Is the two-state solution still possible?
Are other frameworks better or more feasible than two states? This study seeks to answer these questions through a candid and rigorous analysis.

Is there another viable outcome?
While the two-state model deserves to be debated on its merits, and certainly on its viability, pronouncements of this formula’s death raise the question: if not two states, then what?
About the Study

The two-state solution has been widely criticized from the right and the left as an idea whose time has passed and been overtaken by facts on the ground. As a result, many other models for the Israeli-Palestinian conflict have been advanced, from one-state formulas to confederation outcomes to maintaining the status quo indefinitely. How do these proposals for the Israeli-Palestinian conflict — including the recently released Trump plan — measure up against key criteria, like keeping Israel Jewish and democratic, providing security, and ensuring feasibility? Is there a model that fits the needs of both parties while being realistic in practice? This comprehensive study of potential outcomes for the Israeli-Palestinian conflict assesses the strengths and weaknesses of different plans, and trains a critical eye on whether a two-state solution is still possible, concluding that despite the heavy lift it will take to implement, a two-state outcome is not only possible but the only implementable plan that maintains Israel as Jewish and democratic.

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All of the information contained in this executive summary and the full report is current as of February 2020.
The year 2020 marks the twentieth anniversary of the Camp David Summit. While Israelis and Palestinians disagree on the roots of Camp David’s failure, two things are indisputable: it was the first time since the 1947 United Nations (UN) partition plan that an independent Palestinian state was formally on the table, and the negotiations did not succeed in producing a final status agreement. The intervening two decades have not been kind to the two-state framework. The Second Intifada, the failure of the Olmert-Abbas talks in 2008, the Hamas takeover in Gaza and subsequent three wars there, the ascension of the revanchist Israeli right, the collapse of the U.S.-backed peace process under Secretary John Kerry, and the widely criticized pro-settler leanings of the Trump administration’s plan known as Peace to Prosperity, which was rejected at the outset by the Palestinians, have all helped reinforce the idea of the “death of the two-state solution” in the public conscience.

While the two-state model deserves to be debated on its merits, and certainly on its viability, pronouncements of this formula’s death raise the questions: if not two states, then what? And are other frameworks better or more feasible than two states? This study seeks to answer these questions through a candid and rigorous analysis.

Even though the two-state solution has been the sole internationally acceptable formula to address the Israeli-Palestinian conflict in decades, several other formulas have been proposed throughout the years both on the political left as well as on the right. And although the Trump administration’s plan uses the two-state terminology, in practice their approach combines elements of other models. Following review of academic literature, press reports, and consultations with over a dozen subject matter experts in Israel, the Palestinian Territories, and the United States, we zoomed in on seven approaches for analysis, some of which represent a group of formulas that are similar in nature. These are:

<table>
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<tr>
<th>Two-state solution</th>
<th>One democratic or binational state</th>
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</thead>
<tbody>
<tr>
<td>Continuation of the status quo</td>
<td>One Jewish non-democratic state</td>
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<tr>
<td>Israeli-Palestinian confederation</td>
<td>Jordanian option</td>
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<tr>
<td>Peace to Prosperity: the Trump plan</td>
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This list is not exhaustive. Still, it represents a wide spectrum of common approaches and ideas and captures today’s vibrant academic and political debate about how to address the Israeli-Palestinian conflict. We analyze these approaches rigorously and systematically. We do not do that in a vacuum, however. Rather, we seek to understand to what extent they may help attain a “secure, Jewish, and democratic Israel,” which is a core mission of Israel Policy Forum. While Israel Policy Forum, like many other organizations, believes that only a two-state solution can fulfill this vision in the long run, given the daunting challenges that the two-state solution faces we frankly assess how competing ideas to the two-state framework could address the conflict while adhering to our values and steadfast commitment to Zionism.

In that regard, it is noteworthy that we purposely eschew the language of “solutions” in favor of terms like “approach,” “outcome,” “model,” “framework,” or “formula.” This is because we do not believe that all of the models listed are solutions; some present morally reprehensible modes of implementation including population transfer. Others are simply not actionable in any conceivable scenario. And others disregard the importance of alliances, regional and international. Thus, we do not aim to suggest that each of these formulas have equal ethical or intellectual footing or elevate ideas to the level of the two-state framework by suggesting that it is a comparable alternative. That said, we describe these other formulas objectively and candidly describe their advantages even if the shortcomings outweigh the benefits. As this study shows, none of the formulas—including the two-state paradigm—is a panacea to the Israeli-Palestinian conflict. All approaches are associated with various challenges that make them either non-ethical, technically impossible, or politically nonviable. Among all these flawed options, the two-state solution emerges as far from ideal, yet still preferable to the others. This does not mean, however, that currently Israelis and Palestinians can and should rush to reach a final settlement based on two states. Rather, that it is critical to find interim models that would put the two sides back on the two-state pathway and not push them in the direction of other ideas that are far worse.

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Methodology

This study employed a mixed-method approach. Our first task was mapping the landscape of ideas proposed across the political spectrum to address the Israeli-Palestinian conflict; group the ideas that are similar in nature; and select formulas for analysis. This selection was guided by the frequency with which these proposals are discussed in the media and academic literature, and based on conversations with dozens of Israeli, Palestinian, and U.S. subject matter experts, which resulted in choosing to focus on the six aforementioned approaches (plus the two-state model). The study describes the evolution of these ideas, as informed by literature, press, and off the record interviews with advocates of the various formulas, their key characteristics, as well as their main advantages and shortcomings. We then identified a methodology for comparing between the different approaches.

Drawing on classic policy analysis methods, we developed a tool that notwithstanding limitations is both systematic as well as simple to understand and use for analysis and decision-making. The first step in the tool development process was identifying a set of criteria against which we can evaluate the different approaches. Because the objectives stated by proponents of other approaches may not be a Jewish, democratic, and secure Israel, but only one or two of these components, we break down this goal into its three guiding criteria:

- **Jewish - Whether the approach maintains Israel as a Jewish state;**
- **Democratic - Whether the approach maintains Israel as a democratic state;**
- **Security - The extent to which the approach safeguards Israel’s security.**

We also account for the formula’s ability to provide Palestinian self-determination. The other criteria are more general and apply in most policy analysis studies, including ease of implementation, political viability, international acceptance, cost, and timeframe to implementation. We adapt these general criteria to the Israeli-Palestinian context and define a subset of key evaluation considerations for each criterion.

These considerations (Table 1) are meant to help systematically assess the strengths and weaknesses of each approach as well as compare across the different options along the same dimensions. While we present only a subset of evaluation considerations, our analysis is based on dozens more that we discussed with subject matter experts.

### Table 1

<table>
<thead>
<tr>
<th>Criterion</th>
<th>Definition</th>
<th>Evaluation Considerations</th>
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<tbody>
<tr>
<td>Jewish</td>
<td>Whether the approach maintains Israel as a Jewish state.</td>
<td>What is the impact of the model on the demographic balance between the Jewish and Palestinian populations?</td>
</tr>
<tr>
<td>Democratic</td>
<td>Whether the approach maintains Israel as a democratic state.</td>
<td>The extent to which there are regular and competitive elections for effective power; all citizens have equal political and civil rights, and the state does not deny these rights on a permanent basis to people that are under its direct or effective control.</td>
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<tr>
<td>Palestinian Self-Determination</td>
<td>The degree to which the approach fulfills Palestinian pursuit of self-determination.</td>
<td>Does the model address Palestinian national aspirations? Does it increase Palestinian sovereignty over land and other national symbols?</td>
</tr>
<tr>
<td>Security</td>
<td>The extent to which the approach strengthens Israel’s security.</td>
<td>To what extent does the model increase security risks stemming from terrorism, military confrontation with one or more Palestinian factions, and external threats, including to Jordan’s stability?</td>
</tr>
<tr>
<td>Ease of Implementation</td>
<td>Ease with which the idea can be implemented in terms of technical complexity, logistics, and resources.</td>
<td>What type of Israeli-Palestinian coordination, or assistance from the international community, is needed for implementation? Would it require mobilization of forces and people, or structural and physical changes? Are changes to existing laws needed?</td>
</tr>
<tr>
<td>Political Viability</td>
<td>Acceptance of approach by five categories of stakeholders: (1) Israeli public; (2) Israeli government; (3) Palestinian public; and the Palestinian government is divided into (4) the PA, and (5) Hamas.</td>
<td>How favored is the approach among the Israeli/Palestinian political echelon? Under what conditions could it become more/less acceptable? How acceptable is it to the Israeli/Palestinian publics? Which sects are more likely to accept the alternative? Under what conditions could it become more/less acceptable?</td>
</tr>
<tr>
<td>International Acceptance</td>
<td>The extent to which international players accept the approach, divided into five groups: (1) Jordan and Egypt; (2) other regional players; (3) the United States; (4) Russia and China; and (5) the European Union and international organizations.</td>
<td>How would the approach affect Jordanian and Egyptian leaders, and their publics’ attitudes toward Israel? Would it shape public and hidden ties with regional countries? Would it influence Israel’s standing in international organizations and the risk of sanctions? Could it change U.S. assistance to Israel? Would it affect ties with the diaspora?</td>
</tr>
<tr>
<td>Cost</td>
<td>This criterion is broken down into direct and indirect costs associated with the approach.</td>
<td>What are the expenditures needed for implementation (including one-time fixed costs, e.g., structures, equipment, training, and ongoing operational and maintenance costs)? Who is likely to assume the financial burden? What are the indirect costs and opportunity costs (other things that could have been done instead with the same resources)?</td>
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</table>
Findings

Each of the approaches we analyzed is flawed in some way. Either they are unable to sustain Israel as a “Jewish, democratic, and secure state”—the vision advocated by Israel Policy Forum, among many other organizations; or they fail on international acceptance; or are severely challenged on implementation grounds. The study provides detailed explanations on each formula’s merits and shortcomings as well as their performance against our criteria.

We created a common matrix (Table 3) to demonstrate how each model compares against the next. The common matrix is purely visual, while the complete study includes textual evaluation of each model which you can find in the full study.
The four remaining models, the two “one state” options, continuation of the status quo, and the Trump plan, which in practice resembles the one Jewish state and status quo approaches despite the use of two-state terminology, would not keep Israel as Jewish and democratic in the long run. None of them grants real self-determination to the Palestinians. Further, they do not benefit from strong domestic and international support.

The status quo is a bit different from the other outcomes in this regard. As long as it is formally defined as an interim situation, and does not officially turn the page on a peaceful final settlement, the international community is likely to continue enabling the status quo. Accordingly, under the illusion of a relatively calm security situation, especially in a time of strong economic performance and robust international standing. Israel lacks immediate incentive to shift course. For these reasons, the status quo, rated above or along the midpoint on most criteria (12 of the 18 cells are yellow and light green), is likely to persist. However, deterioration in the security situation, or a change in the situation on the ground, e.g., legislated annexation, would make current trends unsustainable. On the security front, the head of Shin Bet, Israel’s internal clandestine security service, said in January 2020 that during 2019, the agency prevented 560 terrorist attacks, including two suicide bombings and four kidnappings.

In an unfortunate scenario where Israel fails to intercept serious terror attacks, the Israeli public would likely again prioritize the Palestinian issue, undermining the perception that the status quo is viable.

Legislated annexation of West Bank territory could trigger a cascade of events that would turn the status quo into a single Jewish-dominated, not necessarily democratic state, and this option, as the matrix indicates, rates poorly on 11 out of the 18 criteria. In its Peace to Prosperity plan, the Trump administration de facto green lighted annexation, elevating the risk of such a scenario. Notably, although the Israeli public does not support the one Jewish state model, the current Israeli government tacitly promotes it, highlighting a deep divide between the public and its elected representatives on this critical issue.

Even though the two-state outcome is the best approach, or the one assessed to be least flawed, it has serious challenges mostly pertaining to acceptance by the current Israeli government, some of whose leaders are working tirelessly to kill it. In addition, implementation of the two-state model could face daunting difficulties. These include evacuating and re-settling some 30,000-50,000 settler households; devising a solution and compensation mechanism to Palestinian refugees in Gaza, the West Bank and in the diaspora; and finding a creative formula for Jerusalem as the capital of both nations. There are substantial gaps between the Israeli and Palestinian positions on these issues, making them hard to agree on to begin with. If and when there is an agreement, execution will be complex, expensive, and could take a long time. All of these contribute to a growing sense that a two-state outcome is no longer feasible or has outlived its usefulness as a paradigm. Indeed, these are complicated problems. And if present trends continue, the two-state framework could have an expiration date. However, because it was the only game in town for over two decades, detailed plans exist, often developed jointly by Israeli, Palestinian, and international experts to address each and every one of the final status issues.

Sadly, despite clear advantages over the other formulas, this course of action is not necessarily going to prevail. Israeli policies, backed by the Trump administration, combined with the intra-Palestinian rift between the PA and Hamas, indicate that at present, one criterion may be more influential than others—acceptance by, or rather the interests and actions of, the current Israeli government and its patron in Washington, DC. Thus, the main challenge is to overcome the political hurdles and try to advance, or at least not derail, the prospect of a two-state reality.
Conclusion
Where do we go from here?

For the past decade, both the Israeli and Palestinian political situations have remained fairly static with Benjamin Netanyahu and Mahmoud Abbas in charge. On both sides, however, the situation can change soon with elections in Israel (at the time of writing, three rounds in less than one year) and legal issues affecting Netanyahu; and waning talk about elections in the Palestinian Territories, coupled with discussions about the day after Abbas in Ramallah. Changes at the top could inject new energy into the peace process and revamp the Oslo framework. However, waiting for leadership to change is not a policy prescription. That is especially true given the looming shadow of the Trump administration plan, which seeks to turn the status quo into a permanent reality at the risk of leading to a one-state outcome.

In the current political climate, what can be done to secure the option of reaching a two-state framework in the future? Because bilateral negotiations on a final two-state settlement are currently not in the cards, we propose halting present trends that could make a two-state outcome non-feasible, and through words and actions create conditions and an atmosphere more conducive to jumpstarting the peace process when the time is right. This can be done in one of two general ways: independent moves by Israel, and returning to a transitional arrangement framework such as the Road Map.

Independent constructive steps in preparation for a reality of two states for two peoples would prevent Israel from sliding into a one-state outcome. The two plans for independent moves we reviewed, by Commanders for Israel’s Security and the Institute for National Security Studies, are similar in nature and both include political, diplomatic, regional, security, and economic elements. In short, Israel would reaffirm its commitment to the two-state model and state its willingness to enter negotiations on final status issues. Israel would also say it has no sovereignty claims east of the Separation Barrier and pass legislation that incentivizes settlers in isolated and remote Palestinian areas to move to the settlement blocs or Israel proper. The IDF would maintain its operational freedom in the West Bank but at the same time, Israel would actively work to strengthen the PA politically, economically, and security-wise in preparation for the day it is expected to fully govern.

Transitional arrangements are not independent but rather bilateral and are therefore difficult to execute currently. In short, such arrangements also seek to create a two-state reality via understandings and agreements between Israel and the PA on preliminary separation measures, for example through a settlement construction freeze outside the settlement blocs or east of the barrier and redeployment of the IDF as necessary. This approach defers to negotiations on thornier final status issues. In the meantime, however, such steps can theoretically advance Palestinian statehood with provisional borders as envisaged in the second stage of the Road Map, which was never implemented.

While the Trump Peace to Prosperity plan was neither envisioned nor presented as a transitional plan, some of its components could be workable were it to be transformed into a basis for moving forward rather than as a complete end-of-conflict arrangement. For instance, allowing the Palestinian Authority to assume control of the approximately 30% of Area C that is granted to Palestine under the Trump plan’s conceptual map would provide an opportunity to further the separation process on the ground and give the PA renewed purpose for institutional reform. The Trump plan could also provide an opportunity to revisit Israeli control of Kufr Aqab and Shuafat Refugee Camp — areas that are part of Jerusalem in name only and the status of which even members of the current Israeli government are in favor of transforming. The plan could also be useful in spurring a reevaluation of some of the current security arrangements in the West Bank, both in conceptualizing where a light footprint of IDF troops may be required following a permanent status agreement and where PA Security Forces might be able to expand their current jurisdiction and responsibilities. This eventuality is admittedly remote given the Trump administration’s seeming insistence in treating the plan be carried out as the “ultimate deal,” but this would be a way of taking its framework and attempting to work with it in a constructive manner.

Ultimately, neither the independent nor the transitional arrangement approaches are ideal, and both are likely to face Palestinian and Israeli resistance. After a nearly three decades-long peace process, the Palestinians suspect that these strategies are designed as improved means of conflict management that would prevent them from establishing a state. The Israeli public is also suspicious of unilateral steps following the negative precedent set in Gaza.

Nevertheless, in the current stalemate, while both approaches might not lead to a permanent agreement, they would keep the window open for such an agreement in the future. At the least, they would facilitate the beginning of a separation process and prevent an irreversible slide into a one-state outcome, in which Israel’s status as Jewish, democratic, and secure would be fatally compromised.
Israel Policy Forum promotes policies that are endorsed by top Israeli security officials, produces nuanced analysis and commentary, and conducts innovative educational programs that engage leaders from across the political, denominational, and generational spectrums. In doing so, Israel Policy Forum seeks to shape a more informed and constructive discourse about Israel and Middle East peacemaking efforts in the American Jewish community and in Washington, DC.

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