



Bar-Ilan University

BESA Memorandum  
No. 4



THE BEGIN-SADAT CENTER  
FOR STRATEGIC STUDIES

## Regional Alternatives to the Two-State Solution

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Giora Eiland

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# Regional Alternatives to the Two-State Solution

Giora Eiland

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## **Preface**

I am pleased to present to the readers of the Begin-Sadat (BESA) Center for Strategic Studies this study by Gen. (res.) Giora Eiland on the topic of **Regional Alternatives to the Two-State Solution**.

It is clearly a study that challenges conventional wisdom. The great difficulty of changing thought patterns that have become entrenched within dominant paradigms, such as the widespread notion of the need to establish a Palestinian state, is well known. Today most of the intellectual and political energy is invested in finding ways to ensure the partition of the land through the building of a Palestinian state that is both viable and amicable toward Israel, notwithstanding the numerous failures in building this state and achieving a settlement. Giora Eiland shows intellectual courage in examining the past and proposing alternative solutions that have better chances of fostering peace in the Land of Israel.

At present, the difficulties of renewing and conducting negotiations between the Palestinian Authority and Israel are again emerging clearly. Moreover, the possibility has arisen of a unilateral declaration of a Palestinian state, not necessarily auguring stability and peace in the region. At this stage it is especially worth rethinking the path the state of Israel has taken since signing the Oslo agreements (September 1993). In that light, this study is of special importance.

Pleasant reading,

Prof. Efraim Inbar





## Regional Alternatives to the Two-State Solution

*Giora Eiland\**

### INTRODUCTION

As of the beginning of 2010, it does not appear that an Israeli-Palestinian peace agreement will be signed in the foreseeable future. Several months ago, the situation was viewed in a more optimistic light. This optimism stemmed from the clear-cut policy of the new and energetic American president, Barack Obama, who made the achievement of Israeli-Palestinian peace one of the cornerstones of his new Middle East policy. The president's statements, his address in Cairo, and the appointment of special envoy George Mitchell gave the impression that "this time it's going to happen."

Yet the objective reality offers no more promise than the previous instances where the "peace process" was set in motion; the signing of the Oslo agreement in 1993, the Camp David peace conference in summer 2000, the Clinton plan for ending the conflict in December 2000, and the Annapolis peace conference in 2007.

If we compare the reality during the Camp David peace conference to the reality today, the situation was more promising in 2000, for six reasons:

1. The Israeli leadership: Ehud Barak, as prime minister, believed it was both possible and necessary to achieve a permanent peace settlement and thoroughly devoted himself to the effort. One cannot say the same about Prime Minister Benjamin Netanyahu in 2010.

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\* Gen. Giora Eiland was the former director of the National Security Council and former head of the Planning Department of the Israel Defense Forces. Today he is a senior researcher at the Institute for National Security Studies (INSS).

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2. The Palestinian leadership: Notwithstanding his problematic personality, Yasser Arafat enjoyed an advantage that his successor lacks – he was identified as the supreme representative of the Palestinian national interest. Not even the Palestinian opposition, including Hamas, questioned his right to speak in the name of the entire Palestinian nation (including the diaspora).
3. The American leadership: President Clinton invested time and attention, as well as political risks by involving himself personally in the details. It is doubtful whether Obama, who is beset by other problems, would be prepared to take a similar approach. Moreover, it is doubtful whether the United States currently enjoys the same international status as a sole superpower that it held in 2000.
4. Hamas' power: In 2000, Hamas was an opposition that had to be taken into account; no one had to accept its dictates. Today, Hamas' power has grown, and they have the capacity to prevent a political settlement, certainly one that includes Gaza.
5. The trust between the sides: In 2000, the level of trust and cooperation between the sides was at its highest. Today, after the Second Intifada followed by Gaza's fall into Hamas' hands, it is doubtful whether the two sides, and particularly Israel can be persuaded to take security risks and make "painful concessions."
6. The Jewish presence on the ground: In 2000, there were 190,000 Jews living in the West Bank (Judea and Samaria, not including the Jewish neighborhoods of East Jerusalem). Today the number stands at 290,000. The enormous difficulty of making decisions that require evacuating tens of thousands of Israeli citizens from their homes has only intensified.

In addition to these six reasons, one should also note the economic improvement in the territories. This improvement is accompanied by a calmer atmosphere, seemingly fostering apt conditions for political negotiations. In actuality, this improvement lessens the sense of crisis.

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Today the problem appears manageable, and the need for a comprehensive (political) solution less urgent. In a certain sense, the approach of Prime Minister Netanyahu, who has spoken of “economic peace,” is partially succeeding. It is hard to believe that the diplomatic effort that failed in 2000 can succeed in 2010, when most of the elements in the equation have changed for the worse.

Currently, there are four possible approaches:

*Approach 1* assumes that there is no way to reach a political solution in the foreseeable future, and hence conflict management is preferable to conflict resolution.

*Approach 2* tries to achieve a “partial settlement.” According to this approach, an agreement can be reached on establishing a Palestinian state with temporary borders. This will require transferring additional territories to the Palestinians, but will prevent confronting insoluble problems such as permanent borders, Jerusalem, refugees, full mutual recognition, and an end to the conflict.

*Approach 3* tries to reach a permanent agreement. Despite past difficulties and failures, the goal is to achieve a permanent settlement based on the two-states-for-two-peoples principle. Proponents of this approach feel this is the only solution and to defer its realization will only increase the difficulties of its implementation and the risks entailed by the lack of peace.

*Approach 4* tries to reach a permanent solution, but not based solely on the two-states-for-two-peoples formula (that has failed in the past), but rather by searching for other solutions. This approach will be presented in detail in Part II of this study.

Part I (Chapters 1-3) presents the difficulties associated with the prevailing approaches to the Israeli-Palestinian conflict and explains the thorny reality. Chapter 1 will clarify the difficulty of reaching a solution according to the “two states for two peoples” idea. Chapter 2 will analyze the three existing approaches. Chapter 3 will scrutinize the errors that have led to the current reality. In Part II (Chapters 4-5), I will depart from the existing paradigm and propose two alternatives

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for a permanent agreement based on a regional perspective. Finally, Chapter 6 will suggest a way to progress toward realizing the proposed alternatives.

## **PART I: THE CURRENT SITUATION**

### **CHAPTER 1: THE FUNDAMENTAL PROBLEM HINDERING CONFLICT RESOLUTION**

#### **The Paradox**

The attempt to resolve the Israeli-Palestinian conflict is characterized by a paradox. Resolving this conflict appears important and urgent. Indeed, this can presumably be said about any international conflict. Yet, there are two reasons for added urgency when it comes to the Israeli-Palestinian issue.

The first reason is the impact of the ongoing conflict on the lives of millions of Palestinians. Unlike most conflicts involving a dispute between states over a border and a territory (such as the conflict between Israel and Syria), the Israeli-Palestinian conflict is perceived by the world as a situation where one people rules over another. The “occupation” is an unacceptable phenomenon in the twenty-first century not only because of its political aspect but also because of its moral aspect.

The second reason is the impact of this conflict on the region as a whole. Whether it is an accurate perception or merely an image, the impression in the world is that the ongoing Israeli-Palestinian conflict is one of the reasons for the region’s lack of stability. Furthermore, the continuation of the conflict exerts a negative influence beyond the Middle East. In 2002, terrorists of Pakistani extraction carried out a series of attacks on the London subway. Some of those who were arrested claimed they had acted in protest against the suffering of the Palestinian people. The then-prime minister of Britain, Tony Blair, said in an interview to an Israeli television channel, “I know that these terrorists use the Israeli-Palestinian conflict only as an excuse, but even if so, why give them an excuse?”

The need to resolve the conflict appears important and urgent to many actors in the arena, and there is broad international agreement on the matter. There also appears to be full agreement regarding the nature of the solution, based on the two-state solution. According to this

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principle, there will be two states between the Jordan River and the Mediterranean Sea: the state of Israel and a Palestinian state in the Gaza Strip and the West Bank. The border between the two states will be based on the 1967 lines.

This solution has widespread support; from China and Japan in the east to Canada and the United States in the west, from Norway in the north to South Africa in the south. The solution is supported jointly and separately by all permanent members of the United Nations Security Council, officially supported by the Arab world, and likewise by the two sides to the conflict – Israel and the Palestinian Authority.

In 2000, the two sides held negotiations under US auspices on the basis of the two-state principle. After a freeze developed, President Clinton presented the “Clinton parameters” for an end to the conflict. This document made concrete reference to the issues (borders, security, Jerusalem, refugees, etc.) and offered a detailed proposal for how each could be resolved. Clinton, aiming for balance, sought the “midpoint” between the contradictory positions of the sides.

It should be clear that if serious negotiations for a permanent solution are held in the future and the sides reach an agreement, that agreement will be very similar to what was proposed in the “Clinton parameters.”

In sum, it is agreed that the sides have an interest in ending the conflict, and that the (moderate) states of the region share this interest with the world as a whole. In addition, there is agreement regarding the nature of the solution (“two states”), and, particularly important, the solution and its details are already well known, on the basis of President Clinton’s proposal at the end of 2000.

If that is where things stand, why has an agreement still not been signed? Here lies the paradox. This peace agreement, whose details are familiar, is not a desirable peace agreement! The two sides, aware as they are of the complex political reality, do not want it. The maximum that the Israeli government (any government) will be able to offer the Palestinians and to survive politically is much less than

the minimum that a Palestinian government (any government) will be able to accept and to survive politically. In other words, neither Israelis nor the Palestinians are prepared to accept the solution as proposed by President Clinton.

### **A Clash of National Aspirations**

The gap between the side's positions is, indeed, even larger than it appears. Beyond a sharp clash of interests, and beyond the objective difficulty of satisfying both sides' needs, the Israeli-Palestinian conflict suffers from a profound contradiction between the Palestinian ethos and the Zionist ethos.

#### **A. The Palestinian Outlook**

In 1936-1937, the Peel Commission's task was to propose a solution to the ethnic conflict in Palestine once the British Mandate ended. The commission proposed dividing the country into two states. The Arabs were supposed to receive most of the land (that is, the territory between the Jordan River and the Mediterranean Sea), and the Jews would receive 17 percent. (A small area that included Jerusalem was to remain under international sovereignty.)

The Arab leadership adamantly opposed this partition proposal. They submitted a formally-worded document expressing amazement at the notion of dividing land where Arabs had lived for hundreds of years with foreigners, mostly of European origin. The Arabs of Palestine did not understand why the Arabs of Saudi Arabia, Iraq, Jordan, and Syria could receive an "unconditional state" whereas their land was being given in part to foreigners.

This position did not change in 1948, or in 1967. Today there is more readiness to recognize the reality that the territory of Palestine also contains the state of Israel, but the opposition to the Jews being *entitled* to a state "at the expense of the Arabs" remains almost as strong as in the past.

The Palestinians are prepared to support the two-state concept but adamantly oppose the idea of "two states for two peoples." They are

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prepared to recognize the existence (de facto) of the state of Israel but steadfastly oppose its recognition as a Jewish state. One reason for recognizing Israel as a state is Palestinian identification with the Israeli Arabs (and with their demand to turn Israel into a “state of all its citizens”). A deeper reason is the difficulty in accepting Jews as a nation and not only a religion. The Palestinians understand that the establishment of a Palestinian state on the 1967 borders also means granting legitimacy to a Jewish state, and this is hard for them to swallow. Undoubtedly the Palestinians want to end the Israeli “occupation,” but that desire does not necessarily translate into a yearning to live in a state of their own. Less than the Palestinians' dream of their own state, they enshrine the “stealing of their land.” They are full of vengeful feelings, desire for “justice” as a compensation for the *nakba* (catastrophe), and demands to be recognized as “victims.” Most sacrosanct of all for the Palestinians is recognition of the right of return for those who lost their homes in 1948.

### **B. The Zionist Outlook**

Many Israelis like to use the map of the Middle East to argue the justice of the Israeli position. This map shows 22 large Arab states and only one small Jewish state. The Arabs who live in “Palestine” and want to realize their right to live in an Arab nation-state can choose between 22 possibilities. The Jews, however, have no other solution and the Holocaust is decisive proof of it.

Many Israelis do not believe that the Palestinians will settle for a state that is small (22 percent of the territory of the Land of Israel) and divided between the West Bank and Gaza. They note the fact that the Palestinians have never really wanted a Palestinian state. Proof of this is the rejection of the partition initiatives of 1937 and 1948, and the disinterest of establishing a state between 1948-1967, when they could have done so. Arafat's refusal to accept the “generous” offers of Barak in 2000 is further proof of this Palestinian refusal.

The Israeli claim can be illustrated with a hypothetical case. Let us assume there was a referendum for Palestinians (including in the diaspora) presenting two possible solutions for ending the conflict:



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the first, a two-state solution according to the Clinton outline, constituting the end of the conflict and the termination of all claims; the second, a regional solution where there is not and will not be a Palestinian state but, at the same time, the state of Israel will cease to exist and all the territory between the Jordan and the sea will be divided between Egypt, Jordan, Syria, and Lebanon. What would be the result of this imaginary referendum? Many Israelis believe that the second possibility, in which the state of Israel disappears, would win a clear majority among the Palestinians.

Many Israelis believe that Palestinians express readiness to accept the two-state solution for tactical reasons – first to obtain a state, then to continue the struggle in line with the “phased plan.” This is in contrast to the Zionist concept, which always supported (except for 1977-1992 under Prime Ministers Menachem Begin and Yitzhak Shamir) the idea of partitioning the land.

The conflict between the Zionist vision and the Palestinian vision is deeper than it appears. Since 1993 there has been an Israeli and international tendency to belittle the differences. Yet, when arriving at the moment of truth and attempting to reach a settlement, the gap in ethos between the two peoples emerges as an obstacle that is difficult to overcome.

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**CHAPTER 2: THE THREE EXISTING APPROACHES**

This chapter will analyze the first three approaches mentioned above: there is no solution to the conflict; it is possible to progress toward an interim solution; and despite difficulties, a permanent settlement can be achieved at present. Each approach and its conclusion will be analyzed.

**A. No Solution to the Conflict**

According to this approach, there is no way to bridge the gaps between the two sides. Beyond the fundamental conflict between the Israeli ethos and the Palestinian ethos, as described in the previous chapter, six practical problems exist that make reaching a solution impossible:

1. Territory: The territory between the Jordan River and the Mediterranean Sea is too small for two viable states.
2. Settlements: An Israeli-Palestinian agreement will necessitate the evacuation of 100,000 Israelis from their homes. This task is beyond the political capacity of any Israeli government. It should be recalled that among the settlements that will have to be dismantled are Ofra, Beit El, Shiloh, and Kiryat Arba. From a national-religious standpoint, this is a mission impossible. In addition, the direct cost of such an evacuation will be over \$30 billion(!). It is not clear that the Israeli economy could withstand this.
3. Security: A withdrawal from 97 percent of the West Bank will create a situation where Israel will not have “defensible borders.”
4. Reliable Palestinian partner: An agreement in which Israel gives up vital territories will likely lead to Hamas rule in the West Bank (as occurred in Gaza), and the lack of a reliable partner.

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5. Jerusalem: Even if it is possible to agree to a “division of Jerusalem” (with Arab neighborhoods becoming part of the Palestinian state), Israel will not relinquish full sovereignty over the Temple Mount. Palestinians will not accept this.
6. Refugees: The Palestinians will not give up the right of the refugees to return to their homes (even if they compromise on the number of people who would actually exercise this right). Israel cannot recognize this right.

The conclusion is simple: there is no point in trying to reach a settlement, not only because any attempt is doomed to failure but also because the cost of failure is likely to be high. It is preferable to try and manage the conflict instead of seeking to resolve it.

This approach, however realistic, entails five risks:

1. The Israeli-Palestinian conflict is not a “border dispute” between states. There is ongoing friction between populations that inevitably leads to violent eruptions such as the First and Second Intifadas. A Third Intifada is likely to be more severe than its predecessors.
2. The lack of a solution will prevent normalization between Israel and the states of the region and could continue to generate foci of tension.
3. A continuation of the conflict gives hostile actors, particularly Iran, an excuse to keep strengthening other hostile actors (Hamas) and also a possible reason to attack Israel in the future.
4. Israel’s legitimacy in the world, and especially in Europe, will continue to suffer as long as the “occupation” continues. Nor can the possibility of sanctions against Israel be dismissed.
5. Creating a situation where there is no two-state solution will likely generate international and Arab pressure in the direction of a single state for all residents between the Jordan River and

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the Mediterranean Sea. Such an outcome would mean the end of Zionism and the loss of the Jewish identity of the state of Israel.

In short, even if management of the conflict is a reasonable policy in the short term, in the long term it creates considerable strategic risks. Moreover, if time is not in Israel's favor, then the price Israel will be forced to pay in the future is likely to be higher than the price it would have to pay in the present.

### **B. The "Interim Solution"**

Supporters of this approach agree that there is no great chance for a permanent settlement in the short term. They fear, however, that a political freeze is not to Israel's benefit and therefore favor progress in every possible area. An interim settlement could consist of a "modest" measure such as a further redeployment, or it could be a more ambitious step such as an agreement on a "Palestinian state with temporary borders," which the road map postulates as a possibility.

The advantages of this approach, and particularly if the outcome is a "Palestinian state with temporary borders," are four:

1. There will be political progress that will lessen the risks noted in Part A.
2. A Palestinian state of this kind will actually reduce the Israeli "occupation" to almost zero. Ninety-five percent of the Palestinians will not only live under Palestinian sovereignty, but will not have to go through a single Israeli checkpoint when moving from place to place within the West Bank.
3. This approach enables solving most of the practical problems (division of territory) but avoids the sensitive issues such as Jerusalem, refugees, and a Palestinian declaration of the end of the conflict.

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4. The existence of two states, one beside the other, is likely to diminish suspicion and tensions, since it will be clear to all that only if the Palestinians succeed reasonably well in managing their state will it be possible, after a number of years, to try and complete the process and arrive at a permanent settlement.

A closer look, however, reveals that this approach is less promising than it appears. This approach is totally rejected by the Palestinians. Its main opponent is the head of the Palestinian Authority, Abu Mazen, himself. Clearly, even if international pressure compels the Palestinians to enter negotiations on this basis, they will have two high-threshold demands: first, that Israel must withdraw to the security-fence line (at least), and second, that an unequivocal international guarantee be given that the interim solution will not turn into a permanent solution. They also will demand that a mandatory timeframe be set for reaching a permanent settlement.

Even if the Palestinians consent to an arrangement of this kind, it will not necessarily serve the Israeli interest; in the framework of such a solution Israel will pay high costs for a negligible return. Israel will be forced to uproot thousands of Israelis from their homes, and will take the security risk entailed by relinquishing control over most of the West Bank. The return is meager because the conflict will not end. Moreover, without connection to the reality on the ground, the Palestinians will go on claiming that the “occupation” is continuing since the permanent borders will not yet have been determined. Hamas and part of Fatah will see no reason to stop the armed struggle. The Israeli withdrawal from most of the West Bank will create a temptation to intensify the armed struggle until “Israel withdraws from all of the Palestinian land including East Jerusalem.” Nor will the Arab states hasten to recognize Israel as long as a permanent settlement has not been achieved.

In addition, in agreeing to a temporary settlement (a Palestinian state with temporary borders), Israel affirms that it fully accepts the two-state solution and only its implementation is being divided into two stages. The possibility of subsequently proposing a completely different permanent solution is small. If the first stage on the way to a

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permanent settlement fails, Israel will lose its main leverage to propose other solutions; once 90 percent of the territory is already under Palestinian control, Israel will lose its main bargaining chips.

### **C. “Permanent Solution Now”**

The supporters of this approach make four main claims:

1. The two-state solution (the Clinton plan with minor changes) is the only solution. It is a known and agreed solution. It is also a “simple” one, not in the sense of the readiness to accept it, but in the sense that there are only two players in the game.
2. Time is not working in Israel’s favor, and any delay is likely to lead to dangerous situations for Israel or, at least, to worsen the terms of the negotiations.
3. The solution is good for both sides. The difficulty in accepting it does not stem from damage to national interests but from a lack of leadership, mainly on the Israeli side.
4. The substantive gaps between the sides are not so great; it is a fact that it was possible to reach the “Geneva agreement.” This agreement is indeed unofficial but it manifests accord between political actors on both sides.

In addition, the supporters claim that the time is now propitious given the genuine and strong resolve of US President Obama to reach a permanent Israeli-Palestinian settlement. True, Clinton very much wanted such an agreement, but he dealt with the issue only at the end of his tenure. President Obama’s horizon is at least four years.

Experience shows that even if this approach is logical, once the moment of truth arrives, the real gap between the sides, as described in section A of this chapter, makes ending the conflict impossible. To understand this better, consider two difficulties of the two-state solution. One is the nature of the solution proposed, and the second is the absence of a necessary condition for an agreement – trust between the sides.

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The two-state solution is a zero-sum solution. It did not look that way in the past. When the Oslo process began in 1993, there was talk of a “new Middle East.” The hope at that time was that an Israeli-Palestinian peace would produce an opening of borders as in Western Europe, with the benefit to the two sides much larger than the results of a mere “give and take.” Today, even among the supporters of a settlement, the approach is different. The aim today is to achieve a separation between the sides such that “at the end of the day, we’re here and they’re there.” This is a zero-sum game where any gain for one side comes at the expense of the other.

Furthermore, even when a zero-sum game exists, it is possible to reach a reasonable agreement if the two sides prioritize their interests differently, if what is most important to one side is not as important to the other, and vice versa. That is not the situation between Israel and the Palestinians; here the clash of interests is total. In this situation, the concessions will always appear “painful” while the payoff is seen as not sufficiently attractive.

The second problem is the lack of trust between the sides. In general, whether in the business or the political realm, it is assumed that the other side wants to reach an agreement and is capable of upholding it after it is achieved. No such assumption exists in the Israeli-Palestinian negotiations. The Palestinians do not believe the Israeli government “really” intends to dismantle settlements, and if it indeed intends to do so, the Palestinians have great doubt that the government will be able to go through with it.

The suspicion on the Israeli side is even greater. Given that Israel is the side relinquishing real assets, clearly there is profound hesitancy about a peace agreement with the Palestinians. The main fear is that, in the end, Israel will lose twice: first after it leaves the territory and a Palestinian state is established, and second when it will fall to Hamas' rule. Hamas will not uphold the Palestinians' part in the agreement and will create direct threats to Israel's security.

Thus, the necessary conditions for reaching a permanent Israeli-Palestinian settlement in the foreseeable future do not exist. If

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nonetheless such a settlement is reached (because of heavy American pressure), there is doubt as to whether the sides can carry out their commitments successfully.

In sum, all three existing approaches are problematic.



### **CHAPTER 3: ERRORS CAUSING THE EXISTING SITUATION**

Despite the element of built-in difficulty – the conflict pits the Palestinian ethos against the Israeli ethos – strategic errors prevented a better solution. These were committed both by different Israeli governments over the past 30 years and by US administrations, particularly the Obama administration, over the past 16 years. The ongoing Israeli error is to produce the wrong message; the American error stems from failing to soberly examine the basic assumptions.

#### **A. The Erroneous Message of Israeli Prime Ministers**

Today the international community unanimously agrees that there is a Palestinian problem and Israel must make concessions to solve it. This situation exists, among other reasons, because Israel has taken upon itself the responsibility for solving the problem.

At six different opportunities from 1979 to the present, Israeli prime ministers, from Menachem Begin to Ehud Olmert, “volunteered” to take upon the task of solving the Palestinian issue.

1. The first time was during the negotiations for a peace treaty with Egypt. After Begin and Sadat agreed on most bilateral issues, Sadat wanted to hear Israel’s position on the Palestinian problem. Begin hastened to volunteer: Israel would give the Palestinians autonomy and both sides would be satisfied. This implies that the Palestinians are Israel’s problem and Egypt has no reason to get involved.
2. The second time occurred during the First Lebanon War (1982). At the beginning of the 1980s, the Palestinian problem “migrated” to Lebanon. Israel again decided that it was its responsibility to “solve the Palestinian problem,” even if this meant conquering a third country (Lebanon).
3. The third time was during the London talks in 1987. Foreign Minister Shimon Peres held negotiations with King Hussein of Jordan on a solution centering on a “Jordanian confederation

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with the West Bank.” Prime Minister Yitzhak Shamir was strongly opposed. The message of the Israeli prime minister to the Jordanian monarch was unequivocal: “The Palestinian problem is our problem, not yours.” Hussein got the message and gradually decided to detach his kingdom from the Palestinian issue.

4. Israel took responsibility for the fourth time when the Oslo process began in 1993. Israel conveyed an optimistic message to the world that it was within Israel's capacity to “contain” the Palestinian problem and solve it to the satisfaction of both sides.
5. The fifth time was at the Camp David conference in 2000. Ehud Barak conveyed to the United States, the Palestinians, and the world that he had a solution to the Israeli-Palestinian conflict. The offer he would present would be so generous that Arafat would not be able to refuse it. Of course, the full responsibility to propose a solution was Israel's.
6. The sixth time, Ariel Sharon and Ehud Olmert behaved similarly in planning the process of “disengagement” from Gaza (2005) and, subsequently, of “convergence” in the West Bank (2006). After Israel failed to achieve a solution either against the Palestinians or with the Palestinians, an initiative of a third kind was created – “divorce.” Israel would leave the territory, surround itself with a fence, lock the gate and throw away the key, for a “we’re here and they’re there” solution. The emphasis placed on the disengagement that was carried out, and on the convergence that was not, was clear: Israel by itself is deciding and implementing the outcome.

All six cases have one message in common: the Palestinian problem is Israel's problem and Israel alone will know how to solve it. This policy has a grave and dual outcome. One problem is that the international community expects Israel to shoulder the burden, even though doing so is beyond its capacity. The state of Israel cannot give up all the territory of the West Bank, economically support an Arab

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state that is not viable, and also bear the security consequences of the resulting instability.

The second problem is that, while no one was noticing, a solution was taking shape that entailed a worse situation for Israel than the one prevailing until 1967. Until then, Israel suffered from security problems, most of which stemmed from its “narrow waist” – indefensible borders at the center of the country. At the same time, there were a number of advantages to this situation. Within its borders, Israel enjoyed full territorial continuity. Until 1967, Jordan and Egypt were responsible for the Arabs of the West Bank and Gaza, respectively. Most importantly, the territories of the West Bank and Gaza were under the rule of states—enemies indeed, but with proven political responsibility.

According to the two-state solution, Israel must return to the borders of 1967, but not to the situation that existed until then. Now, unlike then, in this same territory an additional Arab state is supposed to arise. Since it will be economically weak, Israel will be required to support the new entity. The residents of Palestine should be satisfied with their lot. If they are miserable, frustration will be directed against Israel and the agreement will not be stable.

Moreover, the Palestinian state will be divided between the West Bank and Gaza. To ensure its ability to exist, one must make sure that the two parts of the Palestinian state are connected by a “safe passage.” The road traversing Israel will significantly compromise Israel’s territorial contiguity and sovereignty.

### **B. The American Error**

When the Obama administration formulated its policy toward the Middle East, it gave priority to the Israeli-Palestinian issue. Resolving the conflict is vital to US interests of forging a coalition against Iran and ensuring Arab support on other Middle Eastern issues such as Iraq and Afghanistan. The Obama administration assessed that resolving the conflict is possible with determination. The first indication of this was the appointment of Senator Mitchell as special envoy to the Middle East.

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This American policy is based on seven assumptions, all of them fully or partly erroneous. Unfortunately, the administration did not carry out an in-depth clarification of these assumptions before expressing its support for arriving at the two-state solution.

*Assumption 1:* “The supreme Palestinian aspiration is to attain independence along the 1967 borders.” This has no basis; over the past 70 years the Palestinians have done everything against creating a Palestinian state (if it was to be only on part of the Land of Israel).

*Assumption 2:* “The gap between the sides’ positions is small and bridgeable.” This is not true. The gap is large. It could not be bridged in 2000, and the same is true today.

*Assumption 3:* “The moderate Arab states are interested in ending the conflict and therefore will assist in its solution.” The reality is the reverse. Not one of the Arab states is interested in ending the conflict. The continuation of the conflict is vital for their domestic interests (they can blame Israel for their internal problems). In addition, specific states such as Egypt, Jordan, and Saudi Arabia, have their own reasons for not solving the conflict.

*Assumption 4:* “The end of the conflict will bring about stability.” The opposite is true. Ending the conflict in such a way that Israel does not have defensible borders and the Palestinians do not have a viable state (at least in Gaza) will open the door to new tensions.

*Assumption 5:* “Resolution of the Israeli-Palestinian conflict is vital to obtaining Arab assistance on the Iranian issue.” This is the most baseless claim of all. The supreme interest of Saudi Arabia and Egypt is to prevent Iran from becoming a regional power with nuclear capability. Hence there is no need to “pay” Saudi Arabia and Egypt in a different (Israeli-Palestinian) currency for something that is in any case their supreme interest.

*Assumption 6:* “There is currently an opportunity to resolve the conflict and it must not be squandered.” The truth is that the greatest opportunities were in the past (2000) and it is not clear what

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circumstances make the current time especially appropriate. On the contrary, as noted in the Introduction, the international and internal circumstances are currently less favorable than in the past.

*Assumption 7:* “There is only one solution to the conflict and that is the solution of two states with the 1967 border between them.” Definitely not true. The following chapters detail two solutions (and a combination that could also be a third solution) whose chances of success are higher than those of the conventional “solution.”

In sum, the combination of the ongoing Israeli error and the recent American error have closed off discussion of the issue and restricted it to a single familiar possibility, namely, the two-state solution.

## **PART II: THE ALTERNATIVE SOLUTIONS**

Part I of this document summarized the discussion over the past 70 years, with a focus on the past 16 years (since the beginning of the Oslo process). The discussion has moved between two extremes; euphoria and confidence that the two-state solution is at hand, and total pessimism that sees no political solution to the conflict. Between those two extremes, ideas for interim agreements have arisen. The permanent solution and the interim solutions, however, have three basic claims in common:

1. A solution to the problem is restricted (geographically) to the territory between the Jordan River and the Mediterranean Sea.
2. The solution lies in the establishment of an independent Palestinian state.
3. The West Bank and Gaza will form a single political entity in any solution.

These three assertions have confined the discussion to a narrow space and prevented a real discussion that starts afresh and examines all possibilities for a solution to the conflict without preconceived notions.

The two proposals for a solution presented in Chapters 4 and 5 are not based on the previous three claims, but on a regional perspective that involves additional Arab actors in an attempt to solve the Palestinian issue. At the same time, the two proposals satisfy what constitutes a threshold criterion from an international perspective, namely, that Israeli rule over most of Judea and Samaria will end and “occupation” will draw to a close.

## **CHAPTER 4: REGIONAL SOLUTION 1 – A JORDANIAN-PALESTINIAN FEDERATION**

### **A. Background**

Like the other Arab states, Jordan did not accept the UN Partition Plan of November 1947. Instead, Jordan hastened to take control of the West Bank and also tried to conquer parts of what was supposed to be the Jewish state. At the end of the War of Independence, Jordan annexed the West Bank and, in contrast to Egypt in Gaza, it treated the territory and its residents as a sovereign and legal part of Jordan.

Israel conquered the West Bank in the Six Day War of 1967. From then until 1993, Israel was divided between two concepts. The Labor government's concept favored reaching a "territorial compromise" with Jordan in which most of the West Bank and especially its Arab-populated parts would be returned to Jordan's hands, while Israel would retain two security strips: the Jordan Valley in the east and another swath that would widen the country's "narrow waist" in the west.

The Likud opposed any territorial compromise. In its concept, all of the West Bank (Judea and Samaria) had to remain under full Israeli sovereignty both for security and historical-religious reasons. However, the Likud was prepared for Israel to grant autonomy to the Arab residents (the Palestinians) of this area.

Moreover, until 18 years ago the idea that an additional independent Arab state (the Palestinian state) could or must be established in the West Bank was totally rejected by a majority of the Israeli public. Nor did Jordan, during the 1970s and 1980s, think resolving the Israeli-Jordanian conflict required the establishment of a Palestinian state.

In April 1987, a secret meeting was held in London between then-Foreign Minister Shimon Peres and King Hussein. Their talk focused on solving the problem of the West Bank by establishing a Jordanian-Palestinian federation. Israel would give up most of the West Bank. Then-Prime Minister Yitzhak Shamir was angered by the meeting itself and completely rejected the idea.

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For Jordan this event was a watershed. In July 1988, after the outbreak of the First Intifada (December 1987), as King Hussein came to realize that the chances of regaining the West Bank for his kingdom were small, he declared that he was renouncing responsibility for the Palestinian issue and from then on it would be up to Israel to talk with the PLO.

This Jordanian change of direction made it easier for Israel and Jordan to reach a peace agreement in 1994, but almost closed the door to any possibility of reaching a resolution of the Israeli-Palestinian conflict.

### **B. Jordanian-Palestinian Federation**

The first solution proposed is the establishment of a Jordanian kingdom that includes three “states”: the East Bank, the West Bank, and Gaza. These will be states in the American sense, like Pennsylvania or New Jersey. They will have full independence on domestic issues as well as a budget, governmental institutions, laws, a police force, and symbols of independence, but similar to Pennsylvania or New Jersey they will not have responsibility for two issues: foreign policy and military forces. Those two areas, exactly as in the United States, will remain the responsibility of the “federal” government in Amman.

Given that Hamas currently rules Gaza, it will be possible to implement this solution in two stages – first in the West Bank, and secondly in Gaza, when the circumstances are right.

Israel will conduct political negotiations on this solution with a joint Jordanian-Palestinian delegation, as was supposed to occur in the framework of the 1991 Madrid conference.

### **C. Advantages of the Jordanian-Federation Solution**

This solution is preferable for the Palestinians, for Jordan, and of course for Israel compared to the two-state solution.



### ***1. Advantages for the Palestinians***

For the Palestinians who live in the West Bank and are not Hamas supporters, this solution has four clear advantages over the two-state solution.

First, it is more feasible, since this is a solution that Israel will be capable of implementing. Many Palestinians, who want to see an end to the Israeli occupation, will prefer this solution (which achieves that goal) to waiting for an Israeli-Palestinian peace that is not likely to materialize.

Second, those same people understand that if a completely independent Palestinian state is established (in line with the two-state formula), it will likely be ruled by Hamas. Many of them would prefer to live under Jordanian rule than to suffer the religious tyranny of Hamas, as now exercised in Gaza.

Third, a solely Israeli-Palestinian solution requires impossible concessions of the Palestinians, such as giving up the right of return and finding an agreement to end the conflict. It is easier to share this emotional burden with an Arab political actor (Jordan).

Fourth, the Palestinians also understand that under a two-state alternative, they will become citizens of a tiny state. Such a small state is not viable and will have security limitations (for example, conceding sovereignty over its airspace). It is preferable to be equal citizens in a large, respected country where the Palestinians will form the demographic majority.

### ***2. Advantages for Jordan***

It is well understood in Jordan that if an independent Palestinian state is established in the West Bank, it will likely fall into Hamas' hands, as occurred in Gaza. A situation where a neighboring state (Palestine) is ruled by the Muslim Brotherhood, taking into account the long border between the states and the threat that already exists from the Muslim Brotherhood in Jordan, spells danger for the Hashemite kingdom. The only way to ensure a regime's survival in the Middle

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East is through effective control of security. Therefore, the way to prevent instability in Jordan, which would be fueled by the future West Bank Hamas regime, would be through Jordanian military control of this territory.

### *3. Advantages for Israel*

From Israel's standpoint this solution has four clear advantages over the two-state solution. First, there is a difference in the "story." No longer is it a matter of the Palestinian people under occupation but rather of a (territorial) conflict between two states, Israel and Jordan. The current international pressure on Israel to concede on every issue would change.

Second, Jordan would be able to compromise on more issues, such as territory. The Palestinians cannot concede on the territory of the "1967" borders. A small Israel needs more territory, but that would make the Palestinian state even smaller. It is "unfair" to ask the weaker and smaller side to concede. This becomes easier when the partner is the sizable kingdom of Jordan.

This point also applies to security arrangements. In any settlement, Israel will demand a demilitarized West Bank. In the case of a Palestinian state, that would mean prohibiting heavy weaponry. Such a demand is difficult for a people receiving independence to accept. In the context of an Israeli-Jordanian agreement, the demand sounds more reasonable. All that is required is for Jordan to forswear deploying forces in a certain territory (the West Bank). This will appear acceptable to the Jordanians, just as Egypt accepted the Israeli demand not to deploy substantial military forces on the Sinai Peninsula.

Third – and this is the greatest advantage – is the issue of trust. In the case of the two-state solution, Israel has to give up tangible assets in return for a Palestinian "promise" that the security quiet will be maintained. Israel has good reasons to fear a situation of double risk where it concedes the whole territory and does not receive security. The risk that the Palestinian government will be unable or unwilling to "deliver the goods" appears great and very real.

It is different in the case of a Jordanian-Israeli peace agreement. Although here, too, Israel is required to take risks, they are risks similar to those it took in 1979 when it signed the peace treaty with Egypt and gave up the entire Sinai.

The fourth advantage concerns relations between the states. Israel has good reason to fear that if an independent Palestinian state is established, its inherent weakness will create an additional burden on Israel. It is not clear that the territory between the Jordan River and the Mediterranean Sea is sufficient for two viable states. The problems of the future state (lack of infrastructure, shortage of employment, division between the West Bank and Gaza, etc.) will fall on Israel's shoulders. Moreover, the international community will say it is Israel's "moral obligation" to help the new state after so many years of occupation. Indeed, doing so will also be an Israeli interest since it is to Israel's advantage that the Palestinian state is not beset by despair, poverty, and frustration. That will not be the case if the West Bank is part of the "greater" Jordanian kingdom.

#### ***4. Advantages for the International Community***

The establishment of a Palestinian state according to the two-state concept will leave many of the problems in the international community's hands. The new state will have difficulty attaining economic independence, will be divided between two areas (Gaza and the West Bank), and will endure the refugee problem. Above all, the problems between Israel and Palestine will not disappear once the agreement is signed. The international community, and particularly the United States, will be forced to invest further efforts in successfully implementing the agreement.

It is different if the problem becomes one that two existing and stable states, Israel and Jordan, are responsible for solving. Once the agreement is reached, its implementation becomes a challenge for Israel and Jordan while dramatically less will be required of the world, similar to what happened after the Israeli-Egyptian peace treaty was signed in 1979.

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### **CHAPTER 5: REGIONAL SOLUTION 2 – TERRITORIAL EXCHANGE**

#### **A. Background**

In its attempt to improve the offer of the two-state solution, the US administration recommends that the Arab states compensate Israel for its willingness to give up assets for peace. In the administration's (correct) view, the Palestinians have little to offer Israel that would justify the large concessions entailed by a peace agreement.

The compensations the Arab states are expected to provide involve upgrading their relations with Israel. However important this issue, clearly it will be difficult to "compensate" Israel for the loss of Judea and Samaria in return for gestures of this kind.

The most significant thing the Arab states can give Israel and Palestine is quiet. It is hard not to see, objectively, the distortion involved in the two-state proposal. On the one hand, Israel and Palestine must fit into a narrow and crowded strip of land; on the other, these two states are surrounded by states with huge land masses and scant population (Jordan, Egypt, and Saudi Arabia). The one thing the Arab states have in abundance is exactly the thing that both Israel and Palestine desperately need – more land.

Yet a negligible territorial concession on these states' part would enable substantially improving the lot of both Israel and the Palestinian state. Surprisingly, the ones who would benefit even more than Israel and Palestine from such an arrangement are Egypt and Jordan. This chapter, which deals with a "regional solution," explains how to "enlarge the pie" so that all actors emerge with gains.

#### **B. Main Points of the Proposal**

1. Egypt will transfer a territory of 720 sq km to Gaza. This territory is a rectangle built from a rib of 24 km along the Mediterranean coast from Rafiah westward toward el-Arish (but not including el-Arish), and a rib of 30 km from the Kerem Shalom crossing southward along the Israeli-Egyptian

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border. This addition of 720 sq km triples the size of the Gaza Strip, whose current size is 365 sq km.

2. This area of 720 sq km is equal in size to about 12 percent of the West Bank. In return for this addition to Gaza, the Palestinians will relinquish 12 percent of the West Bank, which will be annexed to Israel.
3. In return for the territory that Egypt will give Palestine, Egypt will receive from Israel a territory in the southwestern Negev (the Paran region). The territory that Israel will transfer to Egypt could reach up to 720 sq km, but given all the other compensations for Egypt (see section d), it could be smaller.

### **C. Benefits to Palestine**

Gaza in its current size is not viable. It does not have the minimal territory to maintain a stable economy. Today 1.5 million residents live in Gaza, and in 2020, there will be an estimated 2.5 million residents. Does anyone really believe that the residents of Gaza in its original size will be able to live in happiness and prosperity in a territory that makes development impossible? Not even a port of reasonable size could be built in Gaza, both because there is not enough space and because its proximity to Israel would cause huge damage to the Israeli shoreline. Comparing Gaza to Singapore is a mistake. Singapore's economy is based on international trade, advanced banking, and hi-tech industry while Gaza's economy is based on agriculture and low-tech. In Singapore, the size of the territory is not an important variable; however, the size of Gaza is critical for its viability.

The enlargement of Gaza according to the presented outline gives it another 24 km of shoreline. That entails territorial waters of nine miles (14.4 km) and reasonable chances to find natural gas in this domain.

A territorial supplement for Gaza of 720 sq km would enable the building of a large international port (on the western side of the territory), an international airport at a range of 20-25 km from the

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Israeli border, and, most importantly, a new city that could host a million residents. It could also absorb Palestinian refugees from other countries and provide a natural development area not only for Gaza.

The economic significance of this expansion is enormous (explained below). In return for the transformation of Gaza into an interactive locale with real chances to become an international trade center in the region, the Palestinians should be prepared to concede territory in the West Bank where Israeli settlements and military facilities have existed for decades. This is a painful concession but it cannot be compared to what stands to be gained in Gaza.

### **D. Benefits to Egypt**

In return for its willingness to give (to the Palestinians, not to Israel!) 720 sq km of the “holy” soil of Egypt, Egypt will receive seven compensations:

1. Land for land. Egypt will receive from Israel a territory in the southern Negev. Its maximum size will be 720 sq km, but taking the additional gains into account, this can certainly be bargained over.
2. Egypt is geographically cut off from the main (eastern) part of the Middle East. From east to south is the Red Sea, and to the north is the Mediterranean. To make a land link possible, Israel will allow a tunnel that will connect Egypt and Jordan. The proposed 10 km tunnel will run from east to west (about 5 km north of Eilat) and will be under full Egyptian sovereignty, so that the traffic from Egypt to Jordan (and subsequently eastward and southward to Saudi Arabia and Iraq) will not require permission from Israel.\*
3. In addition to the new airport of “greater Gaza” and the new maritime port on the Mediterranean coast, and the “Jordan-

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\* The proposal for a land link between Egypt and Jordan is an idea suggested by Prof. Yehoshua Ben-Arieh of the Hebrew University of Jerusalem.

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Egypt tunnel” in the south, a railroad, a highway, and an oil pipeline will be built (the route of these will at the same time become the Egyptian-Israeli border on the Egyptian side). These three will pass through the tunnel to Jordan and from there will branch to Jordan and Iraq in the northeast and to Saudi Arabia and the Gulf states in the south.

This linkage (explained below) has tremendous economic advantages. The gain for Egypt is clear: Egyptian levies will be imposed on all traffic from Jordan, Iraq, and the Gulf to the Gaza port. The route, as noted, passes over Egyptian soil.

4. Egypt has a water problem that is getting worse. The population is growing while clean water sources are shrinking. A state approximately 50 percent of whose population lives from agriculture cannot exist for another generation or two without a clear-cut solution to the water shortage. This requires, among other things, huge investments in desalination and purification. These, in turn, require advanced technology and, particularly, large outlays of capital. Egypt has neither, and hence, in return for the Egyptian “generosity,” the world will invest in Egypt (through the World Bank, etc.) in the form of a large-scale water project.
5. The 1979, the Israeli-Egyptian peace treaty greatly benefited Egypt, but also forced it to accept limitations on the deployment of military forces in the Sinai. As part of the compensation for Egypt, Israel will agree to make certain changes in the military addendum of the treaty. This is vital so that the Egyptian leadership can proclaim domestically: we are indeed giving up 1 percent of the Sinai, but this concession will enable us, after 30 years, to more fully impose our sovereignty over 99 percent of the territory.
6. Egypt, like many states in the region, is interested in nuclear capabilities (for peaceful purposes). As part of the compensation for Egypt, European states (particularly

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France) will agree to build nuclear reactors for generating electricity in Egypt.

7. The peace agreement that is described here will put an end to the 100-year-old conflict between Israel and the Arabs. No one will have any doubt that this agreement was concluded first and foremost thanks to the Egyptian president. From there the way is short to a Nobel Peace Prize, an international peace conference in Cairo, and, in general, to Egypt's return to the international status it enjoyed until 1967.

### **E. Benefits to Jordan**

Jordan reaps the greatest benefits of this settlement without having to pay a price (it is, admittedly, possible that removing the wedge that Israel currently constitutes between Jordan and Egypt is less than desirable for Jordan).

The plan offers Jordan two major advantages:

1. A network of roads, a railroad track, and an oil pipeline that will connect the international port of greater Gaza, via the Jordan-Egypt tunnel to the Persian Gulf. Jordan receives a convenient "free" egress to the Mediterranean (the new port in Gaza) and, through the Mediterranean, to Europe. Moreover, the eastern side of the tunnel is the "bottleneck" through which goods will pass from Europe to Iraq and the Gulf, entailing economic advantages for Jordan.
2. Jordan is concerned about demographic problems; it has a clear and growing majority of Palestinian citizens. This phenomenon will only intensify as long as life in Jordan is more comfortable than life in Gaza and Egypt. The moment "greater Gaza" is established, the new city, port, and airport will create numerous employment opportunities and the trend will reverse. Palestinians of Gazan extraction (there are 70,000 in Jordan) will prefer to "return home," as will some of the refugees who now live in the West Bank and Jordan.



## **F. Benefits to Israel**

When one compares this arrangement to the “usual” two-state solution, four clear advantages emerge:

1. The territory in Judea and Samaria that will remain in Israel’s hands (about 12 percent) is substantially larger than what could be obtained in the “usual” solution. This number is the percentage of the territory that Ehud Barak defined as vital to safeguarding Israel’s interests when he went to Camp David in 2000. When the original fence was demarcated, it left about 12.5 percent on the Israeli side. The logic was similar (since then, under pressure from the High Court of Justice, the fence has moved westward and today only 8 percent of the West Bank lies to the west of it).

This territory enables Israel to dramatically reduce the number of Israelis who will be forced to leave their homes – from 100,000 to about 30,000 to retain places of religious and historical importance such as Ofra and Kiryat Arba. It will also enable keeping Ariel in Israeli territory and under comfortable conditions.

2. A more balanced allocation of territory between Gaza and the West Bank gives the Palestinian state a better chance for viability and thus increases the chances of reaching a stable settlement.
3. The involvement of the Arab states, and particularly Jordan and Egypt, in the solution is significant and binding. This involvement creates stronger “guarantees” for the upholding of the agreement.
4. This regional settlement does not eliminate the need for a “safe passage” between Gaza and the West Bank but lessens its importance (and the extent of the traffic on it). The “safe passage” will remain a route for Gaza-West Bank traffic, but

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the rest of the traffic in goods and people between Gaza and the Arab world will move along the new route.

### **G. Economic Advantages (for Everyone)**

Most of Iraq, Saudi Arabia, and the Gulf states' trade with Europe is carried out via ships that pass through the Suez Canal or, because of their size, must go around Africa. Although these two routes are not efficient, in the absence of a modern port on the Mediterranean coast and of an efficient transportation network, there is no choice but to use them.

If a modern port with technology similar to that of Singapore is built on the Mediterranean coast, an efficient network of roads and a railroad lead southward and eastward, and an oil pipeline is laid, then commerce will be significantly more efficient and costs will be reduced.

The funding for this project will come not only from the states in which the infrastructure will be laid but also from Western states. At present the world pays billions of dollars every year to sustain the Palestinians; according to this plan, the money will serve for investment rather than consumption, investment that will economically pay off within a number of years. The economic momentum will be enjoyed by Egypt and Jordan directly and by other states indirectly.

Unlike in the past, when solutions to international problems were achieved bilaterally on a political-strategic basis, today the international community prefers to seek multilateral solutions with an economic basis. The establishment of the European Union is the most notable example. The proposed regional solution achieves precisely with this approach.

This solution will give the Palestinians a real opportunity to become the "Singapore of the Middle East." No such achievement is possible within the current narrow confines of Gaza.

## **CHAPTER 6: CONCLUSION**

The alternative regional solutions that are presented in Chapters 4 and 5 have several aspects in common:

First, in both plans Israel relinquishes Gaza and (most of) Judea and Samaria, a concession that satisfies the international demand and also wins majority support in Israel.

Second, in both plans the responsibility for achieving a solution is not only on Israel and the Palestinians; an additional state or states are required to be active partners. This is the logic of a regional concept.

Third, the two solutions do not have a zero-sum nature like the conventional two-state solution. In both, the pie is larger and hence it is easier to find a way to divide it.

Fourth, the two solutions do not contravene existing agreements or obligations. Clearly, for each of them Palestinian consent will also be required.

These two solutions will win greater support in Israel than the support for the two-state solution. The reason is not only that they offer Israel more than the conventional solution, but also because they partially satisfy the right-wing by adopting an important element of its outlook. The solution of the Jordanian-Palestinian federation matches the claim that there is no justification for a Palestinian state and the Palestinians' national aspirations should be fulfilled in Jordan. The territorial-exchange solution fundamentally satisfies the claim that the answer to the Palestinians' territorial problem should not come at Israel's expense alone.

The path to progress for each of these solutions depends on three main variables:

The first is awareness by the US administration that the conventional solution is neither sufficient nor attractive to the sides. Even if an agreement of this kind is signed thanks to international pressure, it is

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doubtful that it can be implemented and even more doubtful that its implementation would lead to stability.

The second variable is that it is important to find an actor – definitely not Israel – who is prepared to propose this solution to the relevant sides. In the political world, content is sometimes less important than appearance. The plan will not advance if Israel is the initiator. The initiative must come from a side that is both “neutral” and perceived as important and influential.

The third variable is that an opportunity be created. The last instance of such an opportunity (for the regional solution) was during the period of the disengagement. Until Prime Minister Sharon mentioned the concept for the first time (at the Herzliya conference in December 2003), no one believed Israel was prepared to evacuate settlements and relinquish territory.

Israel surprised the world with the message that they would leave Gaza unilaterally because it was in Israel's interest. From that moment, the compensation Israel could demand was nonexistent. Instead, Israel should have discreetly encouraged the United States (preferably in coordination with the Quartet), to propose a regional solution and “demand” that in its framework Israel be the first one required to prove its seriousness and withdraw from Gaza as an initial stage.

Now one must search for the next opportunity. An important actor in the US administration to whom the regional plan was presented said, “Wait for Mubarak’s successor.”

The two plans – the Jordanian-Palestinian federation and the territorial exchange – do not contradict each other. They are presented separately because each has a different outline. These two ways of thinking, however, can become part of a single solution that combines the advantages of both.

In this combination of the two solutions, a Jordanian-Palestinian federation will be established as described in Chapter 4, but the territorial arrangement will be based on Chapter 5, with Gaza tripling

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its size and Israel retaining a more substantial part of Judea and Samaria.

An additional possibility within the regional approach is based on this combined plan but takes a further “step forward.” In this improved plan, the Jordanian federation is only between Jordan and the West Bank. Gaza, whether in its current size or as described in Chapter 5, will become a patron state of Egypt. This linking of the West Bank with Jordan and of Gaza with Egypt is natural and appropriate. This is not just an Israeli view; Arab states also viewed them as such until 1967. The connection between the population of Nablus and the original residents of Gaza is no greater than the Nablus population’s connection with the residents of Damascus. The Palestinian ethos of a single people living in the West Bank and Gaza is a product of Yasser Arafat’s skillful cultivation over the last 40 years.

Until recently one could not speak freely about the possibility of a political division between the West Bank and Gaza. Any foreign or Israeli actor who raised the idea was immediately accused of creating a linkage that entailed driving a wedge into the Palestinian nation. Over the past two years, it has been clear that such a wedge actually exists, not because of the acts of others but because of the Palestinians’ actions. Since Hamas’ violent takeover of Gaza in June 2007, Gaza and the West Bank are detached not only geographically but also politically.

Today it is difficult to imagine mending this rift. The situation leads to two conclusions. First, the conditions for Israeli-Palestinian negotiations on a final settlement do not exist because the Palestinian Authority does not rule Gaza and is not authorized to speak in the name of its population. Second, it is appropriate to seek solutions in which the West Bank and Gaza are not necessarily a single political entity. Under these circumstances, a third solution such as connecting the West Bank with Jordan in some sort of federal arrangement, or similarly connecting Gaza with Egypt, must also be seriously examined.

The proposals that have been presented in this study, with or without a combination between them, constitute an attempt to find a different

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solution than the two-state idea. This paper could help generate a practical initiative to examine alternative solutions to the conflict.

Israel cannot be the leader of a process that seeks to propose a different solution to the conflict. In the network of international relations, while the content of proposals is indeed important, their “packaging” is even more so. Issues such as the name of the plan, the initiating actor, and the credited actor decisively affect the success of the endeavor. Perhaps surprisingly, the “Arab initiative” itself could be a basis for other solutions to the Israeli-Palestinian conflict. The Arab initiative emphasizes the regional aspect and the role of the Arab states. The proposals detailed in this study emphasize those two aspects as well. The difference between the proposals is indeed great, but with creativity, a common basis can be found.

Whoever is prepared to consider the situation without being beholden to the two-state concept will likely arrive at two conclusions. One is that the Palestinian government will probably lead the Palestinian entity into becoming a “failed state.” The establishment of an additional “failed state” in the region (Lebanon, Yemen, and Somalia) will only aid instability in the Middle East. The second conclusion is that there are alternatives to the two-state idea. Two of them have been presented in detail here; the third, which involves a linkage between Gaza and Egypt and between the West Bank and Jordan, was presented in brief. Possibly there is also a fourth or fifth way whose advantages, in turn, surpass those of the proposals set forth here.

If an outside actor concludes that an alternative path to political progress is possible, then there is a chance for a new international initiative, one that Israel will be able to support but definitely not lead.

In conclusion, one must again return to the issue of ethos as described in Chapter 2. The clash of ethos between the two sides makes finding a solution difficult and also serves the sides in giving them good excuses for avoiding progress. The moment a more attractive solution is presented, overcoming the fundamental conflict is possible. Finding a solution for another side’s narrative is easier once a practical solution has been found. The practical solution must be worth the

## ALTERNATIVES TO THE TWO-STATE SOLUTION

price and the risk. The two-state solution in its conventional form is not.