

Conclusion and Policy Recommendations for 2021

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Objectives for Israel's Grand Strategy

The State of Israel's strategic balance in 2020 is the basis for the policy recommendations for the coming year. In implementing these recommendations, it is important to emphasize the State of Israel's overarching objectives: to strengthen Israel as a Jewish, democratic, secure, prosperous, and just state that is at peace with its neighbors. These objectives define Israel's purpose, both in the eyes of the Israeli public and in the eyes of the international community.

The State of Israel's strategic efforts and resources should be focused on striving to promote these objectives, which are critical for advancing its national security. However, the path to achievement of the objectives is not simple or direct, and tensions and obstacles exist on this road. The policy recommendations of the Institute for National Security Studies (INSS) seek to resolve the tensions and maximize their latent potential.

At the Dawn of 2021

In 2020 Israel's balance vis-à-vis the threats and opportunities in its environment was positive, as was its status vis-à-vis the international community, but Israel's national resilience and cohesion was severely deficient. Early in 2021, challenges are expected to arise both in relation to external threats and the ability to recover from domestic crises.

In the positive column of Israel's national security balance sheet for 2020 are several important developments. The Abraham Accords were signed – a historic breakthrough in relations between Israel and Arab countries – and the normalization trend appears to be continuing and expanding. At the outset of the year Qasem Soleimani was killed and at the end of the year Mohsen Fakhrizadeh was killed – both of them generals in Iran's Revolutionary Guards who led, respectively, the two strategic efforts that pose the greatest threats to Israel: entrenchment and proxy warfare throughout the Middle East, and Iran's military nuclear program. This was also a relatively quiet year along Israel's borders, with few casualties among soldiers and civilians. Israel's direct enemies were hit relatively hard by the COVID-19 crisis and the accompanying economic crisis. While many, among them INSS researchers, had expected



2020 to be a “volatile” year, in practice it proved to be one of the quietest years that Israel has known in terms of its security from external threats.

However, there was an overall decline in Israel’s national security balance in 2020, which can primarily be attributed to five factors: Israel’s ongoing political crisis, which deeply undermines public trust in government institutions, social solidarity, and national resilience; the COVID-19 pandemic, which spawned a multidimensional health, economic, and societal crisis that amplified the damage inflicted by the political crisis; while Iran has not withdrawn from the nuclear deal, it systematically violates it and is drawing nearer to the threshold of military nuclear capability; Israel’s qualitative military edge eroded: with respect to Iran, which saw the embargo on advanced weapons lifted and is progressing in its precision missile project (including dissemination to proxies), and with respect to regional states’ purchase of advanced weapons from the United States following the Abraham Accords; and finally, the end of the Trump administration brings with it the end of four years during which Israel received full political backing from the United States: in the policy of “maximum pressure” on Iran, in Trump’s “deal of the century,” and in the shifting political paradigm in the region.

At the outset of 2021, the State of Israel should define a grand strategic objective of internal economic and societal revival, alongside the forging of strong relations with the Biden administration so as to reinforce Israel’s very important alliance with the United States.

The Security Concept and the Challenges of the Hour

Israel’s historical security concept emphasizes deterrence, early warning, defense in all dimensions, and the ability to achieve decisive victory. In recent years this concept has been partially implemented through the “campaign between wars” in Syria, which aims to reduce threats, improve deterrence, and stave off conflicts. Peace agreements with Egypt, Jordan, and other regional states as well as the special US-Israel relationship remain pillars of Israel’s national security. At the present time, Israel should adhere to these principles and strive to expand the circle of peace and normalization between Israel and its neighbors, strengthen its military and technological edges, and maintain the strong strategic relationship with the United States. Due to the political paralysis in Israel, the lack of an approved budget for the past years, and frequent changes at the Ministry of Defense (four defense ministers in

two years), Israel's military buildup effort has suffered, defense doctrines and defense policy are outdated, and the IDF has been operating without an approved multi-year plan.

Furthermore, the various challenges currently facing Israel, which originate in the internal arena as well as in the regional and international arenas, require reassessing and rebalancing the different components of Israel's national security, with an emphasis on internal resilience, solidarity, and governance. The INSS conclusions on this imperative are evident in the policy recommendations for 2021, designed to promote Israel's recovery from the internal crises that surfaced and were exacerbated in 2020.

The Military Threat Posed by Iran and its Allies

- Iran's continued effort to achieve a military nuclear option is the most severe external threat to Israel's security. Israel must prepare for the expected dialogue between President Biden's administration, the international community, and Iran, in part by defining Israel's vital interests within the framework of a new nuclear deal. Israel should prepare for three scenarios – renewed negotiations, Iran's creeping toward the nuclear threshold, and some sort of combination of the two. In all scenarios, Israel must maintain coordination and a joint plan of action with the United States.

First and foremost, it is necessary to reach understandings regarding the contents of an improved agreement with Iran in relation to the 2015 nuclear deal (JCPOA). Strengthening the agreement should focus on a significant extension of the sunset clauses, "anytime, anywhere" inspections, greater restrictions on research and development, and a complete investigation of Iran's military nuclear program. In addition, a parallel agreement should be reached between Israel and the United States that establishes a joint policy against Iran's regional activity as well as a coordinated response if Iran continues to creep toward the nuclear threshold. At the same time, it is imperative to maintain a credible military option against Iran and to reach understandings with the United States regarding the conditions for military action as a last resort for preventing Iran from progressing to a nuclear weapon.

- Israel should continue to operate against Iran's entrenchment in Syria and against the precision missile project that Iran is advancing in Lebanon and throughout the region. As part of the campaign between wars, methods, theaters, and the rate of operations and the interface between them must be continuously reviewed. The threat inherent in hundreds or a few thousand precision missiles from Lebanon, Syria, Iraq, and Iran is a strategic threat of the first order, and Israel should continue to take action to thwart progress and reduce the risk it poses. In the past INSS has pointed out several strategies for addressing this threat: deterrence, defense, disruption, and delay through the campaign between wars, a preemptive strike, or even preventive attack. Each strategy has advantages and disadvantages and they are not necessarily mutually exclusive. In any case this is a serious threat that demands in-depth deliberation on how Israel's security concept should be implemented.
- As part of its military buildup and operational plans for defense and offense, Israel must prepare for the possibility of a two-front war – the "northern war" – as the primary threat. This replaces the longstanding approach of the Israeli government, the Israeli public, and to a certain extent the IDF, which focused on conflicts in one arena at a time: Gaza or Lebanon. It is necessary to manage public expectations regarding the nature of a future war, its costs, and possible results. At the same time, Israel should launch political and military efforts to prevent the war and fully exploit other alternatives to advance Israel's military objectives in the northern arena.

The International and Regional Arenas

- Israel should formulate a policy that is adapted to the new United States administration and adopt an approach toward it that is non-confrontational, and takes into consideration the ideology, values, and red lines of both sides. Returning to the 2015 nuclear deal is very problematic for Israel, and every effort should be made to agree on strategies for improving the agreement and securing guarantees for Israeli security. Israel should engage in dialogue with the Biden administration in order to minimize potential points of contention and to maximize cooperation on shared interests (with an emphasis on the challenges posed by Iran and Hezbollah, Israel's relations with China, the United States' technological supremacy, and Israel's qualitative military edge, as well as the Palestinian issue).



- Israel should adapt its policy to the current era of great power competition, strive for a “technological innovation alliance” with the United States, and manage its relations with China, in coordination with the US administration and while taking American sensitivities into consideration. It is necessary to expand the knowledge base in Israel on China and to improve risk management with respect to China. Regarding Russia, Israel should keep the channels of communication open, to help maintain the freedom of operation that Moscow permits Israel in Syria, and to the extent possible, also the de-confliction with it – despite different interests and opposing positions in relation to Syria, Iran, Lebanon, and the Palestinian issue. In addition, Israel should attempt to improve its relations with the European countries, even though some of their stances on the Palestinian issue are opposed to Israel’s interests and positions.
- Israel must work to strengthen and expand the normalization trend with pragmatic Arab and Muslim countries, chief among them Saudi Arabia and Indonesia. The processes with Sudan and Morocco have not been completed, and it is necessary to ensure that in return for what they received from the United States, they do indeed normalize the relations. After Israel has made the most of the “suspending the annexation” card, it should work to include Egypt, Jordan, and the Palestinian Authority in regional partnerships, and to leverage the normalization to repair its relations with Amman. Despite the problematic nature of Turkey’s regional policy and its hostile approach toward Israel, it does not pose a direct military threat, and while it is involved in undermining Israel’s control of the Temple Mount and supports Hamas, it maintains extensive economic relations with Israel. Israel should manage its relations with Turkey on the basis of reciprocity and leverage relations with the US in an attempt to improve relations.

The Palestinian Arena

- In the region as well as the world at large there is increasing awareness that the Palestinian issue is not the core issue of the Middle East, nor is it the key to resolution of the region’s problems. The Palestinians’ traditional leverage and means of pressuring Israel have lost some of their power: Arab support for the Palestinians has weakened, and they have been denied veto power over normalization between Israel and Arab countries. Israel should ensure that normalization with additional countries does not restore veto power to the Palestinians. In

addition, in the Palestinian arena itself there is growing recognition that the violent struggle against Israel is not effective and even harmful. However, it is Israel's interest to maintain the Jewish and democratic character of the State of Israel and avoid deterioration into a one-state reality. Therefore, Israel should try to advance a political arrangement with the Palestinians, and if progress in this direction is not possible, then it should formulate and implement a policy that maintains options and improves conditions for future progress without compromising on security issues. Under the current circumstances, Israel should strengthen the Palestinian Authority, which is a legitimate address for a future agreement, and strive toward "transitional arrangements" that shape political, territorial, and demographic separation, thus creating the conditions for a two-state reality (INSS Plan). It is important to leverage the change of administrations in the United States and regional normalization for renewing the political process with the Palestinians, which – even if it does not succeed – will grant legitimacy to transitional arrangements and will aid their implementation.

- Hamas is a terrorist organization that rejects the existence of the State of Israel and refuses to advance along a political path. After emphasizing that the Palestinian Authority is Israel's partner for dialogue in the Palestinian arena, Israel should designate Hamas as the responsible party in the Gaza Strip for the time being and achieve a long-term ceasefire with it, in return for improving the condition of Gaza's civilian population and infrastructure, while making efforts to curb Hamas's military buildup. It is important that Hamas, which constitutes a secondary arena that is less urgent than the northern and Iranian arenas, not divert excess military and political resources that are necessary for the priority arenas. If Israel is nonetheless drawn into a conflict, the IDF must inflict a very heavy blow on the organization's military wing and the other terrorist organizations there.

The Internal Arena

- Israel should place a high priority on professional and decentralized management of the various aspects of the COVID-19 crisis – health, economic, and societal. It is an immediate imperative to pass a state budget that reflects the challenges resulting from the multidimensional crisis: prioritizing renewed economic growth, promoting economic reforms, and narrowing social gaps. In the medium term, Israel should carry out a focused national effort of economic and social recovery, while improving relations between demographic sectors and reducing gaps, and institutionalize mechanisms and practices for coping with complex crises that are not purely security in nature. Israel should do its best to increase public trust in the government, law enforcement, the courts, the police, and the IDF.
- The IDF is suffering from the political crisis and from uncertainty regarding resources, which complicates orderly planning, force buildup, and preparation for future challenges. It is necessary to finalize and budget a multi-year plan for the IDF within the budgetary limitations of the COVID-19 crisis. Israel must implement a procurement plan with the American aid, as essential decisions in this context have been postponed for three years. In addition, the IDF and the entire defense establishment must be distanced from the political struggle in Israel.
- Israel's qualitative military edge is a core component of its security. Israel should agree with the United States on rules and plans for maintaining Israel's qualitative military and technological edge and strengthening Israel's qualitative edge in the cyber realm and in artificial intelligence technologies. Israel should work to lay an advanced communications infrastructure throughout the country, with an emphasis on connecting the periphery with the center.
- World Jewry: The growing gap between Israel and the Jewish communities around the world, which are a strategic asset for Israel, requires the renewed formulation of a shared vision and honest dialogue to bring about an improvement in the relationship and to increase mutual trust. Following the deep crises that Jewish communities abroad have experienced in recent years – dilemmas of identity, identification with the State of Israel, assimilation, antisemitism, and increasing violence, as well as financial decline – Israel, as the national home of the Jewish people, must take steps that reflect its responsibility for their situation and their destiny.

The Bottom Line

Israel is a strong state that enjoys the standing of a regional power in every important dimension: military, intelligence, economic, technological, and human capital. However, the COVID-19 crisis has exposed many vulnerabilities: a deep and ongoing political crisis, which is reflected in several successive governments that did not complete their terms and in frequent, recurring election campaigns; paralysis of the government's work, as the government operates without a long-term vision and without a budget; an opaque and ineffective decision making process; a decline in public trust in the leadership; deepening gaps between the different "tribes" in Israeli society; and the undermining of solidarity and civilian identification with the state and with one another. In particular, the current crisis has expanded the gaps between strong and weak demographics and deepened inequality.

It is necessary to deal with the internal dimension of Israel's national security challenges, without harboring the illusion that the external challenges have disappeared. The probability that the State of Israel will encounter an external challenge in 2021 is not low. Iran has a score to settle with Israel, and it is possible that Tehran will take aggressive action based on the assessment that the new US administration will ease the pressure on it. Nor has the Palestinian problem disappeared, and the weakening of Palestinian leverage and influence, in the shadow of the decline of its leadership, could actually spur the Palestinians to adopt a strategy of working toward a single state, which is dangerous for Israel. Thus while Israel's deterrence is strong on all fronts and its enemies do not want to go to war against it, the chance of a deterioration that spirals out of control still exists and requires maintaining a high level of readiness.

The strategic confusion in Israel at the current time – and in this context the failure to formulate and update the security concept and economic and social policies, and to repair and strengthen the governmental and legal systems – demands that think tanks and civil society remain committed to providing the professional and political system and the public with up-to-date concepts, insights, and policy recommendations that better address the threats and seize opportunities to strengthen the State of Israel's national security.