

**A POST-WAR
DIPLOMATIC
AGENDA FOR
ISRAELI-
PALESTINIAN PEACE
LFI POLICY BRIEFING**

LABOUR FRIENDS OF ISRAEL

WORKING TOWARDS A TWO STATE SOLUTION

A POST-WAR DIPLOMATIC AGENDA FOR ISRAELI- PALESTINIAN PEACE

LFI POLICY BRIEFING

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INTRODUCTION: NO GOING BACK TO THE STATUS QUO ANTE

The catastrophic war that has engulfed Israel and the Gaza Strip is an irreversible turning point in the history of the Israeli-Palestinian conflict. Those committed to the welfare and national rights of both Israelis and Palestinians need to focus on how to ensure that these horrifying events, that have caused unbearable pain for far too many Israelis and Palestinians, can be used to build a new and more hopeful future for all.

In these darkest of days, it is hard to imagine that any good can come from the death, misery and destruction. Yet this war – awful as it is – will bring dramatic political changes and can create in its aftermath new possibilities. The shock and tragedy of the 1973 Yom Kippur war led ultimately to a peace treaty between Israel and Egypt that has endured for more than 40 years.

International actors who have stood by Israel in this conflict will justifiably want to see a new diplomatic agenda built from the ruins of this war, to ensure that it never recurs. But in pursuing this agenda they must chart a realistic path that understands the mistakes of the past and takes account of the complex and changed reality.

While we cannot know the length of this conflict or its outcome, we do know that there will be at the end the same basic challenge that has defined the Israeli-Palestinian conflict for the best part of a century: two distinct national groups with strong claims to national rights in the same small piece of land. The central challenge remains how to create a stable political order with sufficient legitimacy for both these groups.

To end the conflict, ultimately, Israel must be a state that is secure, expresses the right of Jews to a national home, and does not occupy millions of Palestinians. At the same time, the Palestinians must enjoy the dignity of meaningful sovereignty and the opportunity to prosper free from occupation. A single Palestinian state in the Gaza Strip and West Bank, alongside the State of Israel, remains the best way to reconcile these goals in the long term. The two-state solution enjoys regional and international support and should remain the ultimate objective.

The political ramification of this war could include seismic changes in both Palestinian and Israeli politics that make that objective more attainable in the long run.

If Israel succeeds in its military goal, endorsed by its western allies, of decisively defeating Hamas and ending its rule of the Gaza Strip, this will strike a blow to the credibility of the Iran-led axis' violent means, religious ideology and absolutist goals, that

include replacing Israel with a single Islamic state. For three decades, Hamas' violent opposition has undermined diplomatic processes between Israelis and Palestinians. Its murderous suicide bombings in the 1990s and 2000s helped undermine the Oslo process, including the wave of bombings in 1996 that buried the election hopes of Shimon Peres and brought to power Benjamin Netanyahu after the assassination of Yitzhak Rabin. Its use of the Gaza Strip as a terror base after Israel's 2005 withdrawal undermined the case for territorial concessions inside Israel. A decisive defeat for Hamas would therefore remove an obstacle to peace.

This war is also set to bring about a political transformation in Israel. Polling shows that support for Netanyahu and his far-right coalition members, already waning due to the divisive judicial overhaul, has plunged further since the outbreak of the war. Were an election to be held now, the National Unity party of pragmatic centrist Benny Gantz – now serving in an emergency war cabinet – would emerge as by far the largest party.

A REALISTIC DIPLOMATIC AGENDA

However, even if Hamas is defeated, and a centrist leadership replaces the current coalition in Israel, we should not imagine this will pave the way to new talks to end the Israeli-Palestinian conflict.

There is an urgent need for an international diplomatic effort that includes Israel, the Palestinian Authority, and regional powers that share an interest in promoting stability and marginalising Hamas and Iranian influence. Israel will have to reaffirm its commitment to a two-state solution. But visions of renewed final status negotiations between Israel and the Palestinians, raising thorny issues including borders, Jerusalem and refugees, are not realistic any time soon.

Even in less fraught circumstances, negotiations to bring a conflict-ending accord have not born fruit. In the last substantive attempt in 2013-2014, when Netanyahu was pressured by the US into [accepting a framework](#) that US officials considered in “the zone of a possible agreement”, the PA's president, Mahmoud Abbas, was uninterested. This followed a similar pattern in earlier final status talks.

At the Camp David talks in 2000, Israeli prime minister Ehud Barak made unprecedented concessions, agreeing to a Palestinian state in most of the Gaza Strip and West Bank and even sharing sovereignty of the Old City of Jerusalem. Yet he met an uncompromising response from Yasser Arafat, prompting Bill Clinton to [blame the Palestinian leader squarely](#) for the failure.

In September 2008 Israeli prime minister Ehud Olmert [presented](#) Abbas with a deal for a Palestinian state in almost 100 percent equivalent of the Gaza Strip and West Bank, only for Abbas to fail to respond.

These past failures, and the perception of Israelis that territorial concessions only increase their exposure to Palestinian extremist violence, have been central to embedding in the mind of many Israelis that there is no Palestinian partner for peace; a belief that has empowered the right and undermined the left.

The Palestinian public, whose leaders have in the past lacked the will or strength to close the gaps, will not be any more flexible after this war. Abbas is deeply unpopular, now 87 years old, and likely to leave a complex [succession crisis](#) in his wake. Israelis too will be in no mood to compromise on final status issues, especially anything that hints of conceding on its ability to defend its borders.

So how can the changed reality be leveraged into a new framework for peace? International diplomacy should be focussed around four goals, which if pursued in parallel can be the basis for a shared agenda for Israel, moderate Palestinians, western allies, and like-minded Arab states.

Each of these goals should be framed as serving the shared objective of permanently marginalising Hamas and Palestinian Islamic Jihad and rolling back the agenda of their backers in Iran. The following is not a chronological sequence; all of these steps need to move forward in concert.

As so often in current international diplomacy, it is an ad hoc coalition of like-minded states that is best suited to facilitate this diplomacy, rather than UN institutions that are hamstrung by increasingly polarising great power competition or weighed down with an [obsessive bias](#) against Israel.

The role of third parties cannot be to impose terms or solutions, that can only be agreed ultimately in direct negotiations between the parties. Not can it be to force Israelis and Palestinians to do things they consider fundamentally at odds with their national goals and interests – such concessions are unlikely to pass muster with their respective domestic audiences and any resulting agreement could well prove brittle and unsustainable. Instead, the role of international partners is to provide processes, incentives, channels of communication, and a legitimising framework to enable the parties to cooperate on goals that are mutually beneficial.

MARGINALISING THE ENEMIES OF PEACE: FOUR PARALLEL GOALS

First, these actors should reaffirm the vision of the two-state solution and agree practical steps to breathe new life into the PA that do not require Israel to compromise on security. These would include new investment and aid packages; a gradual expansion of PA territory in the West Bank; freezing settlement construction in isolated settlements; and upgrading international recognition of Palestinian sovereignty in coordination with Israel.

The PA also needs to chart a path to renewed leadership that can bring reform, cut corruption and restore faith in its institutions, returning to the [spirit of institution building](#) and governance reform associated with the leadership of former prime minister Salam Fayyad. According to a [recent survey](#), when asked the main problem confronting Palestinian society, the largest percentage, 25 percent, say corruption (nine percent in the Gaza Strip and 35 percent in the West Bank), ahead of unemployment and poverty, and even the occupation. Corruption is one of many issues that must be addressed in Palestinian governance, alongside reforms to the judiciary, security forces, and press freedom. Ultimately the PA must be renewed through elections but in the short term the priority needs to be stabilisation and the exclusion of Hamas.

Practical steps towards Palestinian statehood would mark a significant change of direction for Israel, which under Netanyahu's leadership shifted away from that goal. Concessions to the Palestinians will be tough for any Israeli leader in the wake of this war. But most Israelis are not ideologically opposed to a Palestinian state and would prefer not to have millions of Palestinians under Israeli occupation. The previous Israeli "government of change", and especially Yair Lapid and Gantz, displayed a far more pragmatic and progressive approach to the Palestinian issue. As prime minister in September 2022, Lapid clearly affirmed his support for a two-state solution in a speech to the UN General Assembly. As defence minister, Gantz invested time and effort in building a relationship with Abbas, even hosting him in his home.

A majority of the Israeli public could be persuaded to accept these steps if they are presented as part of a necessary agenda to permanently exclude Hamas, and if they come in parallel with a second step: a normalisation deal with Saudi Arabia. Most Israelis [value](#) this prize highly, recognising its transformational potential for Israel's economy, security, and regional integration. Securing a deal with Saudi Arabia as a trade-off would enable a future Israeli government to manage domestic opposition to concessions on the Palestinian front. A recent [survey](#) (before the outbreak of war) found that 39 percent of Israelis supported a hypothetical deal that would bring peace with Saudi Arabia in return for concessions including a settlement freeze, compared to 37 percent opposed.

Opposition would remain significant from sections of the Israel right and far right. A future Israeli government will have to rein in the settlement movement and confront with determination the violence of extremist settlers and others intending to threaten Palestinians, incite tensions and undermine diplomatic progress.

Arab-Israeli normalisation must have clear benefits for the Palestinians baked in, so that Palestinian leaders, and the Palestinian public have more reason to see them as an opportunity rather than a threat. Abbas decided to condemn the Abraham Accords rather than engage in the process, marginalising the Palestinians from new regional development opportunities and [harming](#) relations with the UAE and Bahrain.

Projects that have been made possible by the Abraham Accords include a plan for UAE-built solar energy field in Jordan, which will provide energy to Israel in return for Israeli desalinated water. Another ambitious proposal announced at the G20 in September is for an [India-Middle East-Europe Economic Corridor](#) that will create rail, digital communications and energy infrastructure from India to Europe via the Arabian peninsula and Israel. To permanently marginalise Hamas and Iran, these mega-projects need to come with new economic and development opportunities for Palestinians. Within a framework of regional commitment to Palestinian statehood, the PA should be persuaded to engage positively, and bring the benefits to the Palestinian people.

The third element is a plan for the Gaza Strip. That territory and its long-suffering inhabitants need rehabilitation not just from the present terrible war but decades of conflict, tight Egyptian and Israeli restrictions, and, most damagingly of all, Hamas rule. A new administration must take the place of Hamas and many billions of dollars will be required for rebuilding homes and infrastructure. Donor states, Israel, Egypt and the PA must look squarely at the long-term socioeconomic prospects for a territory of more than two million people, around half of whom are under the age of 15, which had unemployment over 40 percent (70 percent among young people) even before this war.

Ultimately, only a Palestinian government can secure legitimacy from the population. But the PA, which has remained deeply involved in Gaza even after Hamas expelled it in 2007, is very unpopular, and its leaders unwilling to “return to Gaza on an Israeli tank.” Establishing a post-Hamas administration is a complex challenge to be solved between Israel, the PA, Egypt, and external Arab and western supporters.

It may involve a PA-backed but [autonomous Palestinian technocratic leadership](#), reinforced by an Arab-led international mission on the ground. With Hamas overthrown and an internationally backed consortium in place, development plans for Gaza that until now moved at a snail’s pace could accelerate. In a September 2021 [speech](#) as Israeli foreign minister, Yair Lapid laid out proposals for rehabilitation and economic

development in the Gaza Strip in return for security and the restoration of PA authority. Long-planned measures (set out in a [December 2022 LFI publication](#)) that could be advanced include connecting Gaza to Israel's gas grid; expanding water desalination; repairing and upgrading power, communications and water infrastructure; creating new industry and employment opportunities; and a new basis for movement and access, including via the sea. As [Lapid said](#) in his 2022 General Assembly speech to the people of Gaza: "We're ready to help you build a better life, to build an economy ... We only have one condition: Stop firing rockets and missiles at our children."

A fourth element, the potential for which is inextricably tied to the other three, is a massive investment in promoting a culture of peace. The Abraham Accords showed how a language of coexistence and kinship between Jews and Arabs could reinforce the political and strategic value of normalised relations. Within Israel, the extraordinary political courage of Mansour Abbas, leader of the United Arab List (Ra'am) party, in joining the Bennet-Lapid "government of change", also showed the possibility of a new kind of Arab-Jewish relationship.

This war is endangering that progress and creating new wounds of bitterness and hatred. But a political context of meaningful progress towards Palestinian statehood on the ground; economic and social development; and regional normalisation, is one in which investment in hearts and minds may have a better chance to succeed.

Officially sanctioned incitement by the PA must now be addressed with seriousness and urgency. A diplomatic package which puts the two-state solution back on the agenda must include an unequivocal demand that PA curricula stop the promotion of antisemitism and "martyrdom". The PA's appalling practice of paying salaries to convicted terrorists must stop.

Israeli extremists must also be marginalised. Far-right racists must now be allowed to spew their hatred and incitement, certainly not from the Israeli cabinet table. Demands for fundamental reform of Palestinian discourse can only reach their potential in a context in which Israelis recognise legitimate Palestinian rights.

And the effort must be bottom up, as well as top down. In place of the promotion of a culture of hate, it is time to invest in an International Fund for Israeli-Palestinian Peace. Modelled on the International Fund for Ireland, which was established in the darkest days of the Troubles in the mid-1980s, it is credited – not least by the UK's chief negotiator, Jonathan Powell – with laying the ground for the Good Friday Agreement. In the case of Ireland, [investments](#) in peacebuilding projects equated to \$44 per person per year, compared to around \$2 spent on Israel-Palestine. Projects in Ireland ranged from sports clubs for children and young people to environmental, cultural, economic and interfaith groups, fostering the values of peace, reconciliation and coexistence. We need to be

realistic about the prospects for bottom-up peace building in the immediate aftermath of this war, but alongside a changed political reality and a regional diplomatic process, this dimension is indispensable.

CONCLUSION: NEW VISTAS FOR PEACE

It has been said countless times over recent years that status quo was not sustainable and that conflict management could not hold forever. Now the status quo has collapsed and there is no going back. Something new must be born. Difficult to conceive right now, this war – like that in 1973 – may yet open new vistas for peace.

However, it will be impossible for Israelis and Palestinians, even those that have the will and the vision, to shape a new and better reality out of the rubble and despair without intensive international diplomacy, support, and pressure. The UK, together with US, European, and Arab allies, must bring a realistic yet ambitious vision for a post-war diplomatic agenda.

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