

THE END OF THE ROAD

Why has the two-state solution fallen apart and are there alternative approaches for lasting peace between Israel and Palestine?

By Khaled Elgindy

There are some fourteen million people currently living under Israeli rule between the Mediterranean Sea and the Jordan River. Half of them, around seven million Israeli Jews living on both sides of the 1967 border or “Green Line”, enjoy full citizenship rights. The other half—seven million Palestinians—enjoy no such rights. The bulk of these Palestinians, some 5.2 million, are stateless persons living under various forms of Israeli military rule in the occupied West Bank, East Jerusalem, and the Gaza Strip.

Over the past quarter century, the conventional wisdom in Washington and among the wider international community has held that the solution to this problem could only be achieved through a territorial partition resulting in two independent states, Israel and Palestine, living side by side in peace and security. Pundits and policymakers alike had agreed that the two-state solution would involve establishing an independent Palestinian state based on the 1967 borders encompassing Gaza and virtually all of the West Bank. Such a solution would allow for limited and mutually agreed upon land swaps, including a sovereign Palestinian capital in East Jerusalem, plus the return of an agreed upon number of Palestinian refugees, who will receive some form of compensation.

While such an outcome remains theoretically achievable, a variety of physical as well as political developments, especially since 1993, have all but foreclosed the possibility of a negotiated two-state solution—at least the kind of territorial partition envisioned in previous negotiations—to the Israeli-Palestinian conflict.

The disintegration of the Oslo process (a five-year interim arrangement that lasted more than twenty-eight years and which has been dying a slow, tortured death since 2000) and the likely demise of a two-state solution requires us to rethink old assumptions and explore new possibilities. These may include alternative solutions like the possibility of one state with equal citizenship or confederation, while addressing the unequal and repressive reality on the ground.



Collapsing Pillars

While the international community continues to uphold the two-state framework, most of the pillars of a negotiated two-state solution have in practical terms either collapsed or are collapsing. The Oslo process has effectively run its course. Numerous rounds of formal negotiations—in 2000-01, 2007-08, 2012, and finally 2013-14—along with an array of protocols, memorandums, commissions of inquiry, peace plans, and other initiatives have failed to produce a conflict-ending agreement or prevent periodic outbreaks of violence. The few conflict mitigation mechanisms that had existed, such as the Quartet’s ill-fated “Roadmap for Peace” plan in 2003, have long since been abandoned, while successive U.S. administrations—including those of Barack Obama and Joe Biden—have shown little interest in reviving them or establishing new ones.

△ A Palestinian protester tries to hammer a hole through the Israeli barrier that separates the West Bank town of Abu Dis from Jerusalem, Oct. 28, 2015.
Ammar Awad/Reuters

The slow demise of the Oslo process has occurred in parallel with that of its signature achievement: the Palestinian Authority (PA). Once seen as the embryo of a future Palestinian state, the PA is now facing its own inexorable decline thanks to a perfect storm of internal and external threats. Notwithstanding the international community’s rhetorical support for a two-state solution, international donor aid to the PA has dropped by more than 85 percent since 2008. The sharp decline in donor aid, exacerbated by the sweeping aid cuts of

the Trump era, as well as the loss of tax transfers collected by Israel on the Palestinians' behalf, have put the PA on the brink of financial bankruptcy. Internally, the debilitating fourteen-year division between President Mahmoud Abbas's Fatah faction in the West Bank and Hamas in the Gaza Strip has paralyzed Palestinian institutional politics and eroded the legitimacy of the Palestinian leadership. The division also helped fuel violence and instability, particularly in Gaza.

Keenly aware of his growing weakness and declining legitimacy, Abbas has generally responded by pursuing periodic attempts at reconciliation with Hamas, working to internationalize the conflict through the United Nations and other international bodies, and participating in U.S.-sponsored peace negotiations. Yet, instead of piecing these three approaches together into a comprehensive political strategy, Abbas has opted to pivot back and forth between all three tracks without fully committing to any of them as a means of ensuring his own political survival. Despite momentary boosts to his popularity, Abbas's domestic standing has continued to decline, with polls in recent years consistently showing between two-thirds and three-fourths of Palestinians saying they want Abbas to resign. Abbas's decision to cancel long-delayed national elections at the last minute in the spring of 2021, along with the murder of Nizar Banat—a popular political activist and outspoken critic of Abbas—at the hands of PA security forces, have underscored the increasingly erratic and repressive nature of his leadership.

The failings of the peace process and the PA stand in stark contrast to the enormous success of Israel's ever-expanding settlement enterprise, which now dominates both the physical and political landscape of the West Bank. Since the start of the Oslo process, Israel's settler population has soared from roughly 250 thousand in 1993 to nearly 700 thousand today. Although formal annexation has been taken off the agenda—for the moment at least—de facto annexation in the form of ongoing settlement expansion and the continued fragmentation of Palestinian territory has continued unabated, even as the international community looks on. Moreover, the absence of any meaningful consequences—economic, political, or otherwise—has emboldened Israel's settler movement and other “Greater Israel” proponents in domestic politics and fueled their sense of triumphalism. As a result, settlement projects—such as so-called “doomsday” settlements in Jerusalem, and the wholesale removal of Palestinian communities, including the forced evictions of dozens of Palestinian families from their homes in the East Jerusalem neighborhoods of Sheikh Jarrah and Silwan—which were once seen as redlines, are now moving forward in earnest.

Perhaps the clearest sign of the impending demise of the two-state solution can be seen in the fact that the precarious consensus within Israeli, Palestinian, and American politics that has kept the concept afloat during the last two decades

is now collapsing on all sides. The PA leadership, which has staked its political fate on the creation of an independent Palestinian state in the West Bank and Gaza, remains firmly committed to the goal of two states. Even Hamas, which has a long history of violent opposition to the Oslo process and rejects any recognition of Israel, has steadily come under the two-state consensus.

In contrast to the political echelon, however, ordinary Palestinians in the occupied territories, the constituency that historically has been the most supportive of a West Bank/Gaza state, are abandoning the two-state vision in ever greater numbers. This is one of the many growing gaps between the Palestinian public and the political leadership in Ramallah. According to a September 2021 poll, just 36 percent of Palestinians said they still supported a two-state solution—the lowest proportion since the signing of the Oslo agreement in 1993. As Palestinian public opinion shifts against the two-state solution, Palestinian political factions, including the next generation of Fatah leaders, may have no choice but to follow suit.

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In Israel, meanwhile, the political consensus around two states has already collapsed. Right-wing parties opposed to Palestinian statehood have dominated the Knesset and successive governments for most of the last two decades and the traditional peace camp has all but disappeared. Current Israeli Prime Minister Naftali Bennett is from the hard-right Yamina Party and, like his long-serving predecessor Benjamin Netanyahu, has explicitly ruled out the possibility of a Palestinian state or even a return to negotiations. While the Jewish Israeli public remains split—with some 41 percent supporting and 48 percent opposing a two-state solution—a majority of Israelis favor retaining the status quo.

A similar trend can be seen in the United States. One of the two major political parties, the Republicans, has formally abandoned the goal of two states. As Israeli politics have shifted further to the right, so too has the Republican Party. Even before Donald Trump's election in 2016, the Republican Party had already officially removed references to a two-state solution from their party platform while declaring that it "reject[s] the false notion that Israel is an occupier". Moreover, once in office, the Trump administration worked to translate this approach into policy.

In addition to recognizing Jerusalem as Israel's capital (thereby overturning 70 years of U.S. policy and international consensus) and eliminating all forms of U.S. aid to the Palestinians, the Trump administration worked to dismantle the basic principles that had undergirded the peace process for more than half

a century. This included abandoning UN Security Council Resolution 242, which called for ending Israel's occupation on the basis of "land for peace," as well as the two-state solution itself. Trump's so-called "Prosperity to Peace" plan, which was released in January 2020 and called for a Palestinian "state" made up of disconnected fragments of territory surrounded and controlled by Israel, was more reminiscent of the Bantustans of apartheid South Africa than anything that might reasonably be called a sovereign state. At the same time, the administration worked to erase the distinction between Israel and the territories it occupied by declaring that it would no longer consider Israeli settlements to be illegal. The Trump White House even went as far as requiring products originating in the settlements to be labeled as "made in Israel".

Moreover, regional trends are working against the two-state solution. While Arab Gulf states have significantly cut financial assistance to the PA—literally divesting from a future Palestinian state—the so-called Abraham Accords (a series of normalization agreements between Israel and various Arab states in late 2020) have further marginalized the Palestinians politically. The normalization deals between Israel and both the United Arab Emirates (UAE) and Bahrain, in addition to nullifying the Arab Peace Initiative of 2002, are key signs that leading Arab states have effectively moved on from a two-state solution and are no longer willing to hold up their bilateral or geopolitical interests waiting for the "unicorn" of a Palestinian state.

The argument put forward by some that normalizing states might leverage their budding relations with Israel in the service of the Palestinians or a two-state solution has amounted to little more than wishful thinking. Neither the UAE nor Bahrain, for example, attempted to intervene during the crisis surrounding the impending eviction of Palestinian families from their homes in East Jerusalem's Sheikh Jarrah neighborhood or during the subsequent fighting in Gaza last May. Also, these Arab states did not attempt to use their influence in response to the recent announcement that Israel plans to build more than three thousand new settlement housing units, (which even earned a rare rebuke from the Biden administration) or to the ongoing threats to the status quo

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arrangement in relation to the Al-Aqsa Mosque in Jerusalem. On the other hand, UAE officials have had little compunction about doing business with Israeli settlers or investing in Israeli occupation infrastructure like checkpoints.

Biden: Hyper-minimalism

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which despite everything remains at least theoretically achievable. However, the Biden administration's decidedly minimalist approach to the issue is likely

to leave two-state supporters disappointed. Despite reaffirming the goal of two states, the Biden administration has made it clear that the issue is not a priority and that it sees little hope in reviving a diplomatic process. In the meantime, it has stressed its desire to avoid public disagreements with Israel over issues like Israeli settlement expansion. Moreover, apart from restoring aid to the Palestinians—albeit at more modest levels than in previous years—and promising to reopen the U.S. Consulate in Jerusalem, the Biden administration seems content to maintain the status quo. In addition to maintaining the previous administration’s recognition of Jerusalem as Israel’s capital, key elements of the Trump agenda—such as the reversal of longstanding State Department policy on the illegality of Israeli settlements and new “rules of origin” guidelines legitimizing Israeli settlements—remain in place. These all raise real questions about the administration’s commitment to Resolution 242.

The May 2021 crisis sparked by the pending expulsions of Palestinian families in Jerusalem and the ensuing war in Gaza further highlighted the administration’s minimalist approach. Throughout the eleven-day conflict, which left around 250 Palestinians and twelve Israelis dead, the administration’s response consisted mainly of blanket support for Israel and its right to defend itself while repeatedly blocking attempts by the Security Council to call for an immediate ceasefire.

The one new element introduced by the Biden administration was the oft-repeated assertion that Israelis and Palestinians “deserve equal measures of security, freedom, opportunity, and dignity”—an apparent nod to its claim that it was recentering human rights as a pillar of U.S. foreign policy. The formula is all the more notable in light of the glaring asymmetry that exists between Israelis and Palestinians in all of these. Whereas Israelis on both sides of the 1967 line enjoy relatively high levels of “freedom, security, and prosperity,” the 5.2 million Palestinians living in the occupied territories enjoy very little of these. Although no previous U.S. administration has so explicitly couched the conflict in terms of basic rights and equality, the Biden administration has not clarified what “equal measures” would mean in practice or how they might be achieved, much less upheld these principles through its actions. If nothing else, the formula signals a shift in the official policy discourse toward a more values-based approach. Indeed, Israel’s recent designation of six prominent and well-respected Palestinian human rights groups as “terrorist organizations,” widely seen as an attack on Palestinian civil society, suggests that Israeli officials also understand the growing relevance of a rights-based approach.

In contrast, any attempt to salvage a two-state solution would require a different approach than what we have seen in the past and considerably more effort and political capital than the current administration seems willing to invest. For one, any new process should uphold and reaffirm international norms—Resolution 242, the unacceptability of acquiring land by force, and

the goal of ending Israeli occupation—with the same force and clarity that the Trump administration sought to do away with them. The sheer magnitude of the power asymmetry between Israel and the Palestinians requires an almost fundamentalist adherence to these principles. At the same time, a credible peace process must focus on altering, and ultimately reversing, the dynamics that drive the conflict, namely Israel's occupation and all that it entails, including settlement expansion, land confiscations, home demolitions, expulsions, and other measures aimed at deepening Israeli control over the West Bank and East Jerusalem. It must also consider ending the Gaza blockade and the ongoing Palestinian political division. Most crucially, there must be concrete mechanisms of implementation and accountability, both of which were absent from the Oslo accords and U.S. mediation, including tangible consequences—whether economic, political, or diplomatic—for non-compliance and other violations by either side.

All of these would necessarily entail applying pressure on Israel, as both the occupying power and the stronger party, including the possibility of linking Israel's \$3.8 billion annual U.S. military aid package to Israel's treatment of Palestinians—something Biden, like his predecessor, has categorically ruled out. In the absence of any meaningful pressure, Israeli leaders have no incentive to alter the status quo much less take the kinds of difficult and politically unpopular steps needed to achieve a two-state solution such as the evacuation of tens of thousands of Jewish settlers, the transfer of biblically-significant West Bank territory to Palestinian sovereignty, and perhaps most difficult of all, dividing Jerusalem.

Neither One State nor Two

The probable end of the two-state solution does not mean alternative models are any more viable, including the old-new idea of a single state with equal

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citizenship rights for both Israeli Jews and Arab Palestinians. The idea of a binational state for Arabs and Jews was first seriously broached by the renowned Palestinian-American intellectual Edward Said at the apex of the Oslo process, and it has steadily gained ground among diaspora Palestinians and, more recently, among younger Palestinians in the occupied territories. Unlike the old one-state vision embraced by the PLO prior to 1988, which called for undoing the events of

1948, the contemporary binational vision imagines a more straightforward and egalitarian future based on existing demographic realities in the whole of Israel/Palestine.

The appeal of equal citizenship and “one person/one vote” is difficult to deny. The main obstacles to the one-state vision, however, are not moral but political—most notably how to reconcile the competing (and often mutually exclusive) nationalist narratives of Israeli Jews and Palestinian Arabs, as well as the vast power asymmetry between the two groups. While growing numbers of Palestinians are embracing the idea of one state, the vast majority of Israeli Jews—which remains the dominant group on both sides of the Green Line—remains steadfastly opposed to the enfranchisement of millions of Palestinians, which they see as ending the Jewish character of the state.

Even on the Palestinian side, where support for one equal state is strongest, political support for one state has not yet reached a critical mass. Although growing numbers of Palestinians in the occupied territories, particularly the youth, are embracing the idea, there is currently no organized Palestinian political movement, party, or actor pushing for a one-state solution. Nevertheless, it may only be a matter of time before the idea of one state with equal rights begins to take hold in Palestinian and perhaps even in Israeli politics. After all, it was not so long ago that the idea of two states for two peoples, now considered conventional wisdom, was itself dismissed as both unrealistic and unachievable, including in Washington where the idea did not catch on until the 1990s.

There is another set of options that may offer a reasonably equitable solution to the conflict, but which has largely been overlooked by American policymakers, namely the idea of shared sovereignty, or confederation, which envisions the creation of two states but without physical or territorial separation. Under the “two states in one space” model, there would be two states, Israel and Palestine, along the 1967 border with each side having its own parliament and governing bodies but with open borders in which citizens of both states enjoy full freedom of movement, and even residency, in the whole of the land between the river and the sea.

The chief advantage of confederation is in the recognition that neither the Israelis nor the Palestinians are prepared to abandon their own national identities and narratives, and that both groups continue to maintain an attachment to both sides of the 1967 border. Confederation also unlocks the possibility of new solutions to some of the most intractable issues of the conflict. Thus, it would be possible to imagine the return of large numbers of Palestinian refugees to their former homes or villages in Israel without altering Israel’s demographic balance. Likewise, certain settler populations might be allowed to remain as residents of a Palestinian state while maintaining their citizenship in Israel, thus reducing the political and financial costs associated with a largescale evacuation by Israel while preserving the contiguity of a Palestinian state. The idea of open borders also helps to avoid many of the

practical problems arising from a territorial division of Jerusalem, particularly in the highly contentious Old City and its surroundings.

On the other hand, with many more “moving parts” to connect, confederation would be considerably more difficult to negotiate than either the traditional two-state or one-state models. The confederal model also assumes a much greater level of trust and goodwill between the parties than presently exists, making practical arrangements on settlements, internal security, and defense against external threats difficult, if not impossible, to imagine, particularly in light of the massive power asymmetry between the two sides. Moreover, while confederation seems to be gaining traction among growing numbers of academics and political elites, unlike both the two-state and one-state models, it does not yet have a significant popular or grassroots constituency.

Changing the Status Quo

In the meantime, with no realistic prospect of achieving any of these theoretical solutions in the foreseeable future—either one state, two states, or confederation—we are left with the unequal one-state reality that exists on the ground.

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In the past, scholars and diplomats could defer the uncomfortable issues raised by this “separate and unequal” reality by focusing on the peace process and the understanding that Israel’s occupation was temporary. However, the obsolescence of the Oslo framework along with the growing understanding that Israel’s fifty-four-year occupation is anything but temporary, have forced policymakers and analysts to reconsider how they think about

the situation in Israel/Palestine. Not surprisingly, the prospect of permanent Israeli rule over five million stateless and disenfranchised Palestinians has led a number of international and Israeli human rights groups to conclude that it is guilty of apartheid. Moreover, the more people conclude that a two-state solution is no longer reachable, the more prominent the “apartheid” framing is likely to become.

While the goal of two states for two peoples remains the guiding framework in Washington and the broader international community, the likely foreclosing of the classic two-state model makes it necessary to now look seriously at alternatives like one egalitarian state and various types of confederation, while working to address the gross inequality that exists on the ground today. Any solution—whether one state, confederation, or even the traditional two-state model—requires a fundamental change to the power dynamics between the

Israelis and the Palestinians. There is no solution that does not entail Israel, and specifically Israeli Jews, giving up some degree of power and privilege. The question of which of the three scenarios is most feasible, therefore, may ultimately depend on which one is deemed the least costly for Israeli Jews as the dominant group. However, as long as the status quo remains less costly than any of these other scenarios, Israeli leaders will have no reason to ever make such a choice. ©