THREE'S COMPANY: AN ALTERNATIVE TO THE TWO-STATE SOLUTION

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Abstract

The Arab-Israeli conflict has been ongoing for decades, dating back to even before the UN partition plan in 1947. After the partition, the conflict focused on Palestinian Arabs who were living in the British mandate and the new Israelis. The pathway to peace has always been defined as two-states for two peoples. There was progress made in the early 1990's during the Oslo Accords and there have been several conferences and summits convened to formulate a peace plan but with little success. This paper identifies existing flaws within Israeli and Palestinian society and explores why the two-state paradigm has stalled. A fresh approach is required which takes into account the societal difference. The realities on the ground in the West Bank and Gaza are stark contrasts of economic progress, government infrastructures and stability of security forces. This contrast hinders peace talks as the two different territories are discussed as one. The security needs for Israel are different on each front therefore the approach must always change. Three states with three viable economies, unique security arrangements and representative governments provides a pathway forward to break the deadlock and rejuvenate the peace process.

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<u>Introduction</u>

   The Arab-Israeli conflict started well before the creation of the state of Israel in

1948. From the 1890's and throughout the proceeding decades, Jewish immigration to

the British mandate of Palestine was rising. Pogroms and other expulsions were trending

across Europe in traditionally Jewish areas and coupled with strict immigration quotas

left the wandering people with few places to turn to. The movement for a Jewish state

began with Theodore Herzl and only picked up pace as anti-Semitism and fascism took

roots in Europe. The Balfour Declaration in 1917 provided hope for Jewish refugees that

a homeland and sanctuary would be established in the near future. The Balfour

Declaration announced the intention of Jewish settlement in the British mandate of

Palestine. Although the declaration stated that the new Jewish settlement should not

impede on the rights of the indigenous population, the declaration was not received well.

Riots took place between Jews and Arabs and Jewish militias against British military

installments throughout the mandate of Palestine launched attacks and the current day

Arab-Israeli conflict was put into motion. At the time of the 1948 partition, the

population was 1.9 million people, 68% Arab and 32% Jewish.   The UN voted to

approve the partition plan, which dedicated 56% of the land to the Jewish population and

44% to the Arab, based off of population demographics. Almost immediately, its Arab

neighbors led by Egypt, Iraq, Saudi Arabia, Syria, Lebanon and Transjordan attacked the

Jewish state. The result of the war was a nearly equal population swap between Arabs

living in Israel and after the war, Jews living in Arab countries throughout the Middle

East. Israel had won control over 78% of the partitioned land.

The next major conflict was in 1967, in which Israel responded to aggressive

military postures by Egypt, Jordan and Syria and launched a pre-emptive strike against

Egyptian military positions. The Six Day War created the "green line" which today

stands in the middle of international border disputes. The Israelis unified Jerusalem and

took control of the Sinai Peninsula, West Bank, Gaza Strip and Golan Heights from

Egypt, Jordan and Syria respectively. From the 1967 Six Day War came UN Resolution

242, the "land for peace" formula while at the same time, the Arab League adopted the 3

"No's" policy of no peace, no recognition and no negotiations with Israel. The UN

Resolution 242 calls for withdrawal of Israeli forces from land conquered in 1967 and

also the termination of any territorial claims as a result of the 1967 war.

The 1967 borders are considered the framework of a long-term peace agreement. The

difficulty that arises when you apply the UN Resolution 242 to the Israeli-Palestinian

conflict is that there was no Palestinian state or considerable demand for it before 1967;

therefore 242 would return land to Jordan, Syria and Egypt but not to create an

independent Palestinian state. Israel has already swapped land for peace in 1979 when it

returned the Sinai Peninsula to Egypt. Further complicating implementation of UN

Resolution 242 was the surprise attack by Egypt and Syria in 1973 on Yom Kippur. The

two Arab countries attempted to rehabilitate the morale in their countries by exacting

revenge on Israel. At first, there were initial victories but they were soon pushed back

and Israeli forces were miles from Cairo and Damascus before a ceasefire was

agreed upon. Six years later, Anwar Sadat and Menachem Begin shook hands on the

front lawn of the White House and the Sinai was returned to Egypt in return for peace. It

was the first peace accord between Israel and an Arab country. The decision to make

peace with Israel ultimately cost Anwar Sadat his life as an Islamic Jihad member at a military rally assassinated him. In 1993, the Oslo Peace Accords set a framework for the Palestinians to become a self-governed people. Oslo did not promise an independent Palestinian state but set forth the parameters in which the Palestinians could live in territory that would slowly be phased to be without Israeli jurisdiction. Oslo was a breakthrough in Israeli-Palestinian negotiations as a decade before, the Palestinian leader, Yasser Arafat was not able to step foot in Israel. Now, Arafat was signing a deal that would move the Palestinians towards their own state. The second peace treaty between Israel and an Arab country was with Jordan. For the second time in two decades, there was an Israeli-Arab peace treaty that was assisted but not led by the United States. The United States buttressed negotiations with trade and aid guarantees but the agreement reached between Jordan and Israel was through direct, bilateral negotiations. The land for peace, two-states for two people idea theory was becoming a reality. That reality was changed abruptly when a right wing extremist at a peace rally in Tel Aviv assassinated Prime Minister Rabin. The great hope that peace was attainable died on that day as well. The peace process did not end but its successes did. In 2000, there was rumored to be an offer from Ehud Barak of 91% of the West Bank, Gaza and a custodianship of East Jerusalem for a new Palestinian state.[1] After this offer was rejected, the Intifada was launched and thousands of lives have been taken on each side of the conflict since. The two-state solution has not advanced towards a final peaceful solution since the Oslo Peace Accords and despite small amounts of progress at Camp David, Taba and the Annapolis Conference, the prospects of a final agreement remain in peril. In these paper,

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[1] Pressman, Jeremy. "Visions in Collision: What Happened at Camp David and Taba?" *International Security*, 2003, 5-43.

it is argued that one of the reasons that the peace process has stalled and not moved forward since Oslo is because of divisions within Palestinian society that prevent it from achieving a lasting peace.

The two disputed territories, the West Bank and Gaza, have been growing at two different rates[2], governed by two different political parties that do not share policies or international recognition and going back to the beginning of the conflict, derive from different tribes and national backgrounds.[3] As the World Bank reported in 2011, Palestinian poverty rates tell a similar story. In 2010, 38% of individuals in Gaza lived below the poverty line, compared to 18% in the West Bank. As an October 2011 World Bank report noted, there is "a stark regional difference in poverty" between the two territories, and "this divergence is increasing over time."[4] Economic stagnation, political decay, and deadly political violence interact in several ways: economic and political factors contribute to war, while war has an adverse effect on economic growth and political development.[5] As the piece by Nafziger points out, regional factors contributing to conflict include educational and employment differentials, revenue allocation, and language discrimination, which disadvantages minority language communities.[6] The poverty associated with refugees directly contributes to two distinct economies. In 1997,

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[2] Makovsky, David. "Tracking Economic Growth in the West Bank and Gaza since 2007." The Washington Institute for Near East Policy. December 27, 2011. Accessed April 27, 2015. http://www.washingtoninstitute.org/policy-analysis/view/tracking-economic-growth-in-the-west-bank-and-gaza-since-2007.

[3] Abu-Rayyaa, Maram Hussien and Abu-Rayya, Hisham Motkal. "Ethnic identification, religious identity, and psychological well-being among Muslim and Christian Palestinians in Israel." Mental Health, Religion & Culture Vol. 12, Issue 2 (2009): 147-155.

[4] Makovsky, David. "Tracking Economic Growth in the West Bank and Gaza since 2007." The Washington Institute for Near East Policy. December 27, 2011. Accessed April 27, 2015. http://www.washingtoninstitute.org/policy-analysis/view/tracking-economic-growth-in-the-west-bank-and-gaza-since-2007.

[5] Nafziger, E. Wayne, and Juha Auvinen. "Economic development, inequality, war, and state violence." *World Development* 30, no. 2 (2002): 153-163.

[6] ibid

more than 40 percent of Gazans were living below the poverty line ($650 year). That was

four times the poverty rate in the West Bank, which hovered at only 11 percent.

Unemployment figures before the al-Aqsa Intifada showed that 22 percent of all Gazans

were unemployed, whereas only 9 percent of West Bankers were not working. And

though the uprising has since taken its toll on both territories since October, Gaza is

expected to be the hardest hit, with unemployment reaching 50 percent or more. [7]

Economic disparity is not the only difference between Palestinians living in the

West Bank and Gaza. The strong localism among Palestinian refugees was equally

characteristic of the West Bank society into which they were cast. Although they shared

language, religion or sect, and general culture with West Bank Palestinians, the refugees

for the most part were outsiders to the kin and other networks which constituted the

functioning units of social and political life there and which provided the security of an

individual and his social standing. In fact, it appears that the refugees were viewed by

West Bankers with a mixture of pity and contempt.[8] The difference between refugees

and indigenous West Banker is significant and there has not been a complete absorption

of these refugees into society. Palestinian society, after all, has always been strongly

characterized by tribalism, as well as strong regional differences that set apart hill

dwellers from plainsmen, nomads from settled population, urbanites from villagers, and

Easterners from Westerners. While the West Bank is only about thirty miles from Gaza,

there is more separating the two territories than an expanse of the Negev Desert.

Geopolitics has also exacerbated Palestinian tribalism and limited ties between the West

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[7] Schanzer, Jonathan. "A Gaza-West Bank Split?: Why the Palestinian Territories Might Become Two Separate States." Middle East Forum. July 1, 2001. Accessed April 27, 2015. http://www.meforum.org/333/a-gaza-west-bank-split.
[8] Gupta, Akhil, and James Ferguson. *Culture, Power, Place: Explorations in Critical Anthropology Engineering and Computer Science; 413*. Duke University Press, 1997. 227-229.

Bank and Gaza. After the first Arab-Israeli war in 1948, Egypt occupied Gaza and Jordan occupied the West Bank. As a result, a pro-Egypt, pan-Arabist movement developed in Gaza, while many Palestinians in the West Bank developed an allegiance to the Hashemite Kingdom. The divisions in society did not start there or end there but have only since grown and become a real factor in Palestinian unity. Khalil Shiqaqi, a prominent Palestinian sociologist, after conducting hundreds of interviews, notes the presence of "a psychological barrier between the inhabitants of the two territories and . . . mutual suspicion" that cannot be "disregarded or ignored."[9]

Israel stands to benefit from the Palestinians governing two separate states as well from a security and economic perspective. With the assistance of Egypt in the South and a security barrier constructed along the border with Gaza, the geographical threat of an invasion from Gaza is slim to nil. In 1967, Israel quickly seized Gaza and used it as a base to attack Egypt from while the Egyptian threat originated in the Sinai. In recent years, Gaza has been ruled by Hamas and used as a territory to launch rocket attacks and create an underground tunnel infrastructure. Despite several conflicts since 2005 between Israel and Gaza, the security situation is manageable. Attacks from Gaza do not pose an existential threat to Israel in the way that an attack from the West Bank would. When discussing the West Bank, the term "defensible borders" is key because it is what Israel defines as borders that it can accept a neighboring state upon. As Yaakov Amidror, former National Security Advisor of Israel states, a future attack launched from the pre-1967 lines against Israel's nine-mile-wide waist could easily split the country in two. From a strategic-military perspective, then, the right to defensible borders means that

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[9] Shaqaqi, Khalil. "The West Bank and Gaza Strip: Future Political and Administrative Relations." 1994, 83, 78.

Israel must retain a safety zone in order to contend with a range of threats in the future, even if it reaches political agreements with its neighbors. If aggression is ever resumed, Israel requires a clear ability to defend itself, by itself, based on an appropriate location of its borders with its neighbors.[10]

In order to achieve a final, lasting peace, certain internal political conditions need to exist within Israel as well as the right approach from outside parties to maintain the delicate balance of Palestinian and Israeli interests. In the following chapters, the divisions within Palestinian society, Israeli security needs and negotiating conditions will be examined and analyzed in order to make policy recommendations to take different approaches to the Israeli-Palestinian conflict.

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[10] Amidror, Yaakov. "Defensible Borders for a Lasting Peace." Defensible Borders for a Lasting Peace. Accessed April 24, 2015. http://www.defensibleborders.org/amidror.htm.

Chapter 1: How do conflicts within Palestinian society affect the prospects for peace with Israel and long-term stability in the Middle East?

<u>Introduction</u>

The land that is present-day Israel has been the center of political violence since the Balfour Declaration in 1917. The United Kingdom's Foreign Secretary, Arthur Balfour stated "His Majesty's government view with favour the establishment in Palestine of a national home for the Jewish people, and will use their best endeavours to facilitate the achievement of this object, it being clearly understood that nothing shall be done which may prejudice the civil and religious rights of existing non-Jewish communities in Palestine, or the rights and political status enjoyed by Jews in any other country."[11] Throughout the next 15 years, there was a back and forth between Arab riots against the Jewish immigrants and Jewish attacks on British checkpoints and military installments. Without action on the ground, the British were stuck in the middle of the conflict with the Jews fighting for an independent state and the Arabs resisting the incoming immigrants. In 1948, the state of Israel was created by a UN vote for partition of the mandate of Palestine. This was the original two-state solution. One day later five of the seven countries of the Arab League at the time, Egypt, Iraq, Jordan, Lebanon and Syria backed by Saudi Arabian and Yemini forces invaded the territory and fought against the Jewish state's army. The resulting 1948 Arab–Israeli War lasts for thirteen months. During the war, there were approximately 650,000-700,000 Arabs [12]that left the state and after the war, about 700,000[13] Jews that fled Arab countries to resettle in Israel. Israel's territory

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[11] Yapp, M.E. (1987-09-01). The Making of the Modern Near East 1792-1923. Harlow, England: Longman. p. 290.
[12] Morris, Benny. 2004. The Birth of the Palestinian Refugee Problem Revisited: Cambridge Middle East Studies. Cambridge University Press.
[13] Ibid

grew from 56% of the land to 78% after the war. The 1948 war marked the first failure of the two-state solution. The next major event that shapes the way that we approach the conflict now was the 1967 war. Israel was engaged in battle with Syria, Egypt and Jordan and in the process, captured the West Bank from Jordan, Gaza and the Sinai Peninsula from Egypt and the Golan Heights from Syria. The two-state solution that is currently used as the path to peace is based off of these 1967 borderlines. From the 1967 war, about 200,000 Palestinians fled to Jordan and only 14,000 returned to the West Bank.[14] Since 1967, Israel has agreed to a land for peace deal with Egypt in exchange for the Sinai Peninsula as well as a peace agreement with Jordan. Despite peace agreements including land for peace agreements between Israel and other Arab countries, the Palestinian conflict has evaded a solution. The two-state solution has been advanced as the only solution and it is time that an alternative is explored.

Within Palestinian society, there are conditions that are not conducive for a long-term agreement. The Palestinians are not a united nation. The division within the Palestinian society has never been as obvious as it is now. Geopolitics has also exacerbated Palestinian tribalism and limited ties between the West Bank and Gaza. After the first Arab-Israeli war in 1948, Egypt occupied Gaza and Jordan occupied the West Bank. As a result, a pro-Egypt, pan-Arabist movement developed in Gaza, while many Palestinians in the West Bank developed an allegiance to the Hashemite Kingdom. The divisions in society did not start there or end there but have only since grown and become

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[14] Ibid

a real factor in Palestinian unity.[15] Khalil Shiqaqi, a prominent Palestinian sociologist, after conducting hundreds of interviews, notes the presence of "a psychological barrier between the inhabitants of the two territories and . . . mutual suspicion" that cannot be "disregarded or ignored."[16]

The West Bank is economically viable and under former Prime Minister Salam Fayyad built institutions that serve as a foundation for society to independently function. The economy in Gaza is many years behind the West Bank and because of the Hamas government, economic aid, trade and expansion is limited. The Hamas rule of Gaza and Fatah run Palestinian Authority in the West Bank have differences that since 2006 have proven as difficult to solve as the Israeli-Palestinian conflict has. There have been multiple attempts at forming unity governments but the two factions can agree on little aside from the desire for a Palestinian state and the mutual adversary of Israel. Prime Minister Salam Fayyad was recently pressured into resigning due to his differences with President Mahmoud Abbas. The political differences between the two have hurt the Palestinians, as Fayyad was a reformer who worked with the West and built an infrastructure that was much needed in the West Bank. The cultural differences between West Bank Palestinians and Gaza Palestinians create another obstacle of unity. West Bank Palestinians originate from Lebanon, Jordan, Syria & parts from Israel in the 1948 mandate. Palestinians in Gaza are primarily from Egypt as well as the 1948 mandate controlled Israel. Despite the wide held belief that all Palestinians' desire for a state is fueled by nationalism, I have found polls that indicate that 49% of Palestinian loyalty lies

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[15] Schanzer, Jonathan. "A Gaza-West Bank Split?: Why the Palestinian Territories Might Become Two Separate States." Middle East Forum. July 1, 2001. Accessed April 27, 2015. http://www.meforum.org/333/a-gaza-west-bank-split.
[16] Shaqaqi, Khalil. "The West Bank and Gaza Strip: Future Political and Administrative Relations." 1994, 83, 78.

to the religion of Islam rather than geographical or tribal ties. [17] By treating the

Palestinians in the West Bank and Gaza as separate entities, the likelihood for peace

agreements rise. The Israelis would save nearly $6 billion per year as well as stand to

gain from potential normalized relations with the Arab world that would accompany an

agreement to create a sovereign, independent Palestinian state [18]

Literature Review

The Israeli-Arab conflict has been raging for decades with no end in sight. The same

conventional methods have been applied and achieved only marginal success throughout

the past 65 years and this paper examines whether a different route could succeed. The

idea put forth is exploring whether a 3 state solution for 3 people, in Israel, West Bank

and Gaza is ultimately an alternative roadmap for peace, cooperation and stability in the

region and across the globe. As with many different nations in the Arab world, the ethnic

makeup of Gaza and the West Bank are different, the politics are different and with the

obvious logistical difficulties of the landmass between the two territories therefore, the

two pieces of land should not be discussed as if it were a singular entity.

There are many different articles that support the idea that the Palestinian people

are a divided people in search of a nation and that the geographical gap between West

Bank and Gaza is also a philosophical gap. In the article by Abu-Rayya, the

demographics of the two territories are discussed along with attitudes of loyalty and

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[17] Abu-Rayyaa, Maram Hussien and Abu-Rayya, Hisham Motkal. "Ethnic identification, religious identity, and psychological well-being among Muslim and Christian Palestinians in Israel." *Mental Health, Religion & Culture* Vol. 12, Issue 2 (2009): 147-155.
[18] Tepperman, Jonathan . "Why Israel Should Withdraw From the West Bank—Now." *The Atlantic* , August 2, 2012.

nationality. [19] It was interesting to find that 49% of the citizens of Gaza & West Bank felt loyal to Islam rather than any Palestinian nation or even geographic affiliation. From that statistic, it is conceivable that the internal reaction from a Gaza state separate from the West Bank would not be violent or damaging because there isn't an overwhelming feeling of camaraderie or national identity despite the idea that they are. As Shabtai Teveth describes in his article, Palestinian territories are filled refugees from countries other than Israel or from the British mandate in 1948. [20] Rather, the West Bank has refugees from Syria, Lebanon and Jordan while Gaza contains Egyptians, Israelis and few from the Levant as well. The ethnic make-up of the Palestinians is not identical in the two different territories. To further distance the two populations, Frida Ghitis writes about the core differences between Hamas leading Gaza and Fatah leading the West Bank. Both groups were democratically elected by their people highlighting the belief differences and the differences in affiliation. The Palestinian people cannot be discussed as a single nation when they are divided now into separate territories and their society is also divided. A divided people is a divided nation and it can be addressed by exploring the potential of a 3 state solution.

The Handelman article, Danin and the Krause piece address the waning possibility of a two-state solution. Between the two, they examine the geographic challenges and Handelman compares it to Bangladesh, which was a comparison that

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[19] Abu-Rayyaa, Maram Hussien and Abu-Rayya, Hisham Motkal. "Ethnic identification, religious identity, and psychological well-being among Muslim and Christian Palestinians in Israel." *Mental Health, Religion & Culture* Vol. 12, Issue 2 (2009): 147-155.
[20] Teveth, Shabtai . "The Palestine Arab Refugee Problem and Its Origins: Review Article The Birth of the Palestinian Refugee Problem, 1947-1949." *Middle Eastern Studies* Vol. 26, No. 2 (1990): 214-249.

abstractly, makes sense. [21] Danin addresses the political makings in the Palestinian

territories between Fatah, Hamas; Fayyad's plans of unity labels the situation as

unworkable in the present day. [22]

The situation is a popular topic of analysis but solutions come at a premium.

These sources did identify problems within the Palestinian society and looked at them

objectively so they will be quality sources due to the lack of political motivation. People

like Efraim Inbar whose articles include "the Rise and Demise of the Two-state

Paradigm", Dr. Abusada's article "Islam vs. Secularism in Palestine" and Hussein

Sirriyeh's article, "Is there a Palestinian civil war?" support the exploring alternatives to

the two-state solution by outlining reasons that the Palestinian unity agreement will never

work. Political divisions, lack of ethnic identity and different ethnic backgrounds prevent

the territories from being compatible as a single country. These factors combined with the

65-year-old failure of a two-state solution make it important to look for alternative

options.

As a whole, this topic is lacking creative solutions. The proposal put forth will be

a refreshing idea and not the same formula with broken or no results like the two-state

solution has been.

Methodology

Throughout history, the Western nations have attempted to draw borders around

the world with no regard to tribal alliances, ethnic differences and historic homelands.

Sykes-Picot was an agreement between the British and French that drew Western style

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[21] Handelman, Sapir, (2011),"The Bangladesh approach to the Palestinian-Israeli struggle: A desperate
strategy to cope with a state of emergency", International Journal of Conflict Management, Vol. 22 Iss: 1
pp. 75 - 88
[22] Danin, Robert M. 2011. "A Third Way to Palestine." *Foreign Affairs* 90, no. 1: 94-109. (accessed
February 7, 2013)

borders in Middle East to divide Iraq, Syria, Lebanon, and Jordan and in the following

one hundred years, each country has broken down and violently reformed itself. The

situation in Gaza and the West Bank is no different. Western ideals promote the single

Palestinian nation comprising of Gaza and the West Bank but does not take differences

between the two territories into account. There are distinct differences in the ethnic

origins, politics, economies and security situations in the Palestinian territories.

In order to fully understand impediments in Palestinian society, it is essential to

examine the divisions within Palestinian society and how they affect peace prospects with

Israel. The divisions are deep, as evidenced by the lack of a unity government and lack of

consensus on many issues internally. One possible solution is to negotiate with the

Palestinian territories as separate entities. These differences are so great that the two

territories may not compatible as a single state, similar to Bangladesh and Pakistan.

Bangladesh was established as East Pakistan and part of the nation of Pakistan.

There are similarities between Bangladesh and Gaza. When Bangladesh was East

Pakistan, it had economic power and demographic power over West Pakistan. Wealthy

aristocrats dominated West Pakistan. Gaza has the potential to be economically stronger

than the West Bank due to its location along Africa, European and Asian shipping routes

and Gaza has nearly the same amount of people as the West Bank when you account for

Israeli settlers living in the West Bank and Palestinians living in Israeli controlled East

Jerusalem. The West Bank has an aristocrat class that helps fuel investment, business

and trade within the territory. Similar to the Pakistan's, the Palestinian territories also

have different levels of stability within government. Gaza, like East Pakistan is not

capable of responding to mass amounts of crises such as the flood that devastated East Pakistan.

The independent variable is the economy, security, demographics and political statistics for the Palestinian territories. The dependent variable is that Palestinian society is fractured. By fractured, society has deep divisions that have not been resolved despite many attempts and will likely stay that way until Fatah or Hamas compromises on their principles.

While the two-state solution has been the chosen solution to pursue, it has stalled and alternatives must be explored to find a long term, stable, viable solution due to differences amongst the Palestinian people. The two-state solution approach is similar to Sykes-Picot in that it disregards culture, familial and demographic loyalties amongst the territories.

This international conflict has put Israel, the United States and the western world at odds with the Arab world. Solving the conflict would not only fix the relationships between the West and the Arab world but also would solve the longest current conflict in the region. Since before 1948, Jews were not welcomed in the British Mandate and ensuring there is a long-term solution would secure the fate of the Jewish people in their homeland.

Data & Analysis

 Economics

The economies of the West Bank and Gaza are vastly different and if combined, would be incompatible. Gaza is bordered by the Mediterranean Sea while West Bank is

landlocked. The West Bank has an economy that has experienced growth in the last few years and is reflected in the development of the territory in terms of investment and infrastructure progress while Gaza also grows but does not have the infrastructure to sustain long-term development and building. Economic stability would be difficult to achieve since the two territories face very different security, political and trade situations.[23] In the example of Pakistan and formerly East Pakistan, the location of the capital in the West meant that many of the higher paying jobs and more prestigious jobs were given to the Western Pakistanis. Similarly, if there were to be a united Palestinian state, the capital would be in either East Jerusalem or Ramallah. Gazans would not have fair access to those bureaucratic jobs due to the separation and distance between the two territories. One of the biggest reasons that West Pakistan and East Pakistan failed to coexist was the land barrier that restricted access to many prestigious and high paying jobs to only Western Pakistanis. A singular Palestinian state would risk isolating half of its population due to the same reasons.

Gaza economy

The two different territories, from an economic standpoint are not at the same stages of development and Gaza is hindered by the rule of Hamas.   There is a restriction on the goods that can be imported and exported from Gaza as well as a limitation on aid that is delivered directly to the territory. The main funder in Gaza is Iran and Qatar.[24] According to data published by the Palestinian Central Bureau of Statistics (PCBS), there

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[23] "Makovsky, David, Tracking Economic Growth in the West Bank and Gaza since 2007 - The Washington Institute for Near East Policy." The Washington Institute for Near East Policy - The Washington Institute for Near East Policy. http://www.washingtoninstitute.org/policy-analysis/view/tracking-economic-growth-in-the-west-bank-and-gaza-since-2007 (accessed March 25, 2013).

[24] EuroNews (France), "Qatar's landmark visit to Gaza: A victory for Hamas," October 24, 2012. http://www.euronews.com/2012/10/24/qatar-s-landmark-visit-to-gaza-a-victory-for-hamas/ (accessed March 17, 2013)

have been improvements in the Gaza Strip economy. This includes a decrease of 7% in unemployment decreasing from 38% in 2010 to 31%. PCBS also published that the gross domestic product (GDP) of the Gaza Strip increased by 20%, from $323 million in the first quarter of 2010, to $401 million in the first quarter of 2011. This data shows an improvement in financial conditions in the Gaza Strip. [25] The increase in prosperity can be seen in the opening of new malls in the Gaza Strip selling products including: food, clothing, hygienic products, luxury items and more. Gaza would be viable as an independent country due to its access to key shipping routes between Africa, Europe & Asia as well as its natural markets for its fishing and maritime goods across the Middle East. The beaches in Gaza were once tourist destinations and with a stable government and sound infrastructure, tourism could be a leading factor in the Gazan economy.

West Bank economy

Following the establishment of Prime Minister Salam Fayyad's government in 2007, the West Bank witnessed rapid GDP growth each year through 2010, including a 12% spike in 2008, 10% in 2009, and 8% in 2010. Prime Minister Fayyad is a worldwide respected economist and was brought into office with the expectations of creating transparency and efficiency in the Palestinian economy and government. Along with Fayyad's economic methods; improved security conditions, decreased Israeli restrictions on movement, and private-sector confidence helped strengthen the economy in the West Bank. West Bank GDP climbed from $3.3 billion in 2007 to $4.4 billion in 2010, while per capita GDP went from $1,580 to $1,924, an increase of 22%. The Palestinians in the

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[25] "Makovsky, David, Tracking Economic Growth in the West Bank and Gaza since 2007 - The Washington Institute for Near East Policy." The Washington Institute for Near East Policy - The Washington Institute for Near East Policy. http://www.washingtoninstitute.org/policy-analysis/view/tracking-economic-growth-in-the-west-bank-and-gaza-since-2007 (accessed March 25, 2013).

West Bank have even created their own planned city of Rawabi which is funded by Palestinian and foreign investment.   Current Prime Minister Benjamin Netanyahu is focused on a policy of "economic peace" but the same policy cannot be created for Gaza because of the Hamas rule. Currently, per capita income in the West Bank 95% higher than in Gaza -- just the sort of discrepancy that fuels popular discontent. Some critics argue that West Bank growth has been facilitated primarily by greater foreign aid. Although there is some merit to this charge, it does not tell the whole story. IMF data indicates that the PA's reliance on external support was roughly cut in half from 2008 to 2010, dropping from 32% of GDP to 16%. It has reportedly dropped even further in 2011, to 12%. In addition, the PA spends a great deal of its funding in Gaza; in fact, such spending exceeded the PA's foreign aid in 2010. In particular, the salaries that the PA continues to pay in Gaza are an important part of the territory's economy, even when Hamas blocks PA employees from working. [26]

Although the Palestinian economy would be most effective and prosperous with the West Bank and Gaza linked closely, the logistical conundrum of the separation of the two territories would make it difficult. A free trade agreement between the two countries would allow free movement of goods and would provide Gazans with a stable market and the West Bank with access to the sea. West Bank businessman Bashar Masri said "Economic development will help us with a Palestinian state, but it is not the solution. An independent Palestinian state is definitely a must."[27] A healthy Palestinian economy helps create conditions in which peace is more possible among the people however, the two economies will not catch up to each other and would become a point of public

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[26] ibid
[27] McCarthy, R. "Rawabi, the new Palestinian city that could rise on the West Bank" *The Guardian*, September 8, 2009,

discontent as long as Hamas is in power and the Palestinian territories are discussed as one entity rather than two.

Political

As previously mentioned, the West Bank is governed by Fatah led by President Mahmoud Abbas and Hamas and Prime Minister Ismail Haniyeh rule Prime Minister Salam Fayyad while Gaza. Hamas is a terrorist organization that does not have regular diplomatic ties outside of the Arab world while Fatah is the designated moderate party that engages in diplomacy and represents the Palestinian nation abroad. Both parties were democratically elected yet represent two different people and ideologies. Hamas refuses to acknowledge Israel's right to exist, as a Jewish state while Fatah is more pragmatic. Over the past few years, there have been many attempts at uniting Palestinian factions but they have produced no results. Ideological differences on how to govern, how to achieve an independent state and on relations with Israel are the main factors that prevent the two from uniting. In addition to the ideological differences, they are essentially competing for their worldviews among the same people and same territory. Hamas looks across the border into Egypt with envy. Their Muslim Brotherhood counterparts form an Islamist political party, win democratic elections and take over from a secular, pro-Western government and work to institute aspects of Sharia law and pan-Arab foreign policy. "Crucial questions about how to achieve that state (and what kind of a state it should be), how to deal with Israel, if at all, and how to divvy up power have created internecine bitterness and political stagnation, leaving both factions' Arab patrons angry and the majority of Palestinians disgusted." [28] Fatah & Hamas agree on very little.

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[28] Ghitis, Frida. "World Citizen: Unity Agreements Can't Hide Palestinian Rifts." *World Politics Review*, May 24, 2012.

They agree that they seek to create a Palestinian state and that Israel is the adversary; that is the extent of agreement. Polls show that Palestinians are fed up with their dysfunctional, divided leadership. The population routinely lists reconciliation as a top goal, but majorities remain doubtful that it will be achieved.

Fatah and Hamas members were already killing each other in considerable numbers as far back as 2006. The Saudis helped negotiate a ceasefire between the two faction but months later, intra-Palestinian clashes left scores dead as the parties fought for control in the West Bank and Gaza. In June 2007, Hamas expelled Fatah from Gaza and Palestinian Authority President Mahmoud Abbas dissolved the Hamas-led government. The two factions' animosity and disdain for each other grew. Palestinian "reconciliation," which became the new slogan, has seemed close at hand many times since then. And every time it was clear that the obstacles in the path of unity are enormous. [29]

When addressing the negotiations for a two-state solution, the differences between the ruling parties in the West Bank and Gaza are obvious and create conflict with each and every discussion. When Hamas won a victory at the polls in 2006, the Quartet said that in order to maintain their international aid, a Palestinian government would have to meet three requirements: recognize Israel's right to exist, abide by past agreements and renounce violence. Hamas says it will not accept any of those conditions. That means that the path ahead for a united Palestinian government remains blurry, at best.

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[29] ibid

U.S. law says a unity government that does not recognize Israel's right to exist would have to forego American aid. The West Bank relies on Western funding that requires it to recognize and deal with Israel. Meanwhile, Hamas seeks funding from Iran, which requires exactly the opposite. On a recent trip to Tehran, Hamas' leader in Gaza, Ismail Haniyah, reassured the Iranians that his faction would never recognize Israel. Abbas told an American delegation that he did not expect reconciliation. "Hamas is the opposition," he said. "If I allow them to be in the government, it will not work."[30]

Abbas also installed a new government without Hamas participation and the leader of the cabinet was Salam Fayyad, a progressive thinker who was viewed favorably by the West and despised by Hamas.

The current split between the PA and Hamas will not be resolved in the foreseeable future, and a national unity government reunifying the West Bank and Gaza is not within sight. The Egyptian initiative, which was signed by Fatah and rejected so far by Hamas, stipulates for the establishment of a Palestinian factional committee to coordinate between the two governments in Ramallah and Gaza. Hamas has created new facts in the Gaza Strip, which makes it impossible to return back to the pre Hamas takeover of Gaza. Hamas has destroyed buildings, built weapons tunnels under Gaza and since being given autonomy in 2009, it has been a failed state. In this regard, Ehud Ya'ari predicts that the future of Palestinian politics will more or less resemble Kurdish Politics in Iraq. He says: "Palestinian politics will likely be characterized by a Kurdish-style situation: two rival factions will retain control of their respective districts even if they

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[30] ibid

finally manage to establish some semblance of a joint authority. A Palestinian state divided between the PA and Hamas would likely operate in the same manner as Iraqi Kurdistan, where the Kurdish Democratic Party and the Patriotic Union of Kurdistan control their respective provinces in northern Iraq under the nominal jurisdiction of the Kurdish Regional Government-the equivalent of a PA-led national unity government."[31] The two factions don't respect each other's jurisdiction and the gap between the two territories is growing deeper as they head in different directions. The West Bank moves forward with Western aid and investment while Gaza under Hamas is outcasted.

The first to speak of three states in this sense may have been Jamal Dajani. Jamal Dajani is a Palestinian-American journalist, and an award-winning producer. He currently holds the position of Vice President for Middle East & North Africa at Internews Network. On June 15, 2007, while Hamas was consolidating its armed conquest of Gaza, he proclaimed "The new reality on the ground is that we have three states on historic Palestine: a Hamas-run state in Gaza, a Fatah-run state in the West Bank and Israel in between." [32]

Support from Israel

According to Jonathan Tepperman in a piece for The Atlantic, Israel would save $6.3 billion in government spending if they were divorced from the Palestinian territories. With Israel currently facing tax raises and possible austerity measures to limit debt growth and avoid any substantial financial woes, then $6.3 billion per year would go

[31] Ya'ari, Ehud, Armistice Now: An interim Agreement for Israel and Palestine, Forthcoming, Foreign Affairs. https://www.foreignaffairs.com/articles/israel/2010-03-01/armistice-now
[32] Lowe, M. "The Three-State Solution" Gatestone Institute. http://www.gatestoneinstitute.org/3171/three-state-solution (accessed March 17, 2013).

ways to ensuring long-term financial security.[33] Furthermore, Israel has become

increasingly isolated due to its building in the West Bank and expansion of settlements.

The main factors preventing Israel from agreeing to a peace deal is security guarantees

and the right of return. There is a point in which the border of the West Bank and the

Mediterranean Sea are just 9 miles apart. This is a security concern for Israel due to the

fact that in a large-scale invasion, the country could be split in two at this narrowest point

ad Israel could be overrun, as was the plan in 1967. Regarding the right of return, the

prior statistic that 49% of Palestinians do not feel nationalistic loyalties above religion

makes me believe that the right of return is more symbolic than indicative of the reality

on the ground. Prime Minister Ariel Sharon unilaterally withdrew from Gaza and allowed

it to function under self-rule. He essentially took the first step of putting a 3-state

solution into practice. The security threat from Gaza has been faced and responded to

successfully multiple times since the withdrawal. There are concerns about Gaza that

don't exist in the West Bank and vice versa therefore the likelihood of a solution in which

all of Israel's concerns are allayed is low. The Israelis are not sufficiently satisfied with

the security arrangements then they will have operational flexibility if the Palestinian

territories were not a singular entity.

Conclusion

Approaching the Israeli-Palestinian conflict as a two-state solution is over

simplifying an overly complicated situation. The two-state solution has failed in 1948,

1967 and since 1994 when it was discussed at Oslo. While it is ultimately in both peoples

interest in having their own state and living peacefully beside the other; Palestinian

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[33] Tepperman, Jonathan . "Why Israel Should Withdraw From the West Bank—Now." *The Atlantic* , August 2, 2012.

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society has divisions that prevent Israel from having any trust or confidence in them and Palestinian society doesn't have trust internally. Palestinian society has deep political divisions that prevent unity amongst their nation. The political divisions enter into the other aspects of their society such as economic and their security. There is precedent for peace between Israel and its surrounding Arab neighbors and the potential for peace with the Palestinians is evident however it requires a fresh approach. The three state solution is a viable alternative. It is a new idea that could lead to another breakthrough in peace talks similar to the Oslo accords. In order for the three state solution to have credibility, it must create a viable state in Gaza and a viable state in the West Bank. The states must be economically viable, secure and politically viable to exist in the international community. Without international aid, any Palestinian state would be short lived. Due to divisions within Palestinian society, it is time to evaluate whether the two-state solution is the path to pursue or if energy would be better spent to find a new idea. The conflict is due for a refreshing alternative that takes the complexities of Palestinian society into account when divided land and people. Three states for three people addresses the differences within Palestinian society and rather than changing them, embraces it and moves forward with the peace process.

Chapter 2: What are the political and security requirements necessary for Israel to enter a peace agreement?

<u>**Introduction**</u>

The Israeli-Arab conflict has been raging for decades with no end in sight. The same conventional methods have been applied and have failed throughout history and this paper examines one reason that the peace negotiations have yet to bear permanent results since the Oslo Accords in 1993. This paper researches what security guarantees Israel requires to be able to accept a deal with the Palestinians as well as what internal political conditions must exist. Often, the Quartet and other peace cooperatives use the 1967 borders as the basis for peace negotiations but it is important to review why Israel cannot accept the deal at face value in order to truly understand where the failure of the two-state solution is as well as how to provide viable alternatives.

In 1948, the United Nations devised a partition plan to create both a Jewish state and an Arab state in the land that was held as a British mandate of Palestine between Transjordan and the Mediterranean Sea. The Jewish state was set aside with 55% of the land while the Arab state would have 43% while the areas around and including Jerusalem were to be an international region.[34] The plan was voted on and approved through the United Nations and almost immediately, Arab neighbors of the new Jewish state attacked. Since the war, final status of borders of the Jewish state and a neighboring Arab state called Palestine has not been defined. The conflict flared up twice since 1948, in 1967 and 1973, which resulted in further Israeli territorial gains. The core of the

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[34] "Primer on Palestine, Israel and the Arab-Israeli Conflict | Middle East Research and Information Project." Primer on Palestine, Israel and the Arab-Israeli Conflict | Middle East Research and Information Project. http://www.merip.org/primer-palestine-israel-arab-israeli-conflict-new (accessed March 23, 2014).

conflict is centered on the right of return, defensible borders for Israel, a demilitarized

Arab state and the status of Jerusalem.

The right of return would cause a demographic problem in the future with Arab

birth rates being higher than Jewish ones. It would allow refugees from pre-1948 Israel

to return to the city that they were residing in and claim full citizenship under Israeli law.

This has obvious opposition from the Israeli perspective.

The need for defensible borders and a demilitarized Palestinian state are what this

paper will be focusing on. The term defensible border is crucial because theoretically, an

attack from the eastern front could split Israel in half and separating its military supply

lines and personnel supply lines from the other end of the country. There is a 9-mile

barrier between the furthest west city in the West Bank and the Mediterranean Sea.[35] The

borders defined by 1967 lines would make splitting Israel in half a reality. With threats

of rocket fire from Gaza, South Lebanon and potentially the West Bank, nearly all of

Israel's cities are at risk. In a perfect world for Israelis, any Palestinian state will not have

the capability to fire artillery or any rockets but as has been the case in Gaza, outside

parties such as Iran have smuggled weapons in violation with international law and those

weapons have found their way into Israeli cities. The eastern Jordanian Valley also poses

a major strategic dilemma for the Israelis in the territory. Controlling the eastern border

would prevent smuggled contraband from entering the newly formed Palestinian state.

To date, the Palestinian Authority has promised its citizens that they will not accept a

state with a single Israeli soldier in it. The United States proposal put forth by Secretary

of State, John Kerry maintains an Israeli presence for pre-determined amount of time

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[35] Dayan, Uzi. "Defensible Borders To Secure Israel's Future." Jerusalem Center for Public Affairs.
http://www.jcpa.org/text/security/dayan.pdf (accessed March 18, 2014).

before either an international force or a combination of Israeli-Palestinian forces would take over. Israeli security worries that any international monitored zone would end up in the same fashion that the Northern border has. International forces in the Bekaa Valley have failed to stem any violence from Hezbollah along the border and have even stood silent as Israeli soldiers were abducted in 2006.[36]

Finally, the status of Jerusalem is a major obstacle to a permanent solution in the conflict. Jerusalem is seen as the holiest city to Jews, the third holiest for Muslims and the highly disputed Temple Mount is among the holiest sites to both. It is easy to see why either side will budge on the issue of Jerusalem. Under the Oslo Accords, the West Bank is to be divided into 3 sections or "areas". Area C, which surrounds Jerusalem is to remain under Israeli sovereignty, which makes it even more difficult to reach a final agreement. The Israeli government has been rapidly expanding housing and settlement in area C in order to ensure Israeli rule and majority. Israeli settlers have also violated parts of the agreement in area B by starting caravans but there have not been significant amounts of settlement there to the point that it would make any agreement impossible. Under the Oslo Accords, parts of Area C were eventually to be turned over to Palestinian control and Israeli building makes this more difficult. [37]

Since Israel is negotiating from a place of power, it is important to understand the conditions that must exist within Israeli society and its security world to push dialogue and cooperation along leading to a permanent solution. Israel will not accept any plan

[36] "Behind the Headlines: The return of Israel's abducted soldiers." Foreign Ministry of Israel. http://www.mfa.gov.il/MFA/ForeignPolicy/Issues/Pages/Return%20of%20Israel%20abducted%20soldiers%2016-Jul-2008.aspx (accessed March 12, 2014).

[37] BBC. "Text: 1993 Declaration of Principles." BBC News. http://news.bbc.co.uk/2/hi/middle_east/1682727.stm (accessed March 24, 2014).

that does not first and foremost secure its citizens and create a long lasting defensible border.

Literature Review

The amount of articles discussing the viability of the 1967 borders as part of a permanent agreement between Israel and the Palestinians are plentiful but many of the articles do not refer to the Oslo Accords and the status of certain areas of the West Bank in particular. In the study done by the Jerusalem Center for Public Affairs, military experts and political experts discuss what the defensible borders are, the keys of a demilitarized Palestinian state, the influence of foreign peacekeepers in the West Bank and what Israel's diplomatic efforts would look like post-agreement. Major General, Uzi Dayan discusses the topographical military considerations of a West Bank in the hands of non-peaceful actors. Israel's coastal plain: Ben-Gurion International Airport, the Trans-Israel Highway (Route 6) which runs north-south only tens of meters west of the West Bank, Israel's National Water Carrier, and its high-voltage electric power lines.[38] If the West Bank were to fall into hostile hands, the resulting situation would pose a constant threat to Israel's national infrastructure. This is a deal breaker right from the start with the Israeli government. There must be a buffer zone that takes any threat away from the hills adjacent to Tel Aviv. Aside from territorial considerations in the Tel-Aviv area, under Oslo and every other preliminary agreement signed between the Palestinian Authority and Israeli's, area would remain under full Israeli sovereignty. Using Oslo as

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[38] Dayan, Uzi. "Defensible Borders To Secure Israel's Future." Jerusalem Center for Public Affairs.
    http://www.jcpa.org/text/security/dayan.pdf (accessed March 18, 2014).

the starting point, evaluating Israel's security needs can move the process forward by changing the conversation from strictly 1967 lines to amended borders.

The Jerusalem bureau Chief for the New York Times, Jodi Rudoren wrote an article about Israel taking up a "castle" strategy amidst the unrest in the surrounding countries. At the moment, the assessment from former Mossad Director, Efraim Halevy is that the best course of action is to "see and wait, and be on your guard, and protect yourself if necessary" in the region and the opportunity for a historical peace deal drops potential with regional unrest.

Giora Eiland who wrote "Rethinking the Two-state Solution" for the Washington Institute for Near East Policy looks at exactly what challenges cause the two-state solution to fail and offers some solutions. He argues that demilitarization is no longer an option because of the introduction of advanced smuggled weapons into the Palestinian territories such as rockets and antitank missiles.[39] Both sides have accepted demilitarization but the new realities on the ground force each aspect of the agreement to be re-evaluated by the day.

A military threat from the West Bank across central Israel can split the country in two and neutralize any military advantage that Israel currently holds. There are many pieces such as the articles by Eiland, Maj. Gen. Dayan and Rudoren that discuss the military strategy, geographic and topographic needs that Israel must have satisfied to sign any permanent peace agreement.

A more subjective topic that will be examined in this paper is the political situation that needs to exist in Israel in order for peace to succeed. In 1993, Prime

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[39] Eiland, Giora. "Rethinking the Two-State Solution." *Washington Institute for Near East Policy* 88 (2008).

Minister Yitzhak Rabin signed the Oslo Accords and peace seemed within reach before an assassin shot him down at a rally in 1995. This paper will examine the political conditions that existed in 1993 that allowed for such a deal to be agreed to. Jonathan Rynhold's article about cultural changes leading up to Oslo is a source that will feature prominently to establish the changing political attitudes of Israelis. Michael Barnett also discusses cultural, strategic and foreign policy changes that Israel adapted ahead of Oslo. Those two sources will be the foundation of the papers political conditions chapters.

The failure of the two-state solution has many contributing factors. This paper will focus solely on Israeli security and political considerations that encourage and discourage an agreement from happening.

Internal Politics

In the 2013 elections, we saw the rise of a pragmatic right wing party named Bayit Yehudi. Bayit Yehudi in English translates to the "Jewish Home" and its political principles are for promoting secular Zionism, which includes not ceding the West Bank.[40] The rise of this political party shows that the internal politics of Israeli society are moving to the right and favor the state to negotiate from a position of power. The rise of Bayit Yehudi is a sharp deviation from the political environment that existed while Prime Minister Yitzhak Rabin was negotiating for the Oslo Accords and even in 2001 when Prime Minister Ariel Sharon unilaterally withdrew from Gaza.   Those two specific time frames presented unique opportunities for breakthroughs. In the early 1990's, there was

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[40] "Habayit Hayehudi." (Bayit Yehudi). http://en.idi.org.il/tools-and-data/israeli-elections-and-parties/political-parties/habayit-hayehudi/ (accessed March 20, 2014).

hope and a belief that peace could work between the Palestinians and Israelis.[41] During

the tenure of Ariel Sharon, Israelis had a leader that they believed in to make the right

decisions. At the moment, Israelis lack both. Polls overwhelmingly show a cautious

Israeli public that view the Palestinian leadership as not being able to deliver peace. The

polls indicate a desire to compromise but the voting tendencies show a much more

stubborn public will.[42]

It is argued that a culture shift led to the rise of a 'Liberal Left' in Israel. It was

this group that was primarily responsible for conceiving, initiating and enacting the Oslo

Accords. Alternative explanations of this change based on international politics, domestic

politics and the theory of 'ripeness' identify factors that constituted vital preconditions

for policy change. Hence the importance of the cultural shift that brought the Liberal Left

in Israel into a position from which they were able to take advantage of changes in the

international and domestic political environment, as well as other factors related to

ripeness, in order to get Israel to sign the Oslo Accords. Labor's platform was more in

line with the shift in public opinion.[43] Since the first Intifada, which erupted in December

1987, opposition to territorial compromise had declined dramatically, as had support for

the status quo.[44] The status quo was no longer seen as advantageous, as the moral,

political, military and economic costs of keeping the territories rose. The Intifada made

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[41] Peleg, Ilan, and Gad Barzalai. "Israel and Future Borders: Assessment of a Dynamic Process." *Journal of Peace Research* 31 (1994): 59-73.

[42] Gallup Poll. "Israelis, Palestinians Pro Peace Process, but Not Hopeful." Israelis, Palestinians Pro Peace Process, but Not Hopeful. http://www.gallup.com/poll/161456/israelis-palestinians-pro-peace-process-not-hopeful.aspx (accessed March 20, 2014).

[43] Rynhold, Jonathan. "Cultural Shift and Foreign Policy Change: Israel and the Making of the Oslo Accords." *Cooperation and Conflict* 42, no. 4 (2007): 419-440.

[44] Arian, Asher (1995) Security Threatened. Cambridge: Cambridge University Press.

Israelis increasingly concerned about their personal security and consequently they preferred separation from the Palestinians rather than unification with historically Jewish territory in the West Bank. As one Likud minister admitted: 'The public doesn't want to be knifed. It cares less about where the border is than the fact that it exists and the Arabs are on the other side'.[45]

Thus, voters that shifted to Labor from Likud were more in favor of territorial concessions than were other groups of voters.[46] A second factor in Labor's victory was Rabin's security credentials[47], which were much better than those of Labor's former leader, Shimon Peres. In addition, although Rabin supported compromise he adopted what were then centrist positions by ruling out both an independent Palestinian state and a complete withdrawal from the Golan Heights. This made him more acceptable to centrist voters.

Finally, despite the shift to Labor, the Right received more votes than the Left, but failed to translate this advantage into Knesset seats, because one Far Right party, Techiya, failed to garner enough votes to cross the electoral threshold, and consequently its votes were lost. This domestic explanation clearly helps account for the greater willingness of Israel to contemplate large-scale territorial compromise with its Arab neighbors after 1992 than previous Likud or national unity governments. However, this explanation ignores changes in one crucial element of the institutional context, internal Labor Party politics. The Oslo Accords were not simply a return to the traditional policy

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[45] Makovsky, David (1995) Making Peace Between Israel and the PLO. Boulder, CO: Westview Press.

[46] Arian, Asher (1995) Security Threatened. Cambridge: Cambridge University Press.

[47] Auerbach, Yehudit and Greenbaum, Charles (2000) 'Assessing Leader Credibility during a Peace Process: Rabin's Private Polls', Journal of Peace Research 37: 31–50.

of Labor in favor of territorial compromise, but a more profound break with previous policy positions.[48] Labor politics became centrist and appealed to the Israeli voters that were not traditional Labor party supporters. For a similar phenomena to happen today, a centrist party such as Yair Lapid's Yesh Atid that advocates for a divorce from the Palestinians rather than a peace deal that marries them together would fit the mold of the Labor party of the 1990's. A leader such as Yitzhak Rabin who was formerly seen as a hawk and tough on terrorism speaking about peace and territorial concessions brings a certain credibility and confidence amongst Israelis that a "peace-nik" is unable to bring. As Israeli society continues to move towards centrist politics and political parties such as Yesh Atid, the opportunity for peace rises. During the biggest breakthrough in Israel-Palestinian relations, a centrist party controlled the Knesset and Israeli societal views mirrored the composition of government. Yesh Atid finished as the second largest party in the 2013 elections and leader Yair Lapid is a rising star in Israeli politics. The younger generation of Israelis did not personally encounter a war with countries attacking through the West Bank or Gaza. In that respect, time may be the best policy towards trusting their neighbors to keep the peace.

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[48] Rynhold, Jonathan. "Cultural Shift and Foreign Policy Change: Israel and the Making of the Oslo Accords." *Cooperation and Conflict* 42, no. 4 (2007): 419-440.

Security Guarantees from the West Bank

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Above is the image of Tel Aviv as seem from a West Bank village. Tel Aviv is

the economic, cultural and strategic (the Kirya military center is located in the city)

capital of Israel. The distance between Tel Aviv and the West Bank is about 10 miles.

The Israelis are not willing to concede parts of the West Bank that puts Tel Aviv in direct

threat from artillery or low-grade weaponry. The main airport in Israel, Ben Gurion

International is within range of missiles and artillery as well. It is easy to see what has

concerned the Israelis so much considering the constant threat of rockets from Gaza.

While discussing Gaza, the rockets from Gaza have become increasingly sophisticated

and can hit deeper into Israel. The Israeli perspective is that they could not live

peacefully with the potential of missiles on the east and southern borders in the hands of

terrorist groups. Currently, when rocket fire increases from Gaza, the Israeli Defense

Force conducts air operations to destroy weapons silos and stem the fire however a

sovereign state would have rights that prohibits Israel from taking such action. While

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[49] *Picture of Tel Aviv*. Peduel, West Bank. *American Thinker*. Web. 1 May 2014.

Gaza is represented by Hamas, a security guarantee is not likely. The Middle East security community will have a close eye turned to Fatah-Hamas reconciliatory talks and sit anxiously waiting to see what that means for the rule of Gaza. Looking at the wars in 1967 and 1973, it is evident how damaging a multi front war could be to Israel and pose an existential threat to the state. Israel was nearly cut in half in 1967 by Jordanian forces. If that had happened, supply lines and troop movements would have prevented Israel from successfully defending its territory.

It has been discussed in peace proposals put forward by the United States and the Quartet to create a buffer zone in the West Bank to give Israel advanced notice of incoming artillery or threats from the eastern border. From the Palestinian perspective, they do not wish to concede even more of the West Bank. The Palestinians will not accept an Israeli presence on the eastern border of the West Bank and land swaps are an idea put forward to compensate for land dedicated to a buffer zone. A proposal put forward by Secretary of State John Kerry was to put international observers and cameras along the eastern front to create an early detection system to satisfy Israeli security concerns.[50] That was the last proposal put forth in regards to the eastern border of the proposed Palestinian state. Securing the eastern border and restricting weapons trade and terrorist group movements into the Palestinian state would be necessary to curb Israeli security concerns and make a peace deal possible.

The idea of a fence separating Israelis and Palestinians is, on one level, an admission of failure. Yet it is also realistic: with little trust between the two sides and a

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[50] Vick, Karl. "U.S. Proposal Boosts Momentum for Israeli-Palestinian Peace Talks." *time*, January 9, 2014. http://world.time.com/2014/01/09/u-s-proposal-boosts-momentum-for-israel-palestinian-peace-talks/ (accessed May 1, 2014).

history of bitterness and bloodshed, a negotiated partition is out of reach (at least for the foreseeable future). Israel's decision to build a "separation barrier," therefore, makes sense, given that a majority of both Israelis and Palestinians favor a two-state solution that includes an Israeli withdrawal from the West Bank—but they don't know how to make this happen. Israelis do not trust the Palestinian Authority to fulfill its security obligations and halt terrorist attacks, and Palestinians remain convinced that Israel will never voluntarily cede the West Bank and Gaza.[51] The mutual distrust is one of the most difficult problems to solve but the security fence forces a solution and mediation. A properly constructed fence could achieve multiple objectives: reduce violence by limiting the infiltration of suicide bombers into Israel, short-circuit the deadlock on achieving a two-state solution, advance the debate in Israel about the future of most settlements, and perhaps even provide an incentive for Palestinians to return to the negotiating table. Even without negotiation, the fence would function as a provisional border and could be modified in the future if Palestinians make real progress in halting terrorism against Israel and agree to restart talks.[52]

Security Guarantees from Gaza

A major issue facing Israeli borders is arms being smuggled into Gaza and the same concern exists from the Israelis in the case of the West Bank. There have been several documented seizures of ships containing Iranian weapons that are destined for the shores of Gaza. The smuggling tunnels from Egypt into Gaza also move thousands of

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[51] Makovsky, David. "How To Build a Fence." *Foreign Affairs* 83, no. 2 (2004): 50-64. http://daschaich.homelinux.net/writings/rant/fence.pdf (accessed May 1, 2014).

[52] ibid

pounds of weapons each year. The question that immediately becomes relevant is how can Israel limit and eliminate the smuggling of these arms to a level that they can live with? One solution appears to be Egypt but there must be a stable Egyptian government to enforce it. The tunnel crackdown has gathered pace since the Egyptian military removed Morsi from power…...Morsi's short-lived rule had already disappointed Hamas, since despite their shared ideology he appeared to be in no rush to open the Gaza border. "As a result of these actions against illegal activity, according to some estimates, 80 percent of the tunnels are no longer functioning," Serry said.[53] If Egypt is able to shut down 80% of tunnels then there is an opportunity to reach a breakthrough on the borders of Gaza by satisfying an Israeli security concern. One suggestion to put forward would be for Israel to maintain control of the seas for ships incoming from the Suez Canal near Gaza in order to inspect and ensure that weapons are not being moved while the Egyptians assume responsibility of stopping tunnel smuggling. It would require a guarantee from the Israelis that they would not maintain the current naval blockade of Gaza and allow all non-weapon materiel to be transported. If the Israelis guaranteed free movement of legal goods and the Egyptians guaranteed to continue limiting smuggling tunnels then the security threats in Gaza can be heavily mitigated to the point where Israel feels safe to make a deal.

Mending Fences

Before any meaningful progress can be made in regards to territory and security, the internal political culture needs to be open to compromise and trusting of its Palestinian counterparts. Israeli definitions of defensible borders are ones that allow a

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[53] Reuters. "UN fears humanitarian conditions in Gaza will deteriorate."*Yediot Aharanot* (Tel Aviv), July 24, 2013. http://www.ynetnews.com/articles/0,7340,L-4408971,00.html (accessed May 1, 2014).

quick military response and borders that allow for warning, prevention and preparation to any attack. Given the range and lethality of the weapons they sought to acquire during the intifada, the militarization of Palestinian-controlled areas could pose a strategic threat to Israel, and not just the kind of small-scale tactical problem that Israel has confronted throughout its history.[54]

The security fences around Gaza and West Bank serve as a physical border between the Israelis and Palestinians. In fact, the planned separation wall is likely to prove essential for stabilizing Israeli-Palestinian relations in the years ahead. It is important to remember that out of some 250 suicide bomb attacks against Israel by Palestinian groups, not a single suicide bomber got past the Gaza Strip fence; all the suicide bomb attacks came from the wide-open West Bank.[55] Although the security fence has created controversy, it is necessary in quelling Israeli security concerns. On a different note, the fence, if built correctly, could also act as a spur for peace. For one thing, without the destabilizing effects of terrorism, negotiations will have more of a chance. Terrorists have tried to undermine the peace process at every stage; now, the presence of the fence should catalyze a passive alternative. Israeli liberals also hope the fence will be seen by the Palestinians as an incentive to fight terrorism. If Palestinians start helping to eliminate terror, this could strengthen their bargaining position once final borders are drawn. For years, Palestinians have debated whether the best way to obtain Israeli concessions is through compromise or through terror. [56] From the Palestinian

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[54] Gold, Dore. "Jerusalem Letter / Viewpoints." Defensible Borders for Israel. Accessed May 1, 2015. http://www.jcpa.org/jl/vp500.htm.

[55] Ibid

[56] Makovsky, David. "How To Build a Fence." *Foreign Affairs* 83, no. 2 (2004): 50-64. http://daschaich.homelinux.net/writings/rant/fence.pdf (accessed May 1, 2014).

perspective, a fence could actually lead to territorial gains. Approximately 74 percent, or 164,000, of the Jewish settlers in the West Bank live on 5 percent of the land, most of it adjacent to the Green Line[57]. The fence would exclude most of the small caravans and settlements that settlers have built therefore, ceding that land to the Palestinians. The fence creates an interesting dilemma because while it soothes Israeli concerns on security and provides (in some cases) the Palestinians with more land to control, it creates a barrier between Gaza and the West Bank. It eliminates the possibility for a large contiguous connection, bridge or tunnel between the two territories.

Could 3-States Work?

This first chapter of this thesis explored the differences between Palestinians in the West Bank and those living in Gaza. In this chapter, Israeli security needs, internal political needs are reviewed. The lack of connection between Gaza and West Bank creates a problem but it is not such a problem after all. Throughout history, the Western nations have attempted to draw borders around the world with no regard to tribal alliances, ethnic differences and historic homelands. Sykes-Picot was an agreement between the British and French that drew Western style borders in Middle East to divide Iraq, Syria, Lebanon, and Jordan and in the following one hundred years, each country has broken down and violently reformed itself. The situation in Gaza and the West Bank is no different. Western ideals promote the single Palestinian nation comprising of Gaza and the West Bank but does not take differences between the two territories into account.

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[57] Ibid

There are distinct differences in the ethnic origins, politics, economies and security situations in the Palestinian territories.

There are similarities between Bangladesh and Gaza. When Bangladesh was East Pakistan, it had economic power and demographic power over West Pakistan. Wealthy aristocrats dominated West Pakistan. Gaza has the potential to be economically stronger than the West Bank due to its location along Africa, European and Asian shipping routes and Gaza has nearly the same amount of people as the West Bank when you account for Israeli settlers living in the West Bank and Palestinians living in Israeli controlled East Jerusalem. The West Bank has an aristocrat class that helps fuel investment, business and trade within the territory. Similar to the Pakistan's, the Palestinian territories also have different levels of stability within government. Gaza, like East Pakistan is not capable of responding to mass amounts of crises such as the flood that devastated East Pakistan. There is precedent for peace between Israel and its surrounding Arab neighbors and the potential for peace with the Palestinians is evident however it requires a fresh approach. The three state solution is a viable alternative. It is a new idea that could lead to another breakthrough in peace talks similar to the Oslo accords. In order for the three state solution to have credibility, it must create a viable state in Gaza and a viable state in the West Bank. The states must be economically viable, secure and politically viable to exist in the international community. Without international aid, any Palestinian state would be short lived. Due to divisions within Palestinian society, it is time to evaluate whether the two-state solution is the path to pursue or if energy would be better spent to find a new idea. I argue that the conflict is due for a refreshing alternative that takes the complexities of Palestinian society into account when divided land and people. Three

states for three people addresses the differences within Palestinian society and rather than changing them, embraces it and moves forward with the peace process.

<u>Conclusion</u>

The Israeli-Palestinian conflict has been raging for decades with current peace prospects dim. There are activists on both sides advocating for a one-state solution, a two-state solution and a small voice advocating for a three-state solution. What is clear is that there are complex security needs from the Israeli perspective that require the political will, societal support and territorial guarantees to be effective. In chapter one, the focus was on needs for Palestine to be a viable state and examined the internal and external challenges. In this chapter, the focus was on Israeli security needs with both West Bank and Gaza borders and evaluating the internal political factors such as the push for a one-state solution, the efficiency of the separation fence as a border and the validity of a three state solution. The fence around Gaza has stemmed suicide bombings but increased the amount of artillery attacks launched across the border. Egypt can play a large role in reducing these attacks by shutting down smuggling tunnels. The fence around the West Bank has been effective to date but must be modified to accommodate land swap or population swap proposals including addressing the eastern border of the territory. The one-state solution is not popular and gambles on the basis of demographic numbers to be a lie or wrong. The three state solution, which Giora Eiland leads the charge for balances on the individual viability of each territory as a state. It is taking the reality on the ground of a Fatah led West Bank, Hamas led Gaza and implementing long term plans for each territory under its current government and essentially separate existence and rule. Israel

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security concerns can be satisfied but they need to be on separate fronts with international help and the ability to quickly respond and curb/prevent attacks, weapons movements and strategic actions from taking place. They are very specific and tough guarantees to demand but with the right political climate that is hungry for peace and hope, fresh ideas and a Palestinian leadership that mirrors the hunger, it can happen.

Chapter 3: What has caused negotiations to stall and how can they be revived?

<u>Introduction</u>

    This chapter will review the ability and success of third party intervention in Israeli-Palestinian negotiations towards a permanent solution. Throughout history, there have been unsuccessful attempts by third parties such as the United States, the United Nations and the Arab League to influence negotiations and impose solutions. This will identify why direct, bilateral negotiations between the Israel and the Palestinians is the only way going forward to achieve an enduring, secure peace.

    Imposed solutions are not new to the Middle East. Sykes Picot carved pieces of the Ottoman Empire for colonial powers to rule and even the Israeli-Palestinian conflict was created by the Balfour Declaration, which imposed a Jewish and Arab state in the mandate of Palestine. When negotiating a permanent peace agreement, an imposed solution is impossible. As discussed in the previous chapters, Israeli security concerns prevent that from happening as well as a divided Palestinian nation. Outside parties such as the United States or United Nations serve as supervisors of stewards of the negotiations and history has shown us that when these outside intermediaries are not dictating the terms; agreements are made. Egypt's peace with Israel and Jordan's peace with Israel were not creations of outside parties but rather negotiations driven and terms dictated by the negotiating principal countries. These deals were also driven by personalities. It is no secret that King Hussein of Jordan and Yitzhak Rabin shared a very special relationship and admiration for each other as Hussein's eulogy for Rabin acknowledged,   "As long as I live, I'll be proud to have known him, to have worked with him, as a brother and as a friend, and as a man and the relationship of friendship that we

had is something unique and I am proud of that." [58] When the peace treaty with Egypt

was signed, there was a common desperation for peace. Prime Minister Menachem

Begin was the leader of Revisionist Zionism and did not believe in annexing land for

peace however he was a shrewd politician and saw a genuine desire from the Egyptians

and the potential for future peace with more Arab nations. The most important role that

the United States has played in these peace accords is financial backing that it provides to

the Arab nations to uphold the agreement despite recent government turmoil. With the

financial backing of the United States at the diplomacy table, why has this conflict been

different than others? Peace negotiations between sovereign nations create a clear

baseline from which negotiating positions can start; negotiations with a nationless people

such as the Palestinians cannot be approached the same way as it would with Egypt. The

United States, United Nations and Quartet do not take these differences into account and

attempt to apply the same cookie cutter approach to this conflict as it does every other.

The two-state solution is ideal for East Pakistan and West Pakistan but not the Israelis,

Gazans and West Bank Palestinians. Much of the history of Arab-Israeli peace

negotiations can be described in terms of mistrust and a lack of understanding by each

side with respect to the psychological and political needs of the other.[59]

Literature Review

Throughout Israeli-Arab conflict, there have been many attempts from third party

interests or more to broker a permanent peace deal. In 1978, there was success between

the Israelis and Egyptians and in 1994, a peace treaty was agreed between Jordan and

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[58] "Rabin Funeral- Eulogy by King Hussein of Jordan." Israel Ministry of Foreign Affairs. November 1, 1994. Accessed February 15, 2015. http://www.mfa.gov.il/mfa/mfa-archive/1995/pages/rabin funeral-eulogy by king hussein.aspx.
[59] Mishal, Shaul, and Nadav Morag. "Political Expectations and Cultural Perceptions in the Arab-Israeli Peace Negotiations." *Political Psychology* 23, no. 2 (2002).

Israel. There was a breakthrough in Israeli-Palestinian negotiations in 1993, when the Oslo Accords were signed but the agreement was never fully implemented and efforts have stalled since. This paper examines prior approaches taken to successfully broker peace between Israel and an Arab neighbor and whether the same can be applied to the Israeli-Palestinian conflict. The complexities in balancing Israeli security needs as well as divisions within Palestinian society create a dimension that outside parties have struggled to take into account when attempting to broker an agreement.

Shibley Telhami's book on the Camp David Accords frames the cornerstone of my argument in this paper. Telhami writes that the permanent presence of Israelis and Jews in the Middle East drove Egypt and Jordan towards peace with the Israelis. Within the Palestinian nation, there is a split between those realities. The West Bank governed by the Palestinian Authority is interested in negotiating with Israel and does not openly dispute its right to exist. In Gaza, Hamas does not recognize Israel and in its charter calls for the Palestinians to claim all of the land between the Jordan River and the Mediterranean Sea, essentially wiping Israel off of the map. The United States is able to negotiate and work with the Palestinian Authority on issues such as recognition of Israel however Hamas sinks discussions towards a greater, long lasting solution to the conflict.

In Yoram Meital's excerpts from his book Peace in Tatters, he discusses the clear narratives that negotiators had while facilitating discussions between Israelis and Palestinians. "In addition, American management of the negotiating agenda and teamwork was disorganized and lacked the sort of imaginative thinking that might have spared unnecessary crises, most of which were predictable." This further brings into

question the effectiveness of the United States in negotiations and the ability to broker peace while dealing with three entities in two lands.

The bulk of research for this chapter focuses on the failure of the Oslo Accords and the analysis of why those talks have yet to yield a permanent agreement. Clyde Mark discusses the United States role in the Israeli-Palestinian negotiations and the implications, repercussions and strategic interests of the United States as a result of the success or failure of talks. Bari Ben-Zion writes about negotiations from an economic standpoint. Ben-Zion asks, what motivates each side at the negotiating table and are there common interests that could bring these two nations closer to an agreement. His piece is important because earlier in this paper, the economic viability of two Palestinian states on the West Bank and Gaza is discussed. Herbert Kalman analyzes negotiations from 1993-1999 and the limits of pragmatism and constructive thinking. The crux of his argument is that the Oslo Accords did not clearly define an outcome for anybody but rather a roadmap to be followed. The Israelis have everything to gain from following Oslo while maintaining the ability to keep the disputed territories as status quo while the Palestinians have a limit on how much they can benefit and the limits of their course of action once the process stalls.

From 1948 to Oslo: The Rise of Foreign Influence

The first attempt by outside parties to create a solution to the Israeli-Arab conflict was the partition of the mandate of Palestine. Palestine was ruled by a British mandate and when the British left the land after World War II, there was a question of who would be the governing body. The proposal brought forward and backed by the United Nations

partitioned the mandate into a Jewish state and an Arab state. This led to the creation of the state of Israel. The proponents for a Jewish state accepted the proposal but the Arab countries that were not consulted with or involved in the planning of the partition, rejected the plan and launched an attack on Israel. This was the first attempt to reach a compromise in the region and the first example of an outside entity not acknowledging the sensitivity of the region and cultural differences and realities on the ground. Since Sykes-Picot, the formation of Arab governments and nations were determined by Western borders rather than tribal territories or sectarian borders.

The Suez Crisis in 1956 marked a turning point in the foreign policy of global powers. It was the first major clash of the United States, France, Britain and Soviet Union in the Middle East. Egypt had nationalized the Suez Canal and prevented the Western countries from accessing its trade routes. The United Kingdom and France armed the Israelis and then later supported their military actions to open up the canal. It was United States and United Nations pressure that prevented Israel from capturing the canal altogether. The French were Israel's closest international partner until after the 1967 war. The French helped keep Israel armed during the 1967 war and even helped build nuclear reactors in Dimona. The Israelis were squarely in the middle of the Soviet-West conflict and attempted to stay neutral as long as possible.

As pan-Arabism aided by the Soviet Union was sweeping the region, the United States started viewing Israel as an ideal strategic partner and started to make decisions based on this assessment. There appear to be many reasons why U.S. citizens have favored Israel: Israel and the United States espouse shared Judeo-Christian principles; both countries were "pioneering" in their early years; both countries are democracies; the

United States has empathy for Israel's position as an embattled "underdog"; Israel and the United States opposed Soviet expansion during the cold war years; the United States has sympathy for the experience of European Jews in World War II; Jewish-Americans have a very effective pro-Israel political support organization; and the United States is more aware of Israel's point of view.[60]

In 1973, the United States provided weapons shipments to Israel in order to prevent the use of nuclear weapons and to create and maintain a strong U.S. presence in the area. The United States believed that if they did not help the Israelis when they needed it most, that they would not be willing to work with the international community in post war diplomatic efforts. The Israeli-Arab conflict was not immune from becoming one of the many proxies in the Cold War in which the Russians armed and backed the Arab countries while the United States backed Israel. The region was viewed through the interests of respective countries involved rather than the interests of the countries and nations within it.

What made negotiations fruitful between Israel and Egypt and also Israel and Jordan was that there were two sovereign nations negotiating under full mandate from their governments to create peace with leaders who shared a genuine desire for peace. When applying the same thinking to the Israeli-Palestinian conflict, it becomes much more difficult. The Palestinians are a divided people and Israel is negotiating over a return of land to a nation that it does not trust and points to the Oslo Accords as proof that the Palestinians cannot abide by previous agreements. There was never a self-ruling state known as Palestine that Israel has a historical basis for expectations and security

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[60] Mark, Clyde. "Palestinians and Middle East Peace: Issues for the United States." Congressional Research Service Briefing, 2004. Accessed February 17, 2015. http://fas.org/man/crs/IB92052.pdf.

arrangements. The West Bank was Jordanian and prior to that, was ruled by the British

and before that, part of the Ottoman Empire. Gaza was Egyptian ruled and before that,

had the same ruling entities as the West Bank. If negotiations for the West Bank or Gaza

separately were complicated enough, negotiating them as one piece creates a new set of

questions regarding safe corridors, infrastructure projects and investment oversight.

The Failure of Oslo

To further complicate negotiations and relations between the Israelis and

Palestinians, the Oslo Accords never promised a sovereign Palestinian state in the West

Bank and Gaza. The Accords merely promised autonomy and the right wing

governments that have come and gone in Israel use that as their basis to defend policy in

the territories. [61] Rabin took the risk that, even if the experience of the interim period did

not reassure Israel that a Palestinian state would be consistent with its own security

requirements, the logic of the process might inexorably lead to a state anyway. He felt

able to take that risk because the agreement contained no explicit commitment to a

Palestinian state; thus the option of saying no in the end, although politically costly,

remained available. Arafat took an even greater risk by signing an agreement that

unambiguously recognized Israel—giving away what he used to call his last card—

without an explicit promise of an independent state. Some such as Kelman argue that to

revive the peace process now, the parties need to re-establish the working trust and the

political partnership that has broken down. This can no longer be achieved by the step-

by-step approach of distributive bargaining that seemed to be working when the Labor

party was in power. The parties must now go beyond the pragmatism of the Oslo process

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[61] Kelman, Herbert C. 1999. "Building a sustainable peace: The limits of pragmatism in the Israeli–
Palestinian negotiations." *Peace And Conflict: Journal Of Peace Psychology* 5, no. 2: 101-115. (accessed
February 23, 2015).

and commit themselves to a principled outcome of the negotiations that not only serves the interests of both parties, as it must, but is also fair and just. Thus, to restore Palestinian trust in the peace process, Israel must commit itself, on a principled basis, to a two-state solution as the endpoint of negotiations and negotiate the remaining issues on the premise of a Palestinian state. Such an Israeli commitment will allow the Palestinians, in return, to commit themselves to a principled two-state solution and thus help revive the political partnership.[62] For the political reasons mentioned above, the peace process has stagnated and negotiations have all but ended. Negotiations led by the United States have not produced much progress however, when there is a larger negotiating team with more on the table for Israel to gain such as normalized relations with the Arab world, the arithmetic starts to look differently. In 2002, what became known as the "Middle East Quartet" came into being, constituted by the European Union, Russia, the United Nations and the United States. In principle, this new format reflected the exigencies of effective mediation in a new context. Over the course of the 1990s, the EU had emerged as a principle donor to the occupied Palestinian territory (OPT) and the nascent Palestinian Authority (PA). Russia, not only remained a major power and UN Security Council (UNSC) permanent member, but also enjoyed historically close ties to the Arab world and, more recently, an organic bond to the large Russian community in Israel. The United Nations brought with it international legitimacy. And few doubted that the US continued to be a vital player, the only one with the clout to substantially alter the parties'

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[62] Bar-Zion, Bari. 2004. "Understanding Barriers to Peace: Reflecting on Israeli–Palestinian Economic Negotiations." *Negotiation Journal* 20, no. 3: 383-400. (accessed February 23, 2015).

negotiating stances.[63] This option offers a grand bargain for Israelis and a clear roadmap

towards a Palestinian state. The principles of the roadmap included reciprocal steps

undertaken by Israelis and Palestinians in the security, political, economic, humanitarian

and institutional domains, and, no less important, steps that were intended to be

'performance-based', i.e., based on actual implementation. By inserting Palestinian

reform in phase 1, and directly working on this task, the Quartet aimed at putting the

Roadmap immediately in action by inducing Israel's reciprocal steps and thus re-

launching the peace process.[64] The roadmap did not produce the results that were

desired. Since the Oslo Accords, any two-state solution put forth by an international

body, reflects Oslo. There are no new ideas or frameworks. The Israeli public had turned

on the Oslo Accords almost instantly[65] and the Palestinians have violated them since the

inception by smuggling weapons into the territories and not instituting necessary reforms.

Nonetheless, because the Palestinians continued to lack a state, they were unable to build

centralized institutions and a hierarchical political order. The decentralized nature of

Palestinian society has become all the more evident in the wake of the 1993 Oslo

Accords, even though the Palestinians had been given an opportunity to begin

constructing a hierarchical state to penetrate and centralize Palestinian society via the

Palestinian Authority (PA). They have in fact made the PA into a reflection of their

society—an amalgamation of decentralized and perpetually quarreling factions[66]. The

Palestinians have struggled to centralize their power and representation therefore

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[63] Kelman, Herbert C. 1999. "Building a sustainable peace: The limits of pragmatism in the Israeli–Palestinian negotiations." *Peace And Conflict: Journal Of Peace Psychology* 5, no. 2: 101-115. (accessed February 23, 2015).

[64] ibid

[65] Leon, Dan. "Israeli Public Opinion Polls on the Peace Process." The Palestine-Israel Journal. January 1, 1995. Accessed February 1, 2015. http://www.pij.org/details.php?id=676.

[66] Mishal, Shaul, and Nadav Morag. "Political Expectations and Cultural Perceptions in the Arab-Israeli Peace Negotiations." *Political Psychology* 23, no. 2 (2002).

negotiations with the Palestinian Authority create a false narrative of peacemaking and nation building.

Unilateral actions

According to the Congressional Research Service, the U.S. has provided approximately $5 billion in bilateral assistance to the Palestinians since the mid-1990s to bolster stability and economic growth in support of the peace process, to prevent terrorism against Israel, and to address humanitarian requirement[67] yet the Palestinian governing body has not made concrete steps towards peace, in fact, they launched an international campaign to unilaterally form a state at the United Nations and to pursue action at the International Criminal Court against Israelis. Decades of financial support and international loans have not created a stable, unified Palestinian government. On July 31, 2012, Israel agreed to expanded arrangements regarding taxation and the transfer of goods between Israel and the PA, for the purpose of increasing the PA's revenue. Prime Minister Benjamin Netanyahu said, "The arrangements that have been formulated constitute part of our declared policy of supporting Palestinian society and strengthening its economy." PA Prime Minister Salam Fayyad responded, "I am certain that the arrangements concluded will help to strengthen the economic base of the Palestinian Authority... I am pleased to say that these arrangements will also improve the economic relations between the Palestinian Authority and Israel. I wish to convey my appreciation

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[67] Zanotti, Jim "U.S. Foreign Aid to the Palestinians," Congressional Research Service *Report for Congress*, July 3, 2014, p.1, http://fas.org/sgp/crs/mideast/RS22967.pdf (accessed January 8, 2015).

and gratitude to Israeli Prime Minister Netanyahu."[68] President Abbas dismissed the Palestinian leader who made the positive strides less than a year later. Those same tax revenues that were agreed upon were then taken away as the Palestinians unilaterally marched to the UN and internationalized the conflict.

Conclusion

With the breakdown of the Oslo Accords, the trust and hope has also broken down amongst the two nations. The negotiations have become a political challenge that United States Presidents attempt to revive but with the same results. Along these lines, as long as Israel and the Palestinians, or the Syrians, continue to negotiate in traditional modes of thinking in which teams of experts discuss each issue separately, the likelihood of reaching agreements is minimal. On the other hand, if the parties put all the issues on the table simultaneously and recognize that concessions in one area may lead to gains in others, they will have more of a tendency to reach a mutually beneficial solution.[69]

The influence of outside intermediaries cannot be discounted but the past agreements and treatises that currently stand, were negotiated in good faith between Israel and its partner. Direct, bilateral negotiations can spur the peace process forward but the Palestinian Authority currently only represents one half of the territory that has been disputed for a Palestinian state. Each territory must be discussed in separate terms as if they are two different nations in order to reward the PA and West Bank for its security cooperation and progress while isolating Hamas and pressuring the government of Gaza to step down from power in the purpose of greater common good. The unilateral actions

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[68] Rosen, Steve. "Are Palestinian Offensives Inviting Israeli Reprisals?" Gatestone Institute. January 7, 2015. Accessed February 20, 2015. http://www.gatestoneinstitute.org/5010/palestinian-offensives-israeli-reprisals.
[69] Mishal, Shaul, and Nadav Morag. "Political Expectations and Cultural Perceptions in the Arab-Israeli Peace Negotiations." *Political Psychology* 23, no. 2 (2002).

taken by the Palestinians by applying for ICC membership and declaration of a

Palestinian state through United Nations resolution shows the lack of ability that outside

countries have towards advancing peace. As far back as 1982, the discussion around

negotiations were exactly the same as the ones we discuss today, only through direct

interaction can the parties discover ways of redefining the conflict so that it becomes

amenable to resolution, and develop and test out agreements that are maximally

responsive to their mutual concerns. Even if it were possible for third parties (such as one

or both of the superpowers) to impose an agreement on the Israelis and the Palestinians,

or for Israel to work out an agreement on the Palestinian issue with King Hussein, such

agreements would not benefit from the mutual confidence and the sense of commitment

that characterize agreements produced by the parties themselves.[70]

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[70] Kelman, Herbert. "Creating the Conditions for Israeli-Palestinian Negotiations." *The Journal of Conflict Resolution* 26, no. 1 (1982): 39-75. Accessed March 2, 2015. http://www.jstor.org/stable/173671?seq=3#page_scan_tab_contents.

Conclusion: What Are the Next Steps?

Divisions within the Palestinian nation, nearly no guarantee-able Israeli security solutions and stalled negotiations have caused the Oslo Accords to stagnate. The divisions within Palestinian society have led to a disjointed nation with one territorial district governed by a world-recognized terror organization with virtually no oversight from the recognized government, the Palestinian Authority. There have been many attempts at a unity government but it causes problems for negotiations since the Israelis refuse to negotiate with Hamas. The unity government has yet to come to fruition and instead there are essentially two different states being run by two different governments in the West Bank and Gaza.

Two State Solution

The strength of the two-state solution is that it advocates for a separation between Israelis and Palestinians based on demographics and the past fifty years of history. After the 1967 war, the residents of the West Bank and Gaza fell under the rule of the Israeli government due to their military success. Since then, the land for peace formula has been used with Egypt and applied to the Israeli-Palestinian issue. The Israelis withdraw from the West Bank and Gaza to transfer authority to the Palestinians and in exchange, the two states live side by side in peace. The Palestinians fulfill their national aspirations while the Israelis achieve another peaceful Arab neighbor.

Asher Susser, Senior Fellow at Tel Aviv University and advocate for the two-state solution states:

> "The lack of a two-state solution could have disastrous consequences, first of all for Israel, but for the Palestinians and possibly the Jordanians too. That is why two states is absolutely essential. If you do not have a two-state solution, you will end up with a one-state reality in which,

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eventually, Jews will be outnumbered by Arabs in the area between the Jordan River and the Mediterranean. Israel will not be able to be the nation state of the Jews, obviously. It would eventually be a very unstable and unfriendly neighborhood in which Israelis and Palestinians would suffer from constant violence between their communities."[71]

The two-state solution deals with any future demographic issue between Jews and Arabs living in Israel or the territories. It fulfils the Palestinian desire for an independent, viable state and it gives Israelis the opportunity to prevent themselves from becoming further isolated by the international community over settlements.

The two-state solution remains the conventional approach, endorsed by international powers such as the United States. As President Obama said in a *Ha'aretz* article, "Both parties must be willing to take risks for peace. But at the end of the day, we know where negotiations must lead—two-states for two peoples. Refusing to compromise or cooperate with one another won't do anything to increase security for either the Israeli or the Palestinian people. The only solution is a democratic, Jewish state living side-by-side in peace and security with a viable, independent Palestinian state.".[72]

The formula for a historic compromise in the form of a two-state solution began to take shape after the 1967 war and the resulting Palestinianization (or re-Palestinianization) of the Arab-Israel conflict.[73] The formula became the template to be followed by Western administrations when approaching a solution to the conflict. In 1993, the Oslo Accords created a framework in which Palestinians would gain autonomy to self-govern. The creation of the Palestinian Authority as the governing body of the

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[71] Radin, Charles. "Middle East Experts to Look at Viability of the Two-state Solution | March 30, 2012. Accessed May 11, 2015. https://www.brandeis.edu/now/2012/march/twostate.html

[72] Obama, Barack. "Peace Is the Only Path to True Security for Israel and the Palestinians." Ha'aretz, July 8, 2014. Accessed May 8, 2015. http://www.haaretz.com/news/diplomacy-defense/israel-peace-conference/1.603324\
[73] Kelman, Herbert C., "The Palestinianization of the Arab-Israeli Conflict." Jerusalem Quarterly, Vol. 46, 1988 p. 3-15

West Bank and Gaza was the key result of the Accords but a Palestinian state was not promised. In 2003, the Road Map for peace introduced by the United States along with European powers created a document that outlines the pathway to creation of a Palestinian independent state in the West Bank and Gaza. The Road Map is built on goals without going into details. It may be summarized as: end the violence; halt settlement activity; reform Palestinian institutions; accept Israel's right to exist; establish a viable, sovereign Palestinian state; and reach a final settlement on all issues by 2005.[74] The Road Map for peace introduced the approach to the two-state solution that is currently applied.

As it was discussed in chapter 1, the two different territories represent two viable states with differing economies. The Gaza Strip lies along the Mediterranean Coast with access to major trade routes. The creation of a seaport that does not smuggle in illegal materiel, that would be allowed to operate openly could provide enough jobs and income to create a sustainable economy in a currently depressed area. The West Bank has a blossoming high tech industry and is on the brink of opening up a modern, planned new development called Rawabi. The West Bank economy has growing foreign investment and enough infrastructures to maintain a high standard of living once a peace deal was reached that allowed for freedom of movement and goods.[75]

The security realities of 1993 and the subsequent series of negotiations including 2003 do not reflect the present situation. Rockets and advanced weapons are smuggled

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[74] Institute for Palestine Studies, *The Road Map*. Journal of Palestine Studies XXXII, no. 4 (Summer 2003), pp. 83–99

[75] U.S. Department of State "2014 Investment Climate Statement - West Bank and Gaza." http://www.state.gov/e/eb/rls/othr/ics/2014/229097.htm.

into the Gaza Strip and it has become a terror base[76] while an Israeli naval military blockade prevents access to the coast from the sea. Settlements around Jerusalem have expanded and Hebron is split between Jewish and Arab in the West Bank. The security situation is much different and the frequency in wars against Israel has increased. Hezbollah has attacked from the North in 2007, there were campaigns in Gaza in 2008, 2012 and 2014 and the West Bank has been subdued to an internationally disputed separation barrier. As a result of the Arab Spring, there is even more instability in the region and Arab capitals are in constant threat of fanatical groups such as Jabhat al Nusra, ISIS, Hezbollah and Iranian-backed terror groups such as the Houthis. There are Islamist forces on every border and this backs Israelis into a corner and makes territorial compromise much more difficult. The insistence of a presence on the East Bank of the Jordan Valley shows the extent of security guarantees that Israel seeks in order to withdrawal from the West Bank. These are issues that have not been tackled in past agreements and remain stumbling blocks in current negotiations.

The focus on the two-state solution ignores cultural differences amongst Palestinians, realities on the ground that Gaza is essentially a de-facto state and that settlement expansion has not stopped. There is a need for a fresh approach and an updating of negotiating points and bargaining positions in the conflict.

One-state Solution

An emerging alternative to the two-state solution is a one-state solution. This alternative includes annexing the West Bank as part of Israel and giving its citizens full rights keeping Israel as a democratic state. The idea behind the one-state solution is that the

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[76] Shabak. "Smuggling Weapons from Iran into the Gaza Strip through Sudan and Sinai." http://www.shabak.gov.il/ENGLISH/ENTERRORDATA/REVIEWS/Pages/SmugglingWeapons.aspx.

land known as Israel would become a binational state encompassing the West Bank and Gaza. The citizens of the territories would receive full rights as Israelis and come under the jurisdiction of the Israeli government.

One of the leading proponents of this plan is US journalist, Caroline Glick. Glick said the two-state solution being pushed on Israel cannot work. "It's a lie, and it's based upon completely ignoring the fact that the Palestinians could have had a state anytime they wanted to since 1937 but have rejected it. They're not interested in the state. They're interested in destroying Israel," she said.[77]

The argument amongst Palestinians for a one-state solution revolves around a 1997 census in which the Palestinians compiled information on the population west of the Jordan River. Their census predicted that between 10 and 15 years, the Palestinian population would outnumber the Israeli population. They claimed that the Palestinians have the highest birthrates in the world and the prediction was based on the assumption that massive amounts of migration from Palestinian refugees would stream in year after year. Under this theory, the Arab population in Israel would outnumber the Jewish population.

Caroline Glick argues that their entire census was a lie. She says they inflated their base population by 50 percent. And all of their forecasting claims were based on a completely phony numbers. Yet rather than question the findings, the U.S. and the Israeli Left embraced them as further proof that the two-state solution is the only game in

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[77] Pollak, Joel. "Caroline Glick Interview: The Two-State Model Is 'a Recipe for Disaster'." Breitbart News Network. http://www.breitbart.com/Big-Peace/2014/03/01/Caroline-Glick-Interview-The-Two-State-Model-Is-a-Recipe-for-Disaster (accessed March 20, 2014).

town.[78] It took until 2004 for an independent group of Israeli and American researchers to do what government officials should have been done immediately. They started going through the Palestinian data--and, in short order, made mincemeat of it. They first published their findings in January 2005.[79] Glick also argues that since then, the demographic situation has only gotten better for Israel. The Jewish birthrate is now higher than the Palestinian birthrate in the West Bank. Jewish immigration is up and rising. They [the Palestinians] are hemorrhaging emigration.[80]

Professor As'ad Ghanem from the University of Haifa is an advocate for a binational state and argues that "separation is not relevant, because Israel is now no longer willing to withdraw to the 1967 borders and implement United Nations Resolution 242."[81] Ghanem claims that Israel will not withdraw to 1967 borders however the basis for all negotiations has been the 1967 borders with mutual land swaps that guarantees defensible borders for Israel and territorial integrity of the Palestinians. The implementation of his proposed binational, one-state solution calls, he says for a fundamental change in the relationship between the two nations and in the nature of both national movements, including their relationship with their diaspora. The Jewish group should give up its dominant position and the resources should be redivided in a proportional and equitable way. While the Palestinians should internalize their distance from the Arab world and develop unique elements as part of their nationalism that meet

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[78] ibid

[79] Zimmerman, Bennett. "The Million Person Gap: A Critical Look at Palestinian Demography | Begin-Sadat Center for Strategic Studies." Begin-Sadat Center for Strategic Studies. May 7, 2006. Accessed May 12, 2015. http://besacenter.org/perspectives-papers/the-million-person-gap-a-critical-look-at-palestinian-demography/.

[80] ibid

[81] Ghanem, As'ad. "Cooperation Instead of Separation." Palestine-Israel Journal 14, no. 2 (2008): 13-19.

the need to live in a bi-national state, rather than an Arab one.[82] In Ghada Karmi's article

advocating a one-state solution, he identifies the poison pill requirement that a one-state

solution means that Israel must give up the guarantee of its Jewishness. "There is no

doubt that as an idea, the one-state solution challenges the received wisdom, now taken as

self-evident, that Israel's security is inextricably linked to its Jewishness. And given that

the two-state solution is seen as a guarantor of Israel's Jewishness, the one-state solution

threatens the West's vested interests not only in the two-state solution, but in Israel

itself."[83]

Ghanem's statement about the Jewish population giving up its dominant position

and redistributing resources in an equitable way is a policy unlikely to ever be implanted

since the idea behind the creation of Israel was to create a Jewish state.

This solution creates an obstacle towards a lasting peace with the Palestinians

who want their own state. The Palestinians seek their own state, governed by their own

leaders, not Benjamin Netanyahu or any Israeli Prime Minister. Cultural autonomy is an

important part of a claim of Palestinian self-determination, and many Palestinians lack

cultural autonomy. Like indigenous people, however, Palestinian claims to self-

determination cannot be accommodated without autonomy with respect to land and

resources as well as culture. The exercise of self-determination for Palestinians, finally,

requires redistributive transfers to enable their governmental and social services.[84]   A

marriage of the Palestinians and Israelis is unlikely due to the distrust that exists between

the two. From the Palestinian point of view, they have been living in internationally

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[82] ibid

[83] Karmi, Ghada. "The One-State Solution: An Alternative Vision for Israeli-Palestinian Peace." Journal of Palestine Studies 40, no. 2 (2011): 62-76.

[84] Young, Iris Marion. Self-determination as non-domination. Ethnicities, 2005, 5 (2), pp.139-159.

disputed territory for generations and a binational, one-state solution keeps them as a governed minority living in the land that they wish to create a state in. They support the one-state solution because it removes the need for negotiations and trust in Palestinian leadership. The claims of Israel being an apartheid state would only grow louder and Israel's growing isolation in the world would rapidly speed up due to its new character as a binational state which had previously separated one group from the other. It does not satisfy Israel's security needs because it would then be economically and morally responsible for millions of new citizens that do not have clear access to infrastructure. Any discussions over the right of return would end this deal as a possibility due to the demographic changes that would ensue. "It is impossible to continue keeping 3.5 million Palestinians under occupation—yes it is occupation, and it is bad for Israel … Controlling 3.5 million Palestinians cannot go on forever."[85] Prime Minister Ariel Sharon acknowledged that an Israeli government cannot control the Palestinians and annexing the West Bank and Gaza would make any occupation of disputed territories permanent. The one-state solution is an idea being proposed outside of history, and in the words of Abba Eban: "not in a single minute in a day do the ... Palestinians and Israelis share a common memory, sentiment experience or aspiration' to make a binational or unitary state remotely possible."[86] The Israeli argument for a one-state solution seeks to prevent the Palestinians from having their own state while the Palestinian argument for a one-state solution is to change the Jewish nature of Israel. Therefore, the one-state solution is not a solution to the Israeli-Palestinian conflict.

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[85] Yiftachel, Oren. "Neither Two-states Nor One:The Disengagement and "Creeping Apartheid" in Israel/Palestine." Department of Geography and Environmental Development , Ben Gurion University of the Negev, Beer Sheba. Accessed May 8, 2015.

[86] Susser, Asher, Israel, Jordan, and Palestine: The Two-State Imperative (Waltham, MA: Brandeis University Press, 2012), pp.1–7.

Three State Solution

Despite this paper outlining the merits of a three-state alternative, the concept does not come without detractors. The two-state solution has been the plan that has been followed for fifty years and has yielded progress. The theory of three-states appears to weaken the Palestinians and divide society rather than approach the conflict by acknowledging its sensitivities.

In 2011, Dennis Ross was in Israel and said the following:

> Among some I heard an interesting proposal: Let's make the West Bank work -- socially, economically and institutionally -- then hold up our model of success in contrast to the failure of Gaza, where functional unemployment is close to 70 percent. Let Hamas preside over a dysfunctional, lawless state. We will build our own. Let's create understandings with Jordan and Israel for at least economic confederation and security. And if Hamas still hangs on in Gaza, perhaps there can be a three-state solution.[87]

Ross has his doubts about the proposal, writing that it "sounds good in theory, but I doubt it would work. No matter how sensible confederation between the Palestinian state and Jordan might be, at least economically, a failed state in Gaza would be a constant source of instability. Israel wouldn't find it easy to occupy just a narrow strip of territory to stop smuggling."[88]

Rather than a means to destabilize the region, Malcolm Lowe writes that the permanent separation between Gaza and the West Bank is a necessary condition for both present stability and any future settlement of Israeli-Palestinian relations.[89] With Egypt's

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[87] Ross, Dennis. "The Specter of 'Hamastan'; More Must Be Done to Counter Islamist Gains in Gaza." The Washington Post, June 4, 2007. Accessed April 27, 2015. http://www.washingtonpost.com/wp-dyn/content/article/2007/06/03/AR2007060300953.html.
[88] ibid
[89] Lowe, Malcolm. "The Three-State Solution" Gatestone Institute. http://www.gatestoneinstitute.org/3171/three-state-solution (accessed March 17, 2015).

security assistance, the need for Israeli intervention and possible occupation of Gaza to secure the border is overstated. As mentioned previously in the paper, Egypt has destroyed smuggling tunnels in Gaza and faces similar threats against Islamist forces therefore they are a trusted international partner to help maintain stability and security along the Gaza border.

Another critique of the three state solution by Ross is that Palestinians still have a common identity as Palestinians; the creation of a Palestinian state without Gaza would be an endless source of grievance and irredentism.[90]

The negotiators from the Palestinian Authority don't represent the citizens of Gaza since they have no control or governance of the district therefore to negotiate a settlement between two parties would not result in the desired enduring peace and calm. "Israel's policy must be premised on the understanding that Gaza is a de facto state in every way. It has clear geographical boundaries, a stable regime that was elected democratically, and an independent foreign policy."[91] This fresh approach is not to advocate on engaging Hamas as an legitimate political entity but rather further isolating the terrorist group by engaging and rewarding the Palestinian Authority for largely abiding by their security agreements and cooperation on many different levels with the Israeli government. Regarding the argument that a Palestinian state that does not comprise of both the West Bank and Gaza causing irredentism, the reality of the status quo is that the West Bank and Gaza are separate entities due to the two ruling factions in

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[90] Ross, Dennis. "The Specter of 'Hamastan'; More Must Be Done to Counter Islamist Gains in Gaza." The Washington Post, June 4, 2007. Accessed April 27, 2015. http://www.washingtonpost.com/wp-dyn/content/article/2007/06/03/AR2007060300953.html.
[91] Eiland, Giora. "New Gaza Policy Needed." *Yediot Aharanot*, June 27, 2012. http://www.ynetnews.com/articles/0,7340,L-4248117,00.html.

each of the territories. As Giora Eiland says, Gaza is a de facto state in every way, therefore acknowledging this will allow both territories to maintain their own identity and operate in reality rather than the two-state paradigm that does not reflect the facts on the ground.

When examining the statistics and arguments in this thesis, the viability for independent states in the West Bank and Gaza has grown stronger. The West Bank has an economy that has experienced growth in the last few years and is reflected in the development of the territory in terms of investment and infrastructure progress while Gaza also grows but does not have the infrastructure to sustain long-term development and building. In the summer of 2014, a conflict between Israel and Hamas significantly damaged Gaza and hundreds of homes. It was the third conflict in six years and each time, the Gazan infrastructure and its neighborhoods suffer considerable damage that prevent true growth from taking place. The success of Palestinian territories depends on its financial stability and in Chapter 1, the potential of a Gazan economy based on its seaport and access to trade routes along with the potential of a West Bank economy that continues on its current pace of international investment and technological advancement signals the best chances of prosperous economic conditions in the territories. In 2010, 38% of individuals in Gaza lived below the poverty line, compared to 18% in the West Bank. As an October 2011 World Bank report noted, there is "a stark regional difference in poverty" between the two territories, and "this divergence is increasing over time."[92] The greater the divergence between the two economies, the less likely it is to combine the

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[92] Makovsky, David. "Tracking Economic Growth in the West Bank and Gaza since 2007." The Washington Institute for Near East Policy. December 27, 2011. Accessed April 27, 2015. http://www.washingtoninstitute.org/policy-analysis/view/tracking-economic-growth-in-the-west-bank-and-gaza-since-2007.

two without sowing the seeds of discontent in Gaza while the more advanced West Bank grows without them.

The lack of a unity government and cultural differences in the Palestinian territories are another obstacle to the two-state solution and reason for a three-state solution. Fatah in the West Bank and Hamas in Gaza don't respect each other's jurisdiction and the gap between the two territories is growing deeper as they head in different directions. As Khalil Shaqqidi explored in his research on Palestinians in the West Bank and Gaza, there is the presence of "a psychological barrier between the inhabitants of the two territories and . . . mutual suspicion" that cannot be "disregarded or ignored."[93] The Palestinians are not a united nation therefore the attempt to treat them as such has not yielded the desired results. Treating Gaza and the West Bank as separate entities enables the Israelis to negotiate with the Palestinian Authority while they both further isolate Hamas in Gaza.

The peace process has stalled and resumption of the process is not imminent under current conditions. Three states for two peoples create a new reality, a new framework and a new set of incentives for all parties at the negotiating table to engage and create optimal conditions for an enduring, stable peace. The divisions that exist within Palestinian society are growing deeper, making the two-state solution a less feasible outcome. Three states address the divisions within the Palestinians, addresses Israeli security concerns and promotes a renewal of negotiations between the Palestinian Authority and Israel. This is an approach that corrects imposed mistakes like Sykes-Picot by addressing cultural, political and local differences and encourages them in order to

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[93] Shaqaqi, Khalil. "The West Bank and Gaza Strip: Future Political and Administrative Relations." 1994, 83, 78.

create more stable entities. The peace process needs to be revived and the three-state

solution presents a viable alternative to do so.

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