I wish to thank the Leonard Davis Institute, the Swiss Center for Conflict Research, and the Israel Institute, for inviting me to the Hebrew University of Jerusalem to attend the Workshop "Israel in the Shadow of Conflict" and for soliciting my response to the many informative papers presented there and the impressions I acquired from my short visit to Israel and the Palestinian territories. I am happy to share these thoughts.

In the short to medium term, the Israeli occupation of the West Bank and East Jerusalem seems sustainable, given the current levels of terrorist violence and other forms of overt opposition. In the medium to longer term, however, it seems headed for catastrophe, as these levels are likely to increase. The example of the rise of Hamas from a fringe religious movement in the 1970s and 1980s to a political and military force capable of seizing control of Gaza from the mainstream secular PLO/Fatah organization early in the 21st century seems relevant to future developments in the case of a prolonged occupation of the West Bank and East Jerusalem.

Palestinians appear unwilling to accept continued occupation, while the Israeli government appears unwilling to offer military withdrawal or to cease funding the expansion of Israeli settlements in the West Bank and East Jerusalem. There appear to be eight major obstacles to breaking this political stalemate and establishing a Palestinian state in the West Bank and East Jerusalem:

- 1) Israeli concerns that an independent Palestinian state would weaken Israel's security
- 2) International restraint or pessimism after the failures of the peace process since 2000
- 3) The cycle of continued military occupation of the Palestinian territories and sporadic terrorism against Jewish civilians, embittering each side
- 4) Proponents of a single state (whether unitary or federal), who exist on both sides. Some Israelis, including government ministers, favor incorporating all or most of the occupied West Bank and East Jerusalem into Israel and the "transfer" elsewhere of their Palestinian inhabitants. Conversely, some Palestinians, and some Israeli Arabs, argue that all of Israel as well as the Palestinian territories should become "one state", in which they believe Palestinians will become a majority of the population within a decade.
- 5) Israel's current insistence that the Palestinians first recognize not just Israel's right to exist (which the PLO/Fatah has recognized, and Hamas has not), but also specifically its existence as a Jewish state.
- 6) The insistence of many Palestinians on their right to return to their former homes in Israel from which they fled or were expelled in 1948 or afterwards.
- 7) Disagreements over the future of the 600,000 or more Israeli settlers in the West Bank and East Jerusalem
- 8) Uncertainties caused by Hamas' different position towards Israel than that of the PLO/Fatah, and by the latter's attempt to forge a united position.

The major Arab states close to Israel – Egypt, Jordan, Syria, and Iraq – no longer pose military threats to it. Egypt and Jordan have signed peace treaties with Israel. Syria and Iraq have collapsed into chaos. Iran is more distant and its denuclearization is being internationally verified. Saudi Arabia has recently reiterated its peace proposal, supported by most of the Arab states, to recognize Israel in return for its withdrawal from the occupied territories. The proximate threats Israel faces are largely from non-state or quasi-state actors such as Al Qaeda and Daesh/ISIS, both now active in Syrian territory, and from Hamas in Gaza and Hizbollah in Lebanon.

Would the establishment of a Palestinian state in the West Bank and East Jerusalem exacerbate these existing threats to Israel more than continuation of the Israeli occupation there would do?

Certainly not if the Palestinian state agreed to be demilitarized, at least to acquire no heavy weaponry such as tanks or artillery, including rockets. If the Palestinians were willing to refrain from militarization in practice, they need not abandon their right in principle to defend themselves as a state. Any agreement with Israel, for instance, could state affirmatively that like other peoples the Palestinians possess and retain the right to arm themselves, but that they have decided (as Costa Rica has done) not to exercise that right, in the interests of good relations with their neighbors.

Such an agreement, guaranteeing Israel a peaceful eastern border and Palestine an internationally recognized independence, would be much less likely to result in the political infiltration or expanded influence of Al Qaeda or Daesh or the strengthening of Hamas in the West Bank or East Jerusalem, than would a continuation of the unpopular Israeli military occupation there.

How could such an outcome be achieved, given international restraint and the Israeli government's reluctance to negotiate on these terms, along with the suspicion of many Israelis that the Palestinians want more than Israeli military withdrawal from the West Bank and East Jerusalem (e.g. the right of return of Palestinians to Israel)?

The Palestinians, as they did in 2005, could be encouraged to hold a credibly monitored election throughout the West Bank, East Jerusalem, and Gaza. Such an election need not necessarily be for the purpose of selecting new leaders, but specifically to choose a representative or a team to negotiate with Israel for an end to the military occupation of the West Bank and East Jerusalem and the establishment of an independent Palestinian state. As election candidates, the Palestinian President could nominate a team to represent him in immediate post-election negotiations on the basis that the new state they seek to establish would have no designs on pre-1967 Israeli territory and would become a demilitarized state that threatens none of its neighbors. Other political groups, including Hamas, could of course stand candidates in these elections with different negotiating platforms. The election result could therefore be a clear statement of the preferences of the Palestinian people.

It may be that Hamas or a group proposing a "one-state solution" could be elected to represent the Palestinian people. In that case, unless Israel and Hamas changed their mutually antagonistic positions, negotiations would be unlikely to proceed. But otherwise, the Palestinians would have demonstrated a readiness to negotiate seriously and immediately with Israel for an end to its military occupation in return for a demilitarized Palestinian state, and they would have elected a specific leadership authorized to negotiate on that basis.

In an international vacuum, that opportunity might not be too difficult for an intransigent Israeli government to bat away. But it could prove almost impossible for the United States and Europe to ignore. A democratically elected, moderate, peaceful appeal for independence coming directly from a people undergoing their fiftieth year of an illegal military occupation could have a powerful global resonance, especially among those with a deep well of sympathy for both the Jewish and Palestinian peoples. There would be every incentive and widespread international support to push the Israeli government hard to reach an equitable settlement along these lines.

Domestically in both Israel and Palestine, the expressed wish of a Palestinian majority for a peaceful two-state solution would also seize the initiative from the one-state proponents found on both sides of the conflict. Israeli expansionists who wish to incorporate the occupied territories within a Greater Israel would have to face the clear opposition of the inhabitants whom they would wish to deprive of a vote, if not also of their residence there. And Palestinians and others who continued to claim Israel itself as part of their future state would have to face the fact that they would be holding hostage to a long-term ideal the majority of Palestinians in the occupied territories by obstructing their expressed and more achievable wish for a state of their own in the West Bank and East Jerusalem.

In any future negotiations with Israel, the Palestinian side may or may not be willing to recognize Israel as a Jewish state. Alternatively, the Palestinian side could make a statement to this effect: "The religious or secular nature of any sovereign state is a matter for the citizens of that state, not for other sovereign states to endorse or oppose. The Palestinian people recognize the long-term persecution and genocide to which people of Jewish identity have been subjected, particularly in Europe, and we acknowledge the importance of the state of Israel as a home and a refuge for people of Jewish identity."

Israel may or may not be prepared to accept back any 1948 Palestinian refugees who wish to return to their homes in Israel. However if it is prepared to accept a small or token number of elderly refugees (a figure of 25,000 has been mentioned), it may be prepared to make a gesture to assuage the Palestinian side by accepting a general principle of the right of return, while insisting that its practical implementation be decided first by a joint commission on a case by case basis, ruling on questions such as documentation of former residency, with Israel reserving the final right to issue or deny a visa in each case.

It is however, much more likely that Palestinian refugees and exiles and their families would prefer to live in a newly independent Palestinian state in the West Bank and East Jerusalem, perhaps after a long-awaited visit to their former homes in Israel.

As for the 600,000 Jewish settlers in the occupied West Bank and East Jerusalem, two-thirds of them live in areas closely surrounding Jerusalem to the north, east and south. According to a former Israeli military officer who provided our Workshop group with a detailed guided tour of that region, these settlement blocks could possibly be incorporated into Israel in return for lands within Israel that could be transferred to the new Palestinian state.

It would seem advisable that any such "land swaps" involve areas in the north of Israel (apparently such lands that are currently part of kibbutzim and moshavim have been proposed), rather than areas in the south adjoining Gaza that could strengthen the power of Hamas, whose position on such negotiations at any rate remains to be determined.

In sum, the major obstacles to a two-state solution based on pre-1967 borders with agreed land swaps seem surmountable. The first hurdles are Israeli government goodwill and international determination, and the key to mobilizing those may be the level of Palestinian popular demand for a peaceful two-state solution, determinable in a democratic election.

A Palestinian non-official to whom I talked at length in early June said: "We made a major mistake in 1948 and again in 1967, by leaving our homes. We are not going anywhere now, although Israel would like us to go away. We are staying put, and Israel will have to deal with us. And we know that Israel is not going away either. Israel is a highly advanced, powerful country. It is here to stay. We accept that. We would be happy to have our Palestinian state in the occupied territories, alongside Israel, if it withdraws from the West Bank and East Jerusalem."