

Israel 2016-2017 Situation Assessment: Challenges and Responses

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A review of Israel's national security balance sheet in late 2016, with a look to the coming year and beyond, shows that the factors with a positive effect on Israel's strategic situation have remained steadfast over the past year. Israel is militarily strong, the direct military threat to it has lessened substantially, and it has successfully avoided conflicts and large scale wars, particularly with the declining threat posed by the surrounding Arab countries. The nuclear agreement signed by the major powers and Iran in July 2015 has postponed the materialization of Iran's threatening nuclear potential. The conflict in the Sunni Arab world against Shiite radicalism and the struggle against the Islamic State and the Muslim Brotherhood has highlighted a set of interests shared by Israel and the Sunni Arab world. In addition, positive developments in energy discoveries and market trends stand to bolster Israel's economy, and are also likely to improve its relations with other countries.

At the same time, there are ongoing negative trends and disturbing developments in Israel's strategic environment. The status of the United States in the Middle East has weakened, and the region ranks lower among the priorities of the Obama administration (looking ahead, the Trump administration is expected to reinforce isolationist trends). The Russian military power in Syria strengthens Iran and Hezbollah, and is liable to restrict Israel's freedom of action. The stalemate in the Israeli-Palestinian political process continues, while both the growing despair and rampant incitement in the Palestinian arena have fed a spate of terrorism of knives and car-rammings by individual terrorists. Israel's relations with Europe

continue to deteriorate, internal solidarity in Israel has weakened, and social divides have widened. Attacks against the legitimacy of IDF commanders and efforts to drag the IDF into a new political clash likewise reached new low points this year.

At the heart of the policy recommendations I proposed one year ago in *Strategic Survey for Israel 2015-2016* was a call for decision makers to leverage Israeli military, technological, and economic power and Israel's improved standing in the region as a basis for initiatives to improve its political status and promote processes toward political arrangements with the Palestinians and Sunni countries in the region. One year later, and as the government of Israel continues to pursue a passive and cautious policy that maintains the status quo, this recommendation is still valid in principle. At the same time, it is important to take note of strengthening trends in Israel's strategic environment and those that are now better understood in order to sharpen the insights and policy recommendations derived therefrom. In addition, the entry of a new President into the White House, whose policy is still to a great extent unknown, highlights the need for renewed thinking about Israel's current strategy for promoting national security.

Presented below are principal assessments concerning Israel's strategic position in late 2016 and its anticipated position in 2017. They are followed by recommendations for a strong political and security grand strategy, with a look at the main causes of tension that will influence Israeli policy as it meets the various challenges before it.

Elements of the Strategic Environment

1. The military balance

Israel's military power is undisputed. The conventional threat has receded greatly, Israeli deterrence is effective, and Israel is successfully avoiding high intensity wars and conflicts. Despite the civil war raging near Israel's northern border, regional instability, the consolidation of terrorist organizations along its borders, and three conflicts in the Gaza Strip since 2009, Israel has devised a policy of non-intervention in Syria, and has successfully avoided being dragged into a full scale war. The conventional threat from the regular armies of the neighboring countries has essentially vanished, following the stable peace between Israel and Egypt and between Israel and Jordan, the

disintegration of the Syrian army, the focus by Israel's principal enemies on other conflicts, and the deterrent image furnished by Israel's military capabilities. Israel continues to be the strongest and most technologically advanced military power in the Middle East, with extremely high quality offensive and defensive capabilities. Its deterrence against semi-state terrorist organizations remained effective in 2016, and its cautious and measured actions prevented deterioration and escalation on all fronts. Israel's strong military-security standing, and the synergy between its relatively strong and stable economy and cyber and hi-tech sector, one of the most advanced in the world, constitutes a positive magnet for economic and technological ties with many countries. All these factors enable Israel to continue its economic growth and maintain strategic stability.

2. The weakened status of the United States

The status of the United States in the Middle East continues to weaken, and uncertainty prevails about the inclinations of the incoming Trump administration – isolationism or strengthened United States power and readiness to use massive force against enemies around the world in general, and especially the Middle East. President Obama's reluctance regarding military involvement, combined with the concern among authoritarian regimes that the United States will exert pressure on them to become more democratic and will not stand by their side against internal threats, has eroded the country's status in the region. Although the Obama administration adapted its policy to the situation in the region over the years, and preferred stability and a slow and gradual process of reform over sudden changes and far reaching reforms, none of the various political and social forces in the region – neither those that support nor those that oppose democratic reforms – are satisfied with this administration's efforts to dodge crises. Russia has exploited this stance to return to the Middle East based on its loyalty to allies with no strings of values and ideology attached. Another factor reinforcing the image of the United States as abdicator in the Middle East is the American "pivot to Asia" pushing the region's actors, including Israel, to look for other powerful allies.

On the other hand, Israel's special relationship with the United States is one of the important elements in Israel's power and deterrence. The

image of United States weakness, combined with the tension prevailing between the Obama administration and the Israeli government, has negative ramifications for Israel. The negotiations between Israel and the United States on the Memorandum of Understanding concerning the security aid for the coming decade highlighted the basic commitment that still exists in the United States to the security of Israel, which enjoys bipartisan support in the United States, and it is likely that this will not change with the entry of a new president into the White House. However, the negotiations exposed fissures in the relationship, due mainly to the way Israel managed its political conflicts with the United States concerning both the nuclear agreement with Iran and its policy on Jewish settlements in the West Bank, which are seen as a key obstacle in the political process. Israel expects an improvement in its relations with the United States under President Trump's leadership – a change that will be reflected in a restoration of trust and closeness between the leaderships of the two countries, as well as in closer coordination on strategic issues.

3. Escalation in tension between the major powers

It appears that the ghosts of the Cold War have returned to the international theater. Tension between the global powers – the United States, Russia, China, and even Europe – rose over the past year. The tension between the United States and Russia escalated to the point of a possible military clash between them – in Europe as a result of the crisis in Ukraine, and in the Middle East over the war in Syria, despite the joint struggle against the Islamic State. The South China Sea was another arena of tension, this time between China and the United States.

The United States and Russia are involved in the fighting in the Middle East with one common goal – fighting against the Islamic State and other Salafi jihadist organizations – but they have almost completely contradictory agendas on other issues. Russia seeks to regain the status of a superpower that cannot be ignored, preserve its hold in Syria, strengthen its alliance with Iran, and restore its influence in Egypt, Iraq, and Libya. Russia is also looking for a foothold in Saudi Arabia. Overall, Moscow is operating from a global perspective in an attempt to leverage consent to arrangements in Syria, and translate these arrangements into removed or at least reduced

sanctions, imposed on it following its annexation of the Crimean Peninsula and its activity in Ukraine and potential threat vis-à-vis the Baltic states. On the other hand, energy independence and the US pivot to Asia have led the Obama administration to pursue a strategy that regards the Middle East in general and Syria in particular as of lesser importance. Both the United States and Russia want to avoid putting boots on the ground, and both have elected to depend mainly on local allies whose reliability and effectiveness are not guaranteed. Despite intensive diplomatic efforts and occasional understandings, agreements are highly temporary, and in an environment with so many actors with conflicting interests, the tension between the major powers escalates, with a greater possibility of a military clash between them than what has been seen for a generation. However, it is unclear what policy the United States will pursue in Syria under a Trump administration – whether he will find a mechanism that will lead to a ceasefire and transitional arrangements, succeed in reaching understandings with Russia about Syria’s future, increase cooperation with Russia against the Islamic State, or pursue an even more extreme isolationist and noninvolvement policy than the Obama administration. The most interesting question about the future policy of the Trump administration is its policy toward Russia.

Israel has adopted a passive position regarding the military activity of the major powers in the region. In contrast to prior eras, Israel is not involved in the conflicts between the major powers and maintains good relations with both of them, further strengthening its regional status.

4. The nuclear agreement with Iran

In the short term, the nuclear agreement has not damaged Israel. Both sides have for the most part complied with the JCPOA since it was signed, despite a number of mutual complaints. The agreement has achieved its limited purpose in the short term by rolling back the Iranian nuclear project and lengthening the time required for an Iranian breakout to nuclear weapons by a year or more. The primary remaining problem is that most of the restrictions imposed on Iran under the terms of the agreement will expire; after 10-15 years, Iran can legitimately resume massive construction of a nuclear infrastructure, and make its breakout time extremely short. The predictions of a huge increase in Iran’s financial capability following the

removal of sanctions that would enable it to increase its aid to its proxies have not been borne out. However, the hopes for progress in Iran's relations with the West and for positive changes in its policy in various areas, including subversion in other countries and human rights, have also been confounded. Iran still suffers from severe economic problems caused by low oil prices; continued sanctions relating to terrorism and human rights violations; and structural governmental and economic failures. Iran's behavior is dictated by Supreme Leader Ali Khamenei, who is anxious about the fate of the Islamic regime, does not want close relations with the West, and is a leading proponent of Iranian expansion in the Middle East. The main obstacle to Iran's aspirations to regional hegemony is the strong Sunni opposition to its policy in Syria, Iraq, and Yemen.

For Israel, the significance of these developments is that barring a dramatic negative turn in events, it can expect a decade of less tension on the nuclear level before the problem resurfaces in full force toward the middle of the next decade. Iran's ability to attack Israel through its proxies and satellites is also somewhat limited, because these are fully engaged in conflicts that are much more important to Tehran, mainly in Syria and Iraq.

5. The weakness and vulnerability of the non-state actors

Non-state actors, who have become quasi-state actors that control population and territory and have armies, have become more vulnerable and subject to deterrence as a result. The leading such actor is the Islamic State, but Hamas and Hezbollah are also discovering the constraints of their advance to quasi-state status: limited resources, obligations to the populations they control, and growing vulnerability resulting from the signature of their weapons – as has happened with many classic terrorist organizations. One result of the Arab countries' weakness was the appearance of non-state actors in the region, but the strengthening of these actors was reversed in 2016, because international and regional coalitions made it possible to halt their progress and even reverse the momentum.

The primary example of a weakened actor is the Islamic State. More than once during the two and a half years since the Islamic State became a threatening element on the international scene and especially in the Middle East, I pointed out the constraints on its power and destructive capability

caused by the balance of power between it and the global and regional powers that rose and enlisted to fight against it. I have also noted the Islamic State's lack of a modern military apparatus, the absence of a sustainable advanced economy, and especially its lack of strategic depth. The organization lost large sections of its territory (the important cities of Ramadi, Fallujah, and Palmyra) during 2016. Late in the year, a multinational offensive was launched to liberate the key city of Mosul, the Islamic State capital in Iraq, from the organization's control. This will be followed by a campaign to liberate Raqqa, the counterpart capital in Syria. The campaign features large scale air strikes by the United States and its Western allies, and movements by the Iraqi army in coordination with Kurdish forces. Syria has seen participation by the Turkish army in coordination with both the Free Syrian Army and Shiite militias, and Russia has also conducted attacks. This broad-based offensive has severely damaged the organization's economic, territorial, and public relations infrastructure. At the same time, if the Islamic State loses the territory under its control, it will remain a guerrilla and subversive movement in Sunni territory, especially in territory controlled by the Shiite Iraqi army and the Shiite militias. The organization is also expected to continue its terrorist attacks in the international theater. In any event, the Islamic State will certainly survive as an idea and will continue to live on the social networks, fanning the flames of jihadist ideology originating in socioeconomic problems and alienated groups in Sunni areas of the Middle East and Africa.

From Israel's standpoint, the non-state actors in the region are deeply involved in fighting for their existence, making them less able to concentrate on the struggle against Israel mandated by their ideology. The Islamic State branch that controls territory bordering Israel in the Golan Heights is for the most part inactive against Israel. Hezbollah is preoccupied with a bloody war in Syria, is experiencing a budgetary crisis, and is the subject of vitriolic criticism in the Arab world because of its support for the Assad regime. Hamas is rebuilding its forces after failing to achieve its strategic goals and suffering severe damage in Israel's campaign against it in the summer of 2014 – Operation Protective Edge – but it must take the public under its rule in the Gaza Strip into account, in addition to the destructive consequences to its status and capabilities that another conflict with Israel would cause.

Although Hezbollah continues its military buildup and poses a significant strategic threat to Israel, and despite the substantial resources invested by Hamas in rebuilding its military force, Israel's overall strategic position gives it unprecedented freedom of action to initiate military operations aimed at preserving its security interests and restricting the increase in quality of its enemies' military buildup.

6. The civil war in Syria is far from resolution

A year of Russian involvement on behalf of Assad has strengthened the radical axis hostile to Israel. The intervention on Assad's side by Russia, Iran, and Hezbollah has enabled the regime to reverse the war's direction and regain control of many areas it lost in previous years. Nevertheless, the regime has neither achieved a decisive victory nor reunited Syria within its 2011 borders, and it does not appear that it will succeed in doing so in the future. The opposition, with all its various organizations, still controls a significant amount of territory in Syria.

From Israel's perspective, the best scenario is the disappearance of the Assad regime, along with the removal of Iran and Hezbollah from Syria on the one hand, and the defeat of the Islamic State and the establishment of a moderate Sunni regime in Syria on the other. This model has materialized in limited form in the Golan Heights, where moderate Sunni rebels are successfully combating both the Assad regime and the Islamic State. As of late 2016, however, the materialization of this model in Syria as a whole is unlikely, given the Russian and Iranian intervention and the Assad regime's advance in Aleppo. Three less than optimal scenarios for Israel are far more likely. The first is continued chaos and civil war, with possible incidents of shooting into Israeli territory, either deliberate or not. The second is the stabilization of the Assad regime in the areas bordering Israel in the Golan Heights, with even closer relations between the regime and Iran and Hezbollah than in the past. The third is the stabilization of a Sunni Islamist political entity on Israel's border in the Golan Heights. The first is the most likely course of events – continued civil war with growing dominance by the Assad regime, owing to the massive Russian support. A strengthened radical axis led by Russia and Iran in Syria in cooperation with Hezbollah is

a negative strategic development for Israel. Israel should formulate a policy aimed at weakening this alliance, despite the Russian support.

7. The persistent weakness of the Arab world

The transformation underway in the Arab world since 2011 will likely continue for many years. Its principal consequence is weakened Arab states, resulting in their dysfunctionality and even disintegration (Syria, Yemen, and Libya, and to some extent also Iraq and Lebanon). Countries that have maintained their state framework are focusing on internal security threats; most of them face armed groups that pose a threat to their regimes. Consequently, the countries that led the radical strategy against Israel have been weakened and thus now lend priority to the existential threats against them, at the expense of their conflict with Israel. Both the Sunni-Shiite conflict and the conflict within the Sunni world (between Salafi jihadist/Islamic State radicalism, the Muslim Brotherhood, and the secular groups) are likely to continue and hamper recovery in the Arab world. Fundamental economic, demographic, and social problems, including a shortage of water and low energy prices, high unemployment, and rampant despair among the younger generation will impede the Arab world's ability to recover from the prolonged crisis. Civil wars with many local and external players will likely continue, and will impact negatively on the stability of countries in the region and in Europe (due to the stream of refugees).

Saudi Arabia persists in the proactivism that has characterized its policy since the accession of King Salman, and his son, Minister of Defense Muhammad bin Salman, continues to play a major role in the country's leadership. The new Saudi leadership believes that it faces an existential struggle against the Shiite axis led by Iran, and with unprecedented assertiveness, Riyadh is trying to lead an axis of Sunni countries against Iran. Long willing to tap financial resources to support rebels in Syria and elsewhere fighting against the Shiite axis, it is now also embarking on direct military intervention. This began in Bahrain, and is particularly prominent in Yemen, where Saudi Arabia continues its campaign against the Houthi rebels, mostly through air strikes. Most of the Gulf states support Saudi Arabia's efforts, particularly the United Arab Emirates, which has also sent ground troops into Yemen. In addition, Saudi Arabia is involved in a confrontation with the Salafi jihadist

threat, although this threat is at least partly connected to radical Wahhabism, which relies on Saudi sponsorship and financing.

Riyadh's efforts to enlist other Sunni countries in the struggle, even those receiving extensive Saudi aid, such as Egypt and Turkey, have achieved limited success. Turkey and Egypt's threat assessments depart from those of Saudi Arabia, and their strategic priorities are accordingly different. For Egypt, the main threat comes from the Muslim Brotherhood, followed by the Salafi jihadist organizations. For Turkey, which has completed its transition from a secular republic to a country controlled by a Muslim Brotherhood movement, the Kurds are the main threat, followed by the Islamic State. At the same time, the massive resources invested in regional involvement and the effort to prevent the upheavals in the Arab world from having a negative impact on its internal arena could potentially lead Saudi Arabia to a socioeconomic crisis. An internal crisis could also occur as a result of struggles in the royal house over the succession, efforts to promote reform in the country, and tensions with the Shiites in the eastern part of the state.

Israel's peace treaties with Egypt and Jordan have withstood the tumult in the Arab world. The Cairo and Amman embassies in Tel Aviv are an expression of a stable element in the regional system, and constitute an important part of Israel's strategic position. Furthermore, the need to combat a common threat from common enemies, led by Iran and the Islamic State, has reinforced strategic cooperation and ties between Israel and these two countries. The Egyptian regime, fighting both in the Sinai Peninsula against armed terrorist groups that are a branch of the Islamic State and in the heart of the country against active terrorist cells, regards Israel as an important strategic ally, not an enemy. Internally, Egypt is preoccupied with its deteriorating economic situation, the decline in its relations with Saudi Arabia, and political, social, and economic circumstances similar to those before the 2011 revolution. The change in Saudi policy has expanded Riyadh's base of shared interests with Israel, thereby facilitating closer ties between the two countries and possibly encouraging Saudi Arabia to make those ties public. However, Saudi public opinion, which is still hostile to Israel, and the concern about the effect of ties with Israel on the country's ideological struggle against Iran and the Islamic State, constitute an obstacle to closer relations with Israel, certainly at the public level.

8. The political stalemate in the Israeli-Palestinian arena and Palestinian violence

The complete standstill in the political process and the deterioration of security in the Palestinian arena continued in 2016, and Israel continues to pay a price in lives, and in its economy, international standing, and internal political arena. The terrorism by individuals consisting mostly of stabbings and car-rammings, which began in the fall of 2015, has abated somewhat, due to fatigue in Palestinian society and effective countermeasures by Israel. A renewed outbreak of violence in the fall of 2016, however, ignited by events during Eid al-Adha (the Muslim Festival of the Sacrifice) and the Jewish High Holy Days highlighted the existing potential for escalation created by frustration among Palestinians at the lack of a political horizon and their poor socioeconomic situation. The Palestinian government in Ramallah, headed by Mahmoud Abbas, continues to lose support and suffers from a lack of legitimacy. Efforts to achieve legitimacy through elections (initially at the local level) have so far failed. The Palestinian struggle over succession has gathered momentum and will probably contribute to further inflexibility in the Palestinian positions.

At the same time, initiatives for renewing the political process continue to surface. Over the past year, the French government, Egyptian President Abdel Fattah el-Sisi, and Russia all proposed initiatives, but these proved futile. For its part, the Israeli government is concerned that the outgoing Obama administration will present an initiative during the period between the November elections and Trump's taking office. This initiative will seek to shape the results of the negotiations by setting parameters for an Israeli-Palestinian agreement through a new UN Security Council resolution or a presidential declaration. Such an initiative would pose a substantial challenge to the Israeli government, and the Israeli government must take steps, preferably to prevent it, and at the very least, to influence its parameters.

The socioeconomic situation in the Gaza Strip continues to deteriorate. The distress in several critical aspects, first and foremost water, sewage, and energy, is liable to cause a severe humanitarian crisis soon. Awareness that such a development is imminent has prompted a change in Israel's policy on the Gaza Strip and the adoption of a more liberal attitude toward the movement of goods and people to and from Gaza. This new openness

is limited, however, due to concern about Hamas's military buildup, and therefore cannot prevent a crisis, and from there, the road to an outbreak of violence is decidedly short.

9. Israel's political standing continues to decline

Israel's image in Western countries continues to decline, a trend that enhances the ability of hostile groups to engage in actions aimed at depriving Israel of moral and political legitimacy and launch boycotts in various areas. Indeed, the international campaign to delegitimize Israel continues, as reflected in the BDS movement. Israel's current right wing government has contributed to this deterioration. Other domestic factors include the anti-democratic legislative initiatives that have arisen during its term, tensions in relations between religion and state, allegations concerning overreaction to the wave of terrorist attacks, the political deadlock with the Palestinians, and the appointment of a right wing political figure as Minister of Defense. The government's efforts to enhance political ties with non-democratic countries, especially Russia and China, are looked down upon in the international arena, not merely because of the character of the regimes in these countries and the fact that they have deeply rooted interests in countries hostile to Israel, but because there is no sign that they are willing to give Israel the political, scientific, technological, and military support it receives from other countries, mainly the United States and some European countries.

10. Tension in the internal arena

Solidarity and the feeling of a common purpose in Israeli society have weakened. The issues arousing international criticism of Israel have affected its unity, resilience, and political system. Social and political polarization in Israel has grown, reflected in extremist statements and incitement. The frequent statements by political groups and campaigns on the social networks against the IDF hit record levels this year. Undermining public support and legitimacy of the army, its commanders, and its value and normative infrastructure can weaken Israel's resilience. At the same time, relations between Israel's Arab minority and the Jewish majority continue to deteriorate, despite the government decision to implement a five-year plan for investing large scale resources in the Arab sector in order to promote its socioeconomic integration

in the country. Many Arabs who do not trust the government believe that this plan will go the way of similar past plans, with various excuses being made for failure to implement it. An examination of the fate of past plans for the Arab sector indeed shows that this concern is not unfounded. Regarding extremism, the radical ideas led by the Islamic State are less attractive among the Arab minority in Israel than in other Muslim societies, and the number of individuals seeking to volunteer in its ranks or act in accordance with its ideology is smaller. One positive recent development was the decision by the security forces, after considerable hesitation, to act with determination against the price tag terrorist attacks carried out by Jews against Arabs in Judea and Samaria and in Israel proper. This determination has caused a substantial drop in the frequency of such attacks.

Policy Recommendations

Israel's military power and economic resilience, combined with the weakness of its enemies who are preoccupied with acute crises, have shunted the war against Israel to the margins of the regional agenda. The international system, which is in the midst of conflicts between the major powers as well as economic and social crises, is also currently less focused on leveling political pressure on Israel, thereby giving Israel a respite that is in fact a strategic window of opportunity. Implementation of the nuclear agreement between the major powers and Iran, which reduces the risk to Israel posed by the Iranian nuclear program, has also improved Israel's ability to deal with the immediate security challenges. The key question is whether Israel is making the right use of this interval in the short and medium term to bolster its ability to deal with the graver challenges awaiting it in the longer term. The leadership in Israel would be ill-advised to see the current relatively comfortable strategic situation as a reason to evade discussions and difficult decisions essential to the formulation of a coherent national security policy.

The most likely scenario for the outbreak of a violent conflict in the coming years is another round between Israel and Hamas in the Gaza Strip. Friction is also possible on the border in the Golan Heights and on the border in the Sinai Peninsula, and the worst scenario is a conflict with Hezbollah on the border with Lebanon. Conflicts in the Gaza Strip will probably be limited, and Israel is well equipped to deal with them – if it defines the goals of the

fighting wisely, and investigates and corrects the strategic and systematic mistakes made in similar conflicts over the past decade. A conflict with Hezbollah will be more difficult, and has the potential for escalating into a conflict with Syria and Iran. While the Israeli home front would pay a heavy price for this conflict, improved intelligence capabilities, precision attack weapons, appropriate rules of warfare, and correct definition of goals in the fighting will enable Israel to take advantage of its overall power. It is important not to let the immediate challenges divert Israel from the challenges expected in the longer term, including an Iran with nuclear weapons after the restrictions on its nuclear program expire, the challenges resulting from the upheaval in the Arab world, and a possible erosion of Israel's qualitative military edge (QME) caused by eased Western restrictions on the supply of weapons to the Arab world. All of these are significant for Israel's relations with the countries in the region and the major powers, and for its military buildup and political policy.

The following policy recommendations for Israel address the challenges currently before it:

1. Strengthen strategic relations and trust with the Trump administration

The United States will remain Israel's principal partner as it copes with security and political challenges. Israel should therefore not be tempted to overemphasize the value of alternative powers, i.e., Russia and China, which do not support Israel in any votes in the UN Security Council and General Assembly. Despite good relations between Moscow and Jerusalem, Russia is not a substitute for security, political, and economic support by the United States and the West; furthermore, Russia is neither desirous nor capable of rendering Israel such support. As for China, it is doubtful whether Israel will be able to achieve anything beyond economic ties. Israel should thus take advantage of the change of administration to rebuild its damaged relations with the United States, while seeking to restore the personal trust and warm working relations between the leaders and formulating strategic understandings on basic issues: Iran and its drive toward hegemony, subversion, and terrorism; the Israeli-Palestinian conflict – which should certainly not be left to the realm of the Europeans; understandings about Russia's negative

role in Syria, which strengthens Iran and Hezbollah; the need to strengthen Egypt and Jordan; and preparations for problematic developments in the Gulf. Relations between Israel and all factions of the American Jewish community are also highly important, with an emphasis on Israel's impaired standing among the younger generation.

2. Build the capability to thwart an Iranian breakout to nuclear weapons

Israel likely has a period of 10-15 years to build a credible operational capability for this purpose, and if its efforts at preventing a breakout fail, for coping with an Iran armed with nuclear weapons. Nuclear capability in the hands of Iran is likely to drive other Middle East states to procure nuclear weapons. For this reason, a plan to deal with an Iranian breakout to nuclear weapons must include both a "made in Israel" preventive capability and strategic understandings on this matter with allies, principally the United States. The point in time when it will become necessary to open and revise the nuclear agreement must be identified and prepared for, in order to prevent Iran from being only a small step from a bomb during the final years of the agreement, as allowed by the agreement. Trump's election also makes it possible to renew discussions with an administration that is not committed to the nuclear agreement (JCPOA), and to reach understandings and even "a parallel agreement" on joint Israel-United States preparations for the risks stemming from the agreement signed with Iran, especially in the long term.

3. Initiate measures in the Palestinian arena

Even if there does not appear to be a partner on the Palestinian side for reaching or implementing an agreement, Israel has an important interest in halting the gradual drift toward an irreversible one-state situation, and instead, progressing toward a two-state situation that ends Israel's rule over Palestinians, while carefully maintaining and even improving Israel's security. This requires a proactive effort to restore trust in the sincerity of Israel's intention to reach an agreement. All possible channels for promoting an arrangement with the Palestinians should be explored – bilateral, regional, interim agreements, and the independent track. A proactive policy on defining a border between Israel and the Palestinian entity, even if only temporary, should be adopted,

together with aid for building Palestinian state institutions. Expressions of willingness to renew the political process with the Palestinians will generate credibility if accompanied by more flexible positions concerning a framework for the agreement. Independent Israeli initiatives are needed to bolster Israel's standing and relations with countries in the region and beyond, including its Western allies. Such initiatives will also help to counter the delegitimization campaign conducted against Israel.

Trump's election makes it possible to act in a less suspicion-laden and more pro-Israel atmosphere in Washington, but requires Israel to clarify to the new administration about "what kind of Israel we are talking about" and what borders Israel sees itself accepting in an agreement with the Palestinians, or in the absence of such an agreement.

A dialogue with the new US administration on ways to avoid a military conflict in the Gaza Strip is another important move. This depends to a large extent on the ability of Israel and its allies, both in the region and in the West, to undertake a reconstruction of the Gaza Strip and prevent a humanitarian disaster there. Stabilizing the Gaza Strip will require a prolonged dialogue with Egypt, the Palestinian Authority, the Gulf states, Turkey, the United States, and the European Union. Specific ideas can be considered in the framework of this dialogue, including construction of a port in the Gaza Strip, establishment of a gas pipeline, and construction of desalinization facilities in the area.

4. Undertake military preparations for large scale conflicts with Hezbollah and Hamas

It is important to implement the lessons of previous conflicts and make an effort to reduce the likelihood that such conflicts will recur. The main potential for escalation with Hezbollah lies in Israeli operations to stop weapons shipments to the organization and Hezbollah's effort to establish a military apparatus and terrorist bases in the Golan Heights. Such an apparatus could result from continuation of the war in Syria, or from a decisive victory by the Assad regime. Israel must therefore constantly review its policy and continue its effective disruption of high quality weapons supply to the organization, while minimizing the risk of escalation. Israel must also continue gathering intelligence on Hezbollah's forces in order to facilitate a preemptive strike

and/or neutralization of the organization's high quality apparatuses shortly after a conflict breaks out. Israel must prepare measures against Lebanon's national infrastructure without distinguishing it from Hezbollah, and develop capabilities for a ground campaign, while considering the nature of such a campaign and its contribution to a systematic and strategic victory.

In contrast to previous years, Iran, with the tacit consent of Western countries and in cooperation with Russia, currently has substantial forces in Syria. If Israel succeeds in dealing Hezbollah a damaging blow that jeopardizes its status in Lebanon, direct military intervention with large forces by Iran or by Shiite "volunteers" under Iranian command could ensue. Likewise unlike previous occasions, Israel will be restricted by the presence of Russian forces in Syria, an envelope of Russian air defense systems over the skies of Lebanon and Israel, and intelligence and strategic cooperation between Russia and Hezbollah. The rules of the game vis-à-vis the Russians should be defined and clarified in advance of and not during a conflict with Hezbollah. It is also important to take advantage of a possible contribution by Russia to restrain Hezbollah and Iran and prevent unwanted escalation. Against Hamas in the Gaza Strip, military preparation should aim to shorten the duration of the next campaign and anticipate the tactical and systemic surprises that will be encountered. An operational way to deal effectively with the tunnels and mortar fire must be found – in addition to maintaining the achievements in coping with the rockets. Here too, a ground operation must be prepared as an essential modular part of the operational toolbox. A ground operation and air operations will not necessarily aim to conquer the Gaza Strip, rather to cause serious damage to the extent of destroying Hamas's military wing.

Both arenas, against Hamas and Hezbollah, should be discussed with the Trump administration, with understandings reached about Israel's red lines, and about what will be considered a legitimate policy on the use of force against these groups in the event of another military conflict.

5. Exhibit assertiveness vis-à-vis the strengthened Iran-Hezbollah axis in Syria

Israel must manage the risks posed by the radical axis in Syria that has strengthened with Russian support, with an eye to distance the threat posed by

this axis on the northern front. Israel's policy should include an unequivocal stand against the mass killing in Syria; judicious and calculated efforts to thwart the radical axis; prevention of shipments of high quality arms to Hezbollah; a high price exacted from any element attacking Israel, measures to prevent the consolidation of terrorist groups on its borders, and strengthened ties and continued humanitarian assistance for the moderate Sunni population on the other side of the border.

6. Improve relations with Sunni Arab countries

The dialogue between Israel and Saudi Arabia and other Gulf states indicates that an effective process with the Palestinians, even if it does not include negotiations for a permanent settlement ending in a full agreement, will make a breakthrough in relations with the Gulf states possible, including making these relations public. Even though the Arab regimes no longer ascribe the Palestinian issue the same dominance of years past, they still believe that it is important for domestic public opinion. It therefore constitutes a stumbling block to their ability to deepen their ties with Israel and act on their common interests. The Israel-Palestinian process will make it possible for Israel to realize the potential of these extended relations as a strategic asset and enhance its status and acceptance as a legitimate country in the Middle East. These relations also have significant economic potential, and can contribute to efforts against common enemies.

7. Prepare for “soft power” conflicts against Israel

Israel can expect conflicts in both the military sphere and in soft power areas – economics, diplomacy, communications, the social networks, and the courts (lawfare). Israel's enemies are generally deterred from direct military attacks given Israel's military power, but they are rapidly stepping up their actions in the legal, diplomatic, and economic spheres in order to inflict long lasting damage. It is therefore necessary for Israel to devise organizational frameworks, strategies, and multidimensional, coordinated methods to handle the challenges facing it.

8. Continue to develop Israeli cyber power

Israel is one of the world's six leading powers in cyberspace. The Israeli hi-tech industry is an important economic engine and an essential export element in a country with limited natural resources. Development of Israeli cyber capabilities should continue, based on technological education and training, and the cultivation of a culture of entrepreneurship, innovation, and improvisational capability, in part through military service that provides Israel's young entrepreneurs with a good preparation for coping with the latest cyber challenges.

9. Implement the plan for the domestic Arab sector

In order to improve the prospects of the plan for the domestic Arab sector, the integration of Arabs in Israel's society and economy should be encouraged. This is a significant strategic interest for Israel in various contexts of national security, and a basis for cooperation between the Jewish majority and the Arab minority. Such cooperation would help steer Israeli society in positive directions and lead to significant economic improvement. In order to bring about substantial change and realize the vision of integration and equality of Arabs in the country, the government should adhere to three main tracks: complete and unconditional implementation of the five-year program; avoidance of legislation aimed at political and cultural exclusion of the Arab sector; and responsible postures on issues involving Arabs in Israel, with public disavowal of racist attitudes in Jewish discourse.

10. Launch a national political and social dialogue about Israel's basic characteristics and values

A dialogue about Israel's basic characteristics and values will try to define ways to ensure a democratic, secure, and moral Jewish state. Led by the political leadership, it must engage the public, including through the social networks and other media. Rules of the game for the political and social arena must be defined that avoid trends and phenomena of polarization, including anti-democratic legislation and incitement. Inter alia, discussion should be renewed on a change in the system of government and the balance between the bureaucracy's ability to carry out policy and legal and regulatory

oversight that will not paralyze, but will be able to prevent corruption and violation of fundamental civil rights.

These policy recommendations are designed to constitute a foundation for Israel to confront the diverse threats before it. They require giving objective long term strategic considerations priority over short term tactical considerations that are within the comfort zone of the dominant political actors in Israel. The ability of policymakers to overcome the temptation to satisfy immediate political interests will be the true test of their leadership.

Furthermore, Israel's national security policy requires addressing important tensions in its internal and external strategic environment and striving to achieve a balance between them. This effort will not be easy at all, because concrete tensions are involved, including:

- a. Between the desire to lengthen the security lulls and the need to initiate action to shape a more secure situation by preventing the enemy's force buildup, which will exact a higher price in the future;
- b. Between Israel's military, economic, and technological power and its political weakness, most of which results from its rule over the Palestinians;
- c. Between issues that are urgent in the short term – another conflict with Hamas in the Gaza Strip; and more substantial threats in the medium term – a large scale conflict with Hezbollah; and in the long term – an Iranian breakout to nuclear weapons and the nuclearization of other Middle East states;
- d. Between investment and building “hard” military kinetic power and the need to invest in capabilities that can be leveraged into cyber and “soft” power;
- e. Between Israel's value-based restrictions and those of its enemies regarding the use of force and rules of war;
- f. Between Israel's military supremacy and difficulties in defining policy objectives regarding the use of force to achieve those objectives;
- g. Between the political establishment and the public on the definition of victory;
- h. Between the resources allocated to national security and economic security, high quality education, and social resilience;

- i. Between the status quo as a solution for short term security threats and the need to embark on initiatives for shaping a different situation in light of the risks to Israel's character in the long term;
- j. Between the chance to promote a political process with the PA and the security risks it incurs;
- k. Between the traditional defense concept, comprising the four pillars of deterrence, warning, decision, and defense, and the necessity to adapt to the current environment of threats and required achievements;
- l. Between the need for a penetrating debate about what country Israel will be and the intersection of the state's Jewish character and elements that guarantee it is democratic, secure, and just.

Only wise, sophisticated, and innovative management of these tensions will make the aforementioned recommendations a solid basis for a political-security grand strategy for Israel.