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Adjusted Winner and the Future Negotiations over East Jerusalem

Moshe Hirsch¹

Paper Submitted to the Annual Meeting of the Public Choice Society, New Orleans, Louisiana—March 10–13, 2005

The dispute over East Jerusalem is a formidable stumbling block to the achievement of a solution of the Israeli-Palestinian conflict. The 1993 and 1995 agreements provide that the future of Jerusalem will be negotiated in the permanent status negotiations. Jerusalem was the focal point of the second Camp David summit (July 2000). The negotiations in 2000 - 2001 failed and the second Palestinian uprising broke out.

Adjusted Winner (AW)

Adjusted Winner – a method to divide several divisible items – developed by Brams and Taylor.

The Stages:

Stage 1 – Defining the principal issues

Stage 2 – Point Assignment: each party distributes 100 points across the designated issues.

Stage 3 – Initial Point Division: Each party temporarily wins the item on which it has placed more points.

Intermediate Balance:

-- If the total points won by each party are equal – the procedure ends.

--If the Parties' points are unequal – Proceed to Stage 4.

¹ Vice Dean, Faculty of Law and Arnold Brecht Chair in European Law, Faculty of Law and Department of International Relations, Hebrew University of Jerusalem.

Stage 4 – Equitability adjustment: equalizing the points of the two parties.

The party with more points transfers items (or fractions thereof) until the total points of both parties are equal.

Transfer order: starts with the item on which both parties are closest (the item with the lowest ratio between the two parties' assignments).

Number of points assigned to the item by the initial winner

 Number of points assigned to the item by the initial loser

The process of transfer continues until the point totals are equal.

Adjusted Winner: Unique Properties

1. Efficiency – there is no better allocation for both parties.

2. Equitability -- equitability adjustment guarantees that each party receives the same number of its points.

3. Envy-freeness -- each party is not willing to give up the portion it receives in exchange for the portion the other party receives.

Manipulation?

Can a party that misrepresents its preferences receive more points?

Theoretically – yes, but only if a party has virtually complete information of the other side's allocation. Practically, this is highly unlikely. In the absence of precise information --manipulation attempts can backfire miserably.

Adjusted Winner: Application to East Jerusalem

Stage 1 – Defining the Principal Issues

1. Neighborhoods inhabited by Palestinians (outside the Old City)
2. Neighborhoods inhabited by Israelis (outside the Old City)
3. The Muslim and Christian Quarters in the Old City
4. The Jewish and Armenian Quarters in the Old City

5. The Western Wall

6. The Temple Mount/ *al-Haram al-Sharif*

1. Neighborhoods inhabited by Palestinians (outside the Old City)

Neighborhoods such as Sho'afat, Beit Hanina and Silwan.

About 186,000 Arabs live in these neighborhoods (48% of the population in East Jerusalem).

2. Neighborhoods inhabited by Israelis (outside the Old City)

Neighborhoods such as Gilo, Pisgat Ze'ev and Neve-Ya'acov.

About 174, 000 Israelis live in these neighborhoods (38% of the population in East Jerusalem).

3. The Old City: The Muslim and Christian Quarters

The Muslim Quarter: 461 dunams (the largest quarter).

Muslim Population in the Old City: 23, 692 inhabitants (about 70% of the Old City's total population).

The Christian Quarter: 192 dunams

Christian Population in the Old City: 5,200 (about 15% of the Old City's total population).

4. The Jewish and Armenian Quarters in the Old City

The Jewish Quarter: 122 dunams

Jewish Population in the Old City: 3,842 (about 11% of the Old City's total population).

The Armenian Quarter: 126 dunams

Armenian Population in the Old City: about 1,200 (3.5% of the Old City's total population).

5. The Western Wall

The site is most sacred to Jews and is a major national symbol for Israelis. The Western Wall is the site of active Jewish worship.

6. The Temple Mount/ *al-Haram al-Sharif*

The site is sacred to both Jews and Muslims. The *al-Haram al-Sharif* is the site of Muslim worship. Jews are prohibited to enter this site (due to a ruling of the Chief Rabbinate). The site is administered by the Muslim authorities (the Waqf).

Stage 2 – Point Assignment:

The following point allocation is based on interviews with experts and analysis of documentation on the parties' positions.

Palestinian Preferences:

1. *Al-Haram al-Sharif*/ Temple Mount – 48 points
2. The Muslim and Christian Quarters in the Old City – 22 points
3. The Palestinian neighborhoods (outside the Old City) – 19 points
4. The Jewish and Armenian Quarters in the Old City – 6 points
5. The Western Wall – 4 points
6. The Israeli neighborhoods (outside the Old City) – 1 point

Israeli Preferences

1. The Western Wall — 31 points
2. Temple Mount/ *al-Haram al-Sharif* – 22 points
3. The Israeli neighborhoods (outside the Old City) – 19.5 points
4. The Jewish and Armenian Quarters in the Old City – 18 points
5. The Muslim and Christian Quarters in the Old City – 9.5 points
6. The Palestinian neighborhoods (outside the Old City) – 0 points

Stage 3 –Initial Point Division

	Israel	Palestinians	<u>More points placed by:</u>
<i>Al-Haram al-Sharif/ Temple Mount</i>	22 points	48 points	<u>Palestinians</u>
The Western Wall	31 points	4 points	<u>Israel</u>
The Israeli neighborhoods (outside the Old City)	19.5 points	1 point	<u>Israel</u>
The Muslim and Christian Quarters in the Old City	9.5 points	22 points	<u>Palestinians</u>
The Jewish and Armenian Quarters in the Old City	18 points	6 points	<u>Israel</u>
The Palestinian neighborhoods (outside the Old City)	0 points	19	<u>Palestinians</u>
Total	100	100	

Issues Won by Israel:

1. The Western Wall (31/ 4)
2. The Israeli neighborhoods (outside the Old City) (19.5/ 1)
3. The Jewish and Armenian Quarters in the Old City (18/6)

Issues Won by the Palestinians:

1. *Al-Haram al-Sharif*/ Temple Mount (48 /22)
2. The Muslim and Christian Quarters in the Old City (22/9.5)
3. The Palestinian neighborhoods (outside the Old City) (19/0)

Temporary Total Points:

Palestinians: 89 (48+22+19)

Israel: 68.5 (31+19.5+ 18)

The Gap: 20.5 points

Stage 4: Equitability Adjustment:

The Items with the Lowest Ratios between the Parties' Assignments:

1. Temple Mount/ *al-Haram al-Sharif* – 2.18 (Pal. 48: 22 Is.)
2. The Muslim and Christian Quarters in the Old City – 2.31 (Pal. 22: 9.5 Is.)

To equalize the parties' points -- The Palestinians transfer to Israel 14 points – 0.29 of the Temple Mount/ *al-Haram al-Sharif*.

Total points:

Palestinians: 75 (89 – 14)

Israel: 75 (68.5 + 6.5)

**75% : 75% - Win-Win situation for both parties

Manipulation?

Items on which the parties' preferences are considerably asymmetric -- are particularly susceptible to misrepresentation.

Jerusalem: the Israeli and Palestinian neighborhoods outside the Old City.

The ratio of the parties' preferences regarding these neighborhoods:

19.5 : 1 (Israeli neighborhoods) 19 : 0 (Palestinian neighborhoods).

Temptation to decrease the number of points assigned by the parties to their respective neighborhoods.

Without full information of the other side's precise preferences – such manipulation attempts can backfire miserably.

Example 1: the Israeli Neighborhoods outside the Old City

1. Israel assigns 5 points (instead of 19.5 points).

The Palestinians assign 6 points (instead of 1 point).

Result: Israel loses its largest neighborhoods in East Jerusalem.

Example 2: the Muslim and Christian Quarters in the Old City

The Palestinians assign 12 points (instead of 22).

Israel assigns 13 points (instead of 9.5).

Result: Palestinians lose the Muslim and Christian Quarters in the Old City.

Conclusions

The advantages of the AW:

1. Offers an efficient, equitable and envy-free solution.

2. Assists scholars in anticipating the likely course of the bargaining process (if the parties accept the basic principles of fair division).

a. Which items are likely to be divided relatively easily?

Jerusalem: the neighborhoods outside the Old City.

b. Which issues are more susceptible to bargaining failure?

Jerusalem: Temple Mount/ al-Haram al-Sharif – and its division

Under the AW procedure, the Palestinians win *al-Haram al-Sharif/ Temple Mount* but transfer almost one-third (0.29) to Israel.

Is it divisible?

AW assumes divisibility – but the parties perceive the site as indivisible.

Bargaining Failure?

Alternative Division Methods:

(i) **Horizontal Division**

(ii) **Vertical Division**

(symbolic sovereignty in the land under the Muslim mosques).

(iii) **Functional Division**

(e.g., Palestinian sovereignty with some official functions to Israel)

(iv) **Temporal Division**

(e.g., Palestinians and Israelis pray during different hours/ periods)

If the Temple Mount/ al-Haram al-Sharif is indeed **indivisible**:

Expand the AW's Scope?

Applying the AW to several permanent status issues – will allow the parties to exchange more items

Example: Possible trade-off --between sovereignty over the Temple Mount/ al-Haram al-Sharif with the settlement of the refugee question?

Involvement of additional parties?

Compensative measures to the losing side – may be provided by third parties (e.g., the US, EU, Arab states).