

NOREF Report

The future of Israel-Palestine: a one-state reality in the making

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Executive summary

With no agreement on a two-state solution to the Palestinian-Israeli conflict in sight, one-state dynamics are gaining momentum – a development that will be difficult to reverse or even contain. In the medium and long term, no one will benefit from such a development. Indeed, all might lose: an ugly one-state dynamic has no happy ending, and such a solution is rejected by Palestinians and Israelis alike. Instead, the emerging one-state reality increases the potential for various kinds of conflicts and contradictory impulses. The international community too finds itself unprepared and perhaps unwilling to confront this emerging reality, but in doing so it imperils the prospects for peace in the region – the exact thing it seeks to promote.

While strong majorities of Palestinians and Israelis support the two-state solution, they find themselves living with a one-state reality the Israelis comfortably, the Palestinians with a great

deal of discomfort. The international community defines the two-state solution as a cornerstone of its Middle East policy, but it too contributes to sustaining the one-state reality by failing to challenge Israeli settlement policy. Palestinians oppose a resort to violence as a means of increasing the costs of occupation; they support non-violence, but take no part in it; and they support Fatah-Hamas reconciliation, but complain very little while disunity entrenches itself. They recognise fully that the two-state solution is dead or dying, but refuse to lend support to dissolving the Palestinian Authority (PA) or to see a one-state solution as an alternative worth fighting for. They support going to the United Nations for statehood, but turn a blind eye to the PA's foot dragging. Israelis, on the other hand, worry little about the emerging reality, as other things, such as Iran, top their agenda. A right-wing government views progress with the Palestinians as a threat to its stability.

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Introduction

The future does not look promising for the Israeli-Palestinian conflict. In Israel, the right is winning public support and will probably win the next elections. With dim chances for reconciliation, Palestinian divisions are contributing to rising questioning of Palestinian Authority (PA) legitimacy and threatening Palestinian democracy. The current Abbas-Fayyad partnership faces growing challenges and might not survive for long. All of this weakens the capacity of the Palestinians to put forward a coherent position. Palestinian steps at the United Nations (UN), while useful in strengthening two-state dynamics, could backfire with punitive Israeli and American sanctions that could debilitate the Palestinian economy and state-building efforts. The international and regional environments are just as bad: the upcoming U.S. presidential elections preclude any chance of a return to negotiations and the outcome of the Obama administration's conflict with Israel over settlements demonstrates the limits of U.S. capacity to use leverage against the parties. The ramifications of the Arab Spring contribute to greater marginalisation of the Palestinian issue and will deprive Israelis and Palestinians of the managing capacity and stabilising influences of Egypt, Saudi Arabia and Jordan for possibly the next five to ten years. An Israeli war with Iran over the latter's nuclear programme will only make things worse.

Without a negotiated two-state solution, three alternatives present themselves: a default alternative called the status quo or the one-state reality, which has no chance in the short to mid term of becoming a one-state solution; a unilateral Israeli step to begin to separate from the Palestinians by encouraging settlers to relocate to the so-called settlement blocs, while perhaps renouncing sovereignty over most of the West Bank and keeping the Israeli army in place; or a massive Palestinian resistance campaign combining various elements of violence, non-violence and diplomatic warfare.

All parties have an interest in returning to negotiations, but few expect this to happen, and even fewer believe that an agreement can come from any negotiations between the PA and the right-wing government in Israel. Other options are

not promising either. Palestinians face particularly difficulties in having to choose between options: seeking to consolidate two-state dynamics or seeking to consolidate one-state dynamics. This is compounded by another dilemma: steps they might adopt in the hope of strengthening two-state dynamics could in fact produce the unintended effect of strengthening one-state dynamics, while steps to strengthen one-state dynamics could in fact produce the opposite outcome. Palestinians therefore end up drifting with no clear strategy – except in their firm opposition to a resort to violence. Furthermore, with commitment to the two-state solution remaining solid, talk about a one-state option or dissolving the PA remains only tactical, an ineffective bluff that seeks to raise Israeli and international concern. And despite the extensive rhetoric in favour of reconciliation, foot dragging remains the essential characteristic of Fatah's and Hamas's efforts in this regard.

Concern about U.S. and Israeli reactions to the PA's UN and reconciliation efforts probably forced the current Palestinian pause. It is possible that the PA leadership, while awaiting the outcome of the U.S. elections and despite its great interest in maintaining public legitimacy, seeks to avoid taking dramatic steps – whether at the UN or with Hamas – that it fears it cannot reverse later without a heavy cost and too many risks to its state-building efforts. Similarly, while the PA leadership continues to give lip service to popular non-violent resistance, it does absolutely nothing to encourage it. A non-violent campaign faces strong opposition from the Palestinian security services, which fear it would soon deteriorate into violence. Public distrust of Fatah due to prevailing perceptions of corruption and lack of sincerity about confronting the Israelis, Abbas's lack of charisma and the Fatah-Hamas split all discourage massive public participation in non-violent activities.

Israel's ability to remain Jewish and democratic is threatened by its own settlement interests and other occupation policies. But Israel feels no urgency in addressing this apparent conflict. Yet, as in 2004-2005, even a right-wing government might resort to unilateral steps to reduce Israel's mid- and long-term risks. A freeze in settlement construction east of the wall/separation barrier while encouraging settlers to voluntarily move

to settlements west of the barrier, although strongly rejected by the right today, might seem more plausible in the future. A right-centre coalition might be more willing to take the risk of confronting settlers, but it is highly unlikely that a right-extreme right coalition would.

The problem

While the international community and most Palestinians and Israelis support a two-state solution to the Palestinian-Israeli conflict, it is highly unlikely that an agreement along these lines will be reached any time soon – or, indeed, in the next several years. Yet, in the absence of an agreement, developments on the ground – after 45 years of Israeli occupation, demographic changes and settlement expansion – together with existing and anticipated trends in the two societies, will soon create a reality that might dramatically alter the prospects for Palestinian-Israeli peace based on terms acceptable to both sides.

One stark aspect of the emerging reality, i.e. the gravitation to a one-state situation, might be difficult, if not impossible, to contain – let alone reverse – any time soon. An ugly one-state reality, driven by very well-known dynamics, is developing day by day, even though it entails significant costs to Palestinians and Israelis alike and brings no gains to the international community. The problem with this reality is that it is one in which Israeli Jews control the land, and with it the future of Palestinians, while the latter lack the capacity to determine their own fate or directly influence Israeli policies. Moreover, this reality, no matter how repugnant it becomes, is not likely to be transformed – at least in the conceivable future – into a negotiated one-state solution: most Palestinians oppose such a solution and most Israeli Jews view it as an existential threat.

In the meantime, Palestinian rejection of the status quo and its emerging reality creates a potential for violent, non-violent and diplomatic confrontations with Israel. On the Israeli side, while the right wing seeks to consolidate the most effective one-state dynamic, i.e. settlement expansion, some, mostly on the centre-left, seek to abort it by promoting a unilateral alternative, one that seeks to empower

a two-state dynamic, such as transferring security jurisdiction to the Palestinian security services and allowing Palestinian economic development of Area C, an area comprising about 60% of the West Bank that remains currently under full Israeli control.

For the international community, particularly the U.S. and its allies, acknowledging, let alone confronting and pre-empting, this evolving reality and all its one-state dynamics is extremely difficult, because doing so would alienate domestic pro-Israel groups and threaten alliance-related interests. But in doing so, the international community imperils the prospects for peace in the region – the exact thing it seeks to promote. Yet, with two-state dynamics dying down and the two-state solution becoming out of reach due to practical reality, it is conceivable that Israelis, at least in the short and medium term, will fight to ensure the Jewish character of the emerging one-state reality, while Palestinians will similarly fight to reverse it or to ensure, in the long run, its Arab and Islamic character. Moreover, serious Palestinian-Israeli destabilisation will probably have serious negative consequences for the two Arab countries that have made peace with Israel – Jordan and Egypt – and which are also most vulnerable to Palestinian-Israeli developments.

Supporting a two-state solution and living a one-state reality

In principle, at least 70% of Palestinians and Israelis support the two-state solution. Palestinian support is deep and consistent, and driven by a strong sense of national identity with strong aspirations for independence and sovereignty for Palestinians in their own country. For this, they are willing to recognise Israel in 78% of historic Palestine and to accept other compromises related to land swaps, sharing East Jerusalem, settling most refugees in the Palestinian state, and living with various Israeli-favoured security measures. Israelis, driven similarly by a strong sense of national identity and painful historic experiences, seek a Jewish state and are willing to share historic Palestine – what they perceive to be the Land of Israel – with the Palestinians, even

if this means sharing Jerusalem and relocating tens of thousands of settlers from areas destined to become part of a Palestinian state. The U.S., the European Union and the rest of the international community define the two-state solution as a cornerstone of their Middle East policy and a guideline for their various diplomatic efforts. Egypt and Jordan view Palestinian statehood as means of protecting their most vital national interests.

Despite this support, movement toward a solution is stalemated – some would say permanently blocked – in part because the status quo, with all of its one-state dynamics, while intolerable for Palestinians, is relatively comfortable for Israelis and does not pose serious short-term costs for the international community. For Palestinians, the most distressing aspect of the status quo is that it is a dynamic process bringing with it, on a daily basis, solid facts on the ground that make it more difficult to reverse each subsequent day. Furthermore, occupation policies impose significant pain and suffering on the Palestinian public, and constrain any sustainable development or economic growth. Indeed, most Palestinians believe that a system of apartheid is gradually being established in front of their eyes and that the international community is not doing anything meaningful to prevent it.¹ Palestinian nationalists believe that delay in their independence and sovereignty destroys their ability to maintain public support at a time when competition with the Islamist Hamas has, given the rising influence of Islamists in the Arab world, become more and more intense.

Yet, despite all these considerations, a majority of Palestinians (60%) oppose a resort to violence as a means of resisting Israeli occupation and reversing or slowing down one-state dynamics. But despite the strong support they give to non-violent resistance (61%), very few Palestinians participate in non-violent activities.² Efforts to unify Palestinian ranks through reconciliation between the two dominant Palestinian factions, Fatah and Hamas, have so far been blocked

by factional interests and deep mutual distrust. While close to 60% of Palestinians believe that the two-state solution is no longer viable due to Israeli settlement policy and while more than two-thirds view the chances for the establishment of an independent Palestinian state next to Israel in the next five years as low or non-existent, two-thirds or more oppose abandoning the two-state framework. Indeed, only 40% of Palestinians support dissolving the PA and less than 30% support shifting the struggle away from a two-state focus to a one-state focus as means of pressuring Israel to change its policies. While three-quarters of Palestinians favour going to the UN, very few have publicly expressed opposition to the PA's foot dragging on upgrading the status of the Palestine Liberation Organisation (PLO) at the UN from an observer mission to an observer state.

For Israelis, on the other hand, the Palestinian issue is the last thing on their mind. For Israeli prime minister Binyamin Netanyahu, any progress with the Palestinians has at least the potential, if not the certainty, of destabilising any right-wing coalition he forms. Adding the centrist Kadima to his coalition is not likely to produce meaningful change, particularly since the move seems to be motivated by Kadima's fear of a dramatic loss of public support in early elections, as current polls indicate. During the past three years Netanyahu has done his best to avoid a situation similar to the one that prevailed after he signed the Palestinian-Israeli Wye River Memorandum in October 1998, an agreement that brought down his government and forced early elections, which he then lost. Furthermore, public demand for progress with the Palestinians is very weak; most Israelis know little about life under occupation and, given the prevailing peace and quiet they currently enjoy, few feel the urge to demand policy change. For example, unlike the situation between 2002 and 2004 in the middle of the second *intifada*, only a minority of Israelis today demand an immediate "separation" from the Palestinians or a halt to settlement activities. The Israeli public and elite worry a lot more about other things: a perceived Iranian nuclear threat, internal sociopolitical problems, the Arab Spring and the rise of Islamists, and short-term security threats from Sinai and the Gaza Strip.

1 Palestinians point to the fact that two legal systems are applied in the occupied territories, one to Israeli settlers and one to Palestinians. A recent example is documented in Amira Hass, "One country, two legal codes", *Haaretz*, May 7th 2012, p 7.

2 All references to public opinion data in this piece are based on surveys conducted by the Palestinian Centre for Policy and Survey Research in 2011-2012; see <http://www.pcpsr.org>.

Current and future developments discourage serious negotiations

Domestic Israeli and Palestinian developments are gloomy. On the Israeli side, the most important driver empowering the one-state dynamics is the rising right-wing tendencies among the electorate. Made potent by five years of the second *intifada* culminating in Hamas's 2006 electoral victory, the trend to the right has been steadily progressing. The outcome of the next Israeli elections is likely to consolidate right-wing control over the next Knesset and government. Current Israeli polls indicate that the right-wing Likud leader, Binyamin Netanyahu, is by far the most popular Israeli leader today. With Netanyahu re-elected as prime minister, it is highly unlikely that any progress in the peace process will be feasible in the following four years. The message to the Palestinians will be one that will provoke despair and frustration.

On the Palestinian side, divisions in and the fragility and weakness of the Palestinian political system play a highly negative role impacting questions of legitimacy, national unity and government effectiveness, not to mention their impact on the future of Palestinian democracy. Abbas's ability to lead the PA will diminish over time, while his movement, Fatah, will find it difficult to find an alternative leader. The Abbas-Fayyad partnership, highly instrumental in driving Palestinian state-building, one of the most successful two-state dynamics, faces growing challenges and may not survive for long.

Despite recent positive developments on Fatah-Hamas reconciliation, it is unlikely that current efforts will move forward or lead to elections any time soon. Strong opposition among Hamas leaders in the Gaza Strip and among many Fatah leaders in the West Bank will probably prevent any breakthrough soon. Hamas in the Gaza Strip fears that even under the best of circumstances – in which the movement wins the elections – it will be denied any role in the West Bank by both Israel and Fatah, and that if it loses the elections, it will lose the ability to maintain legitimate control over the Gaza Strip. Fatah, on the other hand, fears that Hamas will never give up control

over the Gaza Strip, regardless of the outcome of elections. Without reconciliation, Abbas will probably find it difficult – if not impossible – to hold new elections, regain legitimacy or transfer leadership to another Fatah leader. A crisis of succession within Fatah and the PA will weaken the capacity of the Palestinians to put forward a coherent position.

The net outcome of these Israeli and Palestinian dynamics is to lessen the willingness to negotiate and to increase the chances for mutual Palestinian-Israeli diplomatic – and ultimately violent – confrontations. Palestinian diplomatic steps in the international arena, while useful in strengthening the two-state dynamics, could backfire with punitive Israeli and American sanctions and other countermeasures that could only weaken the two-state dynamics, for example by wiping out any progress Palestinians have made in their economy and state-building activities.

The international and regional environments are not much better, if not worse. During the past few years polarisation in the U.S. regarding the Israeli-Palestinian issue, with Republicans and Democrats competing to demonstrate who is more pro-Israeli, has significantly weakened America's ability to play an effective role in resolving the conflict. Regardless of the outcome of the U.S. presidential elections in November, it is highly unlikely that the newly elected administration will be in a position to take a leading role in reversing the damage currently inflicted on the two-state solution.

Moreover, given the changes brought about by the Arab Spring, Israel, Abbas and Fatah cannot rely on Egypt or any other major Arab country to help manage their mutual relations and contain any crisis that might erupt. The Arab world and the region as a whole are going through a transformation that will take a long time to mature and stabilise. In the interim, Israel will most likely seek to consolidate the status quo in its favour as means of reducing its own risks. Furthermore, the Arab world is currently in disarray, with each of its relevant powers preoccupied with its local troubles. It will probably take Egypt and Syria more than a decade to regain a truly influential role in the region and in Palestinian-Israeli relations.

Saudi Arabia will remain preoccupied with local Gulf threats and its concerns about its own stability for some time, not to mention the potentially catastrophic consequences of an Israeli-Iranian war. Given its own domestic vulnerabilities, even Jordan, the state most vulnerable to Palestinian-Israeli tensions, will find it more and more difficult to play a meaningful role, except in response to escalating crises.

The Netanyahu government has successfully managed to put Iran on top of the world's public agenda, thereby shifting international, particularly American, focus from Israeli settlement expansion to the Iranian nuclear programme. If diplomacy and sanctions fail and a war against Iran erupts in the next year or so, ending the Israeli occupation will probably become less and less relevant because the world will have to deal with the consequences and the long-term containment dynamics that will ensue. Iran, for its part, will probably seek to use Palestinian groups to inflict any punishment it can on Israel, increasing the chances for Palestinian-Israeli violence.

Three alternatives to a negotiated two-state solution

Once a negotiated two-state solution becomes impractical, three alternatives are likely to present themselves. The default alternative is the current one-state reality, sometimes referred to as continuation or consolidation of the status quo. Because it does not require any significant shift in policy on the part of either the Israelis or the Palestinians, this alternative is the most resilient of the three. As indicated earlier, for most Palestinians it is a reality comparable to South Africa's apartheid regime. Indeed, some Palestinians – a minority ranging between a quarter and a third of the public – believe that, given this reality, Palestinians should abandon the two-state solution and seek to transform the current reality into a one-state solution.³ On the Israeli side, however, three-quarters of Israeli Jews oppose a one-state solution in which Palestinians and Jews enjoy equality.

³ For a Palestinian view on the need for a one-state solution, see Diana Butto, "A united, democratic nation with equal rights for all", *New York Times*, February 29th 2012. Butto is a former adviser to the PLO's Negotiations Support Unit.

Yet some Israelis, particularly those who view the Jewish character of the state as an existential imperative, argue that the only way to pre-empt further one-state dynamics – and thereby avoid a future in which Israel loses its Jewish character or evolves into an apartheid regime – is to revive two-state dynamics.⁴ For example, they believe that Israel should unilaterally begin a process of separation from the Palestinians by renouncing its claim to sovereignty over most of the West Bank and encouraging West Bank settlers to move back to Israeli or into settlement blocs that Israel would unilaterally define as part of a post-settlement Israel.⁵ Such a step would indeed be a second alternative to a negotiated two-state solution.

Finally, Palestinians, having lost hope of independence in a two-state solution, while rejecting the one-state reality, could return to various forms of resistance, most likely of the violent kind. Occasional rounds of mutual violence along a combination of lines from the first to the second *intifada* could erupt at some point in the future. Domestic Palestinian changes – for example, a weaker Fatah and a stronger Hamas, accompanied by increased settler violence against Palestinians, conflict over holy places or the Israeli army's mishandling of non-violent protests – could provide a trigger for such Palestinian violence. A particularly emotional non-violent protest, such as the one currently under way on behalf of Palestinian prisoners in

⁴ Ehud Olmert, a former Israeli prime minister, was explicit when he said in 2007 that if the two-state solution fails, Israel "will face a South African-like struggle for equal voting rights ... [and if that happens] the state of Israel is finished".

⁵ In support of unilateral steps to curtail the one-state reality, see Gilad Sher, "The only game in town", *Jerusalem Report*, April 23rd 2012, p 47; Asher Susser, *Israel, Jordan and Palestine: The Two-state Imperative*, Boston, Crown Centre for Middle East Studies, Brandeis University, December 2011; Susser's interview on the same topic: <http://www.brandeis.edu/now/2012/march/twostate.html>; and Dan Schueftan, "Unilateralism revisited: an agreement on a Palestinian state is not at hand", *Strategic Assessment*, vol 14, no. 1, April 2011, pp 81-94. In a *New York Times* piece ("Peace without partners", *New York Times*, April 24th 2012), Ami Ayalon, Orni Petruschka and Gilead Sher outlined elements of what they called "constructive unilateralism": "We recognize that a comprehensive peace agreement is unattainable right now. We should strive, instead, to establish facts on the ground by beginning to create a two-state reality in the absence of an accord. ... [Israel] should then end all settlement construction east of the security barrier and in Arab neighborhoods of Jerusalem. And it should create a plan to help 100,000 settlers who live east of the barrier to relocate within Israel's recognized borders ... the Israeli Army would remain in the West Bank until the conflict was officially resolved with a final-status agreement."

Israeli jails on hunger strike, could escalate into widespread violence, for example, in the present circumstances, if some of the prisoners were to die.

Short-term options

Palestinians, Israelis and the international community all share an interest in returning to negotiations, viewing them as the best means of resolving the conflict. But the overwhelming majority of Palestinians and Israelis have little or no confidence in diplomacy and very few believe that a permanent settlement will be reached any time soon. Lack of effective international leadership of the process has effectively doomed it during the past four years. Even if negotiations between the PA and the Israeli right take place, they will probably be a road to nowhere. In the short term, the parties are forced to explore other options.

In the past, Palestinians have negotiated and/or resorted to violence; today they are doing neither. Belief that Netanyahu's right-wing coalition can never make peace in terms acceptable to them – or even embrace progress made in previous rounds of negotiations from Camp David in 2000 to Annapolis and the Olmert-Abbas talks in 2007-2008 – have led Palestinians to focus on pre-negotiations conditions: a settlement freeze and terms of reference for future negotiations. They have hoped that international – particularly American – pressure would force the Netanyahu government to slow down settlement expansion and moderate its position on the terms of a permanent settlement. However, it is clear that the chances that Israel will freeze settlement construction or agree to acceptable terms of reference to allow negotiations to start are slim. Under such conditions, it is inconceivable that Abbas would be able to go back to negotiations without losing what remains of his legitimacy. The one-state reality is therefore immune to change through negotiations.

During the past two years, Palestinians have been exploring their options. In doing so, they have faced contradictory impulses: should they seek to consolidate two-state dynamics (like seeking

admission to the UN as a state, waging a diplomatic warfare against Israeli in the international arena by charging it with war crimes, reconciling with Hamas and unifying the West Bank and Gaza Strip, organising massive non-violent popular resistance, and resorting to violence) or should they instead seek to intentionally consolidate one-state dynamics (like dissolving the PA, abandoning the two-state solution and adopting a one-state solution)? It goes without saying that in debating their options, Palestinians face a serious dilemma: steps they might adopt in the hope of strengthening two-state dynamics could in fact produce the unintended effect of strengthening one-state dynamics, and vice versa. For example, Israel and the U.S. Congress could impose financial and other sanctions against the PA in retaliation for Palestinian reconciliation or international diplomatic steps, thereby leading to a weaker PA. Similarly, a resort to violence would probably strengthen both dynamics: those of two states (sending signals to Israelis about the cost of continued occupation) and those of one state (the destruction of the Palestinian economy and public institutions as a consequence of Israeli retaliation). On the other hand, a Palestinian interest in one-state dynamics could in fact persuade the Israelis of the urgency of taking steps to separate themselves from the Palestinians before it is too late to do so. In addressing this dilemma, the Palestinian leadership finds itself at a loss, uncertain what to do.

While the declared position of the PA leadership has favoured the international route and while non-violent resistance has also received public support, the PA has in fact been in a drifting mode with no clear strategy, except in its firm opposition to a resort to violence. Furthermore, with commitment to the two-state solution remaining solid, talk about a one-state option or dissolving the PA remains only tactical, an ineffective bluff that seeks to raise Israeli and international concern. Rather, it is the Palestinian leadership's interest in safeguarding its state-building achievements

that seems to drive official Palestinian thinking.⁶

Concern about American and Israeli reactions to the PA's UN and reconciliation efforts probably forced the current Palestinian pause. As the PA leadership soon discovered, American and Israeli reaction to its September 2011 UN diplomatic steps, which sought to upgrade the status of Palestinian UN representation, threatened to reverse all the gains it made in state-building at a time when very few European countries were willing to challenge American determination to thwart Palestinian efforts at the UN. Even inside Fatah and the PA government, many expressed doubts about the wisdom of asking for UN membership. While the PA leadership continues to flirt with the UN approach, little in fact remains today of the so-called "September process". Similarly, despite the rhetoric in favour of reconciliation, foot dragging remains the essential characteristic of Fatah's and Hamas's efforts. It is possible that the PA leadership, while awaiting the outcome of the American elections and despite its great interest in maintaining public legitimacy, seeks to avoid taking dramatic steps – at the UN or with Hamas – that it fears it cannot reverse later without a heavy cost and too many risks to its state-building efforts.

Similarly, while the PA leadership continues to give lip service to the concept of popular non-violent resistance, it does absolutely nothing to encourage it. Waging a sustained non-violent campaign – an option mentioned frequently by Abbas and many other Palestinian leaders, and one that finds significant public support, as indicated earlier – looked promising in the middle of the Arab Spring, but concerns in official circles

⁶ In an interview in *Al-sharq al-awsat*, April 22nd 2012, PLO Executive Committee member Ahmad Quray, aka Abu al Alaa, expressed the view that the one-state solution is a Palestinian option. Yet, when asked if dissolving the PA was consistent with that option, he disagreed: "No, this is as if we are in the middle of a race then we shoot ourselves in the foot. The PA is an achievement, and one of the signposts of the Palestinian national struggle." In the middle of an unnoticed campaign by a minor Palestinian group promoting the one-state idea, Hafiz al Barghouti, chief editor of *Al Hayat al Jadidah*, a pro-Fatah daily, compared abandoning the two-state solution in favour of a one-state solution to forcing a woman to marry her rapist (March 25th 2012). Some Palestinians do argue that the PA and the international efforts to strengthen it have become a cover for continued occupation – indeed, a cover for hiding the one-state reality that is growing in its shadow. In fact, in one of the drafts of a letter Abbas sent to Netanyahu in April 2012, the PA president stated that the PA has lost its *raison d'être*, since it was created as a prelude to statehood.

about its likely consequences outweighed hopes of success. In this regard, the PA's own efforts to challenge Israeli control over Area C in the West Bank have proven to be merely cosmetic. Critically, a non-violent campaign faces strong opposition from the Palestinian security services, which fear that such a campaign would soon deteriorate into violence due to an expected violent Israeli response and would gradually allow armed militias to return to Palestinian streets. Under such conditions, the Palestinian security forces fear that they would be unable to enforce law and order, and that Hamas would take advantage of the anarchy that would follow to gain greater control. Furthermore, as we have seen, public distrust of Fatah due to prevailing perceptions of corruption and lack of sincerity about confronting the Israelis, Abbas' lack of charisma and the Fatah-Hamas split all discourage massive public participation in non-violent activities.

As Israel continues to move to the political right, it too has limited options in dealing with its predicament. Its ability to maintain Israel as Jewish and democratic is threatened by its own settlement interests and other occupation policies. But Israel feels no urgency in addressing this apparent conflict. This lack of urgency is driven by the numbing effect of the unthinkable nature of the one-state solution and perceptions that the unilateral pullout from the Gaza Strip, with its 1.4 million Palestinians, has diminished the immediate concerns about demography. The comfort most Israelis feel with the status quo encourages the perception that it should only be changed through negotiations. Yet a return to negotiations under terms acceptable to Palestinians faces strong opposition from settlers and their supporters among the public and government. Indeed, in a joint Palestinian-Israeli poll in March 2012 about 70% of Israelis rejected the two Palestinian conditions for a return to negotiations, i.e. a settlement freeze and acceptance of the 1967 borders as a basis for negotiations.⁷ Similarly, during the past three years the Netanyahu government has done very little to help strengthen Fayyad's state-building efforts, not even in those areas, such as security control, in which Palestinian institution-building has been highly successful.

⁷ <http://www.pcpsr.org/survey/polls/2012/p43ejoint.html>.

Yet, as in 2004-2005, even a right-wing government might resort to unilateral steps to reduce Israel's medium- and long-term risks.⁸ A freeze in settlement construction east of the wall/separation barrier, while encouraging settlers to voluntarily move to settlements west of the barrier, although strongly rejected by the right today, might seem more plausible in the future. In such a scenario, while the Israeli military would stay in areas east of the barrier, Israel would announce its readiness to withdraw these forces as part of a permanent agreement. A right-centre coalition might be more willing to take the risk of confronting settlers, but it is highly unlikely that a right-extreme right coalition would. For such a coalition, maintaining the status quo, no matter how immoral, is the most desirable path; it is clearly much more preferable to pulling out from, or even annexing, the Palestinian territories.

Conclusion

It goes without saying that the Palestinians have demonstrated strong commitment to strengthening the two-state dynamics, the Fayyad Two-year Plan being the most visible evidence of this. Seeking to gain international recognition of their status as a state, even if done unilaterally, is another aspect of that commitment. Similarly, before the formation of the current right-wing coalition, Israel also took unilateral steps that emboldened the same dynamic: the disengagement from the Gaza Strip and four settlements in the northern West Bank. The permanent status plan presented by Olmert to Abbas during the Annapolis process in 2008 was another step in this direction. The international community's commitment to the two-state solution is expressed through its political and financial support for the PA and its institution-building, and through the efforts of the Quartet and its members to demand a settlement freeze, and to outline peace plans and terms of reference for negotiations. All this is now threatened; without doubt, time is running out for the two-state solution.

⁸ Zalman Shoval, a special envoy for the prime minister, wrote recently that "Palestinian separate statehood may or may not be the ideal solution to the Palestinian problem. There may be different ones Even Israeli-initiated unilateral steps may have their day again. But the one-state idea, whether raised by the Left or Right, is not one of them" ("One state' means no state", *Jerusalem Post*, April 24th 2012, p 16).

Hope for a brighter future for the two-state solution is in short supply. If the efforts of the past several years – and, indeed, the monumental efforts of the past 20 years – have failed, what reasons are there to believe new ones will succeed? If the Israeli right wing has failed to reach out to the most moderate and pragmatic Palestinian leadership in the entire history of the 100 years of conflict, Abbas and Fayyad, what reasons are there to believe that it will reach out to other future leaders who might succeed them in the next few years? If the great efforts of the Obama administration in its first three years in office have failed to even contain settlement expansion, what reasons are there to believe that a new Obama administration – worse, a different administration – would even pay attention to this conflict, given the many other issues competing for the president's attention. True, the U.S., the rest of the international community and the Quartet can issue many more encouraging statements, but all realise by now that these are of little use. This realisation, however, will compel neither side to take concrete steps to contain the one-state dynamics or embolden the two-state dynamics.

Yet the fact that Palestinians and Israelis are quite distant from a two-state solution is not the most critical challenge confronting them today. What makes things much worse is the fact that they are clearly gravitating toward a one-state reality, one that will be highly difficult to contain or reverse any time soon. Indeed, because the resilience of the status quo is so strong, it is the most critical one-state dynamic.

Palestinians and Israelis are not the only losers. The consequences of Palestinian-Israeli failure for two of their most important neighbours, Egypt and Jordan, might be detrimental to the future of the whole region. Destabilisation in the West Bank could cause serious population movement to the East Bank, raising serious demographic concerns and fears of internal destabilisation among Jordanians of East Bank origin. Violent conflict between Israel and Hamas in the Gaza Strip could have serious ramifications for Egypt's relations with Israel, including a potential violent escalation in Sinai.

Not all is lost – not yet, anyway. Driven on the Palestinian side by the desire for independence and encouraged by a successful UN statehood bid – assuming a meaningful one can be orchestrated – and on the Israeli side by a growing concern over demography and a desire to ensure the Jewish nature of the state, unilateral steps by both sides could provide an alternative – and, indeed, a supplement – to negotiations: Palestinian UN membership, and partial Israeli evacuation of settlers and transfer of control over land to Palestinians could help the parties buy time. More could be done by all concerned:

- Palestinians could take bold unilateral steps to develop Area C, strengthen the Palestinian presence in East Jerusalem, and reunify the West Bank and Gaza Strip.
- Israelis could renounce claims to sovereignty over the greater part of the West Bank, transfer greater security and civil jurisdiction to the Palestinians and redeploy their forces from greater parts of the occupied territories, thereby allowing a degree of Palestinian territorial contiguity.
- The international community could invest greater resources in developing Area C and East Jerusalem, grant diplomatic recognition of Palestinian statehood, take bolder steps in proposing plans and terms of reference for ending the conflict, and if all does not work, ask Israel to choose between granting the Palestinians independence or citizenship and ask Palestinians to finance their own state-building while using diplomatic and economic leverage to make themselves heard by all.