

Drifting into a One-State Reality: Active Accelerators and Possible Halts

Udi Dekel and Noy Shalev



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INSTITUTE FOR NATIONAL SECURITY STUDIES

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EXECUTIVE SUMMARY

The central trend evident in the past decade within the Israeli–Palestinian conflict is a consistent and accelerated drift toward a one-state reality characterized by either Jewish supremacy or defined as binational, whether in principle or in practice, or a state for all its citizens. As this trend progresses and the complexity and intermingling between the Israeli and Palestinian populations expand, increased friction is expected between the two peoples vying for control over the same piece of land west of the Jordan River. This will pose significant challenges in establishing conditions for a political settlement based on separation into two distinct and separate political entities. Some argue that the two nations can coexist, but this assumption contradicts the historical narrative of the two nations, political logic, and common sense, following decades of a bloody national and religious conflict culminating on October 7, 2023.

The emerging reality endangers the Zionist vision of a Jewish, democratic, secure, and prosperous state. The political echelon in Israel disregards the long-term implications of its decisions and actions, which are generally made based on tactical considerations. Currently, these decisions are also influenced by an ideological-messianic approach.

Over the years, the gap has increasingly widened between Palestinian society's ability to function as a state with a leadership that is responsible for the fate of its residents and the concept of resistance focused on the elimination of the State of Israel rather than on building a Palestinian state. Meanwhile, a de facto situation of dominance by non-state actors such as Hamas and other armed factions has developed. Therefore, the prevailing opinion has strengthened that any future scenario will necessitate addressing hostile elements that will not reconcile with the existence of the State of Israel and do not adhere to the authority of a central leadership on the Palestinian side.

The Hamas attack on the western Negev communities on October 7, 2023, which resulted in the death of over 1,200 Israeli civilians and the abduction of 251 individuals, most of whom were civilians, marked a historic turning point in the Israeli–Palestinian conflict. Following the attack, Israel launched a large-scale military operation in the Gaza Strip, referred to as the Swords of Iron War, which led to the destabilization of existing frameworks within both the Israeli and Palestinian systems. The Hamas attack caused collective trauma within Israeli society. This process accelerated the strengthening of hawkish positions, an increase in support for unilateral actions, the encouragement of Palestinian emigration from the Gaza Strip as well as from Judea and Samaria, and the erosion of public trust in agreed-upon political solutions. The majority of the Israeli public exhibits fatigue regarding the conflict with the Palestinians, does not believe there is an available, stable, and sustainable solution, and especially after October 7, 2023, views the establishment of an independent Palestinian state in Judea and Samaria as an existential threat to the State of Israel, since it is perceived to likely behave as a terrorist entity—similar to the Gaza Strip under Hamas’s control. While the Israeli government adheres to its overarching goal of eradicating Hamas in the Gaza Strip, the public is not exerting pressure on it regarding its policy, effectively allowing it to advance the creeping annexation of areas in Judea and Samaria. This is despite the broad understanding that a one-state reality poses an existential threat to the future, character, and security of the State of Israel.

Subsequently, the model of a single inegalitarian state with Jewish supremacy has transitioned from a slippery slope to a distinct reality, disregarding the implications and consequences for the future of the State of Israel, as well as the unprecedented response anticipated from Arab nations and the international community.

Simultaneously, there has been a slowdown and even a halt in the normalization process between Israel and the moderate Arab states, led by Saudi Arabia. In the broader world, comparisons have openly and boldly

begun to be made between Israel's policies in the Palestinian territories and an apartheid regime, accompanied by calls for conducting international criminal investigations against it and imposing political and economic sanctions on it.

The current reality, with its emerging and apparent implications, necessitates deliberate political action to prevent the creation of a one-state reality. It is challenging to depict how tangible the risk of this reality is or to pinpoint the point of no return that would confirm that this situation can no longer be reversed or evaded. To illustrate the direction and intensity of risk trends, several key vectors leading to this reality were selected.

To evaluate them, an assessment method (using a digital platform) was developed based on "expert knowledge." This compiles insights and evaluations from experts in various fields (including security, economics, society, international relations, and Middle Eastern studies) regarding the impact of events, actions, and decisions relevant to the Palestinian arena on the vectors leading to a one-state reality.

The vectors that were examined were as follows:

- **Escalation or de-escalation in terrorism and violence.** The security dimension is central in Israel due to the cost in human lives, as well as the ongoing cost of living in the presence of terrorism and under an atmosphere of security threats. The security requirements restrict the Israeli government in making decisions due to concerns over exacerbating the security situation, relinquishing freedom of action in all areas of the Palestinian Authority, or reducing full Israeli control over the security barrier in the West Bank and the Gaza Strip. A key lesson for Israel following the attacks of October 7, 2023 is that it is essential that enforcement of security arrangements remain under Israeli control, certainly not in the hands of the Palestinians nor under an international or pan-Arab force. The Israeli security requirements have constituted, and will increasingly constitute, an obstacle to being able to reach agreements with the Palestinian side. There is a significant impact of Israeli security activities on the civilian and economic aspects of Judea

and Samaria settlements, and also, inevitably, on the fabric of life of the Palestinians in the region.

- **A decrease or increase in the effectiveness of the Palestinian Authority's functioning.** The degree of the Palestinian Authority's functioning and its ability to govern the Palestinian population and meet its needs are crucial for achieving political, geographical, and demographic separation from the Palestinians; for reducing the burden of responsibility for the Palestinian population from Israel; and as an answer to the question of whether there is an effective partner for political arrangements and their implementation. In an extreme scenario of the Palestinian Authority's dissolution, Israel would bear full responsibility for the population, consisting of 2.7 million Palestinians in Judea and Samaria and approximately two million Palestinians in the Gaza Strip.
- **Increase or decrease in Israel's international legitimacy:** Israel's international standing in the context of its conduct in the Palestinian arena pertains to the international interpretation, primarily by the United States, of the reality in the Israeli–Palestinian conflict: Is there still broad support for a comprehensive settlement based on the notion of a two-state solution, or is there a noticeable decline in support for the two-state idea due to the assessment that it is no longer feasible given the situation on the ground? Israel's aspiration to expand and deepen the Abraham Accords and normalization with moderate Arab countries, primarily Saudi Arabia, is contingent upon the ability to establish an independent Palestinian entity that is separate from Israel.
- **Moving closer or further away from the reality of a one-state solution:** This vector, which pertains to the direction and intensity of the drift toward a one-state reality, summarizes the other dimensions while simultaneously being influenced by processes and developments, such as how areas of Judea and Samaria are managed and controlled; the scope and distribution of

Israeli settlements and outposts in the territories; the level of intermixing and friction between the populations; the system of values and laws applicable in Judea and Samaria; and the degree of connection between the infrastructures and arteries serving both the settlements and the Palestinian population in Judea and Samaria, and their connection to Israeli territory.

The analysis of the data led to the conclusion that the State of Israel must change direction in order to prevent the drift into a one-state reality, and that it is not too late to do so. This clear conclusion remains valid even after October 7, 2023, and the subsequent developments in the conflict that occurred during the war that erupted on that bitter and fateful day.

The change in direction can be achieved by halting the creeping annexation, manifested in the expansion of settlements, the establishment of outposts and agricultural farms, and the takeover of every vacant hill in Judea and Samaria. **Now is the time to initiate and pursue political, geographical, and demographic separation from the Palestinians in order to ensure a solid Jewish majority in a democratic Israel;** to prevent open access of Palestinians, especially extremist Palestinian elements, to the heartland of the State of Israel; and to pave a new path in the Israeli–Palestinian and Israeli–Arab conflict. All this can be done without compromising security and while managing the process from a position of strength, ensuring that Israel's security status will not deteriorate even if disruptions occur during the process. This change in direction will also support efforts toward normalization with Saudi Arabia, offering an opportunity for a diplomatic breakthrough and helping to reshape both the Israeli–Palestinian conflict and the regional balance of power.

Although the feasibility of implementing a two-state solution seems to be diminishing, it is not yet too late, and it is crucial to immediately advance a separation framework that will help stop the drift toward a one-state reality and open up a range of options for future political arrangements. The framework focuses on separating from the Palestinians living in Judea and Samaria

and from the entire Gaza Strip, which, in the foreseeable future, constitutes a separate district that is unconnected to Judea and Samaria, for which we presented a policy paper “Strategic Alternatives for the Gaza Strip.”¹

The separation framework is based on four foundations:

- Understanding that there is no moderate Palestinian entity other than the Palestinian Authority, despite all its shortcomings, and that efforts should be made to promote transitional arrangements or at least cooperation through dialogue with it. Continuous dialogue with its representatives may expand the scope of agreements on various issues, from minor to major, including benefits for Palestinians in exchange for normalization between Israel and Saudi Arabia and the immediate implementation of the agreements on the ground.
- Initiating steps toward separation, while demonstrating Israeli determination to shape a reality of two distinct and separate state entities. Simultaneously, efforts should be made to implement necessary reforms within the Palestinian Authority, strengthen governance, and improve the economic and infrastructural conditions within its jurisdiction.
- Retaining security control in the hands of the Israel Defense Forces (IDF), continuing the IDF’s operational freedom of action throughout Judea and Samaria, as well as in the Gaza Strip, and maintaining control over the security perimeter, while cooperating with the Palestinian Authority’s security apparatuses.
- Recruiting Saudi Arabia, the Gulf States, Egypt, and Jordan for increased involvement aimed at improving the Palestinian Authority’s functioning and supporting it so that it can assume responsibility for the civil administration of the Gaza Strip. As the Palestinian Authority improves its capabilities and

¹ Ofer Gutterman, “Strategic Alternatives for the Gaza Strip,” The Institute for National Security Studies, April 10, 2025, <https://www.inss.org.il/publication/gaza-strategic-alternatives/>

demonstrates a willingness to play a positive role in the process and in the relationship between Israel and the Palestinians, Arab states will be able to assist it in building the infrastructure for an independent and functional Palestinian entity.

- Moreover, Israel can still reorganize the territories of Judea and Samaria and change its approach toward Area C—from unilateral annexation to designating it as a space for potential agreements with the Palestinian Authority. It is proposed to allocate up to 35% of Area C for infrastructure development and economic projects to encourage the Palestinian economy, create transportation continuity, and transfer populated Palestinian areas that have expanded beyond the boundaries of Areas A and B into Area C for Palestinian control (more than 300,000 Palestinians live in Area C, and it is preferable for Israel that the Palestinian Authority controls more than 99% of the Palestinians living in the West Bank).

PREFACE

DRIFTING INTO A ONE-STATE REALITY— THE STRATEGIC PROBLEM

The central trend evident over the past decade in the Israeli–Palestinian conflict is a consistent and increasingly accelerating drift toward a one-state reality—characterized either by Jewish supremacy or defined as binational—if not *de jure* then *de facto*, or a state for all its citizens. As this trend progresses and the complexity and intermingling between the Israeli and Palestinian populations expand, it is expected to become increasingly challenging to outline conditions for a political settlement based on political, geographical, and demographic separation between them, as well as escalating friction between the two nations vying for control over the same territory west of the Jordan River. Some argue that the two nations can coexist, but this assumption contradicts the two nations’ historical narrative, political logic, and common sense. This contrast was illustrated in the barbaric attack carried out by Hamas on October 7, 2023 against the western Negev communities—a further step in the bloody national and religious conflict.

Several key processes can be identified as occurring in both the Palestinian arena and Israel at present: decreased trust among both national communities in a settlement based on the two-state solution concept; an assessment in Israel that an independent Palestinian state in Judea and Samaria would certainly become a terrorist entity similar to the Gaza Strip under Hamas’s rule; Israel’s gradual annexation of Area C (constituting 60% of the territories of Judea and Samaria following the interim agreements²) and the expansion of

2 An interim agreement regarding the West Bank and the Gaza Strip, known as the Oslo B Accord, was a central agreement in the Israeli–Palestinian peace process signed on September 28, 1995. The agreement addressed the establishment of a temporary Palestinian self-government and led to the division of Judea and Samaria into Areas A, B, and C, granting the Palestinian Authority powers in Areas A and B.

settlements in this area. All these factors and more lead to the emergence of a one-state reality, which undermines the Zionist vision of a Jewish, democratic, secure, and prosperous state.

This observation is supported by assessments that the two-state paradigm has become obsolete. In his book, *Paradigm Lost: From Two-State Solution to One-State Reality*,³ Ian Lustick argues that the support for the two-state paradigm has become dogmatic; it is no longer connected to the reality that has developed on the ground over the years and therefore is not feasible. The demographic changes in Israel, the narrowing demographic gap between the number of Israeli citizens and Palestinians, the proliferation of settlements in Judea and Samaria, and the declining role of the United States in the Middle East are all irreversible changes that reduce the feasibility of implementing the two-state solution.

Fifty-eight years of Israeli control in the West Bank have led to changes in Palestinian society, including the prevailing perception regarding the state of affairs between it and the State of Israel. In his book, *Different Territories—The Palestinians: An Inside Look*, Ohad Hemo warns that Palestinian nationalism remains a central force, but at the same time, there is a noticeable longing for the situation that existed just prior to the First Intifada.⁴ In 1987, from the Palestinian perspective, it was a seemingly idyllic reality in which the Green Line effectively did not exist—Palestinians could move freely between different parts of Israel and to the sea, there was job security, and many earned a respectable living. However, in recent years, due to prolonged political stagnation, Palestinian society has largely shifted from being mobilized for struggle to becoming fatigued and apathetic, while being internally introspective regarding its future: the path of negotiations has failed to advance

3 Ian S. Lustick, *Paradigm Lost: From Two-State Solution to One-State Reality* [Translation: K. Vagshal]. Resling, 2022.

4 Ohad Hemo, *Different Territories—The Palestinians: An Inside Look* [in Hebrew]. Keter Books, 2020.

political independence, and the path of violent conflict has also failed to promote national aspirations for sovereignty. Therefore, the remaining path is the pursuit of attaining full civil rights, meaning the Palestinians do not aspire to erase the Green Line *per se* but rather to integrate into Israel, provided that full equality of civil rights is ensured. This poses a danger, among other reasons, because this aspiration will most likely not materialize due to the anticipated and resolute opposition of Jewish Israeli citizens. Furthermore, no security can be expected if there is formal or informal annexation of the entire Judea and Samaria to the State of Israel.

Regarding Israel—Over the past year (and further to slower processes observed in previous years), processes and developments accelerating the shift toward a one-state reality have been occurring, disregarding its tangible challenges and implications: The political deadlock persists, with neither the Israeli nor Palestinian sides possessing the political capacity to break it and advance options for a political settlement.

Following the October 7 attack, as emotions and anger rise, the demand to annex Judea and Samaria and the Gaza Strip to Israel increases. However, based on logical rather than emotional reasoning, the correct approach is to separate from the Palestinians rather than bring them into our midst. Several claims have gained traction among the Israeli public after October 7, such as:

- There is no chance of advancing an agreement with the Palestinians, and we are destined to manage the conflict indefinitely. This claim overlooks the fact that managing the conflict without striving for its resolution is among the factors that led to October 7.
- The Oslo Accords are the reason for terrorism. This claim is also incorrect; terrorism existed before Oslo and will persist beyond October 7 and the ensuing war.
- The Palestinian Authority supports terrorism and is fundamentally no different from Hamas; therefore, it is time to dismantle it. This claim overlooks the

fact that the Palestinian Authority is striving for a political settlement with Israel, has been relatively successful in stabilizing its territories during the Swords of Iron War, and also absolves us of civilian responsibility for 2.7 million Palestinians living in the West Bank. The prevailing perception in Israel over the past decade has been that the division between the Palestinian Authority and Hamas's rule in the Gaza Strip serves as evidence that there is no partner for a political settlement. To strengthen this claim, Israel has effectively weakened the pragmatic elements within the Palestinian camp while paradoxically strengthening Hamas.

The current Israeli government, both before and since October 7, has been working to expand settlements, double the number of Israelis living in Judea and Samaria, push Palestinians out of Area C, and accelerate the collapse of the weakened Palestinian Authority, eroding its role as an entity meant to be Israel's partner in negotiations leading to the establishment of an independent Palestinian state. In Judea and Samaria, a complex and intertwined life between Jews and Palestinians has emerged, inevitably characterized by an increasing degree of friction, making it challenging, if not impossible, to outline a framework for resolution and separation. In other words, **the Israeli government is leading a revolution in how it controls the Judea and Samaria territories, aiming to solidify Israel's control over these areas and thwart any possibility of a political-territorial settlement with a Palestinian entity, centered on a separation from the State of Israel.**

Against this complex backdrop and in response to the challenge, **the Institute for National Security Studies (INSS) identified the risk of drifting into a one-state reality as a strategic warning**, and a team was established to examine the factors influencing this drift and to assess whether it can be halted. Initially, it became necessary to conceptually clarify the implications of a one-state reality. Subsequently, a series of factors and domains influencing the drift toward a one-state reality were analyzed. Meanwhile, questions arose

such as: Is there a point of no return that can be identified, and is there a way to halt the drift into this reality?

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Udi Dekel and Noy Shalev, December 2025

CHAPTER ONE

WHAT WOULD A ONE-STATE REALITY LOOK LIKE? THE CONCEPTUAL FRAMEWORK

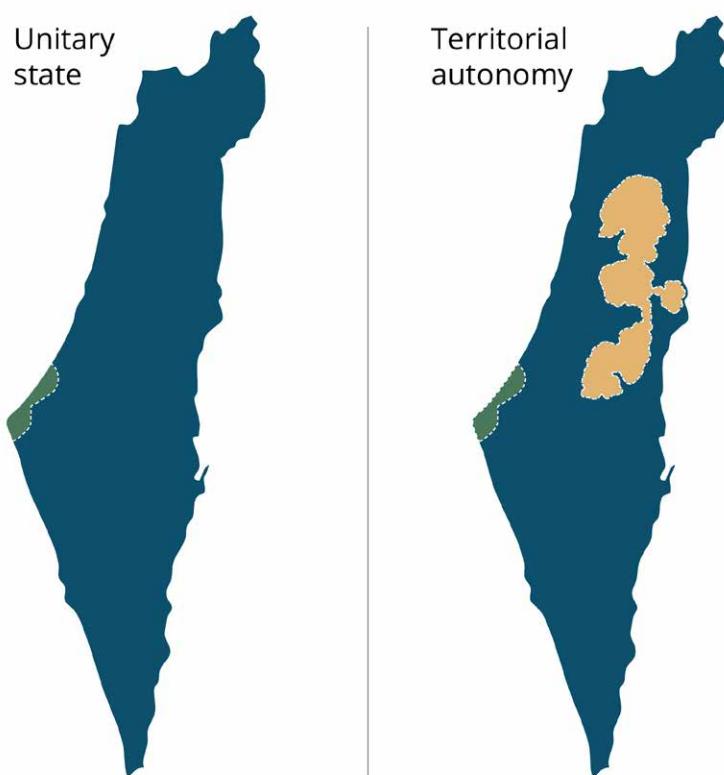
Theoretically, a one-state scenario could emerge as an agreed-upon solution to the Israeli–Palestinian conflict, either through one side’s unilateral pursuit of this reality or due to the development of a single state in the territory, with both parties acquiescing to processes and actions that entrench this reality on the ground. It is possible to distinguish between two main patterns of a single state (see Figure 1):

- **A unitary state encompassing the entire territory**—namely, full annexation of all Judea and Samaria (following October 7, an approach advocating for the annexation of the Gaza Strip also emerged, which is not discussed in this paper) and the application of Israeli law to the territory and its residents. In this situation, two sub-alternatives may be possible:
 - **A state for all its citizens**—where full and equal rights will be granted to Palestinians.
 - **A state with Jewish superiority**—where full rights are granted to the Jewish-Israeli public, without full rights for Palestinians (similar to the situation in East Jerusalem: residency status for Palestinians, not citizenship).
- **Palestinian autonomy as an enclave within the State of Israel**—Most of the West Bank territories are annexed to the State of Israel—namely, annexation of extensive areas of Area C while leaving Areas A and B, possibly with the addition of adjacent territories essential for the existence of Palestinian civil and cultural autonomy, but without full sovereignty.

Over time, ideas combining the two definitions have been proposed. An example of this can be found in the “Decisive Plan” led by Minister Bezalel

Smotrich, according to which the State of Israel should annex all areas of Judea and Samaria. The Palestinians, who in this scenario would receive residency status rather than Israeli citizenship, would live their lives within autonomous cantons (regional municipal administrations). According to this plan, Israel's democratic nature would be damaged.⁵ It is evident that the Israeli public does not support such solutions (this will be elaborated upon later in the paper, in the section discussing public opinion).

FIGURE 1.



⁵ Bezalel Smotrich, "The Decisive Plan: The Key to Peace Lies with the Right," [in Hebrew] *HaShiloach*, 6, (2017): 81–102.

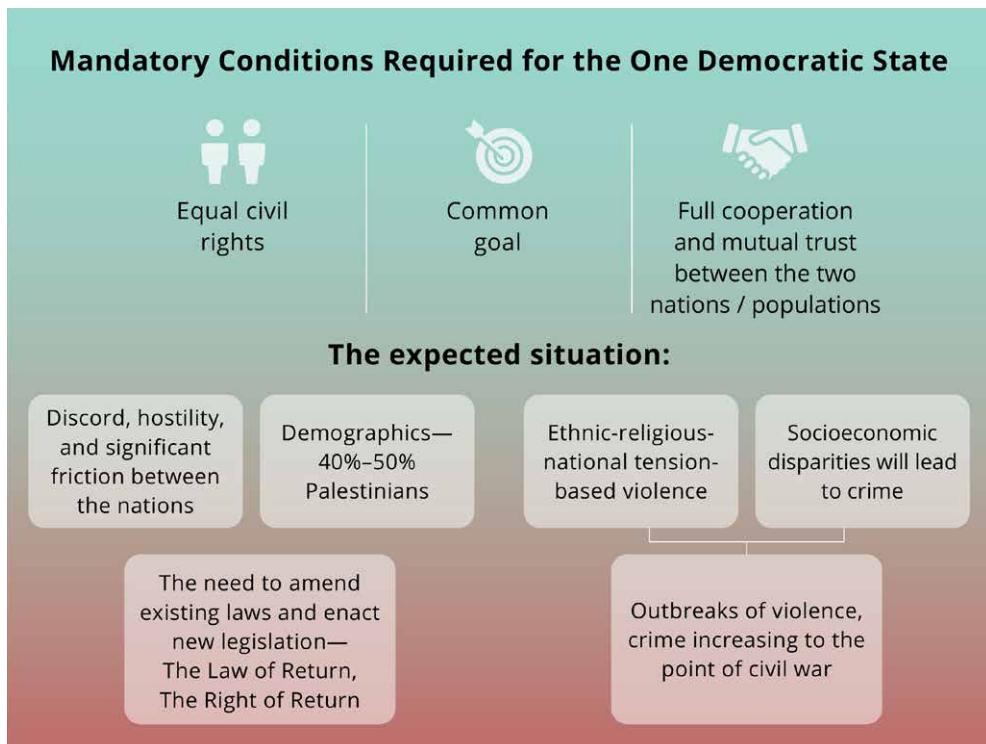
Analysis of the complex implications of a one-state solution was summarized in Pnina Sharvit Baruch's study, *Resolving the Israeli–Palestinian Conflict: The Viability of One-State Models*,⁶ published by the Institute for National Security Studies. An important component in all the various (theoretical) configurations of a single state is that a broad consensus about it is required among the people and leadership in Israel, as its implementation would necessitate a significant regime change. The implementation of any political plan (both agreed and unilateral) that will significantly impact the character of the State of Israel will constitute a political earthquake and must pass the test of public opinion, either through elections or a referendum, and it will likely ignite an intense public debate. It is difficult to believe that a significant change in status, such as full annexation, the application of Israeli law to disputed territories in Judea and Samaria, or granting even partial rights to a population of approximately three million Palestinians would not spark a lively public protest focused on the democratic nature of the state.

This study and the construction of scenarios for analysis and understanding of their implications further revealed that none of the one-state models would meet the three essential conditions for the existence of a democratic and functioning state: full civil equality for all its residents; a common goal for the two national groups that make up the one state; and full cooperation and trust between the two nations.

In a one-state scenario, the remnants of the past cannot be erased, gaps between populations will widen, and the challenges and negative trends that are already leading to increased friction between the two societies or nations will intensify, potentially culminating in civil war (see Figure 2). In focus groups that were conducted, participants defined the one-state situation as a “return to 1948,” when the state was declared and the War of Independence occurred.

⁶ Pnina Sharvit Baruch, *Resolving the Israeli–Palestinian Conflict: The Viability of One-State Models*, Memorandum 217 (INSS, 2021).

FIGURE 2.



What Can Be Learned From Historical Precedents⁷

There are historical examples of the negative outcomes of unnatural unions, where multiple nations coexist within one state without a shared purpose. These are characterized by inequality and an inability to achieve full cooperation and mutual trust between the nations and populations.

There are various examples of countries where populations with different ethnic, national, or religious identities were forced to live within a shared political framework—ranging from successful multicultural societies to those that experienced bloody civil wars. Yugoslavia is a prominent example:

⁷ This section was compiled by Reem Cohen.

After the forced unification of different peoples (Serbs, Croats, Bosnians, and others) within a single federal state with equal rights for all its citizens, Yugoslavia managed to exist for decades under the oppressive regime of Josip Broz Tito. However, after Tito's death and the destabilization of the country's central government, old ethnic and religious tensions erupted and surfaced. The combination of cultural-religious disparities, the memory of World War II crimes, and the rise of nationalist factions all led to the decline of federal cohesion and the violent dissolution of Yugoslavia in the 1990s. The result was a series of brutal civil wars within and between the republics that comprised Yugoslavia, in which approximately 130,000 people were killed.

Rwanda is an extreme example of the consequences of ethnic separation within a state. During the colonial period, the Belgian administration favored the Tutsi minority over the Hutu majority, sowing deep seeds of resentment. Following Rwanda's independence, the Hutu majority ruled the Tutsi minority with an iron fist. In 1994, tensions reached their peak, and extremists among the Hutu carried out a systematic genocide against the Tutsi, following a generation of demonization that portrayed the Tutsi as a dangerous and subhuman race. Around 800,000 people were massacred within approximately 100 days. The Rwandan case highlights how demonizing a large group within a country and excluding members of that group from the government can escalate into uncontrolled violence. Only after the horrific outbreak did Rwanda stabilize under a new regime led by Paul Kagame, who implemented a policy prohibiting the mention of ethnic affiliation in the hopes of preventing a recurrence of the events, albeit at the cost of limiting political freedoms.

Lebanon is an example of a delicate and fragile model of partnership between various religious communities within a single state. Upon its independence, Lebanon established a sectarian power-sharing system based on the 1932 census: Senior government positions and the parliament were distributed according to a sectarian key (Maronite Christian President, Sunni Muslim Prime Minister, Shia Muslim Speaker of Parliament). This model ensured

representation for every community, yet at the same time entrenched sectarian division and hindered the development of a unified national identity. When the delicate sectarian partnership collapsed, tensions between the sectarian militias escalated into a civil war (1975-1990). Although the Taif Agreement (1989) ended the war, the sectarian system continues to cause governmental paralysis and incessant political struggles, leading to the rise of a Shiite organization—Hezbollah—as a tentacle of Iran, which has achieved a monopoly on power in the dysfunctional state.

Additional examples corroborate the pattern observed in the aforementioned cases. South Africa during the apartheid era was a country where the white minority ruled exclusively and unchallenged, while the black majority was relegated to separate territorial frameworks and deprived of civil and political rights. This regime was maintained through apartheid laws and violent suppression but encountered increasing popular resistance and international isolation. Finally, a combination of persistent internal struggle and external sanctions and pressure led to the collapse of the apartheid regime, and in 1994, the first multiracial democratic elections were held, with Nelson Mandela, the leader of the Black community, winning. South Africa demonstrates that a model of “residents without rights” under the rule of a single group may endure for several decades—but at a heavy cost of violence and social disintegration, accompanied by a high likelihood of collapse or forced regime change.

Nigeria and Sudan offer similar lessons: In ethnically and religiously divided Nigeria, the Biafra War occurred in the 1960s when an ethnic group (the Igbo tribe) attempted to secede from Nigeria and establish an independent state; although Nigeria remained united, it came at the cost of approximately one million lives. In Sudan, a bloody conflict persisted for decades between the Arab-Muslim north and the Black-Christian south, until 2011, when the south seceded and became the state of South Sudan. These cases illustrate that when a large group feels excluded from government institutions, it may aspire to secede or rebel, even militarily. Concurrently, separation based

on political-ideological or religious grounds has, in certain cases, created or exacerbated tensions between the states that were newly formed by territorial partition. Prominent examples include India–Pakistan; South Korea–North Korea; and China–Taiwan.

In contrast, there are few examples of relatively successful multi-group partnerships, such as Switzerland—with its diverse ethnic groups and languages united within a stable democratic federal framework; or Belgium—with the ethnic-linguistic division between Flemings and Walloons within a tension-filled but functioning federation; tensions between religious communities subsided in Northern Ireland, which is part of the United Kingdom, after its civil war between Catholics seeking union with the Irish Republic and Protestants opposing the union ended with a peace agreement in 1998. The Basque region is integrated into Spain, although it is autonomous. These cases represent (relative) political stability within a one-state framework where distinct and diverse communities live **based on full equality of rights for all citizens**, establishment of integrated institutions, and a flexible federal identity. It is noteworthy that Switzerland and Belgium, for instance, are fundamentally different from the Israeli–Palestinian case, as they were formed through a mutual desire to unite, rather than a situation where one group imposes control over another.

Potential Impacts on Israel's Political Structure

Establishing a one-state regime where Palestinians live under Israeli rule without voting rights will fundamentally alter Israel's character and identity. First, Israel will face the well-known dilemma of being a “Jewish and democratic state.” If a one-state entity exists west of the Jordan River, it will have to choose—either it will not be Jewish (if it grants rights to all) or it will not be democratic (if it leaves millions of Palestinians without voting rights). In light of the growing trend of Jewish superiority in Israel's political and social spheres, it is likely that Palestinians will not enjoy full equality of rights; they will be recognized

as residents but not as citizens and without the right to vote for the Knesset. This effectively signifies a renunciation of the principle of democratic equality. This situation meets the definition of “apartheid” according to international law—governance by one group while systematically oppressing another group. As a result, the constitutional framework upon which Israel is currently founded will be severely undermined: A state that does not grant voting rights and provides almost no representation to approximately 40% of its population (if the West Bank is annexed) cannot be considered democratic. This may necessitate a regime change—a transition to a more authoritarian model—in order to maintain control over the marginalized population.

In the internal Israeli arena, such a model is expected to disrupt the existing political power relations. On one hand, nationalist right-wing elements supporting annexation without granting rights (who currently constitute a significant portion of the government) will tighten their grip on the political system and public arena, at least initially, as the concept of “Greater Israel” will outweigh democratic considerations. This group may later also revoke the voting rights of Israeli Arabs, who constitute more than 20% of Israel’s citizens. On the other hand, significant segments of the Israeli public who uphold a democratic-liberal approach may strongly oppose transforming Israel into a declared “apartheid state,” fearing irreversible damage to the state’s legitimacy and values. This could lead to a deep internal rift, manifesting, among other things, in widespread public protests. The stability of the Israeli democratic regime will be undermined if segments of the population are required to implement constant repressive measures against a large, disenfranchised population and possibly also against the groups of protesters among the country’s citizens.

The international community’s responses will be severe. Israel, which has always defined itself as the only democracy in the Middle East, may lose its legitimacy in the eyes of Western democratic nations if it openly adopts a governing regime that excludes millions of its residents. Its close allies, European

countries and the United States, will face internal and external pressure to isolate Israel internationally. Even now, international bodies claim that the situation in the Palestinian territories is equivalent to apartheid; if Israel officially declares sovereignty over the disputed territories without granting their residents citizenship, these claims will be officially valid. European countries, for instance, might freeze collaborations, and calls for a boycott will gain significant traction. There is a high likelihood that imposing an apartheid regime on the Palestinians would lead to freezing or even canceling peace relations between Israel and Arab states, due to pressure from Arab public opinion, which will not accept annexation without granting full civil rights to the Palestinians. Jordan has already clarified that the annexation of the West Bank constitutes a red line for it. The Kingdom views the stability of the West Bank and the preservation of Palestinian rights as key components of its national security, warning that annexation would nullify the peace agreement with Israel and even create demographic pressures on it (concern over waves of refugees from the West Bank into its territory).

Moreover, the internal balance of power within a single state will change in such a way that Israel will be compelled to govern millions of hostile subjects. The political implication is the encouragement of extremist forces on both sides: Among the Palestinians, the weakening of moderate elements and the strengthening of militant groups such as Hamas and Islamic Jihad, who will perceive violent struggle as the only path to change and liberation. Israel will be required to allocate immense resources—in manpower and funding—to controlling the Palestinian population and suppressing uprisings, which could undermine its ability to focus on the functioning of its institutions and the welfare of its own citizens. The one-state model without Palestinian citizenship could therefore evolve into a regime of military oppression directed toward half of the territory’s population. This is a historical change in the state’s political nature and character.

The Social Fabric, Economy, and Coexistence

From a socio-cultural perspective, the anticipated coexistence will be under immense pressure. Palestinians lacking citizenship will likely reside predominantly in enclaves and separate cities (similar to the current situation in the Palestinian Authority), with limited interaction with the Jewish population—perhaps primarily through manual labor or services. The phenomenon will resemble what occurred in historical apartheid regimes, where the oppressed majority group served as a cheap labor force but lived separately. The result could be extreme economic and social disparities: Even today, there are significant gaps between the standards of living, income, and infrastructure in Palestinian communities in Judea and Samaria compared to those in Israeli communities. In the absence of equitable investment and political representation, these disparities will only widen. Some Palestinians may be employed in the Israeli economy (as is the case today), which could provide a source of inexpensive labor for certain Israeli employers. However, the social cost of this structure will be the creation of a broad class of laborers without rights, which is usually accompanied by exploitation, resentment, and a sense of humiliation—fertile ground for internal social instability.

Remember that Israel, as a developed country, provides its citizens with extensive services (healthcare, social security, education, and so forth). If the Palestinians are not citizens, they will not automatically be entitled to these services, creating a genuine system of social apartheid: Population strata physically living in the same land but with different degrees of social rights. This will also challenge the internal morality of Israeli society, as some Israelis will revolt against the scenes of poverty and oppression. Others may adopt racist ideologies to justify the situation. Either way, trust and social cohesion—fundamental conditions for the existence of a state—will be lacking.

In the economic dimension, such a state would have severe economic repercussions. On one hand, Israel will control all areas of Judea and Samaria—thereby controlling valuable resources (land, water sources, tourist sites,

and the Palestinian labor force). However, on the other hand, it will bear responsibility (whether by choice or under international pressure) to provide the Palestinian population with basic needs. If Israel annexes these territories, it will have to decide whether to invest in infrastructure, education, health, and welfare for the Palestinians, or to neglect them. Extreme neglect may “save” budget in the short term but will lead to severe public health issues, crime, and extreme poverty that could spill over into Israeli society, not to mention human and moral considerations. Conversely, sufficient investment in the Palestinian population (without granting rights) will necessitate allocating vast sums from the state budget. The GDP per capita is expected to decrease by a third compared to the current situation in Israel. Additionally, severe indirect economic damages are anticipated: a decrease in Foreign Direct Investment (FDI), as well as damage from potential sanctions and boycotts. Even partial annexation (such as Area C only) was assessed to incur an additional budgetary cost of more than two billion dollars annually, and in a scenario of widespread violent conflict, the damage to the economy would increase immeasurably. An economy in a constant state of conflict and internal strife will struggle to thrive: Foreign investors will be deterred, tourism will suffer, and there may also be a brain drain—educated young individuals (both Jewish and Palestinian) who will prefer to emigrate to more stable and equitable countries. Thus, the model of a non-egalitarian single state might transform from what initially would be perceived as the realization of the Israeli political right-wing faction’s vision (advocating for the implementation of the Greater Israel concept) into a significant economic and social burden on the general public.

Security Implications

A scenario in which millions of Palestinians live under Israeli rule without political and civil rights poses a very high potential for security instability, both internal and regional. Firstly, one can anticipate an outbreak of violence and

uprising in the Palestinian territories. Under prolonged military occupation, but with some political prospects, two intifada events occurred (which began in 1987 and 2000) along with recurring outbreaks of terrorism and violence. If it becomes definitively clear that there is no prospect of establishing an independent Palestinian state or granting equal civil rights to Palestinians within a one-state framework, many Palestinians will likely turn to violent struggle, which they may perceive as the only way to change their situation. Armed organizations such as Hamas, Islamic Jihad, and groups of armed youth (as they organized, among other places, in Jenin, Tulkarm, and Nablus) will intensify their activities. A simulation to examine this scenario, conducted at the Institute for National Security Studies, showed that the unilateral annexation of Judea and Samaria would constitute a turning point, from which widespread and intense armed violence would erupt.

In this situation, Israel would be compelled to significantly increase the presence of security forces in the area in order to thwart terrorism and restore law and order. A full military government might be imposed on all Palestinian cities and villages. The implication would be daily confrontation between the IDF, the Israel Security Agency (ISA), and the Israel Police with a hostile and frustrated population. This confrontation will involve extensive arrests, increased checkpoints, and probably numerous casualties as well. A prolonged confrontation could escalate to the dimensions of an internal war: An extreme scenario is a general Palestinian uprising—a widespread third Intifada with a large number of casualties on both sides, severely impacting both the Palestinian and Israeli civilian populations (as a result of terrorist attacks, a breakdown of order, and the necessity of maintaining large reserve forces over an extended period of time). Without effective international intervention, the conflict may persist until the parties become weary and are forced to consider a resolution. However, the cost will be exceedingly high, potentially leading to a split into two states, as occurred in the Balkans during the 1990s, where violence, which claimed tens of thousands of victims, ceased only after the

international community intervened with force (including NATO bombings) and imposed a settlement.

Israeli internal security would also be at risk in this situation. The existence of a large and oppressed population within the state's territory may lead, among other things, to waves of terrorism along the Green Line borders. Some Palestinians (particularly frustrated youths) might resort to carrying out terrorist attacks in Israeli cities, like in the past. The unrest may also spread to the Arab population inside Israel. Arab citizens of Israel, who have voting rights but many of whom identify nationally with the Palestinians, may participate in the struggle that could develop among the residents of these areas. Already in May 2021, during Operation Guardian of the Walls in Gaza, severe clashes occurred in Israel's mixed cities. In a one-state reality, if it is based on discrimination, such incidents may become more frequent and violent, potentially escalating to the level of civil confrontation in cities. This scenario will pose a tremendous challenge to the police and the law enforcement system and may even lead to the organization of nationalist militias (Jewish and Arab) against each other—a dangerous situation of the disintegration of civil order.

A one-state reality without granting equal rights to Palestinians will be perceived globally as colonial conduct, and it could spark anger among Arab nations. Extreme elements, such as Iran-affiliated organizations, may increase activities against Israel in solidarity with the Palestinians. In an extreme scenario, should the internal conflict between Israelis and Palestinians escalate to a massacre of civilians or mass population transfer, it is not inconceivable that Arab or Muslim countries—and possibly even Western nations—might consider direct or indirect intervention.

Legal and Policy Implications of Unilateral Annexation

A unilateral move to annex and apply Israeli sovereignty over territories in Judea and Samaria entails far-reaching consequences in the normative, legal, and political spheres- both domestically and internationally.

The Legal Status of the Territory

Israel holds the territories of Judea and Samaria under the laws of belligerent occupation and is regarded under international law as an occupying power. Accordingly, occupation is defined as a temporary situation, in which the occupying power is prohibited from applying sovereignty over the territory or annexing it, in whole or in part. It is also prohibited from exploiting the occupied territory for its own national purposes or from altering the characteristics of the local population to its detriment.

Domestic Implications

If Israel applies its sovereignty to the annexed territory and subjects it to Israeli law, it would be obliged to extend equal civil rights as well. Granting Palestinians a status of “permanent residency” without granting citizenship in practice would create a situation in which a large population lives under Israeli sovereignty while being deprived of basic civil rights, including the right to vote, political representation, and equality before the law. This situation would institutionalize a persistent structural gap between Jews and Palestinians on an ethno-national basis.

An attempt to delineate the boundaries of annexation while leaving Palestinian population centers outside Israel’s sovereign territory in isolated “enclaves” would likewise create a reality of deep legal and physical segregation. Residents of these enclaves would suffer violations of their basic rights, including freedom of movement, equality, and property rights, while their dependence on Israeli governance would increase- without any genuine ability to exercise civil rights.

In both scenarios- whether annexation without enfranchisement or the creation of disconnected enclaves- serious harm would be inflicted on the core values of Israeli democracy, and a substantial basis would arise for defining Israel as an apartheid state under international law. Such a move is also expected to trigger internal legal and constitutional disputes that would further deepen the social and political rift within Israel.

International Implications

Annexation would be regarded as a blatant violation of international law, including the prohibition on the annexation of occupied territory and the infringement of the Palestinian people's right to self-determination- a right affirmed in multiple resolutions of the UN General Assembly and the Security Council.

Annexation accompanied by the denial of citizenship or the creation of enclaves would also constitute a violation of international human rights law and would strengthen the legal basis for allegations of apartheid. Any attempt to expel Palestinian residents from the annexed territory would constitute an additional grave violation, potentially amounting to a war crime or a crime against humanity under the Rome Statute.

Such a move would also violate the Oslo Accords and the Interim Agreements, which underpin security and political cooperation with the Palestinian Authority and from which Israel has not formally withdrawn.

Moreover, it would contradict the advisory opinion of the International Court of Justice (ICJ) issued in July 2024, which determined that Israel's prolonged presence in the occupied Palestinian territories is unlawful and that Israel must bring the occupation to an end without delay. This advisory opinion was anchored in a UN General Assembly resolution adopted in September 2024, which stipulates that Israel must withdraw its forces from the territories within one year. Although this advisory opinion and resolution are not formally binding, and it is likely that any attempt to enforce them

in the Security Council would encounter a U.S. veto, their moral and legal weight in the international arena is highly significant.

In any event, a unilateral move of annexation and the application of sovereignty would be considered unlawful and devoid of legal validity. Such a move would not alter the status of the territories, which would continue to be regarded as occupied, nor would it absolve Israel of its status as an occupying power or of its obligation to ensure the human rights of the Palestinian residents.

Furthermore, this move would serve Israel's opponents and further reinforce the Palestinian narrative portraying Israel as a colonial, law-breaking state committing grave international crimes. It would likely entrench Israel's designation as an apartheid state- a determination the ICJ refrained from making in its advisory opinion. It can be expected that such a move would motivate various actors within the international community to pursue additional legal measures against Israel in international courts in The Hague. These measures could include, for example, charges of the crime against humanity of apartheid before the International Criminal Court (ICC), within the framework of the ongoing investigation concerning Palestine, under which arrest warrants were issued against the Prime Minister and the former Minister of Defense in November 2024.

The move would not receive broad recognition from the international community and is expected to intensify criticism of Israel. With the exception of a small number of states, most countries and other international actors would continue to regard the territory as occupied, in which Palestinians are entitled to various protections and are entitled to exercise their rights- including the right to self-determination.

Beyond anticipated condemnations by the international community, a unilateral annexation move could lead to the imposition of sanctions and the escalation of diplomatic measures that would further isolate Israel internationally. The move is expected to further undermine Israel's standing as a

legitimate partner within the alliance of liberal democracies- a central strategic framework that provides it with political, security, and economic anchoring.

At the regional level, the move is expected to increase mistrust and deepen alienation toward Israel in the Arab world. There is a tangible risk of a gradual deterioration in Israel's relations with moderate Arab states, foremost among them Jordan and Egypt. This reality would enable regional actors such as Turkey and Qatar to expand their influence in the region, further undermining strategic stability and increasing threats to Israel's security.

Possible Scenarios

Looking ahead, several scenarios could develop in a deeply inegalitarian country, ranging between two opposing extremes: the collapse of the system on one hand, or a gradual shift toward equitable partnership on the other.

Scenario A: Continuous deterioration and collapse of the system. This is a pessimistic scenario, in which the single state fails to contain the tensions, leading to escalating violence and the paralysis of governmental institutions. In this situation, the Palestinian uprising may expand to permanent civil disobedience: General strikes, massive demonstrations, refusal to comply with state institutions, alongside terrorism and guerrilla actions. Israel will attempt to suppress these occurrences with force, employing harsh measures—mass arrests, police violence—which will intensify anger and resistance. A continuous cycle of bloodshed may emerge as Israel's iron fist fuels increasing determined resistance. A potential outcome of such a development would be the functional collapse of the regime: The economy would collapse, Israeli society would be fragmented due to the burden and moral cost, and some security mechanisms might struggle to continue supporting the ongoing oppression.

In an extreme scenario, the central government might lose control over certain areas—for instance, specific Palestinian territories could become uncontrolled enclaves or even a “no man's land,” or a process of structural

disintegration might commence. If the violence reaches a level of ethnic cleansing or attempts at mass expulsion, severe international intervention is expected. The conclusion of such a collapse scenario may result in the emergence of two paths: The Israeli–Palestinian system collapses into chaos (a highly problematic possibility for all parties), or an externally imposed solution is enforced—for instance, an international ultimatum for the establishment of general elections or a separation into two distinct entities. In either case, Israel, as we know it, will cease to exist; it will be compelled to change or cease functioning as a single unified state.

Scenario B: Stable oppression. In this scenario, the Israeli leadership will succeed—contrary to the expectations and concerns of many—in establishing order through force over time and preventing a major violent outbreak that would threaten the regime. This may occur through an especially sophisticated security mechanism: the use of mass surveillance measures, artificial intelligence technologies for early threat detection, and severe deterrence (e.g., collective punishment that instills fear among the Palestinian population). There may also be an attempt to maintain a cold peace through certain economic improvements for the Palestinians, such as freedom of movement and employment in Israel, or investment in infrastructure projects for them. Such a move could create a relatively temporary cold peace, similar to what occurred during the years when the Israeli occupation of the territories (1967–1987) was characterized by a relatively low level of violence, partly due to a certain improvement in the Palestinian standard of living, until the First Intifada erupted.

However, **even in this scenario, long-term stability would be questionable.** Stable oppression requires a highly authoritarian regime resembling oppressive regimes worldwide, and Israel would cease to be the enlightened democracy it once prided itself on being. The young Palestinian generation growing up in such circumstances may remain quiet for a while, but sooner or later it will likely erupt, similar to the first Intifada generation, which grew up under a

relatively “calm” occupation, until it erupted in rage. International pressure may also destabilize an oppressive regime that appears stable, similar to what occurred in South Africa, where the regime endured for decades but ultimately succumbed to domestic pressure and external sanctions. Therefore, this scenario will allow the status quo to be maintained for several years, but it will not bridge the growing gaps between the populations or nations; it will merely postpone the inevitable confrontation.

Scenario C: Gradual shift toward a single egalitarian state. Paradoxically, the ultimate outcome of a one-state model without equality for its citizens could, in the long term, result in the formation of a single state with equal rights for all, contrary to the original intent of those advocating annexation. History shows that for different nations living side by side and intermingling for many years, the oppressed and discriminated people’s struggle for recognition and rights may gradually bear fruit. In this scenario, the constant pressure—stemming from both the violent situation and international pressure—will convince significant segments of the public and the political elite in Israel that the cost of the discriminatory regime is too high and that reorganization is necessary. A new, pragmatic Israeli leadership may emerge, recognizing that perpetuating the situation is disastrous, and propose a deal to the Palestinians: gradual rights in exchange for a commitment to end the violence. From the Palestinian side, a young leadership might emerge and demand full equal rights, but without self-determination. The change may occur gradually. For example, initially granting permanent residency to all Palestinians (similar to the status of East Jerusalem residents today; however, the residency law allows for a citizenship application, certainly for future generations). Subsequently, there may be a provision for limited voting rights for certain institutions (e.g., in a separate parliament for Palestinian affairs). Finally, there may be unavoidable pressure to grant full and equal citizenship. This is essentially the vision of a “state for all its citizens” currently promoted primarily by Arab intellectuals, but it receives only limited support in Israel.

In any case, Israel will cease to be “the state of the Jewish people” and will become a binational state. For many, this is a difficult scenario to accept, but it may prove to be a necessity if the alternative is an endless conflict.

Scenario D: International intervention and an imposed solution– a return to the notion of partition: As the situation in the country deteriorates, descends into severe violence, and threatens regional stability, the international community is expected to actively intervene to impose a solution. Such a scenario might lead precisely **to a return to the notion of a two-state solution**—that is, immense external pressure would compel Israel to relinquish control over the territories and grant independence to the Palestinians. The pressure on Israel may manifest in painful sanctions and international isolation, potentially leading to a change in government in Israel, or through intervention by international forces on the ground, who will facilitate a separation. Although the two-state solution currently appears unsuccessful and unattainable, a historical irony might emerge: The realization of the one-state scenario may create a challenging reality that brings the partition idea back to the table, even if as a last resort. In the future, after years of being mired in a one-state reality filled with hostility, violence, and failures, both Israelis and Palestinians might become exhausted and agree to accept solutions that had previously been rejected.

Most scenarios indicate that the inequitable one-state model would be unstable. This model will disintegrate due to violence, or it will undergo fundamental changes due to internal and external forces of change. In any scenario, the conflicting elements will intensify to the point of explosion. The demographic competition will persist, and if the single state includes the Gaza Strip, then Israel will lose its Jewish majority between the Mediterranean Sea and the Jordan River. A situation in which the majority of residents lack voting rights would be too absurd for the international community, the Palestinians, or the Israeli public to accept for an extended period. Therefore, it is highly likely that sooner or later the situation will impose a choice: rights

for Palestinians and a profound change in the national character of the State of Israel, or separation from the Palestinians. A model of annexation without granting citizenship to the Palestinians may appear to be a convenient solution for certain policymakers in the short term, but it will not be sustainable in the long term.

A “Unified” Jerusalem as a Model for Life in a One-State Reality

In 1967, the Israeli government applied Israeli law to East Jerusalem and incorporated Palestinian villages surrounding the city into its jurisdiction. Thus, the state annexed the eastern part of the city, significantly expanded its municipal boundaries, and created “one city for two nations.” The residents of East Jerusalem are classified as permanent residents; they hold Israeli identity cards and have voting rights for the mayor and city council, but not for the Knesset.⁸

A unified Jerusalem in its current state presents a complex and contradictory picture. On one hand, it is a single city from a political-administrative aspect, where over one million residents live together, including approximately 400,000 Palestinians; on the other hand, a social reality has emerged of two populations living separately, with deep disparities and inequality.

The heart of the tensions—The Temple Mount: A central issue in Jerusalem, which in the one-state reality will continue to be a source of friction and tension, is the struggle for control over the Temple Mount (Al-Haram Al-Sharif) and at its center, the Al-Aqsa Mosque, due to the pan-Arab-Muslim consensus rejecting Israeli control of it. Currently, incidents stemming from friction between Israel as a state and Israelis as individuals with Palestinians in the Temple Mount complex tend to ignite widespread tensions and clashes, including in the West Bank and the Arab-Muslim population within Israel.

⁸ Udi Dekel and Noy Shalev, “On the Course Toward a Jewish-Palestinian One-State Reality,” Special Publication (INSS, November 10, 2022), <https://www.inss.org.il/publication/one-state/>

The Temple Mount complex is fraught with tension and prone to eruptions almost on a daily basis, especially during the holidays and observances of both religions. Moreover, Jerusalem exemplifies the complexity of a mixed city, including recurring terrorist attacks. The freedom of movement between the eastern and western parts of the city facilitates easy access and penetration for those intending to commit crimes and terrorist attacks. While the Arab public frequents the medical centers and shopping and commercial centers in the western part of the city, the Jewish public avoids the Arab neighborhoods in the eastern part, except for the Old City.

Formal unity does not guarantee actual integration: Fifty-eight years of unification have not blurred the Green Line in Jerusalem; it has only adopted new characteristics. Jerusalem in 2025 remains de facto divided in many respects: in the physical space (a separation wall between parts of the city and checkpoints), in the Palestinian economy dependent on the Israeli one. The sense of Israeli and Jewish identity and Palestinian identity has only strengthened. This is an important lesson for policymakers: A change in legal status (such as the application of law) is only a starting point, but without active policies of integration and equality, separations will persist and may even deepen.

Hostility and animosity between the populations: Since 1967, Jerusalem has experienced periods of tension and violent outbreaks, alongside periods of tense routine. The national conflict surrounding the city's future remains far from resolution, and shared traumas—from two Intifadas, through attacks, to riots—continue to fuel mutual suspicion and fear. A vast majority of Palestinians in East Jerusalem are convinced that there is a discriminatory policy against them by the Israeli authorities.⁹ Additional surveys, such as the one conducted by the Jerusalem Institute for Policy Research, indicate that Israelis perceive the residents of East Jerusalem (most of whom are not citizens) as a hostile

⁹ Palestinian Center for Policy and Survey Research, Public Opinion Poll, no. 90, December 13, 2023, <https://pcpsr.org/en/node/931>

entity, or at least as “not belonging.” These trends indicate that the underlying hostility has not dissipated but has been balanced due to a fragile status quo: There is mutual avoidance between the two communities and limited friction zones, possibly reducing daily confrontations but maintaining emotional distance and suspicion. In-depth surveys reveal that the overwhelming majority of the Jewish public in Jerusalem do not desire truly integrated lives with Palestinians and prefer separation—“they live in their neighborhoods, and we live in ours”; among Palestinians, many view the Israeli establishment as an occupying and illegitimate force, and their hostility prevents positive integration.

A gradual improvement in living conditions is possible, but national hostility persists: In recent years, certain improvements have occurred in East Jerusalem (infrastructure, services, educational initiatives); however, the roots of the conflict—issues of sovereignty, identity, and national aspirations—remain unresolved. The levels of hostility and suspicion between the populations in Jerusalem remain very high. This means that even a one-state model will not help resolve the conflict if the political issues are not addressed.

Lack of representation and institutional disparities jeopardize long-term stability: Palestinians in Jerusalem are almost entirely excluded from the decision-making centers that affect them. This situation is unsustainable in a proper democracy. So far, it has been maintained by force and due to the lack of alternative political prospects; however, there is no guarantee that this will remain the case over time, and certainly not indefinitely. A one-state model in which full political rights are denied to millions of people (as is the case in Jerusalem) could lead to harsh international criticism and deepen resentment among Palestinians.

Partial Israelization processes are indeed occurring, but full assimilation is not: The younger generation in Jerusalem is acquiring more tools for integration (Hebrew language, higher education in Israel) and its relative economic status has strengthened. However, most Palestinians still primarily

identify as Palestinians. In fact, their religious-national identity has intensified (as evidenced by the increased significance of the Al-Aqsa Mosque); in other words, winning over the residents through economic and educational integration is only partially effective. The lesson: Economic and social integration is important, but national identity may get even stronger under oppression, especially due to better education and standard of living. This increase may also heighten expectations and demands for equal civil rights.

Land and planning issues: From a municipal perspective, it has been demonstrated in Jerusalem that without equitable regulation of land rights and planning, all spheres of life will be adversely affected. A delay of several decades in the construction of housing, schools, and infrastructure has created immense frustration. Any political model (whether two states or one) aiming to provide a practical solution to the population's needs must begin with fair planning: allocation of land, systematic registration, and investment in public institutions within the Palestinian sector. If not, the physical inequality will join the other factors of frustration and only fuel the hostility.

There is no shared vision or common goal, and therefore the future is subject to a battle of narratives: In Jerusalem, there is no unifying narrative, as each side perceives the future differently. The conflict between the narratives impacts the one-state model: Without fundamental agreement between the nations on the form of governance, its values, and symbols, any governmental structure will be subject to being challenged.

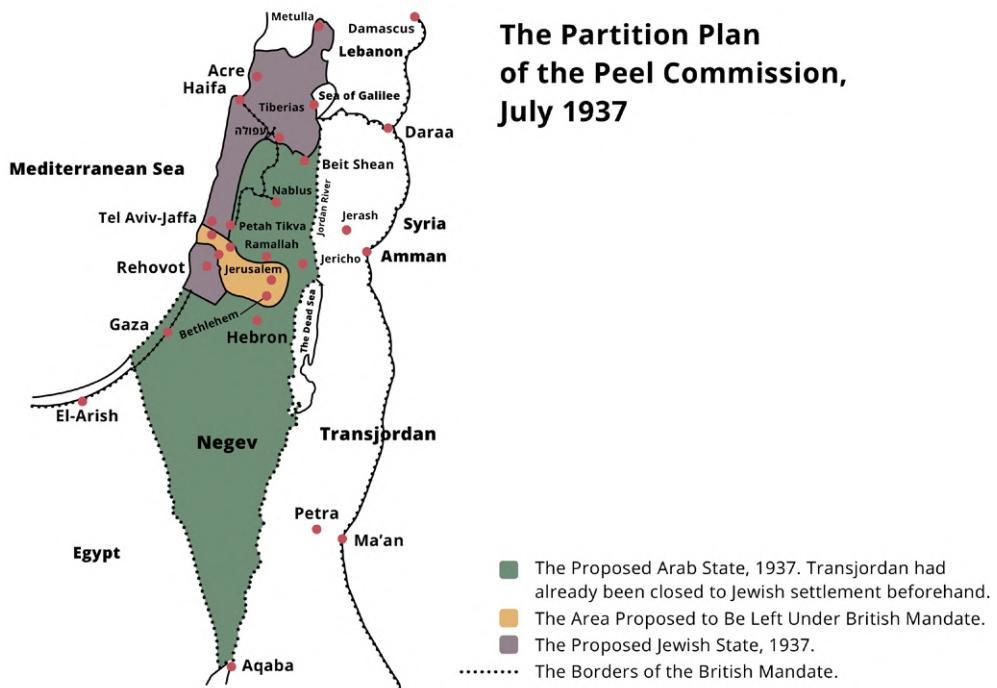
The unified Jerusalem serves as a warning against the one-state scenario. This is how a single, inegalitarian state is expected to appear, rife with conflict and discrimination, with harsh police enforcement—a fundamentally unstable situation. Without a political compromise and appropriate arrangements addressing all aspects of life, territorial unification does not resolve a conflict but rather preserves it at varying intensities—frozen on the surface at best, simmering beneath the surface, threatening to erupt, and erupting at worst.

What Have We Learned and Already Forgotten?

During the British Mandate for Palestine, the British government appointed a royal commission led by Lord William Robert Peel to examine the situation in the land, subsequent to repeated attacks by Arabs on Jews and their property. In July 1937, the committee published its report, which concluded with a recommendation to divide the land into two separate states: one Jewish and the other Arab, with Jerusalem and Jaffa remaining under British control and connected by a corridor (see Figure 3). The Jewish community in the Land of Israel accepted the plan, albeit with reservations, while the Arabs rejected it outright. The Peel Commission Report had already determined that there was no possibility of merging or assimilating Jewish and Arab cultures; the national home could not be half-national; Arab nationalism was just as strong as Jewish nationalism, and neither of the two national ideals would allow for integration into one state.¹⁰ It would be absurd to assume that decades of bloody conflict have rendered this conclusion irrelevant to our times or dulled the edge of the problem that the implementation of the recommendation aims to resolve.

¹⁰ The Peel Commission was a royal inquiry commission established in August 1936 by the Government of the United Kingdom, aimed at investigating the causes of the Great Arab Revolt in Mandatory Palestine and recommending steps for the future. See Palestine Royal Commission, *Report* (1937), https://ecf.org.il/media_items/290

FIGURE 3.



Note. D. Egozi, (Cartographer). The Partition Plan of the Peel Commission, 1937. Reprinted from "And They Divided My Land," *Bamahane*, "Derech Eretz" series of articles, edited by I. Zaharoni.

CHAPTER TWO

POPULATION INTEGRATION—SITUATION REPORT

The Situation on the Ground

The State of Israel effectively controls the area between the Mediterranean Sea and the Jordan River: the entry and exit of people and goods; responsibility and monopoly over security, maintaining freedom of security operations throughout the territory; the ability to impose its decisions and policies on approximately three million Palestinians without their consent. The Palestinian Authority depends on the Israeli economy and the movement regime for Palestinians enforced by Israel, thereby determining the fabric of life and Palestinian freedom of movement. However, Israel chooses not to assume full responsibility for the territory and the Palestinian population in Judea and Samaria.

While the Palestinian Authority operates, in accordance with a declared policy and an organized plan of action, to strengthen its hold on the land in Area C and to restrict Israel's activities, on the Israeli side, the policy is led by an official arm of the state. The Minister of Finance, Bezalel Smotrich, who is also a minister in the Ministry of Defense in charge of the civil administration in Judea and Samaria, regularly presents his long-term goals: eliminating the Green Line through the civil-infrastructure integration of Judea and Samaria into Israel, and equalizing the administrative and legal status of the settlements to those beyond the Green Line. This is coupled with public contemplation regarding the “necessity” of the Palestinian Authority (which he defines as no less a threat than Hamas). Smotrich’s worldview is embodied in a document titled “The Decisive Plan,” published in 2017, in which he proposed that Palestinians maintain self-administration without political or national expression or boundary determination, as well as residency status—similar to that of the Arabs in East Jerusalem—with a future option to naturalize if

they declare loyalty to the State of Israel and agree to serve in the IDF.¹¹ The current Economy Minister, Nir Barkat, is also working to promote a plan to settle two million Jews in Judea and Samaria by 2048, aimed at deepening and expanding Israeli control in the area and preventing continuity in Palestinian territories and the future establishment of a Palestinian state. Alongside the official arm, unofficial entities operate independently using non-state tools, dragging the State of Israel after settler movements' actions in Judea and Samaria without an organized government policy or long-term planning.

The settler organizations' struggle also manifests in strengthening Israeli control over areas referred to as state lands or survey lands. The Amana movement initiated the “million Jews in Judea and Samaria” Plan—aimed at reinforcing and expanding settlement in Judea and Samaria to alter the demographic balance in the region and establish facts on the ground that would prevent the evacuation of settlements even in a political settlement. As part of this plan, which has been encouraged and aided by the Ministry of Construction and Housing, the following steps were decided upon: building affordable housing for Israelis in communities outside the settlement blocs; promoting construction plans for optimal utilization of lands within existing communities; a campaign to encourage settlement in remote communities; scanning and identifying state lands and lands with potential to be declared as state lands in Area C, with an emphasis on the western slopes of the Samarian hills. All this is to create settlement continuity with Gush Dan and to exploit the housing shortage in Israel.

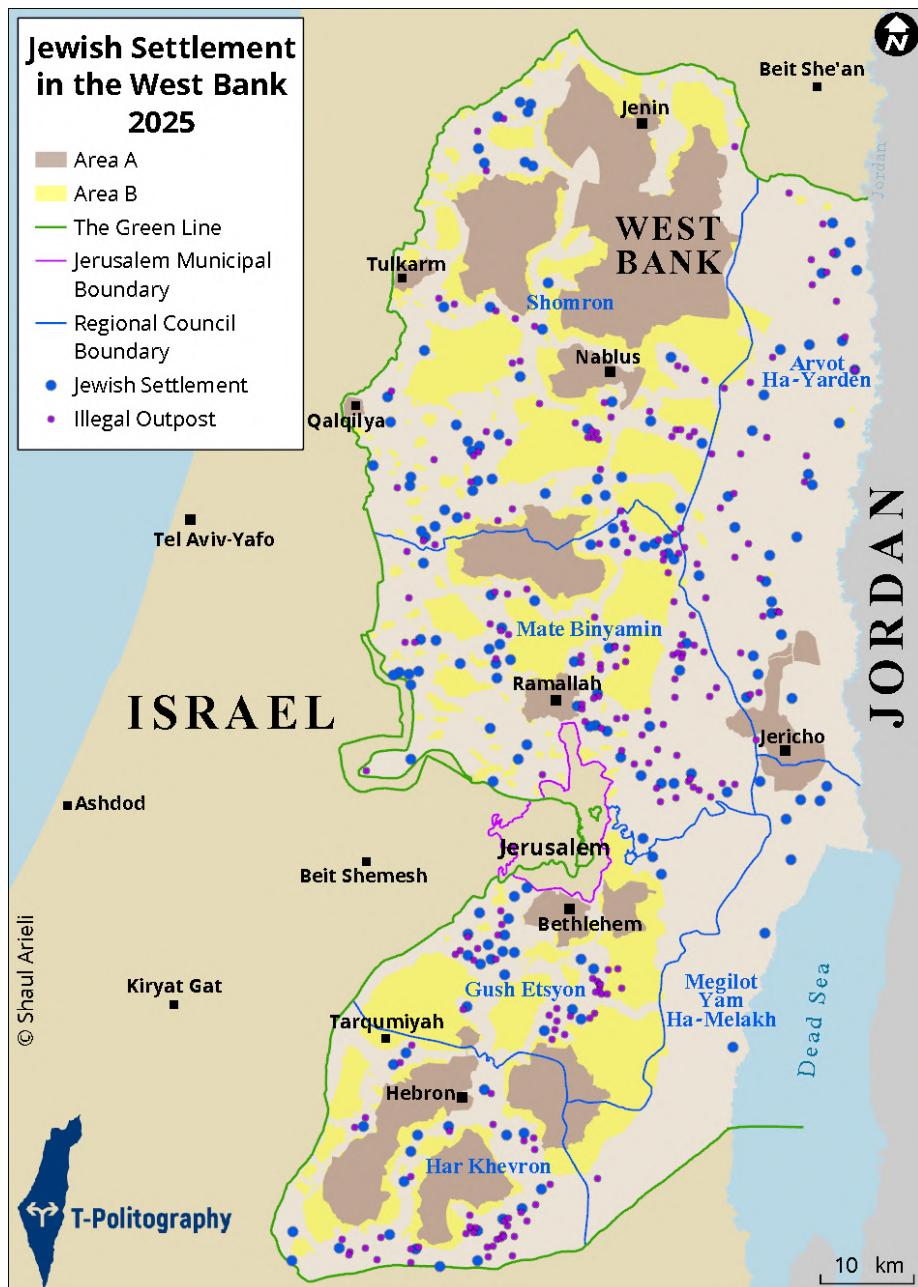
As part of this framework, illegal outposts and agricultural farms are being established (see Figure 4). Unlike outposts, which are settlements with a community, a secretariat, administration, and permanent and temporary structures, the agricultural farms are forward outposts in the area. In some, one to three families reside, along with several volunteer youth, and several

¹¹ Smotrich, “Decisive Plan,” 81–101.

temporary structures are established without community services. The agricultural farms are typically divided into two main types:

- a. Agricultural farms where field crops, vineyards, almonds, and grapevines are cultivated.
- b. Sheep farms, which include sheep pens, feed storage for livestock, irrigation facilities, dairies, and a residential cabin.

FIGURE 4.

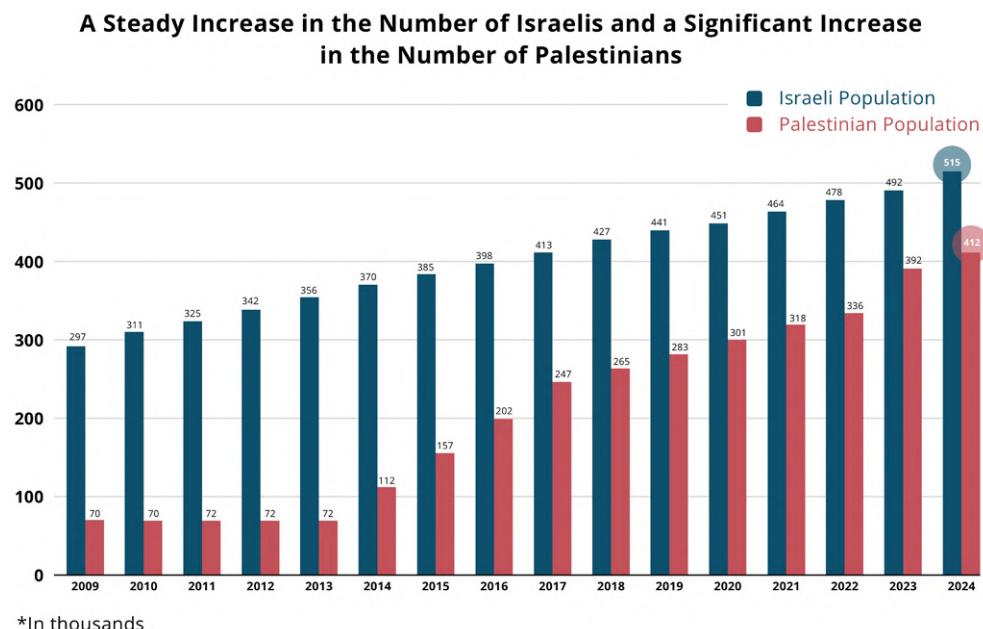


Alongside the settlement movements striving to establish and enhance control in Area C, the Israeli government is also an active participant in this process. Israeli actions to strengthen control in Area C include closing areas and designating them as military training zones where entry is permitted only for agricultural purposes on weekends or during harvest season, subject to prior coordination; issuing construction prohibition orders along main routes and near the security fence; allocating lands for Israeli agriculture (even in locations that are far from settlements); and granting grazing licenses to Israeli shepherds.

Officials in the Israeli government view the second term of US President Donald Trump as an opportunity to apply Israeli law and sovereignty in Judea and Samaria. A strategic plan was formulated and presented in segments rather than as a complete package, including extending the jurisdiction of regional councils to encompass the areas between settlements as a preliminary step toward applying sovereignty over the settlements and open areas; taking control of open areas with the aim of managing them under the State of Israel—not only in construction but also in the management of natural resources and archaeology; significantly promoting and developing the agricultural farm enterprise, including the establishment of hundreds of additional farms to preserve state lands and create a legal construction for their possession.

According to data from the Israeli Central Bureau of Statistics, as of the end of 2024, 515,437 Israelis reside in Judea and Samaria—in 134 settlements, 221 outposts, and a number of agricultural farms (see Figure 5). Close to 50% of the total natural increase is concentrated in the ultra-Orthodox cities of Modi'in Illit and Beitar Illit, where approximately one-third of the settler population resides. About 60% of the workforce in the settlements is employed in Israel. Overall, Israelis constitute 18% of the total population of the West Bank, and about 75% of them live in the triangle surrounding Jerusalem (Modi'in Illit—Beitar Illit—Ma'ale Adumim).

FIGURE 5.



*In thousands

Note. From the Central Bureau of Statistics, correct as of December 31, 2024.

Acceleration of the Process by the Current Government, Particularly Since October 7

With the establishment of the current Netanyahu government in early 2023, and particularly due to war in Gaza, the consolidation of settlements in Judea and Samaria was expedited. Since October 7, 2023, 37 new outposts have been established, most of which are shepherd outposts manned by young individuals and *no'ar ha-givot* [hilltop youth] who seize land and expel Palestinians from the area. The government allocated 75 million NIS for the year 2024 to fund illegal outposts, 39 million NIS of which were designated for illegal farms.¹²

12 Peace Now, “The Israeli Government Funded 68 Illegal Farms with 15 Million NIS,” (July 23, 2024) [in Hebrew] <https://tinyurl.com/mvu59mk2>

An examination of the budgets of Jewish authorities in Judea and Samaria reveals that the settler population, which constitutes four to 5% of Israel's population, receives more than 7% of the government's contributions to the budgets of all authorities in Israel. This is an average of one billion shekels per year for the establishment of outposts, infrastructure, and roads leading to them, as well as the provision of municipal services.

The settler organizations, in collaboration with the Israeli government, are working to create a reality in which Israel exerts control over the entire Area C, while displacing approximately 350,000 Palestinians residing in this area, through various settlement efforts (see Figure 6).

- c. **Creating continuity of Jewish settlements along the Alon Road**, from the Jerusalem-Jericho Road to Mehola in the northern Jordan Valley. The construction of at least 30 illegal outposts, three of which were built during the war. The strategic rationale: Control over the eastern slopes of Samaria, in the Jordan Valley, and in key junctions connecting the Jordan Valley to the mountain ridge.
- d. **Creating continuity of Jewish settlements along Road 60**, which connects the main Palestinian cities from Jenin in the north to Hebron in the south. The construction of at least 30 outposts, five of which have been built since the beginning of the war. The strategic rationale: Controlling the mountain ridge and the ability to sever Palestinian territorial and transportation continuity in Judea and Samaria.
- e. **Creating continuity of settlements from Ariel to the Jordan Valley**. Promoting the paving of bypass routes to these outposts and settlements. Five outposts were built east of Elon Moreh, and six outposts were built east of Itamar. To establish continuity between Ariel and Eli and Shiloh, 21 illegal outposts were constructed, two of which were during the war. The strategic rationale: Connecting the isolated settlements in the mountain

ridge to the Jordan Valley—those that were slated to be evacuated according to any past negotiations.

- f. **Creating continuity of settlements between Jerusalem and the Jordan Valley through Ma'ale Adumim.** Construction of the Mevaseret Adumim neighborhood, which will add approximately 4,000 residential units to Ma'ale Adumim. Between Jerusalem and the Almog Junction, 14 illegal outposts were built.
- g. **Attempt to create four new blocs:** 16 outposts were established between the settlements of Ma'on and Susya, one of them during the war; in the Tekoa and Nokdim area, 16 outposts were established, three of them during the war, five were “legalized”; in the northern Jordan Valley, eight outposts were established, three of them were legalized; in western Samaria, 12 outposts were established, five of them were legalized.

FIGURE 6.



In December 2024, Knesset Member Avihai Boaron from the Likud presented the strategic vision for settlement in Judea and Samaria, stating that,

We are in a window of opportunity that we can either utilize wisely or foolishly. If we utilize it foolishly, we will have 700,000 residents and more houses in four years; if we utilize this window of opportunity wisely, we will create the conditions for making Judea, Samaria, and the Jordan Valley an inseparable part of the State of Israel—not only by making it difficult to remove residents from there but also by changing the operating program.¹³

Moreover, right-wing elements in Israel view President Donald Trump's second term as an opportunity to apply Israeli sovereignty—in other words, the annexation of Area C, which constitutes 60% of the West Bank. Their intention is to expand the jurisdiction of the regional councils to include the areas between the settlements; to take control of open areas, including those in Area B currently under Palestinian Authority control, to manage them under Israeli governance—not only in construction but also in the management of natural resources and archaeology; to establish industrial, commercial, and transportation zones; to significantly promote and develop the agricultural farm enterprise, including establishing hundreds of additional farms aimed at preserving “state lands” and creating a legal basis for their retention; to establish Arab municipal authorities in place of the Palestinian Authority, effectively advancing its dismantling and creating separate Palestinian cantons under Israeli control. “The two-state solution should be permanently removed from the agenda, according to a clear directive from the political echelon,” said Knesset Member Boaron.¹⁴

13 Hanan Greenwood, “Revealed: Settlers Plan Major Trump-Era Transformation for West Bank,” *Israel Hayom*, December 1, 2024, <https://www.israelhayom.com/2024/12/01/revealed-major-transformation-in-judea-and-samaria-planned-by-settler-leaders/>

14 Ibid.

Israel is a target of harsh criticism for granting construction permits almost exclusively to Israelis, rejecting more than 98% of Palestinian applications for construction permits in Area C, and demolishing allegedly “illegal” Palestinian construction on a large scale, while permitting illegal construction in settlements, outposts, and agricultural farms belonging to Israelis.

The settlement residents and their supporters claim that the commandment of settling the land is equal in value to all other commandments, and that Jewish demographics will ultimately prevail. This claim is emphasized in Minister Bezalel Smotrich’s plan, which intends to double the number of settlers in Judea and Samaria, or the hope, which is entirely unfounded, that the Palestinians will despair and revoke their national demands.¹⁵ This is joined by the idea proposed by President Trump and enthusiastically embraced by the Israeli government, to encourage “voluntary emigration” of Palestinians from the Gaza Strip, which is perceived by some segments of the Israeli right as also relevant to altering the demographic situation in Judea and Samaria. The notion that economic prosperity and an improvement in the quality of life for the Palestinian population would moderate their national aspirations does not align with past events, particularly the outbreak of the First and Second Intifadas, nor with universal historical logic and experience.

Practically, even if not declaratively, the current Israeli government is accelerating the annexation of Area C. Over the years, Israel has established facts on the ground, which may be irreversible, through the construction of settlements and encouragement of Jewish settlement. In the past, Israel argued that Judea and Samaria are “disputed territories,” and until an agreement is reached with the Palestinians regarding their future, it possesses them temporarily, in accordance with the belligerent perception and international law. International law prohibits an occupying power from transferring populations

¹⁵ Palestinian Prime Minister, Mohammad Shtayyeh remarked in a video that circulated on Twitter on January 20, 2020: “I urge all citizens to act in Area C as if every centimeter of it is ours; there is nothing preventing us from sowing seeds in Area C.”

from its sovereign territory to an area under its control and vice versa, except for security purposes. In light of this, Israel ensured that all decisions regarding the territories, from the expansion of a neighborhood in Judea to the paving of a road in Samaria, were made by security officials based on security considerations. However, all this changed with the government established in 2023. The appointment of Smotrich as a minister in the Ministry of Defense has removed the mask from Israel's intentions. The authorities he was granted essentially constitute a declaration that Israel's conduct in the territories is subject to civil-political considerations. Thus, Israel knowingly violates international law regarding its obligations toward the territory under its control and the local population. The pace of changes implemented by the current government reflects a policy aimed at realizing Minister Smotrich's declared hope that the year 2025 will be the year of sovereignty, meaning that Judea and Samaria will become part of Israel.

By refraining from formalizing sovereignty, Israel is perceived as democratic for its citizens while simultaneously eschewing responsibility for the Palestinian population. This arrangement also allows many of Israel's supporters worldwide to continue believing that the situation is temporary—that Israel remains a democracy, and that one day the Palestinians will exercise their right to self-determination.

The data on the ground is changing rapidly: By the end of 2024, there were 221 outposts in Judea and Samaria (see Figure 7). Of them, 154 are located on state lands, 67 on privately owned lands; 122 outposts are agricultural farms; 214 outposts are in Area C; 6 outposts are in Area B or nature reserves; 19 outposts were established in 2023 before the war (17 of which are farms); and 64 outposts were established during the war (39 of which are farms).¹⁶

16 Shaul Arieli, Facebook Post, January 19, 2025.

FIGURE 7.

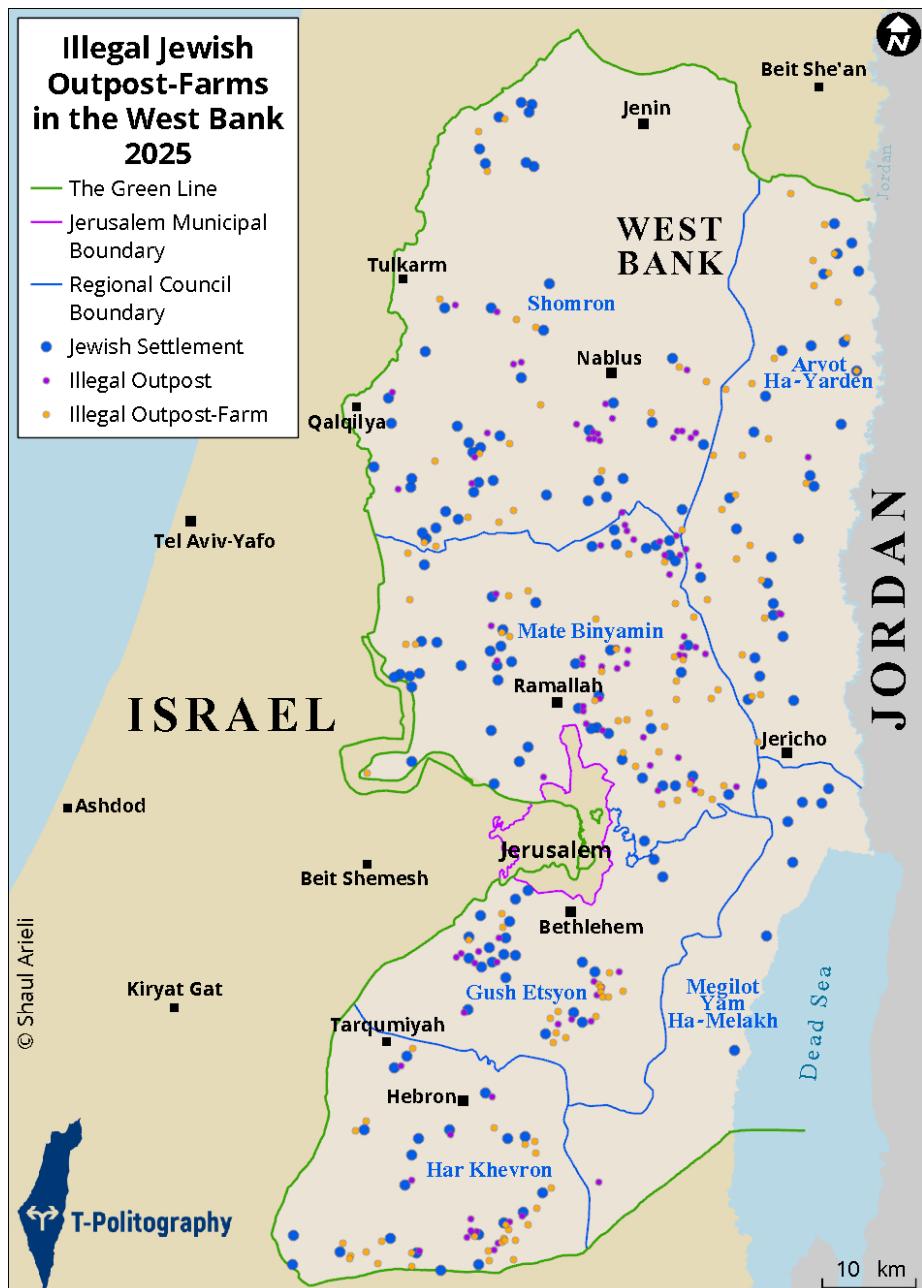
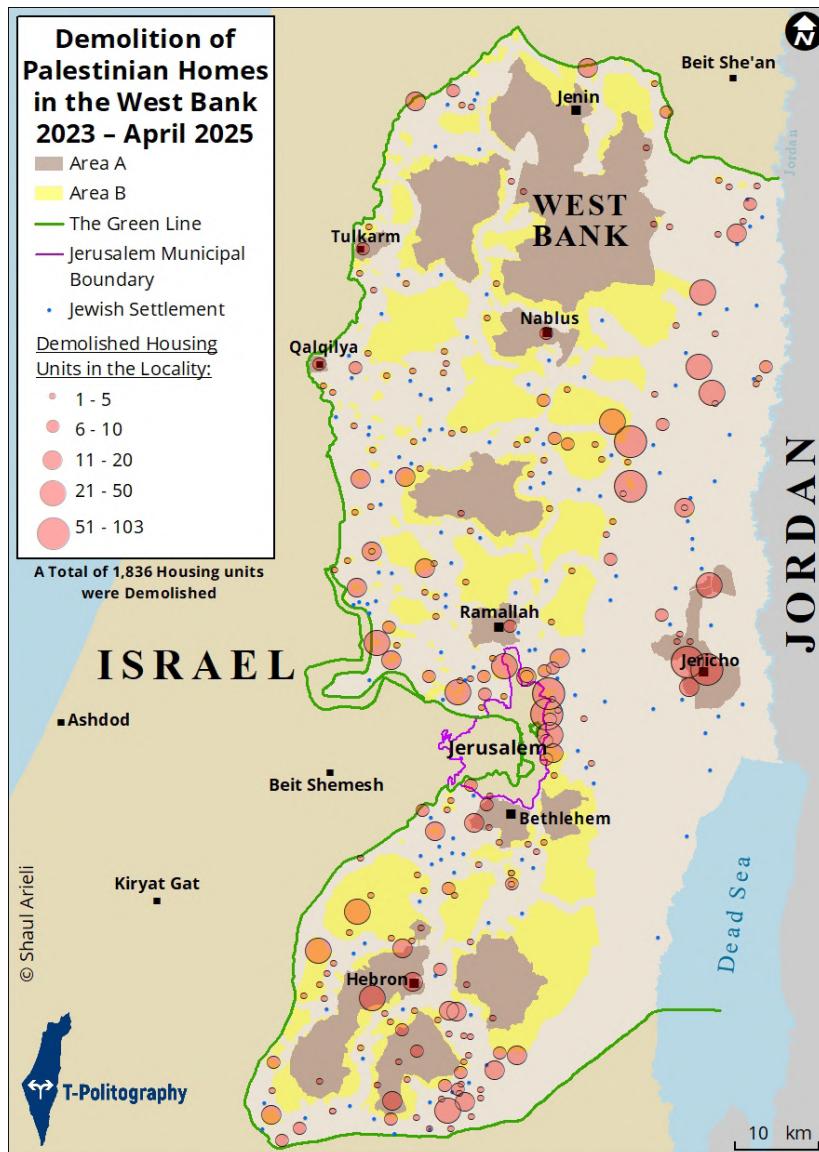


Figure 8 illustrates the extent of Palestinian home demolitions and settler violence incidents in Judea and Samaria between 2023 and April 2025.

FIGURE 8.



The Security Challenge

The current security situation in Judea and Samaria, and its spillover into Israeli territory, is not encouraging. Still, it can be argued that the Israeli security response—which is based on a concept of full freedom of security action throughout the area west of the Jordan River—provides a reasonable level of security, even during the war in Gaza, and has prevented Hamas and the other actors of the Iranian-led Axis of Resistance from setting the area ablaze and triggering a combined wave of terrorism alongside a broad popular uprising (see Figure 9).

FIGURE 9.

	2023	2024
Terrorist attacks	3436	6828
Significant terrorist attacks	414	241
Israeli casualties	43	46
Israelis wounded	224	337

Note. From Israel Security Agency data

In a simulation-based analysis, the expected security situation in a one-state reality—marked by the denial of Palestinian national aspirations and the restriction of their civil rights—was found to be more complex than the current situation (see Figure 10).

FIGURE 10.

Unique Threats that Emerge in the One-State Scenario		
		
The escalation of Palestinian terrorism and individual terrorist attacks in the heart of Israel	A sharp rise in organized crime—criminal organizations, violence, extortion, arms trade, protection, and so forth	Brain drain and accelerated emigration from Israel due to worsening living conditions (reduction of GDP per capita by one-third) in Israel—security-wise, economically, and socially
Palestinian popular uprising in protest against the revocation of their right to self-determination and discrimination regarding to their civil rights	The erosion of Israeli citizens' security due to rising crime in Palestinian society that was annexed to Israel and its connection to Israel's Arab society	Heavy international pressure on Israel due to Palestinians not having equal rights— international isolation
Terrorist cells with free access to penetrate deep into Israeli territory	With the rise in crime levels, integrated smuggling pipelines (crime and terrorism); numerous weapons for terrorist organizations and extremists (arms trade for terrorism)	The strengthening of Jewish extremist groups—increasing friction, with a potential for escalation
Invasion and involvement of hostile foreign entities		
Friction between populations	The Israel Police's inability to handle the escalating crime and domestic security	

A one-state situation will not provide Israel with security advantages compared to the current situation or a separation framework. The security establishment will be required to make a series of decisions and develop capabilities to control a hostile and frustrated population, including establishing delineation lines for areas inhabited by Palestinians to monitor their movements and prevent easy access for carrying out acts of terrorism and minor and major crimes in the heart of Israeli territory. A security barrier between the areas may also be erected; a shortage of security personnel is expected, along with limitations

in their suitability for policing and monitoring tasks, and damage to security cooperation with Arab countries, particularly Egypt and Jordan, which will undermine security along the borders. Significant investment will also be required in security infrastructure along the borders—force deployment, detection systems, and a security barrier. Updated lines of responsibility will need to be drawn between the military, the police, and the ISA, distinguishing between security and law enforcement.

Security in Jerusalem currently exemplifies the significant investment in force and resources required in mixed cities and Israeli communities adjacent to Palestinian communities, as well as to prevent the spillover of violence into Israeli society. A significant challenge will be neutralizing situations that could lead to civil war and unrest among residents. This will require not only security measures but also civil actions.

Enhanced security preparedness will be required for the reality of a one-state scenario:

- **Continuous security presence in the Palestinian communities**—Reinforcement of IDF and Israel Police forces will be required throughout Judea and Samaria to thwart threats, neutralize the growth of terrorist infrastructures, enforce law and order, and address popular uprisings, while enhancing the sense of security for Israeli citizens.
- **Comprehensive and multidisciplinary intelligence efforts**—to thwart terrorism; reduce the risks caused by Palestinians' freedom of movement; prevent terrorist infrastructures; identify and neutralize national outbreaks; counter political subversion; reduce crime; and prevent religious and nationalist incitement.
- **Supervision and prevention of weapons smuggling**—IDF forces will need to be reinforced along the Jordanian border and in the seam zone to prevent smuggling and infiltrations into and within Israel.

- **Strengthening the Police**—Due to its central role in law enforcement, crime prevention, and internal security, and the potential strain that may arise in such a scenario, it will be necessary to significantly reinforce the police and its forces.

CHAPTER THREE

THE TANGIBILITY OF DRIFTING TOWARD A ONE-STATE REALITY

The Parameters for Examination

To assess how far we are (if at all) from the one-state reality, an imaginary continuum was drawn between two poles: **On one end, the one-state reality, and on the other, a separation into two distinct and separate political entities.** To assess the current position on the continuum, criteria were examined in an attempt to derive as accurately as possible metrics to identify and indicate the point of no return.

The criteria examined included the situation on the ground—Jewish settlements, separate and shared transportation routes, separate and shared infrastructures; the geographical and demographic pattern of population distribution and their interactions; the security situation—namely, increasing Israeli security responsibility; assessing the effectiveness of governance and the Palestinian Authority's control, including indicators of sovereignty; the Palestinian economy and its level of dependence on Israel's economy; the perspectives of the Israeli and Palestinian publics regarding the possibility of reaching a political settlement versus their attitudes toward a one-state situation; and an assessment of the regional and international system—specifically, whether the two-state option is still viable, or whether the cumulative factors point to the current reality as a de facto one-state situation characterized by an apartheid regime, as shown in Figure 11.

FIGURE 11.

Control Security • Civil • Economic • Cultural • Movement and access • Internal crossings • External crossings	Economy Palestinian economic independence • Monetary dependence on the Israeli economy • Fiscal dependence • Trade balance • Impact on GDP • Employment in Israel • Customs envelope • Illegal workers (without permits)	Israeli Politics Implications for the country's democratic regime • Implications for the law and judicial system • Unity/polarization among publics in Israel
Territory Scope of area under Israeli control • Scope of area under Palestinian Authority control • Settlements and outposts that enable or prevent separation • Shared or separate infrastructures	Social Situation Friction between populations • Implications for Arab citizens of Israel • Implications for social cleavages within Israeli society • Impact on values—liberal/conservative	Palestinian Politics Implications for unity/division/reconciliation • Status and functioning of the Palestinian Authority • Relation to the land • National aspirations • Issue of rights
Security Control over borders and perimeter • Potential for friction • Risk of terrorism • Risk of violent popular uprising • Risk of civil war • Criminal aspects • Status of the security barrier	Public Opinion In Israel Support for one state • Support for two states • Support for separation Among Palestinians Support for one state • Support for two states • Separation • Violent opposition	International System Israel's standing in the international/regional arena • Position of the international community and the Arab system and expected reactions • International and regional recognition of a one-state reality (apartheid)
Jerusalem Reality model of a one-state situation • Linkages between arenas: West Bank, Gaza Strip, Arab citizens of Israel • Situation on the Temple Mount • Situation in East Jerusalem		

To assess the impact and weight of the factors that bring a one-state reality closer or farther, a list of measurable criteria was formulated. They are as follows:

Population—The number of settlers in Judea and Samaria (excluding East Jerusalem); the number of Palestinian residents in areas under Israeli control (Area C); the number of Palestinian residents in areas under Palestinian Authority control; the number of illegal Palestinian residents in Israel.

Security—An increase or decrease in the number of terrorist attacks in relation to the expansion of settlements and outposts in Judea and Samaria; the number of thwarted attacks by the Israeli security system compared to the number of thwarted attacks and arrests carried out by the Palestinian security apparatuses.

Economy—The number of Palestinian workers in Israel, with and without permits; the ratio of wages in Israel to wages in the Palestinian Authority territories; the ratio of the use of the shekel compared to other currencies in the Palestinian territories; the ratio of the Palestinian Authority's trade with Israel compared to its trade with other countries; tax collection for the Palestinian Authority by Israel in relation to direct tax collection by the Palestinian Authority.

Territory—The number of residential units added to the settlements—an annual comparison. A comparison between construction in settlement blocs and construction in settlements outside the blocs and east of the security barrier; establishment of new settlements and outposts; expansion of the jurisdictional area of settlements; number of outposts and buildings in settlements demolished on an annual basis; number of permits granted to Palestinians for construction in Area C in the past year; and the number of Palestinian structures demolished in Area C.

Infrastructure—Power stations and electricity transmission lines, both shared and separate for Palestinians and settlements; number of wastewater treatment facilities, both shared and separate; degree of Palestinian dependence on the supply of water and electricity from Israel.

The international and regional system—The number and content of international decisions and official statements supporting the two-state solution, compared annually; the proportion of international and Arab contributions to the Palestinian Authority relative to Palestinian revenues; the number of countries recognizing a Palestinian state; the number of

international decisions defining the situation in Judea and Samaria as a one-state apartheid regime.

Palestinian public opinion—The rate of support among Palestinians for a two-state solution; the rate of support among Palestinians for a one-state solution; the rate of support for terrorist activities against Israelis; the percentage of Palestinians rejecting the existence of the State of Israel; the rate of support among Palestinians for political negotiations with Israel, all compared to previous years.

Israeli public opinion—The rate of support among Israelis for a two-state solution; the rate of support among Israelis for a one-state solution; the rate of support for separation from the Palestinians; the rate of support for annexation—compared to previous years.

Legal aspects—Several legislative proposals addressing the promotion of annexation, application of Israeli law, or sovereignty, in the territories; Supreme Court rulings; permissions versus restrictions on settlement, comparison on a yearly basis.

Is it possible to provide a quantitative assessment regarding whether the point of no return has been crossed, and the reality is effectively that of a single state? Based on the evaluated criteria and other reliable information sources, an attempt was made to identify the point of no return in terms of transitioning to a one-state reality and to formulate a reliable response to the question of whether certain indicators hold greater significance in identifying this point, such as control—Israel's full control over security, economy, territory, and population, or the loss of the Palestinian Authority's effectiveness on all fronts.

However, no method has been found to identify the tipping point or point of no return, and based on this, to determine whether the one-state reality already exists in practice. Therefore, a change in approach was adopted—from attempting to precisely define the situation to examining the main vectors (direction and intensity) influencing the emergence

of a one-state scenario. The focus shifted to assessing the implications of decisions and actions, primarily by the Israeli government, on the main vectors leading to a one-state reality. Based on this, conclusions were formulated regarding how to prevent this reality. To this end, a method was developed (via a digital platform) based on expert wisdom and consolidating insights and ratings from experts in various fields (security, economics, society, international relations, and Middle Eastern studies) regarding the impact of events, actions, and decisions in the Palestinian arena on the vectors leading to a one-state reality. Several key vectors were identified (on the platform, experts assess the vector's direction and strength, and determine the level of confidence or conviction in their evaluation). The vectors are as follows:

Escalation or de-escalation in terrorism and violence: The security dimension is central in Israel due to the cost in human lives, as well as the ongoing cost of living in the presence of terrorism and under an atmosphere of security threats. The security requirements limit the Israeli government in making decisions regarding relinquishing security-related freedom of action in all areas of the Palestinian Authority, or full Israeli control over the security barrier of the West Bank. The Israeli security requirements have constituted an obstacle to advancing agreements with the Palestinian side. There is indeed a significant influence of the security dimension on civilian, settlement, and economic domains, as well as on the fabric of life for Palestinians.

A decrease or increase in the effectiveness of the Palestinian Authority's functioning: The Palestinian Authority's degree of functioning and its ability to govern the Palestinian population and provide for its needs is crucial for political, geographical, and demographic separation from the Palestinians; for reducing Israel's burden of responsibility for the Palestinian population; in response to the question of whether there is an effective "partner" for political arrangements and their implementation. In an extreme scenario of the Palestinian Authority's dissolution, Israel will bear full responsibility for a population of 2.7 million Palestinians.

Increase or decrease in Israel's international legitimacy: Israel's international standing in the context of its conduct in the Palestinian arena pertains to the international interpretation, primarily by the United States, of the reality in the Israeli–Palestinian conflict: Is there still broad support for a comprehensive settlement based on the notion of a two-state solution, or is there a noticeable decline in support for the two-state idea, due to the assessment that it is no longer feasible given the situation on the ground?

Getting closer to or further from normalization with Saudi Arabia and the ability to establish a regional security-economic coalition among the moderate Arab states, Israel, and the United States. This vector gained significance following the Swords of Iron War, and its implications extend beyond concluding the campaign in the Gaza Strip, the return of the Israeli hostages held by Hamas, neutralizing the possibility of Hamas's resurgence through regional involvement in stabilizing and rebuilding the Strip, expanding and deepening the Abraham Accords.

Moving closer or further away from the reality of a one-state solution: This vector, which pertains to the direction and intensity of the drift toward a one-state reality, summarizes the other dimensions while simultaneously being influenced by processes and developments, such as how areas of Judea and Samaria are managed and controlled; the scope and distribution of Israeli settlements and outposts in the territories; the degree of intermixing and friction between the populations; the system of values and laws applicable in Judea and Samaria; and the degree of connection between the infrastructures and arteries; the potential for a settlement with the Palestinian Authority, for the support and involvement of the moderate Arab states.

In addition to the primary vectors, experts assigned weight to additional metrics: The economic and infrastructural dependence of the Palestinian Authority on Israel; the expansion of settlements—construction, land acquisition, increase in settler numbers; the expansion or contraction of the

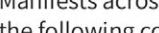
Palestinian operational space in Area C; changes in the number of Palestinians residing in the West Bank; and indicators of sovereignty for both sides.

The experts also utilized the option of providing open-ended responses to offer additional insights, ideas, and suggestions regarding the issues on the decision-makers' agenda. All expert responses were analyzed and taken into account when drafting the weighted results.

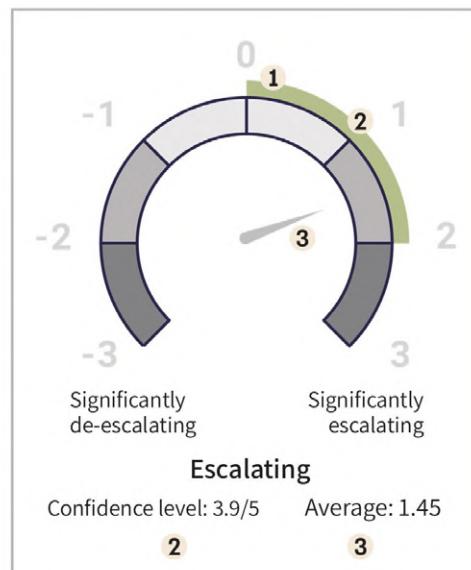
Expert Wisdom—Examples

To illustrate the Expert Wisdom platform, Figures 12 shows a graphic depiction of data analyzed across a range of queries, highlighting potential decision implications for policy makers. Experts examined several issues using the platform, and their findings were conveyed to the political-security echelons.

FIGURE 12.

- 1 Range of the experts' responses**
Degree of distribution of the experts' responses
- 2 The experts' level of confidence in their responses**
Manifests across the range according to the following color key:


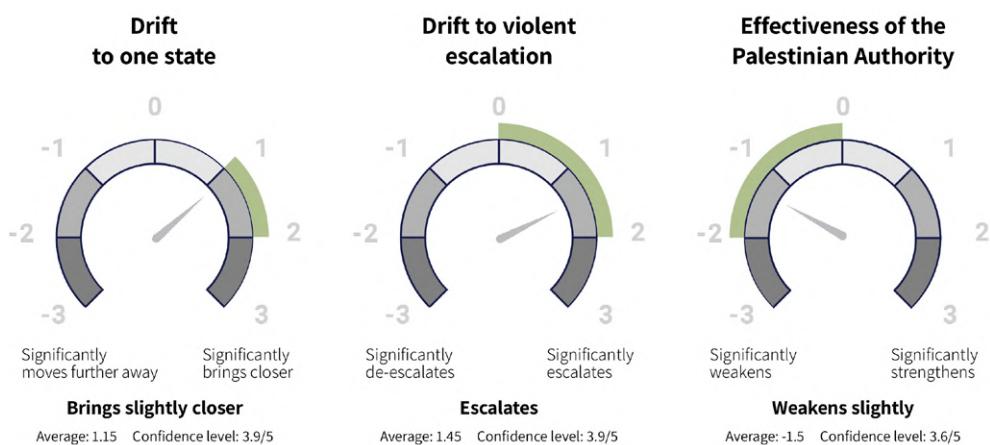
High			Low
------	--	--	-----
- 3 Direction and intensity of escalation or de-escalation**
According to the experts' responses. Also appears as a dial on the diagram and as a number below it.



Inquiry Summary Report: Repeal of the Disengagement Law in Northern Samaria

Figure 13 shows the implications of implementing the policy on three vectors and the experts' level of confidence in their judgment.

FIGURE 13.



The Experts Insights:

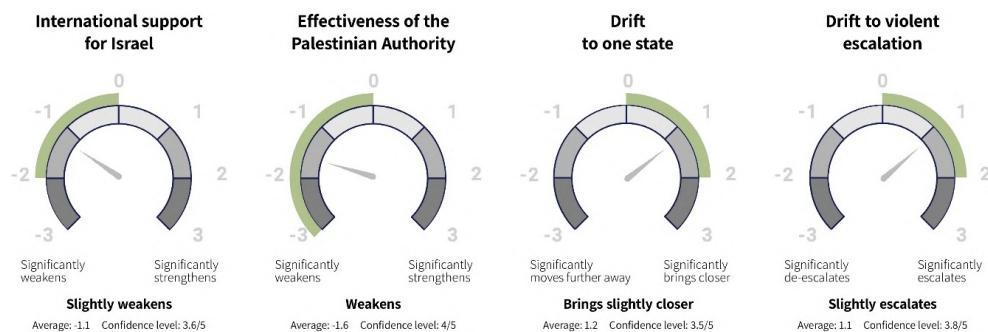
If new settlements or outposts are established in northern Samaria:

- Terrorism in the region will intensify. Even today, security instability and intensifying terrorism are being felt in the Jenin and Nablus districts.
- There may be an increase in friction between Palestinians and the IDF; an increase in friction between Palestinians and settlers.

Inquiry Summary Report: Offsetting the Palestinian Authority's Clearance Revenues

Figure 14 illustrates the implications of offsetting the Palestinian Authority's clearance revenues on four vectors and the experts' level of confidence in their judgment.

FIGURE 14.



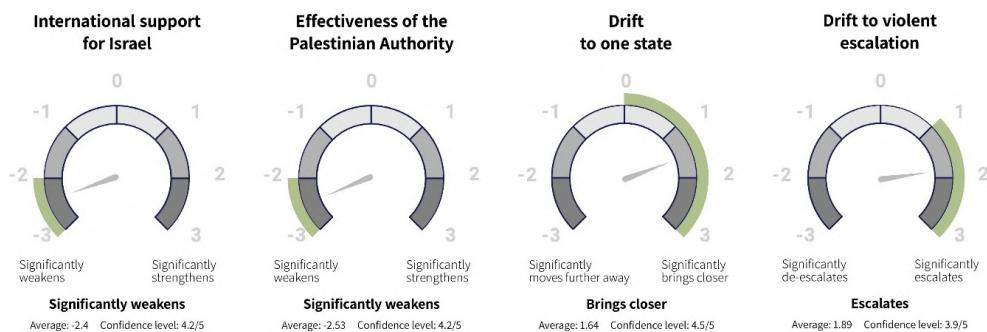
The Experts' Insights

- The scope of the offset is the relevant data point. If significant offsets occur continuously and on an ongoing basis, the Palestinian Authority will weaken to the point of collapse.
- The decision stems from internal Israeli political needs at the expense of stability and security in Judea and Samaria. It shows that **the government has a covert strategy to cause the Palestinian Authority's collapse.**

Inquiry Summary Report: Implications of a Large-Scale Military Operation in Northern Samaria and Forming a Separate Enclave from the Palestinian Authority (Canton)

Figure 15 shows the implications of a military operation in northern Samaria on four vectors and the experts' level of confidence in their judgments.

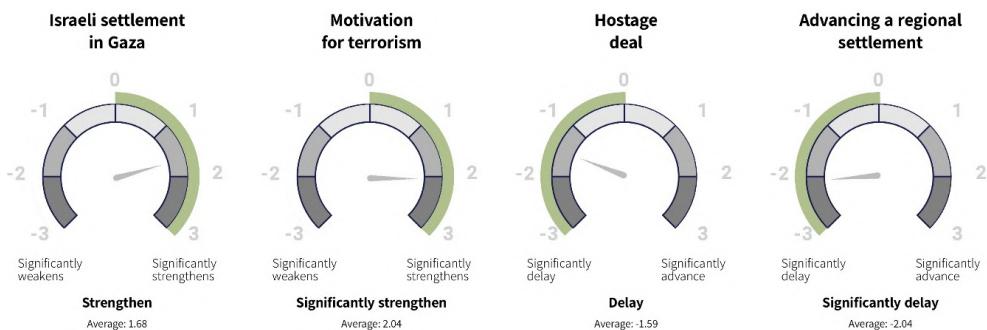
FIGURE 15.



- A massive military operation and the permanent presence of IDF forces in the refugee camps in Jenin, Nur Shams, and others will be interpreted as being driven by internal Israeli political reasons and the extreme right-wing elements taking control of the Israeli government's agenda and on the IDF's operational concept in Judea and Samaria.
- This move is expected to have far-reaching implications: accelerating the disintegration of the Palestinian Authority and adversely affecting most aspects of the Israeli–Palestinian relationship. All of these will expedite the drift toward a one-state reality.
- An attempt to shape a reality of cantons instead of the Palestinian Authority will lead to chaos, anarchy, and an escalation in terrorism; it will place full responsibility on Israel for the needs of the Palestinian population (without the assistance of international entities); it will harm Israel's international and regional standing and lead to accusations of an apartheid regime.

Inquiry Summary Report: The Implications of Taking Control of Areas in the Gaza Strip and Holding Them Over Time (see Figure 16)

FIGURE 16.



The Experts' Insights

- The leading trends, even following the hostage release deal, indicate a state of chaos in the Gaza Strip, which could lead to the occupation of the Strip and the establishment of a military government. For its survival, Hamas will continue to take hostages, work on rebuilding its military strength, and strengthen its control over the Gaza Strip.
- Decision-makers do not understand Hamas's interests. The organization's ultimate value is the survival of its rule. It rules the citizens of the Gaza Strip. Hamas clearly does not wish to lose territory, yet it is confident in its ability to recover militarily (and proves this) and maintain control over the Gaza Strip.
- The occupation of territory in the Strip carries implications regarding the intention to establish settlements there, and it is unrelated to the objectives of the war. This will weaken Israel on the international stage and contradict President Trump's policy to de-escalate the region in order to focus on Iran and establish a Saudi Arabia-Israel axis. **This is another layer leading Israel to the one-state reality.**

Additional Factors

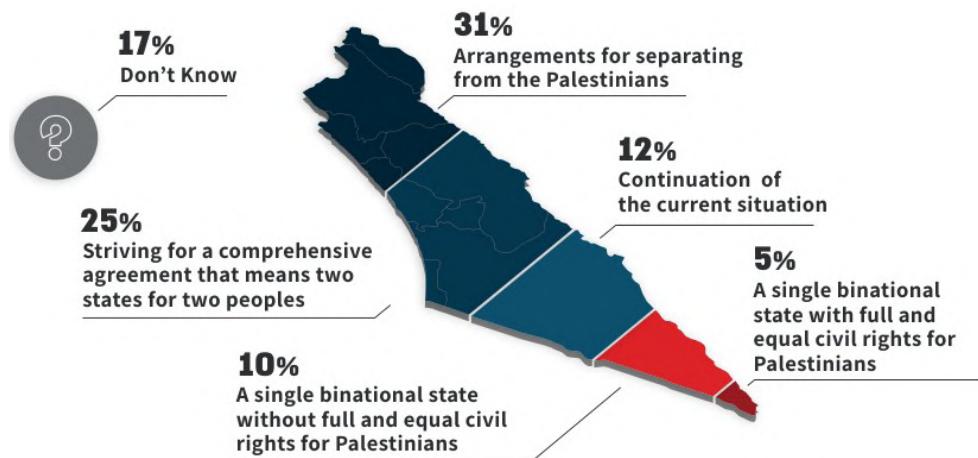
Additional factors significantly influence the formation or perception of a one-state situation, and accordingly, prevention efforts must be made: Public opinion in Israel; Palestinian public opinion; the dependence of the Palestinian economy on Israel; the international position in general, and the regional position in particular.

Public Opinion in Israel. The public opinion in Israel is critically important regarding the future of the conflict and the question of whether there is a chance for a political settlement. The majority of the public does not believe there is a stable and sustainable solution to the conflict. After October 7, the public's position that views the establishment of an independent Palestinian state in Judea and Samaria as an existential threat to the State of Israel has strengthened since it is expected to act as a terrorist entity (like Hamas in the Gaza Strip) and serve as a hostile platform for attacking Israel and carrying out assaults similar to those that occurred on October 7, 2023.

Each year, the INSS conducts a comprehensive public opinion survey regarding perceptions and trends within the Israeli public, referred to as the National Security Index. Recent survey results indicate an increased erosion of support for the two-state solution. In November 2022, 62% of the Israeli public supported measures to separate from the Palestinians.¹⁷ When asked to choose several options, more than half of the Israeli public (56%) supported separation from the Palestinians, including 25% who believed that it is possible to strive for a comprehensive agreement with the Palestinians in the near future (see Figure 17). 10% expressed support for a single state with Jewish supremacy, and 5% supported a single state with equal rights for Jews and Arabs.

¹⁷ Ruth Pines Feldman, "National Security Index: Public Opinion, 2022–2023," in *Strategic Analysis for Israel*, ed. Tamir Hayman, Ram Yavne, and Anat Kurz (2023), p. 87.

FIGURE 17.



Note. From Ruth Pines Feldman, “National Security Index: Public Opinion, 2022–2023,” in *Strategic Analysis for Israel*, ed. Tamir Hayman, Ram Yavne, and Anat Kurz (2023), p. 88.

In March 2025, the public was asked what they believed to be the best option regarding the Israeli–Palestinian conflict.¹⁸ This repeated the question asked in 2022, which presented the one-state option alongside a range of other possible solutions and asked the respondents which they considered best for Israel (see Figure 18).

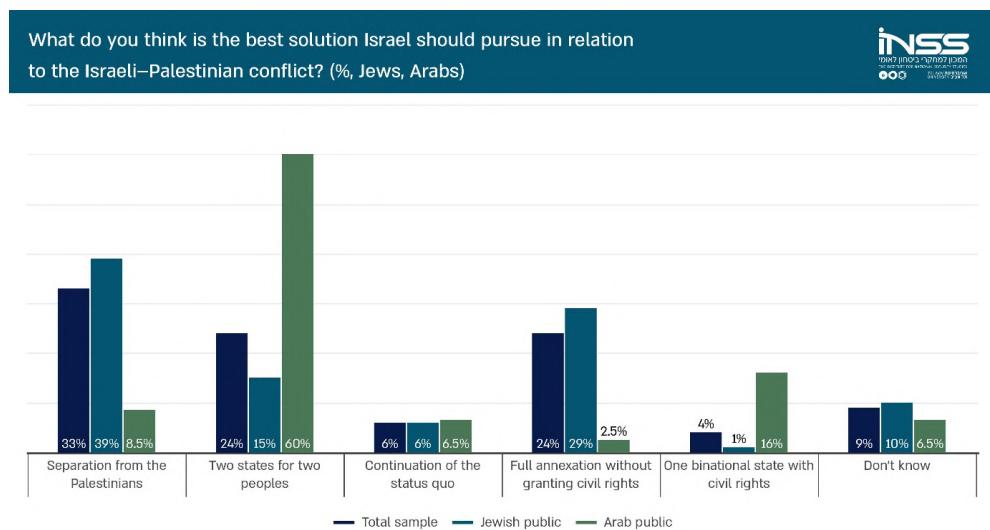
The findings are as follows:

- 33% of the Israeli public (39% among Jews) supports arrangements for civilian separation from the Palestinians;
- 24% (29% among Jews) favors a single binational state (full annexation) without granting full rights to Palestinians;

¹⁸ “What do you think is the best solution Israel should pursue in relation to the Israeli–Palestinian conflict? (percent of the entire sample, Jews, Arabs),” Swords of Iron Survey Results, March 2025, The Institute for National Security Studies, <https://www.inss.org.il/publication/survey-march-2025/>

- 24% (15% among Jews) supports a comprehensive settlement, meaning a two-state solution;
- Four percent (1% among Jews) backs a single binational state with full equal rights for Palestinians (a state for all its citizens);
- Only 6% (6% among Jews) supports the continuation of the current situation;
- Nine percent (10% among Jews) responded “Don’t know.”

FIGURE 18.

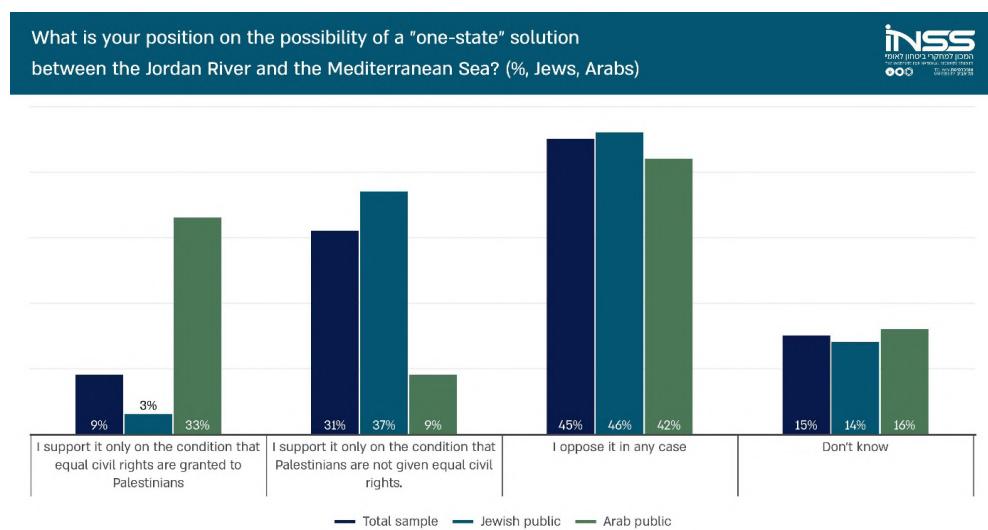


The responses reflect the impact of the October 7 attack on public attitudes compared to the year 2022. There has been a significant increase in those who view a one-state binational solution without equal rights as the best option (a rise from 11% in 2022 to 29% in 2025 among Jews).

Another question examined whether the public supports or opposes various versions of a one-state solution (see Figure 19):

- 45% of the Israeli public (46% among Jews) opposes this solution under any circumstances;
- 31% (37% among Jews) supports a one-state solution involving full annexation without granting Palestinians full civil rights;
- 9% (3% of Jews) support a one-state solution with full equal rights for Palestinians (i.e., “a state for all its citizens”);
- 15% (14% among Jews) answered “Don’t know.”

FIGURE 19.



How does the public in Israel perceive the reality of a one-state solution? In considering the possibility of a one-state reality, the public has a range of concerns. In both the survey and the focus groups conducted by INSS in early 2023, participants were asked whether they perceive dangers in a one-state binational reality: Half of Jewish respondents identified increased violence between Jews and Arabs as the main danger (compared to 19% of Arab respondents). Jewish respondents also expressed concern that Israel

would lose its Jewish character (46.5%) and that an Arab-Muslim demographic majority would emerge, leaving a Jewish minority (45%).

The focus groups conducted prior to October 7 voiced similar concerns. The participants agreed that a one-state solution would not preserve Israel's Jewish character and democratic nature, and Jewish religious symbols would not be reflected in the state's identity. In a binational state, the dilemma arises of annexing territories and the legal status to be granted to Palestinians. Indeed, the participants understood that granting rights poses a problem, as such a state requires equal rights for all citizens, which would lead to the establishment of a democratic but non-Jewish state.

In focus groups conducted after October 7, 2023, participants viewed the establishment of a Palestinian state as a completely unjustified "prize" for terrorism, suggesting that its establishment might be only possible in the distant future (perhaps in a generation or two). Palestinians were perceived as "despising" Israelis and as unwilling to compromise on a state limited in the territories. Instead, they were seen as seeking a Palestinian state "from the river to the sea" and the elimination of all Jews residing within those boundaries. A noteworthy finding was that the settlements were not viewed as safeguarding security, and even right-wing individuals expressed willingness to evacuate communities located in areas previously designated for the Palestinian Authority. However, from the respondents' perspective, Israel must maintain security control in the West Bank and the Gaza Strip.

Parallel to the erosion of support for the two-state solution, since October 7, the proportion of Israelis supporting a one-state situation has increased, although for the majority of the Israeli public, this is not considered a desirable solution and is perceived as fraught with dangers.

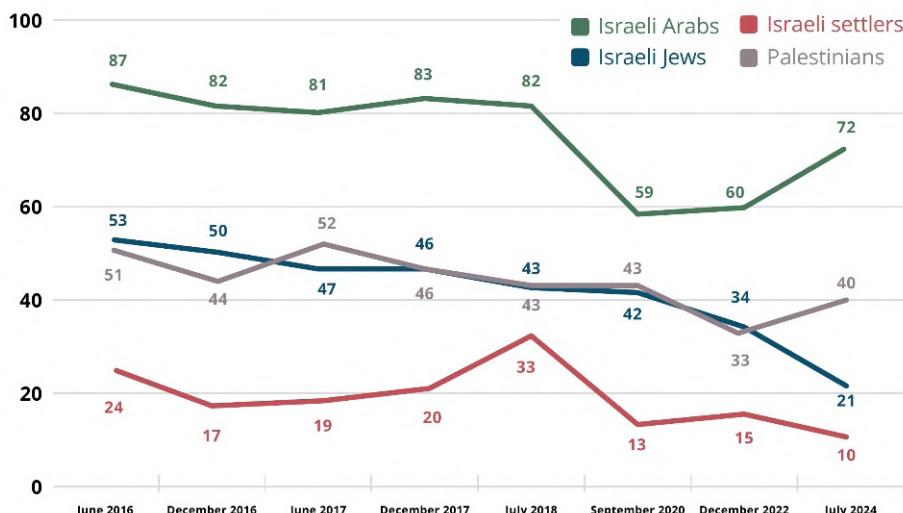
The primary challenge, therefore, is how to convey to the Israeli public the dangers of drifting into a one-state reality, as well as the need to exert pressure on decision-makers to take immediate steps to halt this drift.

Palestinian Public Opinion

The Palestinian public opinion is, in some respects, an exaggerated mirror image of Israeli public opinion. Over time, support for the two-state solution has noticeably declined. Within five years, Palestinian support fell to a rate of less than half, down from a level in 2017 that was close to the level of support then recorded among Israelis (see Figure 20). In 2022, support among Palestinians sharply declined, with only 27% expressing support for the two-state solution.

FIGURE 20.

Do you support or oppose a solution based on the establishment of a Palestinian state alongside Israel, known as the “Two-State Solution”?



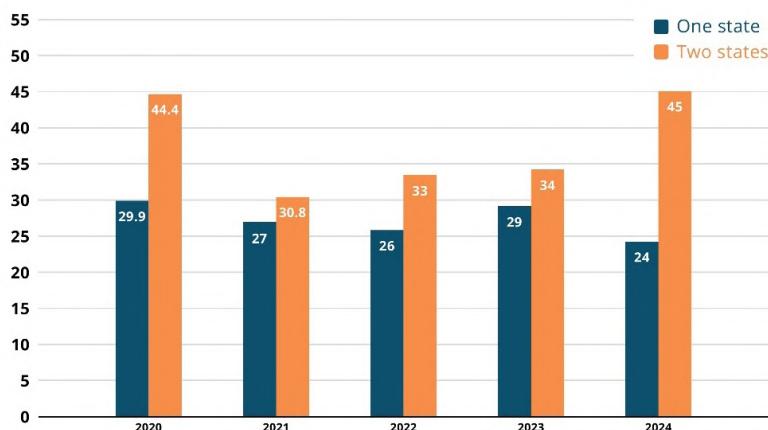
Note. Taken from Public opinion surveys of the PCPSR.

At the same time, however, there has not been a dramatic increase in support for a one-state solution; the percentage of supporters for this option remains around 30%, with slight fluctuations across surveys (see Figure 21). Among the

Palestinians who support a one-state solution, three streams can be identified: The first advocates changing Israel from within through a struggle for equality and justice; the second calls for reconciliation with the Zionist movement and the establishment of a binational and egalitarian democracy; and the third is the Islamist stream, which advocates for a Greater Palestine encompassing all of Palestine's territory as a Muslim waqf (religious endowment), free of Jews.

FIGURE 21.

The Rate of Palestinian Support for the One-State Solution and the Two-State Solution
according to surveys by Khalil Shikaki



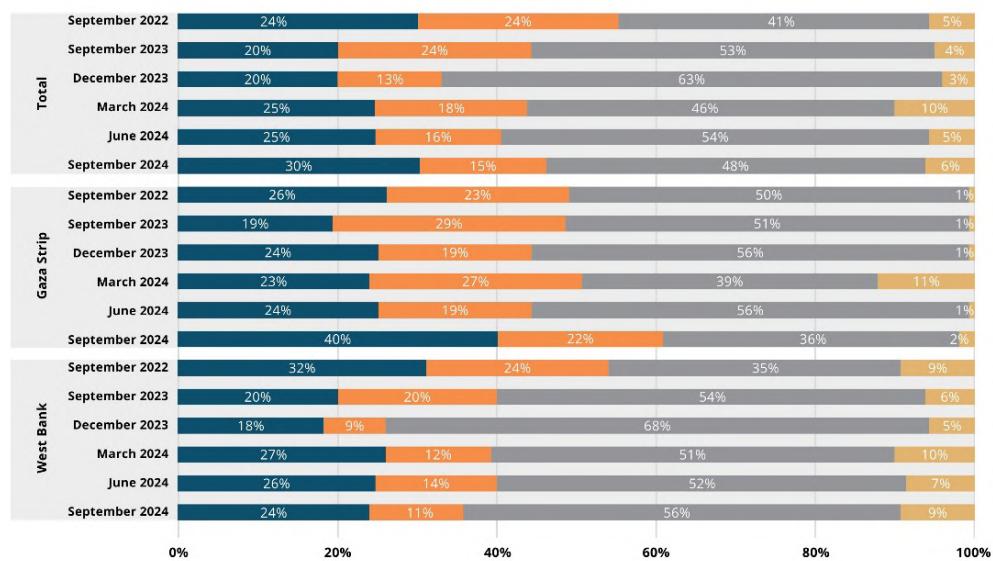
Note. Compiled from Public opinion surveys by the Palestinian Center for Policy and Survey Research (PCPSR).

Khalil Shikaki has examined the degree of support among the Palestinian population for armed struggle in surveys conducted by PCPSR, which he heads. The findings show that continuing the armed struggle remains the preferred alternative for the majority of the public at 48% compared to other options. However, one year into the war in Gaza, a survey in September 2024 indicated a decline in the degree of support for armed struggle, alongside a

significant gap in its support among the residents of the Gaza Strip at 36% compared to 56% in the West Bank (see Figure 22).

FIGURE 22.

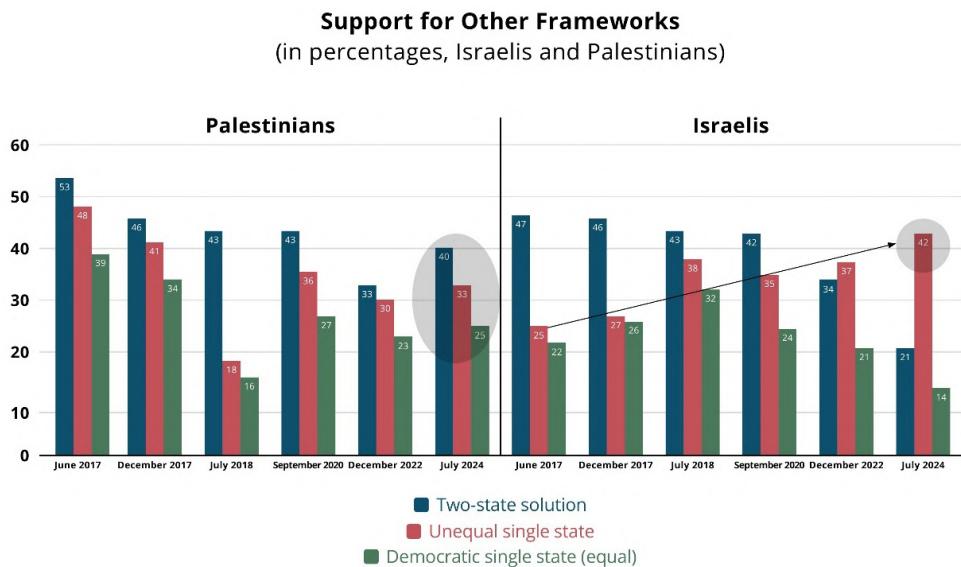
In your view, what is the best means of achieving the Palestinians' goals in ending the occupation and building an independent state?



Note. From PCPSR, “Press Release: Public Opinion Poll No. 93,” September 17, 2024.

Khalil Shikaki, in collaboration with Dr. Dahlia Scheindlin, Dr. Nimrod Rosler, and Dr. Alon Yakter in July 2024, posed a question to Jewish Israelis and Palestinians, examining their level of support for the one-state solution in two variations—without equal rights and democratic (equal rights). Forty-two percent of Israelis preferred a single state without equal and full rights for Palestinians. Thirty-three percent of Palestinians preferred this option in reverse—a single state without equal and full rights for Jews (see Figure 23).

FIGURE 23.

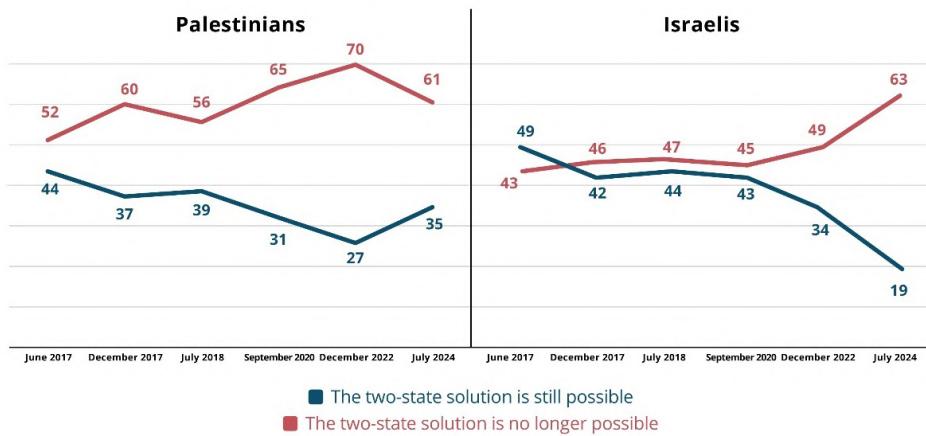


Note. Taken from Public opinion surveys of the PCPSR.

When respondents were asked about their assessment regarding the practical viability of the two-state solution, nearly identical levels of skepticism were found in both populations. Sixty-one percent of Palestinians and 63% of Israelis estimated that there is no chance of implementing this solution (see Figure 24).

FIGURE 24.

There are those who believe that the two-state solution—an independent Palestinian state alongside the State of Israel—is no longer possible, due to political changes and developments on the ground, such as the expansion of settlements, which have made its implementation impossible. What is your opinion?
 (Percentages, Israelis and Palestinians)



Note. From public opinion surveys conducted by the PCPSR.

The Dependence of the Palestinian Economy on Israel

Alongside the advantages—primarily symbolic—that can be attributed to Palestinian economic independence, it is important to note that the fundamental concept in economics is that integration is preferable to an independent economy that does not utilize the relative advantage of different markets. There are advantages to elements symbolizing Palestinian economic independence and separation from Israel; however, full economic independence is not necessarily positive or feasible in the case and circumstances of the Palestinian economy. There are two central components in the issue of economic independence in the Israeli–Palestinian context: dependence on Israeli policy decisions and economic integration with Israel. The Palestinian economy is highly dependent on the Israeli economy, while most Israeli

economic decisions do not take into account the impacts on the Palestinian economy.

Uniform customs barrier—Subject to the decisions in the Paris Protocol,¹⁹ the two economies are within the same customs barrier, as there is no clear and monitored border between the State of Israel proper and the West Bank. The standards and import procedures are determined unilaterally by Israel, leaving the Palestinian Authority without control over the goods crossings (unlike the situation in the Gaza Strip, where Hamas controlled the external crossings until October 7, 2023).

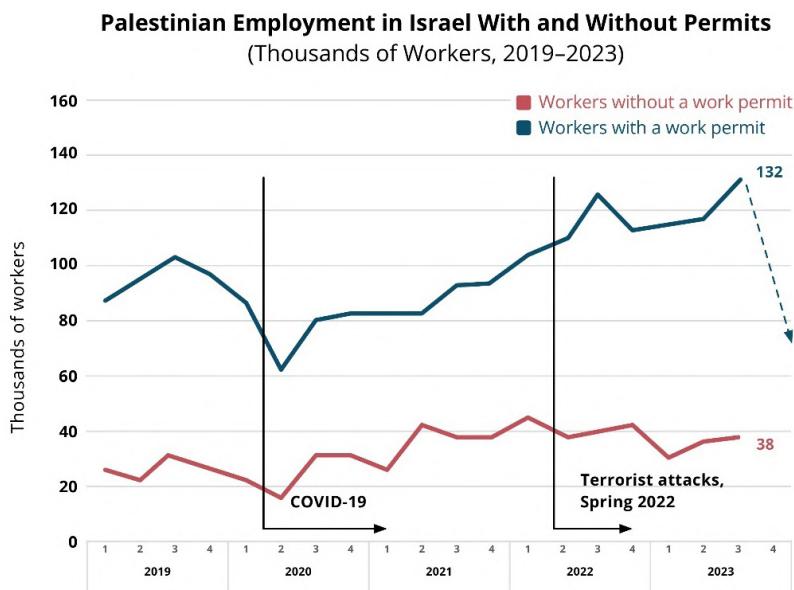
Employment in Israel—Approximately 140,000 Palestinian workers from the West Bank and approximately 18,000 from the Gaza Strip were employed in Israel prior to October 7 (excluding unauthorized workers).²⁰ The Palestinian Authority has no influence over the number of employees in Israel; these are Israeli decisions. During the COVID-19 pandemic (2020–2022), an application was launched by the Coordinator of Government Activities in the Territories (COGAT), streamlining the procedures for obtaining work permits in Israel directly with the workers, effectively reducing the Palestinian Authority's involvement in the matter. Hamas was the entity that authorized which residents of the Gaza Strip could travel to work in Israel.

19 The Paris Protocol is an economic agreement between Israel and the PLO, representing the Palestinian people, signed on April 29, 1994, and integrated with minor amendments into the Interim Agreement between Israel and the Palestinians in September 1995. The protocol combined the Palestinian economy with the Israeli economy through a customs union, Israeli control over the Palestinian Authority's borders, and an arranged relationship between Israel and the Palestinian Authority in six main areas: customs, taxation, labor, agriculture, industry, and tourism. Its validity was set for five years, but in practice, it regulates the economic relationship between Israel and the Palestinian Authority to this day.

20 Data processing from Palestinian workforce surveys and the Palestinian Central Bureau of Statistics was conducted at the Institute for National Security Studies by Dr. Haggay Etke and Prof. Esteban Klor.

Although only a quarter of Palestinians within the Palestinian Authority worked in Israel, their wages accounted for 40% of the income of Palestinians within the Palestinian Authority in 2022, due to wage disparities between the regions. The integration of the Palestinian labor market with Israel distorts the Palestinian labor market—unskilled laborers employed in Israel earn significantly more than highly educated individuals who do not work in Israel. One consequence of this fact is the erosion of incentives among Palestinians to pursue higher education. After October 7, the number of Palestinian workers employed in Israel and the Judea and Samaria region changed significantly. (See Figures 25 and 26).

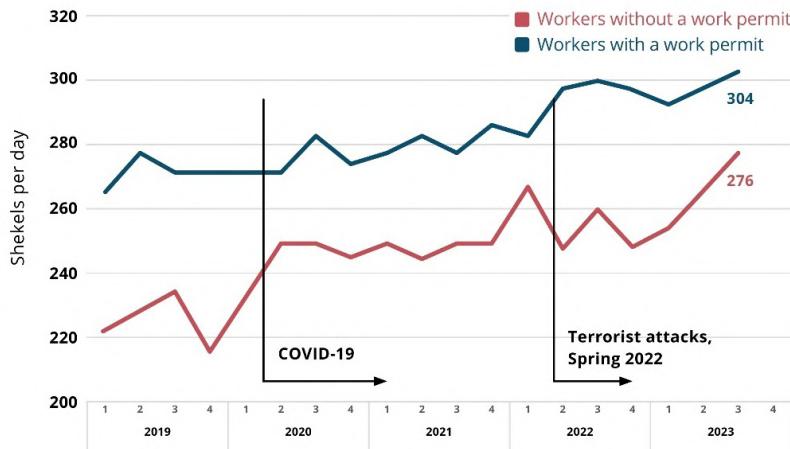
FIGURE 25.



Note. Taken from data of the Palestinian Central Bureau of Statistics.

FIGURE 26.

Daily Wages of Palestinian Workers Employed in Israel, With and Without Permits
(in Shekels, 2019–2023)



Note. Taken from data of the Palestinian Central Bureau of Statistics.

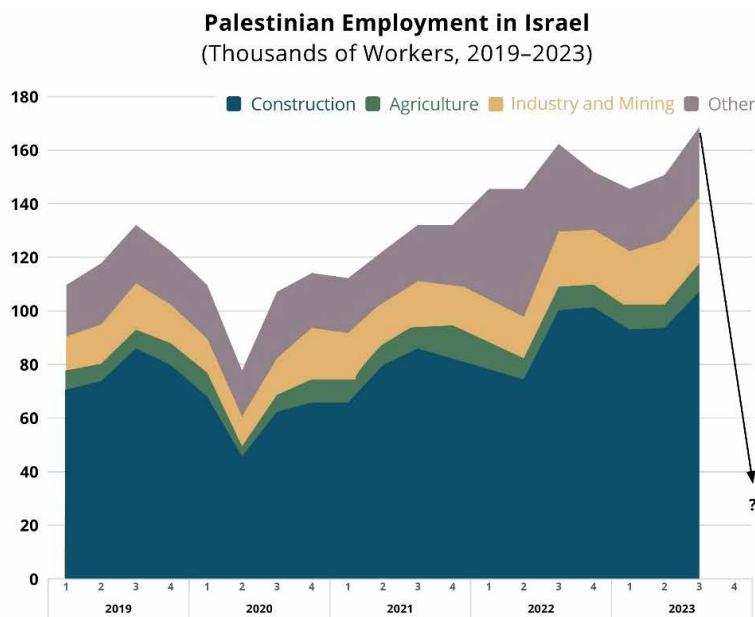
As of January 2024, only approximately 8,000 Palestinian workers were permitted to enter Israel, primarily for essential factories. Simultaneously, the number of Palestinian workers employed in the settlements and industrial zones in Judea and Samaria increased. As of May 2024, more than 10,000 Palestinian workers were employed there: approximately 8,000 in industry, about 1,500 in services, and around 1,300 in the construction industry. Some of the workers are employed without official permits, and the data may vary depending on the security situation and government decisions.

As of April 2025, the unemployment rate in the Palestinian Authority territories has significantly increased following the cessation of Palestinian employment in Israel since October 7, 2023. The Israeli decision to prevent the entry of approximately 130,000 Palestinian workers, who were primarily employed in the construction and agriculture sectors, led to a sharp increase

in unemployment. It is estimated that the unemployment rate in the West Bank currently stands at around 33%.²¹

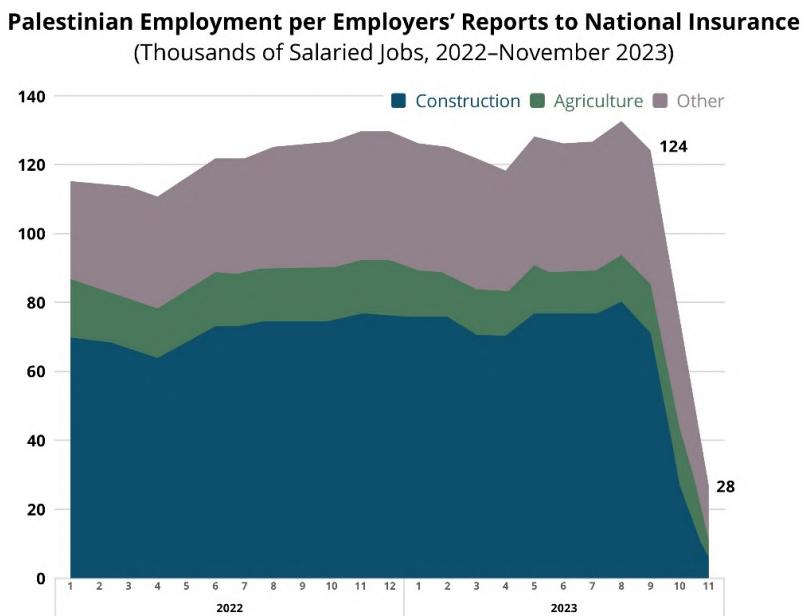
Due to the demand for workers in the construction industry in Israel (see Figures 27 and 28) and the 100,000 Palestinians seeking employment, the potential for illegal work has increased, leading to a rise in unauthorized employment in Israel.

FIGURE 27.



Note. Taken from the Israeli Central Bureau of Statistics and includes unreported employment.

FIGURE 28.



Note. Taken from Israeli Central Bureau of Statistics.

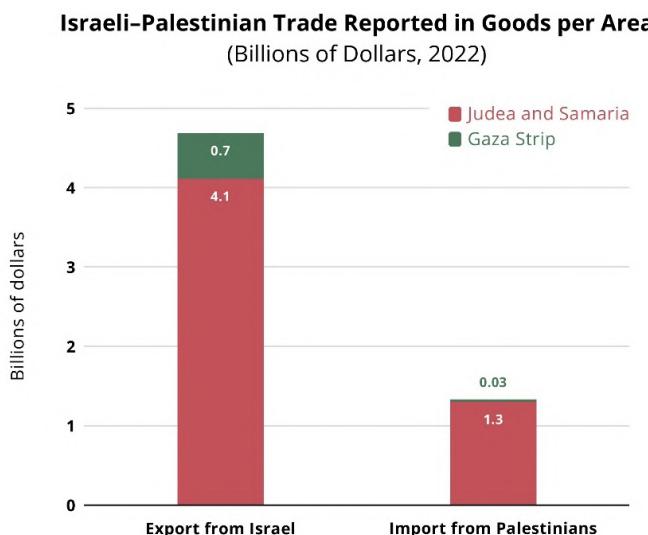
Use of the shekel—The shekel is the primary currency in the Palestinian economy alongside the US dollar, the Jordanian dinar, and the euro. About 70% of the Palestinian Authority's debt is in shekels. It is difficult to transfer funds between banks due to restrictions intended to prevent funds from reaching terrorist entities.

Indirect taxes determined by Israel—Under the Paris Protocol and the customs barrier arrangement, Israel sets and collects indirect taxes—customs, excise, VAT (except in Areas A and B)—and then transfers them to the Palestinian Authority. These clearance revenues constitute over 60% of the Palestinian Authority's income. In practice, Israel freezes or offsets part of these transfers due to the Palestinian Authority's support for the families of terrorists (those killed as well as prisoners in Israeli jails). The Palestinian

Authority is authorized to collect additional taxes of its own, but it struggles to collect them effectively.

Commerce—The export of Palestinian goods to Israel is limited, while the export of Palestinian labor services to Israel is expanding (see Figures 29 and 30). The Palestinian goods and products market demonstrates increasing independence, as a product manufactured for an Israeli audience can also be sold in European markets. According to data analysis conducted by Dr. Haggay Etkes, Israeli–Palestinian trade has partially recovered from the decline following the outbreak of the Swords of Iron war. Israeli exports to the Palestinian economies decreased by approximately 30% at the end of 2023 but recovered after six months, with the export volume in the second quarter of 2024 being about 15% lower compared to right before the war. The imports from the Palestinians decreased for a quarter when the war broke out but immediately returned to their pre-war levels.²²

FIGURE 29.

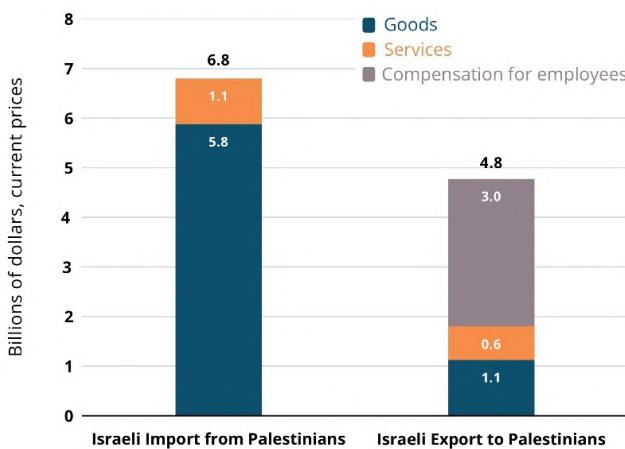


Note. Taken from the Palestinian Central Bureau of Statistics.

22 Haggay Etkes [@EtkesHaggay], “On Economic Trends in Israel” [Tweet]. X, April 13, 2024.

FIGURE 30.

Bilateral Trade and Employment Balance in the Year Preceding the Swords of Iron War
(Billions of Dollars, 4Q 2022–3Q 2023)



Note. Taken from the Israel Central Bureau of Statistics and the Palestinian Central Bureau of Statistics.

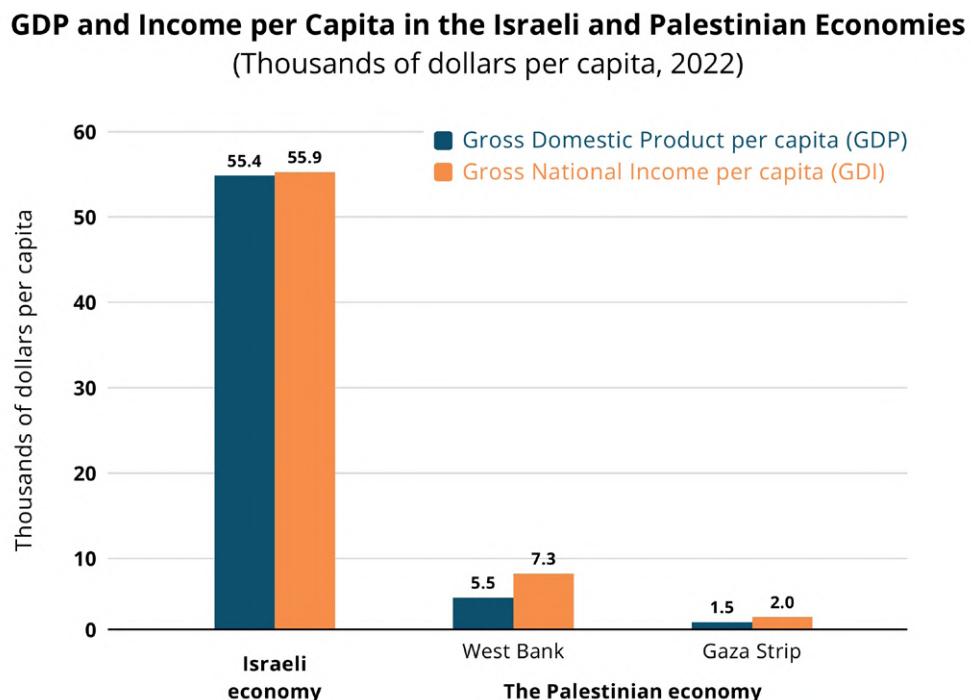
In 2024, international donations to the Palestinian Authority dropped to their lowest level ever—\$358 million, which constitutes only about 2% of the Palestinian GDP. The financial damage to the Palestinian Authority, including the confiscation of funds and halting payments by Israel, is estimated at \$1.4 billion from 2019 to April 2024—approximately 8% of the Palestinian GDP in 2023. In September 2024, the World Bank warned of an inevitable economic collapse in the Palestinian territories due to the ongoing conflict.²³

Gross Domestic Product (GDP) per capita—in Israel, GDP (in 2024 terms) exceeds \$54,000. In the Palestinian Authority, GDP per capita was approximately \$3,125 in 2023,²⁴ similar to 2022 figures (see Figure 31).

²³ Data processed from the Israeli Central Bureau of Statistics and the Palestinian Central Bureau of Statistics conducted at INSS by Dr. Haggay Etkes and Prof. Esteban Klor.

²⁴ Data processed from the Israeli Central Bureau of Statistics and the Palestinian Central Bureau of Statistics conducted at INSS by Dr. Haggay Etkes and Prof. Esteban Klor.

FIGURE 31.



Note. Taken from the Israel Central Bureau of Statistics and the Palestinian Central Bureau of Statistics.

These gaps are insurmountable, but it is estimated that in a one-state reality, the GDP per capita in Israel would decrease by one-third. It is difficult to envision a situation where the Israeli public would accept this. In 2024, the Palestinian economy experienced a sharp decline in GDP, with the first quarter of the year recording a 35% decrease in gross domestic product. In the Gaza Strip, the economy shrank by 86%, leading to a decrease in its share of the Palestinian economy from 17% to less than 5%. In the West Bank, a 25% decrease was recorded, primarily in essential sectors such as commerce, services, construction, and industry.

To conclude the economic dimension, in the reality of a single state and the application of Israeli law on Palestinians in Judea and Samaria, a significant allocation of resources will be required, naturally at the expense of funding other tasks and in light of the heavy economic burden expected for the State of Israel (the GDP per capita according to forecasts will decrease by approximately one-third). Tens of billions of shekels per year will be required to fund healthcare, education, transportation, and public services for all Palestinians who will be added to the State of Israel; equalizing infrastructure in the West Bank to that in Israel will cost a fortune as updates and adjustments to water, electricity, roads, and services systems will be necessary. The dissolution of the Palestinian Authority would mean transferring full responsibility for the needs of the Palestinian residents to the State of Israel, including subsidizing living costs, providing economic support, and building infrastructure. There may be a “brain drain” due to the economic and social erosion. Moreover, economic sanctions and boycotts from the international system are anticipated.

Legal and Policy Implications

A unilateral move by Israel to annex and apply sovereignty over the territories of Judea and Samaria will be accompanied by ethical, legal, and political implications. Israel holds the territories of Judea and Samaria under the laws of belligerent occupation and is considered an occupying power in these areas. According to international law, occupation is a temporary situation in which the occupying state holds territory in trust and not by virtue of sovereignty. The occupying state is prohibited from exploiting the occupied area for its national interests or making changes that worsen the population’s condition. This includes the prohibition of applying sovereignty or annexing the entire territory or parts of it.

Accordingly, an act of annexation and the application of sovereignty would present Israel with a range of legal and ethical challenges, both domestically and internationally, and risk further harm to its international standing.

On the domestic level, the Israeli authorities will become the competent entity in the annexed territory, and Israeli law will apply to it. The Palestinians will be eligible for residency status and will be allowed to apply for citizenship. As Israel seeks to avoid this and does not apply sovereignty over population centers, thereby creating Palestinian enclaves not included within Israeli territory, this will lead to a violation of Palestinian human rights; their rights to property, equality, and freedom of movement. This will also harm the fundamental democratic nature of Israel and could officially render it an apartheid state. It is expected to lead to internal disputes regarding the legality of the move, which will further deepen the rift within Israeli society.

On the international level, the move will be perceived as another of Israel's serious violations of international law, the prohibition against annexing occupied territory, and the Palestinians' right to self-determination in these areas, which has been further reinforced by several UN resolutions of the General Assembly and the Security Council. As stated, revoking citizenship or residency from Palestinians and creating enclaves would harm their human rights and constitute a violation of international human rights law by Israel. It may establish Israel's status as an apartheid state under international law. Any action to expel Palestinian residents from the annexed territory is prohibited and may be considered a war crime or a crime against humanity.

Moreover, the move would constitute a violation of the Oslo Accords, from which Israel has not yet withdrawn, and which prohibit unilateral actions, as well as the Interim Agreements that underpin its cooperation with the Authority.

Additionally, the move would constitute a violation of the advisory opinion issued by the International Court of Justice (ICJ) in July 2024, which determined that Israel's ongoing presence in the "Occupied Palestinian Territories" is illegal and that it must withdraw from the area and end the occupation as soon as possible. The General Assembly anchored the advisory opinion in a resolution from September 2024, which determined that Israel must end its illegal presence in the territories within a year at most. The implication is that

not only are the application of sovereignty and annexation prohibited under international law, but according to the advisory opinion, Israel's very presence in the territories is no longer legal. It should be noted that both the advisory opinion of the ICJ and the United Nations General Assembly resolution are not binding, and it can even be anticipated that attempts to enforce them through the Security Council would encounter an American veto.

However, from the perspective of international law, the move would be defined as illegal and legally invalid. Accordingly, a unilateral move by Israel to annex and apply sovereignty will not alter the territories' legal status, which will continue to be considered occupied; it will not absolve Israel of its obligations as an occupying power toward the Palestinian population, nor from its duty to guarantee their human rights in the territories where sovereignty will be applied.

In the political and international legitimacy sphere, a move to annex and apply sovereignty will not gain broad recognition from the international community and is even expected to intensify criticism against Israel. Except for a few individual states, most countries and other international entities will continue to regard the territory as occupied, where Palestinians are entitled to various protections and may exercise their rights, including their right to self-determination.

Moreover, this move will serve Israel's opponents and further strengthen the Palestinian narrative, portraying Israel as a colonialist state, a lawbreaker committing serious international crimes. It is also expected to cement Israel's status as an apartheid state, a determination avoided by the ICJ in its advisory opinion. It is expected that the move will motivate various entities within the international community to promote additional legal measures against Israel in the international courts in The Hague. These measures may include, for instance, charging with crimes against humanity of apartheid at the International Criminal Court (ICC) under the ongoing investigation by the court

regarding Palestine, pursuant to which arrest warrants were issued against the Prime Minister and the former Minister of Defense in November 2024.

In addition to severe condemnations, the move may also lead to sanctions against Israel and further moves to isolate it internationally. These will further undermine its international standing and jeopardize its membership in the alliance of liberal democratic nations—a strategic asset for Israel. Therefore, although the concern about international ramifications has significantly diminished since Trump’s return to the White House, Israel must not succumb to complacency regarding the legal and political implications that may accompany an annexation and sovereignty move.

The International Community’s Position

The international community generally supports the two-state solution to the Israeli–Palestinian conflict. The first resolution that explicitly mentions two states is UN Security Council Resolution 1397 from March 2002, which addressed the Second Intifada. The council demanded the cessation of violence between the Israeli and Palestinian sides that had occurred since September 2000. Subsequently, Resolutions 1515 and 2334 emphasized the importance of preserving and advancing the two-state solution, with the latter focusing primarily on halting Israeli settlement policies in the West Bank. The UN General Assembly approved an ICJ advisory opinion in September 2024, stating that Israel’s continued presence in the occupied Palestinian territories is illegal and that it must withdraw from the area as soon as possible, no later than July 2025.

Over the past thirty years, the United States has adhered to the two-state solution. “The Deal of the Century” proposed by President Donald Trump in 2020, also outlines a two-state solution. The policy of the current Trump 2.0 administration on the issue remains unclear.

On the other hand, in recent years, there are voices in the international arena arguing that the ability to separate into two states is diminishing. It

can be assumed that an Israeli decision to annex Judea and Samaria and grant Palestinians full citizenship and equal rights would be accepted by most members of the international community. However, concerns were also expressed that annexation would not be accompanied by equal rights for Palestinians, resulting in Israel becoming an apartheid state. In this situation, relations between many countries and Israel are expected to deteriorate, and sanctions may be imposed on Israel. This also pertains to countries with which Israel maintains extensive relationships and mutual trade connections, and which are interested in nurturing this relationship. However, entities advocating for a boycott and isolation of Israel (the BDS movement) are conducting campaigns against them, as well as against companies and corporations, with the objective of undermining Israel's status and demonstrating that it is already an apartheid state violating human rights. Moreover, from time to time, human rights organizations publish reports stating that signs of apartheid are evident in the West Bank. Although no comprehensive and significant sanctions have been imposed against Israel to date, it is important to note that criticism of it is mounting, and this is evident, among other things, in international legal forums—the International Criminal Court and the International Court of Justice. The war following October 7, 2023 only intensified the criticism and calls for a boycott.

Although key states in the international community have not yet marked the point of no return, namely recognizing the reality in the conflict arena as a single state, the official positions of both the State of Israel and the Palestinian Authority are critically important in this context: If either declares publicly that it is no longer interested in a two-state solution and seeks to promote a one-state solution, the international community will strive to establish a state for all its citizens—granting full equality of rights to the Palestinian population within its territory.

Alongside the positions of both Israel and the Palestinians, there is a concern that if key forces in the international arena lose hope in the prospects

of implementing the two-state solution—whether due to a lack of willingness on both sides to make historic decisions enabling an agreed separation, or developments on the ground, including the intermingling of Jewish and Palestinian populations in the West Bank—they will demand equal rights for the two communities between the Jordan River and the Mediterranean Sea. Israel will then have to contend with a significant diplomatic and legal challenge, which will undoubtedly have economic and security implications as well.

The Regional Position—The Peace States and the Abraham Accords

The Palestinian issue has, in recent years until October 7, 2023 and the outbreak of the Swords of Iron War, remained on the periphery of the regional agenda. However, while the concept of a one-state solution is not prevalent in discourse, the two-state solution still serves as the foundation for resolving the Israeli–Palestinian conflict. The position of the moderate Arab states, primarily Saudi Arabia, Egypt, Jordan, the United Arab Emirates, and Bahrain, regarding the resolution of the Israeli–Palestinian conflict has historically been based on the Arab Peace Initiative of 2002. This initiative proposed full normalization with Israel in exchange for a complete withdrawal from the territories occupied in 1967, the establishment of an independent Palestinian state with East Jerusalem as its capital, and an agreed-upon solution to the refugee issue.

During 2023, due to the effort led by the United States to expand the Abraham Accords, which include the United Arab Emirates, Bahrain, Sudan, and Morocco, and to establish normalization between Israel and Saudi Arabia, the discourse on the Arab Peace Initiative was renewed,²⁵ focusing

25 The Arab Peace Initiative is a political plan proposed by the Arab League to resolve the Israeli–Arab conflict. According to this initiative, all Arab states would normalize their relations with Israel in exchange for a complete Israeli withdrawal from the territories of the Golan Heights, Gaza Strip, and the West Bank (including East Jerusalem), and the establishment of an independent Palestinian state with East Jerusalem as its capital.

on the establishment of an independent Palestinian state within the 1967 borders, with East Jerusalem as its capital. Israel—both the public and the leadership—aspires to establish relations with Saudi Arabia, albeit while relegating the Palestinian issue to the margins of the discussion. However, Saudi Arabia, especially after October 7, is attentive to the sentiments and positions within the Kingdom, particularly in the Arab world and the Muslim world in general, and refrains from rapprochement with Israel as long as the Palestinian issue remains unresolved. In a speech delivered by Saudi Crown Prince Mohammed bin Salman at the Arab League summit in May 2023 in Riyadh, he emphasized that “the Palestinian issue is at the top of the Kingdom’s agenda,”²⁶ referencing the Arab Initiative and other relevant international resolutions on the matter. One of the conditions Saudi Arabia set for advancing normalization with Israel is the initiation of a political process between Israel and the Palestinian Authority, based on the Arab Initiative and Israel’s commitment to the two-state solution.

Over the years, and especially after the Abraham Accords were signed in 2020, a certain flexibility has developed in the Arab stance, as some countries have begun to promote relations with Israel even without a complete resolution to the Palestinian issue. As a result of the war, moderate Arab states expressed criticism of Israel’s actions in Gaza, emphasizing the need for a political resolution to the conflict. Saudi Arabia, which was close to establishing normalization with Israel before the war, has suspended the process and

Regarding the refugee issue, the peace initiative proposes “finding a just and agreed-upon solution” in accordance with UN General Assembly Resolution 194 (the resolution states that “refugees wishing to return to their homes and live in peace with their neighbors shall be permitted to do so at the earliest practicable date”—a phrasing that, according to Arab interpretation, requires the refugees to return to their homeland). In exchange for these measures, the Arab states would consider the Israeli–Arab conflict to have reached its conclusion and would normalize relations with Israel “in the context of peace.”

²⁶ Jacob Magid, “MBS Says Palestinians the ‘Central Issue’ for Arabs as US Pushes Israel–Saudi Peace,” *Times of Israel*, May 19, 2023, <https://tinyurl.com/3n3udemz>

has renewed its support for the Palestinians' rights to their own state and opposition to the ideas of annexation and the establishment of a one-state reality. In the annual royal speech on September 18, 2024, the Saudi Crown Prince Mohammed bin Salman condemned the "Israeli crimes against the Palestinian people." According to him, "The Kingdom will not stop its tireless work toward the establishment of a Palestinian state." He added: "We will not establish relations with Israel unless it fulfills the requirements regarding the establishment of a Palestinian state."

Egypt and Jordan—the long-standing peace states—repeatedly emphasize their support for the two-state solution, which is essential to them for the following reasons: Historical considerations—the peace agreements are based on United Nations Security Council Resolution 242, which implies recognition of Israel within its pre-1967 borders; pragmatic-realistic considerations—the two-state solution is perceived as the best foundation for a stable regional order, within which Palestinian rights are also realized, enabling regional states to allocate more resources to development, welfare, and prosperity. For Jordan in particular, the establishment of an independent Palestinian state is an existential matter in the sense of preserving Jordan's identity as the Hashemite Kingdom. This is due to concerns about the "Watan al-Badil"—the concept of an alternative homeland, which implies that Jordan would become the Palestinian nation-state.

Under what circumstances might the peace states and the nations signatory to the Abraham Accords alter their stance and support a one-state solution? This change is expected to occur when the Palestinians themselves abandon the two-state notion and adopt the idea of one state as a state for all its citizens; if international recognition of the one-state reality develops and pressure mounts on Israel to grant full rights to all its citizens; if the Muslim Brotherhood or other Islamist elements come to power in the peace states, and reject the two-state idea and advocate for a Greater Palestine.

CHAPTER FOUR

THE END OF ONE THING AND THE BEGINNING OF ANOTHER— PREVENTING THE DRIFT INTO A ONE-STATE REALITY

In Judea and Samaria, a reality is emerging that endangers the Zionist vision of a Jewish, democratic, secure, and prosperous state. In practice, a complex and intertwined life between Jews and Palestinians is established, compounded by a political deadlock, with no ability to break through it, discuss options for a political settlement based on division and separation, and implement the one agreed upon by the parties. So far, the American administration, which is generally supportive of Israel, expects it to refrain from unilateral actions, particularly annexation and the application of sovereignty over territories in Judea and Samaria, thereby preserving the feasibility of the two-state solution option. Similarly, the moderate Arab states, led by Saudi Arabia, are willing to cooperate with Israel and even expand and deepen normalization with it, provided that it does not close the door on the possibility of establishing a Palestinian state in the future and does not embarrass them by taking overt annexation steps.

Therefore, the State of Israel must change direction. It is not too late, and it is possible to halt the drift into a one-state reality. This drift can be halted by ceasing annexation processes, which manifest in the expansion of settlements and taking control of every vacant hill in Judea and Samaria. Now is the time for an initiative aimed at pursuing political, geographical, and demographic separation from the Palestinians, in order to ensure a solid Jewish majority in a democratic Israel and to pave a new path in the arena of the Israeli–Palestinian and Israeli–Arab conflict. This is without compromising security and while operating from a position of strength, ensuring that Israel’s security situation will not deteriorate even if the process encounters difficulties or disruptions. In this context, the efforts aimed at

advancing normalization between Israel and Saudi Arabia are an opportunity for a diplomatic breakthrough in the Israeli–Palestinian conflict.

Figures 32 and 33 summarize the strategic choice Israel now faces: continued conflict management that accelerates one-state drift versus a new visionary framework centered on separation.

FIGURE 32.

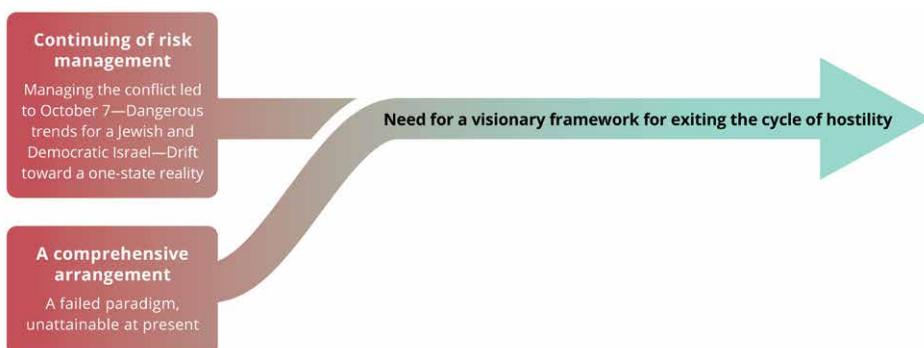
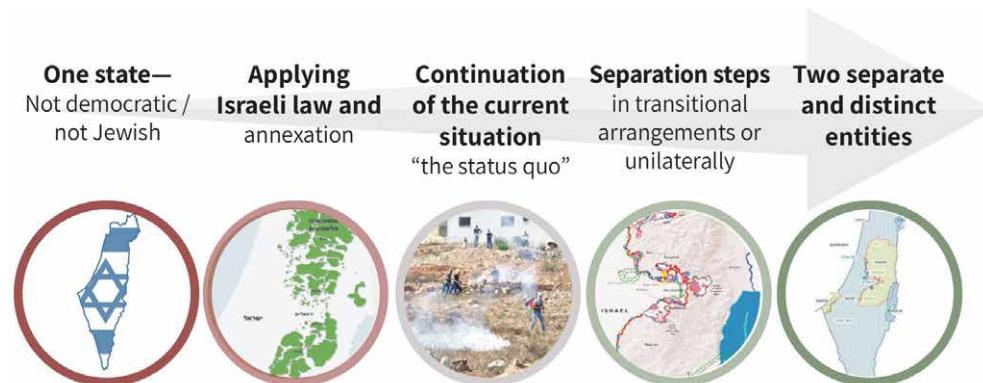


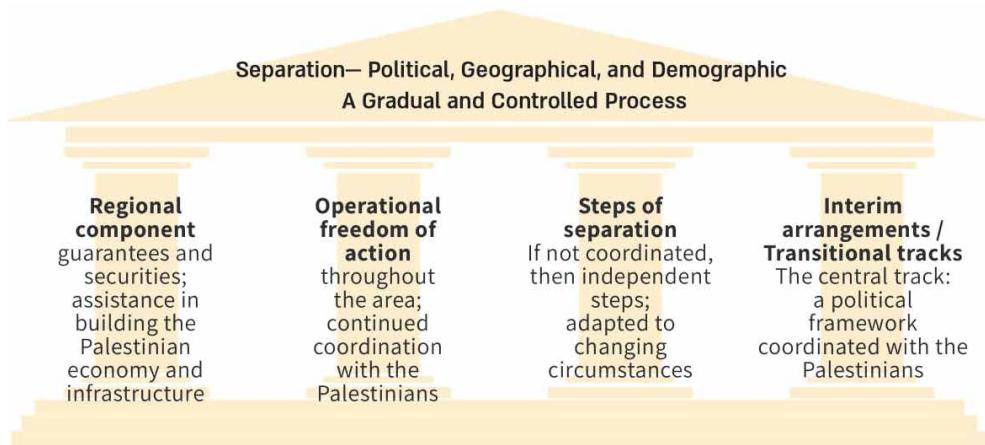
FIGURE 33.



Changing Direction and Trend

In order to examine how Israel's Jewish and democratic character can be preserved, the research team at the Institute for National Security Studies reviewed a range of possible scenarios, along with alternatives for Israel in the Israeli–Palestinian conflict arena.²⁷ The conclusion of the study was that although the feasibility of implementing a two-state solution seems to be diminishing, it is not yet too late, and it is crucial to immediately advance a separation framework (see Figure 34) that will help halt the drift toward a one-state reality and open up a range of options for future political arrangements.

FIGURE 34.



The plan is based on four pillars:

- **Mobilizing support and assistance from moderate Arab states**, primarily Saudi Arabia, the Gulf states, Egypt, and Jordan. Their involvement is required to prompt the Palestinian Authority to implement necessary reforms

²⁷ Amos Yadlin, Udi Dekel, and Kim Lavi, *A Strategic Framework for the Israeli–Palestinian Arena*, Special Publication (The Institute for National Security Studies, 2019), <https://www.inss.org.il/publication стратегический-рамка-израильско-палестинской-области/>

to improve its functioning, stability, and to transform it into a positive actor, enabling it to govern the Gaza Strip in the future. As the Authority demonstrates a willingness to play a constructive role in the process and in the relationship, it will be integrated into regional arrangements and receive extensive support from moderate Arab states in building the infrastructure for an independent and functional Palestinian entity.

- **Retaining security control in the hands of the IDF**, continuing the IDF's operational freedom of action throughout Judea and Samaria, while maintaining full control over the security perimeter—the borders, security arrangements with the Palestinian Authority based on cooperation with its security mechanisms, yet Israel retains the right to enforce them.
- **Initiating separation measures on the ground**, which do not compromise Israeli security and settlement, to include the vast majority of Palestinians living in Judea and Samaria under the Palestinian Authority's control, while improving the quality of life and continuity of the Palestinian Authority's territories. This move will demonstrate Israel's determination to shape a reality of two separate and distinct state entities.
- **Strengthening the Palestinian Authority (and not causing its collapse) through the implementation of reforms to improve its functioning** and its responsibility to establish law and order within its jurisdiction under President Mahmoud Abbas's “one authority, one law, and one weapon” vision and to prevent terrorism from its territory. It is necessary to maintain continuous dialogue with its representatives to expand the scope of agreements on a wide range of issues and implement them on the ground.

Separation from the Palestinians does not imply disengagement from Judea and Samaria: Without a comprehensive agreement, Israeli settlements will not be evacuated; the area will not be abandoned to terrorist activities by individuals or organizations; Jerusalem will remain under Israeli sovereignty, although understandings regarding the status quo on the Temple Mount need

to be renewed; the IDF's operational freedom across the area will be maintained and continued; Israel will control the security barrier and crossings; Palestinian security mechanisms will be involved in law enforcement, maintaining the peace, and preventing terrorism; moderate Arab states and the international community will be integrated into supporting the Palestinian economy and providing Israel with things in return.

If the Palestinian Authority implements the required reforms and conducts itself positively and effectively in order to move away from a one-state reality, it will be possible to progress to a stage of recognizing **a Palestinian entity with limited sovereignty**. Limited Palestinian sovereignty in the West Bank, namely a political-territorial arrangement, could be a reasonable security solution for Israel, opening the door to normalization and the establishment of a regional coalition with moderate Arab states.

Strengthening Instead of Collapsing the Palestinian Authority

The weakness of the Palestinian Authority and doubts regarding its status as a responsible, stable, and functioning governing entity holding a monopoly on power within Palestinian society will significantly reduce the likelihood of reaching and implementing political agreements. We will focus on the conditions required of the Palestinian Authority to enable it to assume responsibility for the Palestinians.²⁸

The establishment of a Palestinian state is not feasible under the current conditions due to the aftermath of October 7, the deep division within the Palestinian arena in a zero-sum game between Hamas and the Palestinian Authority led by Fatah, the complex security reality, the Palestinian Authority's low functioning capability, and the international delegitimization of Hamas and the possibility of it remaining in power in the Gaza Strip or as part of the

28 Kobi Michael, “Enhancing the Palestinian Authority By Building Cities as Part of a New Regional Architecture,” *INSS Insight*, no. 1875 (July 8, 2024), <https://www.inss.org.il/wp-content/uploads/2024/07/No.-1875.pdf>

future Palestinian governance, as long as the organization has not renounced its principles and disarmed.

On the other hand, the two-state paradigm, similar to the idea of bringing the Palestinian Authority back to govern the Gaza Strip even before all of Hamas's governing and military centers have been dismantled, remains the ultimate solution for the Arab states and the nations of the world. The concept of the two-state solution and the belief in the Palestinian Authority's ability to effectively regain control over the Gaza Strip and establish a Palestinian state have become a mantra exempt from the need for proof or connection to reality.

The current Israeli government, led by Benjamin Netanyahu, presently refuses to discuss the day after Hamas's rule in the Gaza Strip and strongly opposes any arrangement that would return the Palestinian Authority—whether “flawed” or “reformed”—to control the Strip. It perceives the Palestinian Authority as a more dangerous entity than Hamas, due to its international status and widespread lobbying for the establishment of a Palestinian state. The strategic predicament manifests in the absence of an available alternative to restoring the Palestinian Authority's control over the Gaza Strip following the dismantling of Hamas's rule. There is no entity or coalition—regional or global—volunteering to govern the Strip, except for the purpose of assisting the Palestinian Authority in establishing control there. In light of the Israeli government's opposition to the establishment of a Palestinian state under the current conditions, particularly following October 7, and the assertion that the establishment of a Palestinian state in the aftermath of the murderous attack would amount to nothing less than a reward for terrorism, a strengthening of Hamas, and encouragement for the entire Axis of Resistance—it is perceived as rejecting peace. Israel, after October 7, finds itself condemned on the international stage and even accused of genocide due to the scale of death and destruction caused in the Gaza Strip during the war it declared against Hamas.

Even the Egyptian plan for ending the war in the Gaza Strip, recovery, and reconstruction of the area,²⁹ which received the support of the Arab League countries, identifies the Palestinian Authority as the relevant entity for control of the Gaza Strip instead of Hamas. There is also an understanding in Arab countries, as in the West, that the Authority must implement a series of reforms to be worthy of the task. Five essential conditions for transforming the Palestinian Authority into a relevant actor, not only for assuming control over the Gaza Strip but also for being a responsible entity and partner in separation initiatives in Judea and Samaria:

- a. The first condition is **capability**—demonstrating functional ability at a state level—functioning state institutions, effective ability to enforce law and order and ensure monopoly on force, and economic functionality.
- b. The second condition is domestic **stability**, in accordance with Mahmoud Abbas’s “one authority, one law, and one weapon” vision, not damaging regional stability but rather contributing to regional stability.
- c. The third condition is **responsibility**, in the sense of the ability to lead the state system while fulfilling commitments toward its citizens and neighbors, and adhering to binding international standards.
- d. The fourth condition is **accountability**—a commitment to responsibility for actions, a genuine fight against extremism, and creating conditions to eradicate radical foundations from society, stopping education for radicalization; stopping the transfer of funds to families of terrorists and prisoners, and establishing mechanisms to instill values of peace, tolerance, and acceptance of others.
- e. The fifth condition is recognition of the **two nation-state** solution, which entails acknowledging Israel as the nation-state of the Jewish people,

²⁹ The rehabilitation, renewal, and development plan for Gaza, which was approved during the special summit of the Arab League in Cairo on March 4, 2025.

agreeing to the demilitarization of the Palestinian state, and explicitly and practically opposing all forms of terrorism.

An additional condition following the October 7 attack is the commitment of the Palestinian Authority and Arab states, which provide it with support and guarantees, that Hamas will not be integrated into Palestinian leadership and government, and that the establishment of a Palestinian state will be relevant in the future, after demonstrating capability in accordance with the conditions. As the recognition of a Palestinian state is advanced before the necessary conditions are met, it will serve as Hamas's victory narrative, a reward and encouragement for murderous terrorism.

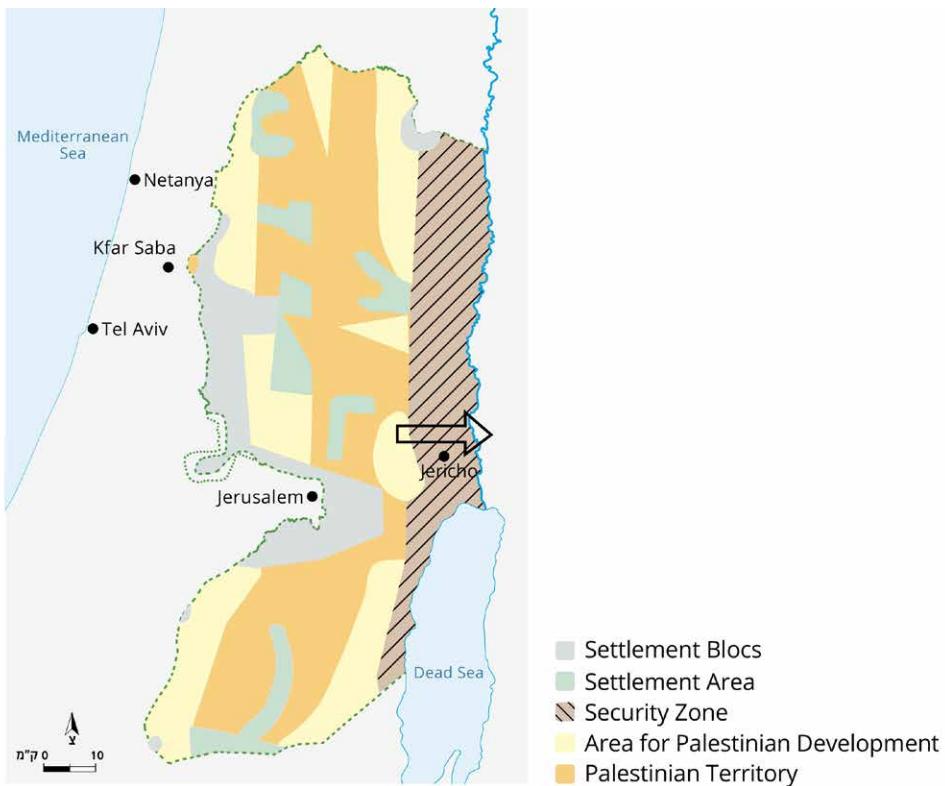
Israel must shift its navigation direction from negative to positive. Instead of presenting only opposition—"what not"—it should "act positive" and present "what yes"—what is required by broad consensus from the Palestinian Authority so that it becomes a relevant player capable of promoting a reality based on stability and coexistence. The required solution is a regional-international support system, which will mentor the Palestinian Authority and help it build the necessary capabilities to meet the five conditions. All this can happen if there is broad agreement among the United States, the moderate Arab states, and the Palestinian Authority that security control will be entrusted to Israel until the Authority proves that it is capable of ensuring stability and security. This means that Israel is granted the right to security freedom of action throughout the Palestinian territories to prevent terrorism, dismantle terrorist infrastructures, and enforce demilitarization. This situation, which exists in Areas A and B in the West Bank, must also apply to the Gaza Strip, alongside extensive regional and international assistance in the reconstruction of the Gaza Strip. This will enable the Palestinian Authority to focus on restoring civil control in the region and building the necessary capabilities and proper foundation to function as an independent entity.

The Territorial Aspect

From a practical standpoint, the current Israeli government is expediting the annexation of Area C. It is deepening its control and grip on the area, yet at this stage is refraining from declaring sovereignty to avoid assuming full responsibility for the Palestinian population and to prevent anticipated negative repercussions of such a step on Israel's international standing. The international community will most likely not recognize Israeli sovereignty in Judea and Samaria, accusing it of implementing an apartheid regime and even imposing sanctions, as the actions of the Israeli government in the area indicate that it is favoring the Jewish-Israeli population over the Palestinian population. Israel is also working to establish facts on the ground intended to be irreversible, through the construction of settlements and the encouragement of Jewish settlement.

To prevent the drift toward a one-state reality, Israel must first and foremost **change its approach toward Area C—from unilateral control to designating it as a space for agreements with the Palestinian Authority**. It is proposed to allocate up to 35% of Area C for the development of infrastructure and economic projects to encourage the Palestinian economy, create transportation continuity, and to transfer areas inhabited by Palestinians, which have spilled over from the boundaries of Areas A and B into Area C, to Palestinian control (approximately 350,000 Palestinians live and reside in Area C) (see Figure 35).

FIGURE 35.



The area of limited Palestinian sovereignty will encompass the existing Areas A and B, and it can be expanded through phased transfer of Area C territories (up to 35% of Area C). In the first phase, up to 8% will be transferred to the Palestinian Authority to expand Palestinian control over the vast majority (over 99%) of the Palestinian population residing in the West Bank. Later, as the process progresses positively, it will be possible to transfer additional territories without affecting the settlements. Areas enabling transportation continuity in regions governed by the Authority will be designated, along with the establishment of industrial zones, allocation of agricultural lands,

and quarries. Delineation and continuity will enable the demarcation of a physical border and a security barrier (see Figure 36) between the area under Palestinian control and the rest of Israel's territories, as well as the establishment of crossing points that monitor the entry and exit of individuals and goods.

FIGURE 36.



Reorganizing the Territory

Authorities—The Palestinian Authority will be granted powers in as broad spheres as possible: governance and governmental institutions; legislative, executive, and judicial authority over all aspects of life within the Palestinian territory; authority in infrastructure matters; aspects of internal security—an enforcement system including police, inspectors, and judicial courts. The Palestinian administration will be able to be elected by the Palestinian population residing within its territory.

The likelihood that the Palestinian Authority will agree to limited sovereignty as a permanent solution to the conflict, relinquishing full sovereignty, is very low. Therefore, it will be necessary to convince its leaders and Arab states that this is a transitional period, while improving the quality of life for Palestinians.

The Gaza Strip will be considered a separate territory, governed by a technocratic administration connected to the Palestinian Authority and supported by pan-Arab backing. This situation will enable arrangements to be established for the Gaza Strip that differ from those in Judea and Samaria. In the future, subject to the implementation of reforms by the Palestinian Authority and demonstrating governance in the West Bank, the Gaza Strip could become a district of the Palestinian entity.

As the Palestinian Authority cooperates and functions responsibly and effectively—preventing terrorism, ceasing incitement, promoting education for tolerance and deradicalization—its powers can be expanded in return, and assistance given to improve its economic situation. To achieve this, economic and infrastructural projects should be promoted that will strengthen the Authority’s image as a functioning political entity, while simultaneously advancing infrastructural separation. The projects that may advance this goal include:

- Integrating the Palestinian Authority at the Allenby Crossing, which serves as the entry and exit gateway between Jordan and the Palestinian territories.

- Establishing an airport in the Horkanya Valley for Palestinian and Israeli travelers, and pilgrims, which will encourage additional investments in the area. Establishing inland terminals in Tarkumiya and the Sha'ar Ephraim area for the inspection of goods for export and import to the Palestinian Authority.

Electricity—Connecting to gas supply from Israel, while simultaneously establishing Palestinian power stations to address electricity consumption gaps. Extracting natural gas from the Mediterranean Sea, Gaza Marine, for the Palestinian Authority. Also establishing facilities for generating green energy from solar and wind sources (solar fields in the Judean Desert) connected to the distribution network, in order to reduce Palestinian energy dependence on Israel.

Water—Resuming the activities of the Joint Water Committee. Allocating land on the Mediterranean coast, funded by Saudi or international sources, to establish a desalination plant for the Palestinians; establishing facilities to treat Palestinian wastewater in Judea and Samaria, along with appropriate pipelines, to reuse water for agricultural purposes.

Developing the Jordan Valley as a shared economic area for Israel, the Palestinian Authority, and Jordan, and connecting it to additional Arab countries. The inclusion of Gulf states will enable the advancement of large-scale, cross-border projects (such as the infrastructure corridor from the Arabian Gulf to the Mediterranean Sea—IMEC). Connecting the Authority to multilateral regional architecture (water in exchange for energy between Israel, Jordan, and the United Arab Emirates; joint projects in technology, tourism, employment, and transportation).

The infrastructure system in Judea and Samaria, shared by Israelis and Palestinians, leads to heightened friction between the populations on a daily basis. At the same time, the lack of adequate infrastructure on the Palestinian side and the growth of the Palestinian population lead to high consumption demands without an adequate solution. This fact places the

Palestinian population at a significant infrastructural disadvantage and causes public unrest. Improving Palestinian infrastructure and separating Israeli and Palestinian infrastructures will create additional employment opportunities for Palestinians, contribute to the growth of the Palestinian economy, and assist in preparing the conditions on the ground for separation.

The Israeli Security Response

Security Challenges

- **Escalating terrorist activities:** Since the Oslo Accords, and especially since the Second Intifada, there has been a significant increase in terrorist activities, which have become more sophisticated and have included not only suicide attacks but also rocket fire, explosive devices, and well-coordinated terrorist operations.
- **Weakness of the Palestinian Authority:** The inability of the Palestinian Authority to address homegrown terrorism, and in some cases its covert support for it, hinders Israeli efforts to thwart terrorist activities and maintain regional stability.
- **Reduced Israeli security presence:** Policy decisions to withdraw forces or reduce military presence may lead to significant control issues, enabling terrorist organizations to get stronger and operate more freely.
- **Increased use of technology for terrorism:** Terrorist organizations exploit social media for recruitment, propaganda, and planning attacks, which adds complexity to security challenges.

The security solution to terrorism in a reality of separation is to continue the ongoing campaign to thwart terrorism and dismantle terrorist infrastructures, and it includes:

- **Deep operations** such as “Defensive Shield” and “Determined Path,” to dismantle terrorist infrastructures.

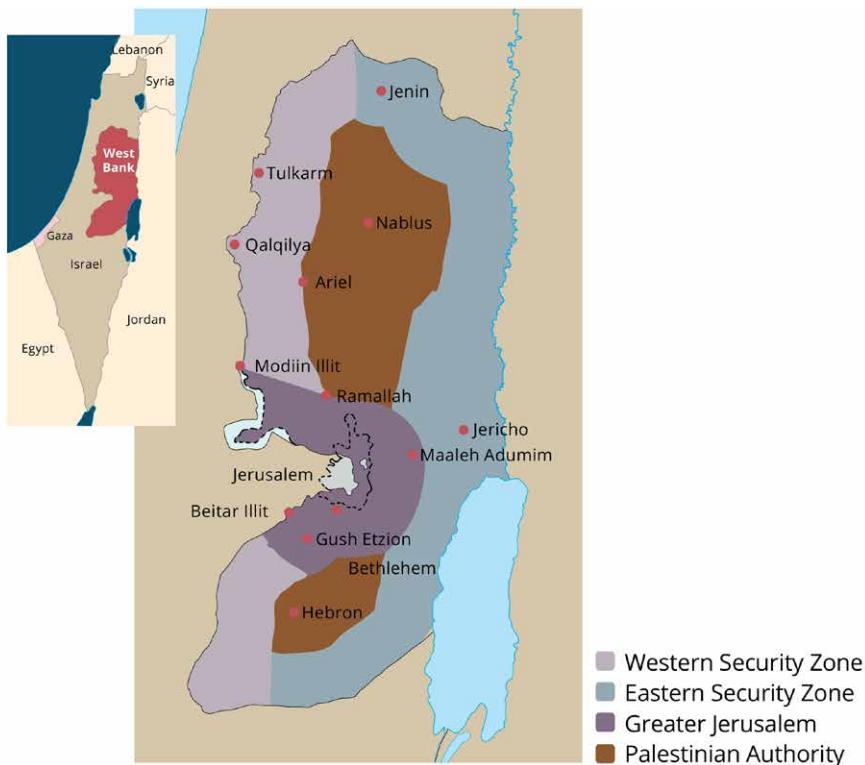
- **Targeted assassinations** of commanders and terrorist operatives, as part of a prevention and deterrence strategy.
- **Enhancing protective measures**, completing and maintaining the security barrier.
- **Upgrading intelligence and warning systems**; extensive arrest operations, raids on terror hubs, as well as targeted military actions in cities and refugee camps to exert continuous pressure on terrorist organizations.

Addressing terrorism necessitates a combination of decisive military actions alongside diplomatic and economic measures to prevent the development of terrorist infrastructures, while maintaining deterrence and the ability to respond swiftly to any security threat.

Security control is preferred, while maintaining operational freedom of action deep within Palestinian territory. Figure 37 illustrates the proposed security layout under separation, including the areas under Palestinian civilian control and the Israeli western/eastern security zones and perimeter. This is instead of maintaining a permanent presence in Palestinian cities and villages.

Security principles: To maintain comprehensive security responsibility for the IDF, but activate it only when necessary, not as constant control and presence in the area; strengthen the Palestinian Authority's security mechanisms so they achieve a monopoly on power within their territory, enabling them to manage internal security, law and order, prevent terrorism, and dismantle terrorist infrastructures in coordination with Israel; maintain security cooperation with Palestinian security mechanisms, according to the formula “the more they do, the more the IDF can reduce its activities in areas under Palestinian Authority control.”

FIGURE 37.



The security cooperation with the Palestinian security apparatuses enables the prevention of terrorist attacks by intelligence information from the Palestinian side; the ability of the apparatuses to arrest suspects involved in terrorism; coordination during IDF activities in Palestinian territory. The cooperation allows the IDF to maintain a relatively limited military presence in Judea and Samaria and to allocate resources to other arenas; to prevent a reality that would compel Israel to impose permanent sovereignty over a hostile population. Control and permanent presence in the Palestinian territory will require taking control of the Palestinian Authority's cities and villages on the scale of Operation Defensive Shield and beyond—approximately 30,000 reserve

soldiers for a period of many months, an enormous cost in resources, and the destabilization of regional cooperation, particularly with Egypt and Jordan.

Adjustments to the current operational concept will be required, based on:

- **Comprehensive and multidisciplinary intelligence monitoring** to thwart terrorist organizations and actions as well as the takeover by Hamas and other extremist elements of Palestinian society.
- **Continuous security control**—operational freedom of action for the IDF throughout the area west of Jordan, to thwart the growth of terrorist infrastructures and threats, neutralize national outbreaks, and reduce crime. Israel will have the right to enforce the security arrangements, primarily the demilitarization of the Palestinian arena.
- **Supervising and preventing weapon smuggling**—through Israeli control of the barrier and crossings.

CONCLUSION

Implementing the plan may manifest an optimal balance between Israel's security needs and what Israel is prepared to allow the Palestinians in order to alleviate the burden of civil control over the Palestinian population, as well as to outline political prospects. This is despite the fact that implementation is expected to involve addressing significant challenges to security and political stability, as well as socio-political considerations within Israel.

As part of the separation framework, promoting the Palestinian Authority to the status of a Palestinian entity with limited sovereignty supports the State of Israel's vision as Jewish, democratic, secure, and prosperous, and should be presented and understood as a transitional arrangement on the path to a comprehensive settlement in the future. To ensure its implementation, Israel will need to continue strengthening security cooperation with regional entities, significantly improve living conditions and the economic situation within the Palestinian Authority territories, and collaborate with Palestinian internal security and policing apparatuses. This will be until the parties are ready to discuss the details of Palestinian sovereignty, which in any case will not include military forces or capabilities.

Israeli public opinion is critically important for the future of the conflict, particularly regarding the prospect of a political arrangement. Most of the Israeli public does not believe there is a stable and sustainable solution to the conflict. They perceive the establishment of an independent Palestinian state in Judea and Samaria as a threat to the State of Israel, as it is expected to act as a terrorist entity (similar to the Gaza Strip under Hamas's control) and serve as a hostile platform for attacking Israel. This constitutes a significant threat.

However, a one-state reality also entails threats, in addition to the clear threat to Israel's character as a state with Jewish dominance and a democratic regime, it also entails terrorism within its territory, hostility against Israel in the regional arena, and harsh international criticism with its diverse practical

implications. Figuratively speaking, instead of pushing the problem as far away as possible, we choose to contain the problem within ourselves in the one-state reality.

The recommended steps to prevent the drift toward one inegalitarian state and to preserve an opening for a future political arrangement:

- **Political, demographic, and territorial separation from the Palestinians:** Administrative and physical-geographical separation between Israel and the Palestinians, without relinquishing Israeli responsibility for increased security and freedom of security and operational action from the Jordan River to the Mediterranean Sea. Meanwhile, avoiding the creation of deep interdependence between the two populations (in spheres such as employment and infrastructure, for example) and fostering separate economic development for the Palestinian areas to enable the Palestinian entity's future functional independence.
- **Preserving political prospects for a future settlement based on the two-state solution, with a demilitarized Palestinian state.**
- **Strengthening the Palestinian Authority:** Preventing its collapse and irrelevance by granting control authorities, including in the Gaza Strip, in combination with a pan-Arab force, while maintaining focused and effective security cooperation. Financial assistance to the Authority from wealthy Arab states will strengthen its legitimacy in the eyes of the Palestinian public and help it operate effectively.
- **Establishing an interim state of an independent Palestinian entity with limited sovereignty:** To encourage and enable the Palestinian Authority to implement the necessary reforms to improve the effectiveness of its functioning in accordance with the “one authority, one law, and one weapon” principle, while committing to refrain from terrorism and violence.
- **Halting the processes of de jure and de facto annexation by Israel:** Preventing legislation or measures leading to the unilateral application of

sovereignty in Judea and Samaria. Halting the validation of illegal outposts, establishing agricultural farms, and expanding settlements deep within Palestinian territory. Adhering to international law in the territories, ensuring legal and institutional separation between the civilian system in Israel and the military system in Judea and Samaria.

- **Combating Israel's image as an apartheid regime in Judea and Samaria:** By rectifying distortions including a dual legal system and imposing restrictions on movement or rights for Palestinian citizens and residents.
- **Strengthening Israel's international legitimacy:** Establishing dialogue channels with the international community based on the two-state solution (two nation-states). Implementing separation measures will signal Israel's serious intentions toward an agreement—even in the absence of an immediate partner—as part of a long-term strategy.
- **Restoring the value of peace to public discourse in Israel.** Education and communication: Campaigns to clarify the dangers inherent in continuing the drift toward a one-state reality. Recruiting forces within civil and political society to promote dialogue on separation and the pursuit of peace.

The drift to an egalitarian one-state reality is not merely a theoretical scenario but rather an evolving current reality. A direct line is drawn between the judicial reform plan which the current Israeli government is advancing and its policy implemented in Judea and Samaria, which aims for annexation (at least of all Area C territories) and the denial of civil and national rights to the Palestinians, effectively leading to a one-state reality. Understanding the fundamental contradiction between governing approximately three million Palestinians and upholding the democratic-liberal values of the State of Israel will likely not emerge from this government, but rather from a public that will present a clear stance and decisive preference in the spirit of the Zionist vision, aimed at preserving the Jewish-democratic character of the state and striving to improve Israel's strategic position and its readiness to face present

and future challenges. Therefore, preventing the drift toward a one-state reality requires proactive measures and widespread public awareness, not merely the prevention of specific political moves.

Every political, legal, or public step concerning the relations between Israel and Judea and Samaria and the Palestinian residents of the area will be examined in light of the central question—**will its adoption by Israel bring about separation from the Palestinians or entrench inegalitarian control over a binational population?** The response to this fundamental question should serve as the cornerstone of Israeli policy in the coming years.

The memorandum proposes a research framework for analyzing and understanding a major strategic challenge facing the State of Israel: an accelerating slide toward a "one-state" reality between the Jordan River and the Mediterranean Sea. Such an outcome is expected to severely undermine the Zionist vision of a Jewish, democratic, secure, and prosperous state.

The memorandum examines the main drivers pushing Israel toward a one-state model. These include the erosion of the two-state paradigm; the weakening of the Palestinian Authority; settlement, outposts and farms expansion in Judea and Samaria; and the growing intermingling of Israeli and Palestinian populations.

The memorandum outlines several plausible scenarios for a one-state reality, concluding that such a development would likely trigger violent escalation, severely damage Israel's international standing, and lead to a breakdown of Israeli social cohesion and economic stability.

To prevent this trajectory, the authors recommend advancing political, geographic, and demographic separation steps from the Palestinians; strengthening the Palestinian Authority as the only viable partner for cooperation; maintaining Israel's overriding security responsibility; and mobilizing moderate Arab states to promote normalization, support and improve the Palestinian economy.