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The Jerusalem Union - A New Paradigm

Political Framework for a Two-State-Union Solution and a Road Map to Get Us There

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This proposal outlines a plan to resolve the Israeli-Palestinian conflict through a series of stages that form a new paradigm for peace based on the two-state solution. It will begin with a commitment to ending the violence and building trust based on mutual recognition. We will lay out our case for a new way of looking at the two-state solution with a new paradigm, and then detail the terms of a renewed interim agreement to create the space to implement this revolutionary new look at the two-state solution to change the shape of the Middle East.



The Challenges:

Israel and Palestine are at a crossroads. After around 18 years of relative calm since the end of the second intifada and Gaza disengagement on October the 7th 2023, the calm has been broken. During those 18 years, Israel saw an unprecedented period of economic growth more than doubling the economy, while Palestine's economy stagnated. For the most part, the situation in the West Bank had remained relatively quiet due to the security coordination with the Palestinian Authority in Ramallah.

This calm was periodically broken by 'rounds' of violence clashed with Hamas in Gaza though most of this was done in a 'stand-off' manner with Hamas shooting rockets into Israeli civilian areas that would mostly get shot down by our Iron Dome defense system and we would retaliate with airstrikes. But on October 7th the violence reached out and touched us, up close and personally, and the situation will not remain the same.

What took us here in the wake of the failure of the Oslo process to produce a final agreement were several key issues that remain as relevant today as ever. First and foremost was the violence, particularly the 'armed resistance' of various Palestinian factions, most notably Hamas, as well as violence in response from Israelis against Palestinians. This created an environment where the trust needed to finalize an agreement was almost impossible. Second, there had been a disparity in terms of proximity between the Israeli and Palestinian positions on several key issues, like Jerusalem, land swaps, Israeli settlers, and Palestinian refugees.

Following the end of the second intifada, several key factors came to define this period even during the period of 'relative calm'. On the Palestinian side, there was a perception that a diplomatic tract with Israel had not yielded any fruit. The Palestinian Authority which had at one point agreed to give up armed conflict and pursue a course of dialogue with Israel has lost popularity because it is seen to have not accomplished its mission. At the same time, the Israeli left lost power to the Israeli right. The Oslo Agreement meant to usher in a new era of Israeli-Palestinian peace had collapsed.

Hamas overthrew the Palestinian Authority in Gaza in a violent coup in 2007 this was followed by the rise of right-wing political parties in Israel starting with the 2009 victory of Benjamin Netanyahu's Likud over Tzipi Livni's Kadima. While Netanyahu did give his famous Bar Ilan speech that same year, his overall negotiating positions on the terms of a Palestinian state were significantly farther from the Palestinian position than under the previous left-wing administrations, and therefore no real substantive agreements have been made between the Israelis and Palestinians in terms of progressing the peace process that began with Oslo in 1993.



Understanding the full complexity:

The Palestinian-Israeli conflict started well over 100 years ago. The history is fascinating and could fill books. However, we'll just give a basic overview of what we are dealing with here. We have a relatively small territory that can not be easily divided into two defensible and economically viable territories. We have two people who are both seeking a state on this territory where their people are a significant majority and where they can practice self-determination and feel secure. At the same time, both people have a strong historical, cultural, and religious attachment to the full territory.

The territory was de facto divided into three parts as a result of the war of 1948, the largest of the three parts is the State of Israel, and the remaining two parts, the West Bank and the Gaza Strip are expected to become the State of Palestine as part of a peace agreement to end the conflict.

The territory of Israel-Palestine today contains approximately 14.9 million people, 7.7 million Israeli Jews, in the broad sense, including descendants and spouses of Jews and 7.2 million Palestinian Arabs, in the broad sense, including the 1.7 million Arab citizens of Israel, some of who identify themselves also as Palestinians and some who do not. The territory of the State of Israel has a population of approximately 9.7 million people; this number includes 360,000 Palestinian Arab residents of East Jerusalem and around 720,000 Israeli Jews living over the Green Line. The West Bank and Gaza combined contain another 5.2 million Palestinian Arabs.

The territory of the West Bank is landlocked and does not connect to the Gaza Strip, and transportation between them requires passing through Israel or traversing at least two other states. Israel has an economy that is over 20 times the size of the Palestinian economy. Palestine does not have economic viability without economic cooperation with Israel.

The territory of the West Bank territory towers several hundred meters over the economic heartland of Israel, the greater Tel Aviv area. Israel does not have defensive viability without security cooperation with Palestine. Given the history of military conflict between Israel and the Palestinians, as well as between Israel and its other neighbors, it is unlikely that Israel will be able to be fully secure without maintaining at least some military presence in the West Bank (including in the Jordan Valley) for regional deterrence and monitoring. At least for the foreseeable future, until such time that the Middle East region is a much more stable and peaceful place.

Over the last 57 years, Israel has enabled, and at times even encouraged, the relocation of what is now over 720,000 of its Jewish citizens over the Green Line into the West Bank territory. Even with modest 'land swaps' to adjust the borders in a final status agreement, there would likely be at least 200,000 Jewish Israelis remaining on the Palestinian side of the border. Israel is not easily going to agree to relocate these people for a range of political and cultural reasons.



Firstly, it is not in the spirit of fairness and equality to remove the entire Jewish population from the Palestinian territory while at the same time, there are nearly 1.7 million Arab citizens of Israel living on the Israeli side. Secondly, it has been the Israeli experience that when it removes its civilian population from a territory that territory can become a base for an attack against Israel. The Israeli Jewish settlers are seen as the eyes and ears of Israel in the West Bank and Israel, rightly so, considers the territory of the West Bank essential for its security.

Thirdly, the West Bank is the heartland of Jewish civilization and history, with hundreds of historic, archeological, and religious sites associated with Jewish history. The region is called Judea and Samaria by the Israeli Jews, Judea is from the same root as the word Jew and is where the Jewish people get their name, and Samaria was the capital of the ancient Kingdom of Israel. There is no place in the world where the Israeli Jews are more indigenous than the West Bank. For these reasons, a solution that doesn't involve removing the Israeli Jewish population from the West Bank is certainly preferable.

Similarly, the Palestinians are very historically and culturally attached to the territory of the State of Israel, nearly 40% of the Palestinian population of the West Bank and Gaza (today around 2 million people) had, before 1948, lived in what is now the State of Israel. According to polls only a minority, around 10%, of this population (around 200,000) would want to relocate to the State of Israel if given the option. However, there is still a very strong emotional attachment to the territory, and any solution that allows Palestinians access to the territory of the State of Israel is similarly preferable.

Both Israelis and Palestinians claim the city of Jerusalem as the capital of their state. Currently, the population of the city is about 60% Israeli Jewish and 40% Palestinian Arab. The Palestinian Arabs who live in Jerusalem are for the most part not citizens of Israel, instead they are only residents, with the option to attain Israeli citizenship if they want, and most have chosen not to. For the most part, the Jewish Israeli residents of the city live in the Jewish neighborhoods of the city and the Palestinian Arabs live in the Arab neighborhoods of the city.

Nearly 30% of the workforce of Jerusalem are Palestinian Arabs and most of the economic centers of the city are in the Jewish neighborhoods. Over a third of the Israeli Jewish population of the city lives in Jewish neighborhoods over the Green Line in what is known as 'East Jerusalem'. The Israeli Jews consider all the Jewish neighborhoods of the city to be part of Israel and the Palestinian Arab residents of the city consider all of the Arab neighborhoods of the city to be part of Palestine and both sides claim the "Holy Basin" at the center of the city where the Old City of Jerusalem and the associated holy sites are located.

Neither side is interested in a physical barrier separating the parts of the city or even dividing the city into separate municipalities as this would be practically and economically disruptive to both sides. The desire to "divide" the city into Israeli and Palestinian spheres is largely of symbolic and cultural importance.



The New Paradigm Solution

In a two-state solution where, in the long run, there was no physical barrier in Jerusalem, there would be no barrier between Israel and the West Bank at all since one could just walk or drive to the other side of the city. In addition, if we are talking about a situation where there was a Jewish Israeli population still thriving in the West Bank as well as a limited Israeli military presence, while at the same time, Palestinians were equally welcome in Israel, it's starting to look like a radically different vision for how a two-state solution could be. Not one with hermetically sealed borders and security apparatuses, bypass roads, and airport-like security in the old city of Jerusalem. But one with no barriers at all between the two states.

In this vision, we are talking about two states, but instead of a giant concrete wall between them, we can have a sign that says 'Welcome to Palestine' on one side and 'Welcome to Israel' on the other side. Instead of being protected by intensive security measures to keep the populations separate we are being protected by deep reconciliation and intensive cooperation in several fields, including economics, security, environmental protection, and preservation of important cultural heritages of one of the most culturally significant places on earth.

As an Israeli, I think this sounds like a much more attractive vision for peace based on cooperation and not separation. The question is, how do we get there? The first step is to end the violence and start a process of mutual recognition that can create an environment where we can build the trust that makes a vision like this possible.

Ending the violence and mutual recognition

So, what would need to be the foundation stone of the agreement, is for both sides to go back to that first paragraph of the Oslo Accords which stated that both sides “*agree that it is time to put an end to decades of confrontation and conflict, recognize their mutual legitimate and political rights, and strive to live in peaceful coexistence and mutual dignity and security and achieve a just, lasting and comprehensive peace settlement and historic reconciliation through the agreed political process.*”

The first part of this agreement needs to be that Israel and Palestine both agree to stop confrontation and conflict. That means that Palestine and any party that gets to participate in the politics of Palestine needs to agree to resolve the conflict through dialogue and not through violence, or 'armed resistance'.

The second part here is that Palestine and Israel both need to recognize each other as legitimate states. In the second paragraph of the Oslo Accords, the one labeled 'Article 1', it says the following “



It is understood that the interim arrangements are an integral part of the whole peace process and that the negotiations on the permanent status will lead to the implementation of Security Council resolutions 242 (1967) and 338 (1973). This suggests that the resulting peace agreement would be based on the the Pre-1967 lines, also known as the 'Green Line'. This is the crux of the UNSC Resolutions 242 and 338 which call for peace between Israel and its neighbors based on returning to those borders.

Everything else will flow from these two principles here. This agreement would be between Israel and the Palestinian Liberation Organization and this agreement would have to be binding on the Palestinian Authority and every political party permitted to participate in the Palestinian Authority elections. The core of this would be the following declaration.

1. Palestine, which for his agreement also includes any political party that is a part of the Palestinian Authority and PLO, agrees to recognize Israel as a legitimate state and renounce the use of violence or armed resistance to resolve any political disputes with Israel.
2. Israel would recognize any political party that has agreed to that first term as a legitimate political party.
3. Palestine will agree that the State of Palestine will be based on the pre-1967 lines with minor adjustments and special arrangements for Jerusalem. This principle should be a binding policy on the State of Palestine and incumbent on all political parties allowed to participate in the Palestinian political process.
4. Israel will agree that the borders of Palestine will be based on the pre-1967 lines with minor adjustments and special arrangements for Jerusalem. This principle should be a binding policy on the State of Israel and incumbent on all parties allowed to participate in the Israeli political process.
5. Israel and Palestine will agree to resolve all other outstanding issues between themselves with non-violence and diplomacy.
6. Israel will agree that there will be no tolerance for any political parties advocating for the removal of Palestinians from either Israel or Palestine and there is no room for parties denying the self-determination of Palestine.
6. Palestine will agree that there will be no tolerance for any political parties advocating for the removal of Israeli Jews from either Israel or Palestine and there is no room for political parties denying self-determination to Israel.
7. Palestine will agree that Palestine must be a democracy and will commit itself to a democratic process and the peaceful transfer of power over election cycles. Democratic countries don't go to war



with one another. The one thing that can maintain the peace between Israel and Palestine, in the long run, is a deep commitment to the democratic process.

8. Israel will strengthen its commitment to the Democratic process and write a constitution that guarantees the preservation of democracy and individual and collective freedoms consistent with its Declaration of Independence.

Core Principles of the Two-State-Union Paradigm

Once we have established this initial declaration that begins to create the trust-building environment we need to progress, we will look for our vision of how we would like things to be in the long run as this process unfolds. For this, we must lay out our Core Principles for our New Paradigm Solution, a Two-State-Union Paradigm.

1. **Two-State Basis with Shared Capital:** Israel and Palestine will function as separate states in a perpetual Union partnership, sharing Jerusalem as a shared federal district and dual capital. The Capital region can remain a single municipality subdivided into “Boroughs”. The Jewish neighborhoods can be considered the Israeli Boroughs, and the Arab neighborhoods can be considered the Palestinian Boroughs. The Holy Basin region can be a shared Borough.
2. **Freedom of movement:** with no physical barriers or checkpoints within the Union, this will reduce conflict, and enable an integrated economy while honoring the historical connection that both people share with the entire land.
3. **Confederation-Federation Hybrid:** Combining elements of both systems for autonomy, cooperation, and security. A Confederation in the sense that much like the EU it would be a union of sovereign states that share a common currency and economic regulations while still maintaining their own citizenship and international representation. At the same time, this union of two small states in a Union sharing a capital district would in many ways be more similar to the country of Belgium than the EU as a whole.
4. **Demographic Considerations:** Equal representation for Israeli Jews and Palestinian Arabs in federal structures. Ultimately this union would have to develop shared governance structures akin to the EU Parliament, these structures would have to maintain the powersharing balance between Israeli Jews and Palestinian Arabs, regardless of which side of the border they happen to be living.
5. **Land and Population Distribution:** Borders of the states based on the pre-67 lines with minor border adjustments and equivalent land swaps, considering demographic and cultural aspects. This will leave the majority of the Israeli Jewish population of the West Bank on the



Israeli side of the border without the adjustments being too disruptive and also create several special federal zones for sacred sites in Jerusalem and Hebron as well as Special Economic Zones in choice locations along the borders of the states to encourage economic cooperation and foreign investment.

6. **Cultural Autonomy:** There would be an overall regionalization of both states, creating Semi-Autonomous Electoral Districts that would each have some level of local governance as well as used as be used at electoral districts in a regional-based electoral system for each state. This will help reduce tension between various cultural and religious groups in both states.

In addition, we introduce a new element to the Israel-Palestine peace framework, creating Israeli-Jewish Majority autonomous regions in the State of Palestine in exchange for Palestinian-Arab Majority Autonomous Regions in the State of Israel. This will be done by making sections of what is now Area C in the West Bank, which will remain in the State of Palestine, with the highest population of Israeli Jewish settlers into an autonomous district. While at the same time making, in similar proportion, the regions of the state of Israel with the largest population of Palestinian Arab citizens of Israel into autonomous districts of the State of Israel.

In addition, we can enable the various other minority Ethno-Cultural Communities in both states to protect their collective rights by establishing local Community Councils.

7. **Shared Governance:** Bicameral parliaments in each state with representatives from Jewish Israeli and Palestinian Arab majority districts to help build a shared partnership between communities in each state. In addition, they would have a shared Federal Parliament, with equal representation for Israeli Jews and Palestinian Arabs via carefully arranged Electoral Districts.
8. **Economic Integration:** Common market and special economic districts to boost cooperation and growth. Harmonizing import and export tariffs as well as allowing the free movement of labor and goods between the States will facilitate a symbiotic economy between Israel and Palestine. A common development agency and an advanced education strategy will maximize the ability for Palestinians to take advantage of the advanced hi-tech Israeli economy while allowing Israelis to access the lower-cost manufacturing potential of Palestine as well as gaining from the connections of both people to allow full access to Middle Eastern, Europeans, and other international markets.
9. **Right of Return and Residency:** Immigration and Residency Policies to address refugee issues and residency rights, including options for Palestinian returnees and Israeli settlers. Offering a limited number of Palestinians from abroad the option to come to Israel and gain



citizenship in exchange for a similar number of Israeli Jews, including the Jewish settlers who remain in Palestine, gaining Palestinian citizenship. In addition, allowing Israeli Jews the option to move to Palestine as residents while allowing Arab Palestinian citizens of Palestine the same option.

There should also be an agreement whereby Israel and Palestine agree to a reciprocal immigration policy whereby a similar number of Jews would make aliya to Israel as Palestinians return to Palestine on an annual basis. This will preserve a relative parity in terms of the number of Israeli Jews and Palestinian Arabs within the Union and prevent either side from making immigration into a competition. Also, new immigrants would have to live in their home state for a certain number of years before they would have the option to live as residents of the other state.

10. **Security Arrangements:** A combination of Israeli, Palestinian, and Union police forces, with special provisions for the Israel Defense Forces (IDF). Each State will have its Police force organized into local District Police Departments. In addition, there will be a new Union Police Force tasked with providing security in the shared Federal Territories as well as in sensitive areas such as along the borders between the states, in the areas of the Israeli Jewish Settlements in Palestine, and the Palestinian Arab majority regions of Israel.

The Israeli Defense Forces would be permitted to maintain some of the military bases in the State of Palestine, to preserve regional stability, on the condition that they would not be interacting with the Palestinian civilian population. Local counter-terrorism activity and peace-keeping will become the task of the Union and State Police departments.

11. **Legal and Human Rights Framework:** A federal supreme court and bill of rights to protect individual and collective rights. There would be a Union Consitution and Bill of Rights that would guarantee the basic freedoms of all the people in the Union.
12. **Truth and Reconciliation:** Comprehensive approach to reconciliation via concrete actions and policies to help build a new shared collective memory and achieve a warm peace. A Union Truth and Reconciliation Commission would be established to facilitate a process of meaningful reconciliation where people on both sides would be taught the narrative of the other and acknowledge the pain and suffering that both sides have gone through.
13. **Path to Future Integration:** The potential for deeper unification and the creation of a greater Middle Eastern regional economic union including other regional states such as Jordan, Egypt, Saudi Arabia, The UAE, Bahrain, and others.



A Renewed Five-Year Interim Agreement

The New Paradigm outlined in this document would begin to be implemented as a Renewed Interim Agreement or upgrade to the current five-year interim agreement, which is now in its 29th year. The Interim Agreement on the West Bank and the Gaza Strip, signed in September of 1995 by Yasser Arafat and Yitzhak Rabin was meant to last five years and lead to a two-state solution that has yet to materialize.

This time, however, the parties must first accept the general outline of terms for a solution to the conflict, as described in this document, as the desired peace framework after the initial five years. They may also choose to conclude the full agreement as described in this document before the conclusion of the five-year Interim Agreement, in which case that full agreement will supersede the Renewed Interim Agreement.

The parties must also agree at the outset that this will be a permanent solution to the conflict resolving all claims. All factions and parties allowed to participate in this agreement and the political process in Israel and Palestine must agree to the principles of the Renewed Interim Agreement.

The new renewed version of this agreement should include the following elements:

1. Israel will agree to not build any new settlements in the West Bank or East Jerusalem during the Interim Agreement period.
2. All construction in East Jerusalem and the Area C region of the West Bank will be pre-agreed upon by both parties on an annual basis using a formula that takes into consideration the natural growth of both the Israeli and Palestinian populations of this region and using the same factor to determine the number of additional housing units per person needed to be built for both populations in these regions. This agreement on the number and location of each housing unit will be signed at the beginning of each of the five years of the Interim Agreement and all construction in East Jerusalem and Area C for this period will be done per these agreements.
3. Areas A and B will be merged politically. They will be under the full control of the Palestinian Authority during the Interim Agreement period. All of the regions under the Palestinian Authority's control are now referred to as Area A.
4. At the beginning of the agreement regions of Area C where it is clear to both sides where they will be allocated at the end of the process, either transferred to the State of Israel, become part of the State of Palestine in a Palestinian District, or part of the State of Palestinian in the Israeli



Jewish Autonomous District, these regions can begin the transition process during the five-year Interim Agreement period.

5. The list of these locations should be made public so that the public of both Israel and Palestine as well as the international community are aware of which regions are agreed upon and which regions remain in dispute during the Interim Agreement Period.
6. Regions of Area C with no Israeli population that is agreed to be allocated to the State of Palestine as part of the Palestinian Majority Districts and do not have any security necessity to remain in Area C during the Interim Agreement should be transferred to the Palestinian Authority, Area A, during the Interim Agreement period.
7. Regions of Area C agreed to be allocated to the State of Israel should be transferred to the State of Israel during the Interim Agreement period.
8. Regions of Area C agreed to be allocated to the State of Palestine in the Israeli Jewish Autonomous District and can begin to organize as the Israeli Jewish Autonomous District under the Israeli Civil Authority in Area C during the Interim Agreement period.
9. Regions of the State of Israel agreed to be allocated to the State of Palestine in the minor border adjustments should be transferred to the Palestinian Authority, Area A, during the Interim Agreement Period where possible.
10. Palestine will agree to become a formal signatory of the 4th Geneva Convention as well as give up the right to armed resistance against Israeli military presence in the West Bank or other Palestinian territory during the term of the agreement.
11. The Agreement will include the principle that the IDF presence in Area C during the Interim Agreement period and afterward if needed, is there to protect both the Israeli and Palestinian people as well as to provide security to the region as a whole.
12. IDF officers will wear body cameras when dealing with the civilian population and a civilian committee made up of Israelis and Palestinians will be established to review complaints regarding the treatment of Palestinian and Israeli civilians by the IDF operating in the West Bank.
13. The Palestinian Authority will agree that Palestinian security services in Area A must provide security to both Palestinian and Israeli people present in this region as well as provide security to the region as a whole.



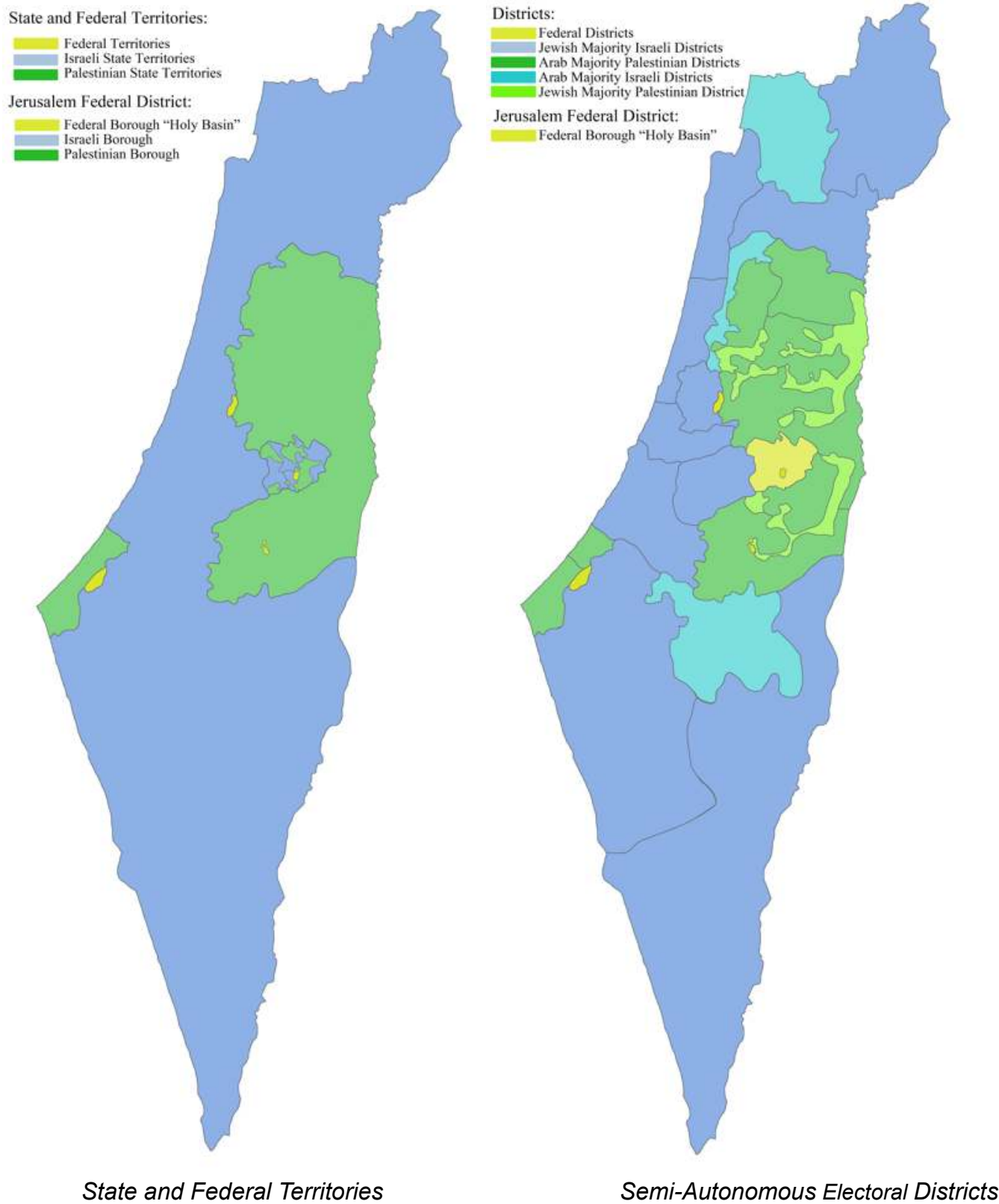
14. Entry Permits to Area A for Israelis will be given at the discretion of the Palestinian Authority. Israelis may legally enter Area A with a valid permit from the Palestinian Authority. Israelis who have not been deemed a reasonable threat to the Palestinian people should be granted such permits as needed during the Interim Agreement period.
15. Entry Permits to Israel for Palestinians will be given under the discretion of the State of Israel and Palestinians may legally enter Israel with a valid permit from the State of Israel. Palestinians who have not been deemed a reasonable threat to the Israeli people should be granted such permits as needed during the Interim Agreement period.
16. Palestinians will be permitted to travel to and from Palestine using Israel's Ben Gurion Airport during the Interim Agreement period.
17. Palestinians will be permitted to hold Palestinian elections for the government of the Palestinian Authority in East Jerusalem during the Interim Agreement period.
18. Israel and Palestine will begin the process of the creation of the Joint Union Police Force to take over much of the local security needs in Area C during the Interim Agreement period.
19. The Palestinian Authority will reform its welfare system to comply with Israeli and US laws regarding the support of terrorism.
20. Israel, the United States, and other partners will assist the Palestinian Authority in funding their welfare needs during the Interim Agreement period.

Conclusion

The Two-State Union Paradigme is a comprehensive Political Framework for resolving the Palestinian-Israeli Conflict that considers the Security, Economic, and Reconciliation needs within a reorganized political structure. It describes a three-step process of mutual recognition, a renewed interim agreement, and a long-term political vision that can transform former adversaries into partners for a shared productive future in a thriving Middle East.



Figure 1. Diagram of the Basic Structure of the Jerusalem Union



The maps presented in this document do not represent finalized negotiated borders but are meant to illustrate the principles of the proposal, for a link to the Google Maps version ([click here](#)).



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