Israel and Palestine

*Alternative Perspectives on Statehood*

Edited by John Ehrenberg and Yoav Peled
Chapter Four

The Root Causes of Enduring Conflict

Can Israel and Palestine Co-exist?

Jeffry A. Frieden

The Israeli-Palestinian conflict is one of the most enduring, and apparently intractable, in all of modern international politics. In the face of nearly a hundred years of bitter controversy, both before and after the creation of the state of Israel, many observers have come to despair that a resolution can be found. As the other chapters in this volume attest, many participants have turned in frustration to strategies that had long been off the table. One of the more striking, again as represented in this volume, is to accept “one state, from the Jordan to the Mediterranean.” Although there are different variants of this approach, all of them assume a common sovereign state to include Israel, the West Bank, and the Gaza Strip. There might be some form of confederation, or other guarantees to the various communities. But what ties all the “one-state” proposals together is the hope that bringing all the protagonists together in one sovereign entity would facilitate resolution of the conflict.

In this chapter, I address the issue from a purely analytical standpoint: that is, I attempt to demonstrate how scholarship in international relations can help illuminate the problem in question. Specifically, I draw upon the extensive theoretical literature that analyzes the sources of enduring conflicts, both international and domestic, including the sorts of ethnic conflicts of which the Israeli-Palestinian dispute is an instance. In this case, the basic elements of a potential bargain have been clear for some time, and yet no agreement has been reached. One must wonder what the obstacle is, especially in the contemporary context, in which developments in the region are increasingly threatening to both the Israeli and the Palestinian sides.
The scholarly literature on conflict emphasizes that the principal theoretically grounded source of such protracted conflict, given its very high costs, is the inability of the sides to credibly commit to carry out the terms of an agreement. This is, it seems to me, clearly the case here, and this provides important insights on the debate over one or two states. The two sides may agree upon an ultimate settlement, but each side lacks confidence in the willingness and ability of the other side to follow through on its promises. The analysis suggests, in particular, that whether the two peoples are in two separate states or one state, the core question will continue to be whether commitments they make to compromise are believable.

WHY DO CONFLICTS ENDURE?

It is common to ascribe militarized disputes to conflicts of interest. This, however, is a superficial error. The world is full of conflicts of interest, some of them quite major: the territorial integrity of Spain, the United Kingdom, or Belgium; indigenous rights in Latin America; economic inequities in most developing countries. Yet very few of these conflicts of interest—in fact, almost none of them—ever become violent, and even fewer lead to set battles among military camps. Virtually none of the world’s major conflicts of interest, indeed, end up with decades of low-grade military and paramilitary skirmishes. Among the conflicts that are remotely similar to the Israeli-Palestinian dispute on this dimension—lengthy, organized, military hostilities—the only ones that come easily to mind are Northern Ireland and Sri Lanka, both of which are now resolved. Certainly one reason such battles do not last so long is that one side has a preponderance of force and wins; but by this criterion, Israel should long since have prevailed.

In a world full of conflicts of interest, only a very few rise to the level of open violent battle and carry on for long periods of time, that is, are as bitter and last as long as that between Israelis and Palestinians. The reason is relatively simple: to engage in protracted military conflict is extraordinarily costly. It takes resources of every kind to sustain a prolonged violent struggle: money, people, weapons. These are scarce resources everywhere, and especially in the relatively poor societies in which such struggles are most likely to erupt.

The extraordinary cost of extensive violence makes it attractive for both parties to find a peaceful outcome to such conflicts of interest. In the language of the social sciences, war is almost certainly not Pareto optimal: both sides can be made better off by a durable peaceful compromise than they would be by continued battle. The rigorous approach to this problem is known as the “bargaining theory of war,” and posits that war is, indeed, the result of a failure of bargaining (Reiter 2003 is a good survey). In other words, both sides would be better off if they could arrive at a resolution without fighting. This is intuitive: fighting uses up resources, and the protagonists would prefer not to use them up. And the logic of the argument holds just as firmly for civil wars, including ethnic conflicts and other such related disputes.

The puzzle, then, is why do governments engage in military engagements, and spend enormous amounts preparing for them? The answer may seem obvious to some—they hope to achieve more by fighting than by compromising—but some thought reveals that this only pushes the question back a step, leading us to ask why a government would expect to do better by fighting and achieving a result than by compromising without fighting. And the answers to this question are the core insights of the modern theory of war and conflict.

Start with an ideal-typical interaction between two countries with interests in conflict, say a territory. If both sides know exactly how much military power and political will the other has, they could accurately predict the outcome of a violent conflict. They could then settle upon this outcome as a compromise, and save themselves the cost of the conflict. But scholars identify three reasons why the two governments might engage in costly conflict rather than settling their dispute peacefully.

First, the two governments might not have accurate information about each other’s power and resolve. Uncertainty about the strength of the enemy, and in particular an underestimation of this strength, might lead one country to attack another. It is almost certain that if the belligerents in World War I had known how long and costly that war was going to be, they would have resolved their differences without going to war—especially as none of the original protagonists really benefited from the outcome (the only real beneficiary was the United States, and it was not involved until three years after the war began). This source of conflict is “asymmetric information,” that is, one side does not have fully accurate information about the other.

A second source of conflict is the possibility that whatever the two countries are in conflict over is impossible to divide, so that there is no practical scope for a compromise. This might be sovereignty over all people of one ethnicity, or control of a territory that for whatever reason both sides believed could not viably be split or shared. If this were to be the case, compromise would be technically infeasible.

The third reason why governments might go to war rather than settling is that whatever compromise they might work out could unravel. This is a common concern in all of politics: political agreements are hard to implement, and this is doubly true about agreements among sovereign nation states. In normal domestic disagreements, contracts can be enforced in a court of law. Political agreements are harder to enforce, unless there is something commercial at stake. International political agreements are an entirely
different matter. There is no court, and no international government, that can force a sovereign state to stand by its obligations. Concern about reputation might encourage governments to keep their promises, but the immediate incentives to renge, or cheat around the edges, can easily overwhelm the much vaguer and longer-term incentives to abide by prior agreements in order to preserve the abstraction of a reputation. Any government, knowing the fragility of sovereign commitments, will be hesitant to enter into a politically sensitive compromise that might simply be overturned by an unreliable partner.

The unreliability of potential international partners is reinforced by the fact that partners change. Contracts between two firms, or even two political parties, are bound to some extent by continuity in the identity of those representing the firms or parties, and more generally by the continuity in the name brand of the corporate or partisan entity. But the identity of governments can change overnight, assuming it’s over an election night. A conciliatory government eager to cut a deal and strongly disposed to honor it can be replaced in a matter of hours by a hostile government that wants nothing to do with prior obligations.

All three of these factors have stood up to rigorous theoretical and empirical exploration as potential causes of military conflict. There are, to be sure, other potential sources that do not rely on the assumption of rational calculation that underpins the bargaining theory of war: the possibility that some countries may actually prefer war to peace, or that a government might be controlled by a small elite that benefits from war but pays few of its costs, for example. But these rely on special assumptions about particular countries, political systems, or individuals. The value of the bargaining theory of war is that it is a general theory, with potential application to a wide range of conflict environments. Indeed, while it has been applied fruitfully to interstate war, it can also elucidate conflicts within nations, if these conflicts take place in an environment that, like international politics, has few or no reliable enforcement mechanisms. Such domestic environments include, prominently, civil wars, or any other conflict in which powerful groups fight without regard for the national rule of law.

I now turn to the Israeli-Palestinian dispute, to explore the ways in which the bargaining theory of war can help clarify the enduring nature of violent conflict in this most difficult arena.

**APPLYING THE BARGAINING THEORY OF WAR TO ISRAEL-PALESTINE**

Of the three potential sources of costly military conflict identified by theory, one can probably be ruled out easily, and another somewhat less easily. The remaining source—the commitment problem—is almost certainly the most directly relevant one.

**Asymmetric information.** The first potential source of enduring conflict is asymmetric information: that is, each side does not have a clear picture of the resources and resolve of the other. The idea here is simple, as mentioned above: if both parties knew how hard each could and would fight, they could anticipate the outcome and arrive at a compromise solution that would avoid the actual costs of conflict. Of course, in reality, one belligerent may have only the most general notion of the military strength of the other, and an even fuzzier sense of how hard the other side was willing to fight.

However, in the case of the Israeli-Palestinian dispute, it is hard to believe that an absence of information plays much of a role. The two sides (and the sides within each side) know each other extraordinarily well. Both Israelis and Palestinians can follow the twists and turns of the domestic political debates in each political entity. And between technical means, historical connections, and intelligence, neither side has much doubt about the military capabilities of the other.

Israel clearly has the preponderance of military might, and this reality is certainly closely connected to the major concessions the Palestinian Authority (and its predecessors) have made: they had little hope of obtaining more by military means. “Resolve” is somewhat hazier concept, and more open to interpretation. But with a conflict that has gone on for nearly seventy years—perhaps more than one hundred, depending on how one counts—neither side is likely to have any illusions about how passionate the other is. All things considered, it is unlikely that a lack of information has played much part in prolonging the conflict.4

**Indivisibility.** Scholars are somewhat skeptical in general of the possibility that any particular issue in contest could not be resolved by compromise. But there are some who believe that certain matters—ethnicity, ideology, certain territories—are difficult or impossible to divide in any meaningful way. The Israeli-Palestinian dispute has sometimes been debated in this context (Hassner 2003 and Goddard 2006 are two examples).

The strongest argument for indivisibility in the Israeli-Palestinian context has to do with the status of Jerusalem. The other territorial issues are almost certainly amenable to resolution. All indications are that land swaps could effectively address the question of the large-scale settlements around East Jerusalem, as well as other security-related territorial concerns. However, there are some who believe that the religious significance of Jerusalem makes it inherently impossible for either side to cede to the other. The “right of return” of Palestinians may also have features of this sort of indivisibility, in that to some compromise may seem impossible.

Although we cannot bring data to bear on this, it would seem that arrangements are possible that would be acceptable to majority opinion on both
sides. In the case of Jerusalem, the city could be divided, with major religious sites under some form of international supervision. The old city itself could be “internationalized” as neutral ground, open to all. And other resolutions to the Jerusalem problem have been suggested and widely discussed. Informed observers, indeed, appear to believe that some form of agreement for Jerusalem has been considered, and that a satisfactory resolution could be achieved without too much difficulty. Similar “shadow agreements” have apparently also been discussed and arrived at, with respect to the right of return.

We cannot definitively rule out the possibility that the division of Jerusalem, and the right of return, are obstacles to a lasting settlement. However, it seems far less important a barrier than the third source of protracted conflict, the lack of ability to make credible commitments.

Commitment problems. Even when both sides anticipate that settling is better than fighting, and when a suitable compromise can be arranged, commitment problems can be a major obstacle to a peaceful solution. Virtually any negotiated settlement involves promises to carry out concessions in return for analogous concessions by the other side. One country agrees to decommission half its ballistic missiles in return for a similar agreement from the other country; one belligerent agrees to withdraw troops from an occupied territory in return for a promise to keep that territory demilitarized; one side in a civil conflict agrees to hand in its weapons if the other side does so, too. Should the agreements be carried out as planned, both parties are better off—and they are better off than if they had arrived at a similar outcome by fighting.

The problem is that one or both of the parties may fail to carry out the terms of the settlement as agreed. This may be due to outright cheating, but it could also be due to circumstances beyond the control of the parties, or to a misunderstanding. As long as there is the possibility that one side is not fulfilling its end of the bargain, the other side has no incentive to reciprocate. And in anticipation of a failure along these lines, no agreement will be reached. As mentioned, this problem is addressed in domestic disputes with the presence of third-party enforcement mechanisms: the courts and the police, for example. But among countries, or among armed groups fighting in an essential state of anarchy in a domestic civil conflict, there is no credible third party strong enough to enforce such agreements.

Concern about the credibility of commitments is compounded, as mentioned above, by the fact that when the parties in question are governments, or substantial political entities, there can be changes in the identity or views of those controlling the governments or entities in question. A government can be voted out of office or overthrown; the leadership of a rebel group can be replaced. And when the leadership changes, previous agreements may be thrown away.

The commitment problem would appear to be central to the Israeli-Palestinian dispute. Even the most casual observer is aware that neither side trusts the other to carry through on whatever commitments it might make—and both sides have plenty of evidence to back up their mistrust. This is not necessarily because both sides are dishonest or intent on cheating. There are two very real possible sources of the lack of credibility of their commitments, neither one of which relies on assertions of actual duplicity.

First is the possibility of misinterpretation. In an atmosphere as fraught as that of the Israeli-Palestinian relationship, where mistrust is virtually universal, even the most sincere of statements or actions is likely to be looked upon with suspicion. And this is not just about rhetoric. Typically, settlements include provisions for monitoring and enforcing the agreement, and in particular for forestalling or punishing violations. However, many putative violations are somewhere in a grey zone. This issue has surfaced frequently in Israel-Palestine. If a rogue extremist Palestinian (Israeli) group kidnaps an Israeli (Palestinian) soldier or civilian, should this be regarded as a violation of a truce? If extremist Israelis (Palestinians) attack Palestinian (Israeli) civilians, are the Israeli (Palestinian) authorities responsible? Who should be held to account for acts of terrorism that are not sanctioned by the authorities? Who should adjudicate differences over terms of the agreement? In conditions of this kind of uncertainty, parties to an agreement can easily anticipate a downward spiral of misunderstanding leading to the unraveling of any existing agreement—or, in anticipation of this spiral, to the absence of agreement.

The second very real and comprehensible source of limited credibility of commitments in Israel-Palestine is the possibility that the authorities responsible for implementing any agreement might change character. Both political entities are democracies, and both have strong extremist wings of their legitimate (that is, electoral) political spectrum. Just as Hamas came to control the Gaza Strip, radical Israeli extremists seem to be increasing their influence among the settler community, and extreme political movements and parties are well-represented in Israeli electoral politics.

The presence of powerful rejectionist forces on both sides of the dispute seriously complicates bargaining and can severely restrict the prospects of compromise. Either side might renege on an eventual agreement after it is in place. This is particularly challenging in the case of armed struggle, as most agreements typically involve some form of disarmament, or at least military disengagement, that may be difficult to reverse. Often an agreement involves both sides making some tangible gesture in the direction of disarmament, frequently including some irreversible component in order to make the commitment to change more credible. During the drawn-out attempts to decompress tensions in Northern Ireland, the principal sticking point was disarma-
ment. This was a clear example of a commitment problem: A side that gave up its guns would be defenseless if the other side cheated, or did not comply.

The commitment problem associated with irreversible actions that might profoundly prejudice one party’s position is central to the stalemate in Israel-Palestine. Take, for example, the issue of Israeli military forces in the West Bank. A logical step toward a two-state solution would be for Israel to remove all of its forces. However, once these forces—and, potentially, any permanent or temporary installations destroyed in the process—are gone, it might be very difficult to restore them. The same might be said about the more militant settlers. By the same token, the Palestinian Authority might undertake particularly vigorous efforts to shut down armed groups—perhaps even using a UN or international force to police this. However, inasmuch as these things—Israeli military outposts and extremist settlers, and armed Palestinian groups—serve as bargaining chips in the ongoing conflict between the two sides, shutting them down could mean giving up a bargaining chip without a guarantee that the other side would do so as well.

It seems that the most convincing explanation as to why the Israel-Palestine dispute has been so protracted, and so intractable, is largely due to inherent and enduring commitment problems. Neither side trusts the other to follow through on concessions that might have been agreed upon. And in the absence of trust, and in the absence of any third party capable of reliably enforcing an agreement, the incentives to make further concessions are very limited.

*Alternative explanations.* There are a multitude of alternative explanations, from the cultural and ideological to the messianic. One in particular is consistent with the general approach taken here, but goes in a somewhat different direction. It is to argue that the cost of maintaining the status quo is low, especially for Israel, while the benefits of settlement are also low. On the cost side, the idea is that Israel can sustain the occupation, and the associated low-grade conflict, indefinitely. On the benefit side, Israel has little to gain from peace with the Palestinians—the economic stakes are trivial given the relative poverty of the West Bank and Gaza.

This calculus, I believe, understates both the costs of the conflict to Israeli society and the potential benefits of a settlement. The state of permanent quasi-war with the Palestinians in which Israel finds itself is economically, socially, and politically disruptive, especially as the region in general becomes more unstable. On the other hand, the Palestinian population presents quite impressive opportunities for complementary economic development: it is educated and low-wage, and its profile would fit well with the more dynamic sectors of the Israeli economy.

Whether this alternative explanation is more compelling than one based on commitment problems is impossible to evaluate in the abstract. Further analysis would be required to assess both the reality of the situation and the reigning perceptions on both sides of the conflict.

In any case, I now turn to consider how these analytical considerations might affect our interpretation of the current state of play in Israeli-Palestinian relations, and in particular, prospects for a new path forward.

**COMMITMENT PROBLEMS AND POTENTIAL SOLUTIONS**

What, in particular, are the implications of the prior analysis for the kinds of proposals that have surfaced recently, for a one-state solution to the conflict? While the nature of the plans varies, and many of them contain few if any details, the one-state proposals seem to share a common view as to how incorporating both peoples into a single unitary state might encourage compromise. Once both sides understand that they are inextricably linked together in a single state, the logic seems to go, they will be forced to come to some sort of arrangement that is mutually acceptable.

There is a certain soundness to this reasoning. After all, there have been proposals for a democratic, non-sectarian, state “from the Mediterranean to the Jordan” for a long time. And if the two peoples shared a democratic state, especially with the typical protections for minority rights and the normal role for political opposition, it would be very difficult to deny either one a substantial influence on national policy. After all, functioning democracies include the possibility of alternation in power, and of respecting the full political rights of groups that may happen to be out of office at the moment. Without such guarantees, democracy is meaningless. However, the assumption that the resulting state would function like really existing democratic non-sectarian states is clearly a very strong one.

As with just about everything else in the Israeli-Palestinian conflict, the real problem is getting to a position where each side feels confident that its interests will be taken into account in decision-making, and that any significant policies put in place will have some staying power past the next election. And so we are back to the commitment problem.

Putting two groups in conflict into one state does not in and of itself resolve the underlying challenge of attempting to convince both groups to make concessions that could undermine their subsequent bargaining power. Established democratic regimes have largely solved the problem in one way or another. Typically, the resolution involves a constitutional agreement to provide for adequate representation of the interests of all major groups. This, of course, does not explain why the constitutional arrangement is itself stable; this is certainly an important topic of analysis. But for a democratic system to be stable, there must be a generalized acceptance of, and expectation of, respect for the principles of alternation in
power and respect for minority views. Without these two principles, groups out of power have no motivation to play by the rules of the game, inasmuch as they have every reason to anticipate that they will never be given the opportunity to be in power, and that their interests will be ignored in decision-making. Again, the core issue is the credibility of commitments: if the government loses an election, will it leave office? And will a government refrain from undertaking policies that fundamentally and structurally—and, potentially, irreversibly—weakens the position of its opponents? If there is a strong possibility of a negative answer to either question, democracy is unlikely to survive.

To apply these considerations to the case of relations between Israelis and Palestinians, it seems clear that commitment problems will be central to their interactions whether the interactions take place within a single state or between two entities. I see no reason to believe that housing the two groups within one state will make the commitments of either side more credible.

The only counter-argument that would appear to make sense seems to be that Israeli commitments to democratic principles are so strong that they would not be challenged by the incorporation of the Arab populations of the West Bank and the Gaza Strip. This seems, quite frankly, implausible, inasmuch as the overwhelming state of opinion in Israeli politics appears to be implacably hostile to such an incorporation. There are fairly straightforward reasons for this hostility.

Although accurate population figures are hard to come by, best estimates are that a unitary state would have a population approximately evenly divided between Jews and non-Jews. This means that there would be a non-trivial possibility of a government dominated by Palestinians and their allies (such as some of the non-Jewish populations of the current state of Israel, or some progressive Jews). If this is not in fact a possibility, then one would have to wonder why Palestinians would cooperate in the construction of a unitary state: why would they simply allow themselves to be incorporated into a state over which they could have no control? If a Palestinian-led government is in fact a possibility, then one would have to wonder whether the existing Israeli political system would accept any scenario in which this might come to pass: it would mean an effective end to the notion of Israel as a state of the Jewish people, and could well threaten many of the perquisites and privileges that Jews have enjoyed in the current state of Israel.

So if a single state implies the possibility of a Palestinian-led government, it is hard to imagine most current Israeli political actors accepting such a single state. And if they were forced into such a single state, it is equally hard to imagine current Israeli political actors acquiescing before the creation of a Palestinian-led government. The reason, once more, is the patent lack of confidence on the part of Israelis in the willingness and ability of a Palestinian leadership to respect the rights of Israelis and Jews—whether because they do not trust the leaders or because they believe the leaders cannot control their more extreme constituents.

The same logic applies in the other direction. If a single state implies a purely Israeli/Jewish-led government with full sovereign rights over all citizens, including Palestinians, then prospects for the latter would appear dim. The entire Palestinian population would effectively be treated in ways equivalent to that of the existing Israeli Arab population, a prospect that is clearly unacceptable to Palestinians outside the state of Israel.

Again, the central problem here is that neither side has confidence in the willingness or ability of the other side to respect its rights, whether as a majority or as a minority. And because even within a unitary state a majority can in fact severely impinge upon the rights and privileges of a minority, neither side has an incentive to place itself in a position where it could find its power and influence irretrievably, irreversibly reduced.

It might be objected that within a single state, especially one with an established democratic constitution, it will be possible to safeguard the rights of minorities and to ensure that those political forces not in government are able to influence policy enough to ensure that their interests are not ignored. In principle this is accurate. After all, Israeli politics has remained more or less democratic despite the quite substantial differences of opinion among groups in Israeli society.

However, in practice there are plenty of reasons to believe that the fundamental changes that would be associated with the creation of a unitary Israeli-Palestinian state would profoundly change the very nature of Israeli politics, and of Israeli political norms. Certainly it does not appear that Israeli commitment to democratic norms has extended to the country’s treatment of the population of the occupied territories; it does not seem likely that incorporating that population into the Israeli state would change the situation.

So there would seem to be little reason to anticipate that relations between Israelis and Palestinians would be changed by the creation of a single state including both peoples. The fundamental conflicts of interest would persist. And, more important in the light of the theoretical principles discussed here, the project would almost certainly be derailed by the profound inability of either side to credibly commit to making and following through on vital commitments without which truly democratic single state could not function.

CONCLUSION

Both theory and evidence suggest that the central reason for the bitter and protracted nature of the Israeli-Palestinian conflict is a particularly virulent form of the commitment problem endemic to all such conflicts. Both sides would like to arrive at a compromise that would allow an end to the militar-
ized dispute. However, such a compromise of necessity requires that each side make changes to their policies that could, if undertaken unilaterally, weaken them. And neither side appears to believe that the other will definitively carry out commitments it makes verbally to change policies as agreed upon. This classic commitment problem makes it difficult or impossible for political leaders in both Israel and the Palestinian Authority to make the concessions necessary for a negotiated settlement.

Whether the two peoples are in one state or two—or three or more—will not change this underlying dynamic. The only thing that can conceivably lift the warring parties out of the trenches and toward a meaningful cooperative settlement is something that makes the parties’ commitments credible enough to one another that they can move forward in an atmosphere of trust. This trust can exist, or decay, within a single state or across national borders. Peace will only come once each principal to the conflict is able to create confidence in the seriousness and reliability of the other side to carry out promises as agreed upon.

NOTES

1. The author thanks Andrew Coe, John Ehrenberg, and Robert Schub for helpful comments and suggestions.
2. I should make clear from the outset that my only qualification for this task is my knowledge of international relations. Although I have followed Israeli-Palestinian relations closely for years, I am no expert on the subject. This is why my discussion of the conflict itself remains at the level of abstraction, about the possibility of applying what we know about enduring conflicts to this particular instance.
3. Fearon 1995 is a classic statement. Powell 1999 brings together many analogous insights; Powell 2012 extends the argument to include states concerned about changes in the power balance. Walter 2009 surveys applications to civil war.
4. Kydd and Walter 2002 suggest that there may be uncertainty about the strength of extremists on both sides, so that both masses and political leaders are wary of the true intentions of the other party. While extremists have been successful in disrupting progress toward a settlement, it seems to me unlikely that this is due to any underlying uncertainty about where the mass of political preferences lies on either side.
5. Coe 2015 develops the implications of such divergences in levels of economic development for war and peace.
6. One possibility is that individuals or groups have an actual preference for, say, an independent judiciary; another is that the initial agreement leads the sides to make investments, either economic or political, that are costly to reverse. There are many other possible explanations.

REFERENCES