

Israel and the Palestinians: Conditioning and Capacity Building for Future Arrangements

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The common political discourse surrounding the Israeli-Palestinian conflict is dominated by a perceptual and conceptual framework formulated two decades ago, ranging between a negotiated final status agreement on a two-state solution and unilateral disengagement; and between conflict resolution and conflict management. The negotiations toward resolving the conflict – a two-state final status agreement in the framework of the Oslo process – were based on a number of central understandings: mutual recognition – the PLO recognizing the State of Israel, and the State of Israel recognizing the PLO as the legitimate representative of the Palestinian people; rejection of violence; and engagement in negotiations in order to resolve the conflict and gradually create a reality of two states. This reality depends on state structures that are subject to national leaderships, augmented by regional assistance and international support.

However, since the formation of this conceptual framework, major changes have occurred in the conflict's strategic environment, and the two sides have experienced political and security developments that have contributed, directly or indirectly, to an ongoing deadlock: repeated waves of terrorism on the part of the Palestinians since the signing of the Oslo Accords, and an armed insurgency (the second intifada), which led Israel to reoccupy city centers in the West Bank and build the security fence in order to protect Israeli citizens from Palestinian terror; Israel's disengagement from the Gaza

Strip, and Hamas's electoral victory, forceful takeover of the Gaza Strip, and consolidation of its power there; meanwhile, ongoing security coordination between Israel and the Palestinian security forces; gradual but significant growth in the size and population of Israeli settlements in the West Bank; and regional upheaval that has weakened central political actors in the region and enabled the rise of Salafi jihadist Islam, widespread destruction, and waves of displaced persons and refugees inside and outside the region. These join the ongoing inability of the sides to complete negotiations and reach a permanent status agreement – a dynamic that has in turn fueled mutual distrust and has therefore made it more difficult to continue with negotiations.

Against the backdrop of these developments, two trends are apparent: on the one hand, adherence to the negotiations approach based on the Oslo principles, even in a changing environment and under changing conditions, and despite the fact that this approach has failed repeatedly; and on the other hand, the drive to manage the conflict and maintain the status quo, under the assumption that it is sustainable with minimum investment, despite rising costs – the principal cost being the growing difficulty in implementing a two-state solution in the future and maintaining the State of Israel as a Jewish and democratic state over time.

This article outlines an updated strategy with a variety of future options for Israel and, figuratively speaking, seeks to “change the gradient,” from a slope leading toward a one-state reality that forces a choice between a Jewish state and a democratic state, to an outline that enables movement among a variety of options, a two-state reality included.

Negotiation as a Conceptual Center

Negotiation is a strategic interaction in which the parties work to advance interests and shape a better future reality and relationships based on overlapping or at least complementary interests, with controlled or contained areas of disagreement; flexibility to bridge gaps; and a willingness and commitment to fulfill obligations of understandings and agreements. Under these conditions negotiations can be fruitful, while in their absence there is only minor importance, if any, to negotiation management and a process carried out for its own sake.

A review of the rounds of negotiations between Israel and the Palestinians over the years indicates that the Palestinians have retained their original positions, while Israel has softened its positions and during the process of negotiations moved significantly toward the Palestinians – until the right wing government that was formed in 2009.¹ Thus, the Palestinians have improved their bargaining positions, but not sufficiently for the purpose of signing an agreement, and have clung to their “all or nothing” approach. The main points of disagreement were (and remain): recognition of Israel as a Jewish state; Israel’s security demands, with the Palestinians seeing these demands as undermining their full sovereignty; Israel’s alleged responsibility for the Palestinian refugee problem and its partial resolution by the “right of return” of Palestinian refugees within the borders of the State of Israel; and a special area under shared management in the Historic Basin of Jerusalem. The Palestinian side rejects ideas for a political process that are not aimed at a comprehensive permanent status agreement such as transitional arrangements or the establishment of a Palestinian state within provisional borders (the second stage of the Roadmap). Thus Israel remains captive to the Palestinians’ refusal to form a zone of shared understandings or other rules of the game as a way out of the deadlock or in order to progress toward coexistence in peace and security.

Those calling for a renewed political process between Israel and the Palestinians, especially in the international community, assume that improving management of the negotiations, expanding areas of flexibility, and bettering communication between the sides would bring about the desired result. Though dialogue between the sides is important, a systematic analysis of the rounds of negotiation that have taken place leads to different conclusions. There is no point in striving to achieve a better result in the framework of the same concepts and paradigms that have failed repeatedly in previous rounds, given that the same reasons for the failure of the previous rounds of talks are still extant.² Nonetheless, in the respective political situations of the two sides, there is significant difficulty in changing fixed paradigms and concepts.

“The State” as an Organizing Concept?

The most widespread regional and international proposal to resolve the Israeli-Palestinian conflict is the establishment of two independent states, with each one viable and enjoying full sovereignty and territorial contiguity (and with the Palestinian state somehow connecting the Gaza Strip and the West Bank). In the Palestinian context much attention must be paid to the implications of what is underway in the Middle East, where the state as an institution is at the heart of the regional turmoil. Publics in the region confront governments that do not meet expectations of civilian needs of security, stability, economy, employment, services, housing, political influence, representation, and “justice.” At the same time, nation states are no longer successful at serving as the primary common core of identity for different ethnic groups, religions, and tribes. One of the most prominent consequences of these processes is the loss of state monopoly over the organized use of violent force. The use of violence has become a primary means to advance political goals, whether on the part of governments (for suppressing populations and oppositions and stabilizing regimes) or on the part of populations and subversive groups seeking change (for advancing interests within states, or subverting state frameworks and the existing social-ideological structure).

In the wider regional context, the attempts to regulate conflicts today combine different conceptual frameworks: real states; de jure states (for example, Lebanon – officially a state but much less so in practice); de facto states (for example, Kurdistan, a state in practice though not in name); and other formulas that are also tested, such as federated structures based on autonomous regions (for example, in the future context of Syria and Iraq). This diverse thinking is missing from the channels of discourse and initiatives on the Israeli-Palestinian conflict, which remains bound in its pure state conception – a complete and lasting agreement of “two states” or a decline into a reality of “one state” (“binational” or a “state of all its citizens”). Also ignored are the trends toward the fragmentation of Palestinian society and its leaderships, the lack of stable and functioning governance in both Gaza and the West Bank, succession struggles for the day after Mahmoud Abbas, and the leaderships’ loss of legitimacy.

The Strategic Environment vis-à-vis the Conditions for a Successful Agreement

Under current conditions, it is difficult to foresee reaching a stable political agreement with an entity that represents a sovereign, accountable, and stable Palestinian state that controls its population and has a monopoly on the exercise of force within its territory. The Palestinian entity is fragmented into two political leaderships in the West Bank and the Gaza Strip, and both lack legitimacy in the areas they control.³ The Palestinian Authority (PA) is moving toward a leadership vacuum due to Mahmoud Abbas's advancing age and his refraining from appointing a successor or deputy. Already the survival of the PA's rule is to a large extent due to broad international backing and Israel's thwarting of Hamas's efforts to topple it and take over the West Bank. The Palestinian public is not ready to come to terms with the existence of Israel (Hamas is ideologically committed to its destruction, and the PA refrains from recognizing the State of Israel as the national home of the Jewish people and from agreeing to parameters in an agreement that imply an end of claims). Both the West Bank and Gaza are in significant economic distress, and the damage in the Gaza Strip after the last round of fighting in Gaza between Israel and Hamas (Operation Protective Edge, summer 2014) adds to a growing, multi-dimensional infrastructure crisis (electricity, water, sewage, housing), and employment, economic, and social crises in the area.⁴ This distress (economic, social, and political) among the Palestinian public, along with incitement by various groups toward violent conflict with Israel, widens the cycle of violence, as seen in the wave of lone shootings, stabbings, and terrorist vehicle attacks that broke out in the fall of 2015, sometimes even against the will of the leaderships.

Against the backdrop of terrorism and the failure of negotiations, as well as the expansion of the Israeli settlement enterprise in the West Bank and the crisis in Gaza, the Palestinian public has become increasingly skeptical about reaching a political arrangement with Israel. Meanwhile, there is growing pressure for a one-state solution, with equal rights for all citizens on the one hand, as well as support for terrorism and violence on the other hand.⁵ In the Gaza Strip and the West Bank, there are power centers competing with the central government of Hamas and the PA, respectively (Islamic Jihad, Salafists, and in the West Bank, Hamas as well, along with local gangs and

Fatah Tanzim forces) against whom, for political reasons, Fatah and Hamas security forces limit their activity – namely, the fear of being seen in the eyes of the public as serving the interests of Israel and acting as collaborators and traitors. In addition, the Gaza Strip saw a significant military buildup following the withdrawal of IDF forces in 2005, all the more so in the absence of an effective border regime under Israeli supervision and given Egyptian policy, which was not always determined to fight stringently against the smuggling of weapons into Gaza (during the Mubarak and Morsi regimes).

As for Israel, the waves of terrorism and political deadlock over the years eroded public confidence in a peace agreement (from 70 percent in 2005 to 50 percent in 2016⁶), and led to the growing belief that Israel has no partner for such an agreement, and that even if a political agreement is achieved, the Palestinian side will have difficulty fulfilling it and will not be able to meet Israel's security demands. Public opinion in Israel has moved to the right, a development reflected in the political composition of the Knesset and the government. At the same time, throughout this period the settlements have continued to expand, which is understood by the Palestinians as well as the international community as an Israeli policy intended to preempt a two-state solution. In the Israeli public today, more than in the past, there are those denying the viability and or desirability of a two-state solution and working toward annexation of most of the West Bank to the State of Israel, without granting full civil rights to the Palestinian population.

The general mood, as is clearly apparent in the discourse on social media among both Jewish and Palestinian populations, accelerates the radicalization of attitudes and the strength of the voices of extremists in both populations and both political systems. This is because the radicalization among the general public, alongside feelings of being trapped, lack of confidence, and hopelessness, places a significant constraint on the political leaderships, which refrain from challenging the radicalizing discourse and preparing the political groundwork for a new path toward coexistence in peace, security, and cooperation.

Outline of a Political-Security Strategy

In light of the gaps between Israel and the Palestinians, both among the general public and the leaderships, as well as the complete distrust between

the leaders, it is presumably not possible to advance a permanent status agreement in one fell swoop, certainly not in the near future. Accordingly, Israel must change its policy and try to mobilize the international community to help in shaping a reality of stable, secure coexistence for Israel and the Palestinians, while improving and advancing the conditions for an agreement when it becomes possible in the future.

To this end state, the strategic center of gravity must be redirected from attempts to renew negotiations and improve ways of managing them (for example, in the framework of holding an international conference, as was the basis of the French initiative) toward the creation of improved conditions for maintaining the option of two states and/or independent Israeli steps. This must be done without putting an end to the essential elements of negotiations for a future agreement: striving to establish mutual trust, respect and reconciliation, as well as creating a foundation for implementing and fulfilling commitments. Throughout this process, Israel has an interest in the survival of the PA leadership, which favors political processes and security cooperation over terrorism and violence. Creating these strategic conditions involves changing the current “gradient,” which undermines the feasibility of a two-state solution and shapes a reality of one state, thereby endangering the long term future of Israel. This is at a time of increasing distress, to the point of emerging crises, which increase the likelihood of growing violence.

Security

Security is a necessary component of progress toward a successful arrangement between Israel and the Palestinians at every stage. Threats of Palestinian terrorism will likely continue in the foreseeable future, whether on the part of those who continue to oppose Israel’s right to exist and refuse to come to an agreement with Israel, or whether as a means for Palestinian authorities to exert pressure for political purposes or for internal Palestinian considerations. Therefore, the level of violence must be reduced as much as possible and the number of people involved in terrorism minimized, as well as the number of casualties on both sides. This must be done through military means as well as civil and economic efforts and infrastructure development, detailed below. The maintenance of security must rely on complete freedom of action for the IDF and the Israel Security Agency in the West Bank in order to

prevent terrorism (including that of Jewish extremists), dismantle terrorist infrastructures, and remove threats. There must be a minimalist approach (optimum necessary and not maximum possible) that operates with low visibility and a restrained profile, in order to minimize the political impact of critical operational activity. It is also vital to maintain and even increase security coordination with the Palestinian security apparatuses, with the goal that they address the majority of security threats, while the IDF is ever ready to act to cover gaps in their activity. Threats originating in the Gaza Strip must be defused, with the Hamas government, via a determined and systematic deterrence discourse, dissuaded from allowing attacks against Israel from within Gaza. Both areas must include effective border security regimes in order to control the envelope and prevent military buildup, weapons smuggling, and infiltration, with as much cooperation as possible with Jordan and Egypt, the countries with whom Israel has peace agreements.

Economy and Infrastructure

The economic and humanitarian hardship in the Gaza Strip and the growing humanitarian crisis in the region, as well as the poor economic situation in the West Bank (though not as dire as in Gaza), alongside the major gaps between the economic situation of Palestinians and that of Israelis, are factors that undermine stability, expand the circle of animosity, increase motivation among Palestinians to resort to violence, and weaken the ability of Palestinian authorities to govern. In order to reduce this hardship, steps must be taken to stabilize the economy, including the development of infrastructure in both the West Bank and Gaza. This involves critical civil infrastructure: water, electricity and gas, sewage, and housing. Furthermore, sources of income and employment must be developed, extensive controlled entry of Palestinians from the West Bank to work in Israel enabled and enhanced, and Israeli-Palestinian-regional economic cooperation encouraged, for the benefit of all sides. These steps can be initiated by agreeing to revisit the Paris protocol, which regulates the economic relations between Israel and the Palestinian Authority, and generating innovative ideas, such as instituting regional free trade, dividing the customs union, establishing special status industrial zones, encouraging the private sector to invest in new businesses, and establishing technology incubators, factories, and training and employment centers.

In order to enable the integration of the West Bank and Gaza into regional and world trade relations while maintaining security, it is necessary to regulate and improve arrangements regarding the movement of people and transfer of goods between these territories and via the external border crossings: the Allenby Bridge between the West Bank and Jordan, the Rafah crossing between Egypt and the Gaza Strip (subject to Egyptian agreement), as well as assessing possibilities for a sea outlet for the Gaza Strip – starting with the Ashdod Port and continuing to the establishment of an island/floating port off the coast of Gaza, with appropriate security measures in order to prevent weapons smuggling and terrorist infiltration into Gaza.

An international task force could assist in infrastructure rehabilitation in general, and a Gaza port in particular. This task force would be based on donor countries and would be responsible for allocating budgets and resources and supervise the implementation and construction process. It would be preferable for select countries from the international community to be involved in operating sensitive complexes, such as a Gaza port and supervision of what enters and exits from it.

The Palestinian Authority

A Palestinian leadership that is weak, corrupt, fractured, and lacking internal legitimacy cannot be an effective and a reliable partner for a successful agreement. In order to create the conditions that would enable future successful negotiations toward an agreement (not necessarily a permanent status agreement), bottom-up processes must be encouraged that aim to create government institutions and infrastructure and capacity for a Palestinian state in the making, such that the leadership will be stable, responsible, and functional. For Israelis, most of whom do not want to control the Palestinian people and advocate separation from the Palestinians, it is essential that Palestinian government institutions at all levels be strengthened. Israel can even assist in strengthening the legitimacy of the PA leadership in the eyes of the Palestinian public, by improving the economic situation and daily life conditions.

Israel must actively encourage strengthening the PA's security forces and their performance in the West Bank, and in the future – when conditions are ripe – in the Gaza Strip as well, as effective and professional organizations. This is

in accordance with the organizational structure and purposes of the Palestinian security forces, as formulated in the context of security arrangements in a two-state reality – responsibility for law and order, dismantlement of terrorist infrastructure, prevention of terrorism and weapons smuggling, prevention of friction between populations, and creation of a reality of “one law, one arm” in accordance with the vision of PA President Mahmoud Abbas.

Groundwork for a Future Agreement

Now is the time to put innovative ideas on the table that can be implemented in the framework of step-by-step provisional arrangements. There is a great advantage in reaching an arrangement or at least understanding with the Palestinian Authority on the joint implementation of these steps, which may be presented as continued realignment in the framework of the interim agreement (FRD-Further Redeployment). But there is also much benefit to the fact that Israel can carry out these steps without the consent of the PA, which would presumably accept the recommended steps, though not endorse them publicly. These steps would expand the PA’s civilian and security powers, without adding to its commitments beyond the current situation. The principles of the proposal include:

- a. *Reorganization of the West Bank map, both conceptually and physically:*
 - i. Transferring all authorities of security and civilian control and management of daily life of the Palestinian population to the Palestinian Authority in Areas A and B, to be designated as “Area P” (40 percent of the West Bank). This area includes 99.7 percent of the Palestinian population in the West Bank, excluding East Jerusalem.
 - ii. Designating part of Area C (up to 25 percent of the West Bank) as “Development Area D,” intended for infrastructure and Palestinian economic projects, and providing opportunities for economic initiatives and infrastructure construction for the Palestinian state (in addition to the development in Area P).
 - iii. Designating settlement blocs west of the security fence (including Ma’ale Adumim) as “Area E” under full Israeli control (approximately 10 percent of the West Bank). This area includes 86 percent of the Jewish settlement population (Jerusalem is not included).

- iv. Designating Area S – security interest area, including the Jordan Valley and the vital security sites and the strategic roads (up to 20 percent of the West Bank). This area is home to 2 percent of Jewish settlement residents.
- v. The rest of the territory would remain under its current status – Area C. This area is also defined as an area of settlements not included in the settlement blocs, with 12 percent of the settler population.
- b. *Given cooperation between the sides in gradually preparing the ground toward expanded Palestinian self-government, Israel could recognize Areas P and D as a Palestinian state with provisional borders* (up to 65 percent of the territory). This stage would not require evacuating settlements inside or outside of the blocs, or stopping free operation of security forces in the entire territory, but does require validating the division of powers and security responsibility between Israel and the Palestinians in the area mentioned. In addition, transportation infrastructure should be advanced, to enable a better quality of life for Palestinians once the new stages are implemented.
- c. *Updating construction policy in the West Bank*: construction in settlement blocs (area E) and in Jerusalem would continue, while construction outside these blocs and deep in Palestinian areas would be halted. At the same time, this stage would include preparing areas in the blocs and within Israel and building communities, encouraging those who choose to relocate from isolated outposts to the new communities.
- d. *Modular solutions for problematic issues, without waiting for their solution in a permanent status agreement*: encouraging the process of building the Palestinian state from the bottom up, expanding water allocations to the Palestinians; coming to agreements regarding electricity and energy, the environment, and sewage treatment and waste removal; initiating joint projects for alternative energy and tourism ventures for Palestinians; and examining models for strengthening local communities, provided that they do not obviate the central government.

Conceptual Change

In order to create the political conditions for a future agreement, both the Israeli and Palestinian leaderships must prepare their publics for the possibility

of living in security, peace, and mutual respect beside one another. This will require gradually changing attitudes toward the other nation, from a current enemy to a permanent neighbor, and ending propaganda and incitement. These changes require resolute leadership, which involves risks to the status of leaders, since it means going against the main conceptual stream that has shaped the conflict for generations (sometimes encouraged by those same leaders), and recently has worsened and even radicalized.

In order to minimize the depths of distrust and hatred, efforts toward dialogue between civil societies (people to people), communities, and localities must be initiated. In this context, Arab society in Israel can partner and serve as a bridge between Jewish Israeli society and Palestinian society in the West Bank and Gaza Strip; there are already reflections of this bridge in the economic realm. At the same time, these connections are complicated, and it is necessary to manage the potential risks of radicalization of the societies on both sides and of possible negative and undesirable influences.

Conclusion

The policy suggested here is based on the understanding that under current conditions it is impossible to make the leap to a permanent status agreement between Israel and the Palestinians, let alone ensure that such an agreement would be successful and sustainable. On the other hand, managing the conflict in the current manner does not sufficiently address the negative trends and risks to Israel and its future. Therefore, there must be gradual movement forward to build the infrastructure and conditions that enable a variety of options in the future, first and foremost in order to maintain Israel as a Jewish, democratic, and secure state.

Stage-by-stage steps, which can be framed as a series of transitional arrangements toward the goal of two states or independent entities, require extensive, honest, and serious efforts to improve the living conditions and self-governance of the Palestinians, while maintaining Israel's security needs. This can help create the conditions that will enable future successful negotiations toward a realistic agreement for ongoing coexistence in peace, security, and respect between Israel and its neighbors in the region.

Alternatively, these conditions will enable Israel to choose the option of separation (governmental but not military) from the Palestinians through

independent steps, if the Palestinians refuse to cooperate and to promote a reality of coexistence with Israel. It is essential to conduct an ongoing dynamic dialogue with the Palestinian Authority and with different groups in Palestinian society, not only in the narrow framework of negotiations toward a permanent status agreement, but also in order to support the advancement of secure and fair coexistence between the two nations toward a two-state reality that releases Israel from control of the Palestinians.

A new Republican administration in the United States is an opportunity to bolster the understanding that there is a range of options between a permanent arrangement and a dead end; one of these is transitional arrangements, which also create opportunities for the future. These arrangements can be based on the principles outlined by the Bush administration – with the Roadmap the key path to advance the conditions for an Israeli-Palestinian arrangement, and the Bush letter, which distinguishes between the settlement blocs and the isolated settlements deep in the Palestinian area. If the Trump administration is persuaded to adopt the approach of transitional agreements, whereby anything agreed on will be implemented gradually, it will be possible to mobilize the international community to create the conditions and build the capacity for patiently constructing the institutions of the Palestinian-state-in-the-making, such that it will be stable, accountable, and functional, and not another failed regional entity. At the same time, the international community, along with the leading Arab states, can assist in advancing the relations between Israel and the Palestinians in the direction of mutual recognition, multifaceted cooperation, and civil coexistence. This should be done instead of investing efforts in pressuring Israel and the Palestinians in a single direction of resuming negotiations for agreement on a comprehensive permanent status agreement, under conditions that have failed in the past, and are likely to fail again until they successfully change.

Notes

- 1 Omer Zanany, *The Annapolis Process (2007-2008): Negotiation and its Discontents* (Tel Aviv: Tel Aviv University, 2015).
- 2 Ibid.
- 3 In a Jerusalem Media and Communications Centre (JMCC) survey from July 2016 conducted among Palestinians in the West Bank and Gaza Strip, over a third of respondents stated that they do not trust any of the central political leadership figures

- (Abbas, Barghouhti, Haniyeh, Mashal). See <http://www.jmcc.org/documentsandmaps.aspx?id=872>. In a Palestinian Center for Policy and Survey Research (PSR) survey from March 2016, 64 percent of respondents said that they want Abbas to resign. See <http://www.pcpsr.org/sites/default/files/poll%2059%20%20fulltext%20English.pdf>.
- 4 Avi Issacharoff, "Unemployment, Suicide and Drugs: The Crisis in Gaza is Bringing the Next Operation Closer," *Walla*, February 22, 2016, <http://news.walla.co.il/item/2937032>; Netta Ahituv, "The Water Crisis in Gaza: Infections and Diseases in Israeli Territory, and Masses of Gazans Piling at the Fence," *Haaretz*, August 4, 2016, <http://www.haaretz.co.il/magazine/.premium-1.3028478>.
 - 5 According to the Palestinian-Israeli Pulse survey from August 2016 conducted by the Israel Democracy Institute and PSR, 35 percent of Palestinians support the one-state solution, http://en.idi.org.il/media/4741539/ExecutiveSummary_08182016_FINAL.pdf. A PSR survey from March 2016 found that 67 percent of respondents think that the development of the terror wave into a full Intifada would serve Palestinian national interests, <http://www.pcpsr.org/sites/default/files/poll%2059%20%20fulltext%20English.pdf>.
 - 6 According to the Palestinian-Israeli Pulse survey from August 2016, 58.5 percent of Israelis support the two-state solution.