



Two-State Index:

June - September Summary

Over the past four months, a new coalition government took office in Israel (comprised of 8 parties spanning left to right, including for the first time in Israel's history an Islamist party). While Prime Minister Bennett, a religious ultra-nationalist settler, is an opponent of a Palestinian state, his government includes more vocal supporters of a two-state solution. This delicate political equilibrium, with the stated goal of avoiding significant movement on the Palestinian issue but with the intent of strengthening the Palestinian Authority and stabilizing the Gaza Strip, has so far led to an approach governed by limited improvements in the economic realm that easily garner coalition-wide support.

Notably, this has been accompanied with a gradual resumption of direct contacts between Israeli ministers and the Palestinian Authority. Israeli Defense Minister [Benny Gantz](#) met Palestinian Authority President Mahmoud Abbas in Ramallah in August – the first high-level talks to be held in years – announcing a series of [confidence-building steps](#) to improve conditions for Palestinians and prop up the PA amidst a serious economic crisis. Other Israeli officials, including President Isaac Herzog, and [Meretz lawmakers](#) Nitzan Horowitz, Issawi Freij, Michal Rozin and Tamar Zandberg, also engaged with PA officials and ministers, marking major progress in direct contacts between the sides. Despite restricted headway on advancing towards a political solution, both Israeli and Palestinian officials agree that the revival of this dialogue lays positive groundwork for future efforts that may emerge when the time is ripe.

At the same time, a series of damaging developments vis-à-vis the two-state solution have also been recorded including a surge in settler violence, ambiguous messaging around preserving the status quo at Jerusalem's Holy Sites that has sparked sporadic violence, a drive towards advancing settlement plans in highly controversial areas, and an increase in Palestinian home demolitions and evictions in East Jerusalem. These contradictory policy moves are more characteristic of an absence in overarching strategy than any sort of concerted plan. They are also reflective of a shift towards decentralization in power that grants each minister more agency in shaping their ministerial agenda than was previously the case under Netanyahu.

In the Palestinian domestic arena, the Palestinian Authority's legitimacy took another blow to its popularity following the killing of PA-critic, Nizar Banat alongside a brewing financial crisis and the aftermath of the cancellation of elections that has generated public unrest. A series of mini clashes between Israeli and Hamas in response to continued restrictions for Gaza reconstruction and a deteriorating humanitarian situation, recently produced dividends with the easing of some measures on entry of goods, the increase in workers permits and the distribution of Qatari aid. Although framed with new messaging, the Israeli approach to Gaza is more or less reflective of the previous governments, with few marked improvements. Following a surge in public support for Hamas after the last escalation, the tide has begun to shift with an incremental decline tracked over the last few months in polling data. Progress is yet to be made on intra-Palestinian reconciliation.

On the international front, over the past four months we have witnessed a surge in statements, reaffirmations, and declarations in support of the two-state solution, in parallel to many high-level visits. The majority of key stakeholders however assert that they are unwilling to invest in facilitating a political process at this current moment. US President Joe Biden continued to [re-affirm his support for the two-state solution](#) and indicated his desire to re-open the Palestinian Consulate in East Jerusalem, while US Democrats also stepped-up pressure on Israel with high-profile debates on [conditioning US security aid to Israel](#) and the nixing of Iron Dome funding from a US spending bill (before it was ultimately [approved one week later](#)). Strong rhetoric has yet to produce concrete policy changes. The multilateral approach promoted by the US, creates space for more key stakeholders to assume a more pivotal role, especially amid warming ties between Israel and Egypt and Jordan. While there is yet to be progress on utilizing the normalization agreement for Palestinian, Foreign Minister Lapid and the President Biden reiterated that they were not designed as a substitute peace with the Palestinians.

These and other developments led to shifts in key TSI parameters over the past four months, including comparatively lower levels of violence, decline in support for the two-state solution among the Israeli Prime Minister, a rise in support among the wider Israeli government, a rise in new contacts between Israeli and Palestinian officials, as well as decreased engagement of third-party actors in terms of willingness to exert pressure.

The graph reflects fluctuations in the [Two State Index](#) between June to September.

