

Strategic ASSESSMENT

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Strategic ASSESSMENT

The purpose of *Strategic Assessment* is to stimulate and enrich the public debate on issues that are, or should be, on Israel's national security agenda.

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Abstracts

El-Sisi's First Year as President: Legitimacy, Democracy, and Relations with Israel

Ofir Winter

This article analyzes the sources of the Egyptian regime's legitimacy, two years after the Muslim Brotherhood regime was overthrown and one year after Abdel Fattah el-Sisi became president, and assesses the implications of these sources of legitimacy for the processes of democracy in Egypt and peaceful relations with Israel. While the promise of freedom and democracy is ostensibly still at the center of Egyptian establishment rhetoric, during its first year the el-Sisi regime framed security stability and economic welfare as the two main criteria by which it will be judged. This security-economic agenda strengthens the status of peace with Israel as a strategic asset for Egypt, and creates a window of opportunity for closer cooperation and expanded normalization between the two countries.

Keywords: Egypt, Israel, peace, democracy, normalization, legitimacy, Muslim Brotherhood

El-Sisi and Egypt's Economic Future: Fundamental Challenges, Bold Moves, and High Risks

Yitzhak Gal

Since he assumed the Egyptian presidency, Abdel Fattah el-Sisi has launched economic moves that are evidence of his determination to pursue a new course in coping with the fundamental challenges of Egypt's economy. El-Sisi's wide ranging set of bold economic policies and moves are backed by unprecedented aid from the Gulf states and support from the international business community. The preliminary figures of 2014/2015 are positive. Economic activity shows strong recovery, and unemployment is declining. Advances have also been recorded in some of the megaprojects, especially in the flagship New Suez Canal Project. Nevertheless, the economy is still in an early stage of recovery, and remains vulnerable to a wide set of risks.

Keywords: Egyptian economy, economic aid, Abdel Fattah el-Sisi, New Suez Canal, Egypt-Israel relations

Sinai Militancy and the Threat to International Forces

Zack Gold

The Multinational Force and Observers (MFO), an international force that oversees maintenance of the 1979 Egypt-Israel Peace Treaty, operates in the most volatile parts of the Sinai Peninsula, and its North Camp base is surrounded by militant activity. On June 9, 2015, the MFO was attacked by a jihadi group, and with Sinai now home to an Islamic State affiliate, some see major strikes against the MFO as inevitable. Egypt and the MFO can work to mitigate the likelihood of a successful attack. Meanwhile, with sufficient preparation, an assault on the MFO may not result in a major disruption of Egyptian-Israeli relations.

Keywords: Egypt, Islamic State, Israel, Multinational Force and Observers (MFO), Sinai Peninsula

The Implications of the Political Events in the Eastern Mediterranean and the Red Sea for Israeli Maritime Trade

Yigal Maor

Israeli maritime trade constitutes approximately 99 percent of the entire volume of Israeli foreign trade; hence the strategic importance of maritime trade, which is in the process of expansion as a result of globalization and international outsourcing. This article addresses the threats to Israeli maritime trade stemming from a variety of regional political factors. Some are new constraints, while others are issues that have evolved over time and continue to change in correlation with regional political changes. The article surveys the threats to maritime trade stemming primarily from recent political events, and argues that events that appear to be limited to the realm of regional politics also hold significance for world maritime trade in general and Israeli maritime trade in particular.

Keywords: maritime trade, supply chain, Arab boycott, Suez Canal, el-Sisi

Threats to Stability in Jordan

Oded Eran and Eddie Grove

Especially since 2011, the Hashemite Kingdom of Jordan has faced increasing political, security, and economic pressures, due primarily to the massive flight of Syrian refugees and the establishment of the Islamic State (IS) as a military and political entity on the kingdom's borders. Jordan's

poor economic situation has led to a rise in the threat of Salafist jihad, as unemployed youth have become frustrated and turned to radical Islam as an alternative ideology. The immediate threat that this poses to Jordan's stability has been defused somewhat by high levels of international aid, the drop in oil prices, and the rise in patriotism and backlash against terrorism that followed the death of Muath al-Kasasbeh, the Jordanian pilot captured and executed by IS. However, unless Jordan's economic situation improves, the threat of Salafist jihad will outlast today's low price of oil and the current wave of patriotism. In order to combat this threat, Jordan and its international benefactors must work to address the dearth of water and other resources in Jordan. Regarding these constraints, Israel is a reliable neighbor, although the regime must still repel opposition in parliament to cooperation with Israel.

Keywords: Jordanian economy, Salafist jihad, water scarcity, energy scarcity, instability

“The Decision that Changed History”: Ten Years since the Disengagement from the Gaza Strip Shmuel Even

Over the past decade, the Israeli government's expectations of the disengagement from the Gaza Strip in both the security and political spheres proved unfounded. This is made clear by a comparison between the Sharon government's explanation of its decision on the disengagement plan and a review of what unfolded since the disengagement. Israel withdrew from the Gaza Strip, but in actuality, the Gaza Strip remained linked to Israel and has constituted a heavy security and political burden, as highlighted by Operation Protective Edge in 2014. The results of the disengagement also call into question the common assumption that the IDF can provide suitable defense for Israel from any line to which the state might decide to withdraw, and increases doubt whether a future unilateral measure in the West Bank would be worthwhile.

Keywords: Gaza Strip, West Bank, disengagement plan, security, Palestinians

UN Premises as “Cities of Refuge”: The Silence of the Laws of War

Daphna Shruga

IDF shelling of UNRWA premises in Operations Cast Lead and Protective Edge was examined by two UN Boards of Inquiry. They both concluded – expressly or by implication – that Israel was responsible for the attacks in that it violated the principle of inviolability of UN premises. This article examines the protection of UN premises under international humanitarian law and the principle of “inviolability” within the meaning of the Convention on the Privileges and Immunities of the United Nations, and argues that the former is inadequate, and the latter irrelevant. It proposes granting UN premises “special protection” – similar to that afforded to hospitals, places of worship, and cultural property in times of armed conflict – and anchoring it in a “special agreement” between Israel, the UN, and the “silent party” (i.e., Hamas), analogous to the Grapes of Wrath Understanding between Israel and Lebanon (and the “silent party,” in that case, Hizbollah).

Keywords: UN premises, UNRWA, UN Boards of Inquiry, inviolability, special protection

The Arab Citizens in Israel: Current Trends According to Recent Opinion Polls

Itamar Radai, Meir Elran, Yousef Makladeh, Maya Kornberg

New opinion polls among Arab citizens in Israel conducted by the Statnet Institute add to existing research and shed light on telling trends in the attitudes of the Arab community in Israel. Polls show that on a personal level, Arabs in Israel have multi-faceted identities, with their religion, ethnicity, sectarian identity, Israeli identity, and Palestinian identity all playing a role. Polls also demonstrate that Arab citizens feel discrimination on a societal and institutional level. In addition, religious-sectarian affiliation is correlated with attitudes toward the state, personal identity, opinions on discrimination, and voting patterns. Those issues must be taken into account by policymakers as they examine the relationship between Jewish and Arab citizens and its ramifications for state security.

Keywords: Arab citizens, opinion polls, discrimination, Israelis, Palestinians

Climate Change and Security: An Israeli Perspective

Owen Alterman

The relevance of climate change to national security commands a lower profile in Israel than elsewhere. Still, despite Israel's crowded security agenda, the climate change issue merits at least some attention by the country's national security policymakers. In addition to risks, climate change offers Israel geopolitical opportunities. Israeli technologies for climate change adaptation are already in high demand among emerging powers, and adaptation technologies could also be a tool for building ties with states with which Israel does not have diplomatic relations. Government ministries have been active in marketing Israel's adaptation technologies to maximize benefits for the economy. Now, relevant policymakers should address how to maximize the geopolitical upside. To that end, a task force should convene to discuss whether, and how, to channel technologies toward destination countries identified as strategic priorities.

Keywords: climate change, water technologies, desalination, foreign relations, Asia

El-Sisi's First Year as President: Legitimacy, Democracy, and Relations with Israel

Ofir Winter

Sources of Legitimacy for the Regime in Egypt

One of the main challenges facing the regime of General Abdel Fattah el-Sisi in his first year in office was the need to build “governmental legitimacy,” namely, what is often an elusive connection between the ruler and his subjects, and defined as recognition by those ruled of the ruler’s right to rule the country and exercise the force of his authority. While regimes can use fear, benefits, and convention to ensure their stability, the optimal and most harmonious relation between ruler and ruled, and to which every regime aspires, exists when those being ruled accept the ruler’s authority of their own free will.¹

Legitimacy assumes different forms under different regimes. Democratic regimes acquire legitimacy first and foremost through periodic pluralistic elections. While already in its 1971 constitution Egypt was defined as a “democratic country” and the country has held referendums with periodic elections for president and parliament since the mid 1950s, these were pseudo-democratic processes directed from above and subject to manipulation. A book published during the period of Mubarak’s rule entitled *How the Elections are Faked?* revealed an array of methods used to modify the results of the parliamentary elections according to the needs of the regime and its associates, including the purchase of votes with money, blackmail, and falsification of the tally process.² From Nasser to Mubarak, the presidential elections did not serve as a means to reflect the people’s will, but rather as a propaganda campaign aimed at glorifying the Egyptian leader and delineating the boundaries between what was permitted and

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what was banned for his opponents. Majorities of 90 percent and more made clear the grave consequences of challenging a president in office. Persecution of the regime's opponents and legal restrictions on the formation of their political parties limited opposition forces, principally the Muslim Brotherhood, from participating in the political game.

Under all Egyptian autocratic regimes, official electoral legitimacy characteristic of democratic regimes was translated into autocratic-style legitimacy. This legitimacy waxed or waned over the years according to a process of subjective judgments, whereby Egypt's citizens assessed their president's performance, his ability to represent their interests, principles, and values, and his ability to achieve their goals. It included three key elements: (a) ideology: Egyptian presidents have based the legitimacy of their rule on ideological ideals, with the most prominent ideology being Arab nationalism. This peaked in the Nasser era, but gradually lost its power out of the failure to translate the slogans into concrete achievements; (b) economic welfare: Egyptian presidents frequently seek materialistic legitimacy, anchored in a commitment to the country's economic and social development and concern for the standard of living of the people; (3) religion: Egyptian presidents have customarily portrayed themselves as pious Muslims motivated by faith, and have taken advantage of the centrality of Islam in Egyptian society to obtain political legitimacy. At the same time, just as religion has served as a source of legitimacy for Egyptian regimes, it has also sometimes contributed to the efforts of Islamist opponents to undermine that legitimacy.³

The Revolutions in Egypt: Democracy with a Taste of Authoritarianism

The revolution of January 25, 2011 sought to redefine the relationship between rulers and subjects in Egypt; and indeed, at first it seemed that any future Egyptian regime would have to prove its commitment to a series of core liberal values in order to be considered an authentic and loyal representative of the "path of revolution." The April 6 movement, which played the decisive role in the protests against Mubarak, demanded that the Egyptian people become the source of the regime's legitimacy through the exercise of its rights to express its will in referendums and free and fair elections; that Egypt establish political parties representing the people's views and beliefs; and that Egypt enjoy freedom of the press and freedom of information. The reform proposed by this movement for post-revolutionary Egypt was designed to lead to a democratic and civilian state with a strict

separation of powers, limitations on the president's authority and term in office, and establishment of control mechanisms for government oversight and accountability.⁴

The call for freedom was one of the revolution's most frequently used slogans ("bread, freedom, social justice"), and in the early stages it indeed appeared that it would be realized through political revolution. The democratic parliamentary elections (in November 2011 and January 2012) and presidential elections (in May 2012 and May 2014) were supposed to institute new patterns of governmental legitimacy. The constitutions approved in 2012 and 2014 also marked the importance of democracy, personal freedom, political pluralism, and a non-violent transfer of power, by establishing that the source of the ruler's legitimacy and authority lay in the Egyptian people's right to determine its future. The constitutions further emphasized the role of the state in preserving the fairness of referendums and election procedures.⁵

The gap between liberal rhetoric and authoritarian practice surfaced quickly, however, in actions by both President Morsi and the military establishment that overthrew him on July 3, 2013. The Muslim Brotherhood rose to power using the electoral process as a source of legitimacy, but it quickly stripped that process of liberal and pluralistic content by trampling the mechanisms for defending democracy. Mohamed Morsi of the Muslim Brotherhood served as president for one year and tried during his short period in office to impose the will of his movement on the governmental power mechanisms, headed by the security forces. He worked to ground the status of clerics as the sole authority to interpret the constitution. In addition, he established red lines restricting freedom of expression; subjected the media to his messages; took for himself legislative and legal authority; and used repressive measures against his political opponents.⁶ In similar fashion, his successor, el-Sisi, likewise had no scruples about using his own harsh methods. Along with the trials of Muslim Brotherhood leaders, which culminated with the death sentence given to Morsi in May 2015 (and upheld the following month), his regime imposed severe restrictions on public gatherings, used tough measures against demonstrators, and arrested thousands of political activists – some of whom were liberals, including the April 6 leaders, who were put on trial and sentenced to long prison terms.

Democratic Life versus "Life Itself"

The Egyptian military establishment asserted that the overthrow of Morsi expressed the free will of millions of Egyptians who took to the streets to

demonstrate against his government, and should therefore be regarded as a democratic revolution, not a military coup. At the same time, from the beginning of his rule, el-Sisi faced a difficult political public relations dilemma. On the one hand, he took action to remove the Muslim Brotherhood from the public arena and prevent it from utilizing the democratic process as a means of gaining power; this was done by curtailing the political space allotted to it, and by conducting a campaign of delegitimization against it. On the other hand, he sought to appear as an authentic representative of the January 25 revolution restoring it to its original track, and as someone committed to its liberal values, rather than someone aspiring to restore the state of affairs that had prevailed under Mubarak.

El-Sisi's way of escaping the dilemma between a commitment to democracy as one of the original anchors of legitimacy in the revolution and the need to regulate the scope of democracy was to subjugate democracy to two other revolutionary values: security stability and economic welfare. Putting security and economic issues before democratic ones was not a caprice of an authoritarian regime seeking to fortify its status and suppress its political opponents; it was above all an expression of Egypt's authentic distress. The security situation in Egypt, which had declined greatly since the overthrow of Mubarak, continued to deteriorate under the Morsi regime, and in the el-Sisi period reached the state of a real conflict against jihad forces, mainly in Sinai. Terrorist activity increased in Egypt in 2014, with the country jumping from 27 to 13 on the global terrorism scale, ahead of Lebanon, Libya, and Israel in spots 14, 15, and 32, respectively, and behind only Iraq, Syria, and Yemen, in first, fifth, and eighth places, respectively, among the countries in the region.⁷ The Egyptian economy has stagnated in recent years, even more so since the January 25 revolution, with skyrocketing unemployment rates (especially among university graduates), steep inflation in the cost of basic goods, difficulties in the supply of electricity, a shortage of water and agricultural land, and a deep demographic crisis.⁸ In view of this economic and security situation, el-Sisi used four supplementary public diplomacy strategies to enable the regime to consolidate its government authority, even in the absence of concrete democratic processes.

First, declaring his commitment to democratic values: el-Sisi has adopted democratic rhetoric, even when this did not reflect actual political practice. For example, when presenting his candidacy for president, he stressed that he was not seeking to run as the only candidate, and would accept any other choice by the people – though at the same time forbidding Islamist

candidates to run against him.⁹ Furthermore, while his election by a 97 percent majority was due to the Muslim Brotherhood's boycott of the elections, el-Sisi congratulated the Egyptian people for having expressed its "true democratic will" at the ballot box.¹⁰

Second, portraying democracy as a goal, with the journey toward it still in its early stages, and conditions to realize it not yet ripe: el-Sisi has described a democratic regime as a future vision with an undefined date for its realization. One example of this was on the official Egyptian State Information Service website, which featured the slogan, "Egypt on the path of democracy." The site thus expressed the regime's democratic aspirations, but no less, that democracy is an abstract goal that requires traveling a long road before it is achieved. Similarly, an official essay that appeared on the website entitled "Egypt and the Democratic Path" stated that the January 25 revolution brought Egypt to a point defined as "the breaking of the dawn of democracy."¹¹ As if predicting his political future, el-Sisi, in an essay he wrote in 2005-2006 during his studies at the US Army War College, discussed his belief that the introduction of democratic regimes in the Middle East would require civil maturity, a suitable economic situation, and education for religious moderation.¹² Relying on similar reasoning, he stated in interviews just before becoming president that Egypt was not ready for democracy in the Western sense, and asked that the liberal concepts taken from democracies existing for hundreds of years not be applied to Egypt. He estimated that Egypt's process of transition to full democracy was likely to take 20-25 years, and said that opponents should therefore refrain from premature criticism of his regime and give him time to work.¹³

Third, declaring support for democracy, subject to economic and security safeguards, while in practice neutralizing some of its meaning: el-Sisi has formulated a clear set of priorities, led by the need to create a fertile climate for economic development, attract foreign capital, rebuild tourism, and advance projects, as well as repel the threat of terrorism and attain security stability. The Muslim Brotherhood's efforts to deny the legitimacy of ousting an elected president in the name of these goals were answered by el-Sisi with a verse from the Qu'ran: "Enter Egypt in safety, if God wills" (12:99), which he interpreted as religious sanction for placing the security of Egypt at the top of the institutional agenda, while implicitly setting democracy aside.¹⁴ El-Sisi explained that uncontrolled democratic reforms, removal of all restraints on freedom of expression, and the right to free assembly were liable to undermine stability in Egypt, weaken incoming tourism, and

have a negative impact on economic recovery.¹⁵ In an interview with *Der Spiegel*, when asked about the arrest of protesting liberals, he challenged his interviewers by asking whether Germany would invest capital in Egypt knowing that demonstrations were being held in its streets day and night.¹⁶ In a speech on Police Day, he added that democratic rights required civil duties, and that the state had to strike a balance between them. Egypt's limited resources require it to limit the right of assembly, because it cannot afford to have life brought to a standstill in the name of the right to demonstrate, thereby dealing a blow to industry and tourism, while it has difficulty paying its food and energy bills. El-Sisi warned, "The demand for [democratic] rights must not lead to the loss of the country itself."¹⁷

Fourth, reinterpreting liberal concepts to suit the regime's needs: el-Sisi continued to embrace the January 25 revolution's values of "freedom," "freedom of expression," and "human rights," but has made them fit his priorities, rather than those of the Tahrir Square young people. As explained by the Egyptian president, freedom is guaranteed to all, but must come to a halt at the boundaries of the freedom of "others"; otherwise, it becomes anarchy.¹⁸ Furthermore, the freedom for which the Egyptian demonstrators took to the streets on June 30, 2013 is not merely freedom in its liberal sense, but also, and primarily, freedom from poverty, freedom from educational ignorance, and freedom from religious coercion in the style of the Muslim Brotherhood.¹⁹ A tenth grade civics textbook published by the Egyptian Ministry of Education in 2014 defined "freedom" as "the release of a person from material or spiritual bondage,"²⁰ a definition that also leaves room for a materialistic interpretation of the concept. Concerning human rights, the Egyptian president said that these should not be confined to freedom of expression; they should be expanded to the rights to a good education, proper medical treatment, a suitable workplace, good occupational training, and hope for the future.²¹ Furthermore, in his many speeches, el-Sisi frequently makes analogies between a failed country and a tyrannical country, using expressions like "freeing the homeland from the captivity of tyranny and failure."²² This semantic combination helped the regime market a message that tyranny in Egypt has resulted from socioeconomic backwardness, and measures aimed at repairing the situation should focus on restoring the financial economy and rooting out corruption, and not necessarily on widespread democratic political reforms.

The Peace Treaty with Israel in Light of the Egyptian Agenda

The priorities set by the el-Sisi regime in its first year affect Israel-Egypt relations in two ways. First of all, the focus on internal affairs, at the expense of foreign affairs, lowers the Israeli-Palestinian conflict somewhat on the Egyptian public agenda, even if this has not been officially and publicly declared. This trend is not unique to Egypt, and was confirmed by a survey conducted in early 2015 among young people in Arab countries overall that ranked the conflict between Israel and the Palestinians in fourth place in importance, far below terrorist threats and unemployment.²³ Second, basing the legitimacy of the el-Sisi regime on security and economic affairs is likely to cast the peaceful relations with Israel in a positive light, and create opportunities for Egyptian-Israeli cooperation involving common interests.

The true standing of the Palestinian problem on Egypt's agenda was illustrated at the most recent commemorations of the 1973 October War and Sinai Liberation Day. In el-Sisi's speech on the forty-first anniversary of the war, neither Israel nor Palestine was mentioned or even hinted at, and the memory of the war was dedicated entirely to the internal Egyptian situation. The president drew an analogy between the war economy in Egypt in 1967-1973 and the resilience now required from the Egyptian people to "save and build the motherland." In its current version, the 1973 campaign for national liberation has been converted into a campaign for economic prosperity, while the Israeli external enemy has been replaced by the internal Islamist enemy "who has no God, and desires the destruction of the Egyptian state, while believing it is engaged in a holy war."²⁴ Similarly, the president's speech on the anniversary of Sinai Liberation Day was devoted to the importance of defeating the threat of terrorism in Sinai and its economic development. The memory of past struggles against Israel was replaced by an empowering message for Egypt's future: "The liberation of Sinai constitutes a living example that peoples are capable of overcoming weakness and meeting the challenges of aggression."²⁵

In addition to the reduced acuteness of the Palestinian problem, the security threats posed to Egypt by Hamas in the Gaza Strip and jihad groups in Sinai generate common interests that enhance the potential for cooperation between Israel and Egypt that include an exchange of information and containment of weapons smuggling. As perceived by the el-Sisi regime, Hamas constitutes a danger to Egypt's security, due to its affinity to the Muslim Brotherhood, its ties to terrorist groups in Sinai, and its ability to arouse undesirable unrest in the Egyptian street by fanning the

flames of the conflict with Israel. With this in mind, the Egyptian position on Gaza, as expressed in an official release by the Egyptian State Information Service entitled “Egypt and the Palestinian Problem,” is consistent with Israel’s desire to maintain quiet in the south and prevent an arms buildup by Hamas. Together with a mild condemnation of the “Israeli occupation,” Hamas was warned that its refusal to accept Egyptian efforts to prolong the lull with Israel was liable to serve as a pretext for Israeli aggression. Hamas was also accused of “trading in the blood of Palestinians.” It was further emphasized that although “resistance to occupation” is a legitimate right, Hamas must consider fully whether it is achieving gains for the Palestinian people, or rather ruin, destruction, and loss of life.²⁶

Similarly, making the economy a key parameter of the regime’s legitimacy has created an opening for extending economic normalization between Israel and Egypt. Throughout Mubarak’s rule, the two countries’ attitude toward normalization was asymmetrical. While Israel regarded the development of normal relations in all areas as a tool for strengthening the foundations of peace with Egypt, as well as a symbol of reconciliation and acceptance, the Egyptian regime was wary of showing any signs of rapprochement, insisted on a limited “cold peace” format, and made further development of relations contingent on a comprehensive peace settlement. It appears, however, that the priority assigned to the economic question in the el-Sisi era is making inroads in the traditional Egyptian wall of opposition to normalization. In view of the energy crisis afflicting Egypt, in January 2015 Egyptian Minister of Petroleum Sherif Ismail advocated consideration of importing natural gas from Israel based on purely economic criteria: “Everything should be considered. Egypt’s interest, economic needs, and leading political and economic role in the region will be the determining factors in a decision to import gas from Israel. The interest of Egypt is the supreme consideration, and we must consider the matter from a strategic perspective.”²⁷ Striking the same tone, Egyptian playwright Ali Salem stated in a television interview that normalization was essential for Egypt, and called on the government to expand it “for the sake of the Egyptian people,” because “Egypt will make no progress, not even a step forward, without friendly relations with its neighbors, including Israel.”²⁸ In view of the Minister of Petroleum’s remarks, the views of Salem and others²⁹ in favor of warmer relations with Israel, which made them outcasts in the Mubarak era and sometimes resulted in sanctions being leveled against them, no longer sound like such a stark deviation from the party line. At

the same time, it is difficult to assess to what extent the el-Sisi regime will encourage private businessmen in Egypt to join the normalization process, a step that could reinforce the standing of peace with Israel as a “democratic peace” between peoples – one that also takes place outside of the tight supervision of the authoritarian regime.

From the el-Sisi regime’s perspective, there are additional reasons why the peace treaty with Israel constitutes an economic asset. As in the past, it enables Egypt to receive American aid, and allows it to channel its resources to internal problems. Furthermore, for the new Egypt, the peace treaty is a “calling card” presented to the world as part of Egypt’s efforts to rehabilitate its international status as a stable and secure regional power worthy of being an attractive target for capital investments, trade, and tourism. Already in his inauguration speech, el-Sisi emphasized that Egypt was a “country of peace” committed to its international treaties.³⁰ In the booklet *Egypt – The Peacemaker*, published by the Egyptian State Information Service as part of Egypt’s campaign for its selection as a non-permanent member of the UN Security Council in October 2015, the peace treaty with Israel was portrayed as an integral part of the Egyptian-Pharaonic national identity. Egypt, it was explained, is a worthy candidate in view of its ongoing contribution to world peace, security, and stability, from the days of Ramses II to Sadat’s peace initiative and Egypt’s continual efforts to promote peace between Israel and the Palestinians.³¹ Similarly, an article by an Egyptian diplomat who previously served in Israel portrayed preserving the peace treaty as one of the “six pillars of Egyptian national security,” given its contribution to the prevention of wars, Egypt’s bolstered regional and international status, and construction of bridges with the world powers.³²

Conclusion and Recommendations

In view of the momentous economic and security challenges facing Egypt, the el-Sisi regime’s citing them as an important prop for its legitimacy is a brave if not risky choice. Among President el-Sisi’s promises to his people are the restoration of stability and security and the struggle against terrorism, together with improvement in employment, food supply, education, medicine, and housing; and economic, industrial, and agricultural development, including national projects, headed by the expansion of the Suez Canal. El-Sisi’s degree of success in translating his promises into reality are expected to play a crucial role – certainly more significant than democratic progress – in designing his regime’s political

and public legitimacy in the coming years. At the same time, excluding the Muslim Brotherhood from the political game might spur some Brotherhood supporters to embrace violent jihad, in an attempt to make terror attacks (such as the attack in Sheikh Zuweid in Sinai on July 1, 2015) a routine event and frustrate the regime's efforts to achieve calm and stability – and ultimately, undermine its legitimacy.

Egypt's current priorities give Israel a window of opportunity for expanding security and economic cooperation, which will contribute to the consolidation of the regime's standing. The common security interests have for some time yielded fruitful security cooperation between the two countries, reflected in part by an unprecedented Egyptian effort to destroy the smuggling tunnels between the Gaza Strip and Sinai. At the same time, some of Egypt's views concerning the Gaza Strip conflict with those of the Israeli government, or are at least in tension with them, including Egyptian opposition to any increase in Gaza's reliance on Egypt, and Egypt's wish to end the separation between the Gaza Strip and the West Bank and restore Fatah to power in Gaza. Both Jerusalem and Cairo will therefore profit if they manage to forge long term understandings, beyond regular security matters, concerning the desirable future status of the Gaza Strip.

The key role attributed by Egypt to economic development is also likely to create more openness than in the past toward expanded normalization with Israel through cooperation in the natural gas, water, technology, agricultural, industrial, and tourism sectors. Such cooperation is likely to make modest and measured progress, even with no breakthrough in the Israeli-Palestinian peace process, but it is clear that efforts will prosper more when the Israeli-Palestinian conflict is on the back burner, and maximum achievement of the potential depends on the emergence of a new political reality. In this context, in a speech at the international conference on the reconstruction of Gaza in October 2014, President el-Sisi mentioned the Arab Peace Initiative as a possible starting point for promoting a "peace that will ensure stability and prosperity, and turn the dream of coexistence into reality."³³

Notes

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El-Sisi and Egypt's Economic Future: Fundamental Challenges, Bold Moves, and High Risks

Yitzhak Gal

Main Fundamental Challenges

Demographic Trends and the Labor Market Challenge

Egypt is undergoing a process of dramatic demographic changes. The fertility rate, the average number of children that a woman has during the years of her fertility, fell from close to seven children per woman in the 1950s, to 3-3.5 children per woman in 2010 – a figure comparable to that of Israel. As a result, population growth decreased from 2.5-2.75 percent per year in the 1950s and 1960s to 1.5-1.75 percent in the first decade of the twenty-first century.¹

However, such changes in demographic trends take decades to be felt, and this dramatic shift is not yet reflected in the reality of Egyptian life. The extremely high birth rates in the second half of the twentieth century have translated into a fourfold increase in the number of young Egyptians reaching working age: from 400,000 per year in the 1950s and the 1960s, to 800,000 a year in 1980s, and 1.6 million in the current decade. The forecast for the coming decades is 1.6-1.8 million a year (figure 1).

The Energy Sector Challenge

For the last three decades, the energy sector was a mainstay of the Egyptian economy. The overall contribution of oil and gas to Egypt's balance of payments (exports and import-substitution) was estimated in the early

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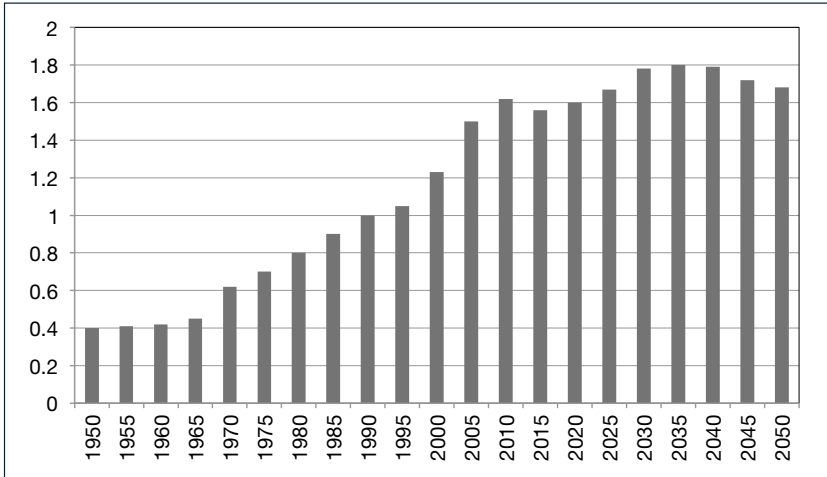


Figure 1. Egypt: Annual number of youth reaching working age (age 20-24), 1950-2050 (in millions)

Source: Computed by the author from data from UN, Department of Economic and Social Affairs, Population Division, Population by age groups and sex, 2010 (absolute numbers)²

2010s at some \$25 billion a year, the equivalent of approximately 45 percent of Egypt's total imports of goods and services. Self-supply of oil and gas enabled Egypt to provide the population with energy at highly subsidized prices, and this system of direct and indirect energy subsidies became a most important factor in preserving Egypt's socio-economic stability.³

Since the early years of the decade, however, this situation has changed dramatically. Egypt's major oil fields are aging, oil production is stagnating, and internal consumption of heavily subsidized fuels and electricity has continued its rapid growth. As a result, Egypt has already become a net importer of oil, and is expected to soon become a net importer of gas as well. In 2013/14 (Egypt's fiscal year starts in July), Egypt's net imports of oil and gas were estimated at close to \$10 billion, compared to \$5 billion net exports five years earlier.⁴

Concomitantly, energy subsidies have mushroomed to huge levels. Direct and indirect energy subsidies in 2012/13 amounted to a staggering sum of close to \$30 billion – 10 percent of the GDP and 30 percent of all government expenditure.⁵ At this level, the imbalances in the energy sector have become Egypt's most severe macro-economic problem. Furthermore, since 2010, and especially in 2012 and the first half of 2013, the spiraling growth of demand for electricity joined the pressure on Egypt's foreign

exchange reserves to generate recurrent fuel supply shortages, and Egypt began to experience frequent power outages.

Since el-Sisi rose to power in the middle of 2013, the increased inflow of aid from the Gulf states has enabled the new regime to secure enough supplies of fuels and gas. The problem of electricity supply, however, remains unsolved, as the gap between fast increasing demand (fueled by heavily subsidized electricity tariffs) and the limited capacity of power plants has continued to widen at an alarming pace.

Short and Medium Term Macroeconomic Challenges

Economic Growth and Employment

In terms of macroeconomic performance, the period 2004-2010 was the best in decades. Egypt's economy showed strong real economic growth of between 5-7 percent a year, in spite of the global economic crisis, and GDP per capita, adjusted to local purchasing power according to the Purchasing Power Parity method (PPP), grew by more than 40 percent.⁶ However, the political instability that followed the downfall of the Mubarak regime disrupted economic activity, and economic growth fell to approximately 2 percent a year in 2011-2013.⁷

The weak performance of the economy in 2011-2013 was reflected immediately in a sharp increase in unemployment, to 13-13.5 percent in 2012-2013.⁸ Unemployment among the younger workforce has always been especially high, and the situation worsened considerably as a result of the economic stagnation since 2011. As of the middle of 2014, the unemployment rate in the 18-29 age group was more than double that of the total labor force, and in the 15-24 age group triple that of the total labor force (29 and 39 percent, respectively, compared to 13.4 percent in the total labor force; see figure 2). The unemployment rate among university graduates was 36 percent for men and 57 percent for women. In comparison, the unemployment rate for illiterate persons and intermediate graduates was 15 percent for men, and 14 percent for women.⁹

Considering the vital role of the Gulf states in sustaining the Egyptian economy and enabling economic growth, Egypt may adopt a strategy to balance its relationship with the Gulf states by contributing to their security, and take an active role against destabilizing forces that threaten the Gulf area or the region at large.

In order to halt the fast increase in unemployment, Egypt must return to a sustained growth path of no less than 5 percent per year.

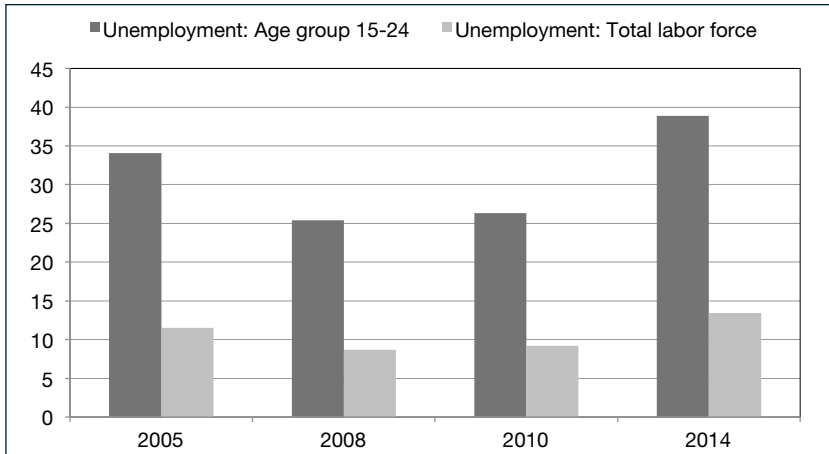


Figure 2. Unemployment in Egypt: Total and among youth, 2005-2014 (percent)

Source: UN Statistical Division: Millennium Development Goals Database; and World Bank, Data Bank¹⁰

The Fiscal Challenge: Rebalancing the State Budget and Streamlining Subsidies

Political instability since 2011 has also been mirrored in much more relaxed fiscal policies. Steep increases in public expenditure raised the budget deficit to clearly unsustainable levels, estimated at 14 percent of the GDP in 2012/13 and 2013/14. The main cause of this increase is the gigantic subsidy budget, though salaries and other public wage expenses as well as various social expenses registered significant increase as well.¹¹

The Balance of Payments Challenge: Rebalancing External Finances

The unsustainability of the post-2011 Egyptian economy has been reflected in the balance of payments as well. Income from tourism, a most important source of export revenue, dropped from close to \$12 billion in 2009/10 to \$5 billion in 2013/14. Net foreign investment (foreign direct investment, FDI, and portfolio investment) fell from \$13 billion in 2009/10 to a net outflow of \$1.5 billion a year in 2010/11 and 2011/12, and then recovered partly to an annual inflow of \$5 billion a year in 2012/13 and 2013/4. Wheat imports, as well as imports of other essential goods, increased considerably. Total imports of goods and services grew from \$57 billion in 2009/10 to \$67-69

billion a year in 2012/13 and 2013/14, while the total export of goods and services stagnated at \$45-49 billion a year. These trends caused Egypt's official foreign exchange reserves to fall dramatically, from a comfortable level of \$35 billion at the end 2009/10, the equivalent of seven months of imports of goods and services, to as low as \$15 billion at the end of 2011/12, less than three months of exports.¹²

This 60 percent drop caused Egypt to face growing difficulties in purchasing basic food and other critical supplies in the second half of 2012 and the first half of 2013. These supply difficulties had considerable social and political destabilizing effects on the regime of President Morsi, and were among the causes of his fall.

El-Sisi's Starting Point

Given the depth and magnitude of Egypt's demographic, economic, and social challenges, rebalancing the Egyptian economy is quite a formidable task. Nevertheless, el-Sisi began with three factors that have worked in his favor:

- a. He reinstated political stability and won popular trust and support, a precondition for implementation of the required bold economic measures.
- b. Though the economy stagnated in the post-2011 period, the key sectors of the economy have not been hurt.
- c. There was an unprecedentedly large sum of economic aid from the Gulf states.

Except for tourism, Egypt's main branches of the economy, including the export-oriented branches, have remained mostly intact. Suez Canal earnings in 2013/14, at \$5.4 billion, were 10 percent higher than in 2009/10, and the figures for the first half of 2014/15 show another increase of 9 percent. Total non-oil-and-gas merchandise exports were not hurt, as well as non-tourism export of services (figure 3). The banking sector has likewise proved to be stable. Most importantly, Egyptian workers abroad considerably increased the transfer of their remittances home. Remittances doubled, from \$9.5 billion in 2009/10 to \$18.4 billion a year in 2012/13-2013/14. The figures for the first half of 2014/15 show a strong increase of 12 percent over the first half of 2013/14, namely, annualized remittance inflow of about \$20 billion.¹³

As to the third main factor, Gulf aid jumped as high as \$19 billion in the 2013/14 financial year. Key donors were Saudi Arabia and the United Arab Emirates, which contributed close to \$8 billion each, and Kuwait (close to \$3 billion). A large part of this aid was in the form of oil products, more

than 40 percent of total Gulf aid in 2013/14.¹⁴ In 2014/15, the Gulf states pledged more than \$12 billion in financial aid, and a substantial part was already transferred.¹⁵

The huge inflow of aid from the Gulf states has enabled el-Sisi to finance the gap in the balance of payment and streamline payment of debt and arrears, while keeping Egypt's foreign exchange reserves at between \$15-20 billion, around 3-3.5 months of imports. In April 2015, for first time since the end of 2011, foreign exchange reserves rose to above \$20 billion (figure 4).¹⁶

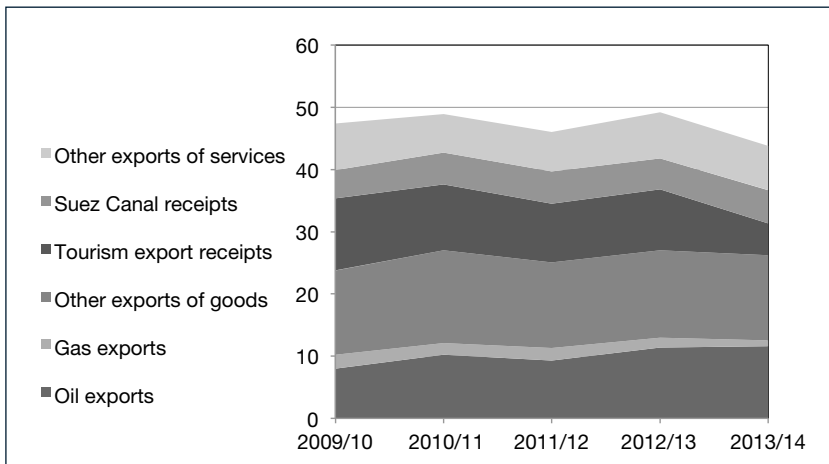


Figure 3. Egypt: Merchandise and service exports by main branches, 2009/10-2013/14 (\$ billions)

Source: IMF¹⁷

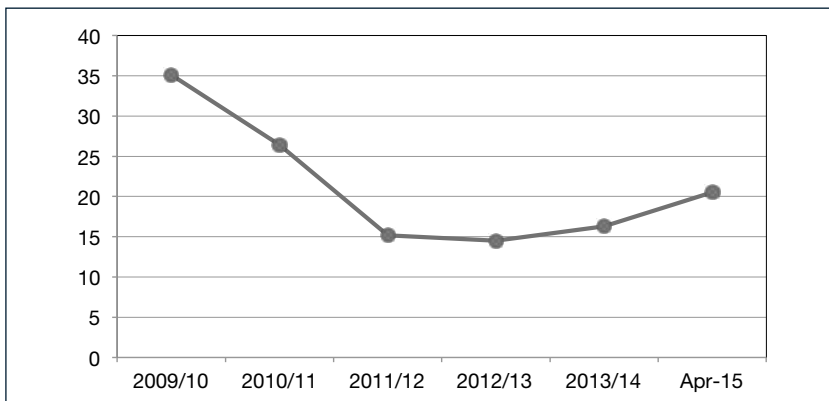


Figure 4. Egypt: Gross international reserves 2009/10-April 2015 (\$ billions, end of period)

Source: IMF, *Daily News Egypt*¹⁸

El-Sisi's Economic Plan

El-Sisi's ambitious economic plan centers on structural reforms, boldly targeting the mammoth subsidy bill that previous governments did not have the political courage to address, seeking tax reforms, implementing other fiscal adjustments, and encouraging investment. The main macroeconomic targets of the plan are:¹⁹

- a. Raising economic growth to a long term rate of 6 percent a year by 2018/19: Egypt must return to a 5-7 percent growth level, which it enjoyed in 2004-2010, in order to create a sufficient number of jobs for new members of the labor force and gradually reduce unemployment. The plan foresees that the unemployment rate will decline from 13.4 percent in 2013/14 to 10 percent in 2018/19.
- b. Bringing down the fiscal deficit to a sustainable long term level of 8 percent of GDP: At this level, the deficit is expected to be financed for several years by external aid.
- c. Halting the fast increase of public debt and starting its decline: Public debt jumped from below 80 percent of GDP in 2009-2010 to above 95 percent in 2013/14. According to the plan, public debt will decrease, gradually, to 90 percent in 2016/17, and 85 percent in 2018/19.
- d. Stabilizing foreign exchange reserves at a level of 3 months of imports by the end of 2014/15, and then raising it to 3.5 months of imports by 2018/19.
- e. Containing inflation at approximately 10 percent in 2014/15 to 2016/17 (year to year average), in spite of fuel and other price hikes, and reducing it gradually to 7 percent in 2018/19.

The implementation of this plan began in the middle of 2014 with energy and food subsidy reform, immediately after the rise of el-Sisi to the presidency. The first phase of this reform included unprecedented increases in all energy prices. Electricity tariffs increased too, for all classes of household, commercial, and industrial users. The government's target for the 2014/15 financial year was to cut subsidies by 25 percent, mostly energy subsidies. This move alone was expected to save about \$5 billion, 2 percent of the GDP. Fuel and electricity prices were scheduled to rise by about 20 percent every year, until 2018/19, when energy subsidies will be phased out.²⁰

A set of measures has been put in place to soften the impact of higher energy prices on consumers, and provide some protection to the poor and other weak sectors. The 2014/15 budget likewise includes significant

increases in education and health spending, which are planned to rise further in coming years. These increases are financed by savings from subsidy reforms, and should contribute to a more inclusive pattern of economic growth.²¹ The government also began tax reforms, aimed at reversing the decline in tax income – which fell from 16 percent of GDP in 2008/09 to 13 percent in 2013/14 – and raise it back to 16 percent of GDP by 2015/16.²²

Investment promotion is a cornerstone of el-Sisi's economic plan. Most of the increase in investment was envisaged to be private sector investment – local and foreign – and through joint Private Public Partnership projects. In addition to the flagship projects of the New Suez Canal and the New Cairo projects, the plan includes several other major long term national megaprojects in the fields of renewable energy, housing, mineral development, road infrastructure, and land reclamation.²³

Performance in 2014/15

The preliminary figures of 2014/15 show strong recovery. Real GDP growth rebounded, from the stagnant level of about 2 percent of 2011-2013/14, to 5.6 percent in the first half of the 2014/15 financial year (compared to the first half of 2013/14). Updated projections put the 2014/15 GDP growth at close to 5 percent, above the Egyptian target for this year.²⁴ The surprisingly strong growth in 2014/15 is led by the particularly strong growth of tourism and the manufacturing industry, which jumped by 53 and 17 percent, respectively, in the first half of 2014/15.²⁵

The rapid GDP growth in 2014/15 affected the labor market immediately. The unemployment rate declined from 13.4 percent in 2013/14 (annual average), to 13.1 percent in the first quarter of 2014/15, 12.9 percent in the second quarter, and 12.8 percent in the third quarter.²⁶ The increased confidence in Egypt's economic and financial prospects is also reflected in the revitalization of foreign direct investments and net inflow of financial investment. According to the estimates of the IMF and the Egyptian government, FDI has doubled, from \$3.5-4 billion a year in 2012/13-2013/14, to \$7-8 billion in 2014/15. Net financial investments are estimated to double as well, from about \$1.5 billion a year in 2012/13-2013/14, to \$3 billion in 2014/15.²⁷

Investment stimulation measures began in the middle of 2014, and continued in early 2015. The Central Bank of Egypt lowered interest rates, a traditional means to stimulate investment, and then let the Egyptian pound devalue by nearly 7 percent against the US dollar, addressing a

longstanding demand of international financial institutions.²⁸ In early March, the government approved the long awaited new investment law, another critical element for winning the confidence of foreign investors and attracting foreign investment.²⁹

Progress has also been recorded in some of the megaprojects, especially in the flagship New Suez Canal Project. In October 2014 the contract for the first phase of dredging the new canal was awarded to an international consortium of six dredging companies. This phase is scheduled to be completed in the second half of 2015.³⁰ The Sharm el-Sheikh Economic Development Conference, which was held in the middle of March 2015, was an important milestone in the process of putting Egypt back on the map of the international business and financial community. The cumulative value of agreements and memorandums of understandings already signed on investment in the various projects presented in the conference exceeds \$50 billion, much above pre-conference expectations.³¹

In April 2015, for the first time since 2011, Moody's rating agency upgraded Egypt's rating, which will further strengthen investor confidence.³²

High Risks and Strategic Implications

Though the indicators mentioned above are positive, the economy is still in an early stage of recovery. It is vulnerable to a wide set of security and social risks, as well as external and internal economic shocks. The main risks that may adversely affect the implementation of el-Sisi's economic plan are:

- a. Internal political stability is under constant attack, and uncertainty remains over the ability of the regime to guarantee long term political stability.
- b. Social sensitivities and grievances: The economic plan puts emphasis on inclusive growth, prioritizing social programs so as to make the middle and lower classes feel that they will benefit from economic growth. Nevertheless, Egypt needs a long period of strong economic growth and effective social programs for the vast majority of the population to feel a substantial improvement in their economic and social situation. As such, deep social sensitivities and widespread grievances are constant threats to stability.
- c. The dependence on Arab aid is another source of high vulnerability: Continuous flow of aid from the Gulf states, in the sum of more than

The risks to the Egyptian economy emphasize the centrality of stable relations with Israel for the economy, and the role of the peace agreement with Israel as a main pillar of stability.

- \$15 billion a year, is needed in the coming few years for stabilizing the budget and the balance of payment. If oil prices remain low, the Gulf countries may lower the level of their aid to Egypt. Egypt's low level of external reserves makes it particularly vulnerable to possible delays or cuts in Arab aid.
- d. Egypt is also dependent on the Gulf states in other key aspects. Worker remittances at close to \$20 billion a year originate in the Gulf countries, and a large part of foreign investments are expected to come from Gulf investors.
 - e. The security risks of the Suez Canal area are of special importance, as this area is planned to be the fastest growing area in Egypt, and become, over the coming two decades, a major economic, trade, and business center – second only to Cairo. The development of this area is fueled by the Suez Canal Corridor plan, which will follow the New Suez Canal Project. This megaproject aims at developing the entire area as a world class international industrial, trading, and logistics hub. The Suez Canal Corridor megaproject includes large scale development of the Canal cities of Ismailia, Port Said, and Suez, as well as the adjacent areas of Ain Sukhna to the south and el-Arish to the east. In addition to the large ports of Port Said, the neighboring ports of el-Arish, Ain Sukhna, and a few other small ports will be upgraded and incorporated into the new Suez Canal Corridor trade and logistics hub.³³
 - f. The oil and gas sector is sensitive to security risks too, as most of Egypt's oil and gas fields are marine fields, located in the Eastern Mediterranean and the Gulf of Suez. Oil and gas production depends on complex systems of marine facilities, long pipelines, and hundreds of on-land pumping stations and other service facilities. These complex systems are highly vulnerable. The vulnerability of these systems has been demonstrated by the recurrent disruptions in the flow of gas through the pipelines in Sinai, as a result of the deteriorating security situation there.

Other risks that may undermine el-Sisi's economic plan include, *inter alia*: slowdown in global trade, which could affect Suez Canal revenues; various external financial or economic crises that could have an impact on tourism, official support, or FDI (for example, the present economic crisis in Russia, which affects tourism to Egypt); or political obstacles that could derail fiscal consolidation, widen imbalances, and set back progress.

The risks mentioned above and the enormous economic price of destabilization entail several strategic implications. The first is the primary

importance of the military as the only reliable instrument of stabilization. Keeping the internal destabilizing forces under control, and regaining control in and around Sinai, is a precondition for successful implementation of the economic plan. Hence, el-Sisi's first priority would be to secure the budgets, equipment, and freedom of action required by the military. A related phenomenon is that the Egyptian military is already expanding its economic activities. It also seems to have a large role in the execution of the megaprojects mentioned above. Third, considering the vital role of the Gulf states in sustaining the Egyptian economy and enabling economic growth, Egypt may adopt a strategy of balancing its relationship with the Gulf states by contributing to their security, and take an active role against destabilizing forces that threaten the Gulf area or the region at large.

Implications for Egypt-Israel Relations

The risks mentioned above emphasize the centrality of stable relations with Israel for the Egyptian economy, and the role of the peace agreement with Israel as a main pillar of stability. Stable relations with Israel are of the utmost importance for securing the orderly functioning of Egypt's leading economic sectors, such as tourism, the oil and gas sector, and the Suez Canal. Deterioration of Egypt's relations with Israel may put these sectors of the economy under additional risk, which may critically harm their orderly functioning.

Stable relations with Israel are especially important considering the vulnerability of these sectors to the security challenges in Sinai. The most important oil and gas fields and facilities in the Eastern Mediterranean as well as the Suez Canal are at risk, as long as security is not restored to Sinai, which requires stable relations with Israel. As the Suez Canal Corridor project advances, maintaining good relations with Israel will become even more important. In addition, external aid and investments, in the huge sums required for bridging the foreign exchange resource gap of Egypt and attending the most critical basic socio-economic challenges, will continue to flow only if political stability is preserved. This would be jeopardized if relations with Israel deteriorate.

Conclusion

The economic moves of President Abdel Fattah el-Sisi since he assumed office indicate his determination to pursue a new road of coping with the fundamental challenges of Egypt's economy. El-Sisi's wide ranging set

of bold economic policies and moves are backed by unprecedented aid from the Gulf states and support of the international business community.

The preliminary figures of 2014/15 are more positive than expected. Economic activity shows strong recovery, and unemployment is declining. Advances have also been recorded in some of the megaprojects, and especially in the flagship New Suez Canal Project. Nevertheless, the economy is still in an early stage of recovery, and it is vulnerable to a wide set of risks.

Notes

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Sinai Militancy and the Threat to International Forces

Zack Gold

The Sinai-based jihadi group Ansar Bayt al-Maqdis (“Supporters of Jerusalem,” ABM) pledged allegiance to the Syria-based Islamic State (IS) organization in November 2014, formally changing its name to Wilayat Sinai: a “province” of the so-called IS caliphate. Given the brutality of the Islamic State and the destruction it has caused in the swath of territory it controls or in which it operates across Syria and Iraq, the potential that the situation in Sinai could get much worse, quickly, has increased dramatically.

While the situation in North Sinai has indeed deteriorated over the months since ABM’s rebranding, Egypt and Israel have thus far dodged the nightmare scenario of the Islamic State in Sinai. As Wilayat Sinai, the group has been slow to drastically change ABM’s targeting objectives. Egypt and Israel, both of which have been targeted by ABM operations, perceive the group’s affiliation to the Islamic State to be about one thing: money. Caught in an existential conflict with Egypt’s military, Sinai’s militants sought a financial lifeline. Yet even if the relationship is transactional, the Islamic State is likely to want something from its investment.

A serious concern for Egypt, Israel, and the international community is that the IS price tag may be an attack by its Sinai affiliate on the Multinational Force and Observers (MFO), the 12-nation international force that oversees maintenance of the 1979 Egypt-Israel Peace Treaty. Indeed, some see a major attack on the MFO, with its North Camp based in the heart of militant activity (south of Sheikh Zuweid, in the al-Gura district), as inevitable. The threat increased on June 9, 2015, when Wilayat Sinai fired mortars at al-Gura Airport. In claiming the attack, the group specifically noted that the airport, adjacent to North Camp, is used by the MFO, which it labeled “crusader forces” protecting Israel.¹ A direct major attack on the MFO could

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have serious implications for Egyptian-Israeli relations and for Egypt's ability to fight terrorism in Sinai.

The MFO: Then and Now

The original charge of the MFO was to monitor the separation of forces of Israel and Egypt. The 1978 Camp David Accords specified the terms agreed upon for force deployments, effectively setting the Sinai Peninsula as a buffer between the parties.² The 1979 Egypt-Israel Peace Treaty codified these limitations as international obligations in the treaty's Annex 1, also known as the Security Annex.³ The MFO was created to hold Israel to its limits on a strip along the mutual border and to ensure that Egypt maintained its obligations in the peninsula, which was separated into three zones.

As Egypt and Israel transitioned from enemy states and discovered overlapping interests, some in Cairo saw the Security Annex as an impediment to the ability to meet Egypt's (and, at the same time, Israel's) security challenges. Conversely, some in Jerusalem saw the deployment limitations as an excuse for Cairo to not meet its sovereign responsibilities. The situation has changed since 2011, with massive deployments in Sinai since the uprising against President Husni Mubarak. However, Egypt's military operations in Sinai today are not violations of the treaty but fall within a little understood mechanism known as "Agreed Activity."

The Security Annex itself provides for deployments in excess of the limitations if they are approved by mutual agreement, a process facilitated and monitored by the MFO. The value of the Agreed Activity mechanism was first recognized in 2005, when Israel withdrew from the Gaza Strip. Without formal treaty amendment, Egypt and Israel signed a separate agreement to deploy Egyptian guards to the Gaza border – in Zone C where, formally, the treaty allows only lightly armed police.⁴ For its part, the MFO took on the responsibility for monitoring and reporting on the operations of these border guards.

Since Mubarak's overthrow in 2011, Egyptian and Israeli military officials have maintained a regular direct link, but the deployment of excess forces still requires an Egyptian request of the MFO, which relays that request to Israel for approval. For example, in the summer of 2011 the Egyptian armed forces deployed tanks to Rafah for the first time since signing the peace treaty.⁵ The MFO keeps track of these agreed deployments and, in its regular reporting, notes whether Egypt adheres to its new limitations. Thus although it has long been primarily a monitoring and reporting organization,

in the current environment, the MFO also has a role in keeping the peace. MFO director general David Satterfield and his team continue to engage with both the Egyptians and Israelis “to ensure that small problems do not become big ones and to reinforce the climate of trust.”⁶

Threats to the MFO

There are a number of factors that make the MFO a prime target for local and transnational jihadis. At the local level, the initial targets of Ansar Bayt al-Maqqdis were Israel and the Egyptian-Israeli relationship. The group’s first major attack, a 2011 cross-border raid, tested bilateral diplomatic relations. Its frequent targeting of the Arish-Ashkelon pipeline precipitated the messy cancellation of a 20-year energy contract, striking a blow at economic relations. The group could threaten bilateral military ties with an attack on the MFO, which serves as the facilitator of that relationship.

Attacking the MFO would also fit the model, used by al-Qaeda and its affiliates, of attacking “far enemy” targets where opportunity arises. In recent years, for example, Egyptian security services reportedly have disrupted plots to target the US and French embassies. Jihadis could attempt to justify an attack on the MFO as a response to the support of its contributing states for the government of Abdel Fattah el-Sisi, or carry out the operation in an attempt to scare forces out of the peninsula. In addition, the Islamic State might use its remotely based affiliates to retaliate for military strikes the group is suffering in Iraq and Syria. In January 2015, Wilayat Sinai claimed responsibility for bombing the Egypt-Jordan gas pipeline. While the target was standard – since February 2011 militants have attacked Sinai’s network of gas pipelines around three dozen times – the message was new. No gas would reach Jordan, warned the IS-affiliate, as long as the country was involved in anti-IS military operations. This statement should likewise alert other members of the broad coalition conducting operations against the Islamic State: national interests of these states are vulnerable to retaliation. Seven of the countries that contribute to the MFO are also part of the anti-IS coalition: Australia, Canada, the Czech Republic, France, Italy, the United Kingdom, and the United States. Thus, it is significant that neither the MFO’s North Camp nor its Civilian Observer Unit (COU) has been directly attacked by Sinai’s jihadis.

Although the MFO has so far not suffered the types of full scale assaults that have targeted the Egyptian military and security forces, the international force in North Sinai has faced a number of challenging incidents. On

numerous occasions since Egypt's 2011 uprising, Bedouin activists have staged protests at MFO sites in order to draw government attention to their grievances.⁷ Over time, the MFO recognized a shift in the makeup of these demonstrators and the appearance of heavily armed individuals.⁸ Such incidents, if they turned violent, were usually limited to rock throwing, but local actors have occasionally attempted to breach MFO perimeters.⁹ On September 14, 2012, North Camp was actually breached by "a violent crowd," which caused "significant damage," including the destruction of a guard tower and the injury of eight personnel.¹⁰

In addition to political protests outside North Camp and other MFO sites, the local population has attempted to draw the Egyptian government's attention by blocking roads "to restrict the movement of MFO vehicles and those of locally engaged contract workers."¹¹ On occasion, violent means have been used in these efforts.¹² On April 13, 2013, a Hungarian MFO bus monitor was kidnapped while his vehicle was stuck in traffic and held briefly by armed men.¹³ Local MFO staff and contractors have also been detained traveling to or from North Camp. In one incident, perhaps in an effort to intimidate their captives, armed men shot at and injured Egyptian contractors.¹⁴

Masses have gathered outside North Camp not just out of anger or political opportunity, but out of fear as well. Especially during fierce fighting and military strikes south of Sheikh Zuweid, civilians have taken refuge outside the MFO base because they know the Egyptian military is unlikely to use its air power so close to the international force. Even if these civilians are not a direct threat to the MFO, their presence limits personnel operability. In addition, Egyptian security officials are concerned that militants might escape among the civilian population fleeing from villages during military operations; this could allow Wilayat Sinai operatives to blend in and get close to North Camp.

For a time in 2013, given the deterioration in the security environment, MFO units did not travel in the northeast corner of Sinai (the Northern Sector of Zone C) without an Egyptian military escort. Recognizing the coordination required for Egyptian escorts and the need for a longer term solution, in August 2013 the MFO's Fijian Battalion began escorting COU missions.¹⁵ The increased impediments to MFO ground travel have prompted greater use of aircraft for both transport and observatory missions. The one exception is in Zone C's Northern Sector, where the MFO halted observation flights after Ansar Bayt al-Maqdis shot down an Egyptian transport helicopter in

the area on January 25, 2014.¹⁶ That said, MFO aircraft are easily recognizable from the ground and have never come under attack, despite regularly flying over territory in which militants are believed to operate.

Overall, the MFO and contributing nations have sought to downplay incidents in which international forces come under fire. Given the limited media environment in North Sinai, it is unclear if these incidents were truly noteworthy.

On May 9, 2014, the *Cairo Post* reported that militants “for the first time” fired at MFO forces near North Camp, whereas *Aswat Masriya* reported that they fired on the camp itself.¹⁷ In its annual report, the MFO noted only that a “stray round” was found inside the camp, giving no indication that the MFO was targeted.¹⁸ In a similar incident, on August 4, 2014, local media reported that an American soldier was wounded by gun fire at North Camp.¹⁹ The following day, US State Department spokeswoman Jen Psaki sought to correct the record, saying, “A U.S. contractor” – not a soldier – “was slightly injured as a result of a stray round fired in the vicinity.”²⁰ These and other incidents suggest that opposition to the MFO does exist. Even if the current level of opposition does not spread, it could be exploited by those interested in a large assault.

MFO personnel have almost a decade of experience operating in a non-permissive environment, and the MFO has been ramping up its defensive posture since before the 2011 uprising. However, militant activity in Sinai has increased exponentially. As its latest annual report notes, “the frequency and unpredictable nature of these activities increases the risk to [the MFO] from collateral fire or being in the wrong place at the wrong time.”²¹

MFO personnel, and specifically the COU, regularly use the same roads where militants plant improvised explosive devices (IEDs) daily. They also traverse areas where Wilayat Sinai sets up checkpoints in an effort to capture Egyptian security personnel and civilians it accuses of collaborating with the state. Even if the MFO is not currently being targeted, each convoy leaves North Camp or an isolated site aware that it could accidentally encounter an IED; each time an MFO vehicle approaches a militant checkpoint the driver cannot help but be concerned that this time he will be ordered to stop and consider how he should respond to the order. Occasionally, given the operating environment in North Sinai, MFO personnel and staff do find themselves in the wrong place at the wrong time. For example, on May 27, 2011, an MFO vehicle traveling along the Egyptian-Gaza border “sustained extensive damage” when a nearby IED detonated.²²

The challenges to the MFO's operations are not limited to local demonstrations or militant activity. Egyptian armed forces activities, in addition to increased MFO observation missions, have restricted MFO and support movement during periods of military engagement in certain areas and throughout curfew hours.²³ Although MFO units are technically not subject to the curfews imposed in North Sinai, personnel opt not to travel during these hours out of a concern that Egyptian soldiers manning a checkpoint could misidentify their convoy. Egyptian military operations have also restricted local staff and contractors from reaching North Camp. However, Egyptian military operations since September 2013 likewise have created "a corresponding change in the security environment," which has allowed for an "increase in routine operations."²⁴

No Major Attacks ... Yet

To date, MFO personnel, with Egyptian military cooperation, have managed to repel violent threats to MFO sites and operations, such as the September 2012 breach of North Camp. In the ensuing years, the MFO has stepped up force protection and self-defense training. However, a major concern is that the MFO is unprepared for, and may be incapable of responding to, a complex Wilayat Sinai attack like those that have caught Egyptian forces off guard: using a combination of vehicle-borne IEDs, rockets, snipers, and fighters.

Perhaps the main reason Wilayat Sinai has not targeted the MFO in a major attack is the importance of the international force to the local Bedouin economy. As noted in the MFO's 2012 annual report, "It is of some help to have, in the community, those who can speak accurately about what we do and the benefits of our activity."²⁵ That year, the MFO's payroll for Bedouin and other local staff amounted to roughly \$1 million, while the MFO made a "substantial contribution to the local economy" through its relationship with local contractors (almost \$2 million).²⁶ The MFO makes a deliberate effort to employ members of every Bedouin tribe in Sinai through its Bedouin Employment Program.²⁷

It could also be that there have been occasional attempts to target the MFO and that Egyptian security forces have disrupted plots to do so. However, Sinai militants have had ample opportunity to target isolated MFO sites and personnel if they so wanted. As such, it is unlikely that attacks have been avoided by strokes of luck, good fortune, and capable security measures.

If overall the MFO has been spared to date, there are a number of factors that could increase the likelihood of an attack on the international force. Financial assistance from the Islamic State, previously pledged or offered in the future, could come with the stipulation that Sinai fighters prove their fealty by broadening their targets to serve the IS agenda. Wilayat Sinai, which grew out of local militancy with local grievances, would likely only take such a measure out of desperation, because currently the group is dependent on the local population and the local population is dependent on the MFO for employment. However, as Wilayat Sinai attempts to project strength in northeast Sinai, the jihadi group is gaining enemies.²⁸ If Sinai's broader population completely rejects the group, Wilayat Sinai may retaliate by attacking the area's economic base. It is also possible that in targeting the MFO verbally following the June 9 al-Gura attack, Wilayat Sinai was testing the reaction of the local population, the Egyptian government, and the international community.

Wilayat Sinai remains a local group, and Sinai has yet to be a major draw for foreign fighters or even for Egyptians from the Nile Valley. This, however, could change over time, especially as IS calls on supporters to join the Sinai jihad. Another scenario, then, could see a cell of foreign IS fighters targeting Western interests in Sinai, including the MFO. These militants would lack the Bedouin ties of Wilayat Sinai's core fighters and would not be beholden to local interests or grievances. Whether tribal families are employed in Sinai is of no matter to an organization based in Syria.

A final scenario, less likely but still a possibility, would involve the local population turning on the MFO and no longer offering its "protection." This could happen if, due to budgetary issues or security concerns, the MFO is unable to employ from among Sinai's tribes. More likely, however, would be if the local population conflated the MFO with some of the heavy handed tactics used in Egyptian military operations.²⁹ In this context, the MFO is pleased that Egyptian forces are now deployed on North Camp's perimeter to better protect the camp and respond to threats against it.³⁰ However, there is concern within the MFO that Egypt's use of this deployment for offensive operations will be mistaken by the locals – who recognize the neutrality of the international force – as MFO complicity in Egyptian military strikes.

Implications of an Attack

The MFO has been building its force protection capacity since before the latest surge in Sinai militancy. Still, the MFO soldiers have a specific

non-offensive mandate, have not trained for a full jihadi assault on North Camp, and would be unlikely to repel such a determined attack without suffering a large number of casualties. Small, opportunistic attacks on COU convoys would limit or force adaptation of MFO operations. One or more coordinated assaults on North Camp, however, may change the calculus of the MFO and of contributing nations, whose forces would be isolated in hostile territory. Publicly, there is no indication whether MFO personnel would hunker down in such an environment or if they would withdraw, even temporarily.

In the current threat environment and under Cairo's current leadership, Israel trusts Egypt more than any other time in their history. The upshot is that while the MFO is an important facilitator of Egyptian-Israeli ties, a withdrawal of the international force would not necessarily result in strained relations. If the MFO withdrew, and if that trust did not exist, Israel might demand that Egypt withdraw its heavy weaponry and some of its forces from the peninsula, negating the Agreed Activity adaptations to the peace treaty.

The bilateral trust, however, is not comprehensive and is not without occasional misunderstandings. As the MFO has been a key to the rapid response to any issues, without its force on the ground the Israelis and Egyptians would need new mechanisms for addressing concerns. Of course, even if the international force withdrew from North Sinai, the MFO's "good offices" would not disappear overnight: its director general would continue to work with leaders in Cairo, Tel Aviv, and Jerusalem from MFO headquarters in Rome.

Recommendations

In order to continue with its force protection upgrades, the MFO needs greater donor country support. Understandably, the current environment increases both the threat and the cost of preparing for it. Militant activity and military operations have disrupted and slowed contract fulfillments to various force protection projects. The determination of donor countries is necessary to see these upgrades through, as is the continued cooperation from Egypt and Israel in transferring materials to North Camp and other remote sites.

The MFO's relationship with local Bedouin is extremely important to proactive force protection. As such, it is unfortunate that Denmark, a major donor to the Bedouin Employment Program for two years, is no

longer able to provide the MFO with budget support for the initiative.³¹ It is imperative that the MFO continue this program with the same fervor and that another donor nation assist in its continuity.

Frank, private discussions between the MFO and among the contributing nations and Egypt about what would happen in the event of an attack would also clarify expectations for the host country and for the force. How the international force and its contingents would respond to an attack, and in what manner they would require Egyptian forces to respond, would be part of these talks. After all, the MFO depends on the protection of Egypt for its operations and security. Looking past a potential incident itself, Egypt and Israel should be fully informed about the MFO's plan of action in the aftermath of such an attack: would the force withdraw from Sinai in the short term? Would individual contingents withdraw, and would they be replaced by personnel from other contingents? These are questions that should have answers before a major attack takes place. In addition, knowing the specific results of any attack may also impact on Egypt's preemptive operations to protect the MFO.

Egypt, as host country, has a responsibility to guard the MFO and its personnel from harm. An important part of harm prevention, though, is not implicating the MFO in Egyptian military operations. This line is blurred if the same units deployed to defend the MFO concurrently participate in offensive operations against surrounding villages. Unfortunately, as a neutral party, MFO leaders are awkwardly positioned when it comes to telling the Egyptians how to operate. If Cairo does not recognize how its operations may result in harm to the MFO, contributing nations, especially those with close military-military relationships like the United States, should be forthright with their Egyptian counterparts. Israel too can play a role here. To date it has chosen not to turn down Egyptian deployment requests; but, in consultation with its international partners, Israel could fully support defensive measures that protect the MFO while denying requests that may implicate the MFO in Egyptian military operations.

The MFO can prepare its defenses, and the Egyptian military can offer protection and response. Ultimately, however, if Wilayat Sinai decides to directly target the MFO it will do so, and likely in a forceful manner. Egypt and Israel must plan for the eventuality that the MFO will withdraw following an attack, even if just temporarily from the Northern Sector of Zone C. As this is the most volatile area of Sinai, it is also where the Egyptian military

carries out most of its operations: operations that would be sure to expand in retaliation for a strike on the international force.

Bilateral security relations between Israel and Egypt are stronger today than ever before, and the sides do not require the MFO to exchange messages. However, despite the current trust levels, the MFO still monitors and verifies bilateral arrangements. With the oversight of the MFO director general, who has found favor with both treaty partners, Egypt and Israel must make arrangements for self-reporting and verification without the MFO on the ground. If such arrangements are made, this may lead to discussions among the treaty parties and the MFO as to whether observer deployment in Sinai is even necessary. Withdrawal of international forces from Sinai in such a context could be seen as a successful completion of the mission to separate and build trust between two former enemies.

It is well recognized that an attack on the MFO could happen at any time. While this could have a major impact on relations between the treaty partners and their mutual interests, with adequate preparation, an attack on the MFO does not have to result in a major disruption in Sinai.

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The Implications of the Political Events in the Eastern Mediterranean and the Red Sea for Israeli Maritime Trade

Yigal Maor

Introduction

In recent years, the Middle East has experienced a number of processes with significance for Israeli maritime trade, which constitutes approximately 99 percent of the entire volume of Israeli foreign trade.¹ One is the outsourcing and movement of industries eastward to Asian countries, highlighting the essential importance of the Israeli maritime supply chain. A second process concerns the difficulties encountered by the port infrastructure in Israel to meet new demands created by the rapid growth in the size of the ships involved in trade from Asia to Europe. As a result, the transshipment² and feeding³ capabilities of container transshipment hubs in the region have become particularly important to Israel. A third process concerns the anticipated capacity deficiency of hubs in the Eastern Mediterranean resulting from slowed development, due primarily to the hesitation of investors and international operating companies in light of the current regional instability.

Given the crucial importance of the subject, the crisis facing port infrastructure in Israel requires a comprehensive survey. In a nutshell, however, we can say that after considerable efforts on an issue that has been referred to as “a maritime siege” against the state,⁴ and although Israel is about to undertake a large scale development of infrastructure within its ports, this new infrastructure will only begin operating early in the next decade. These factors have been defined as strategic threats that

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highlight the sensitivity of Israeli maritime trade and the importance of ensuring its stability.

From a political perspective, storm clouds are gathering above the region – from the eastern ports of Libya to the ports of the Egyptian Delta and the Canal, along the length of the Suez Canal, into the Red Sea, and through the Bad el-Mandeb Strait to the Gulf of Aden – and above other aspects related to the security of world maritime trade in general and Israeli maritime trade in particular. With regard to Israel, these threats include the Arab boycott, which still remains strong; and rapid regional events and fluctuations, which nurture intensifying scenarios of maritime terrorism such as the attack on the vessel *COSCO Asia* as it passed through the Suez Canal nearly two years ago,⁵ the attack and loss of an Egyptian military vessel in November 2014,⁶ attacks on oil tankers in eastern Libyan ports,⁷ and other such developments.

Within the tangled political framework of the Eastern Mediterranean, there are four primary factors with a major impact on maritime trade:

- a. The Arab boycott, in its current state and incarnations, and its impact on Israeli maritime trade.
- b. The events of the Arab Spring, with an emphasis on the instability and weakening of regimes, and their impact on the routes of maritime trade.
- c. Division of the states in the region into three geopolitical blocs, which continue to change dynamically in form and constitution and compete with one another, and which possess dynamic and pliable links to the world powers. The interaction between the blocs has significant impact on issues of maritime trade.
- d. Egypt as a key force: After three years of regime instability, Egypt under the leadership of President el-Sisi is reasserting itself as a regional power. As Egypt is one of the world's most important crossroads of maritime trade, the current and future events there hold great significance for world maritime trade in general, and Israeli maritime trade in particular.

The Arab Boycott

2015 marks the seventieth anniversary of the Arab boycott. Over the years, however, the impact of the boycott has weakened as a result of the US law prohibiting its implementation, Israel's peace treaties with Egypt and Jordan, the Oslo Accords, Saudi Arabia's 2005 entry into the WTO and the consequent termination of its (official) participation in the boycott,⁸ Syria's expulsion from the Arab League several months after the eruption

of the civil war,⁹ and other such developments. We can learn more about this long term trend from an Egyptian regime official who, early in the current century, noted that “boycotting Israel is something that we talk about and include in our official documents but it is not something that we actually carry out – at least not in most Arab states.”¹⁰ In a League of Nations conference in May 2006, another official publically accused most Arab states of evading implementation of the boycott.¹¹

Still, the boycott’s shadow continues to loom over Israel, both in its traditional form and its modern incarnations, such as the campaign by the BDS movement against Israeli activities abroad, which has created pressure on Israeli shipping, as in the case of the sanctions against the ships of the Zim corporation in the United States¹² and the resulting damages. In such an atmosphere, it is clearly difficult for Israeli shipping to find its place in the international cooperative enterprises that today constitute an essential, standard element for all maritime shipping companies that are eager to survive, let alone thrive.

The Events of the Arab Spring

The Arab Spring began in late 2010 with the wave of violent uprisings that swept through the Middle East – and whose aftershocks are felt to this day. Centralized governments were weakened, regimes were replaced, and leaders were toppled. Libya is currently characterized by government chaos, and in Yemen, the Houthi rebellion has resulted in the collapse of the ruling regime. In Syria, a civil war involving multiple parties has already claimed hundreds of thousands of lives. And in Egypt, after three years of upheaval, increasing regime stability has reemerged under the decisive leadership of President el-Sisi.

The impact of these events on maritime trade stems not only from the disruption and disorder they cause but also, and perhaps primarily, from different acts of terrorism against maritime trade. Incidents such as the attack on the vessel *COSCO Asia* ship as it passed through the Suez Canal,¹³ the attack and loss of an Egyptian military vessel off the shores of Damietta in November 2014, the smuggling of illegal immigrants from Libya to Europe in a manner conducive to transport of terrorist operatives and materials, and attacks carried out even before the outbreak of the Arab Spring against maritime vessels such as the oil tanker *M.Star* south of the Strait of Hormuz,¹⁴ the American missile destroyer *USS Cole*, and the tanker *Limburg* off the coast of Yemen¹⁵ have all served to intensify the Shiite/

Houthi/Iranian threat to the Bab el-Mandeb Strait (in scenarios similar to the attack on the Israeli tanker *Coral Sea* in 1971¹⁶) and the concrete damage to maritime trade from Asia westward, and in particular, to Israel.

In addition, concerns are growing regarding possible terrorism in the eastern and central portions of the Mediterranean, particularly the area off the coast of Libya.¹⁷ These include threat scenarios against energy infrastructure at sea, the disruption of port operations (as has occurred repeatedly in Egyptian ports in recent years), and attacks on ships (such as air attacks on oil tankers while anchored in the eastern ports of Libya, in the context of clashes between Libyan government forces and radical Islamist elements).¹⁸ Each event of this kind has an immediate impact on the stability of shipping in the region, resulting in hikes in maritime insurance premiums, higher ship leasing costs, and the high cost of security for ships and infrastructure facilities in the region.

The impact of such scenarios is already anticipated in the tanker market due to fears of escalation in the Bab el-Mandeb Strait, adjacent to

Egyptian economic development will lead to Israeli economic development, particularly in relation to maritime trade and its byproducts.

Yemen.¹⁹ The passenger ship sector in the region has also been in crisis since the beginning of the Arab Spring, with cruise lines companies cancelling large numbers of cruises out of concern for the security of passengers and a drop in the demand for tourism in the region. Another development has been the flight of investors in port infrastructure, such as the Philippine corporation ICTSI, which abandoned the Tartous port project in Syria,²⁰ and the investors

in the Dipco terminal at Damietta, who failed to honor their obligations to develop the container terminal in the port and found themselves in a confrontation over the issue with the Egyptian authorities.²¹

The Impact of Inter-State Dynamics on Maritime Trade

The internal political developments in the Arab world have also influenced inter-state dynamics in the region. In general, three blocs of states are emerging. The first, which can be referred to as “the aggressive traditional” bloc, supports radical Sunni Islam. Prominent in this bloc is Turkey, under the leadership of Erdogan and his neo-Ottoman/pan-Islamic approach, as well as Qatar. This bloc previously enjoyed the support of Egypt under the leadership of the Muslim Brotherhood. However, following Morsi’s

removal from power in July 2013, it has subsequently found itself without a dominant ally.

El-Sisi's rise to power has been indicative of the increasing power of the second bloc, which can be referred to as the "moderate Sunni" bloc (although there can be no mistaking the religious orientation ingrained in this bloc or the aspirations of its leaders regarding hegemony in the Arab world). Consisting primarily of Egypt, Saudi Arabia, Kuwait, and the Gulf emirates, this bloc is currently driven primarily by its concerns regarding the rising wave of Sunni terrorism throughout the Middle East and North Africa and efforts to defend itself in face of this trend.

There are also concerns regarding the growing influence of the third bloc, led by Tehran and comprising Iran and its allies: the Syrian government, the Iraqi government, and Shiite elements in Lebanon (Hizbollah) and Yemen (the Houthis). As part of their efforts to contend with the two other blocs, members of the second "moderate Sunni" bloc are engaged in strategic economic and security investments in Egypt out of a vested interest in its strength. Since the beginning of el-Sisi's rule, such support has exceeded \$30 billion, including the agreements signed at a recent conference in Sharm el-Sheikh.²² These investments constitute the basis for developing the infrastructure necessary to upgrade the maritime trade activity via the Suez Canal and its environs.

The world powers are "flexible" in their involvement with these blocs. One example is the United States relationship with the aggressive traditional bloc on the one hand, and its efforts to strengthen its relations with the rival moderate bloc and with Saudi Arabia, the leader of the inter-Arab Sunni coalition in Yemen. In the background, the United States is also trying to improve its relations with Iran, which is a bitter rival of Saudi Arabia and is engaged in negotiations with the United States on its nuclear program. Egypt is currently experiencing closer relations with Russia, China, and to a certain extent India as well (a leader of the BRICS bloc, in which Egypt has already expressed an interest),²³ based on diverse economic and military support of Egypt and its plans, including arms deals aimed at strengthening Egypt and sending a clear message to the United States (which has only recently, and only somewhat, eased the weapons embargo imposed on Egypt following Morsi's removal from power).²⁴ Interesting in the Chinese context is Egypt's enthusiastic willingness to take part in the New Maritime Silk Road project,²⁵ which includes investments in the Canal project, the existing Chinese partnership in the SCCT terminal in

the northeastern Suez Canal (20 percent) by means of the COSCO Pacific corporation, and more.²⁶

The aggressive traditional bloc, along with its failure to oppose radical Islam throughout the region, has been problematic for regional stability. This bloc's approach is expressed in the media it controls, such as the al-Jazeera network in Qatar, its policy of support for organizations such as the Muslim Brotherhood, and other ways. Its approach is one that encourages threats against the maritime supply chain, beginning with the Suez Canal, along the Red Sea, to the Gulf of Aden. This supply chain is dependent on its stability and security, and every shock it experiences has an effect on world maritime trade in general and Israeli maritime trade in particular. The traditional bloc's approach also poses problems for the vision of the Suez Canal Zone, due to the inter-bloc and inter-state tensions regarding events such as the recent cancellation of the agreement on ro-ro ships that operated between Turkey and Egypt, and subsequently Jordan and Iraq (as a substitute for the Syrian route), which despite its negligible practical significance received prominent media focus.²⁷

The regional instability, mounting Islamic terrorism, and damage to port infrastructure in the region have undoubtedly had an impact on regional maritime trade. At the same time, this very regional instability provides Israel, with its own stability, certain advantages.

The members of these blocs control essential international water passages. Turkey controls the Bosphorus and the Dardanelles, which are of strategic importance to the countries of the Black Sea. Egypt controls the Suez Canal, which is of great importance to the world as a whole. Through its relationship with the Shiite Houthi rebels in Yemen, Iran has influence over the Bab el-Mandeb Strait. Iran also aspires to control the Strait of Hormuz at the entry to the Persian Gulf, as proven by the recent seizure of the container ship *Maersk Tigris*.²⁸ This issue highlights the importance of control of the strategic maritime passages dominating world and local supply chains such as the Bosphorus and the Dardanelles, which control the maritime supply chain to and from the countries of the Black Sea, and the Bab el-Mandeb

Strait in the southern Red Sea, which controls the maritime access of Saudi Arabia, Eritrea, Sudan, and Jordan, and is important for world maritime trade via the Suez Canal. With regard to Israeli maritime trade, Israeli cargo in trade to and from Asia is typically transported by international shipping companies, so that any scenario of practical injury to Israeli

maritime trade requires injury to global trade, with all the international implications of such a scenario.

Egypt as a Special Case

Egypt is of particular importance to Israeli maritime trade. Following the onset of the events of the Arab Spring, Mubarak's rule ended, and Mohamed Morsi of the Muslim Brotherhood rose to power. Morsi's rule was short-lived, and his regime was toppled in July 2013. General Abdel Fattah el-Sisi was sworn in as the president of Egypt in June 2014, the most difficult period in the history of modern Egypt, given the country's crumbling economy, 10 percent inflation, a stock market that lost 40 percent of its value over a period of two years, foreign currency reserves that had fallen 65 percent, a rising unemployment rate (15 percent), the disappearance of tourism, and dwindling foreign investment.²⁹

El-Sisi was also forced to contend with foreign matters, most of which had an impact on maritime trade. For various reasons, among them the Qatari connection with the Muslim Brotherhood and criticism of the Egyptian leader in the Qatari media, el-Sisi clashed with the emir of Qatar to the point of ejecting all Qatari interests from Egypt, including investments, which in Egypt were perceived as a Morsi-supported Qatari attempt to seize control of the Suez Canal.³⁰

To the south, the crisis intensified with Ethiopia, which started to execute its plans to dam the Blue Nile. These plans were of major significance for Egypt, where the Nile constitutes an essential lifeline. As a result of the diverse Israeli aid to Ethiopia, which some in Egypt perceive as an Israeli plot, radical Egyptian politicians were heard threatening to prohibit the passage of Israeli shipping traffic through the Suez Canal. To the west, Egypt borders eastern Libyan ports such as Darna and Hariga, in a region where Egypt has experienced bitter clashes with radical Islamist groups such as the Libyan Ansar al-Sharia, which rely on the sympathy of the Muslim Brotherhood. In the east and in the northern Sinai Peninsula the regime is fighting an obstinate struggle against Ansar Bayt al-Muqdis, which has pledged its allegiance to the Islamic State, and in the Canal region, it has been forced to contend with the al-Furqan organization, which was behind the attack on the vessel *COSCO Asia*.

In this situation, after assuming the presidency in June 2014, el-Sisi began taking steps to curb the civil, economic, and security chaos in Egypt, and quickly informed his people and the world of the updated infrastructure

project for the Suez Canal Zone Project, which would begin expanding the Canal immediately.³¹ He branded the project as a unifying national symbol, and highlighted its significance through heightened media amplification and superlatives drawn from Egyptian history. He also addressed the national sentiment of the Egyptian people with a call to purchase investment certificates to help fund the project, which met with an enthusiastic response. El-Sisi secured the Egyptian military's backing of the challenging project by charging it with responsibility for the phase of Canal expansion. In this way, he positioned the army on the public agenda as the people's army, in a manner that ensured the army's commitment to the project, as well as a suitable response to any attempt to damage the project.³²

The expansion process, and particularly the intention to double the Canal's income in the future, has caused a sense of unease in the world shipping community, which is currently in the throes of economic crisis. It is abundantly evident that the scope of maritime traffic will not change in a substantial manner beyond the organic growth of maritime trade, raising concerns regarding a possible hike in transit fees aimed at recouping the development investment. In addition, a scenario in which the expansion phase delays the development of container terminals, particularly those in the northern Canal, would be problematic for regional shipping and Israeli maritime trade in particular, due to the deficiency in port infrastructure that is expected to emerge in the coming years and the resulting problematic scope of transshipment and feeding that is expected to characterize the region during the period in question.

What, exactly, does the Suez Canal Zone Project entail and what is its framework for implementation, particularly with regard to maritime trade? The project is supposed to take approximately twenty years to complete and require an estimated investment of approximately \$200 billion. Overall, it calls for the creation of an urban axis based on logistical services derived from Canal activity, including the development of modern land and maritime agriculture, energy infrastructure, water desalination, and tourism. The project will begin with the expansion of the Canal in order to facilitate two-way traffic and reduce the amount of time that ships need to wait for passage. This will significantly shorten the time it takes for ships to pass through the Canal and make the canal more attractive by providing shipping services.

Later, in the northern Canal, plans call for the expansion of ports and development of the region as Egypt's primary trade gateway and

chief transshipment hub, through development of platforms capable of accommodating a capacity of twelve million containers and additional cargo, to be operated over approximately 25 kilometers of berths. The planning includes a free trade zone, industry, and logistical centers covering an area of some 100 square kilometers. In the south, it will include substantial development of the port at Ain Sukhna, which will serve as the southern Egyptian gateway to the ports of the Gulf, East Africa, and Asia. The development will include the construction of berths, industrial zones, logistical areas, and diverse shipping services, including expanded ancillary shipping activity in the Suez ports, Port Tawfik, and Adabiya.

The project will include the digging of six tunnels beneath the Canal and the expansion of the cities of Kantara and Ismailia. It will also involve the building of New Ismailia City, Bardawil City, and other new cities aimed at the urban development of the Canal route as a region of development for the future of Egypt, including as a migration destination and a solution for the increasing population density in Egyptian cities. The project, which in part will serve as a replacement of sorts for the traditional agricultural economy of the Nile Valley, is expected to create approximately one million jobs over the next fifteen years.

There can be no doubt about the project's importance for the State of Israel. For the most part, Israel will benefit from the economic and transportation-related advantages of its close proximity to the Suez project, based on aspects of regional models of the emergence of economies of agglomerations. In other words, Egyptian economic development will lead to Israeli economic development, particularly in relation to maritime trade and its byproducts. The Suez project is geared toward the development of unprecedented port infrastructure and ancillary shipping services in the region in a manner from which the Israeli economy only stands to benefit, as long as the issue is dealt with correctly and in a supportive manner. Also relevant is the issue of regional security and the advantages to Israel of a neighboring ally with an identical interest in the development and establishment of a reliable and secure supply chain.

Conclusion and Recommendations

Although the boycott of Israel appears to be eroding and has gone from being an "action item" of the Arab League to an issue dealt with by individual countries, its importance must not be underestimated. The boycott is alive and well in the consciousness of world shipping, as well as in its modern

incarnations such as the BDS movement. This links directly to the boycott's impact on Israeli maritime trade, including how ships are able to visit Israeli ports, and the resulting impact on prices, options, and flexibility of the Israeli maritime supply chain.

Although it is still too early to fully understand the impact of the Arab Spring, the regional instability, mounting Islamic terrorism, and damage to port infrastructure in the region (including the fears of investors and other phenomena disrupting routine maritime logistics) have undoubtedly had an impact on regional maritime trade. At the same time, this very regional instability provides Israel, with its own stability, certain advantages, as reflected in the success of international tenders for the construction and operation of new container ports. The construction of these ports and the adaptation of existing ports to the requirements of world maritime trade is a necessary step, especially in light of the geopolitical sensitivities in the region and as a suitable response to the anticipated pressures on the port infrastructure in the Eastern Mediterranean, which also hold significance for the needs of the State of Israel.

In the realm of inter-state politics, rapid and typically unanticipated regional changes create consistent tensions, such as those in the current relations between Turkey and Egypt, Saudi Arabia and Iran, and other countries, some of which have shifted from the inter-state level to the inter-bloc level. At higher levels, the identification of a global power with one bloc or another raises concerns regarding the possible intrusion to the local level of tensions between powers and interests outside the region, in addition to undesirable effects on regional and Israeli maritime trade, particularly with regard to the security of the maritime passages in the region and the capacity to operate port infrastructure in the region.

With regard to Egyptian-Israeli relations in the maritime realm, it is clear that despite the strategic partnership between Egypt and Israel on various issues, Egypt cannot be expected – whatever the threat to its ports, to the Suez Canal, or even to free movement in the Red Sea and its straits – to turn its back on rival Arab interests when it comes to threats against Israeli maritime trade. However, it is also clear that the direction in which el-Sisi is moving today and the challenging trajectory of Egypt's development, which is an Egyptian interest, is simultaneously of essential and desired strategic importance for the stability of the Israeli supply chain and Israeli maritime trade.

Within the storm currently raging in the Levant, which shows no signs of abating, Israel today is characterized by relative stability. In terms of maritime trade, however, this situation is misleading. Israel's lack of preparedness in terms of the existence and efficiency of port infrastructure may very well result in a decline in Israel's connectivity to global trade, which is why it is essential to adapt this infrastructure to a suitable international level. Such a level will ensure Israel its warranted position as a neighbor of the transportation projects constructed in the region, such as the new Chinese Silk Road, the free trade zones and ancillary shipping service along the Suez Canal route, and others, in a manner that benefits the entire Israeli economy in the realm of exports and imports alike, as well as possible cooperative efforts with the massive economic activity that can be expected from the Suez Canal project. The anticipated regional development, particularly surrounding the Suez Canal, offers an unprecedented window of opportunity throughout the entire scope of activities in the maritime realm, including the intensive activity surrounding the natural gas industry. These areas of development will require and facilitate regional maritime cooperation that must be cultivated, primarily due to the region's ever apparent massive economic potential, particularly with regard to the maritime industry. Israel must take all measures necessary to avoid missing this unique – and elusive – geopolitical occasion, as well as the sense of opportunity and regional undertaking with possible partners, some of which have significantly softened their tone of opposition to any cooperation with Israel.

Notes

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- 3 Feeding refers to the act of transporting the cargo in transshipment from the hub port to the final destination.
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Threats to Stability in Jordan

Oded Eran and Eddie Grove

In the aftermath of the so-called Arab Spring, Jordan has thus far remained stable, but its continued stability should not be taken for granted. This article discusses the current threats to Jordan's stability, the long term challenges that must be addressed, and Israel's interest in maintaining Jordan's stability. International aid has shielded Jordan from instability to date, but Jordan faces a growing Salafist jihadi threat, fueled largely by the country's poor economy. In the fall of 2012, Saudi Arabia, the UAE, Kuwait, and Qatar finalized a plan to donate \$1.25 billion each to Jordan over five years, for a total of \$5 billion. The United States plans to increase aid to Jordan from \$660 million per year to \$1 billion per year, but this aid is intended for short term needs.¹

In addition to foreign aid, the current low oil prices will buoy the economy, and the wave of patriotism that has swept over Jordan in the wake of the death of the pilot Muath al-Kasasbeh in early 2015 will help turn the tide temporarily against Salafist jihad. However, presumably the oil prices will not stay low forever, the wave of patriotism will recede, and donor fatigue will set in. Jordan and its allies must tackle long term risk factors, led by problems that a large migrant society creates, such as growing unemployment, water shortages, and energy scarcity, to improve Jordan's prospects for future stability.

Jordan's Poor Economy and Lack of Room for Political Expression

Jordan's poor economy has fueled a growing Salafist jihadi movement, with dangerous implications for the kingdom's security. The official unemployment rate is 13 percent, youth unemployment is 30 percent,² and the poverty rate is 15-30 percent.³ According to a 2014 Pew Foundation survey,

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61 percent of respondents described the economy as “bad” or “somewhat bad,”⁴ even though sustained low oil prices should temporarily boost the economy. Underlying causes of the high youth unemployment rate include an education system that does not provide graduates with crucial problem solving and language skills, and a preference among Jordanian youth for areas of study and careers that are not in high demand.⁵ Unemployment often lasts for a considerable period,⁶ which leads to frustration among youth, which can lead them toward an alternative to the current – inadequate – establishment, in the form of radical Islam. The high unemployment rate has also been coupled with the influx of Syrian refugees. While officially not allowed to work, the refugees have entered the informal sector in an already difficult job market, causing resentment among locals.

These economic woes join a lack of avenues for youth to express themselves politically. Like much of the Arab world, Jordan experienced Arab Spring protests in 2011, though on a smaller scale than those in Egypt or Tunisia. While the demonstrators demanded greater democratization, little real reform has occurred, and in the words of the Jordanian Muslim Brotherhood’s spokesman, “There is a tangible increase in the number of supporters [of Salafist jihad] in the street. People lost hope, particularly the young, and they feel the Salafi ideology...will give them what they want.”⁷

According to Mona Alami, there are approximately 15,000 Salafists in Jordan, including about 5,000 jihadists;⁸ other experts and the Jordanian government estimate that there are 9,000-10,000 Salafist jihadists in Jordan, which is double the number before the Arab Spring.⁹ While Jordan’s jihadis have traditionally been mainly Palestinian, growing numbers of East Bank Jordanians are joining the movement.¹⁰ This is significant because East Bank tribes have traditionally formed the bedrock of the monarchy’s support. However, as a recent report by the Council on Foreign Relations clarifies, East Bankers in outlying cities believe that the government does not provide them with enough services. Significant opposition to the regime from East Bankers could be the most serious threat to Jordan’s stability, because the country’s military and security services are largely composed of East Bankers.¹¹

The government closely watches Salafists and has used an amended anti-terrorism law to arrest citizens for inciting terrorism online.¹² The Ministry of Islamic Affairs is pressuring imams to preach moderate Islam, and as of November 2014, the government had banned 30 preachers.¹³ By

December 2014, Jordanian authorities had arrested between 200 and 300 suspected Islamist militants.¹⁴

According to Tamer Samadi, a Jordanian journalist who is an expert on jihad, 85 percent of Jordanian Salafist jihadis now sympathize with the Islamic State (IS).¹⁵ It is unclear if there is an organized IS presence in Jordan, though IS enjoys grassroots support, which can be seen in YouTube videos of pro-IS rallies in Ma'an and Zarqa. For its part, IS released a video expressing support for Ma'anis and calling for the destabilization of Jordan. There is also evidence of IS support in the Irbid area from a number of incidents in the fall of 2014, including the arrest of a young Salafist jihadi for waving an IS-style flag at a wedding,¹⁶ the arrest of another young resident for posting an IS video on Facebook,¹⁷ and the arrest of a cell of eleven IS supporters in northern Jordan.¹⁸

Indeed, in the fall of 2014, levels of support for IS were not insignificant. Estimates in the Jordanian press put the number of Jordanian volunteers in Syria with IS in the 1,000-1,500 range, of whom 250 were killed in the fighting. In a poll conducted by the Centre for Strategic Studies (CSS) at the University of Jordan, most respondents considered IS a terrorist organization, though 10 percent did not.¹⁹ A poll by the Washington Institute for Near East Policy found that 8 percent of respondents expressed a positive view of IS.²⁰ Moreover, before al-Kasasbeh's murder, a significant portion of Jordanians did not support their country's participation in the coalition airstrikes. Conspiracy theories that IS was an American or Israeli creation circulated,²¹ and #ThisIsNotOurWar was a trending hashtag on Twitter.²²

A Temporary Surge in Patriotism

The murder of al-Kasasbeh prompted a backlash against extremism and increased support for Jordan's participation in coalition airstrikes.²³ One month after the murder, King Abdullah delivered a rousing speech, with the refrain "hold your head high." A few days later, this refrain was a leading hashtag on Twitter.

A CSS poll conducted in February 2015 shows significant increases in support for the Jordanian government and Jordan's participation in coalition airstrikes, as well as an increase in the belief that IS and al-Qaeda are terrorist organizations. Eighty-nine percent of respondents supported Jordan's participation in the coalition, and 95 percent considered IS a terrorist organization, compared with 72 percent in December 2014. Moreover, 70 percent considered al-Qaeda a terrorist organization, compared with 46

percent in December 2014, and 74 percent believed that Prime Minister Ensour's government was able to handle its responsibilities, compared with 56 percent in December 2014. The director of the CSS believes that in addition to al-Kasasbeh's murder, the government's handling of the winter's snowstorms and the lower oil prices contributed to the sense of improved government performance.²⁴

At the same time, the campaign has been met with some opposition. Tarek al-Khoury, an MP from impoverished Zarqa, wrote on Twitter that Jordanians would hold their heads higher if the Israel-Jordan peace treaty were cancelled, the Israeli ambassador were expelled, and the recent water agreement between Jordan and Israel were cancelled; if Jordan's National Electric Power Company (NEPCO) did not follow through with plans to buy electricity from Israel; and if Ahmed Daqamseh, a Jordanian soldier who murdered seven Israeli schoolgirls in 1997, were honored as a hero. In response, a parliamentary committee recommended revoking al-Khoury's parliamentary immunity for insulting King Abdullah and Jordanians. The case against him was dropped and al-Khoury apologized.²⁵ Similarly, Munther al-Kasawneh, a Jordanian diplomat, referenced the "hold your head high" phrase in a Facebook post in which he allegedly insulted Jordan's foreign minister. This resulted in his resignation.²⁶

Yet despite the backlash against extremism in Jordan, the threat of IS sympathizers or cells carrying out operations in Jordan is real. This is evidenced by the arrest of an IS cell composed of six Syrian refugees in Mafraq on March 17, 2015.²⁷ Mafraq is a poor city that contains the Zaatari refugee camp and an especially large Syrian refugee population. As journalist Alice Su cautions, "Jordanian opposition to ISIS doesn't necessarily indicate a broader rejection of militant jihad. Instead, many Jordanians are engaged in a debate about the boundaries and legitimacy of violent extremism."²⁸

Water Scarcity Could Breed Instability in Jordan

Ultimately, the backlash against extremism and surge in support for the government is likely to be temporary if Jordan and its benefactors do not make substantial progress toward key domestic challenges, among them economic, water, and energy issues. Water scarcity can be a catalyst of political instability, as in Syria. According to a 2011 report, the Assad regime mismanaged Syria's water resources, and a proliferation of wells and poor urban infrastructure depleted crucial groundwater stocks. From

2006 to 2011, large swaths of Syria experienced a terrible drought. Farmers had difficulty weathering the drought because groundwater resources they could have used were depleted. Large scale internal migration resulted, fueling instability.²⁹

As of 2011, Jordan had only 110 m³ of renewable freshwater resources per capita per year.³⁰ Countries that have less than 500 m³ per person per year are said to experience absolute water scarcity, according to the commonly used Falkenmark Index.³¹ Moreover, the influx of 1.5 million Syrian refugees means that Jordan is even more water-scarce per capita than it was in 2011. Foreign donor organizations are involved in numerous projects in Jordan's water sector, but it remains dysfunctional.

One of the most important problems is non-revenue water (NRW), which is water in a utility system that cannot be accounted for by the time it reaches end users. Leakage, illegal usage, poor accounting, and dysfunctional water meters are several contributing factors to NRW. In 2012, NRW for Jordan as a whole was estimated to be 41 percent.³² While NRW in Amman was lower,³³ the NRW rate in Mafraq in 2011, with large numbers of Syrian refugees, was estimated at 67 percent.³⁴ Although Israel and Jordan recently signed an agreement whereby Israel will give water from the Sea of Galilee to Jordan in exchange for desalinated water from Aqaba, international donors must help Jordan tackle NRW through more effective leak detection, an adequate system of enforcement and punishment for illegal use, and improved billing and collection.

Climate change could lead to a 98 percent decrease in Jordan's water resources, and unmet water demand could increase by more than 200 percent if Jordan's water sector does not improve.³⁵ According to Kelley et al., "The migration [in Syria] in response to the severe and prolonged drought exacerbated a number of the factors often cited as contributing to the unrest, which include unemployment, corruption, and rampant inequality."³⁶ This makes the comparison between Syria and Jordan even more striking because Jordan too suffers from unemployment, corruption, and inequality. Between 2010 and 2011, Syria's youth unemployment rate increased from 19 to 34 percent,³⁷ a level comparable to Jordan's. Thus, inefficient water use in Jordan, exacerbated by increasingly dry conditions, could be a significant risk factor for instability.

Energy Scarcity Amplifies Jordan's Economic Woes

Maintaining long term stability in Jordan also requires alleviating Jordan's energy shortage, since energy imports comprise over 40 percent of Jordan's annual budget.³⁸ Energy imports have a negative effect on stability by harming Jordan's economy in multiple ways. Jordan used to generate cheap electricity from Egyptian natural gas, but repeated attacks on the gas pipeline running through Sinai have forced Jordan to import expensive petroleum products. The resulting economic damage was valued at 2 percent of Jordan's GDP. In addition, electricity subsidies are the biggest burden on the country's budget.³⁹ Low oil prices may allow heavily indebted NEPCO to recover its costs for 2015,⁴⁰ but ultimately Jordan will need to find other energy sources. Jordan has a strategy for diversifying its energy by 2020, with 10 percent coming from renewable resources (wind and solar), 14 percent from oil shale, 6 percent from nuclear energy, 29 percent from natural gas, 1 percent from imported electricity, and the remaining 40 percent from petroleum products.⁴¹ While this strategy looks good on paper, it is fraught with problems.

First, it is unclear from where Jordan will import natural gas. Currently, Jordan imports expensive gas from Qatar. The partners in Israel's Leviathan gas field had signed a preliminary agreement to sell gas to NEPCO. However, an anti-trust dispute between the Israeli government and the owners of the Tamar and Leviathan fields have halted the negotiations, with Jordan announcing that it would buy gas from the Gaza Marine field.⁴² Importing gas from Israel makes economic sense but has led to protests among the Jordanian public.⁴³ In December 2014, it was reported that 15 MPs in the 150-member Lower House of Parliament threatened to resign and 20 MPs in the Lower House would initiate a motion of no confidence in the government of Prime Minister Ensour if a gas import deal with Israel were signed. In addition, the Lower House recommended that the government not sign the deal.⁴⁴ Importing gas from the Gaza Marine field would be more politically palatable, if and when the field becomes operational.

Second, while Jordan possesses potential for wind and solar power, progress in implementing these projects is slow. The government's energy strategy calls for 1,200 MW of wind power capacity by 2020⁴⁵ and the first planned wind farm is the Tafila Wind Farm, which will have a capacity of merely 117 MW.⁴⁶ So far only one turbine of 38 planned turbines in Tafila has been erected.⁴⁷

Jordan also plans to have 600 MW worth of solar power generation capacity by 2020.⁴⁸ The royal palace is presenting itself as a leader in this direction, installing solar panels on the roofs of the main buildings. In the spring of 2014, it was reported that the Jordanian government had signed a total of twelve agreements with companies to build renewable energy projects in Jordan, and that these projects would be producing power by mid-2015.⁴⁹ However, as of January 2015, there is no evidence that any of these projects is even close to completion.⁵⁰

The government's plan for oil shale to comprise 14 percent of its energy use by 2020 is also doubtful. Jordan possesses large oil shale deposits, but oil shale is not the same as light tight oil and has yet to be commercially extracted. The Jordanian government has signed a number of deals and interim agreements with companies to explore and develop oil shale in Jordan, but it is unclear if they will result in actual production. For example, Royal Dutch Shell will not decide whether to invest in projects on the commercial scale until the late 2020s.⁵¹ Enefit, an Estonian company, plans to construct Jordan's first oil shale-fired power plant, which will have a capacity of 550 MW. However, the plant will not be operational until late 2018.⁵² Another issue is that the current price of Brent crude is around \$60 per barrel and Enefit's plants are profitable at prices above \$75 per barrel.⁵³ While a low oil price reduces the cost of Jordan's expensive oil imports, it also makes developing its vast oil shale reserves nonviable.

Finally, Jordan's nuclear program may never come to fruition, and certainly not by 2020. In December 2014, the Russian company Rostam signed a draft agreement with the Jordanian government to build a reactor with two units, each with a capacity of 1,000 MW. However, the first of these units would not be ready until 2024.⁵⁴ Jordan would be responsible for financing approximately 50 percent of the \$10 billion price tag,⁵⁵ which is a huge sum for Jordan. According to Ali Ahmad, a researcher at Princeton University, a combination of solar energy and natural gas may be cheaper for Jordan – not to mention the substantial domestic and international opposition to the nuclear project.⁵⁶

While energy prices are currently low, Jordan's vulnerability to high cost imports damages the economy in multiple ways. The most direct impact is that high energy prices increase the cost of living for cash-strapped Jordanians. Moreover, to the extent that Jordan's government continues to spend heavily on energy subsidies, this will divert vital funds from other initiatives like education and water sector reform that are vital for Jordan's

long term stability. In addition, this inefficient fiscal policy of subsidies will crowd out private sector investment. Jordan and its allies must work to diversify Jordan's energy portfolio. This would help lower the cost of living for poor Jordanians, create jobs domestically, and spur private sector investment. In this way, a more diversified energy sector would help counteract the poor economic conditions in the kingdom that are fueling the rise in Salafist jihad, and place the kingdom on a more secure footing that is less dependent on foreign aid.

Israel's Interest in Jordan's Stability

Israel has a clear interest in the stability of many states both in and out of the Middle East, including Jordan. In the past, Jordan's ability to cope with domestic problems and external pressure has been boosted by Israel's response to regional developments and readiness to assist. Israel's interest in Jordan's stability has been amplified in recent years by profound regional changes, particularly as Israel has become increasingly wary of radical Islamic movements in Iraq and Syria.

The 1994 Israel-Jordan peace treaty granted Jordan custodianship over the Muslim holy sites in Jerusalem, and the government of Israel agreed to consult with Jordan on certain issues related to the Temple Mount/Haram a-Sharif. Israel's government responded favorably to King Abdullah's request to allow more than 50,000 Muslim worshippers at the Haram a-Sharif on Fridays, despite the security burden that this entails.

In view of the dramatic rise in water needs because of the influx of Syrian refugees, Israel and Jordan have reached agreement on additional quantities of water to be supplied to Jordan once the method of conveyance on the Israeli side of the system is determined. This agreement will help alleviate Jordan's water scarcity issues, but water sector reform and NRW reduction will continue to be vital.

The potential supply of natural gas from Israel to Jordan will also contribute to easing Jordan's economic burden, if and when it comes to fruition. Despite the strong opposition to the deal in parliament, Jordan's government appears determined to proceed. The anti-trust dispute in Israel is delaying the completion of this deal, which will make Jordan less dependent on more expensive imports.

The civil war in Syria has caused the closure of Syrian ports to Jordanian traffic. Jordan's exports now depart from Haifa, since it is the only viable option. Assuming that the situation in Syria will not improve soon, there

are currently preparations underway to improve the facilities in use for the Jordanian export-import process.

The Palestinian issue remains very sensitive in Israeli-Jordanian-Palestinian relations. The Jordanian government is aware of the domestic political constraints both in Israel and the Palestinian Authority that make meaningful negotiations challenging. However, Jordan requires at least a semblance of progress in the peace process to maintain the legitimacy of its claim to be a champion of Palestinian statehood and keep its Palestinian majority satisfied. The current (2014-2015) Jordanian membership in the UN Security Council further complicates Jordan's delicate balancing act of trying to advance its security and economic interests and satisfy its political allies in the Arab League.

The Israeli government is well aware of Jordan's increased security burden, and the bilateral coordination has likely increased, as both Jordan and Israel face new threats created by the expansion of radical Islamic movements. At the same time, despite the political sensitivity, it is important to urge Jordan to expedite the internal processes that will enable the supply of water and gas from Israel. Allowing greater access for Jordanian products, especially to the Palestinian market, can also help the Jordanian economy. Greater use of the Port of Aqaba by Israeli exporters and importers can also generate mutual benefit. The risk that destabilization in Jordan would pose to Israel is all too clear, given the long border that the two countries share. As such, Israel must do everything in its power to ensure quiet on its eastern border.

Conclusion

The Hashemite Kingdom of Jordan is surprisingly resilient in meeting the enormous challenges imposed by the volatile region. Its ability to continue to face threats will depend to a large extent on continued financial assistance, mostly from Arab oil producing countries and the United States. This financial assistance must provide long term support that addresses the inefficiencies in Jordan's water sector and helps diversify Jordan's energy sector, in addition to crucial humanitarian aid and other short term support. The immediate threat posed by the Islamic State is not necessarily a frontal attack. Instead, the greater risk is that IS could exploit pockets of poverty and unemployment in Jordan's population that have traditionally been the base of support for the regime. Financial resources are needed to maintain the loyalty of East Bankers by improving their economic conditions.

Israel, which has shown a growing involvement in shoring up its neighbor's stability, should continue to do so, as it is clear that the dust is far from settling in the Middle East.

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“The Decision that Changed History”: Ten Years since the Disengagement from the Gaza Strip

Shmuel Even

August 2015 marks a decade since Israel’s disengagement from the Gaza Strip, heralded by then-Prime Minister Ariel Sharon as the decision that changed history.¹ The disengagement, which took place during the second intifada, involved a unilateral clearing of the Gaza Strip of an Israeli presence. The move replaced the option of waiting for a renewal of the political negotiations with the PLO and withdrawing from the Gaza Strip under an agreement. The possibility that the entire Gaza Strip would be annexed to Israel in the future was not considered.

Ten years after the disengagement, this article reviews the disengagement plan and assesses its degree of success. The assessment will be presented as follows:

- a. Clarification of the goals and expectations among those who formulated the plan – primarily according to a document on the disengagement approved by the Israeli government in June 2004² and statements by Prime Minister Sharon.
- b. Survey of the current situation, a decade later.
- c. Comparison between the expectations and the current situation.
- d. Analysis of the reasons for the difference between the expectations and the current situation.
- e. Lessons for the future about the option of an Israeli unilateral strategy in the West Bank.

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The Disengagement Plan and the Expectations it Generated

Following the failure of the negotiations with the Palestinians for a permanent settlement and the outbreak of the second intifada (September 2000), Prime Minister Ehud Barak raised the idea of a unilateral separation from the Palestinians in the territories.³ The logic was that Arafat was not a partner, and would not be one in the future, and Israel therefore had to take the initiative. The risks in this idea, however, were highly visible. For example, Israel would lose the possibility of demilitarizing the territories, and could be attacked with artillery, anti-tank missiles, and so on.⁴ Ariel Sharon was elected prime minister in place of Barak, who resigned in February 2001.

In his first term, Sharon rejected the idea of a unilateral withdrawal and even said, "The fate of Netzarim will be the fate of Tel Aviv." Sharon, who was elected to a second term as prime minister in 2003, reversed his position during that year and formulated the disengagement plan.⁵ In December 2003, he presented the plan at the Herzliya Conference as follows:

The purpose of the Disengagement Plan is to reduce terror as much as possible, and grant Israeli citizens the maximum level of security. The process of disengagement will lead to an improvement in the quality of life, and will help strengthen the Israeli economy. The Disengagement Plan will include the redeployment of IDF forces along new security lines and a change in the deployment of settlements, which will reduce as much as possible the number of Israelis located in the heart of the Palestinian population....At the same time, in the framework of the Disengagement Plan, Israel will strengthen its control over those same areas in the Land of Israel which will constitute an inseparable part of the State of Israel in any future agreement.⁶

In April 2004, Sharon specified those areas: united Jerusalem, Givat Ze'ev, Maale Adumim, Gush Etzion, the Jewish community in Hebron, Kiryat Arba, and Ariel. In exchange for the disengagement, Sharon asked President Bush for United States recognition of the settlement blocs in the West Bank, and a US commitment not to recognize a Palestinian right of return to Israel in a permanent agreement.⁷ The letter sent by President Bush supported Sharon's position on the return of Palestinian refugees and acknowledged the reality of the Jewish communities in the West Bank, so that the border in any permanent settlement would not be the 1949 line.⁸

The government approved the disengagement plan in June 2004, toward the end of the Arafat period. The decision said, "The State of Israel has come to the conclusion that there is currently no reliable Palestinian partner with which it can make progress in a two-sided peace process.... The purpose of the plan is to lead to a better security, political, economic and demographic situation," through a unilateral move. "The Gaza Strip shall be demilitarized and shall be devoid of weaponry, the presence of which does not accord with the Israeli-Palestinian agreements," and "the completion of the plan will serve to dispel the claims regarding Israel's responsibility for the Palestinians in the Gaza Strip."⁹ The Knesset approved the plan in October 2004.

The disengagement began on August 15, 2005, and ended on September 11, 2005. The 21 Jewish communities in the Gaza Strip – Neve Dekalim, Netzer Hazani, Pe'at Sadeh, Katif, Rafiah Yam, Shirat HaYam, Slav, Tel Katifa, Bedolah, Gadid, Gan Or, Ganei Tal, Kfar Yam, Bnei Atzmon, Kerem Atzmona, Morag, Kfar Darom, Netzarim, Elei Sinai, Dugit, and Nisanit – and the four Jewish communities in northern Samaria – Ganim, Kadim, Homesh, and Sa-Nur, were evacuated. Close to nine thousand people were evacuated.

In a speech at the Israel Management Center in September 2005, Sharon listed the achievements and expectations from the disengagement:

The title of your conference is "Decisions Can Change the Course of History." As one who witnessed the decision making during several significant events in our short history, I would like to tell you that it is true... The implementation of the Disengagement Plan, in addition to our determined struggle against terror, yielded fruit in all fields. Israel's international standing improved immensely since the implementation of the plan. We brought about a significant reduction in the level of terror, and increased the personal security of the citizens of Israel. The international markets view the Disengagement Plan as a step which will lead to security and economic stability, which creates movement of capital to the Israeli economy and a sharp increase in foreign investment.¹⁰

The coordinator of the disengagement in the Prime Minister's Office, Brig. Gen. (res.) Eival Gilady, stated that the disengagement was essential for progress in the political negotiations.¹¹ Indeed, in view of the high expectations in the world and among certain circles in Israel regarding

further withdrawal in the West Bank, Sharon's office made clear that "the position of the prime minister has been and remains that after the completion of the disengagement, Israel will work towards promoting the political process solely on the basis of the Roadmap. Any additional territorial change will be discussed and decided upon only in the context of negotiations over a permanent settlement."¹²

Sharon's tenure as prime minister was cut short by a stroke. In March 2006, Ehud Olmert, who succeeded him – and who had been a supporter of the disengagement – presented his plan for unilateral "convergence" in the West Bank.¹³ The plan was more complex and more risky than its predecessor.¹⁴ During the Second Lebanon War in 2006, Olmert declared that the war would provide momentum for the plan, but later announced its suspension. Olmert returned to negotiations with Abu Mazen, which were unsuccessful. Since then, the unilateral option has been taken off the government's agenda, but it is still a topic in the public debate.

The Results of the Disengagement

The intifada ebbed in late 2005, due to Israel's defense measures (including Operations Defensive Shield and Determined Path, and construction of the separation fence), and the Palestinians' realization that there was little point in continuing it. The Hamas movement, which opposes Israel's existence, gained increased power during the intifada, and many considered the

Israel had unrealistic expectations of a unilateral disengagement from the Gaza Strip in the security, political, and economic spheres, without elements in the Gaza Strip agreeing to disengage from Israel.

disengagement a reward for Hamas and terrorism. Indeed, the disengagement highlighted to the Palestinians that outstanding results, such as removal of Jewish communities (not required under the Oslo agreements) and the absence of demilitarization agreements, could, through a combination of terrorism and patience, be achieved without any quid pro quo from them. In the elections to the Palestinian Authority (PA) parliament in January 2006, Hamas defeated Fatah, in part by exposing the corruption in the PA. Hamas forcibly seized control of the Gaza Strip in June 2007 and has since

intensified its power.¹⁵ Note that before the disengagement, outgoing IDF chief of staff Moshe Yaalon issued a warning that Hamas might amass more power following an Israeli withdrawal.¹⁶

Over the ten years since the disengagement, the improvised Qassam rocket fire at Israel has been joined by heavy rocket fire, with some rockets manufactured in the Gaza Strip and some smuggled in from Iran; the range of these rockets extends to central Israel.¹⁷ This array also now constitutes a terror artillery arm of Hamas and Islamic Jihad in the context of conflicts beginning in the West Bank (e.g., the events preceding Operation Protective Edge). Moreover, Iran has supplied Hamas with additional weaponry (the Kornet anti-tank missile, for example), a widespread underground military infrastructure has been dug in the Gaza Strip, and terrorist squads have gone from the Gaza Strip into Israel (some of them through Sinai).¹⁸ For Israel, the IDF's deterrence and firepower did not end the rocket fire from the Gaza Strip or contain the arms buildup by the terrorist organizations. Land-based maneuvers became necessary a number of times, although their use involved difficult dilemmas and losses, and there have been a series of military conflicts since the disengagement.¹⁹ In the last two years, the efforts by the el-Sisi regime in Egypt to secure the Egyptian border with Gaza constitute a positive turnaround in the efforts to reduce the smuggling of weapons into the Gaza Strip.

The disengagement also had a negative impact on Israel's deterrence in broader circles. Following the disengagement, Hizbollah leader Nasrallah told the Palestinians, "Don't forget that this is only the beginning. I want to remind you that when the Zionist army left Lebanon, it was the first victory in a chain of victories."²⁰ It appears that a decline in Israel's deterrent capability due to the unilateral withdrawals from Lebanon and the Gaza Strip encouraged Hizbollah to carry out actions against Israel on the northern border, thereby leading to the Second Lebanon War in July 2006. Indeed, after the war, Nasrallah admitted that he had been overconfident.²¹ Hamas, however, was not deterred by the blow against Hizbollah and Lebanon in 2006, and continued launching rockets against Israel. Israel thus became embroiled in Operation Cast Lead in December 2008, Operation Pillar of Defense in 2012, and Operation Protective Edge in July 2014. Sixty-seven soldiers and six civilians were killed in Operation Protective Edge (making 2014 the year with the highest

The situation in southern Israel since the disengagement raises doubt about the defense establishment's ability to provide adequate solutions for the defense of day-to-day life in the country following another unilateral withdrawal.

number of casualties in the Gaza Strip of all the years of conflict between Israel and the Palestinians, including before the disengagement²²).

The recognition that Israel received from the international community for the disengagement faded with the years, and hostile criticism and political activity in the context of the Gaza Strip increased, including the *Mavi Marmara* affair in 2010 and the UN investigative commissions. It appears that the validity of the 2004 letter from President Bush, which was a strategic asset for Israel in the negotiations, has eroded with time and today is highly tenuous. Furthermore, since the disengagement Israel is ostensibly no longer obligated to ensure the welfare of the Gaza population.²³ However, the world continues to regard Israel as responsible for the fate of the population in the Gaza Strip, particularly in view of the economic blockade, Israel's control of the Gazan skies and sea, and the military activity designed for defensive needs.

It is not necessary to carry out a unilateral withdrawal in order to determine permanent borders.

Regarding the Israeli citizens evacuated in the disengagement, a 2010 state investigative commission found, "The State of Israel failed in dealing with those evacuated...Most of the evacuees still live in temporary caravan sites. Construction of most of the permanent housing has not yet begun. The vast majority of the public buildings in the new communities have not yet been built. The unemployment rate among the evacuees is double the rate for the general population.

The economic situation of some evacuees is difficult, and more than a few of them need assistance from the welfare authorities."²⁴

Expectations vs. Reality

A comparison between the Sharon government's expectations from the disengagement and the current situation shows that most of the expectations were not realized, particularly in the security and political spheres (table 1).

The gap between the aspirations and the results is wide. Did the events that followed the disengagement result from the move, or would they have occurred without the withdrawal? The answer is debatable, but it appears that most of the security events in the south over the past decade were the result of the disengagement.

The withdrawal from the Gaza Strip created a new reality that contributed to the Hamas takeover of the Gaza Strip, a steep rise in weapons smuggling, the strengthening of terrorism, and the ensuing cycle of escalation. In

addition, the terrorism in the West Bank (and from there to Israel) can serve as a partial standard for comparison as a region from which no disengagement took place. The West Bank saw a steep drop in the number of terrorist attacks and Israeli casualties, following the security measures taken and the end of the intifada. In other words, in the past decade, only the specific nature of terrorist attacks can be attributed to the disengagement, not the subsequent sharp downturn in terrorism in the south. Instead of daily friction inside the Gaza Strip, the force of terrorism from Gaza and the fighting in the military operations intensified.

Assuming the need to withdraw from the Gaza Strip sooner or later (for at least demographic reasons), it appears that the correct choice for Israel would have been to wait for an agreement before withdrawing. Were it not for the disengagement, Israel could have tried over the past decade to reach an agreement with the PLO (which refused an agreement during the intifada) on control of the Gaza Strip; barring an agreement, that option could still have been available today.

People from the entire political spectrum believe that the disengagement failed, or at least did not succeed.²⁵ Last year, on the ninth anniversary of the disengagement, Knesset Speaker Yuli Edelstein said, "Today is my opportunity to ask forgiveness. When the disengagement was underway, some of my friends warned that [the Palestinians] would fire missiles at Tel Aviv. Then, nine years ago, I didn't believe them. I thought they were exaggerating, I also thought their arguments sounded like demagoguery. I was sure that it was an exaggeration, and that it couldn't happen in any situation." Thus, "Behind the disengagement was a conception that failed."²⁶ MK Nitzan Horowitz (Meretz) said, "The way the disengagement was conducted at the time was a mistake, mainly because it occurred without an agreement."²⁷ President Shimon Peres, who was one of the supporters of the disengagement, said in October 2008, "Had the disengagement been a success, we would have repeated it in the West Bank."³¹ Some believe that there was logic in removing the civilian communities, but that the IDF should have stayed in the area.

There are several reasons for the gap between the expectations of the disengagement and the reality that unfolded.

- a. Israel had unrealistic expectations for a unilateral disengagement from the Gaza Strip, in the security, political, and economic spheres, without elements in the Gaza Strip agreeing to disengage from Israel.

Table 1. The Disengagement Plan: Expectations vs. Reality

Expectations (according to Cabinet Resolution No. 1996 from 2004)	Actual Results
A. General	
Israel will "disengage" from the Gaza Strip.	There is a recognized and legitimate border between Israel and the Gaza Strip. Israel regards itself as entitled to self-defense from this line. The Gaza Strip, however, has not disengaged from Israel, as is explained below.
B. Security	
Disengagement will lead to a better security situation.	Over the past decade, the Gaza Strip has gone from being a secondary front to the main front. Instead of daily friction within the Gaza Strip, which no longer exists, the force of terrorism against Israel from the Gaza Strip and the fighting in the Gaza Strip have increased. Israel is subject to major rocket fire, and the exposure of the southern communities to terrorism has increased.
"The Gaza Strip shall be demilitarized and shall be devoid of weaponry, the presence of which does not accord with the Israeli-Palestinian agreements." ²⁸	The Gaza Strip houses much advanced weaponry, as well as the military infrastructure of Hamas and other organizations.
"No foreign security presence may enter the Gaza Strip and/or the West Bank without being coordinated with and approved by the State of Israel."	Hamas rejects Israel's position, and has established a substantial force in territory whose demilitarization Israel regarded as an essential interest. Iran pours arms into the Gaza Strip.
Israel will defend itself. "The State of Israel reserves its fundamental right of self-defense, both preventive and reactive, including where necessary the use of force, in respect of threats emanating from the Gaza Strip."	Israel has difficulty defending itself at the desired level. Its deterrence has failed a number of times; the IDF's firepower and maneuverability have not brought about a halt in the fire or in Hamas' arms buildup. At the same time, the IDF has greater freedom of action to respond with force than in the past.
"The process set forth in the plan is without prejudice to the relevant agreements between the State of Israel and the Palestinians. Relevant arrangements shall continue to apply."	Hamas did not recognize the agreements with the PLO.
The disengagement "should reduce friction with the Palestinian population" (fewer casualties on the Palestinian side).	The fighting methods of the terrorist organizations (hiding among the civilian population) have led Israel into inflicting collateral damage on civilians, thereby evoking extensive international criticism.

Table 1 (cont'd). The Disengagement Plan: Expectations vs. Reality

Expectations (according to Cabinet Resolution No. 1996 from 2004)	Actual Results
C. The Political Sphere	
Disengagement will lead to a better political situation.	The political process did not progress. International criticism of Israel's military operations in the Gaza Strip was widespread, even among Israel's friends. The disengagement increased expectations and pressure for a unilateral Israeli withdrawal from the West Bank.
Progress in the peace process: "The State of Israel supports the efforts of the United States, operating alongside the international community, to promote the reform process, the construction of institutions and the improvement of the economy and welfare of the Palestinian residents, in order that a new Palestinian leadership will emerge and prove itself capable of fulfilling its commitments under the Roadmap."	There has been no progress in the process, despite efforts by Prime Minister Ehud Olmert and his offers to Abu Mazen. Moreover, new difficulties have arisen: severing of the territorial unit between the Gaza Strip and the West Bank (as per the Oslo agreements), a loss of power by the PLO, and erosion of Israel's bargaining capability. ²⁹
Strong American support for the Israeli position, according to the Bush letter (appended to the full version of Cabinet Resolution No. 1996).	The validity of the Bush letter is shrouded in fog (Obama has not provided similar commitments).
D. The Economic Sphere	
Disengagement will lead to a better economic situation.	The disengagement did not contribute to a better economic situation. The cost of maintaining a land-based force in the Gaza Strip was replaced by the cost of defense from outside the Gaza Strip, the cost of military campaigns, and losses of GDP.
E. The Demographic Sphere	
Disengagement will lead to a better demographic situation.	Numerically, the Palestinian population under "Israeli rule" has shrunk (which would also be true for the alternative of withdrawal by agreement). The contribution to strengthening Israel's status as a Jewish and democratic country is negligible. ³⁰
The number of Israelis located in the heart of the Palestinian population will be reduced as much as possible.	While there is no Israeli presence in the Gaza Strip, this phenomenon exists on a large scale in the West Bank.
"The completion of the plan will serve to dispel the claims regarding Israel's responsibility for the Palestinians in the Gaza Strip."	The world continues to ascribe responsibility to Israel for the fate of the population in the Gaza Strip, particularly in view of the defensive blockade and military campaigns there.
Those evacuated from the Gaza Strip will be absorbed in Israel.	The state failed in absorbing the evacuees, as found by a state investigative commission in 2010.

- b. Sharon's faulty political assessment: How could Sharon have expected that an Israeli withdrawal on one front only would win prolonged recognition from the international community? Why did Sharon think that progress on the Roadmap, which stalled before the disengagement, would resume afterward? How could he estimate that the disengagement, including the evacuation of settlements in northern Samaria, would strengthen the settlement enterprise in the West Bank? Within the disengagement framework, Sharon's insistence on a return to the exact 1967 border with the Gaza Strip for considerations of legitimacy yielded operational damage (ceding of the Philadelphi route) and political damage in future negotiations, and furnished a precedent for a complete withdrawal to the Green Line. It would have been better for Israel to retain the Jewish communities in the northern Gaza Strip close to the Green Line as a bloc of communities under Israeli control (similar to the settlement blocs in the West Bank, which Israel plans to retain in its territory in any permanent settlement in the framework of an exchange of territories), thereby also supporting the Israeli principle in the negotiations of no return to the 1967 borders.³²
- c. The absence of a follow up political plan, other than the Roadmap, which had stalled before the disengagement.
- d. An uncalculated risk was taken regarding the capability of the PLO to control the Gaza Strip following the disengagement, given the organization's weakness and Hamas' growing strength. How could the Sharon government expect that the arrangements with the PLO would continue after the withdrawal of the IDF? That the Philadelphi route would not be thoroughly breached for the purposes of weapons smuggling? It appears that there was no thorough staff work by the political echelon with the IDF and the General Security Service about the risks of disengagement, preparation for them, and the response to them. Lt. Gen. (ret.) Moshe Yaalon, IDF chief of staff when the plan was formulated, asserted that those who initiated and led the disengagement under Prime Minister Sharon had no background in strategy, defense, statesmanship, or history. He said they were public relations advisors.³³ The warnings by Yaalon and the General Security Service regarding Gaza went unheeded, and their predictions were realized.³⁴
- e. The negative effect of withdrawal under fire in the intifada on Israeli deterrent capability was ignored. There was nothing of substance behind

- Israel's declarations that it would respond harshly and immediately against aggression and the development of threats against it.
- f. There was faulty military handling of the strong Hamas infrastructure in the Gaza Strip even before the disengagement, in contrast to IDF measures in the West Bank (such as Operation Defensive Shield in 2002). The infrastructure was the source of terrorist attacks, which contributed to the decision to carry out the disengagement, and a factor in the subsequent overthrow of the Fatah regime in the Gaza Strip.
 - g. After the disengagement, there was inadequate handling of the security and political developments that ensued. For example, even when Israel responded to terrorism from the Gaza Strip, the response led to further buildup, and did not prevent the next round.
 - h. Faulty planning and management of the rehabilitation of those evacuated.

The results of the disengagement can be attributed to deep root causes, including Israel's extensive settlement policy in the territories – promoted by Sharon since the 1970s – which did not take demographic constraints into account.³⁵ From the beginning, there was apparently not much logic in establishing isolated communities deep within the Palestinian population, in contrast to the alternative of established communities near the Green Line. Sharon's policy also did not take into account the lesson from the peace agreement with Egypt, namely, to avoid reinforcing communities that were candidates for removal.³⁶

Lessons and Recommendations for Israel

While the Gaza Strip has been prominent as an important theater of conflict over the past decade, the Palestinians are liable to increase their hostile activity in the West Bank, and make it an important conflict arena in order to cause extract political concessions from Israel or an unconditional unilateral withdrawal from the West Bank. This is one of the conclusions they can draw from the disengagement. Additional pressure for withdrawal, even without an agreement, can be expected from parties in the international community.

Lessons from the disengagement regarding unilateral Israeli strategy as a potential option in the West Bank include:

- a. A unilateral measure incurs high costs and risks but few benefits, in comparison with a withdrawal under an agreement that will strengthen the economic,³⁷ security, and political ties between the parties.

- b. Israel has no practical ability to unilaterally disengage from the territories and the Palestinian population – in the security, political, and economic aspects.
- c. Leaving territories without an agreement is liable to limit the legitimacy of Israeli military intervention, as opposed to intervention in a situation where an agreement has been violated (for example, Operation Defensive Shield in 2002).
- d. Israeli declarations about the use of forceful measures against emerging threats and the use of force from an area that has been evacuated should either be implemented in practice, or not be issued at all.
- e. The situation in southern Israel since the disengagement raises doubt about the defense establishment's ability to provide adequate solutions for the defense of day-to-day life in the country following another unilateral withdrawal, despite the declarations that the IDF is capable of defending the country from any line to which the government decides to withdraw.³⁸ As of now, the defense establishment has not presented alternatives to the defense provided by the counter-activity and intelligence apparatus supported by IDF forces within the West Bank.
- f. The smooth evacuation of the communities in the Gaza Strip would not necessarily repeat itself in the West Bank, should a similar move be undertaken. It is likely that the force of the opposition and the costs of rehabilitating the West Bank Jewish communities will be far higher than they were in the Gaza Strip (about NIS 11 billion),³⁹ given the size of the population in the West Bank (outside the settlement blocs), the composition of the population, and other factors.

Against this background, the following recommendations can be formulated regarding potential Israeli measures in the West Bank:

- a. The correct way to achieve a territorial compromise is a stable agreement consistent with Israel's long term goals, with appropriate security arrangements and international recognition. Israel should seek an agreement, while taking steps to improve the situation.
- b. To the extent that Israel is required to determine its future borders (for internal needs and for the sake of an agreement with the US and the international community), it is capable of outlining the map of borders in the West Bank but withdrawing to these lines in the framework of a permanent settlement with the Palestinians, when one is achieved. In other words, it is not necessary to carry out a unilateral withdrawal in order to determine the permanent borders. At the same time, the

- possibility of limited unilateral measures in dire security circumstances⁴⁰ outside the line should not be ruled out.
- c. Israel should strive to renew the understandings with the US on the basis of President Bush's 2004 letter, with additional details of the understandings included in it and anchoring them as valid and binding in the long term.
 - d. Insofar as Israel's leadership believes in a two-state solution, it should conduct its settlement policy in the West Bank in a way that allows the future establishment of a Palestinian state.
 - e. Insofar as Israel is required to evacuate settlements, it is better to hand them over as part of the concessions to the Palestinians in an agreement than to destroy them, as was done in the Gaza Strip.
 - f. If the Israeli government nevertheless decides to adopt a unilateral option, it is best that this be done only after creating the conditions for it: achieving international understandings and military capabilities that will ensure security and a clear political future after a withdrawal.
 - g. Israel should take action in any way possible to improve the standard of living of the Palestinian population in the Gaza Strip and the West Bank, and to allow to the greatest possible extent the development of a local government with which agreements and understandings can be reached, in cooperation with the Palestinians (including Hamas), the US, Egypt, Saudi Arabia, the Gulf states, and other parties in the international community.
 - h. Israel should maintain its deterrence against Hamas (as a follow-up to Operation Protective Edge), but should not be dragged into attempts at escalation by other parties. It is best to have a connection with the "other side" available, in order to avoid deteriorating into a conflict that neither side wants.

Conclusion

Following 10 years since the disengagement from the Gaza Strip, it appears that most of the expectations the Israeli had from the measure were not met. The Israeli presence has been eliminated from the Gaza Strip, but the Gaza Strip is still tied to Israel, and constitutes a security, political, economic, and humanitarian burden. The results of disengagement cast doubt on the widely held assumption that the IDF will be able to provide Israel with appropriate defense from a line to which the state decides to withdraw, and increased doubt about whether a similar unilateral measure

in the West Bank would be worthwhile. Dealing with the Gaza Strip remains a difficult and urgent challenge. Israel should take action to improve the situation in the Gaza Strip, while cooperating with the relevant parties.

Notes

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- 1 Prime Minister Ariel Sharon, Herzliya, September 2005, quoted in Shmuel Even, "Israel's Strategy of Unilateral Withdrawal," *Strategic Assessment* 12, no. 1 (2009): 29-45.
- 2 Prime Minister's Office, Cabinet Decision No. 1996, complete version, "The Revised Disengagement Plan," June 6, 2004, <http://www.mfa.gov.il/mfa/foreignpolicy/peace/mfadocuments/pages/revised%20disengagement%20plan%206-june-2004.aspx>.
- 3 Linoy Bar Geffen, "Barak Explains: Why I Decided to Join the Sharon Government," *Ynet*, February 16, 2001.
- 4 Shaul Kimhi, Shmuel Even, and Jerrod Post, *Yasir Arafat: Psychological Profile and Strategic Analysis*, International Institute for Counter-Terrorism (ICT), Herzliya, September 2001, p. 53.
- 5 Ari Shavit, "The Complete Interview with Dov Weisglas," *Walla*, October 8, 2004, <http://news.walla.co.il/item/609133>.
- 6 Address by PM Ariel Sharon at the Fourth Herzliya Conference, December 18, 2003, Israel Ministry of Foreign Affairs, <http://mfa.gov.il/MFA/PressRoom/2003/Pages/Address%20by%20PM%20Ariel%20Sharon%20at%20the%20Fourth%20Herzliya.aspx>.
- 7 Yoav Yitzhak, "Sharon Declares: The Big Plan: Israel Will Retain Six Settlement Blocs," *News1*, April 13, 2004.
- 8 White House website, <http://georgewbush-whitehouse.archives.gov/news/releases/2004/04/20040414-3.html>.
- 9 See note 2.
- 10 Quoted in Even, "Israel's Strategy of Unilateral Withdrawal."
- 11 Even, "Israel's Strategy of Unilateral Withdrawal."
- 12 Even, "Israel's Strategy of Unilateral Withdrawal."
- 13 "Convergence Plan," Reut Institute website, <http://www.reut-institute.org/he/Publication.aspx?PublicationId=94>.
- 14 See Even, "Israel's Strategy of Unilateral Withdrawal."
- 15 A survey published by the Palestinian Center for Policy and Survey Research in March 2015 found that 74 percent of the respondents in the West Bank and the Gaza Strip supported the Hamas policy of resistance.
- 16 Yaalon estimated that if Fatah continued with its behavior, Hamas would ultimately gain control of Gaza, and that within two to three years Israel was liable to find itself facing a Hamas-controlled Gaza Strip. See Ari Shavit,

- "Outgoing IDF Chief of Staff Moshe Ya'alon: A Second Terrorism War Can Be Expected after the Disengagement that Will Include Terrorist Attacks in Central Israel," *The Marker*, June 1, 2005, <http://www.themarker.com/misc/1.295610>.
- 17 "The Threat of Rockets from the Gaza Strip, 2000-2007," Israel Intelligence Heritage and Commemoration Center website, December 14, 2007, <http://www.terrorism-info.org.il/he/article/18536>.
 - 18 For example, the kidnapping of Gilad Shalit in 2006. In 2007-8, the only suicide attacks against Israel came from the Gaza Strip (Eilat, Dimona). In 2014, terrorist attacks were attempted through attack tunnels and by a naval commando force.
 - 19 "From the Disengagement to Operation Protective Edge: The War in the Gaza Strip, a Special Review," *Minimum Time (Pazam)*, July 10, 2014, <http://www.mako.co.il/pzm-israel-wars/operation-protective-edge/Article-9a4a5e78fb02741006.htm>.
 - 20 "Disengagement from Gaza, and a Carnival in Rafiah," *Nana News*, August 15, 2005, <http://news.nana10.co.il/Article/?ArticleID=198875>.
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 - 25 See also: Zaki Shalom, "The Disengagement Plan: Vision and Reality," *Strategic Assessment* 13, no. 3 (2010): 85-100; Even, "Israel's Strategy of Unilateral Withdrawal."
 - 26 Knesset Announcements, "Knesset Plenum Conducts Special Discussion Marking Nine Years since the Disengagement," Knesset website, June 15, 2014, <http://main.knesset.gov.il/News/PressReleases/pages/press150714-p09.aspx>.
 - 27 Knesset Announcements, "Former Deputy General Security Service Head: We Warned the Politicians of the Intelligence Difficulty the Disengagement Would Create," June 15, 2014, <http://main.knesset.gov.il/News/PressReleases/Pages/press150714-lp7.aspx>.
 - 28 Cabinet Resolution No. 1996 still included IDF deployment on the border with Egypt (the Philadelphi route). Only during the disengagement was it decided (against the opposition of the General Security Service) to withdraw

- from the area, on the assumption that Egypt and the PA would control the border.
- 29 Israel has fewer assets – less bargaining capability; there have been more Israeli concessions without any quid pro quo, i.e., less Palestinian willingness to compromise.
 - 30 Even before the disengagement, there was no concern in Israel that the Palestinians in the Gaza Strip would be integrated as Israeli citizens and vote for its institutions.
 - 31 Nir Yahav, "Peres Hints: Disengagement Was a Failure," *Walla*, October 28, 2008, <http://news.walla.co.il/item/1367621>.
 - 32 This was the suggestion of senior figures in the Labor Party before the disengagement. See Avi Parhan, "An Expected, Logical Decision," *Ynet*, July 5, 2005, <http://www.ynet.co.il/articles/0,7340,L-3108330,00.html>.
 - 33 "Ya'alon: Disengagement Resulted from Sharon's Personal Plight," *Ynet*, July 6, 2007, <http://www.ynet.co.il/articles/0,7340,L-3271887,00.html>.
 - 34 See above, notes 16 and 30.
 - 35 "Sharon Now (and Then) – Special Broadcast," *Channel 1*, January 17, 2015.
 - 36 This root cause applies to evacuation in a unilateral move or with an agreement.
 - 37 *The Costs of the Israeli-Palestinian Conflict*, Santa Monica (CA: RAND Corporation, 2015), http://www.rand.org/pubs/research_reports/RR740.html.
 - 38 For example, General (res.) Alex Tal, "A Change in Borders Does Not Constitute a Threat," March 2015, Commanders for Israel's Security website, <http://www.cis.org.il/2015/03/724>.
 - 39 Ilan Biton, "The Plan for Disengagement from the Gaza Strip and the Jewish Communities in Northern Samaria – Estimated Cost," Knesset Research and Information Center, January 31, 2010, www.knesset.gov.il/mmm/data/pdf/m02539.pdf.
 - 40 This question was raised about Netzarim even before the disengagement.

UN Premises as “Cities of Refuge”: The Silence of the Laws of War

Daphna Shraga

Introduction

The shelling of UNRWA schools in Beit Hanoun, Gaza City, Deir al-Balah, Jabalia, and Rafah during Operation Protective Edge is only the latest in a series of attacks on UN premises in recent decades. They were preceded by the bombing of schools in Gaza City, Khan Yunis, Beit Lahia, and the Jabalia refugee camp; of the UNRWA Health Center in Bureij and UNRWA offices in Gaza City during Operation Cast Lead; the bombing of a UNIFIL observation post in Khiam in southern Lebanon during the Second Lebanon War, and the shelling of the UNIFIL compound in Qana in southern Lebanon during Operation Grapes of Wrath. In nearly all of these incidents and in almost identical circumstances, Israeli forces were fired upon from a launching position of Hizbollah or Hamas in the vicinity of UN premises (and in some cases, arguably from within¹). UN premises were used during the attacks not only by the Organization, but also by thousands of civilians seeking refuge. In most cases, the evacuation of civilians to UN premises was done under instructions or with the knowledge of IDF authorities, and in some cases, Israel admitted its error, launched an investigation,² and without admitting liability paid compensation to the UN or the victims’ families.

The vulnerability of UN premises in conflict areas, and the flight of civilian populations to these premises, is not unique to combat areas in Gaza and southern Lebanon. In Rwanda, Srebrenica, and East Timor in the 1990s, and since the 2000s in the Congo, Sudan (Darfur), South Sudan, and the Central African Republic, national, ethnic, and religious minorities

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have sought refuge in UN compounds, although in many of these cases, their concentration on these premises made them easy targets for attack.

The transformation of UN premises in areas of conflict into small scale “cities of refuge,” and the growing number of attacks and victims on those premises require a reconsideration of the scope of legal protection afforded and necessary for UN premises and the civilians seeking shelter in them. This reconsideration is imperative for the UN, which must deal with the vulnerability of UN premises in many different parts of the world. It is no less a necessity for Israel, which for two decades has had to cope with the humanitarian, political, legal, and financial consequences of attacks on UN premises and those sheltered therein. A reconsideration of the status of UN premises – as the seat of the Organization or the center of its activities in the host country³ – and their protective legal regime in times of war is in many respects a question of the applicable law, or the relationship between international humanitarian law applicable in times of war and the law of the United Nations applicable in times of peace and in times of war.

Protection of UN Premises under International Humanitarian Law

Under international humanitarian law, the protection of UN premises in armed conflict is no different than the protection of civilian objects. The Additional Protocol I to the Geneva Conventions of 1977 affords civilians (provided they do not take a direct part in hostilities) and civilian objects (provided they are not used for military purposes) protection against attack, reprisals, and “dangers arising from military operations.” The general protection of civilian objects is not an absolute protection, and if the civilian object (or its immediate vicinity) is used for military purposes, it loses its protection. The loss of such protection, however, does not absolve the parties to the conflict of their obligations to the civilian population, and does not exempt them from the obligation to take the necessary precautionary measures with a view to avoiding or minimizing the incidental loss of civilian life or damage to civilian objects. These include the obligation to verify the civilian or military nature of the facility; the obligation to cancel or suspend the attack if it can be anticipated that the incidental loss of civilian life or damage to civilian objects will be excessive in relation to the concrete, direct, and anticipated military advantage, and the obligation to give effective advance warning to the civilian population (Articles 51, 52, and 57 of the Protocol). Over the years, international law has granted special protection to the UN flag and emblem, the Organization’s military

uniforms,⁴ and its peacekeeping forces, their premises, and vehicles.⁵ The general protection of UN premises as civilian objects under international humanitarian law, however, continued to obtain.

Protection of UN Premises under UN Law: The Principle of Inviolability

The 1946 Convention on the Privileges and Immunities of the United Nations, which is applicable to UNRWA as a subsidiary organ of the UN,⁶ establishes the principle of inviolability of UN premises as a protection from undue interference. The Secretary-General’s Board of Inquiry into attacks on UNRWA premises in Operation Cast Lead noted that the principle of inviolability affords an absolute protection that is applicable in times of peace as in times of war. It concluded that the IDF attacks on UNRWA premises had breached their inviolability and failed to respect the immunity of the Organization, its property, and its assets from interference. The Board reiterated that the principle of inviolability could not be set aside on any grounds, nor could it be qualified or overridden by demands of military expediency.⁷ In a side comment it noted that UN personnel, UN premises, and civilians sheltered therein are entitled to protection under the principles of international humanitarian law, but did not elaborate.

The report of the Secretary-General’s Board of Inquiry into certain Incidents in Gaza during Operation Protective Edge⁸ examined a series of events in seven UNRWA schools hit in an IDF attack and three (additional) premises that were not damaged and in which weapons and ammunition were found. The Board was asked to establish the facts, circumstances, and causes of the damage and injuries sustained in each of these cases, and their attributability to persons or entities. Unlike the 2009 Board of Inquiry, the 2014 Board was asked not to include in its report any legal findings or to determine legal responsibility. In reality, however, these were implied. Thus, for example, in investigating five of the seven incidents where UNRWA premises were hit, the Board found no evidence that the IDF attack was in response to fire from the UN premises or their immediate vicinity. Implicit in this determination, therefore, is the assumption that for lack of any proof that UN premises or their immediate vicinity were used for military purposes, like civilian objects, they continue to enjoy protection from attack; and if attacked, the attacking party (i.e., Israel) entails international responsibility. In the absence of any legal analysis, there is no explicit reference to the principle of inviolability, either. Nevertheless,

in his cover letter to the Security Council transmitting the report, the Secretary-General noted that, “United Nations premises are inviolable, and should be places of safety, particularly in a situation of armed conflict.”

What, then, is this absolute protection of inviolability of UN premises that prevails, according to the Board, over any other international humanitarian law rule, including military necessity, and what is its scope of application and the consequences of its practical implementation in any given context of an armed conflict?

The principle of inviolability is established in Article II, Section 3 of the Privileges and Immunities Convention, which provides that “the premises of the United Nations shall be inviolable. The property and assets of the United Nations, wherever located and by whomsoever held, shall be immune from search, requisition, confiscation, expropriation and any other form of interference, whether by executive, administrative, judicial or legislative action.” The principle of inviolability was interpreted in the practice of the United Nations – reflected in a host of Headquarters and Office Agreements in countries where UN presences, including peacekeeping operations are deployed⁹ – as respect for the UN status and its exclusive authority and control within its premises, and consequently, as a prohibition on non-consensual entry into UN premises, or search of UN vehicles for any reason or purpose and by any authority of the host country. The principle of inviolability is thus conceived of as an absolute prohibition that cannot be limited to times of peace, nor can it be qualified – like the Privileges and Immunities Convention as a whole – by security reasons or the demands of military expediency. And nevertheless, the Board of Inquiry erred in applying the principle of inviolability, within the meaning of the Convention, to the examination of the legality of attacks on UN premises in armed conflict, and this, for two reasons.

First, no analogy can be drawn between attacks on UN premises during armed conflict, and unauthorized or non-consensual entry to such premises by a state’s authority for the purpose of executing arrest or search. An attack, if intentionally directed against UN premises and personnel, is prohibited under international humanitarian law, but is not necessarily prohibited if conducted in response to fire from within the premises, provided that it meets the conditions of proportionality and necessary precautionary measures. Unauthorized entry for search or arrest, on the other hand, is prohibited under the Convention at any time and for any reason. The view that the principle of inviolability of UN premises is an absolute principle

applicable in times of peace as in times of war is, of course, correct, but only within the meaning attributed to it in the Convention, namely, of unauthorized or non-consensual entry into UN premises for any reason – “military necessity” included. Within this meaning, and this meaning only, the protection is absolute.

Second, the practical implication of the determination that shelling of UN premises under any circumstances is a violation of their inviolability, and for this reason unlawful, is that no misuse of UN premises, including fire from within them, could detract from the absolute protection granted to these premises, and would not justify return fire, not even that which meets the conditions of proportionality and the necessary precautionary measures under international humanitarian law. This assumption has no basis in the UN Convention on the Privileges and Immunities or the rules of international humanitarian law, for neither grants absolute protection, not only to civilian objects – a category that includes UN premises – but also to objects of special protection, such as places of worship, hospitals, or cultural property.¹⁰

On the assumption, therefore, that the protection granted to UN premises under international humanitarian law is inadequate, and that the inviolability protection granted under the Privileges and Immunities Convention is irrelevant, then there is a need to consider enhancing the protected status of UN premises in armed conflict and granting them special protection alongside hospitals; archeological, historic, cultural, and religious sites; security zones; and non-defended localities, and under the same conditions. The uniqueness of the special protection regime is not merely in the establishment of a prohibition of attack against the protected object – for such a prohibition exists already in respect of all civilian objects – but in creating a mechanism of special protection and precautionary measures that will reduce the risk of unintentional attack or collateral damage to the protected object and to those sheltering in it. Like the general protection, the special protection too is not an absolute protection, but when it is withdrawn, the conditions, restrictions, and limitations on the attack are more numerous and stringent.

Special Protection for Selected Civilian Objects

Without prejudice to the general protection of civilian objects, international humanitarian law has recognized the need to grant special protection to selected civilian objects for their humanitarian value or their historical,

artistic, scientific, or religious importance to the parties to the conflict or the greater international community. Special protection can also be granted under a “special agreement” between the parties to designated areas, safety zones or non-defended localities, and demilitarized zones designed for the protection of civilians and those placed “hors-de-combat.”

For the first time, the Regulations annexed to the 1907 Hague Convention concerning the Laws and Customs of War on Land and a series of international conventions concluded throughout the twentieth century¹¹ singled out for special protection medical units and institutions, non-defended localities and demilitarized zones, and cultural property of archeological, historical, artistic, and religious importance to mankind as a whole, provided they are not used for military purposes. A condition for special protection is preparation in time of peace by the party in whose territory the object of the protection is located, including by clearly marking hospitals and cultural property with one of the recognized emblems; locating the protected objects at an adequate distance from military objectives, so that an attack on those objectives would not endanger the protected objects; and notifying the other party to the conflict of their location. A condition for the protection of safety zones and other non-defended localities is a special agreement between the parties defining the boundaries of the protected area and marking it with agreed markings.

An object of special protection, if used for military purposes, loses its neutral or humanitarian character, and thereby the protection and immunity from attack to which it is entitled. For a limited number of cultural objects of very great importance placed under special protection, withdrawal of immunity is possible under the 1954 Convention for the Protection of Cultural Property in the Event of Armed Conflict, but this only in cases of “unavoidable military necessity,” for such time as that necessity continues and under an order of an officer in command of a division or its equivalent in size, or larger. These restrictions were made more stringent under the Second Protocol to the 1954 Convention, which upgraded the general protection granted to cultural property, and established a new category of specifically designated cultural property of the greatest importance to humanity and placed them under “enhanced protection.” The immunity of cultural property under enhanced protection will be lost only if, and for as long as the property has, by its use become a military objective, where an attack is the only feasible means of terminating the said use, and after having taken all feasible precautions, including an effective advance warning

with a view to avoiding or minimizing damage to the cultural property, and under an order of an officer at the highest operational level of command.

The principle of special (or enhanced) protection established in international multilateral conventions should be implemented in a special agreement between the parties, and adapted to the circumstances of any given object and conflict. It is for this reason that the First and the Fourth Geneva Conventions, the First Additional Protocol to the Geneva Conventions, and the Convention for the Protection of Cultural Property have called on the parties to the conflict to conclude special agreements to ensure the special protection under the respective conventions for hospitals, cultural property, safety zones, and other non-defended localities situated in their territories.¹² For some civilian objects, the special agreement is a condition necessary for placing them under special protection; for others, the special agreement does nothing other than reiterate the principles of the framework convention by which the parties are already bound. Even then, however, the advantage of the special agreement is that it forces the parties to re-negotiate and explicitly reaffirm their obligations under international humanitarian law, and in so doing serves as an incentive to comply.

Special Protection for UNRWA Premises in an Agreement between Israel, the UN, and “the Silent Party”

Special protection to UN premises in areas of conflict should have long been recognized under international humanitarian law alongside other selected civilian objects of special protection. In the absence of any incentive to roll the wheels of international diplomacy, however, the chances of adopting an international convention at this time are slim. From the vantage point of Israel and the UN, therefore, a special agreement between the parties remains the only practical option for guaranteeing the protection of UNRWA premises.

Without prejudice to the status of all other UNRWA premises scattered throughout the Gaza Strip, an agreement between Israel and the UN providing special protection to a defined and more limited number of premises sheltering civilians could be considered. Israel would undertake to respect the protected status of UNRWA premises, avoid attacks against them or their immediate vicinity, and take the necessary precautionary measures (some of which exist already in the practice of Israel-UNRWA relations) in order to avoid or minimize any damage to the premises and those inside it. In the event of a military use of the premises, and according

to the circumstances, Israel would undertake to issue an advance warning requiring the termination of the use, lest its continuation lead to the loss of their immunity from attack. In the event that immunity is lost, and much like the protective regime of cultural property of the greatest importance to humanity, the decision to open fire would be taken by the highest operational level of command. For its part, the UN would undertake to mark the buildings with the UN emblem and notify Israel of their location. The Organization would also undertake to refrain from, to allow, or otherwise to take all necessary measures to prevent misuse of UNRWA premises and their immediate vicinity, including the storage of war materials or sheltering combatants for the purpose of shielding them from attack.

A UN commitment not to allow misuse of UN premises would be a tacit admission not only that they had, in fact, been misused (for such had already been acknowledged publicly), but also that misuse of UN premises is not implausible. In the battle for the international public image (of both the UN and Israel), this admission is all the more important for the fact that Israel's allegations of firing from within the UN premises or their use for weapon storage were met with scorn by the 2009 Secretary-General's Board of Inquiry.¹³ Mindful of the damage that such allegations might cause to the UN public image, the Board of Inquiry recommended that Israel retract its allegations and apologize to the UN.¹⁴ In retrospect, and without pronouncing on whether or not UN premises were actually used for military purposes during Operation Cast Lead, it now seems that the possibility that they might have been is not as far-fetched as was previously assumed by the Board.

Unlike other special agreements between parties to a conflict, however, the main difficulty in an agreement between Israel and the UN, should one be concluded, is that the parties to the agreement are not the parties to the conflict, that the other party to the agreement (the UN) cannot (by itself) fulfill, or even guarantee the fulfillment of its obligations under the agreement, and that the party to the conflict (Hamas) which cannot, does not want to, or is otherwise not invited to directly participate in the agreement, holds the key to its successful implementation. The consent of the “silent party,”¹⁵ therefore, will be decisive for the viability of the agreement and the special protection granted thereunder to UN premises. Israel had to face this same difficulty in the aftermath of Operation Grapes of Wrath, with the conclusion of the Israeli-Lebanese Understanding that left the Galilee and the villages of southern Lebanon outside the circle of

conflict between Israel and Hizbollah. The supervision of implementation of the Understanding was entrusted to a monitoring group composed of the parties to the Understanding, the United States, France, and Syria with the assistance of an advisory group composed of the United States, France, the European Union, Russia, and other interested parties. But while the other party to the conflict was not a party to the Understanding, it was its “silent consent” which made it possible, temporarily at least, to honor the Understanding.¹⁶

Aside from the near-perfect analogy between the “other party” to the conflict in the Lebanon theater and the one in Gaza, their characteristics as a non-state entity, and the nature of the conflict in densely populated areas, the Grapes of Wrath Understanding has precedential value in two respects. First, it is a proof that a special agreement between parties to any given conflict is often necessary to ensure that civilians and civilian areas remain outside the circle of conflict, although the principle of distinction between civilians and combatants is a fundamental principle of international humanitarian law (both conventional and customary) by which the parties are already bound. And second, it evidences that such an agreement is possible even between parties to a conflict that do not recognize each other’s legitimacy, as long as they share an interest in protecting their respective civilian populations. But the uniqueness of the proposed special agreement between Israel and the United Nations lies in the UN twofold interest in preventing an Israeli attack on its premises and the civilians sheltered therein, and preventing the misuse of such premises by Hamas or other armed groups in the Gaza Strip, which not only is a violation of the laws of war, but also a breach of the UN neutrality and inviolability within the meaning of the Convention.

On the assumption that the circumstances that led to Operations Cast Lead and Protective Edge continue to obtain, that UNRWA premises in the Gaza Strip remain as vulnerable as ever, and that the establishment of a UN Board of Inquiry – with which Israel exceptionally (but consistently) is willing to cooperate – is set up as a matter of routine in every case of attack on UN premises, the conclusion of a special agreement on the protection of UN premises is in the joint interest of both parties. The UN will gain an Israeli commitment to avoid an attack on UN premises, anchored in a regime of protection and precautionary measures, and Israel, for the first time perhaps, will gain a commitment from the UN and the “silent party” not to misuse or prevent misuse of UN premises and their immediate vicinity.

A special agreement in which the UN is not only an object of protection, but an equal party with correlative international obligations may also pave the way for a more comprehensive dialogue between Israel and the UN on a range of Israel-UNRWA related issues. But more importantly, a regime of special protection for UN premises is an existential interest for thousands of displaced persons seeking refuge from attack, for whom the blue flag remains a promise – the only one, perhaps – of life.

Notes

- 1 The Secretary-General’s Board of Inquiry established to investigate the shelling of UNRWA premises during Operation Cast Lead rejected as incorrect, if not implausible, Israel’s claim that during the course of the operation IDF forces were fired upon from within UN premises. The Board of Inquiry established by the Secretary-General to investigate attacks on UNRWA premises during Operation Protective Edge, however, found that on two occasions (the schools in Jabalia and Nuseirat) it was highly likely that fire originated from within the school premises. See Summary by the Secretary General of the Report of the United Nations Headquarters Board of Inquiry into Certain Incidents in the Gaza Strip between 27 December 2008 and 19 January 2009, A/63/855-S/2009/250 of 15 May 2009, paras. 70, 82.
- 2 On the criminal investigations that were opened in connection with some of the incidents affecting UNRWA premises, see Decisions of the IDF Military Advocate General Regarding Exceptional Incidents into which, Following an Assessment by the FFAM, the MAG has ordered Criminal Investigation, update 2 (27/12/2014) (<http://www.mag.idf.il/261-6958-en/patzar.aspx>); and update 3 (22/3/2015) (<http://www.mag.idf.il/163-7183-en/patzar.aspx>).
- 3 UN premises were defined in the practice of the Organization in two ways: geographically – by indicating the precise location of the building or the premises; and functionally – according to the double test of control and authority in the premises, and of making use of them for purposes of the Organization and the performance of its functions. According to the functional test, UNRWA premises in the Gaza Strip which are under the Agency’s control and used to carry out its mandated functions – including schools, training centers, and medical clinics – are considered UN premises. Israel shares this view. In the Israeli report on Operation Protective Edge the following clarification was included: “UN facilities in the Gaza Strip include not only official headquarters, but also hundreds of other buildings, including schools and medical clinics that bear UN insignia.” See *The 2014 Gaza Conflict, 7 July – 26 August 2014, Factual and Legal Aspects*, May 2015, p. 146, fn. 411.
- 4 Article 37 of the First Additional Protocol to the 1949 Geneva Conventions (Protocol I) 1977, prohibits the feigning of UN signs, emblems, or uniforms.

- Under the 1998 Rome Statute of the International Criminal Court, improper use of the United Nations flag, insignia or military uniform that causes death or severe bodily injury is a war crime (Section 8(2)(b)(vii)).
- 5 The 1994 Convention on the Safety of United Nations and Associated Personnel criminalized the attack on the personnel, premises, and vehicles of UN operations. Article 8(2)(b)(iii) of the 1998 Rome Statute provides that an attack on the personnel, installations, units, or vehicles involved in humanitarian assistance or peacekeeping mission is a war crime, and the 1980 Second Protocol to the Convention on the Use of Certain Conventional Weapons, granted protection to United Nations forces and missions from the effects of minefields, mines and booby-traps in their areas of operation (Article 8).
 - 6 The United Nation Relief and Works Agency for Palestine Refugees (UNRWA) was established by General Assembly Resolution 302(IV) on December 8, 1949. Its status as a subsidiary organ of the General Assembly is derived from Article 22 of the UN Charter, which authorizes the General Assembly to establish “subsidiary organs as it deems necessary for the performance of its functions.” The Agency’s status in the West Bank and the Gaza Strip was institutionalized at the end of the Six Day War in an exchange of letters between the Agency and Israel, known as the Michelmore-Comay Agreement of 14 June 1967. Accordingly, Israel had consented to the continued operation of the Agency in the territories, and to the applicability of the Convention on the Privileges and Immunities of the UN in the relations between Israel and the Agency.
 - 7 Summary by the Secretary-General of the Report of the United Nations Headquarters Board of Inquiry into Certain Incidents in the Gaza Strip between December 27, 2008 and January 19, 2009, A/63/855-S/2009/250 of May 15, 2009, paragraphs 16, 26, and 91. See also GA Resolution 64/89 (preamble); GA Resolution 69/88 (preamble, paragraphs 17 and 18).
 - 8 Summary by the Secretary-General of the Report of the United Nations Headquarters Board of Inquiry into Certain Incidents that Occurred in the Gaza Strip between July 8, 2014 and August 26, 2015, S/2015/286 of April 25, 2015 (Annex).
 - 9 Convention on the Privileges and Immunities of the United Nations, 1946, (Article II Section 3); Agreement between the United Nations and the United States Regarding the Headquarters of the United Nations, 1947 (Article II, Section 9), and the Model UN Status of Forces Agreement (Article 16).
 - 10 Unlike the Secretary General’s Boards of Inquiry, the commissions of inquiry established by the UN Human Rights Council examined the legality of IDF attacks on UNRWA schools in Operations Cast Lead and Protective Edge under international humanitarian law. The Commission of Inquiry for Operation Protective Edge, however, noted that while an attack on UN facilities was likely to give rise to questions relating to their protection against interference under the UN Privileges and Immunities Convention,

- an examination of that body of law was beyond its mandate. See Report of the United Nations Fact-finding Mission on the Gaza Conflict, A/HRC/12/48 of September 25, 2009, paragraphs 586-595; Report of the Detailed Findings of the Independent Commission of Inquiry Established Pursuant to Human Rights Council Resolution S-21/1, HRC/29/CRP.4 of June 23, 2015, paragraph 449.
- 11 Article 27 of the 1907 Hague Regulations, the First Geneva Convention of 1949 (Articles 19-23), the Fourth Geneva Convention of 1949 (Articles 14, 18, and 19), Additional Protocol I to the Geneva Conventions of 1977 (Articles 12, 13, 53, 59, and 60), the 1954 Convention for the Protection of Cultural Property in the Event of Armed Conflict (Articles 4, 6, and 8-11), and the Second Protocol to the Hague Convention of 1954 for the Protection of Cultural Property in the Event of Armed Conflict, 1999 (Articles 5, 6, and 10-13).
 - 12 ICRC Study in Customary IHL database, Rule 35, <https://www.icrc.org/customary-ihl/eng/docs/home>.
 - 13 The 2009 report of the Secretary General’s Board of Inquiry stated: “The Board expressed the view that public allegations by a Member State of misuse of United Nations premises for military activity should only be made on the basis of certainty, because of the gravity of such allegations, their effect upon public perceptions of the Organization, and their serious implications for the safety and security of its staff in the area of on-going military operations,” (note 1, paragraph 106).
 - 14 The first recommendation of the Board was that “the United Nations should seek formal acknowledgment by the Government of Israel that its public statements alleging that Palestinians had fired from within the UNRWA Jabalia school on January 6 and from within the UNRWA Field Office compound of January 15 were untrue and were regretted,” (Recommendation 1).
 - 15 Lior Avni, “Silent Bargaining between a State and a Sub-State Organization: Israel and Hezbollah from Operation ‘Accountability’ to ‘Grapes of Wrath,’ 1993-1996,” *Politika*, Issue No. 21, 2012, General Issue, p. 4.
 - 16 The 1996 Grapes of Wrath Understanding included, among others the following commitments: “(a) Armed groups in Lebanon will not carry out attacks by Katyusha rockets or any kind of weapon into Israel. (b) Israel and those cooperating with it will not fire any weapon at civilians or civilian targets in Lebanon. (c) Beyond this the two parties commit to ensuring that under no circumstances will civilians be the target of attack, and that civilian populated areas and industrial and electrical installations will not be used as launching grounds for attacks.” See <http://www.knesset.gov.il/process/docs/grapes.htm>.

The Arab Citizens in Israel: Current Trends According to Recent Opinion Polls

Itamar Radai, Meir Elran, Yousef Makladeh,
and Maya Kornberg

Introduction

The Arab citizens in Israel today comprise approximately 20 percent of the state's population. There are 1.38 million Arab citizens, as well as 300,000 inhabitants of East Jerusalem who are Israeli permanent residents, not citizens. While there are many public opinion polls and in-depth studies that examine the Israeli Jewish population, there is a dearth of public opinion polls investigating the attitudes of Arab citizens. The only poll that has focused on the Arab community in Israel in a systematic way over the last decade is the annual Index of Arab-Jewish Relations in Israel, conducted by the University of Haifa and the Israel Democracy Institute and overseen by Prof. Sammy Smooha. Other polls include Arab respondents and touch on issues pertaining to the Arab population, but do not focus exclusively on the Arab community in a systematic way. For this reason, the polls conducted by the Statnet statistical research institute in December 2014 and February and March 2015 represent an important contribution.¹ They shed light on an area that has not received sufficient critical attention and present a number of new findings, among them on questions that were

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not raised in previous polls, such as the attitudes toward terror attacks against Israeli targets and the status of the Temple Mount/al-Aqsa Mosque.

The importance of public opinion polls as a tool for analysis of current trends among the Arab minority and the implications of the findings for Israeli national security should not be underestimated. The field of the Arab minority in Israel, its relations with the Jewish majority against the backdrop of the Arab-Israeli conflict, and the prevailing trends within this community and their repercussions for national security has been neglected too long. This article will present the results of the polls, analyze them, and offer policy recommendations.

Statnet Poll, December 2014

In December 2014 Statnet conducted a comprehensive poll of the Arabs in Israel on several issues, including state and society, terror, and identity. The poll was conducted in Arabic by telephone and included approximately 700 respondents.

The poll highlights a number of trends with regard to the Arab attitudes toward Israel and Israeli society. Overall, the findings are largely in line with results of previous studies. When asked under which type of government they would rather live, 77 percent of the respondents said an Israeli government, and 23 percent said Palestinian government (figures 1 and 2). These results indicate that the vast majority of the community sees itself as a part of Israeli society. Smooha explains that “the Arabs in Israel over the past 65 years have become stakeholders in Israeli society and have a vested interest in being part of Israel and living here.”²

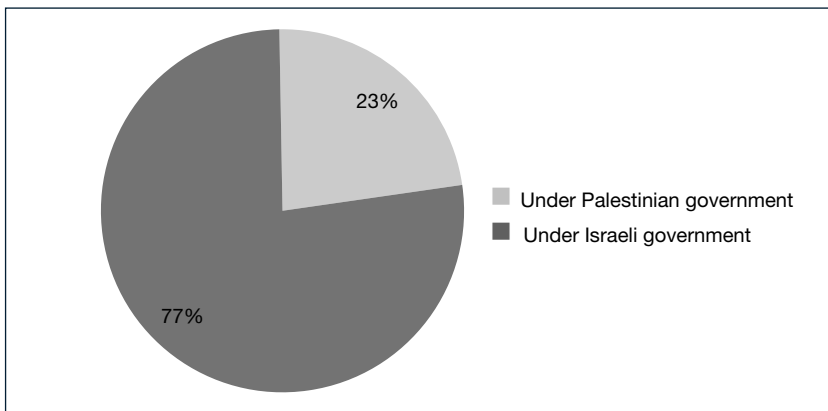


Figure 1. Preferred Government of Arab Citizens, December 2014

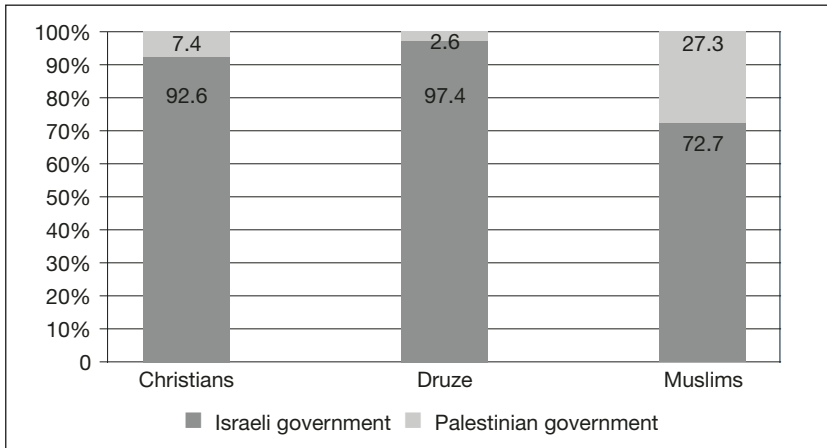


Figure 2. Preferred Government of Arab Citizens, December 2014: Breakdown

Nevertheless, the Statnet poll shows a genuine feeling of discrimination among the Arab community within Israel. Thirty-nine percent of respondents believe there is discrimination in Israeli institutions, and 53 percent believe there is only partial equality. Only 9 percent believe Israeli institutions are completely equal and fair (figure 3). These findings confirm previous studies (table 1). The Index of Arab-Jewish Relations in Israel 2012 showed that 70.5 percent of Arabs believe the government treats Arabs as second class citizens.³ A 2011 Brookings poll found that only 3 percent of Arabs said there was full equality, 57 percent said there was legal equality but institutional and social discrimination, and 36 percent said there was apartheid. In addition to institutionalized discrimination, Arab citizens are also living under the impression that Israeli Jewish society espouses racist attitudes toward Arabs.⁴ The large majority of respondents (86 percent) believe that Israeli society is moderately racist or very racist toward Arabs, while 14 percent believe that there is only a small amount of racism against Arabs. These results are largely in line with the results of previous polls. The 2007 Konrad Adenauer Program for Jewish-Arab Cooperation at the Moshe Dayan Center at Tel Aviv University poll found that 75 percent of respondents felt there was discrimination on a national, economic, social, and cultural level.⁵

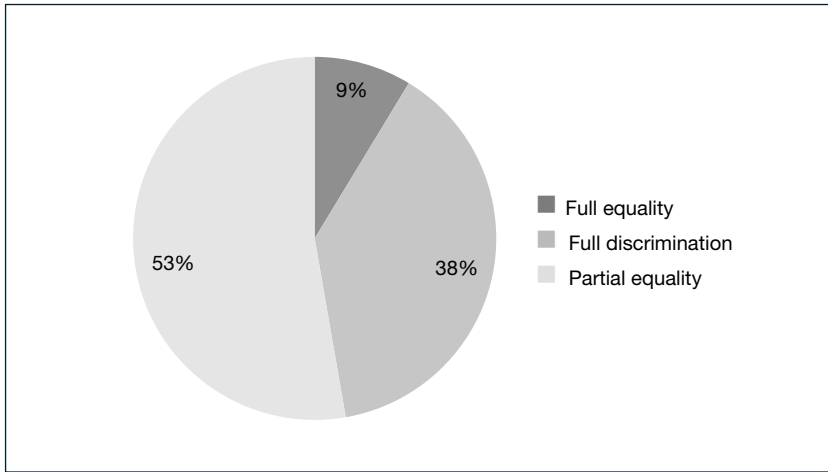


Figure 3. Sense of Equality among the Arab Community, December 2014

Table 1. Beliefs on Israel's Attitudes towards Arab Citizens (percent)

Poll	Institutional/General Discrimination	Complete Equality
Statnet	39	9
Adenauer Program	75	
Arab-Jewish Relations Index	70.5	
Brookings	57	3

The poll also presented attitudes towards terror attacks. Most respondents (70 percent) condemned the fall 2014 terror attacks in Jerusalem and Tel Aviv, but 30 percent thought Israeli policies bore responsibility for the attacks (figures 4 and 5). There was also an interesting correlation between education level and the tendency to blame Israel, with more respondents with higher education casting the blame on Israel. In the same context, a large majority of respondents (84 percent) were convinced that Israel was acting with the intention of harming the historic status quo on the Temple Mount (al-Haram al-Sharif, or al-Aqsa Mosque) in Jerusalem, as some terror attacks and violent demonstrations occurred against the background of the growing tensions around this holy site. Still, 75 percent believed that Arab leaders should condemn the attacks, and only 14 percent believed that they should not. The questions on terror attacks are particularly noteworthy, as previous polls among the Arab population in Israel had avoided this topic.

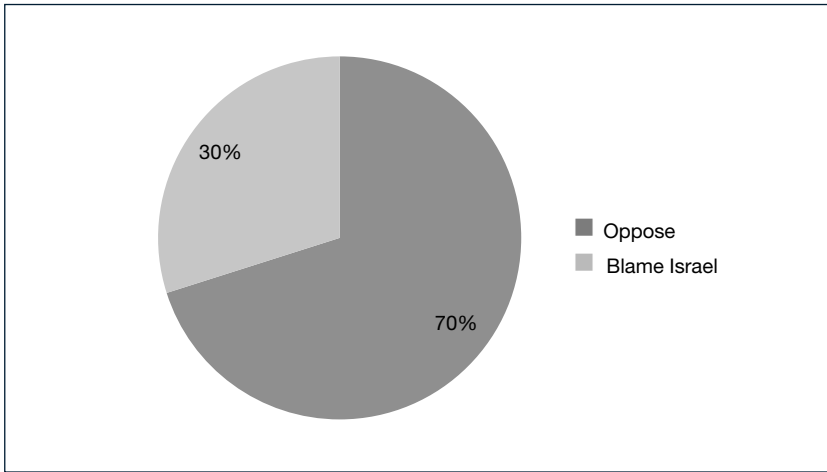


Figure 4. Attitudes of Arabs to Terrorist Attacks, December 2014

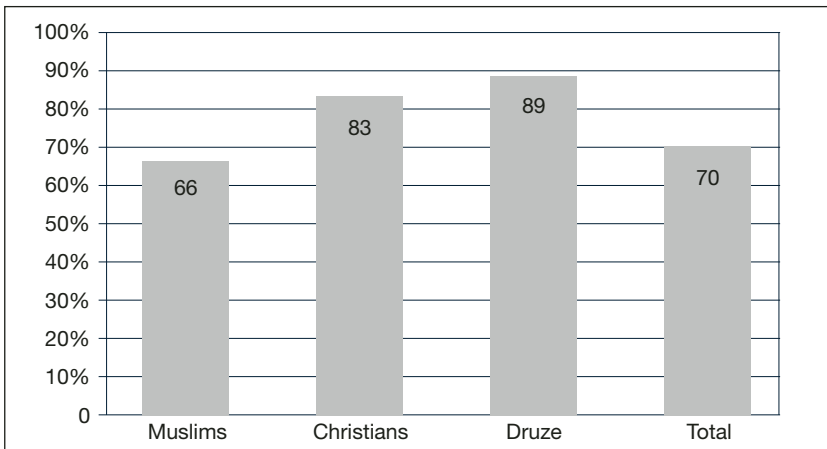


Figure 5. Attitudes of Arabs Opposed to Terrorist Attacks, December 2014: Breakdown

Throughout the years research about Arabs in Israel has painted a picture of a torn society, with an identity split between “Israelization” on the one hand and “Palestinization” on the other. The Statnet poll reinforces the notion that the identities of the Arab community are multifaceted. Thirty-three percent of respondents did not identify as either Israeli or Palestinian, 31 percent identified as Palestinian, 30 percent identified as Israeli, and 7 percent identified as both Israeli and Palestinian. These results

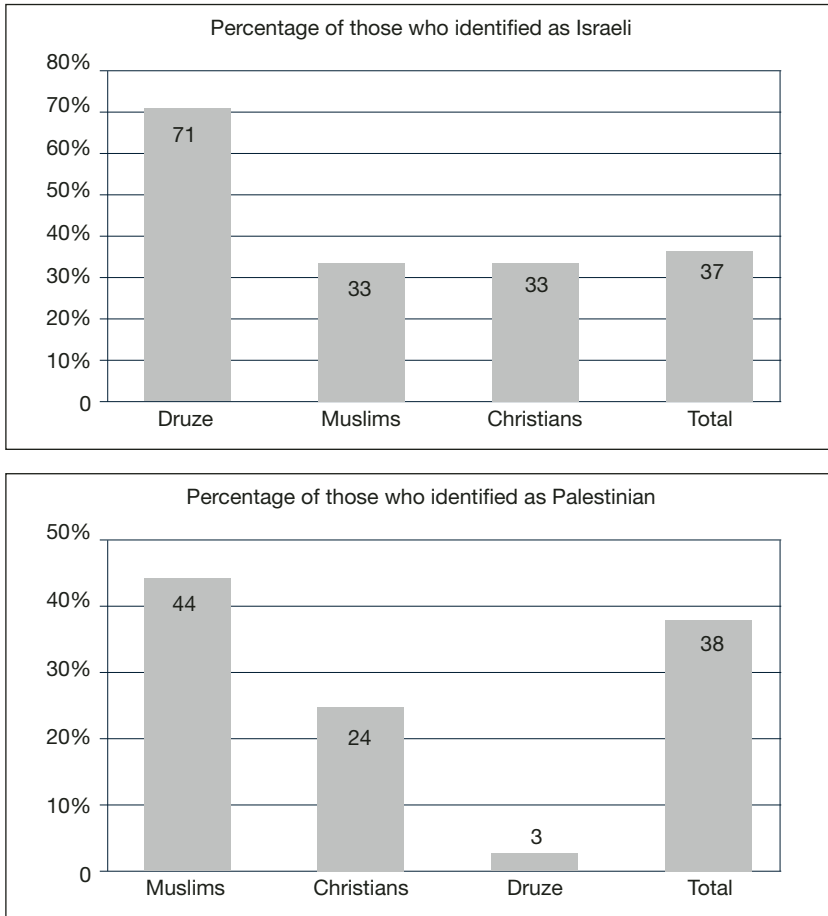


Figure 6. Self-Identification in the Arab Community, December 2014

suggest a complex, multi-faceted divided identity with many nuances and sub-identities. In comparison, the 2010 Brookings poll found that 22 percent felt the Palestinian element was the most important aspect of their identity, 12 percent said Israeli, 36 percent said Arab, and 19 percent said Muslim (table 2).⁶ The Index of Arab-Jewish Relations in Israel found that the number of respondents listing “Israeli” as their most important identity dropped from around 30 percent in 2003 to 12 percent in 2013.⁷

Table 2. Main Identities among the Arab citizens, Comparative Findings (percent)

Poll	Palestinian (most important)	Israeli (most important)
Statnet	31	30
Brookings	22	12

Another trend evident in the results of the Statnet poll is the noticeable difference in attitudes among Arabs themselves, or Arabic speaking citizens of various religious communities or sects. The most common and best known gap is between the Druze and the rest of the Arabic speaking community in Israel. While 71 percent of Druze identified as Israeli, only 33 percent of Christians and Muslims identified as Israeli (figure 6). On the issue of the Temple Mount there were likewise sectarian differences: 90 percent of Muslim Arabs, and – strikingly – 66 percent of Christian Arabs, and even 54 percent of Druze believe that Israel is acting to jeopardize the Temple Mount status quo. At the same time, while 47 percent of Muslims believed there was racism and 42 percent believed there was institutionalized discrimination, only 25 percent of Christians and 22 percent of Druze believed there was racism, and 31 percent of Christians and 19 percent of Druze believed there was institutionalized discrimination (table 3 and figure 7). These results reaffirm again that the Druze, as a community, have a much stronger attachment to Israeli identity, and that not only the Druze but also the Christians tend to have a more positive attitude toward the Israeli state and society than Muslims.

Table 3. Religious and Sectarian Attitudes, Statnet Poll, 2014 (percent)

Sector	Identify as Israeli	Israel harms Temple Mount	See Israel as racist	Believe there is discrimination in Israel
Druze	71	54	22	19
Muslim	33	90	47	42
Christian	33	66	25	31

These findings reaffirm the 2010 Brookings poll, which showed that among the Druze population, the most important identity was Druze (39 percent), followed by Israeli (31 percent), Arab (16 percent), and Palestinian (8 percent).⁸ The Brookings results imply that there is a correlation between religious and sectarian identities and attitudes toward the state. Druze respondents ranked Israeli identity the highest, as in the Statnet poll. In the Brookings poll, the Christians ranked Arab identity as most important

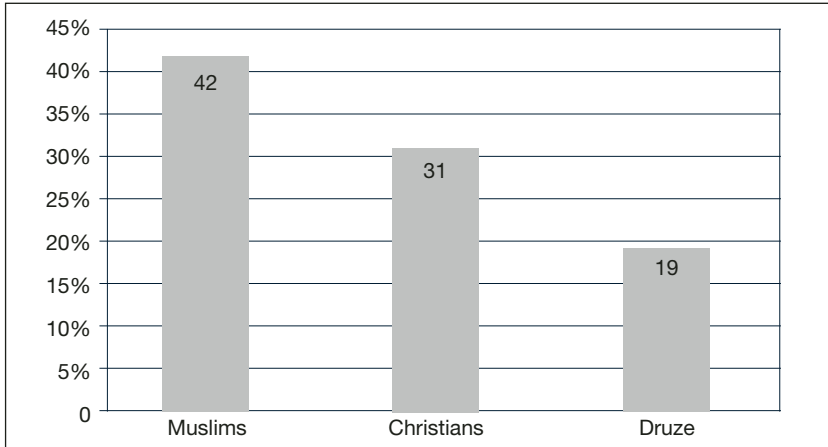


Figure 7. Sense of Institutional Discrimination among Arabs, December 2014

(53 percent), followed by Palestinian identity (15 percent), Israeli identity (12 percent), and Christian identity (9 percent). The Muslim community also ranked Arab identity highest (34 percent), followed by Muslim identity (27 percent), Palestinian identity (24 percent), and Israeli identity (10 percent). Significantly, Muslims ranked Palestinian identity higher than did Christians, as in the Statnet poll. The Statnet findings confirm results of previous studies, and show that there is a correlation between religious and sectarian affiliation and attitudes towards the Israeli state, Arab identity, and Palestinian identity.

Statnet Polls, February and March 2015

In advance of the national elections, Statnet conducted two additional polls. With 825,000 Arab citizens in Israel registered as voters, the Arab vote seemed a substantial factor in the overall March 17, 2015 elections. The polls' 500 respondents comprised a representative sample of the different geographical regions, religions, and family ties of the Arab community – as often whole families vote for the same party. The February 18, 2015 poll estimated, based on the two questions of whether the respondents voted in 2013 and whether they plan to vote in 2015, that the voter participation rate would be 62.4 percent (as opposed to 56 percent in 2013). In the poll of March 14, 2015, the estimation of the voter participation rate was 63.4 percent (very near the actual percentage of Arab voting in the elections). In addition, among those who said that they did not vote in the past but

would vote in 2015 or are undecided, 58 percent cited the formation of the Joint List as their reason for voting.

The polls also presented substantive results regarding the voting preferences (figure 8). The majority of respondents (78 percent in February, 81.4 percent in March) said they planned to vote for the Joint List (comprising Hadash, Balad, Ta'al, and Ra'am), followed by the Zionist Camp (6.5 percent in February, 4.4 percent in March), Meretz (5 percent in February, 3 percent in March), and Likud (2.8 percent in February, 2.7 percent in March). In the February poll this translated into 12.4 mandates for the Joint List, 1.1 mandates for the Zionist camp, and 0.8 mandates for Meretz, while in March 14 poll the forecast was for 13.6 mandates for the Joint List. The results suggest that Jewish parties stood to receive a total of 3.3 mandates from Arab votes. The actual voting results showed a voter turnout of 63.5 percent, slightly higher than the poll predicted, and that 82.4 percent of Arab citizens voted for the Joint List, 4.9 percent voted for the Zionist Camp, 2.6 percent for Meretz, and 1.5 percent for Likud (table 4).⁹

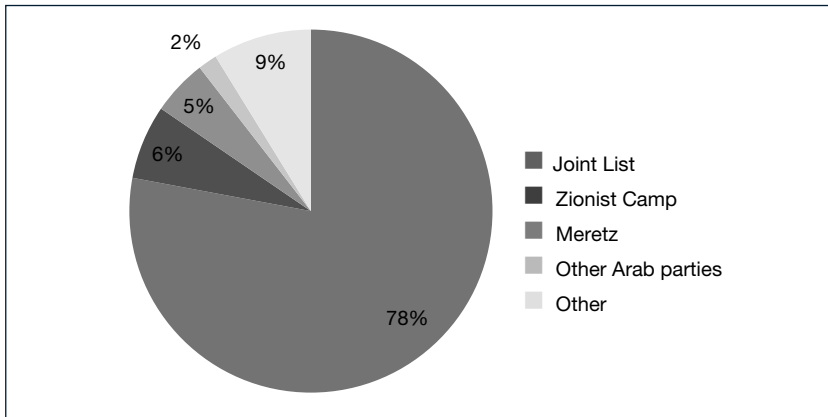


Figure 8. Voter Preferences in the Arab Community for the 20th Knesset, without the undecided, February 18, 2015

Table 4. Voting Patterns, 2015 (percent)

	Joint List	Zionist Camp	Meretz	Likud
Forecasted 1 month prior to the election	78	6.5	5	2.8
Forecasted 3 days prior to the election	81.4	4.4	3	2.7
Actual Results	82.4	4.9	2.6	1.5

The majority of voters (58 percent) said that they wanted their party to recommend Isaac Herzog to form a coalition – a telling finding, given the fact that in recent elections Arab parties abstained from recommending a Jewish candidate to form the coalition. Only 7 percent wanted their party to recommend Netanyahu (figures 9 and 10). In addition, 64 percent of respondents wanted the Joint List to be part of the coalition – an unprecedented finding given the declaration by the leaders of the Joint List that they would not join any coalition (but might support it from the outside). Twenty-eight percent even said they supported being a part of any coalition, 30 percent supported being part of a government only with Herzog as Prime Minister, and 3 percent said they wanted the Joint List to be a part of a government with Netanyahu as Prime Minister. These findings suggest strong support for the Joint List, as expected, but also for Herzog as Prime Minister. Given the December findings regarding institutionalized discrimination and confidence in the government, these recommendations are not surprising.

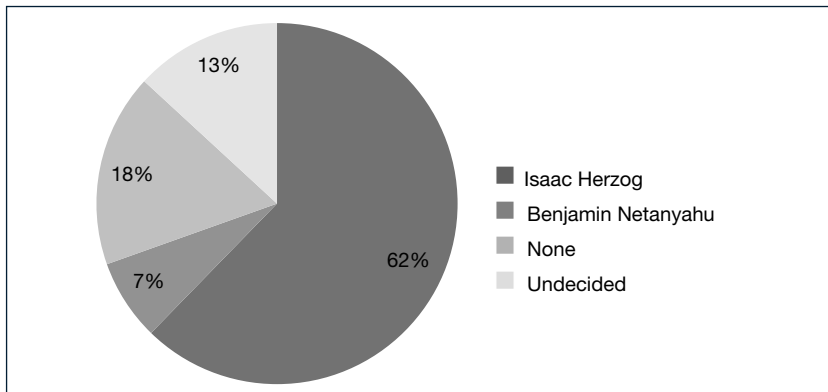


Figure 9. Arab Voter Recommendations for Prime Minister, February 18, 2015

The February 2015 poll reinforces the findings of the December 2014 poll and other surveys in regard to the stark difference in the voting patterns of members of different religious communities, their trust in institutions, and the importance they attach to various issues. As in the 2014 poll, the 2015 poll found that there are notable differences between the religious groups within the Arab community. The highest voting participation rate was forecasted for the Muslim population (63.7 percent), followed by Christians (60.6 percent) and the Druze (56.9 percent). In addition to the difference

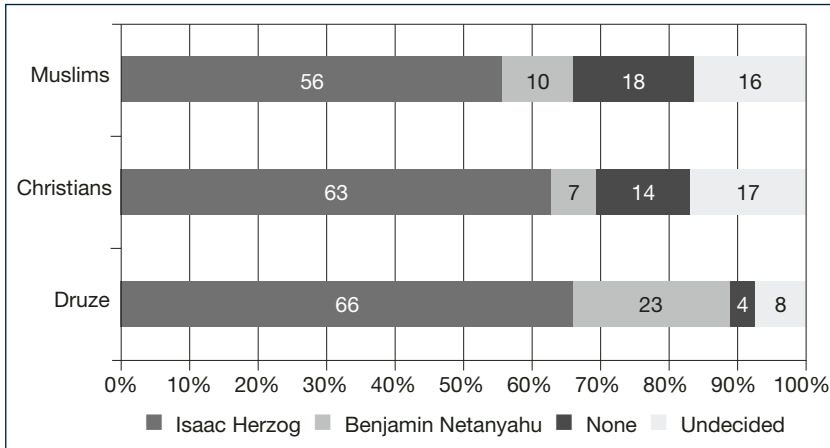


Figure 10. Arab Voter Recommendations for Prime Minister, February 18, 2015: Breakdown

in the number of people intending to vote, there is also a difference in the voting choices between the different religious groups. While 77 percent of Muslim Arabs said they would vote for the Joint List, 58 percent of Christians and only 15 percent of Druze intended their vote for the Joint List. While 33 percent of Druze said they would vote for Jewish parties, only 4-6 percent of Muslims and 8-15 percent of Christians were expected to vote for Jewish parties. Again, these differences likely arise from the different levels of integration and engagement with the Jewish population.

In terms of confidence in institutions, 48 percent of respondents believed that Arab MKs worked very little or little to promote the interests of the Arab community. This statistic indicates great dissatisfaction with the representatives. When asked what is more important for the Israeli Arab community, 70 percent said that improving the economic status of Arabs in Israel was most important, while only 30 percent said that solving the Israeli-Palestinian conflict was most important. These statistics are very much in line with the attitudes of Israeli Jewish citizens, most of whom place economic concerns over the peace process as a voting consideration. Thus, for example, a January 2015 election poll conducted by Bizportal found that 36.1 percent of the Jewish population listed the cost of living as the most important issue in the 2015 campaign, while only 13.1 percent said that the Israeli-Palestinian peace process was the most important.

In conclusion, the February 2015 poll showed large support for the Joint List, the center left parties, and Herzog as Prime Minister, and further

strengthens the findings of previous polls in regard to religious differences, national priorities, and confidence in the government and the establishment.

Analysis of Findings

The notable differences in electoral preferences, identity, and ideology between religious and sectarian groups can be attributed to several factors. Druze are much more integrated into Jewish society as a whole and come into contact with more Jews mainly due to the mandatory military service, which was introduced in 1956 as a result of the close ties between members of the Druze community and Jews since the British Mandate period. This integration is evident, as shown in the polls, in terms of self-identity, identification with the Jewish state, and political inclinations, i.e., the firm support of Zionist parties. The differences in opinion between Muslims and Druze were also evident in the November 2014 riots in the village of Abu Snan. The death of 22-year old Khayr al-Din Hamdan, shot to death in the Galilee Arab village of Kafr Kana by an Israeli Police special patrol squad, sparked a series of demonstrations in which Arab citizens waved Palestinian flags and checkered keffiyes (known as a Palestinian symbol); as a result, clashes erupted in Abu Snan's high school between pro-Palestinian Muslim students and pro-Zionist Druze students, who are about to be inducted to the IDF.¹⁰

Christians have likewise shown greater tendency than Muslims to support Zionist parties, even though their vast majority (some 70 percent) still supported the Joint List in the last elections. Christians and Druze also reported feeling less discrimination than Muslims, and these two findings may very well be linked. Some Christians feel alienated within the Arab community as Islamization spreads and "Arab" is equated with "Muslim."¹¹ In 2010, 82 percent of Arabs in Israel were Muslims, Christians were 10 percent, and 8 percent were Druze.¹² Christians and Druze are thus minorities within a minority, which may add to their feelings of alienation from the Muslim majority and marginalization as social groups. This in turn may lead to a greater drift toward Jewish society.

It is also important to note the cultural and ideological differences between the three groups. Christians tend to share more cultural norms with secular Jewish society. One example of this is that Christians have legitimized women's employment faster than have Muslim and Druze, and have generally achieved higher education levels and a higher socioeconomic status.¹³ Christian education and socioeconomic levels are, on average,

higher than among Muslims, Druze, and even the Jewish majority. Thus, for example, in 2012, 61 percent of the Christian high school graduates earned matriculation certificates, according to Israeli university requirements, as opposed to 51 percent among Jews, 45 percent among Druze, and 35 percent among Muslims.¹⁴ The differences in culture, demography, socioeconomic status, and other areas are demonstrated by the gaps seen in the polling results.

The polls also portrayed a lack of trust in the Israeli state and the Jewish society. The December 2014 Statnet poll showed that the large majority of respondents believe that Jewish society is racist, and significant numbers believe that Israeli institutions are discriminatory. The reasons for these sentiments are undoubtedly numerous and complex. During Operation Protective Edge, conflicts between citizens showed how much racist sentiment seethes under the surface of Israeli society, when thousands of racist posts, violent assaults, and other attacks against the Arab community occurred, perhaps encouraged by Foreign Minister Avigdor Liberman's call for a boycott of Israeli Arab shops during the war.¹⁵ Similar if not identical trends were espoused by Arab citizens toward Jewish citizens at the same time. The December poll came after these months of intense racism. The poll was also conducted in the aftermath of the national home bill, which aroused severe criticism even among vehement supporters of the Israeli establishment, such as some leaders of the Druze community, and was deemed by respondents as highly discriminatory. Though previous polls indicated similar findings with regard to discrimination, these events may have exacerbated feelings of inequity.

The lack of contact between Jews and Arabs may strengthen the feelings of inequality and discrimination. Though Jews and Arabs meet in public spaces such as malls and hospitals, the groups are largely isolated and live in homogenous communities. The public infrastructure, socioeconomic status, employment, and other opportunities available to Arab communities are far below the standard of Jewish cities. This may explain opinions on inequality as well as the lack of confidence in the ability of Arab MKs to advance the interests of the Arab community, even after the last elections.

Conclusion and Recommendations

The polls show overwhelmingly that the Arabs citizens in Israel, despite their firm belief in the institutional and social discrimination against them, are eager to remain Israeli citizens and be part of the fabric of Israeli society.

Serious handling of the inequality issues, in public resources, occupational opportunities, education, and more, should be considered by policymakers as a way to decrease the sense of inequality that threatens to destabilize Israeli society. While polls only indicate the sentiment of citizens and are not always a completely accurate depiction of the reality on the ground, the large numbers of Arabs who espouse a genuine feeling of discrimination should serve as a warning to Israeli policymakers. In addition, the differences within the Arab community between different religious and sectarian groups emphasize that this is not one cohesive community that should be treated in a unidimensional way. The discrepancy in voting patterns highlights this quite clearly. The Arab community is highly heterogeneous and apparently becoming more so, and therefore the government needs a more nuanced approach that takes into account the different segments of the population and the growing discrepancy between nationality and sectarianism. At the same time, positive trends, such as the condemnation of terror attacks against Jews, should not be ignored.

The Israeli leadership must address these issues in both verbal and practical fashion. Affirmative acts on the ground can demonstrate to the Arab population that the Israeli government and society are bent on full equality and integration of the Arab citizens into many aspects of life within the Israeli society. Moreover, there is a sense of a changing mood within the Arab citizens in Israel. The results of the elections and the emergence of the new leader of the Joint List, Ayman Odeh, and his pragmatic attitudes, seem to provide the Jewish majority and the new government with a possible fresh environment. This should be utilized smartly in order to reinvigorate the relations between the national majority and the national minority in Israel. The first steps must be declaratory, as demonstrated by President Rivlin these past few months, but rhetoric alone will not suffice. A new and different perspective must be taken, one that recognizes the rights and grievances of the Arabs in Israel, and takes concrete long range basic steps to correct the failures of the past. It can and must be achieved, despite – and perhaps because of – the heightened anti-Arab sentiments within large segments of the Jewish population. It is necessary for the stability and wellbeing of Jews and Arabs, who are destined to live together in Israel.

Notes

This article was written under the auspices of the INSS Research Program on the Arabs in Israel, which thanks the Neubauer Family Foundation of Philadelphia for its generous support.

- 1 Statnet is a statistical research institute specializing in the Arab community in Israel and operated by Arab statisticians. Established by Yousef Makladeh in 2003, it has gained reputation as a reliable source of polling information for political, academic, business, and research bodies.
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Climate Change and Security: An Israeli Perspective

Owen Alterman

Introduction

The issue of climate change lies low on the Israeli security agenda. The media rarely reports on it and politicians discuss it infrequently, if at all. Governmental and academic panels have tackled the climate change issue, particularly for its domestic impact, but in the security arena, the issue is absent from view.

Abroad, the situation is different. In a survey of almost 5,000 US academic experts specializing in international relations, some 40.8 percent named climate change as one of the three most important foreign policy issues facing the United States, more than any other issue cited.¹ For them, at least, climate change is at the top of their country's security agenda; so too in parts of the developed world, where climate change is at the heart of discussions on security.

The relative lack of interest in Israel in climate change vis-à-vis security is understandable. First, Israel has a crowded security agenda, with challenges that demand more immediate attention. The more remote risks from climate change cannot compete with the pressing questions of the Iranian regime and its proxies, relations with the Palestinians, or a region in turmoil. Second, on climate change, Israel has little ability to affect events. Unlike the United States, China, or India, Israel is not a major carbon emitter. Even if policymakers were to focus on the disruptive threat of a flooded Nile Delta, for example, Israel could do nothing to prevent it and little to accommodate it.

Still, even if the climate change issue, rightly, is not at the top of the Israeli security agenda, it should not be consigned to the very bottom. Israel has

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clear interests in the climate change question. If the government and private sector plan strategically, Israel could even gain geopolitically from climate change. This article will develop that thesis. First, it will present the basics of the climate change question as understood in international discourse. Second, it will explain how the need for technologies for adaptation to climate change could present Israel with strategic opportunities. Finally, the article will offer policy recommendations and avenues for further thought and planning.

The Climate Change Issue: Mitigation and Adaptation

For several decades, scientists have warned that the emission of carbon gas into the earth's atmosphere has led to changes in the planet's climate. However subtle – e.g., a warming of 1.5 degrees Celsius – the changes threaten to disrupt the fragile ecological balance.² In addition to “global warming,” scientists have also predicted more frequent (and fiercer) storms and rising sea levels that could affect coastal populations.³ This includes a potential impact on Israel where, for example, rising sea levels could lead to flooding in Tel Aviv as far east as Ibn Gvirol Street.⁴ Despite nagging skeptics, the scientific and political consensus is that climate change is real, man-made, and increasing.⁵

The response to climate change has proceeded along two tracks. Particularly in the early years of the debate, policymakers focused on efforts at mitigation: curbing carbon emissions and thereby lessening climate change and its effects. This mitigation effort has run up against a collective action problem. If all states lowered their carbon emissions, then most states would benefit, as climate change would be prevented. However, every individual state has an incentive to be a free rider: to maintain its emissions while other states lower theirs. That state would then enjoy the benefits of reduced climate change (because overall emissions have decreased) without the costs of restricting its own economic development.⁶ Arguably, global agreements have led to incremental progress in curbing emissions, but overall, the collective action problem has doomed prevention efforts.

The shortcomings of the mitigation approach have led to increasing focus on the other track: adaptation.⁷ This approach takes it as given that climate change will occur and instead focuses on adapting to it. Given the failures of the past few decades, scientists now say that much climate change is no longer preventable.⁸ Thus, even strong proponents of mitigation acknowledge that some adaptation is needed. Countries projected to be

badly affected by climate change have already invested substantial efforts in adaptation.

On the mitigation front, Israel can do little. Israel has signed the leading climate change agreements and laid out plans for curbing its emissions (plans to be bolstered by a switch to natural gas for generating electricity).⁹ Still, Israeli emissions are a tiny part of the global whole. The United States and China, alone, emit 44 percent of the globe's carbon.¹⁰ For a quick impact on mitigation, these countries, and not Israel, are the addresses.

On adaptation, however, in some areas, Israel can make a difference. Israel's domestic policymakers can and will need to find ways of adaptation to the impact of climate change on Israel's own territory, and have started to do so. In 2014 the government-commissioned Israel Climate Change Information Center released its report of what should be done domestically, such as in infrastructure and agriculture, to move forward on adaptation.¹¹ Looking beyond a domestic focus, Israel can do little to manage the security implications in its immediate neighborhood.¹² Those challenges are potentially great, and include disruption of agriculture, low lying areas flooded by rising seas, higher risk of conflict over resources, increased refugee flows (both in the Levant and in Egypt), and all the security threats that follow.¹³ Israel can take steps to insulate itself from instability, such as strengthening border barriers and defenses.¹⁴ Israel can also offer some help to relevant governments and non-state actors, but politics would limit the extent of cooperation.

On the other hand, the Middle East is not the only region threatened by climate change, and cooperation could be more fruitful between Israel and states farther afield. For India, climate change could exacerbate what are already huge challenges in feeding its people. As Indian scholars have noted, "India has only acquired 2.4% of the land area of the world with an arable land of 11.2% but bound to feed 17.5% of the world population. This is a great challenge for our country which is supposed to become more severe with the threat of climate change."¹⁵ Desertification threatens vast regions of Africa,¹⁶ while Bangladeshis fret that as much as 20 percent of their country could be drowned in rising seas.¹⁷ These states will need new technologies in agriculture and water use, and even in accommodating refugee flows.

Israel will likely have both the circumstances and the tools to benefit from the opportunities of climate change adaptation.

Israel excels in all of these areas and, in principle, is a promising partner in facing what are often existential threats to states and their populations.

Why the Climate Change Issue Matters for Israel

For Israeli national security policymakers, the climate change issue matters, in part because it presents Israel with opportunities. Most countries will be losers from climate change. Some, though, will be winners. The melting Arctic may yield access to oil and arable land, enriching Canadians, Greenlanders, and Russians.¹⁸ Even Scandinavian states may find themselves with more relative power within Europe as southern European lands dry. In principle, these states have a perverse incentive: pollute more. From climate change, they gain.

Israel would not be a winner from climate change in this sense; its ecology and climate are as fragile as those of others in the region. Israeli technology and techniques, though, could yield geopolitical benefits

for Israel. For decades, Israeli scientists and companies have pioneered agricultural and water use technologies that have helped build Israel's soft power throughout the developing world. Drip irrigation is perhaps the leading and best known example. Israeli scientists pioneered new methods for drip irrigation, a method of maximizing the efficiency of water use in agriculture.¹⁹ From the 1960s onward those developments in technique were marketed throughout Africa, often to great effect, and their export from Israel to Africa continues apace.²⁰ The annual WATEC and Agritech fairs attract delegates from throughout Africa and Asia. Israeli disaster relief, proven particularly after earthquakes, has also been deployed for climate-affected disasters such as more frequent hurricanes and typhoons.

The climate change question is not at the top of the Israeli security agenda. Still, the urgency of immediate crises must not completely obscure the long term advantage to be gained by setting up the structures and processes that can help Israel geopolitically over time.

Climate change may lead to a rise in demand among developing countries for exactly the technologies and techniques that Israel is highly equipped to supply. In the 2014 Global Cleantech Innovation Index (prepared by the Cleantech Group with the imprimatur of the well recognized World Wildlife Fund), Israel topped the list as the world leader in the field.²¹ In specific terms, the Asian Development Bank lists drip irrigation²² and water use technologies (including those reducing

water waste)²³ as among the most relevant for climate change adaptation. In these areas, Israel already excels. Another promising arena, also noted in the Asian Development Bank report,²⁴ is desalination, where Israeli advances in technology have made their way abroad, including through IDE Technologies, a leader in the field. Information technology for the health sector might also become a growing market due to climate change-driven impacts on human health.²⁵

These climate change developments, while perhaps noted too little in Israel's national security arena, have attracted considerable attention in other parts of government. As the chief scientist from the Ministry of Environmental Protection said as early as 2006,

Israel can, and must, take advantage of this situation [of climate change] to become a regional, and even global, center of knowledge that contributes to international welfare through teaching and explanation. Israel also can reap substantial profits from the marketing of goods and technologies based on this knowledge.

The Israeli government has already decided to invest hundreds of millions of shekels to place Israel in a central position in the global water industry, a fast developing market. The global needs arising from climate change could greatly enhance the attractiveness and comparative advantage of Israel as a leader with knowledge and experience proven over decades of confronting the difficulties posed by climate and a shortage of water resources. These global needs could move Israel to a leading position worldwide in assessing, confronting, and adapting to climate change.²⁶

In the nine years since that statement, government agencies have acted to promote Israeli technologies and know how. In Israel, the government established the Israel Climate Change Information Center at the University of Haifa, a center working both on domestic adaptation to climate change and promotion of Israeli technologies abroad.²⁷ Israel's MASHAV international development agency has incorporated climate change adaptation-related elements into its courses and development programs in Israel²⁸ and is active abroad, collaborating, for example, with Germany to train farmers in Burundi²⁹ and with the United States to do so elsewhere in East Africa.³⁰ Another active agency is the Ministry of Agriculture & Rural Development's Center for International Agricultural Development Cooperation (CINADCO), which collaborates with MASHAV programs.³¹

For its part, the Ministry of Economy recently signed an agreement with the World Bank that will step up the sharing of water technologies with developing countries.³² Beyond that, the Ministry has published a report highlighting 350 Israeli companies with technologies relevant for adapting to climate change. Many focus on water use and agricultural techniques, while others tackle infrastructure development or disaster response. Many of the firms target regions where climate change poses a particular threat. IDE Technologies is building a desalination plant in California, a project that has received added attention due to California's worsening drought.³³ Moreover, at least twenty of the companies are involved in projects in India, ranging from desalination³⁴ to renewable (wind) energy³⁵ to crop protection (including from climate induced threats).³⁶ The chief minister of Maharashtra – the Indian state that includes Mumbai and has a population of more than 110 million – visited Israel in April 2015 for the Agritech conference.³⁷ He has explicitly said that he is interested in climate adaptive technologies for the agriculture sector.³⁸

The Indian relationship is particularly important for Israel and one in which adaptation technologies could play a significant role in bringing the countries closer together. Beyond India, some of the other developing countries that will need climate-related technologies are those with which Israel lacks diplomatic relations. For Middle East states, open interaction with Israeli firms could be particularly sensitive, though at least one company was able to report publicly through the Ministry of Economy on projects in Kuwait and other Gulf states.³⁹ Beyond the region, though, countries such as Pakistan and Bangladesh would have much to gain from Israeli technologies and an increased incentive to overcome the political sensitivities of contacts with Israel. Pakistan is expected to see an increase in extreme weather events, and decreased precipitation in its south could lead to lower agricultural yields.⁴⁰ Bangladesh too will face challenges to its agricultural production due to loss of arable land to rising seas and increased salinity.⁴¹ This provides an even greater potential geopolitical gain from climate change adaptation, if the Israeli government is able to take advantage of it.

Policy Recommendations

Israel will likely have both the circumstances and the tools to benefit from the opportunities of climate change adaptation. On a positive note, the government has already invested substantially in supporting research and

development of water use technology, and government agencies are involved in marketing the relevant Israeli goods and services. This, however, is not enough. To take full advantage of the opportunity, the government must add one element: a strategy for leveraging the technologies for geopolitical gain.

Most of the Israeli technologies are developed by private firms, and some are sold to private consumers. Without government intervention, the sales contribute much to private profits but little to the national geopolitical purse. Such climate change adaptation might help the Israeli economy but would do little to bolster Israel's image, soft power, or diplomatic and security position. This dynamic frustrated Israeli agricultural support to Africa in the 1960s, which, as the Israel Climate Change Information Center notes, "did not bear fruit" in building political or diplomatic support.⁴² For that reason, the information center concludes, Israel should "prepare for the possibility of giving help without any visible quid pro quo in the short term."⁴³ A contrary approach would be to devise and implement new strategies to reap the fullest geopolitical gains. The Information Center has recommended one such leveraging: mutual assistance treaties with Greece and Italy (though primarily for response to natural disasters).⁴⁴ Beyond that, Israel's government should consider other strategies for how best to channel and incentivize trade with countries with which Israel wishes to build ties.

In that regard, policymakers have at least two, non-mutually exclusive options. The first is to provide financial incentives or additional marketing support for trade with high priority states. This could involve trade policy as well as research support for technologies of particular use in target states or markets. The government has potential leverage for such intervention. In meetings with Israeli cleantech entrepreneurs, two Israeli researchers identified several means by which government action could increase exports to the developing world. The government could help in identifying local partners, for example, or fund demonstration projects on-site.⁴⁵ From these researchers' ideas, a logical corollary is that the government could prioritize its funding and support, channeling them based on geopolitical criteria. The second policy option is perhaps more controversial: regulate which technologies go where and tie those sales to the destination state's diplomatic and security posture toward Israel.

Relevant government agencies have recognized the potential geopolitical yield to Israel from adaptation technologies, but no leverage mechanism (particularly as suggested by the second policy option) seems yet to have been

proposed. An inter-ministerial committee under the auspices of the Prime Minister's Office recognized, for example, that agricultural technology has strategic value⁴⁶ and provided recommendations for government support. The report, though, did not address whether and how exports should be tied to diplomatic or geopolitical priorities.

Going forward, a task force should convene to discuss these questions and consider how best to construct the filter that would leverage Israeli technologies and yield the potential geopolitical gains from climate change adaptation. This task force should include representatives from relevant government ministries and offices, private sector companies, academia, and the think tank community. The task force could build on the work of existing bodies, such as the Israel Climate Change Information Center, which have produced relevant reports, though not focused on the issue's diplomatic-security dimension. The task force's goal would be to develop a plan of action for a structure to control and channel climate adaptation-related technologies toward prioritized destination states. An objective of the task force would be to reach a consensus between the policy establishment and the private sector. The task force's recommended plan of action would be presented to relevant decision makers, including the prime minister.

Conclusion

The climate change question is, understandably, not at the top of the Israeli security agenda. Still, the urgency of immediate crises must not obscure completely the long term advantage to be gained by setting up the structures and processes that can help Israel geopolitically over time. While not grabbing headlines, the dynamics of climate change operate beneath the geopolitical surface. Just as the impact emerges gradually, so too does the response. Policymakers should begin now to position Israel to maximize the potential benefits from climate change adaptation. Investment and careful planning can lay the groundwork for meaningful, even substantial, geopolitical benefits in the decades to come.

Notes

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