Summary points

- The quest of Palestinian refugees to return to their homes is not only a legal and moral right but has become a major part of Palestinian identity and symbolizes Palestinian historical narratives. It has been an effective instrument of mobilization that became the political priority of various resistance groups which later formed the Palestine Liberation Organization.

- The PLO embarked on a line of negotiation which sought to reconcile rightist and realist approaches. They sought acknowledgment by Israel of its responsibility for the refugee issue and acceptance in principle of their right of return while showing flexibility and readiness to discuss various formulations of return.

- At the core of the inter-Palestinian debate is the dynamic between the two objectives of achieving statehood and the resolution of the refugee issue. State-building came to be seen not only as a means of reconstructing Palestinian identity but also as a catalyst to resolution of the refugee issue.

- A peace agreement should widen the options for the refugees and address all aspects of the refugee issue including the rights of repatriation to Israel, return to a Palestinian state, compensation, and equality and full citizenship rights in countries where refugees choose to remain.

- A comprehensive peace agreement must include the regional aspects of the refugee issue and all regional actors.

- There is an urgent need to review the current format of negotiations and bring about more balanced and effective international political engagement in the bilateral Israeli-Palestinian negotiations.
Introduction

This paper gives a personal overview of the Palestinian refugee issue from a Palestinian perspective. It explores how the refugee issue evolved and came to be at the core of the Arab-Israeli conflict. It considers how statelessness has shaped the experience of Palestinian refugees for the last 60 years. It examines the politics of Palestinians' return to their homeland and the debate within the Palestinian movement between those who uphold international law with little attention to political realities — this may be termed the rightist approach — and those who adopt a more realistic and pragmatic approach when it comes to the implementation of international law — this may be termed the realist approach. The paper examines the moral dilemma of negotiating the refugee issue, the difficulties that still hinder a political settlement and the possibility of finding a durable solution.

It has long been recognized by the international community that the Israeli occupation of territories captured in the 1967 war should cease and a Palestinian state should be established in the West Bank and Gaza (WBG). It is also recognized that a fair solution to the Palestinian refugee issue, based on established UN resolutions, remains an essential part of achieving a just and lasting peace to the Arab-Israeli conflict.

For Palestinians and Israelis alike, the refugee issue touches upon a deeply held historical narrative and thus remains one of the most difficult and sensitive issues in the quest for peace. Palestinian displacement is at the heart of the Arab-Israeli conflict. The majority of Palestinians have a deep sense of enforced exile which they see as unjust and contrary to the natural order of life. National identity among Palestinian refugees has been consolidated by the shared experience of 'refugeedom', exile and resistance to attempts to normalize this exiled status.

The creation of the refugee problem

Palestinians form the largest and one of the oldest refugee and stateless communities in the world. They currently constitute around 20 per cent of the world's entire refugee population. Following the UN Partition Plan for Palestine in 1947 and the establishment of the state of Israel in 1948, more than 750,000 Palestinian Arabs were forced to leave their homes. They were barred from returning and the properties they left behind, constituting 90 per cent of the land in Palestine, were seized by the Israeli government for Jewish use.

Israel's level of responsibility for the displacement of Palestinian refugees in 1948 has been firmly established not only by Arab and foreign scholars but also by Israeli revisionist historians.

In 1967 approximately another 400,000 Palestinians either fled the West Bank and Gaza or were not allowed back (i.e. residents who were outside the WBG at the time) when Israel occupied these two remaining areas of historical Palestine. Some of these people suffered a second displacement, having sought sanctuary in WBG in 1948. Today, most Palestinian refugees live in WBG and the neighbouring Arab states of Jordan, Syria and Lebanon. There are more than 10 million Palestinians, three-quarters of whom are displaced. More than half are displaced outside the borders of their historical homeland, while a further quarter of a million are displaced inside Israel, having had their original property expropriated.

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1. For discussion of these terms see Michael Dumper, The Future for Palestinian Refugees: Towards Equity and Peace (London: Lynne Rienner Publishers, 2007).
Israel’s level of responsibility for the displacement of Palestinian refugees in 1948 has been firmly established not only by Arab and foreign scholars but also by Israeli revisionist historians. Following the establishment of the new state, Israel passed legislation which had a profound effect on the refugee issue. This legislation classified those who had left as ‘absentees’, thus denying them legal standing before the law in Israel and nullifying their rights to property, as well as their rights to residence and claim to citizenship in their homeland. It also established the right of any Jew (and only Jews) to unrestricted immigration, settlement and automatic citizenship.

The Palestinian Arabs who remained behind in Israel, estimated to number around 150,000 in 1948, found themselves stateless overnight. They were confined to limited areas and their land was confiscated. Almost a third of them were displaced and considered as ‘present absentees’ by the Israeli authorities and, like other refugees who went into exile, they were not allowed to return to their homes. They became refugees in their own land.

The United Nations Relief and Works Agency (UNRWA) was set up in 1949 to assist Palestinian refugees. UNRWA has a limited mandate that focuses on relief, and a limited geographical area of operations. It is funded by voluntary contributions by UN members. The agency has no protection mandate or responsibility to find a resolution to the refugee issue. Almost half of Palestinians are registered refugees with UNRWA.

Palestinian refugees mainly live in the neighbouring countries which constitute four UNRWA areas of operation: Lebanon, Syria, Jordan, and areas controlled by the Palestinian Authority (PA). The percentage of refugees who still live in UNRWA-recognized camps varies. The highest percentages are in Gaza and Lebanon, where half of registered Palestinian refugees live in camps (see Table 1). In general, around 30% of refugees still live in officially recognized camps, while an unknown number, estimated to be less than 10%, live in unofficial camps that are not recognized by UNRWA. The socio-economic situation in the camps remains generally poor, with high population density, cramped living conditions and inadequate basic infrastructure such as roads and sewers. The UNRWA figures do not accurately reflect the real number of Palestinian refugees, as will be explained below.

Who is a refugee?

The definition of a ‘refugee’ in the international system is greatly influenced by the Cold War, and is primarily

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based on individuals and not mass flows of population, such as in the case of the Palestinian refugees. Indeed, this is the basis of the 1951 International Convention Relating to the Status of Refugees and the current international protection regime as a whole. The United Nations High Commissioner for Refugees (UNHCR) in practice went beyond the narrow original definition adopted in the 1951 convention, while other regional organizations adopted a more flexible definition in response to mass influxes of refugees resulting from armed conflict or natural disasters.

UNRWA adopted an operational definition of Palestinian refugees and their descendants. Palestinian refugees are defined as ‘persons whose normal place of residence was Palestine during the period 1 June 1946 to 15 May 1948 and who lost both their home and means of livelihood as a result of the 1948 conflict’.

However, there are groups of Palestinian refugees and displaced persons who are not eligible for registration by UNRWA. These groups include: those who live in host Arab states outside UNRWA’s areas of operation, such as Iraq or Egypt; those who were displaced but remained in what became the state of Israel in 1948; those displaced in 1967 who were not already registered as refugees with UNRWA; and refugees from 1948 who chose not to register with UNRWA.

The Palestinian delegation to the multilateral peace talks in 1992 offered this definition: ‘Palestinian Refugees are all those Palestinians and their descendants who were expelled or forced to leave their homes between November 1947 (Partition Plan) and January 1949 (Rhodes Armistice agreements), from the territory controlled by Israel on that later date.’ The definition, according to Elia Zureik, coincides with the Israeli definition of ‘absentees’, a category of Palestinians stripped of their property and basic human rights because ‘they were not in their habitual residence even if such place as well as their habitual abode were within Israeli occupied territories’.

### Statelessness

Palestinian refugees not only lost their homes but also their citizenship. Statelessness (not being recognized as a citizen of any country) to a large extent shaped the experience of Palestinian refugee communities in exile. Citizenship is key for other rights, especially in developing countries such as the host Arab states where the bulk of Palestinian refugees live. The UNHCR recognized that stateless communities are in fact less protected than refugees. At present, more than half of Palestinian refugees remain de jure stateless and form the largest refugee and stateless community in the world.

Israel changed the legal status of the Palestinian Arab inhabitants who were left behind in 1948. These citizens of Palestine under the British mandate were now designated resident aliens. This contravened international law. These individuals were only naturalized at a later stage but with fewer social and economic rights than other Israeli citizens. After 1967, Israel applied its own residency regulations for aliens to Palestinian inhabitants of the West Bank and Gaza. Israel carried out a census directly after it took control of WBG and issued special identity cards to those who took part. This procedure did not apply to Palestinians living outside WBG who were denied the right to enter their country. Thousands of such Palestinians (referred to as ‘late-comers’) lost their identity cards and consequently their right of residency in their homes in WBG because of these Israeli measures. Palestinians who were outside WBG at the time were prevented from returning by the occupying Israeli authorities.

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7. Ibid.
Jordan offered its nationality to Palestinian refugees following its annexation of the West Bank in 1948, while refugees living in other areas at the time were not, and never have been, offered nationality. As a Palestinian state has still not come into being, this means that these stateless Palestinians lack the protection of any state. Categories of stateless Palestinian refugees include the following:

- All holders of travel documents issued by Syria, Egypt, Lebanon, and Iraq;
- All Palestinians living in PA-controlled areas including holders of Palestinian passports which, despite being recognized by many countries, are considered merely travel documents until a Palestinian state is established;
- All Palestinians whose habitual residence is in PA-controlled areas or PLO members and their families who are holders of Jordanian passports of convenience but are no longer considered by the Jordanian authorities to be Jordanian citizens, following the late King Hussein’s decree on legal and administrative disengagement with the West Bank in July 1988;
- Thousands of undocumented Palestinians whose identity cards, passports or travel documents were withdrawn or not renewed by Israel or by the host Arab governments on political or other grounds.

The League of Arab States advised its members in the Casablanca Protocol of 1965 to give full social and economic rights to Palestinian refugees, adding, however, that the refugees should not be naturalized so as ‘to maintain their refugee identity’. However, host Arab states have, to varying degrees, denied rights such as the right to secure residency, the right to work and open businesses, the right to access government services, and the right to own property. Such discrimination has considerably affected the welfare of the refugees and has increased their sense of alienation. In some cases, Palestinian refugee communities have been subjected to collective punishment by host governments or armed militia groups because of political disagreements with the PLO. This has included expulsion from Jordan and restrictions after the 1970 clashes with the PLO; mass killing during the civil war in Lebanon from 1975 to 1990; mass expulsion from Gulf states following the Iraqi invasion of Kuwait in 1990; and mass expulsion from Libya in 1995 as part of Mu’ammar Qadhafi’s protest against the Oslo Peace Accords.

Discrimination and acts of violence against refugees in host Arab states have pushed refugees to seek sanctuary beyond the Arab region, mainly in Western countries. Most of the Palestinians in Europe today, for instance, are holders of travel documents issued in Lebanon or Egypt, the countries in which Palestinian refugees’ rights are most restricted. Palestinian refugees were not included in the mandate of UNHCR and thus have been excluded from the refugee international protection regime. An understanding between UNRWA and UNHCR in the last few years has allowed UNHCR to extend a minimal level of protection to Palestinian refugee communities living outside UNRWA areas of operation.

The politics of return

The quest of Palestinians to return to their homes has become a central part of Palestinian identity. Refugees’ refusal to accept the status quo has deep historical justification, which has consolidated their sense of unity through adversity, despite exile and the fragmentation of the community. The status of being a refugee, of being displaced, and of being in exile is considered to be a transitional phase, even though it has lasted for at least three generations. It casts a shadow over everyday life, reaffirmed by every checkpoint, border crossing, airport and other encounter with officialdom, and as M. K. Dorai put it, ‘it is only by returning to Palestine that

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10. Abbas Shiblak, The Palestinian Diaspora in Europe: Challenges of Dual Identity and Adaptation (Ramallah and Jerusalem: Shaml and Institute of Jerusalem Studies, 2005), in Arabic and English.

they can achieve wholeness as individuals and as a people’. 12

The quest for return has been an instrument of mobilization that constituted the core of the political agenda of various resistance groups who later formed the PLO. In the early 1950s, refugees were sceptical of UNRWA’s intentions to settle them permanently in the host countries. Israel and its powerful backers in the West, especially the US (also the main contributor to UNRWA’s budget), tried to put pressure on host countries to agree to various resettlement schemes. This was unsuccessful owing to hostile Arab public opinion.

The foundation of the PLO in 1964 gave empowerment and confidence to the refugees. The PLO grew in exile and the refugee camps were its power base. However, the movement’s rhetoric about return and gaining a democratic state in Palestine through armed struggle remained an idealistic objective given the geopolitical realities in the surrounding Arab states. The PLO’s tactics and its armed presence incurred the wrath of host governments, especially in Jordan and Lebanon, where this led to violent confrontation. Both countries felt that the presence of armed Palestinian resistance groups led to radicalization that threatened the stability of their political systems.

The PLO’s achievements came through political and diplomatic efforts on the world stage rather than through its armed achievements. These efforts led to recognition of the movement as the representative of the Palestinian people. The two-state solution was first mooted among Palestinians in 1973 and it was finally approved by the Palestinian National Council (the representative of the Palestinian Parliament in exile) in Algiers in 1988. It took PLO leader Yasser Arafat fifteen years to legitimize the idea and shift its status from an act of treason to the culmination of the Palestinian national movement. Even then, statehood was always ‘a proxy for something more elusive and ethereal – liberation, self-determination, dignity, and respect’. 13 This was a historical compromise that the Palestinians felt worth making in order to achieve a political settlement.

The 1988 declaration signalled a more pragmatic approach that officially endorsed a two-state solution in the land of historical Palestine. The first Intifada of 1987–90 then shifted the weight of the Palestinian national movement from exile to inside the West Bank and Gaza. These two developments constitute landmarks in the political development of the PLO that started with the 1973 War and led to the signing of the Declaration of Principles on Interim Self-Governing Arrangements (DOP, also known as the Oslo Accords) between Israel and the PLO in September 1993. State-building had come to be seen not only as a means of reconstructing Palestinian identity but also as a catalyst to resolution of the refugee issue.

A negotiated settlement and the refugees

The Madrid Peace Conference in 1991 set up a two-tiered peace process: a bilateral track of negotiations between Israel and each of its neighbours, and a multilateral track consisting of five working groups dealing with issues of security, refugees, economy, the environment and water. 14 The PLO was obliged to participate as part of the Jordanian delegation. The Refugee Working Group (RWG) was essentially technical and intended to suggest practical solutions that would feed into future bilateral negotiations. Its achievements were, however, largely constrained by the Israeli government’s position that the RWG should be directed away from discussing political issues.

From 1992 to 1995, the RWG, with Canada as its gavelholder, did manage to focus attention on refugee conditions and fostered some useful research and data collection projects. However, little was achieved on the main issue on its agenda – family reunification for the displaced Palestinians of 1967. 15

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14. For further analysis of how the refugee issue was handled in the peace negotiations, see briefing paper in this series by Rex Brynen, The Past as Prelude? Negotiating the Palestinian Refugee Issue, MEP/PR BP 08/01 (London: Chatham House, 2008).
The Oslo Accords proposed postponing discussion of the 1948 refugee issue until eventual permanent status negotiations. The Accords raised the heat of the debate among Palestinians on the future of refugees and Palestinian diaspora communities. At the core of this debate was statehood and how it would relate to refugees. The shift of priorities in the PLO agenda would put the emphasis on ending the occupation and achieving statehood within 1967 borders. The Palestinian leadership started to believe that this was the way forward and that the Palestinian state would act as a catalyst in helping to resolve the refugee issue. Understandably, this raised some concern among refugees, who were keen to ensure that their rights were not overlooked during the complex and delicate negotiations. Campaigns were initiated by various advocacy groups to put forward the refugees’ perspective and were later documented and conveyed in the Civitas project. 16

Israel’s long-awaited recognition of the PLO was warmly hailed by the majority of Palestinians. It also brought a mixed reaction of hope and fear: hope that this recognition could bring an end to the occupation and the prospect of a free and sovereign Palestinian state; and fear, mainly among refugee communities in exile, that the refugee issue might be relegated in favour of statehood.

The PLO was founded mainly in response to the failure to resolve the refugee issue and it had historically put the return of the refugees at the top of its agenda. It now had the task of navigating through complex negotiations. Two notable developments had a direct effect on the Palestinians’ negotiating position:

- Egypt and Jordan signed bilateral peace agreements with Israel without the Palestinian question or the issue of the Golan Heights being resolved. This caused a split in Arab ranks and weakened official Arab support for the Palestinians, exacerbating the clear imbalance of power between the Israelis and Palestinians.
- The DOP created a shift in the format of negotiations. Unlike at the Madrid Conference, the terms of reference in the DOP were less clear and the façade of international community involvement in the multilateral forum of Madrid was now replaced by bilateral Israeli-Palestinian talks. Implementation was largely left to the goodwill of the two parties involved, and the realities of power rather than justice provided the driving force.

While directing most of their efforts towards the implementation of commitments made during the interim period of the peace agreement and institution-building efforts, the Palestinians embarked on a line of negotiation that required reconciling the long-standing rightist approach that is based solely on legal arguments with the realist approach that takes into consideration regional as well as international geopolitical realities. They sought acknowledgment by Israel of its responsibility for the refugee issue and adherence to principles of international law while showing flexibility and readiness to discuss various formulations in the implementation of these principles.

The official Israeli tactic has been to impose its position unilaterally, thereby severely restricting the options available to refugees. The Israeli view is to turn the right of return into an operational matter rather than a point of principle. While offering to allow a token number of refugees back into Israel, the Israeli position continues to be to refuse to acknowledge responsibility for the displacement of Palestinian refugees. 17 Israel further seeks to exercise control over the number of Palestinians who are allowed to reside in the future Palestinian state.

17. For further analysis of Israeli perspectives, see briefing paper in this series by Orit Gal, Israeli Perspectives on the Palestinian Refugee Issue, MEP/PR BP 08/02 (London: Chatham House, 2008).
The Palestinian view is that the peace process should be widened rather than narrowed in a way that restricts the options available to refugees. These options have to include the right of refugees to repatriation in Israel, the right to return to a Palestinian state, the right to compensation and the right to enjoy equality and full citizenship rights in countries where they choose to remain. Palestinians see that these options are complementary and not mutually exclusive. They are essential to upholding individual rights and thus should be made available to refugees in any final political settlement and should be put to a public vote as repeatedly promised by the chairman of the PLO and president of the PA, Mahmoud Abbas.

The Palestinians believe that these options are integral to the establishment of their own state, control over resources, and a compensation regime for refugees to cover both ‘refugeehood’ and loss of property, while special compensation provisions have to be agreed for Arab host countries. For the Palestinians, the regional dimension of the refugee issue cannot be ignored. Thus it will be difficult, if not impossible, for issues of compensation and citizenship rights to be discussed, let alone resolved, without the involvement of host countries. It is essential, therefore, that all host Arab countries including Lebanon and Syria are included in a comprehensive peace agreement. An agreement which does not include these countries and the refugee communities living in them will not provide a just and durable solution.

Return and identity

For the majority of Palestinian refugees, the option of returning to their homes has a value which is far deeper than actual physical return. It is about the narrative of their history, their collective memory and identity. Return is also a basic individual human right that Israel cannot deny them. For the Palestinians, this is not an operational matter but a matter of principle and no Palestinian leader would sign any document that officially surrendered this right. In reality, both sides are well aware that few refugees will actually take up the option to return, but denying the right of return to refugees would be akin to taking away the virtual home that they reconstructed and sustained hopes of regaining while in exile. This is why the denial of the right of return would be like losing their homes for the second time.

Related to this is the belief that Israel’s concern over the ‘Jewishness’ of the state is mainly designed to exclude the Palestinian refugees from the country and consists of a discriminatory notion of the ‘Jewish character’ of Israel. If Israelis are genuinely concerned about the Jewish character of their state, Palestinians question their ongoing policy of expropriating Palestinian land and expanding Jewish settlements in PA areas. They further question the Israeli immigration policy that opens the gates to immigrants, both Jews and non-Jews, while preventing the return of Palestinian refugees to their homes. Palestinians believe that the talk about Israel being a ‘Jewish state’ is a racist notion and that Israeli fears of a large number of Palestinian refugees returning to Israel have been exaggerated, mainly to justify Israel’s official position in refusing refugees’ right of return on principle.

Behind the argument between the Israeli and the Palestinian sides as to whether the right of return is an operational matter or one of principle is the probability that the two parties are aware that few Palestinian refugees would actually take up the option to return. By exaggerating the number of potential returnees, the Israelis seek support for their position in refusing to accept Palestinian demands for Israeli recognition of the right of return on principle. On the other hand, for the Palestinians the right of return is a key demand in reaching a resolution to the refugee issue, regardless of how many refugees would actually choose to return to areas within Israel.

There are reasons to believe that fewer refugees would ultimately choose to return to their original homes inside Israel than the numbers cited by both Israeli and Palestinian sides. Population mobility is usually far more complex than simply asserting the legal right of the refugees to be in an area identified as ‘homeland’. Sari Hanafi and others have examined some of the sociological, economic and cultural aspects
that determine mobility in the Palestinians’ case while making use of case studies of forced migration worldwide. Hanafi concluded that people usually make up their mind rationally and not only emotionally when it comes to deciding where to live. Factors they consider include matters affecting their wellbeing, employment, housing, family, community social network, freedom, security, equality and standing before the law.

A survey conducted in the mid-1990s among young Palestinian returnees living in the Ramallah area showed that when the gap between their perceived homeland and reality widens, these youngsters tend to leave. Among the reasons for the massive Israeli destruction of Arab villages is the aim to change the landscape and make it alien to its original inhabitants. Israeli delegates to the RWG proposed on more than one occasion that Palestinian refugees in exile visit Israel and be aware of the magnitude of changes. For many of those who did, it was a devastating emotional experience and some chose to cut short their visits.

In the first publicized survey of its kind conducted among Palestinian refugees in Jordan, Lebanon and WBG in 2003 on ‘Preference and Behaviour in a Palestinian–Israeli Permanent Refugee Agreement’, the finding that caused controversy at the time showed that not more than 10% were willing to move to and live in Israel. It is difficult to assess the accuracy of such findings at a time when no other options are actually available to the refugees, but the survey is certainly an indicator that cannot be dismissed simply on political grounds.

Changing Palestinian attitudes

The pragmatic and realist trend among the Palestinian political elite seemed to gain ground in the mid-1990s. Reconstructing the homeland within the 1967 borders became the priority and thus raised concerns, as well as hope among the refugees that statehood might bring a durable solution to their plight.

The long-standing view that Palestinian refugees should not be incorporated in host societies, that they should be denied basic rights and should resist any improvement in their situation so as to maintain their refugee identity, is no longer credible. Palestinians’ sense of identity has grown stronger and most refugees do not need to be reminded of it by discriminatory measures in host Arab countries. The late Palestinian poet Mahmoud Darwish expressed this eloquently: ‘those outcast and deprived of equality or the right to work are required to hail their oppression because it helps them not forget’. Discrimination and denial of rights cannot be disguised under the misleading label of ‘no tawteen’ (permanent settlement). It is now recognized among Palestinian refugees that such institutional discrimination can only reflect narrow domestic agendas that do not serve the refugees but, on the contrary, make their lives more miserable and do not accelerate the prospect of their return.

There are also changing attitudes among the refugees themselves. The majority no longer accept the long-standing view that improvements in refugee camp infrastructure or housing conditions could compromise their right of return. Demands for equality, secure residency and full social and economic rights are now priorities, not only for human rights groups but also among the grass-roots organizations and popular committees of the camps as well as among Palestinian officials. In 2005, Mahmoud Abbas stated in clear terms that the PLO would no longer stand against any Arab government willing to grant citizenship to Palestinian residents. This came on the back of the debate on whether to exclude Palestinians from benefiting from new amendments to the nationality laws of a number of Arab states, to allow the naturalization of foreigners

21. Mahmoud Darwish, Memory for Forgetfulness: August, Beirut, 1982 (Berkeley: University of California Press, 1995), http://ark.cdlib.org/ark:/13030/t1x9f7g7g7/.
who have been working in these countries for long periods of time and have contributed to national development. Very few Palestinians benefited from these changes, and they were granted nationality on a case-by-case basis. The vast majority remain excluded on political grounds.

A change in attitudes among refugees towards UNRWA has also emerged. Most refugees no longer view the agency with suspicion and fear that it is seeking to settle refugees in exile permanently. UNRWA is now seen as a symbol of the international community’s commitment to the refugees. It continues to provide limited but essential services, mainly in education and health care. Refugees believe that UNRWA needs to stay until a just and durable solution is found. UNRWA has proved that it is the only agency that can provide assistance to refugees during difficult times, whether in the occupied Palestinian territory or in host countries.

The debate among the Palestinians continues. The emergence of the Islamic Resistance Movement (Hamas) and the current division between it and the PLO should be seen as a symptom rather than the cause of the impasse in the peace process. This division should not be used as an excuse to hinder the process; rather it should be used to demonstrate the urgency to move it forward. Hamas’ position mirrors that of the various Palestinian resistance movements of the 1960s and 1970s. This might put further pressure on the Palestinian leadership and limit its capacity for political manoeuvre, especially on the refugee issue. However, the pragmatic trend that Hamas has adopted in its quest for power seems to show that it understands geopolitical realities. Indeed, the power struggle within the Palestinian national movement is more likely to be determined by what the parties can deliver to their people in terms of freedom, security and prosperity, rather than merely by what they reject in any future political settlement.

**Hurdles to be cleared**

Since the peace process began in 1991, a substantial body of work has been produced on the refugee issue to guide and inform negotiators and policy-makers, at both official and unofficial levels. Political will, however, is lagging some way behind and the little progress that was achieved in 1994–6 has been replaced by mistrust and violence. Israel refuses to recognize return as a right and instead proposes limited family reunification measures, the application of which would be entirely at its own discretion. Palestinians feel strongly that Israel has to accept moral responsibility for the refugee issue and consequently to accept in principle that the refugees have the right to return. It is possible that Israel might acknowledge partial rather than full responsibility, but it remains doubtful that this would be accepted by the PLO. Palestinian negotiators have expressed their readiness to discuss various formats for implementing return, guided and overseen by an international mechanism.

There is little public debate on either side on the issue of compensation, but this will take centre stage in any future settlement. There are a number of points of contention between the two sides. Despite an understanding that compensation should include all properties left behind and while much expert work has been devoted to identifying these, the operational process for implementing a compensation mechanism needs to be explored more fully. Many hurdles remain in determining, assessing, valuing and compensating for property. Other questions include the provision of a package of compensation for refugeehood and non-material loss, and the sources of funding, whether Arab or international.

Securing the residency and citizenship rights of Palestinian refugees will require regional agreements to ensure freedom of movement for the refugees. This requires a broader agreement that can bring all host Arab states, including Lebanon and Syria, on board in a comprehensive peace settlement.

The Roadmap of 2003 had relatively little to say about the refugee issue, which was reserved for permanent status negotiations. It did, however, call for an ‘agreed, just, fair and realistic solution to the refugee issue’. While Israel officially accepted the Roadmap, it insisted that ‘references must be made to Israel’s right
to exist as a Jewish state and to the waiver of any right of return for Palestinian refugees to the state of Israel'.

It also stressed that ‘the end of the process will lead to the end of all claims and not only the end of the conflict’. The timeframe set by the Roadmap lapsed without any of the set objectives being fulfilled.

Following a break of more than seven years, Palestinian–Israeli negotiations resumed at the Annapolis Conference of November 2007. The two sides held regular talks in the hope of reaching some sort of agreement within a year. There have been detailed discussions but it seems that more attention has been focused on the issues of borders and settlements and less on refugees, with the Israeli side aiming to postpone final agreement on the more complicated issues of refugees, and Jerusalem. From the Palestinian point of view, it would be pointless to sign any political agreement that does not tackle these two critical issues. The refugee issue should be dealt with in all its aspects in a package that defines in clear terms all options available to the refugees so as to help them make their choice.

Annapolis has proven to be a failure as the outgoing Bush administration engaged with the process only intermittently, choosing to side uncritically with Israel, in particular on the refugee issue. President Obama has promised that the US will work actively and determinedly for peace in the Middle East. There are indications that the new administration recognizes the need for more effective international cooperation and will open up to regional actors including Syria and Iran. However, this will be difficult in the midst of the global financial crisis and the increased tension and polarization in the region as a result of the Gaza conflict. Furthermore, it seems likely that the Israeli elections will bring to power a more right-wing government. Quick and robust international intervention is now even more pressing.

**Conclusion**

The absence of an economically viable Palestinian state in control of its natural resources and borders has impeded serious discussion on the refugee issue. The PA’s ability to develop policy and absorb thousands of returning refugees is heavily constrained by the absence of a functioning state. Fifteen years after the beginning of the peace process, few Palestinians can recall any significant positive steps achieved by the Oslo Accords. This failure has fuelled radicalization among refugees as well as among Palestinians living inside WBG, and has led to the rise of Hamas and other opposition groups.

> There is a strong belief among refugees that they should be consulted and that any settlement should widen rather than limit the options available.

Interpretations of the right of return go beyond actual physical return and emphasize the importance of justice and reconciling the historical narrative. Various practical formulations of implementation of this right cannot be discussed until the moral questions of the principle of the right of return and of Israeli responsibility are recognized by Israel.

There is a strong belief among refugees that they should be consulted and that any settlement should widen rather than limit the options available. These options include repatriation, compensation and full citizenship rights in the countries where they choose to remain. These options are individual rights and not...
state-owned rights that can be barteredin any political settlement.

Practical issues such as compensation and citizenship rights are very important and will take centre stage in any future settlement. However, there is little public debate on these issues because they are sometimes perceived to be contradictory to the right of return. The condition of being stateless has, to a large extent, shaped the experience of Palestinian refugees in exile. Refugees will therefore insist on individual compensation for their property and refugeehood; equality and full citizenship rights in the countries where they live; removal of restrictions that curtail their freedom of movement; and access to their communities in whichever countries they may live, including Israel.

Awareness of the regional dimension of the refugee issue and the necessity of including all regional actors in a settlement is essential. It is time to review the present format of negotiations to include a more balanced and effective international political engagement, learning the lessons of previous efforts in which the refugee issue was diluted in a final status package that was continually postponed.

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