, including some by the World Bank and Jordan itself. The primary concerns surround the effects on marine life in the Gulf of Aqaba from the extraction of large amounts of water, the effects of mixing Red Sea water with that of the Dead Sea, and Israeli concerns over the potential leakages that could pollute freshwater aquifers where it has developed advanced agricultural techniques.⁶⁸

The project also cannot be separated from politics. The Palestinians have not formally asked for a share of the desalinated water from the project, because they do not want to compromise their claims to mountain aquifers supplying the West Bank and the Jordan Valley. Additionally, some Jordanians accuse the Israelis of wanting to do the project alone with a canal from the Mediterranean Sea. This was an idea in Israel in the past but was stopped in 1982, in the hope of pursuing a solution with regional partners. Some ex-

perts in Jordan accuse the Israelis and the Palestinians of not being straightforward in their commitment to the project and believe that Jordan must move forward to solve its long-term water needs. Thus, Jordan announced in 2009 that, if the Israelis and Palestinians do not join in developing the project, they will pursue it alone.

While the Red to Dead Project may not be destined to happen, the fact that the issue is being addressed multilaterally between Arabs and Israelis is a positive sign. Other avenues for multilateral cooperation between Jordan and other Arab countries on water also exist. Israel could help Jordan improve its aging and leaking water networks, which could cost nearly \$1.2 billion. Contaminated water last year alone caused thousands of Jordanians to be hospitalized.⁶⁹ Additionally, the Sinai Peninsula contains 308 billion cubic meters of groundwater, which at the current rate of withdrawal could last 400 years. Joint water development in Sinai could help Egypt, Jordan, Israel and the Palestinian Territories.⁷⁰

Joint Development of Energy Resources

Opportunities also exist in the area of energy development. Jordan has the potential to be a regional hub for the production of solar energy. However, it needs huge investments, technological development and connection to grids. There is some talk of potential cooperation between Jordan and Israel on this issue, as Israel needs energy and has an advanced alternative-technology sector.

There are indications that Israelis are willing to enter the Jordanian market to develop solar energy, but the Jordanian side has been slow in moving forward.⁷¹ This could be a mechanism for regional cooperation, with Israel aiding Jordan with the

technology and financial backing needed to develop the industry and Jordan benefiting by exporting the energy all across the region and potentially into Europe. Further, with comprehensive peace in the region, experts have suggested the possibility of a gas pipeline from Port Said, Egypt, through Gaza and into Lebanon, which could yield a \$1-2 billion transaction value for Egypt.⁷²

CONCLUSION

The Jordanian-Israeli relationship reveals lessons that can be very useful in bringing comprehensive peace to the Middle East. The most important of these lessons is that relations between Arabs and Israelis are inextricably linked to the Palestinian-Israeli conflict. Jordan's example shows how a peace treaty can stop violence but fail to create warm relations or eradicate mistrust. Because of this, projects focused on increasing cooperation between the two sides will always face the hurdles, brought about by differing priorities on each side. For Jordanians and other Arabs, the desire for a just resolution to the Palestinian conflict will always outweigh the benefits of cooperating with Israel. For the Israelis, security concerns will always trump the potential benefits of cooperating with Arab countries.

There are issues in the Jordanian-Israeli relationship that make it completely different from any potential relationship between Israel and other Arab countries. Jordan's demographic makeup and its historical linkages to Israel through Jordanian control of the West Bank and East Jerusalem have forced Jordan to deal with Israel in a pragmatic fashion. Jordan's experiences in working with Israel can also act as a gateway to the rest of the Arab world. However, this will not happen unless there is positive movement on the Palestinian-Israeli conflict.

Jordan also serves as a model for what works and what does not work in economic collaboration. Key issues include eliminating fears of economic exploitation among the Arabs and protecting Israeli investments and access to services in Arab countries. This will be extremely difficult because of the generally low wages in Arab countries and anti-normalization movements that make it difficult for citizens to cooperate with Israel. Due to this,

dealing with issues of mistrust should be on the forefront in the path to warm peace.

Prospects for warming the Jordanian-Israeli relationship and reaching comprehensive peace in the region are waning, and each side is extremely pessimistic and suspicious of the other's intentions. It will likely take more than a generation to build trust and achieve warm relations between the two sides. Let us hope it is not too late.

¹ Sundeep Waslekar and Ilmas Futehally, *Cost of Conflict in the Middle East* (Mumbai: Strategic Foresight Group, 2009), Preface.

² *Ibid.*, p. 1.

³ *Ibid.*, p. 8.

⁴ *Ibid.*, p. 9.

⁵ *Ibid.*, p. 14.

⁶ *Ibid.*, p. 19.

⁷ *Ibid.*

⁸ *Ibid.*, p. 26.

⁹ Part of this number has come from infighting between Fatah and Hamas.

¹⁰ Waslekar, *Cost of Conflict in the Middle East*, p. 82.

¹¹ *Ibid.*, p. 94.

¹² *Ibid.*, p. 103.

¹³ *Ibid.*, p. 107.

¹⁴ *Ibid.*, p. 112.

¹⁵ *Ibid.*, p. 114.

¹⁶ *Ibid.*, p. 119.

¹⁷ *Ibid.*, p. 120. The Peace GDP is comprised of a combination of several factors. These include increased trade, lifting of the Arab boycott, increased tourism, construction contracts to help rebuild Palestinian infrastructure, savings on military expenditures, increased cooperative opportunities in the Gulf and something as simple as focusing energies towards growth opportunities rather than on the conflict.

¹⁸ *Ibid.*, p. 121.

¹⁹ *Ibid.*, p. 13.

²⁰ *Ibid.*, p. 16.

²¹ *Ibid.*

²² The Washington Declaration, July 25, 1994, Article B. <http://www.kinghussein.gov.jo/w-declaration.html> (accessed November 22, 2009).

²³ *Ibid.*, Article B.

²⁴ *Ibid.*, Article F.

²⁵ Treaty of Peace between The Hashemite Kingdom of Jordan and The State of Israel, October 26, 1994, Article 6. <http://www.kinghussein.gov.jo/peacetreaty.html> (accessed on November 22, 2009).

²⁶ The Central Bureau of Statistics (Israel), *Imports and Exports by Commodity Groups-Jordan*. http://www1.cbs.gov.il/www/fr_trade/td1.htm (accessed November 22, 2009).

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- ³⁹ *Ibid.*, p. 31.
- ⁴⁰ Al Oran, *Jordanian-Israeli Relations: The Peacebuilding Experience*, p. 61.
- ⁴¹ *Ibid.*, p. 62.
- ⁴² Abla M. Amawi, "The 1993 Elections in Jordan," *Arab Studies Quarterly*, Summer 1994, http://findarticles.com/p/articles/mi_m2501/is_n3_v16/ai_17041234/.
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- ⁴⁴ *Ibid.*, p. 63.
- ⁴⁵ *Ibid.*, p. 64.
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- ⁴⁸ Interview, Israeli Official, Amman, May 2009.
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- ⁵⁰ Al Oran, *Jordanian-Israeli Relations: The Peacebuilding Experience*, p. 66.
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- ⁵⁵ Waslekar, *Cost of Conflict in the Middle East*, p. 50.
- ⁵⁶ Treaty of Peace between The Hashemite Kingdom of Jordan and The State of Israel, Article XX.
- ⁵⁷ Rolf Schwartz, *The Israeli-Jordanian Water Regime: A Model for Resolving Water Conflicts in the Jordan River Basin*, Programme for Strategic and International Security Studies, Occasional Paper Number 1 (2004), p. 43.
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