

Quarterly updates to Congress on RAND's work in international affairs

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**HOT TOPIC**

**Building a Successful Palestinian State**

Since the death of Yasser Arafat in November of 2004, there has been great interest in many quarters in renewing the peace process between the Palestinians and Israelis. The Palestinian Authority, Israel, the United States, Russia, the European Union, and the United Nations all remain committed to the "Roadmap" initiative and thus to the establishment of an independent Palestinian state. But once peace is attained and Palestinian statehood is achieved, many difficult issues will beset the new nation, including establishing effective and accepted democratic governing institutions, rebuilding a new infrastructure, establishing an economy that grows rapidly to provide increased income and jobs for its citizens, and above all else, ensuring security both within its borders and in relation to its neighbors. Thus, the true challenge is not that a Palestinian state exist, but rather that it succeed.

Two newly released RAND Corporation reports, *Building a Successful Palestinian State* and *The Arc: A Formal Structure for a Palestinian State*, seek to help achieve the development of an independent and successful Palestinian state by providing the most comprehensive recommendations ever made for structuring the institutions of a future state.

*Building a Successful Palestinian State*, which was produced under the direction of RAND Health, analyzes a wide range of political, economic, social, and environmental challenges a new Palestinian state would face, along with policy options that could be implemented to help facilitate the state's success. The analysis suggests that a high level of territorial contiguity of Palestinian lands (apart from the separation of Gaza and the West Bank), relatively open borders allowing movement of people and goods between Palestine and its neighbors, and adequate security within Palestine and for its neighbors can greatly increase the chances for success.

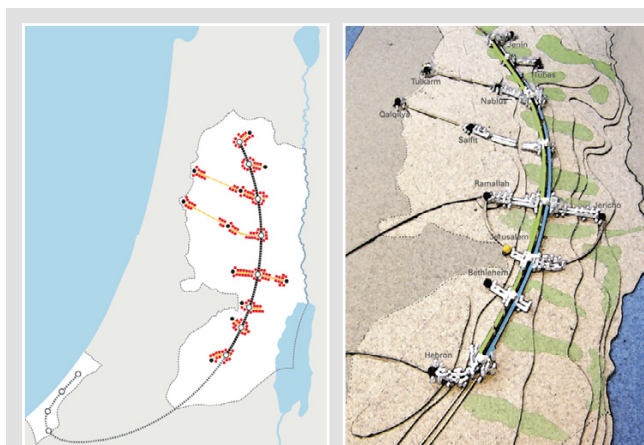
The companion volume by the RAND Center for Middle East Public Policy, titled *The Arc: A Formal Structure for a Palestinian State*, proposes a new corridor from the northern West Bank to Gaza that would help achieve the goals of the first report and enable Palestinians to build a more prosperous future and cope with rapid population growth.

The north-south corridor — called the Arc — includes a high-speed 140-mile interurban rail line, highway, aqueduct, energy network, fiber optic cable, and a linear park, all of which run east of most Palestinian cities. Stations on the Arc would be linked to the historic cities by rapid bus transit boulevards. Construction of the Arc would create an estimated 100,000 to 160,000 jobs for Palestinians over five years along with thousands of additional jobs in new businesses built along the corridor. It would also help to foster revitalization of historic city centers and preserve forests, nature reserves, and agricultural land.

The recommendations in the reports could be implemented for approximately \$33 billion in private and public capital investment in the first 10 years of a new state. This represents an annual average of about \$760 per person — a level that is broadly comparable with other recent nation-building efforts. An estimated \$6 billion of the investment would be used to build the core rail and road infrastructure of the Arc. Billions of dollars would need to come from international assistance, Palestinian expenditures, and private investment.

By providing ideas about how to improve the lives of the Palestinian people after a peace settlement is achieved, these two reports are designed to help a new Palestinian state avoid many of the problems

encountered in nation-building initiatives. While much will need to be done to achieve success, many of the actions proposed in the reports can begin now in order to help lay the groundwork for sustaining long-term development and donor assistance for a future independent Palestinian state.



(Left) Following a natural topographic curve, the Arc linearizes five infrastructure elements — an interurban rail line linking primary West Bank cities and Gaza, a national water carrier, energy generation and transmission, telecommunications lines, and a national linear park. Station centers are strategically located to create an east-west line of urban growth between historic centers and new station areas. (Right) The Arc includes infrastructure trunk lines, lateral boulevards between new station areas (white) and historic centers (black dots), and parks and nature reserves. New neighborhoods can be developed sequentially to accommodate as many as 3 million people in the next 15 years.

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- Key Findings** [Helping a Palestinian State Succeed](#)
- Research Brief** [Building a Successful Palestinian State](#)
- Research Brief** [The Arc: A Formal Structure for a Palestinian State](#)

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