

## Chapter 6

# The Israeli-Palestinian Arena: Dynamic Stagnation

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The Israeli-Palestinian arena of 2007 was in continual turmoil, yet it did not undergo any underlying change in its principal parameters. In fact, these parameters became more clearly defined. The Hamas takeover of Gaza dramatized the process of change underway in the inter-organizational Palestinian arena over the last twenty years. Fatah disintegrated and became ever more dependent on Israeli and international support. The armed struggle between Israel and militant Palestinian factions – Hamas and other splinter groups – continued. Moreover, even though dialogue between Israel and Fatah resumed, there was no substantial breakthrough auguring an agreed settlement.

### **Between Gaza and Ramallah**

2007 began with severed political contacts between Israel and the Palestinian Authority (PA). When Hamas won the Palestinian Legislative Council elections the previous year, the PA divided between the Hamas-led government and the presidency, held by Fatah leader Mahmoud Abbas. The Hamas-Fatah rivalry preempted various attempts by outside parties and by the leaderships of the movements themselves to rehabilitate the PA. This internal political

morass was compounded by the deadlock in the Israeli-Palestinian dialogue, given the Hamas credo that completely ruled out any resolution to the conflict based on a two-state solution – a departure from the willingness of previous Palestinian governments to reach a settlement with Israel.

Israel for its part focused its efforts on weakening – and toppling – the Hamas government. Israel played a central role in forming the international coalition that included the US and other Quartet members that imposed an economic embargo on the government. From Israel's standpoint, as long as the Hamas government remained in power and adhered to its ideological manifesto, there was no need or willingness to end the political stagnation. On the other hand, no alternate agenda was devised to promote a reasonable security milieu for Israel against the backdrop of the political stagnation or produce a solution for the immediate and future defense dilemmas generated in the Palestinian arena. The convergence plan in the West Bank was shelved in the wake of the Second Lebanon War and the deteriorating security situation in and around Gaza.

While the Gaza Strip borders remained under Israeli control, arms smuggling across the Rafah border into the Strip continued, compounded by Egypt's lack of control (if not apathy) over the situation. The imported weapons enhanced Hamas' military infrastructure, and Islamic Jihad and Hamas activists kept up Qassam rocket fire on the western Negev. Israel responded to the ongoing firing with an intensified economic embargo and heightened military activity, including artillery fire and land and air strikes.

The escalation signaled the end to the suspension of the struggle against Israel that was brokered between Fatah and Hamas in November 2006 with the aim of relieving the Israeli military pressure. The lull, along with the concomitant attempt to formulate guidelines for political coordination, was intended by the movement leaderships to pave the way for the PA's rehabilitation. Their hope was that Fatah's inclusion in the government would lead to cancellation of the international embargo. In fact, the embargo on the PA was

not comprehensive and aid reached the territories in ways that bypassed Hamas, by direct transfer to the presidency and to civilian aid organizations. Moreover, the sums that reached the territories during 2007 exceeded the monetary transfers of the previous years. However, the embargo on the Hamas government prevented Hamas from consolidating its rule, and there were protests in the territories against the PA, led by government employees who were not receiving their salaries. In any case, the lull was accepted by Fatah and Hamas; Israel was not a party to the agreement. Signs of Israeli control likewise remained in effect in the West Bank, including physical separation between inhabited Palestinian areas and Israeli settlements, and roadblocks that impeded passage within the West Bank and into Israel. In addition, Israel maintained its ongoing military activities in the West Bank against terrorist factions, which fueled efforts to escalate the struggle against Israel in the West Bank and from the Gaza Strip.

The Fatah and Hamas leaderships did not succeed in restraining the militant factions, nor did they manage to reach an agreement among themselves. Clashes between their armed forces intensified. The PA's security forces remained under Fatah's control and fought to retain whatever remained of their control of the Palestinian street. For their part, the Hamas forces were organized as a semi-structured militia designed to police the streets of Gaza and to deter Fatah from attempting a military coup that would deprive Hamas of its electoral gains. Thus, in addition to the institutional and economic collapse in the territories, there was a sense of impending civil war.

The political stagnation accentuated the regional anxiety over developments in the Israeli-Palestinian arena and their implications for the regional balance of power. Led by Saudi Arabia and Egypt, Arab states sought to curb the deterioration and establish national Palestinian representation for talks to further the Arab peace initiative, ratified at the Arab League in Riyadh in April. The month before the summit, representatives of Hamas and Fatah met in Mecca. With great inter-Arab encouragement – if not pressure that left the leaderships of

the two movements no choice – the principles of a unity government were formulated. From the perspective of the Arab League, this government was designed to help establish a regional front that would counterbalance the militant Islamic bloc led by Iran. An Arab-Israeli settlement was considered to be a means of furthering this goal, and an Israeli-Palestinian agreement was viewed as an integral precondition. However, the Fatah and Hamas leaderships, which were entangled in the struggle for domestic power, responded to the inter-Arab pressure based on the same considerations that had previously motivated their efforts to quell the inter-organizational enmity and to calm tension in the confrontation with Israel, not necessarily out of a wish to generate a national representative body for talks with Israel. In fact, the establishment of a unity government – facilitated by President Abbas' waiver of the demand that Hamas recognize Israel – obviated any chance of renewing the political process.

The creation of the unity government, however, did not herald a new era in Fatah-Hamas relations. Their leaderships did not reach agreement over the division of authority that would allow the PA to function. Moreover, Fatah's inclusion in the government did not lead to the rescinding of the international embargo on the PA but instead produced intensified Israeli and international criticism of President Abbas. Meanwhile, the military struggle between the two movements escalated further. In June, Hamas forces in Gaza overpowered their Fatah counterparts and took control of the Strip. This development, which led to a de facto split in the PA, marked another stage in the ongoing undermining of Fatah, the PLO, and the historical national leadership by territories-based forces, chief among them Hamas. President Abbas disbanded the unity government and Hamas established its own government. Abbas authorized economist Salam Fayyad, not a member of Fatah, to establish an emergency government as a counterbalance to the Hamas command. Significantly, this Ramallah-based government, comprising mostly professionals, did not have a parliamentary majority; hence its authority came from President Abbas only.

Hamas was faced with the challenge of consolidating its rule in the Strip under severe economic difficulties and constant military pressure. These necessarily impeded the movement's attempts to take over the West Bank and reduced its public support. Yet while support for Fatah increased, this did not directly translate into a stronger organizational posture or an enhanced ability to enforce policy. The loss of Gaza underscored the challenges confronting Fatah before its defeat, primarily rehabilitation of the movement and recovery of its institutional standing. In order to retain the presidency and any popular support it still enjoyed, and in order to improve the prospects of regaining control of Gaza, the movement's leadership revived its interest in the political process, namely, restoring the PA's original political and legal basis. Renewed international focus on the conflict provided Fatah an opportunity to try to further this objective.

In the wake of Hamas' takeover of Gaza, international criticism of President Abbas for attempting to reach understandings with Hamas was replaced by support for him and the Fatah movement. This turnaround reflected the concern that without massive support, the Palestinian camp that advocated an agreed settlement would lose its remaining influence in the territories. Indeed, the split in the PA created a clear distinction between those supporting a settlement and the militant Islamic opposition. Therefore, optimism about a renewed political process replaced the pessimism generated by the loss of Gaza to Hamas. In the international arena, renewal of dialogue between Israel and the Palestinians – even if only between Israel and Fatah – was deemed an opportunity to further a settlement that would both undermine Hamas' hold on the Palestinian public and wrest from the regional Islamic camp a monumental achievement. This assessment motivated President Bush's initiative to convene an international summit – or “meeting,” as he labeled it – that would advance the creation of a Palestinian state.

### **To Annapolis and Back**

The Israeli government responded to the administration's call for the resumption of the dialogue with President Abbas in the hope that ending the stagnation would generate a new political agenda for Israel, boost the idea of a two-state solution, and strengthen the Palestinian camp that could promote it. As Prime Minister Ehud Olmert stated upon his departure for Annapolis, "[the status quo] will lead to Hamas taking over Judea and Samaria, and to a weakening – prior to the disappearance – of the moderate Palestinian element. If this latter camp does not manage to create a political horizon, the result will be fatal." Mahmoud Abbas echoed that the summit was "an opportunity that will not reappear." Arab countries, chiefly Egypt, Saudi Arabia, and Jordan, were included in preparations for the summit and assigned a key role in the process it was supposed to jumpstart. They were expected to back the sacrifices that would be demanded from the Palestinians in return for a settlement; encourage Israeli concessions via diplomatic and security incentives; and facilitate formation of the regional front that matched both the US interest and the idea underlying the Arab initiative.

Due to the difficulty in formulating an agenda that would be agreeable to all the parties involved, primarily the Israelis and Palestinians, it sometimes seemed that advance diplomatic activity was invested mostly in preventing cancellation of the summit. Before the conference, Israel released a few hundred Palestinian prisoners – a gesture that acknowledged the sensitivity of the Palestinian public to the issue and the benefit that Abbas could reap in the domestic arena from the move. In addition, preliminary meetings between Olmert and Abbas were held, demonstrating their commitment to revive the political process. However, Israel refused to commit in advance to the details of a settlement and limited itself to the formulation of common principles for negotiation. Abbas, on the other hand, strove to achieve a detailed declaration of principles and even threatened to boycott the summit given Israel's stiff resistance to such a document. His opposition ebbed with the promise made by Secretary of State

Condoleezza Rice that at the summit the United States would renew its call for the creation of a Palestinian state and her reassurance that Israel was committed – though as yet without a timetable – to withdraw from most of the West Bank. The Annapolis gathering was ultimately attended by all the sides directly involved in the conflict and by dozens of other countries. Its highlight was a joint declaration of intent read by President Bush to negotiate and formulate a permanent settlement by the end of 2008.

Prime Minister Olmert and President Abbas returned from Annapolis to their familiar home turfs, which obliged them to engage in conflict management rather than purposeful negotiations. Israel's opposition to the administration's intention to link the joint declaration with a UN Security Council resolution indicated a lack of faith in its implementation, particularly within the defined time frame. A number of tense meetings between the sides produced little progress, and their significance, like the significance of the Annapolis summit itself, was limited to the very fact that they took place at all. Continued Israeli construction on the West Bank was decried by Abbas as a threat to the future of the process. On the other hand, Israel's hope of Abbas' forces using the enhanced security aid given to them after the Hamas takeover of Gaza to combat the military infrastructure of opposition factions in the West Bank was dashed. Meantime, Israel's siege of Gaza continued – with Fatah too supporting the campaign against Hamas – as did the rocket fire from the Strip.

The siege and the threat of an Israeli invasion briefly quelled the threat of escalation by Hamas in advance of the Annapolis summit. Indeed, Hamas again requested a ceasefire from Israel but was rebuffed because of Israel's desire to wear down Hamas militarily, defeat it politically, and reinforce Fatah. Meanwhile, Egypt and Israel joined efforts to boost security coordination to prevent further smuggling of weapons into Gaza, which was undermining their fragile relationship. In January 2008, due to the prolonged economic deterioration, Palestinians breached the wall dividing Gaza from Egypt, poured into the Egyptian side, and returned to the Strip with basic goods

and other commodities. Within a few days, however, Egypt restored the closure and reaffirmed its strong reservations about assuming responsibility for the security and economic situation in Gaza. Gaza was once again placed under siege. In response to escalation of the rocket fire – during which Hamas members joined in the firing for the first time since the movement took over the Strip – Israel’s economic sanctions increased even further, and the threat of extensive military action seemed ever more real.

With the faltering political process, international efforts focused on preserving Abbas’ presidency and strengthening Fatah’s hold on the West Bank through economic aid. In December, a conference of the donor countries convened in Paris, with the United States, European countries, Japan, and members of the Arab League among the ninety countries attending. The donor countries pledged to transfer to the Fatah government-Abbas presidency \$7.4 billion over three years. Salam Fayyad announced that the funds, most of which were designated for building infrastructure and the remainder for the Fatah-administered PA budget, would be managed in a controlled and transparent manner. His assurance that the funds would go to both the West Bank and Gaza not only indicated national responsibility but signaled an intention to use the aid to undermine Hamas’ hold on the Strip. In other words, it was to help restore exclusive national leadership to the PA under President Abbas.

### **Looking Ahead: More of the Same**

The idea of a two-state solution has long earned public and institutional support, both from Israel and the Palestinians. However, the gaps between the sides regarding the details of the arrangement have blocked progress toward realization of the vision. Repeated clashes between militant Palestinian activists and Israeli security forces in Gaza and the West Bank continued to obstruct any confidence building, and in this sense 2007 showed no departure from previous years. Israel reiterated its willingness to discuss a compromise, albeit without committing to the details or a defined timetable. President

Abbas' willingness to advance a settlement did not imply any moderation of traditional Palestinian demands and in any case, he lacked the institutional, public, and military strength that could ensure implementation of understandings. As such, recent developments in the arena, including the renewal of dialogue between Israel and Fatah, underscored the political stagnation and accentuated the obstacles toward mitigating the conflict.

In addition, there looms the danger of military escalation, particularly in Hamas-controlled Gaza. An extensive military operation mounted by Israel to stop the firing from the Strip and weaken Hamas' military infrastructure would likely arrest the political process as well. The focus in the Israeli sphere would then shift to the costs of the operation in terms of human life and the international criticism of the humanitarian suffering in Gaza. The debate over the security challenges from Gaza and the duration of an Israeli presence there would sideline talks between Israel and Fatah. For his part, Abbas will not be able to continue talking with Israel about a settlement that involves sacrifices in the face of increasing suffering in Gaza. The military pressure may force Hamas to reduce its own rocket fire, and to restrain Islamic Jihad fire as well. However, this would not necessarily attest to a weakened Hamas presence in Gaza, and certainly not to a renewal of Fatah's control there. On the other hand, practical Israeli examination of the seriousness of Hamas' proposal of a *hudna* and direct or indirect dialogue with the movement would sully the air between Fatah and Israel.

As the internal Palestinian rivalry in itself complicates progress in the political process, Egypt and Saudi Arabia, in the aftermath of Annapolis, have renewed the attempt to broker a compromise between Fatah and Hamas. However, chances of success are slim: Fatah's revived involvement in the political process came in the wake of the bloody conflict between the movements and intensified the divide between them. It is possible that with time Fatah will soften its opposition to coordination with Hamas. However, as long as Hamas adheres to its ideological manifesto there will be no rapprochement

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between it and Fatah, which is the basis for establishing a national Palestinian representation relevant to the political process.

The funds that the donor countries pledged to the territories are meant to arrest the collapse of the Palestinian economy. However, without a reduction of Israeli military pressure the funds will not bring much benefit, as generous as they may be. In other words, the road to Palestinian economic rehabilitation will take as long as the road to changing the political-military reality of the Israeli-Palestinian arena, even if the donor countries fulfill their promises to the letter and a supreme effort is made to use the financial aid for the most productive ends possible.

## Chapter 7

# Sort of Want to, but not Really: Israeli-Syrian Relations in 2007

Amir Kulick

### **Looking Back**

On the surface, Israel-Syria relations did not witness significant developments in 2007. The peace talks were not renewed, the Golan Heights remained in Israeli hands, and despite a certain degree of tension following the Israeli attack in Syria in September, relative calm was maintained between the two countries. Nevertheless, there were a number of important developments, primarily outgrowths of the Second Lebanon War. Syria sensed in Israel's embarrassment regarding the war both an opportunity and a risk. On the one hand, it believed that the failure would prompt Israel to take aggressive action, possibly even against Syria, in an attempt to erase the disgrace. On the other hand, the situation was also viewed as an opportunity to renew the peace process. Thus throughout 2007, Israeli-Syrian relations spanned two tracks: calls for a renewal of the political process, and military tension between the two countries. This tension was fueled by belligerent rhetoric and military buildups on the part of both countries.

In December 2006, the Baker-Hamilton report on US policy in the Middle East was submitted to President Bush. The report's recommendations included attempting to renew direct talks between

Israel and Syria as part of efforts to achieve a total solution to the Arab-Israeli conflict. After the report was released, Damascus embarked on what various commentators called “a peace offensive,” ostensibly designed to restart negotiations between Israel and Syria. In an interview to the Lebanese *Daily Star* newspaper, the Syrian foreign minister called for a renewal of talks without preconditions. Syrian President Bashar al-Asad went even further and challenged Prime Minister Ehud Olmert to call the Syrians’ bluff. Various messages were apparently conveyed secretly in December 2006 via European channels and US Senator Arlen Specter. Moreover, in the middle of January 2007, presumably with deliberate timing, a report surfaced regarding clandestine unofficial talks that had been underway for around two years between Alon Liel (a former director general of the Israeli Ministry of Foreign Affairs) and Ibrahim Suleiman (a Syrian businessman who is close to the Asad family). Asad’s regime and then-Prime Minister Ariel Sharon, it was reported, were aware of the talks, which formulated understandings for an outline of a peace agreement.

While Washington and Israel rejected Syria’s advances on various grounds, the diplomatic activity continued, though without achieving any significant results. In April 2007, Speaker of the House of Representatives Nancy Pelosi relayed a number of messages to both sides. The Turks, it was later apparent, were also involved that month in mediation efforts between Asad and Olmert, and through them, the Israeli prime minister tried to clarify Syrian intentions. The Turkish involvement continued at one level or another in the months that followed. Meanwhile, diplomatic messages were also relayed between Israel and Syria by other parties, such as Michael Williams, the UN emissary to the Middle East, and by the Spanish foreign minister, Miguel Moratinos. It seems that these indirect contacts served a number of purposes for both sides. First, they probed each side’s willingness to start talks. Second, considering Olmert’s political constraints, Asad’s suspicion of Israel’s intentions, and the lack of US enthusiasm over renewing the process, it seems that both