

# Last Exit? A Three-State Solution to the Israel-Palestinian Dispute

Written by Martin A. Smith

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MARTIN A. SMITH, NOV 3 2023

The current conflict between Israel and Hamas in the Gaza Strip has given a new lease of life – in the rhetorical realm at least – to international demands to finally bring to fruition the two-state solution to the Israel-Palestinian dispute, entailing the creation of a viable, sovereign Palestinian state in the West Bank and Gaza. To western and many other international observers this is the fairest and most rational solution to the conflict. The problem is that, seventy-six years after it was first put forward as the preferred choice of the international community (by the UN General Assembly in November 1947), there is still no convincing evidence that this option can be made to work, notwithstanding intense periods of tripartite diplomacy brokered by the US.

Partly in response to these serial failures there has been a revival of academic interest in a potential one-state solution. This harks back to the view advanced by Arab political leaders in British mandatory Palestine in the 1920s-1940s and the leaders of neighbouring Arab states, that the only just, fair and sustainable solution should be based on establishing a single, unitary democratic state of Palestine, governed by its (then-)Arab majority and with a pledge of full political, civil and religious rights for minority populations, including Jews. If the one-state option ever had a chance of being adopted, this effectively disappeared with the creation of the state of Israel in May 1948. Its current iteration, by definition, would require the Israeli state to be transcended by a binational or bicomunal entity granting equal rights to the five million Palestinians currently in the West Bank and Gaza. It thus stands no chance of being adopted by the current or any future Israeli government.

With neither the two- or one-state options offering a practical solution, the situation appears bleak. The international community in its initial responses to the 2023 Israel-Hamas war offered little more than hand-wringing and mantra-like exhortations for one more push for a two-state outcome. Given the polarisation caused by the 7 October Hamas attacks and the response by the Netanyahu coalition government, there is even less prospect of such an outcome being agreed today than on previous occasions when negotiations were tried and failed. There is, however, one glimmer of hope. This rests on taking a fresh look at a hitherto seldom-considered alternative: a three-state solution.

### What is the three-state solution?

There are two variants of this option. The suitability of the first can be quickly discounted, if only on the grounds of its obvious unviability in light of the Israeli government's stated intention, post-7 October, to "destroy Hamas". This variant assumed the existence of one *de jure* (Israel) and two *de facto* states, in Gaza (led by Hamas) and the West Bank under the internationally-recognised Palestinian National Authority (PA). While not offering an actual solution to Israel-Palestinian animosities, proponents suggested that this reality incentivised the three parties to coexist and manage tensions and disputes between them so as to avoid armed conflict. The 7 October attacks on Israel have terminally undermined these assumptions and destroyed the long-standing strategy of Prime Minister Netanyahu to divide and dominate the two areas of occupied Palestinian territory by tacitly underwriting Hamas's control of Gaza while containing it militarily and keeping the West Bank PA weak and discredited.

That leaves the second three-state variant. This has an immediate advantage over the other proposed solutions in that it is not historically hypothetical. It actually pertained for two decades, from the conclusion of the Armistice

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agreements between Israel and its Arab neighbours in 1949 to the six-day war of June 1967. During this period, the West Bank and Gaza Strip, i.e. the areas of mandatory Palestine earmarked in the UN partition plan for an Arab Palestinian state that had not been conquered by Israel during the wars of 1948, were absorbed by Jordan and Egypt, respectively. The Arab populations of mandatory Palestine who had not fled to other Arab states thus found themselves living in one of these three states.

A contemporary three-state solution would mean abandoning the fruitless quest for a separate Palestinian state while at the same time negotiating an end to the Israeli occupation of Gaza and the West Bank and restoring the pre-June 1967 status quo. The pros and cons of this option have hitherto received very little coverage, a situation perhaps exacerbated by its association with American hawks, including former Trump national security advisor John Bolton, and also Israeli officials seeking to offload responsibility for the occupied territories onto neighbouring Arab states. In the aftermath of the 7 October attacks however, there is an urgent need for fresh and radical thinking on what might be done to move beyond the seemingly intractable Israel-Palestinian dispute. The three-state solution is a means of doing so and should be judged on the basis of its merits rather than its proponents.

## **First time around: The three-state solution 1949-1967**

The era during which the Arab populations of the former mandatory Palestine lived in one of the three states was at least relatively-speaking, a stable and peaceful one. The wider and ongoing Arab-Israeli disputes did produce two major conflicts during this period: the Suez crisis of 1956 and the six-day war 11 years later. These had little directly to do with the Palestinian issue however, and the Palestinian question was at least dormant during this time.

The Hashemite Kingdom of Jordan had completed its annexation of the West Bank in 1950 (dressing it up as a “Union of Two Banks”), while Egypt had occupied and maintained tight control of the Gaza Strip since 1948. Both were of questionable legality, given the UN vote in favour of creating a separate Palestinian Arab state (although only advisory, the original General Assembly decision had been buttressed by a series of legally-binding Security Council resolutions). They were, however, tacitly accepted internationally as they effectively neutralised the Palestine question and removed it from the regional and international agendas.

The current scholarly literature on Jordanian rule in the West Bank is sparse, but with important contributions, nonetheless. Joseph Massad notes that Jordan kept indigenous Palestinian political organisation and activity under tight control and refused to countenance the development of an autonomous Palestinian nationalism. In this respect the Hashemite monarchy shared a “solid bedrock” of common interest with Israel, as the Arab-Israeli historian Avi Shlaim has put it. Indeed, according to Massad the very name ‘Palestine’ was officially abolished and replaced with ‘West Bank’, an unused descriptor prior to Jordanian rule. The period was also characterised by sporadic imposition of martial law and use of the army and police to monitor and control local political activity. Overall, the Hashemite monarchy pursued a bifurcated approach to managing the Palestinian population on the West Bank. Palestinians were granted citizenship, including voting rights. In these respects Jordan pursued the most enlightened approach of any Arab state to its Palestinian population. On the other hand, the Jordanian government remained very averse to Indigenous Palestinian political groups gaining a foothold on the territory it controlled. This could have called into question the validity of its foundational constitutional “Union”.

After its eviction from the West Bank by Israel in June 1967, the Jordanian government remained ambivalent about the creation of a separate Palestinian state. It did not formally renounce its constitutional and political claim to the restoration of Hashemite rule in the West Bank until 1988 and, according to some analysts, still harboured ambitions to (re-)create some kind of Jordanian-Palestinian ‘federation’ even after the signing of the Oslo agreements of 1993-1995, whereby Israel had recognised the Palestine Liberation Organisation (PLO), (rather than the Jordanian monarch) as the “sole legitimate representative of the Palestinian people”.

On the nature of Egyptian rule in Gaza from 1948-1967 the available literature – again limited – offers mixed conclusions. Some analysts have written-off the Egyptian ‘Administration’ (as it was officially known) as little more than a repressive police state as far as the local Palestinian populations were concerned. Others have painted a more nuanced picture of significant personal and cultural freedom and some economic development during this

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period. There does seem to be a consensus – albeit across a limited literature – that *political* rights and freedoms for Gazan Palestinians were tightly constrained.

Although the restrictions imposed on indigenous political organisation and activity did play a role in curtailing any prospective Palestinian statebuilding efforts in Gaza in the 1950s and 1960s, there was little evident interest in or demand for this anyway. Partly, this was due to the careful way the Egyptian Administration was run. As Ilana Feldman describes in one of the few detailed studies of its workings published to date, the Egyptian authorities constructed a system of governance purposely based on the principles of ‘disassociation’ (i.e. minimising Egyptian interference in the day-to-day social and cultural lives of Gazans) and ‘deferral’ (of any constitutional or political change to Gaza’s status pending ‘final liberation of the whole of Palestine’). As Feldman notes, while Palestinian nationalism was not outright suppressed during the Egyptian Administration, it was effectively channelled “to be a dependent nationalism – subordinate to Egyptian political demands and not to be acted upon on solely Palestinian initiative”.

This gets to the essence of the matter. The three states concerned – Israel, Jordan and Egypt – were in tacit de facto agreement that a separate Palestinian state should *not* be established. And this stance provoked little apparent opposition, still less violent resistance, from the Palestinian populations living there. Had it not been for the unresolved inter-state disputes which culminated in the June 1967 war, there is little reason to suppose that the three-state order that had pertained since the late 1940s would not have continued indefinitely.

## A revived three-state solution?

The above tells us something important about the essence of Palestinian nationalism. The commentator Jacob Savage puts it well:

The idea that national identities remain static is a late 20<sup>th</sup> century fiction. Palestinian identity has been in flux since the Ottoman period, and there is no reason to think that it is now frozen in place. Indeed, after receiving Jordanian citizenship in 1950, many residents of the West Bank came to see themselves as Jordanian. Yet following the Israeli conquest in the 1967 Six-Day War, they quickly adopted a pan-Palestinian identity.

This explains the lack of Palestinian opposition to Egyptian and Jordanian rule in Gaza and the West Bank before June 1967, even though both were ‘occupation regimes’ with a questionable legal basis and incorporating elements of coercive military control. The crucial fact in both cases, however, was that they were also *Arab* regimes advancing pan-Arabist claims in order to underpin and justify their overlordship of the respective territories.

This challenges the established view that nothing less than independent sovereign statehood will satisfy the Palestinian aspiration for self-determination. It is suggested here that the fundamental goal of the contemporary Palestinian national movement is not independent statehood so much as bringing about the end of Israeli occupation in the West Bank and Gaza. If this can be accomplished by what John Bolton has called a “retrocession to Egypt and Jordan”, then a revival of the three-state status quo can provide a durable solution to the Israel-Palestinian dispute.

This is not to say that any “retrocession” would be easily accomplished. Yet, the contemporary situation does offer facilitative advantages over the earlier period of three-state rule. Israel today has established peace and normalisation treaties with both Egypt and Jordan. These provide a framework for a *negotiated* reversion to a three-state reality, as opposed to the situation that existed in 1948-1949 when it was established by force. In the earlier period, Jordanian and Egyptian control of the West Bank and Gaza was tolerated, rather than supported, by the international community. Today, any scheme that offered a realistic prospect of ending the Israeli occupation and resolving the core issue sustaining the contemporary dispute, would unlock hundreds of millions of dollars and euros in support from the US and European Union to assist the integration of the West Bank and Gaza into Jordan and Egypt, respectively. Given the economic challenges faced by both states, this is likely to be an attractive incentive.

Egyptian leaders could be particularly hard to persuade initially, given that Gaza is immediately adjacent to its Sinai Governate, which is regarded as a hotbed of discontent and potential terrorism by the Egyptian government. Yet

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these challenges have festered due to long-standing official neglect of the region and the international aid and assistance that would follow the incorporation of Gaza should, if spent wisely, help ameliorate it. The criminality and lawlessness associated with the smuggling of weapons and other supplies by Hamas across the Egypt-Gaza border could also be more directly and effectively addressed.

A revived three-state option should not be viewed as a gift to Israel, allowing it to slough off responsibility for Gaza and the West Bank to its Arab neighbours at no cost to itself. As part of a negotiated reversion, Jordan could justifiably demand the restoration of the West Bank as it was in June 1967, meaning that Israel would need to persuade or evict the tens of thousands of Jewish settlers who have moved there since – or else negotiate land-swaps involving equivalent Israeli territory.

This option is not a panacea. It would, by definition, resolve the issue of Israeli occupation of recognised Arab lands. It would not, however, directly address two other issues of core contention: the status of Jerusalem and the right of return of Palestinian refugees. Nevertheless, an agreed end to Israeli occupation of the West Bank and Gaza would generate new momentum on these issues too: perhaps involving building on the Hashemite monarchy's role as custodian of the Muslim and Christian holy sites in Jerusalem's Old City and combined repatriation-and-resettlement programmes for refugees involving Israel and a wider circle of Arab states.

Implementing a three-state reversion and then harnessing this to generate momentum to tackle the Jerusalem and refugee issues will be extremely challenging. There are no better options available however, as shown by the dearth of ideas over what should happen in Gaza when the current Israeli military operations there are completed. It is not an exaggeration to say that the three-state option is thus the last chance to negotiate a sustainable exit from the Israel-Palestinian dispute.

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