**Area C Will Never Be Part of Israel**

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Haaretz | March 6, 2024

The year 2023 will be remembered as the year that witnessed the collapse of two closely related pillars of Israel’s West Bank policy. Together, these policies constitute grave misconceptions that nevertheless have been proudly championed by Israel's ultra-nationalist right-wing government. The first policy pillar is the “divide and rule” strategy, whereby the Gaza Strip and the West Bank were intentionally separated to prevent the establishment of a future Palestinian state and to facilitate the sequestering of the West Bank and its ultimate annexation to Israel. This pillar crumbled to wrack and ruin on October 7th when it became abundantly clear that allowing Hamas to grow at the expense of the Palestinian Authority has grave consequences. The second pillar, the “battle over Area C, sought to create spatial and demographic conditions permitting the annexation of an area that accounts for 60 percent of the West Bank. This pillar has been disintegrating gradually over several years.

The roots of these failed policies can be found in Israel's abdication of its legal commitments that were ratified in the Oslo Accords. In the declaration of principles, the State of Israel accepted the notion of unity of the West Bank and Gaza Strip: “The two sides view the West Bank and the Gaza Strip as a single territorial unit, whose integrity will be preserved during the interim period.” With regard to Area C, the agreement stated: “The Parties agree that the area of the West Bank and Gaza Strip, except for the issues that will be negotiated in the permanent status negotiations [Jerusalem, settlements, and military sites] will be gradually transferred to Palestinian jurisdiction, to be completed within 18 months from the inauguration of the Council.” It also stated that: “‘Area C’ means areas of the West Bank outside Areas A and B, which, except for the issues that will be negotiated in the permanent status negotiations, will be gradually transferred to Palestinian jurisdiction in accordance with this Agreement.” In simple terms – all the agreements signed by the State of Israel define the Gaza Strip and the West Bank as a single territorial unit. This principle has guided all negotiations conducted by the two sides. Area C, therefore, has been under an extremely extended temporary status pending its eventual transfer to Palestinian jurisdiction.

Regarding the first failure – the collapse of the “divide and rule” policy – the Palestinians are united in their insistence on a joint future for the West Bank and Gaza Strip. Similarly, there is overwhelming consensus in the international community on the two-state solution as the only viable solution to the conflict. Israel has also accepted this principle in all negotiations with the Palestinians, and it is only the stalemate in diplomacy during the Netanyahu years that gave rise to the catastrophic divide and rule strategy. Because the territorial integrity issue is clear and undisputed, we focus on the second failure – the battle over Area C. Our research, conducted as part of the T-Politography project, a project dedicated to empirically monitoring changing levels of Israeli and Palestinian control in the territories in several different domains, examined the period from 2010 through the end of 2023. During these Netanyahu years (with a one-year Bennett-Lapid government), we found clear evidence that Israel is squandering its resources on a lost cause.

Motivated by the idea that it is possible to annex most of the West Bank without its Palestinian population, Israel devoted its full force and all the means at its disposal to shape the political future of Area C. This process included unprecedented budgetary allocations for the expansion of settlements; the establishment of additional government ministries as channels for the indirect transfer of funds; the encouragement and retroactive whitewashing of illegal outposts by the government; the construction of roads such as the Hawara and El-Arub bypasses, each of which cost over 200 million US Dollars; attempting to legislate the Regularization Bill – a bill that would allow to seize private Palestinian land, and attempting to abolish the grounds of reasonableness (both legislation initiatives were canceled by the Israeli Supreme Court); and the absence of an immediate and forceful response to settler violence against the Palestinians. The process reached its peak in 2023 with the transfer of responsibility for the Civil Administration of the West Bank to ultra-nationalist Betzalel Smotrich as an additional minister in the Defense Ministry, which effectively turned him into the de-facto governor of the West Bank.

However, the Palestinian side did not remain impassive in the face of the Israeli campaign. The Palestinian struggle for Area C was implemented through the Fayyad Plan, a two-year plan formulated by former PA Prime Minister Salam Fayyad in 2009. The plan offered a roadmap for building Palestinian infrastructures and institutions to establish a de facto Palestinian state throughout the West Bank. The plan enjoyed international support and a budget of over half a billion euros from the EU.

Because both Israelis and Palestinians have been attempting to increase their control over Area C, in our study we empirically examined the degree of Israeli control and Palestinian control over Area C in four domains – demographic, spatial-geographic, economic, and social (public opinion). In the demographic domain, data from the Israeli Central Bureau of Statistics (CBS) indicates that the number of Israelis living in the West Bank (all Israeli settlers reside in Area C) rose from 311,300 in 2010 to 491,548 in 2023, an increase of 58%. Despite the current right-wing government, the nominal population increase in 2023 was only 13,345 – 4% below the average annual growth over the entire examined period. The number of Palestinians living in Area C rose from 70,220 in 2010 to 354,000 – an increase of 504 percent! This figure explains the dramatic drop in the proportion of Israelis out of the total population in the area. In 2010, Jews accounted for 81.6% of the population in Area C but have fallen steadily to only 58.1%. The decline of Israeli demographic control over Area C is the result of several factors: an ongoing drop in the annual growth rate of Israelis living beyond the Green Line, from 5% at the beginning of the period to 2.7% by its end; A drop in the total migration balance in Area C, from 4,160 in 2010 to just a few hundred over the past four years. Indeed, in 2020 the migration balance was negative (more Israelis left the West Bank than moved to the area). After rising steadily, the birth rate has also remained static over recent years at 12,500. On the Palestinian side, a reverse process has been seen, with significant migration and expansion of built-up areas from Areas A and B to Area C.

In the spatial-geographic domain, 34 illegal outposts (illegal by the criteria of the Israeli judicial system) were whitewashed (i.e., turned legal) during the period of our study; a minority were declared independent settlements, but the majority were incorporated as new neighborhoods in existing settlements. By the end of 2023 the number of settlements was 127 and the number of illegal outposts was 121. On the Palestinian side, there were 12,522 clusters of houses in 2010 (each cluster ranging from a single home to dozens of homes). By 2023 this figure had more than doubled to almost 28,000 clusters, despite the demolition of some 8,000 homes by Israel over this period. The total Israeli built-up area, including settlements, outposts, industrial zones, and military bases reached 8,000 hectares this year (equivalent to 2.4% of Area C), while the Palestinian built-up area in Area C rose dramatically from 6,780 hectares in 2010 to 14,800 hectares today (4.44% of Area C).

In the economic sphere, two contradictory trends can be seen. The ongoing growth of the Haredi (ultra-orthodox) community within the settler population (Haredim now account for 39% of the Jewish population in the West Bank, over three times their weight in the entire State of Israel) has increased the proportion of the poor in the overall settler population. The proportion of settlers classified in socioeconomic cluster 1 (the lowest cluster), has grown and is now almost half the total Jewish population of the West Bank. However, counterintuitively the average socioeconomic ranking of all the Jewish settlements in the West Bank has risen in recent years thanks to unprecedented government support in the form of various grants, and now stands at 4.3 on the socioeconomic scale (still a low score). It is therefore an essentially impoverished population that is kept on government life support for ideological reasons. The annual growth of the Israeli population in the West Bank in recent years has been based almost entirely on natural growth, 43% of which was contributed by the Haredi population. Accordingly, the trend of economic decline can be expected to continue in spite of government support. This will likely increase polarization between the Haredi community and the national-religious and secular sectors that are more affluent. The Palestinian population is weaker in economic terms than the settlers, but the intrusion of Palestinian construction into Area C is due, among other factors, to private construction on most of the land suitable for this purpose. Financial support for this construction from the EU and Arab countries is a critical factor.

Israel’s policy regarding Area C has been a failure not only on the ground, but also in terms of the attempt to “settle in the hearts” of the Israeli public and to normalize life in the West Bank as if it were an integral part of the State of Israel. Over a hundred cultural, touristic, and religious attractions have been developed in the area; The Judea and Samaria College has been transformed into Ariel University in the heart of the West Bank; the Green Line has been obscured on official maps and in school textbooks; and the Israeli political elite overwhelmingly supports the settlement enterprise. Yet the Israeli public remains unconvinced. Even after the October 7 attack, a majority of Israeli Jews (55%) prefer separation from the Palestinians in either a bilateral agreement or an Israel-initiated partial retreat over annexation or continuation of the current creeping annexation policy (for the full results of the surveys, see [www.whatisraelisthink.com](http://www.whatisraelisthink.com)). Secondly, Israelis disapprove of the benefits given to the settlements that are not provided to other Israeli citizens. When we noted the per capita budgeting of local authorities in the West Bank in 2023 (about $1000) compared to that inside Israel (about $600), only one-fourth of Israeli Jews supported the budgetary prioritization of local authorities beyond the Green Line. The level of support fell even further when Israeli Jews were presented with the fact that the budgetary prioritization of the settlements over peripheral areas inside Israel has increased over the years. Recent Israeli governments have attempted not only to outmaneuver the Palestinians, but also to circumvent the broad opposition among the Jewish public to the prioritization of the settlements and unilateral efforts to seize control of the West Bank.

The shockwaves created by the horrific events of October 7 have opened an opportunity to reexamine Israel’s policies toward the Palestinians. At present, the government is opting for more of the same old failed recipes, as reflected in its decision while the war still rages to promote the construction of 3,000 new housing units in the West Bank (a decision that has enraged the Biden Administration and has led to a reinstatement of the settlements as illegal). However, it is time to learn from the errors of the past. Instead of fighting a messianic war for an area of land inhabited by Palestinians that will never be part of Israel (if Israel defines itself as Jewish and democratic), and instead of investing the nation’s limited resources on the most unsuccessful real estate project in the nation’s history, Israel must change course. The new direction should be based on a broad perspective ensuring Israel’s survival as a secure, democratic nation with a Jewish majority. Israel should honor the undertakings it assumed when it signed the Interim Agreement and regard Area C as a temporary deposit that will form part of the future Palestinian state. If it adopts this approach, Israel will be able to reestablish its position in the international community, strengthen both its security and democracy and stop wasting its energy on an objective that is doomed to fail.