

Strategic Survey for Israel 2018-2019

Anat Kurz and Shlomo Brom, Editors



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Institute for National Security Studies

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Preface

Strategic Survey for Israel 2018-2019, the latest volume in the annual series published by the Institute for National Security Studies (INSS), reviews a period marked by distinct changes in Israel's close strategic environment as well as events in its more distant circle that likewise have had a direct impact on the challenges and opportunities before it. The unfolding dynamics and trends that derive from these developments bring with them threats to Israel's national security, which could spell military escalation or a standstill fraught with risks. At the same time, this state of affairs includes opportunities for action and policy change that could help Israel face its security challenges and improve its regional and global strategic standing.

The articles in this volume explore the primary significance of the changes in the Middle East over the past year, and focus on the areas of intensifying friction in the region and their international context. Contrary to previous volumes in the *Strategic Survey for Israel* series, which raised many diverse issues, even those without immediate ramifications for Israel, this volume covers domestic and external events that have a clear and immediate impact on the country's national security. Yet while this volume thus contains a smaller number of chapters than other books in the series, there is nevertheless a strong reference to previous volumes, reflecting the complexity of the combined challenges Israel will be forced to confront over the next year and probably beyond.

The first chapter looks at challenges stemming from Iran's efforts to expand its influence in the Middle East, and focuses particularly on the implications of Tehran's policies along Israel's northern border. The analysis also deals with internal Iranian trends and their impact on Iran's foreign policy. The second chapter presents an in-depth discussion about Israel's northern border and the consequences of the involvement in Syria by regional powers and global superpowers. It covers moves designed to bring stability to the

country and activity undertaken by Hezbollah, which involves its buildup in Syria and in Lebanon and the associated risk of escalation. Analysis of the northern theater includes emphasis on the role played by Russia in shaping the trends affecting Syria, and in turn, on Israel's ability to combat, if not roll back, Iran's increasing involvement in the country. Russian policy figures prominently among the political activity of the international elements that shape the challenges to Israel in its immediate vicinity, and thus the third chapter discusses the impact of global and superpower dynamics on the Middle East, and in particular, the military and political interests of Israel in its northern theater and its relationship with the Palestinians. The Israeli-Palestinian conflict, covered in the following chapter, is shaped significantly by the profound rift between the principal parties in the Palestinian sphere. The ensuing current reality should propel Israel to a series of moves that will create an improved political-military reality vis-à-vis the conflict arena. The fifth chapter, which focuses on Israel's internal situation, maps different assessments of the impact that recent Israeli policies have on Israeli democracy, as the basis for a discussion about how to preserve Israel's essence as a Jewish and democratic state.

Israel's strategic environment has always been complex and involved multiple state and non-state actors. Therefore, identifying practical and implementable operational channels that could advance Israel's vital interests and lead to clear and indisputable achievements has never been a simple task. The past year was no exception. Furthermore, as we approach 2019 it becomes evident that the past year has seen an increase in trends that will continue to involve threats to Israel's vital interests, unless counter measures are employed. This demands rethinking the situation in a way that will reduce the impact of these negative trends.

The final chapter in this volume, written by INSS Director Major General (ret.) Amos Yadlin, is dedicated to policy recommendations regarding processes that Israel can address in order to best meet political and security challenges or to preserve and fortify strategic advantages. Among the military recommendations: preparation, in coordination with the United States, for a situation in which Iran ceases to comply with vital clauses of the nuclear agreement or moves to break out to a nuclear weapon; continued efforts to prevent the transfer of effective weaponry to Hezbollah while the window

of opportunity to do so in Syria remains open; vigilance in monitoring the signs that this window is closing, which will force a re-examination of the ways to combat the organization's buildup; continued limited military action in Syria aimed at preventing further Iranian entrenchment there; and preparation for a military escalation in Gaza, alongside willingness to explore an agreement with Hamas that guarantees that this theater remains calm. Among the political recommendations: maximal use of the window of opportunity for independent and coordinated efforts in the Palestinian arena, while stopping the movement toward the reality of one state; proactive measures to strengthen ties with various elements of American Jewry; and continued dialogue with American groups that oppose US policies in a way that does not jeopardize Israel's relationship with the US administration.

Special thanks to the authors of the chapters, members of the INSS research staff. As with previous volumes, significant contributions to the writing and publication of the volume were made by Moshe Grundman, INSS Director of Publications, and Judith Rosen, editor of INSS English publications. To them we extend our gratitude and appreciation.

Anat Kurz and Shlomo Brom
December 2018

Iran: Facing a Year of Decisions and Changes

Sima Shine and Raz Zimmt

After a string of achievements in the Middle East and the start of an economic recovery following the removal of the sanctions, Iran was confronted in 2018 with growing external and domestic challenges. These challenges undermine the strategic stability that was the basis for Iranian policy in recent years, particularly since the nuclear agreement (the Joint Comprehensive Plan of Action – JCPOA) was achieved.

These challenges are evident in all the areas relevant to Iran's strategic situation. In the internal arena, the ongoing difficulties have led to demonstrations, strikes, and protests against the regime throughout the country, prompted by economic distress, a serious water crisis, and popular criticism of the government's corruption – all problems with no solution in sight. In the regional arena, there are problems in Iraq, where political forces supported by Iran are failing to achieve political leadership, and in Syria, due to Israel's policy of attacks against Iranian military consolidation there and transfers of weapons to Hezbollah. Disagreements have emerged between Iran on one side, and Russia and Turkey on the other regarding the continuation of the Assad regime, although the parties are trying to build bridges in view of their shared interests. Meanwhile, in the background there is the growing crisis between Iran and Saudi Arabia, Bahrain, and the Emirates. However, the central and most influential challenge is in the international arena, where there have been highly significant developments as far as Iran is concerned – first and foremost, the decision of US President Donald Trump to withdraw from the JCPOA and reinstate sanctions, including secondary

ones. This has forced the Iranian leadership to change its paradigm, from a reality of agreements to a reality of conflict.

The Internal Arena

Over the past year, Iran's internal arena was characterized by a wave of demonstrations that began in December 2017 and continued, although with less intensity and on a smaller scale, throughout the year. In May 2018 thousands of truck drivers went on strike in protest over their terms of employment, and this quickly spread to dozens of cities throughout Iran, becoming the country's largest drivers' strike in recent years. In late June, a strike by Tehran's bazaar traders led to a closure of the bazaar for a few hours and even sporadic violent clashes between traders and the security forces. Meanwhile other citizens, particularly laborers, continued to protest at the decline in the value of the local currency (the rial), the withholding of wages, and the collapse of pension and savings funds.

Over the year there were other demonstrations of a non-economic nature, including a women's protest against the mandatory hijab, violent clashes between the security forces in Tehran and members of the Sufi Nematollah Gonabadi order, protests against the worsening water crisis by civilians, including farmers in a number of regions of southern Iran, and demonstrations in the town of Kazerun in the southwestern province of Fars against the government's intentions to carry out an administrative division of the town.

The ongoing wave of protests, unusual in extent, is the most significant since the 2009 riots, which erupted after the presidential elections. The emergence of the protest movement indicates the depth of public frustration with the severe economic problems, particularly among weaker segments, and exposes the intensity of the citizens' distrust of the regime, which has failed to respond to their distress. Over the past year the rial has lost about two thirds of its value, and its exchange rate in the free market fell to an unprecedented low of over 100,000 rials to the dollar. This sharp decline opened a gap of dozens of percentage points between the rate determined by the market and the official exchange rate, indicating the public's loss of trust in the local economy. At the same time, the crisis of unemployment continued; in 2017 the rate was slightly less than 12 percent, climbing to over 40 percent among educated young people. The effects of the economic crisis

are particularly striking against the expectations of improvement following the achievement of the JCPOA. The expectations failed to materialize, even in the two years in which the US was part of the agreement, and were replaced by deeper disappointment and despair when the US administration withdrew from the agreement and the sanctions were reinstated.

Protests were also fed by the widening alienation between the citizens – and particularly the younger generation – and the regime’s institutions; by the worsening water crisis; and by the extent of the corruption spreading through the country’s political and economic systems. At this stage, the protests are sporadic, local, and lacking organized leadership, although it is possible that some demonstrations are organized by local activists. While they are largely fed by the economic crisis, in some cases they have assumed a political, anti-establishment character, and slogans have been heard challenging the regime’s very existence. Chants such as “Conservatives, reformists, the story’s over for you all” indicate a lack of public trust in both main political camps. The protests have also decried the regime’s activity outside Iran and its continuing support for the Syrian regime and terror organizations, which exacts a heavy economic price and is at the expense of attention to the distress of the locals. The scope of the protest is relatively limited, with hundreds or thousands of protestors participating in most demonstrations. However, the geographical spread of the protest is relatively broad. The Iranian regime, which learned the lessons from the 2009 riots and is not interested in escalation, has meanwhile avoided the use of severe measures to repress the protest, and generally tried to reach some understanding with the demonstrators. This policy has been partially successful so far, and most protests died down after a short time.

The internal political arena was characterized by the weakening of President Hassan Rouhani, who faces growing challenges at home and abroad. The collapse of the nuclear agreement, which was seen as his most important political asset, the wave of protest, and the internal tensions typical of the Iranian political system made it hard for him to realize his promises to the public or even promote the limited reforms he sought to implement. Eighteen months after his reelection to the presidency, it is clear that Rouhani is finding it ever more difficult to fulfill his promises, particularly in the fields of the economy and individual freedoms. His freedom to maneuver is restricted

by the conservatives, who under Supreme Leader Ali Khamenei and the Revolutionary Guards control most of the focal points of power.

Early in the year, the President was forced to introduce significant changes to the budget proposal that he submitted to the parliament (Majlis) for approval shortly before the outbreaks of protest. The proposal included price hikes, heavier taxation, and significant reduction in the number of people eligible for government benefits. The President's efforts to stabilize the rial by freezing the official rate and stopping dollar trading by money changers in order to combat the black market trade in foreign currency also failed. In July 2018, the President retreated from his intention to combine the official rate and the free rate, and was even forced to remove the Governor of the Central Bank, Valiollah Seif. In early August, the Majlis took the unusual step of dismissing the Minister of Labor and Welfare in the Rouhani government, Ali Rabeie, against the background of ongoing unemployment. Subsequently some additional ministers resigned, and at the same time, the Majlis has threatened the continued tenure of the Foreign Minister.

In view of the deteriorating situation with the United States, President Rouhani decided to toe the line of the conservative right wing and adopt more extreme rhetoric as part of the regime's efforts to put on a united front, if only for show, for both domestic and foreign consumption. He hinted at the option of a serious move – closing the Strait of Hormuz – if an embargo was placed on Iranian oil, and also warned President Trump against taking military action against Iran. The President's statements were fully backed by the Supreme Leader and senior figures in the Revolutionary Guards, who are aware there is no suitable replacement for the President at this stage. However, this backing does not disguise the deep internal disagreements among the Iranian elite. Moreover, the worsening economic crisis has encouraged Rouhani's political enemies, among them the Supreme Leader himself, to sharpen their criticism of him in order to deflect public criticism away from themselves and present him as the person responsible for the crisis. In a speech on August 13, 2018, Khamenei voiced strong criticism of the President, charging that his failures in the negotiations with the United States and in other areas were the cause of the crisis.

The re-imposition of sanctions, which began to show results in the final months of 2018, is expected to exacerbate the economic situation even further,

increasing its damaging effects on the Iranian public and perhaps feeding more protests. The foreign currency crisis has already contributed to an acceleration of inflation and rising prices, including the prices of basic foods. The need to deal with the sanctions is forcing the Iranian regime to backtrack from essential reforms. It seems likely that the economic uncertainty will prevent the regime from committing to unnecessary budgetary expenses, and it will thus continue its policy of no investment in the essential infrastructure needed to improve living conditions. The exit of several large European and Asian corporations from Iran has already had an effect, and it will be hard for Iran to compensate for the loss of European investments that were intended to improve the labor market, even with the expanded activity by Russian and Chinese corporations. Nor is the shaky banking system likely to be amended in the foreseeable future, in view of the ongoing dispute over laws concerning money laundering and other demands of the international system. The imposition of the second wave of US sanctions (November 5) on the global clearing system, SWIFT, could be fatal for the Iranian economy. The effort by European countries to set up an alternative system for money transfers (SPV – Special Purpose Vehicle) has so far been unsuccessful, but if and when it is established, it will only provide a partial substitute for trade payments between countries.

Oil exports are one of the most significant issues facing Iran. The Trump administration has announced that it seeks to reduce Iranian exports to zero – a scenario that did not happen even during the severe sanctions in place under the Obama administration. Iranian exports between June and September 2018 fell by about 25 percent (some 600,000 barrels per day), and starting from the renewal of sanctions on oil in November 2018, are expected to fall by a further 500,000 barrels per day. The most dramatic significance is that compared to peak sales of 2.7 million barrels per day, in 2019 Iran is expected to reach exports of about 1 million barrels per day.¹ However, at this stage the temporary exemption granted by the Trump administration to eight countries – China, Japan, India, Korea, Italy, Greece, Taiwan, and Turkey – partly to prevent a steep rise in the price of oil, plays into Tehran's hands because it can continue to export an amount that enables it to meet the revenue targets of the annual budget. The situation stands to worsen in

about half a year, if the United States decides to cancel the waiver for the eight states.

Iran's foreign currency reserves of \$120 billion, sufficient for 15 months of imports, give it some breathing space even in the event of a considerable drop in exports. It can therefore be assumed that in the short term Iran will not suffer a shortage of basic foods, but the desire to avoid rapid erosion of its foreign currency reserves has led to greater supervision of imports, at present on expensive goods, and it is certainly possible that this will later affect the market as a whole.

The public's reaction to the reinstitution of sanctions, as expressed on social media, reflects a growing concern regarding aggravation of the economic crisis. Similar to reactions to previous rounds of sanctions, the responses today indicate public reservations regarding the use of sanctions as a means to political ends and the imposition of Western dictates on Iran. Many Iranians reject the claim of the US administration that the sanctions aim to target the regime, not the Iranian people. And many on social media contend that the most harm is suffered by ordinary citizens, whose ability to weather the sanctions is far less than that of senior regime officials and their associates. At the same time, the public is divided on responsibility for the situation. While many point an accusing figure at the US administration, and particularly President Trump, many hold the regime responsible for not doing enough to ease the difficulty.

As the economic crisis deepens, it is likely to inflame the protest movement and cause it to reach other sectors that have so far remained outside the demonstrations, including the urban middle class, which for years has been considered the backbone of the movement for social and political change in Iran. At the same time, the effect of the economic crisis on public activity is not unequivocal. In the past, the economic crisis forced most citizens to focus on the struggle for daily survival. It also increased the dependence of employees on the regime, as they work primarily in the public sector, and this lessened the chances that they would risk their economic and employment security by participating in political protests. Moreover, in spite of the criticisms of the regime, the demonstrations do not necessarily reflect a desire by the majority of protesters themselves, and certainly not a

majority of Iranian citizens, to topple the government, in part due to a fear of political chaos that would intensify their problems.

At the same time, the protests create potential that could be exploited by radical elements challenging the very continuation of the Islamic regime, and although this seems unlikely at present, fan the flames into an extreme scenario that could undermine the regime's stability and even topple it. The collapse of the regime depends on several factors, including: the ability of the ruling elite to maintain internal unity, the regime's readiness to use means to suppress dissent, and the public's ability to organize effective protest. However, a collapse would not necessarily lead to a more moderate, pro-Western government. It is not impossible that the political chaos would actually be exploited by radical elements in the Revolutionary Guards and the political system to take control. Escalation of the internal challenge will force the regime to use stronger methods of repression, and in a worst case scenario, transfer powers from the President to the Revolutionary Guards. Over the past year, radical groups have already called for such a transfer and the appointment of an "army president" from the ranks of the Guards who can use his extensive powers to lead the country and solve its problems more effectively.

Therefore, in the coming year, in view of the growing challenges, President Rouhani is expected to focus on the promotion of solutions to prevent further deterioration of the economic situation. The renewal of sanctions is expected to strengthen the power of the Revolutionary Guards, who will once again benefit from their ability to run smuggling and straw companies for trading links and money transfers. Rouhani's focus on economic matters and his limited powers will again prevent him from fulfilling his promises to the public, such as reducing Islamic restrictions and increasing individual freedoms to some extent. It appears that the President is not prepared to risk confrontation with the Supreme Leader, out of recognition of his limitations and the need to protect his political status before the future struggle over who will succeed Khamenei. Therefore, stronger disagreements between the President and his supporters in the reformist camp can be expected, particularly with the approach of the 2020 parliamentary elections, which will be an important test of the balance of internal political powers in Iran.

The Regional Arena

Iran's presence and influence in the Middle East grew stronger over the past decade due to developments throughout the region, which saw the removal or significant weakening of its main enemies – the Taliban in Afghanistan, Saddam Hussein in Iraq, and most recently, the Islamic State in Iraq and Syria. Nevertheless, in the past year Iran has also experienced difficulties in various arenas.

In Iraq, Iran's backyard neighbor with the longest and most important border for Iranian security, Iranian involvement in Shiite militias began while Saddam Hussein was in power and accelerated as soon as he was removed. The Shiite militias that were armed, trained, and formed by the Quds force led by Qasem Soleimani were an important element in the defeat of the Islamic State. Cooperation between the Shiite militias and the Iraqi army, heeding the call by senior cleric Ali Sistani, led to the overthrow of the Islamic State and the removal of most of its strongholds in Iraq. The establishment of a majority Shiite government in Iraq allowed Iran to increase its political and economic influence, as well as its military involvement. However, in the past year Iran experienced its first political failure in Iraq: in the parliamentary elections of May 2018, the Shiite militias, supported by Iran, did not win a majority of votes. Meanwhile there was a growing trend of Iraqi nationalism, including anti-Iranian positions. The most striking expressions of this were the summer demonstrations in Basra, where calls were heard to oust Iran from the country, pictures of Supreme Leader Khamenei were burned, and the Iranian consulate was set on fire.²

The ongoing presence of the United States in Iraq, along with last year's rapprochement between Saudi Arabia and the Iraqi government, is worrisome for Tehran, which sees Riyadh as part of the American opposition to Iran. Moreover, Iraq's reconstruction requires financial investments that Iran is unable to provide, and recently it even stopped supplying electricity to Iraq for a short time due to a debt; this move aroused much protest and demonstrations among Iraqi citizens. Iraq's importance and the many years of investment in Shiite militias and political and economic elements will continue to guide deep Iranian involvement in Iraq's political life.

From the outset of the Syrian civil war, Iran came to help President Bashar al-Assad retain hold of his regime. Later, in view of the mounting successes

of the Islamic State and other jihadist elements that posed a genuine threat to Assad's rule, Iran and its allies – Hezbollah and the Shiite militias that it recruited in Iraq, Afghanistan, and Pakistan – became more deeply involved in the Syrian war. After some seven years of fighting, in which Iran and its allies paid a heavy price in casualties, Tehran could claim that it had achieved the objectives it set itself: defending the Assad regime, strengthening and consolidating its presence in Syria, maintaining Syria as an essential land bridge from Iran through Iraq and Lebanon to Hezbollah, and creating a stronghold with the potential to threaten Israel.³

Moreover, in the past three years, since the start of Russian involvement in Syria, cooperation between Tehran and Moscow has intensified and they have coordinated their military activity in Syria. Russia is the air power and Iran and its allies fight alongside Syrian forces on the ground. Iran and Russia have a joint war room in Syria as well as in Iraq, and this supplements the political process they are trying to promote in Syria, in collaboration with Turkey.

However, as President Assad took control of large parts of Syria on the way to his ultimate goal – renewal of his rule over the entire country – Iran was also required to take steps to secure its status in Syria when the fighting stops. As well as integrating the Shiite militias into the Syrian forces and recruiting Syrian militias that were trained by Iran and Hezbollah and will remain linked to them in future, Iran is helping Assad rehabilitate Syrian military industries, while establishing infrastructures to manufacture precision missiles as part of the arsenal intended to serve Hezbollah. Over the past year this led to increased friction with Israel, which has displayed its determination to prevent Iranian military entrenchment in Syria, with the emphasis on advanced weapon systems. Israel has attacked attempted transfers of advanced armaments to Hezbollah and Iranian weapons infrastructures in Syria several times. Against this background, and looking toward future moves to reach a settlement in Syria, the Iranian Defense Minister during a visit to Damascus (August 26, 2018) signed a defense and cooperation agreement with his Syrian counterpart.⁴

Iran's ongoing determination to entrench itself in Syria – and Israel's determination to prevent this – presents high potential for military escalation. At the same time, the strong Russian presence that will remain in Syria for

the long term and the developments following the downing of a Russian spy plane over Syria (September 18) have already established new rules of the game. This was affirmed by Deputy Foreign Minister Mikhael Bogdanov, quoting Defense Minister Sergey Shoygu, on “the changed rules” following the incident. Subsequently, Russia supplied Syria with a new S-300 air defense system, demanded that Israel adjust its parameters in advance of any future attacks, and thus far has continued its partial cutoff from the Israeli political leadership.

The Iranian presence and the Russian presence could present Israel with serious political-military dilemmas in the future. Of course, Russia’s long term interests in Syria differ in part from those of Iran, but over the coming year and beyond, it will still need Iran for the fighting in Syria. Therefore, Russia has made it clear to Iran that the forces required to leave Syria are those that were not invited by the Assad regime – the forces of the United States and Turkey – while the forces asked to help him – from Russia and Iran – are legitimate and will remain on Syrian soil until their mission is accomplished. At a press conference on the fringe of the annual UN General Assembly (September 2018), Russian Foreign Minister Sergey Lavrov also clarified that “Iran is a country with hundreds of years of history, and cannot be caged within its borders like an animal; it has legitimate interests like Saudi Arabia and others,”⁵ implying Russian legitimacy for the continued Iranian presence in Syria. Iran is also working to increase its economic involvement in Syria. For example, Iran and Syria signed an agreement whereby Iran will build a power station in Syria with a capacity of 540 MW,⁶ and other projects in the fields of education and religion are under discussion.

In Yemen, civil war has been raging for over three years between the Houthis, who want to seize power from President Abdrabbuh Mansur Hadi, who is supported by Saudi Arabia. In this war, which has been described as the most serious humanitarian disaster in recent decades, Iran has supported the Houthis and supplied them with weapons, including missiles targeting Saudi Arabia, which is fighting alongside forces from the Emirates and numerous mercenaries to defeat the Houthis and al-Qaeda elements that control parts of the country. All attempts by the international system at a political resolution – a joint European-Iranian working group and the UN envoy – have so far failed. This war gives Iran the opportunity to damage

Saudi Arabia and threaten freedom of shipping in the Bab el-Mandeb Strait. For its part, Saudi Arabia is paying a heavy economic, military, and political price, in addition to the damage to its image in Europe and the United States. Meanwhile, in the United States there are growing voices, particularly in Congress, demanding that the US cease all military cooperation with Saudi Arabia in Yemen. Thus far, the administration has limited its response to an announcement on stopping to refuel Saudi fighter aircraft in Yemen.

Reversal: The Trump Administration Withdraws from the JCPOA

Since the announcement by President Trump (May 12, 2018) on the US withdrawal from the JCPOA and the renewal of sanctions on Iran, a long line of corporations from different countries have left the Iranian market. Oil exports have fallen and are expected to decline even further, which has serious economic implications for Iran's revenues.

The other parties to the JCPOA – Britain, Germany, France, Russia, and China – continue to stress their commitment to the agreement. The European countries even describe it as essential to their national security. At the margins of the September 2018 General Assembly, High Representative of the European Union for Foreign Affairs and Security Policy Federica Mogherini announced the SPV as an alternative route for money transfers, to tackle the US sanctions and facilitate trade with Iran.⁷ At this stage, the efforts of the European countries led by the European Union ensure Iran's ability to justify the decision to continue meeting the terms of the agreement, in the face of domestic opposition.

With the approach of 2019, the central question concerns continuing economic pressures and their impact: how will they affect the Iranian economy, the public, and the camp that is opposed to the nuclear agreement. In this context there are three main scenarios, each with its own advantages and disadvantages for Israel:

- a. Iran will resume uranium enrichment and other activities relating to its nuclear program, while continuing to meet its obligations under the NPT.
- b. Iran will start negotiations with the Trump administration on a new agreement.

- c. Continuation of the current situation – “strategic patience and an economy of resistance.”

In addition, two extreme scenarios – a breakout to nuclear weapons and the fall of the regime – are not discussed in detail here. A breakout to nuclear weapons is unlikely, at least in the next year, since Iran is still far from nuclear weapons capability and such a move would be highly risky, as it would expose Iran to military attack and broader sanctions. At this stage, the second scenario is likewise not probable, although it is very hard to predict regime change and even harder to predict who would replace the current regime. Currently there is no organized opposition or alternative leadership, the existing regime is determined to suppress any opposition activity, and the Iranian public fears the kind of chaos seen in Iraq, Libya, and Syria. Even if the regime should fall, control would most likely be seized by the Revolutionary Guards rather than any moderate elements.

In all the scenarios, Iran can and is likely to make use of damage capabilities that are not examined as separate scenarios. They include regional subversion and terror activities, mainly through third parties (proxies) – against the American forces in Iraq, in the Gulf, and in Afghanistan; against regional elements – Saudi Arabia, Bahrain, and the Emirates; and against Israeli/Jewish targets worldwide.⁸ These means, with the emphasis on terror and subversion, could be used by Iran together with other scenarios, as part of its exit from the JCPOA and the return to nuclear activities, as well as from a desire to harm the West while continuing to comply with the nuclear agreement.

Scenario A: Iran Resumes its Nuclear Activities

For Iran, this scenario means a return (possibly gradual) to all its activities that existed prior to the JCPOA, including: converting uranium in Isfahan, extending the number and types of centrifuges for uranium enrichment in Natanz and Fordow, accumulating enriched material and reducing supervision by the IAEA to the level required by NPT restrictions only, while eliminating supervision stipulated by the Additional Protocol and the JCPOA. For Israel, this is a dramatic change from the existing situation. It will create a situation in which the Iranian nuclear program will progress, and the time required for a breakout to nuclear capability will be shortened. Verification according

to the NPT will be only partial compared to the current situation, and the likelihood of concealment activities will increase.

The response from the international community will probably be mixed, given the lack of full agreement regarding the need to exert extraordinary pressure on Iran, including in the framework of UN Security Council resolutions. Some European countries, particularly those that were involved in reaching the JCPOA, will see the new situation as a danger and may join the United States in imposing sanctions on Iran. However, others, particularly Russia and China, will likely demonstrate “understanding” of Iran’s motives, and as long as Iran remains under IAEA supervision and the NPT framework, these countries will prefer to continue their ties with Tehran. An Iranian decision to resume nuclear activities will probably reflect its assessment that it can deal with the implications of sanctions. The US administration, which has likely not prepared a plan in the event that Iran withdraws from the agreement, will in those circumstances have to present an alternative strategy, apart from sanctions, in order to force Iran to halt its progress towards the nuclear threshold. In that case, the challenge will be to define the red line that if crossed by Iran will require military action. At this stage, US administration threats do not include any military reference, and then-US Secretary of Defense James Mattis even stressed that the reinstatement of sanctions is a diplomatic move without military implications. Moreover, the possibility of military involvement is not attractive to the US security establishment, and President Trump himself is not keen to send the US military back to the Middle East. In the latter half of 2019, the US political system will start to prepare for the next presidential elections, and it is doubtful if in these circumstances the administration will choose such a radical and controversial option.

Scenario B: Negotiations between Iran and the United States

Negotiations leading to a better agreement, covering not only the nuclear issue but also missiles and regional policy, have been defined by the Trump administration as a central aim of its Iranian policy.⁹ Iranian spokesmen, for their part, continue to underscore that they do not intend to negotiate with an administration that chose unilateral withdrawal from the nuclear agreement, since it cannot be relied upon. Before any meeting or return to

negotiations, Iran demands removal of the sanctions or at least a freeze. The position of Supreme Leader Khamenei is particularly severe, since from the beginning his attitude toward negotiations on nuclear matters was reserved and suspicious. He sees the US decision to withdraw from the agreement as proof that he was right, that Iran cannot trust the West and particularly the United States, and that the economy can only be improved by means of an “economy of resistance,” which means mainly reducing Iranian dependence on foreign elements.¹⁰ Moreover, in his view, which is shared by President Rouhani, the goal of the Trump administration is to bring about a regime change in Iran, so there is no point in negotiating with the US.¹¹ Just as Khamenei drew clear red lines in the negotiations with the Obama administration and insisted on retaining Iran’s existing capabilities, so he is not expected to soften his position in view of what he sees as the more far-reaching demands of the Trump administration.

While there are a few voices in Iran expressing support for a dialogue with the United States, which apparently sent several requests to Tehran for a high level meeting, the emerging picture is that Khamenei and the security-political elite in Iran estimate that they are unable to agree to the US demands (the 12 points listed by US Secretary of State Mike Pompeo),¹² and that starting talks from their current position of weakness is not advisable.

However, if there is any change in the Iranian position over the coming year and the parties start negotiations, Israel must address two preliminary questions: will it be informed in advance of contacts between Iran and the US and be a partner in formulating the basis for renewal of talks? In addition, will talks between the parties lead to any broader understanding between the US and Russia, for example, or between the US and the European countries? If these countries are also parties to the negotiations, Israel’s ability to influence the process will likely be reduced.

Any analysis of this scenario must assess the possibility of compromise on both sides, and the limitations/red lines of each side. The very launching of a dialogue will presumably earn the Trump administration broad support in the international arena, and strengthen the President’s image as a deal maker. The US starting point will be a demand for the negotiations to deal with all the issues, as Trump insisted, and based on the 12 points presented by Pompeo. The Iranian starting point will be the demand to remove or at

least freeze the sanctions, plus a complete non-waiver of the right to enrich uranium. Presumably if neither side can achieve its opening demands, there is room for possible mutual concessions. Iran, for example, can extend the terms of the JCPOA and agree to some restrictions on its missile project, for example a freeze on the current situation for a number of years, and it could even agree to give up its activity in regional issues. All this in return for an American undertaking to remove all the sanctions and restore blocked projects.

Israel must take into account the serious possibility of a meeting like the summit between Trump and North Korean leader Kim Jong Un, where the importance lies in the fact of having a meeting, though the achievements are vague. In any event, the start of negotiations will allow Iran to drag its heels, hoping that Trump will be a one-term president; the very fact of opening a dialogue will reduce the pressure on Iran; all the international elements that oppose the US sanctions will be happy to get back to business with Iran, while the Trump administration will become more interested in achieving an agreement that it can always present as better than the one achieved by President Obama. In these circumstances there will apparently be a gap between US and Israeli interests. America's room to maneuver is greater than Israel's, and it is therefore possible that the final agreement will fall short of what Israel would like. The question is, will it be better than the original agreement?

Scenario C: Continuation of the Current Situation

Underlying this scenario is an Iranian assessment that in spite of the economic damage caused by the sanctions, it can deal with the pressure and wait for the end of the Trump presidency without taking steps that could endanger the regime. This assessment could be reinforced by the mid-term elections to the US Congress, when the Democrats gained control of the House of Representatives and earned some important gubernatorial seats. This scenario of strategic patience allows Iran to show the international community its good will in continuing to observe the terms of the JCPOA, and to obtain as much economic cooperation as possible in return.

On the one hand, this means an ongoing freeze of the nuclear program with extensive verification, alongside continued economic pressure that

will exacerbate the already severe problems in Iran. On the other hand, as time passes and Iran and the international system become used to economic activity without the US, the effectiveness and deterrence of US sanctions will decline. In view of the gaps between the US and the partners to the nuclear agreement on other issues as well, including the sanctions on Russia, the trade war with China, and Iran's growing experience of handling the sanctions, Iran can gain support and encouragement in its stance against American pressure. In the short term, this is the most likely scenario and it is also good for Israel since it does not allow the Iranian nuclear program to advance. However, its duration is not clear, due to pressure from Iranian conservatives who could swing the balance and bring about change, with timing that is less convenient for the US and Israel.

Conclusion and Recommendations

Over the coming year Iran will face increasing difficulties, with the focus on economic damage resulting from the renewal of the American sanctions, combined with internal unrest that began in the previous year and is expected to intensify.

With regard to Iran's regional conduct, its top national security priority is the continuation of its influence in Iraq, the backyard neighbor with a significant Shiite majority. Iraq is also a very important bridge to Syria and Hezbollah. Iran has several assets in this arena, thanks to many years of investment, and it will continue to wield major influence on Iraq's political developments. However, the United States also wishes to maintain its influence in this theater, which raises the possibility of friction between the US and Iran. This is true particularly in view of the Iranian decision to remain in the JCPOA and its wish to prove that it has a range of options to cause damage, including through third parties whose activities cannot easily be traced to Iran. Senior US officials have already clarified that they will deem Iran responsible for any attack on Americans or their allies by elements identified with Iran. Reports of transfer of missiles from Iran to Iraq and the warning by Israeli Prime Minister Benjamin Netanyahu that Israel will take action wherever it deems Iran to be a threat, with explicit reference to Iraq, mark Iraq as a potential arena for hostilities with Iran.

For Israel, the American presence in Iraq is a significant constraint on its freedom of action.

In the Syrian arena, Iran is thus far benefiting from the fact that both Russia and Syria want its presence there to continue, and it does not intend to renounce its influence in Syria. The heavy price it has paid to save the Assad regime and its fears for its continued stability without a real Iranian presence will drive it to continue establishing an independent military infrastructure, including a military industry, in cooperation with the Syrian army, while playing down independent Iranian aspects. Israel now has less space to maneuver than over the past two years, while independent Russian activity and the supply of S-300 air defense systems – although it is still not clear who will operate them – will make the Syrian arena particularly volatile and severely limit Israel's freedom of action. The possibility that once seemed likely, of a Russian-American dialogue and cooperation to resolve the situation in Syria, now appears more distant. As the investigation of Russian involvement in the election of President Trump digs deeper, the chances of any dialogue between the countries will lessen.

The strategic consideration underlying the Iranian decision not to withdraw from the JCPOA focuses on its attempt to derive the maximum benefit from the political interests of the other partners – the European countries, Russia, and China – to maintain the agreement while attempting to find substitutes for the American sanctions. This joins an understanding that the option to resume all its nuclear activities from before the JCPOA is available to Iran at any time, but its strategic achievements are doubtful and it could put the regime in danger. Against this background, the most widely accepted estimate is that Iran will prefer to continue working to minimize economic damage and wait for 2020, when the US administration will be preoccupied with the presidential elections and will avoid taking risks in the international arena. The Iranians will hope that President Trump will not be reelected for a second term, and then it will decide how to proceed.

For Israel, 2019 is emerging as potentially very volatile. On the one hand, some see the US exit from the nuclear agreement as an opportunity, with the pressure exerted by sanctions and the explicit US demand for a change of Iran's regional policy. However, from the start, the American moves were based on pressuring other elements whose actions would harm Iran,

and indeed, the sanctions are damaging to Iran because of the dependence of international corporations on the American economy. At the same time, however, America's European allies are doing everything they can to stop the drift and to maintain relations with Iran in order to ensure it continues observing the terms of the agreement. Russia and China are determined to help Iran economically, and as part of their struggle against the US on other issues, particularly its sanctions against them. The American strategy was originally built on the anti-Iranian axis with the focus on Saudi Arabia, but this now seems shaky following the crisis with Qatar and the Khashoggi affair. The efforts to promote a new security framework of Arab countries and the US (Middle East Strategic Alliance) to deal with Iran have encountered difficulties and will probably fail; the desire to use American forces in the Middle East directly against Iran is limited, and as the political timetable within the United States approaches the presidential election campaign, is likely to disappear completely. Moreover, Israel must consider the situation created by President Trump's decision to withdraw the US forces from Syria, although he will continue to back "Israel's right to defend itself." Israel must also consider US interests in Iraq, and considerations of broadening the field of action against Iran and its proxies, and driving them back from its borders. These certainly do not encourage Israeli military involvement in this arena.

As for the Iranian nuclear program, as long as it does not advance Israel can benefit from the continuing restrictions. However, if Iran decides to withdraw from the agreement, resume uranium enrichment and installation of advanced centrifuges, and reduce IAEA supervision to a minimum, Israel must deal with a new situation, where its position is not supported by European countries. Indeed, many of these states see Israel as part of the problem created by Trump's exit from the JCPOA, while the United States for its part sees no immediate threat in the progress of the nuclear program as long as it remains within parameters that do not constitute a breakout to nuclear weapons. In any case, the United States is not keen to put the military option on a higher footing. Therefore Israel may find itself "alone in the arena."

To deal with these challenges, Israel must first and foremost conduct a deep strategic dialogue with the Trump administration on the significance of

each of the scenarios presented. Such a dialogue at a senior working level, and not just at a head of state level, will clarify the limitations of American policy and is essential for the formulation of Israeli policy. If Iran decides to leave the JCPOA, Israel must seek an Israeli-American agreement with red lines, including the manner of responding when they are crossed by Iran. At the same time, and notwithstanding European anger at Israeli conduct in the context of the JCPOA, it is essential to maintain a dialogue, particularly with Britain, France, and Germany, and reach agreement with them about the red lines for the progress of the Iranian nuclear program. After all these essential actions, Israel must also prepare for the possibility of having to demonstrate a credible military option, if only for deterrence.

Notes

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- 10 "By Defeating Sanctions, Iran Will Once Again Slap the U.S. Govt: Ayatollah Khamenei," *Khamenei.Ir*, October 4, 2018, <https://bit.ly/2BtZ0go>.
- 11 "U.S wants 'Regime Change' in Iran: Rouhani," *Reuters*, October 14, 2018, <https://reut.rs/2A8IIPv>.

- 12 The conditions stated by Mike Pompeo include: a demand for Iran to stop the enrichment and never again engage in plutonium processing; give the IAEA full access to all sites in Iran; stop developing ballistic missiles and supporting terror groups in the Middle East, including Hezbollah, Hamas, and Palestine Islamic Jihad; stop supporting Shiite militias in Iraq, the Houthis, and the Taliban; stop threatening its neighbors – many of whom are US allies; stop threatening to destroy Israel; and stop firing rockets into Saudi Arabia and the Emirates.

The Northern Arena at a Crossroads

Udi Dekel and Anat Ben Haim

The Crisis in Syria: Key Developments

Each of the nearly eight years of civil war in Syria has been characterized by a central phenomenon or trend that influenced the development of the war and the future of the country. What began as a civil uprising in 2011 against the regime led by President Bashar al-Assad developed in 2012-2013 to a sectarian struggle of rebel organizations opposing the Assad regime, which is supported by Iran and Hezbollah. In 2014 the splits among the rebel factions continued along distinct sectarian and religious lines, with the dominance of Salafi jihadist organizations, in particular, the Islamic State. Thus separate fighting groups emerged in Syria, with different ideas as to the identity of Syria on the day after Assad. The fifth year of fighting was marked by Russian intervention alongside Iran in order to save the Assad regime from what appeared to be an imminent defeat. The sixth year was marked by the defeat of the rebels in Aleppo and a reversal of the trend seen in earlier phases: the pro-Assad coalition of Russia and Iran and its proxies was well on the way to recapture additional territories held by the rebels and to take over the “spine” of Syria, from Aleppo in the north, through Hama, Homs, and Damascus, and the Syrian-Lebanese border.¹

At the same time, political initiatives were conducted along two tracks: the international track, under the auspices of the UN in Geneva, which focused on the attempt to promote a long term settlement in Syria; and since January 2017, a track led by Russia, Iran, and Turkey, with discussions in Astana and Sochi on the management of the fighting. At first the Astana

process centered on promoting ceasefires and establishing de-escalation zones in Syria, and supervising them in areas where humanitarian crises had developed. Later it dealt with dividing influence in Syria among the three intervening countries – Russia, Iran, and Turkey. 2018 was characterized by the increasing dominance of the foreign political actors in Syria – Iran and Russia on Assad’s side, Turkey on the side of the “moderate” Sunni rebels in the north of the country, and against the Kurds – to prevent their achieving autonomy; and the United States on the side of the Kurds in northeast Syria, after they defeated the Islamic State but did not yet eradicate the organization. The decision by United States President Donald Trump to withdraw US forces from Syria leaves the Kurds with no choice but to align themselves with the Assad regime.

Turkey does not intend to withdraw its forces from Syria in the near future. Turkish President Recep Tayyip Erdogan persuaded President Trump that there was no need for continued US deployment in northeast Syria, and that Turkey would guarantee against the resurgence of the Islamic State. Turkey will no doubt use the withdrawal of the US forces as an opportunity to deepen its hold in northern Syria and create a buffer between its southern border and the Kurdish areas. Most important from its perspective is to prevent Kurdish autonomy in northern Syria. For that reason it joined forces with Russia and Iran, in an attempt to increase its influence over the political process that will determine Syria’s future. Turkey strives for a political process that will bring about a constitution and elections in Syria, so that the Sunni majority that it supports will achieve significant political representation and increase its power. Turkey’s hold on territories in the north is intended to block the expansion of Kurdish influence and give it future bargaining chips in Syria. President Erdogan is highly suspicious of Assad, as well as of Russia and Iran, and also wishes to keep a close eye on the Kurds and prevent the flight of refugees from the Idlib region to Turkey; in the meantime, he continues to deport Syrian refugees back to their country (estimates are that Turkey has so far repatriated 150,000-250,000 Syrian refugees).²

President Trump decided to withdraw US forces from Syria – against the advice of his advisors (in the State Department, the Defense Department, and the National Security Council) and against the policy formulated a few months prior, which indicated the need to maintain a US military presence

in northeast and eastern Syria in order to continue fighting in the enclaves still in Islamic State hands, especially given the signs of the organization's recovery. In addition, the intention was to supply further support for the Kurds, and in particular, the Syrian Democratic Forces (SDF) that were established, trained, and equipped by the United States. They are based largely on Kurdish forces that bore the brunt of the ground fighting against the Islamic State in northern and eastern Syria. Moreover, Washington wants to influence the political resolution in Syria, and above all guarantee the withdrawal of Iranian forces, although it has no intention of using military power to this end. However, Trump's decision in effect deposits the "Syrian portfolio" in Russian hands – this too against the advice of his professional team, which argues that now is the time to harden the US position vis-à-vis Russia. If there is any logic to President Trump's decision, it rests on the assessment that it is useful to announce a victory over the Islamic State and exit Syria as soon as possible, without being drawn in to the conflicts between Turkey and the Kurds, between Israel and Iran, and between Assad and the rebels. Trump also agreed to sell Turkey a surface-to-air Patriot system, in place of the Russian S-400 system. This would help to bring Turkey closer to NATO and distance it from Russia.³

2019 is expected to be characterized by the Assad regime's expanded control over eastern Syria and victory in the civil war. Nonetheless, competition for influence will continue between the countries involved in Syria – Russia, Iran and Turkey. The arena is at a crossroads: the main fighting phase has ended, and most efforts are directed toward drafting future arrangements and plans for reconstruction. After Syria became the scene of the struggle between global and regional powers, and a battlefield for proxies (non-state actors), the question arises: how will the foreign presence affect Syria in the coming years, and is the departure of foreign forces expected, or is the deeper involvement of those forces under cover of participation in the reconstruction effort more likely? At this time, there is a considerable gap between the expectations for Syria and the reality on the ground. The pro-Assad coalition has announced the total defeat of the rebels, meaning that the regime is newly fortified and can turn its attention to the state's political, infrastructure, and economic reconstruction. Russian President Vladimir Putin has twice heralded the military victory of the regime forces, although

in fact Russian forces are still mired in the Syrian swamp – even more so with the departure of the US forces – and unable to impose a sustainable arrangement on the parties that will ensure the continuation of Assad's rule and enable the end of the fighting and the start of the reconstruction.

With the United States departure from the Syrian arena, Israel is left alone in the campaign to distance Iran and its proxies from Syria. The worrying trend for Israel is that the superiority of the elements supporting Assad provides fertile ground for the further entrenchment of Iran in the country, on the way to its positioning itself – together with its proxies, led by Hezbollah in southern Syria and Lebanon – as a direct, severe, and intensifying threat to Israel.

The Next Battle: The Last Rebel Stronghold in the Idlib Province

The Idlib province in northern Syria remains the last rebel stronghold and a fortified target due to the dominance of the rebel group Hay'at Tahrir al-Shām (Levant Liberation Committee, HTS), which includes a number of Salafi jihadist organizations. Around Idlib there is a population of displaced refugees driven there from other regions, due to the surrender agreements signed between the regime and the rebels. Thus the region doubled its population and became home to some three million civilians and 50,000 jihadi fighters.⁴ The element that has so far succeeded in repelling the pro-Assad coalition attack on Idlib is Turkey, which is a guarantor for some of the Sunni rebel organizations. Through the Astana process it managed to arrange a demilitarized area round the Idlib enclave, a kind of buffer between the rebels and the Assad forces, and to set up observation points and checkpoints in coordination with Russia and Iran to supervise implementation of the ceasefire. The pro-Assad coalition is looking for an excuse to launch an attack on the region (for example, by spreading information – likely false – that the rebels are using chemical weapons). Presumably sooner or later there will be an attack against the rebels there, and as in other areas of Syria in recent years, the pro-Assad coalition is expected to adopt a cruel, brutal policy that will claim many civilian lives.

Issues Central to Israeli Interests

The Iranian Entrenchment in Syria

The desire that Iran remove its capabilities and proxies from Syria, whether voluntarily or due to Russian pressure, once the Assad regime regains control over essential territories is now seen as a pipe dream. In fact, Iran is entrenching itself in Syria even more deeply, and for the long term. In late August 2018, Iranian Defense Minister Amir Hatami came to Damascus for a visit in order to promote and extend Syrian-Iranian cooperation. At the end of the visit, Hatami announced that Iran would maintain its presence in Syria, would not allow any third party to affect the presence of military advisors in the country, and would take an active part in the reconstruction process. Syria and Iran signed a joint defense and cooperation agreement, including understandings regarding rebuilding the Syrian army and developing the Syrian military industry. About a month earlier, the Assad regime completed its takeover of the Syrian side of the border on the Golan Heights, and Russia announced that it had agreed with Iran that its forces would pull back to a range of 85 kilometers from the Israeli border.⁵

Iran is investing simultaneously on three levels:

- a. Building military attack capabilities against Israel in Syria and in Lebanon by means of an array of precision surface-to-surface missiles and rockets, coast to sea missiles, and unmanned aerial vehicles (UAVs) with attack capabilities. Against the background of Israel's attempts to thwart Iranian military entrenchment in Syria, Iran is also working to achieve the same objective in Lebanon, by supplying Hezbollah with advanced weaponry – precision missiles, attack drones, and tunnels along the Lebanon-Israel border (and in Iraq, where it recently sent short range ballistic missiles that threaten Israeli territory).
- b. Helping the Assad regime build its internal security forces array, based on local and national militias (like the popular Shiite militias in Iraq), subject simultaneously to the Assad regime and Iranian control, and preparing the infrastructure to deploy Shiite militias in Syria as an intervention force and for long term deployment.⁶
- c. Working to strengthen the Shiite axis, in part by expanding the Shiite influence in Syria. Iran is trying to change the demographic composition of the country, in part by assisting millions of Sunni refugees to flee.

This group comprises about 80 percent of all the war refugees in Syria, most of whom will probably not return home. At the same time, Iran is encouraging the migration of Shiites to Syria (mainly the families of fighters in Shiite militias who were sent to fight in Syria), settling them in areas that are essential to Iran, particularly close to the Iraq-Syria and the Syria-Lebanon borders, and in the region around Damascus, and granting new immigrants Syrian citizenship. Iran is also establishing Persian cultural centers to promote Shiite studies and rituals and grant scholarships for studies in Tehran. Persian-language schools, which follow the Iranian curriculum, have been established as well.

Iran does not want to demonstrate prominent control in Syria, but to exert influence behind the scenes, while working on the assimilation of the forces under its authority into the Syrian government's civilian and military frameworks. According to many reports in the Syrian media, and particularly on opposition websites and social media, Iranian forces, Hezbollah, and the Shiite militias, wearing Syrian army uniforms, participate in the fighting that continues against rebel positions. Shiite militias under Iranian command in southern Syria are also disguised as part of the regime's forces, in spite of Russia's promise to Israel to remove Iranian forces from the Golan Heights border. Obviously Russia is aware that the pro-Iranian Shiite militias are not only failing to withdraw from southern Syria, but are even reinforcing their presence and preparations there. In the final months of 2018, there were several reports about the consolidation of Hezbollah units near the Golan Heights in the drive to expand its potential operations against Israel. This trend is expected to increase.⁷

Israel, which enjoys intelligence superiority in Syria, is currently playing down the exposure of Iranian proxies and other forces under its authority and command in southern Syria – apparently based on an estimate that these forces do not represent a real threat to its security, at least in the short term. Rather, it is focusing on preventing further Iranian entrenchment in Syria based on advanced military attack capabilities – missiles, rockets, UAVs, air defense systems, and advanced weapons. It appears that Israel is putting its hopes on Russia and the Assad regime to distance Iranian forces and proxies from proximity to its border, once they have realized that growing Iranian involvement and penetration of the Syrian army ranks will actually

undermine stability and damage the regime's sovereignty. However, it is highly doubtful if Russia and Assad have the practical ability to thin out the Iranian presence or pull it back, particularly following the integration of Iranian commanders and Shiite fighters into local forces. In any event, it seems likely that Israel will continue to retain the option of attacking the Iranian proxies.

Turning Point in Israel-Russia Relations?

Israel has maintained military channels of coordination with Russia since the start of Russia's involvement in Syria, in order to avoid clashes between IDF and Russian air forces, as well as channels of communication at the highest level, including between President Putin and Prime Minister Netanyahu. The honeymoon ended on the night of September 17, 2018, which saw an Israeli aerial attack on Iranian facilities in the Syrian coastal sector, following which a Russian Ilyushin 20 intelligence surveillance aircraft was shot down by Syrian air defense system (an S-200 surface-to-air missile), killing all 15 people on board. This was one of the most sensitive incidents in the framework of Israel-Russia relations since the start of the Russian intervention in Syria.⁸

Although it was the Syrian air defense that shot down the Russian plane, Russia decided to blame Israel for the outcome. Russia took advantage of the incident to limit the freedom of action that it had allowed Israel in Syrian airspace for the purpose of furthering its interests regarding Iran and Hezbollah. A few days later, President Putin yielded to the pressure from military personnel and permitted the immediate supply of advanced S-300 surface-to-air missile batteries to Syrian air defense. The declared Russian aim is to reinforce Syria's air defense forces and limit Israel's aerial freedom of action, mainly in northern Syria and in areas where Russia does not want Israel to operate, specifically close to its own military bases in Syria. Indeed, since the incident, Israel has reduced the frequency and visibility of its actions against Iranian entrenchment in Syria, and chosen to avoid friction with Russia in the short term, to allow renewal of the understandings regarding action in Syria, and recovery of relations between Jerusalem and Moscow.⁹

Israel wants to make clear to Moscow that delivering advanced air defense systems to the Assad regime will also increase the danger to Russia's

own forces, since the September incident actually illustrated the defective performance of Syrian air defenses. If an attempt is made to shoot down Israeli places, Israel would have to destroy the batteries, even at the risk of hitting Russian personnel supporting the Syrian teams to operate the systems. In addition, Jerusalem is sending messages to Moscow that Israel cannot allow Iran to continue sending precision missiles or rockets to Hezbollah, or to continue its entrenchment efforts in Syria, which endangers Israel's most basic interests.

It appears that Israel has lost part of its major leverage over Russia, which is its ability to inflict damage that could bring down the Assad regime. Assad has emerged as the victor in the civil war and there is no element in Syria, apart from Iran, that can provide an alternative to his regime. Israel's restraint regarding the nullified de-escalation agreement in southern Syria, along with Assad's control over the Golan Heights unhindered by Israeli constraints or conditions, amounts to Israel's tacit acceptance of Assad's rule. Therefore, Moscow understands that Israel no longer retains a viable bargaining chip based on potential damage power against the existence of the Assad regime. At the same time, Russia is still worried that escalation between Israel and Iran in Syria could cause serious damage to the Russian project of reinforcing the Assad regime, so it is expected to continue seeking ways to limit the room for friction between Israel and Iran, and for this it has to restrict Israel's freedom of operation in Syrian air space.

Assad's Control of Southern Syria and the Golan Heights

During 2018 the Assad regime managed to regain control of southern Syria and the Syrian Golan Heights, with hardly any resistance from the rebels, who chose the option of surrender agreements following the failure of their hopes to obtain external aid against the pro-Assad coalition, and their realization they were alone in the battlefield. (They were apparently offered the chance to join the Syrian forces, in what later proved to be a trick played by the regime on the local population.) Israel therefore faces a new/old situation, where the Assad regime – through its allies – is deployed on the other side of the border. This follows a period in which Israel managed to stabilize the situation in the Golan Heights and enjoy a calm border, based on understandings with local communities on the Syrian side, for which they

received humanitarian and civilian aid from Israel, in return for preventing terror attacks from their territory on the Golan.

Israel has come to terms with Assad's victory in the civil war and the continued presidency of someone who is responsible for the murder of almost half a million Syrian citizens, in order to prevent a crisis with Russia following its intervention in the war, and to persuade Moscow to pay attention to its interests, particularly the opposition to Iranian entrenchment in the country. True, before the outbreak of the civil war Israel had a positive experience with the Assad regime regarding the rules of the game, but the regime today is materially different from what it was before the war. It is under growing Iranian and Hezbollah influence, and therefore Israel can only hope that Russian influence will overcome that of Iran and Hezbollah.¹⁰

Expansion of the Northern Arena to the Lebanese Front

Alongside the Iranian and Hezbollah military buildup in Syria, toward late 2018 an infrastructure of attack tunnels excavated by Hezbollah under the Lebanon-Israel border was revealed. The tunnels are a central element in Hezbollah's "Conquest of Galilee" plans (referring to Israeli towns and villages in Galilee), in the framework of a future conflict with Israel. Infiltration of Israeli territory was intended to be carried out by the elite Hezbollah force al-Radwan, and perhaps also by fighters from Iraqi Shiite militias, operated by the Iranian Quds force.¹¹ The tunnels system joins a series of Hezbollah moves under Iranian auspices, including the expansion of its precision attack capabilities from Lebanon, as well as the renewed seepage of Hezbollah forces toward the Israel-Lebanon border, under the nose of the UN peacekeeping force, UNIFIL. This activity complements Iran's other efforts to achieve influence in the northern arena and thereby expand the area of friction with Israel: building the land bridge from Iran through Iraq, Syria, and Lebanon to the Mediterranean; increasing the weight of the military investment in Lebanon by means of Hezbollah, in case its military consolidation in Syria is delayed, and to ensure superfluous capabilities and perhaps to distract observers from its entrenchment activity in Syria; and enlisting all Iranian capabilities – political, military, technological, and engineering – in building the military infrastructure in the northern arena. Lebanon, as a sovereign state, is not fulfilling its responsibilities and is in fact

a prisoner of Hezbollah. Meanwhile the international community prefers to ignore Iran's moves, and the UNIFIL force along the Israel-Lebanon border fails to perform its mission and turns a blind eye to what is happening.

Exposure of the tunnels project increases the security challenge whereby Israel must deal with several fronts simultaneously – Syria, Lebanon, and the Gaza Strip. In all three areas Iran supports the military buildup of Israel's enemies. This increases the risk of escalation to the point of war in the northern arena, although at this stage neither side wants it. Hezbollah, which is aware of the mutual deterrence with Israel, is not focusing on the front with Israel and is still called upon to fight alongside Assad in Syria; it is also busy with political activity in Lebanon. While it does not worry about the ongoing buildup of a range of attack capabilities under the cover of mutual deterrence, it will try to avoid war in the near future, because it does not want to risk the loss of its achievements in the Syrian project – the rescue of the Assad regime, and the establishment of its own strongholds in Syrian territory, in which it has invested seven years of fighting, with the loss of 3,000 fighters.

Implications for Israel

It is unlikely that all the issues on the agenda in the complex Syrian arena will be resolved over the coming year – the end of fighting, stability, and a political settlement are still not visible on the horizon. However, the nature of the arena may be redefined, as the conflict stabilizes and new facts are determined by all the relevant parties, and efforts to launch political, economic, and infrastructure reconstruction in Syria may begin.

Syria's military, economic, and political strength is not expected to increase sufficiently over the coming years to a level that will make it a significant threat or strategic competitor to Israel. However, Syria will serve as a platform for strategic threats, largely due to Iranian consolidation there, including moves such as the deployment of surface-to-surface precision missile systems and the presence of Iranian proxies – the Quds force, Shiite militias, and Hezbollah – that could increase friction along the border with Israel. Iran, which exploits the Assad regime's weakness and dependence on it, has an interest in building its own capabilities to cause severe damage deep in Israel, and maintaining an independent front against it – without

depending on Hezbollah, which is sometimes restrained by internal Lebanese considerations.

The more Iran perseveres in its entrenchment efforts in Syria, by building an independent military infrastructure and expanding the array of precision missiles there, as in Lebanon, the greater the probability of military hostilities between Iran and Israel. Israel cannot hold back and allow Iran in Syria and Hezbollah in Lebanon to achieve a critical mass of precision missiles, which will threaten its population centers and strategic sites. At most, Israel's dialogue with Russia can help to distance Iran and its proxies from the Golan Heights front, but this is not expected to lead to their complete withdrawal from Syria. True, Russia will try to reduce friction between Israel and Iran, and restrict Israeli action in Syria to the south, in order to avoid aerial conflict with Israel. However, if Israel tries to attack Iranian strongholds in the north and west of Syria, it will probably have to deal with an enhanced Syrian air defense system, operated with Russian help.

Until 2018, Israel was largely focused on the Iranian land bridge through Iraq, Syria, and Lebanon to the Mediterranean, and its importance to Iran as "the Shiite axis," not only for the supply of weapons, but also as the backbone of its political influence, in which Tehran is prepared to invest blood and treasure, while exploiting all opportunities. After Iraq, Iran sought to exploit Syria's weakness, and made preparations to reproduce the Iraqi model there, with local popular militias under Iranian command and based on Hezbollah capabilities in Lebanon and alongside the Golan Heights. Therefore, this year Israel is stressing "the independent, Iranian precision war machine" in Syria.

In May 2018 Israel responded to a barrage of Iranian rockets over the Golan Heights with an attack on dozens of Iranian targets in Syria.¹² The Iranians were surprised by the immediacy and extent of the Israeli attack and by the accurate intelligence on which it was based, and since then have kept their military presence in Syria on a much lower profile. At that time Russia was clearly not bothered, and used the incident as leverage to pressure Iran lest it seek to escalate hostilities with Israel, and thereby risk the achievements against the rebels and the restoration of Assad's regime. For Russia, stability is the supreme goal in Syria, and it seeks to avoid any Israeli-Iranian flare-up that would hamper the realization of this objective.

As a result, and based on an assessment that there is mutual deterrence between Israel and Hezbollah, which restricts Israel's ability to operate in Lebanon, Iran is moving the effort to improve missile accuracy to Lebanon. If Israel decides to act against the missile enhancement infrastructures in Lebanon, it could lead to military escalation, whereby Hezbollah could fire missiles and rockets at targets deep in Israel. If Israel succeeds in blocking this entrenchment, Iran will presumably increase the attack infrastructures – missiles, UAVs, and attack tunnels penetrating Israeli territory in Lebanon, and short range ballistic missiles in Iraq.

Russia and Turkey are currently allowing Iran to entrench itself in Syria, and this trend will likely increase with the United States withdrawal from the area. Even before, the United States refrained from using military force against Iran and its proxies in Syria, due to fear of revenge on American forces stationed in Iraq. The US withdrawal, however, has several additional key implications for the arena. First, the eradication of the remaining Islamic State cells is far from over, and with tens of thousands of fighters reportedly operating in Syria, it is not clear who is responsible for their elimination. Given that the US is once again abandoning local allies – in this case, the Kurds and the SDF, which were the key ground forces fighting against the Islamic State – it is likely that the US will have to return to fight against the Islamic State, at least from the air, but now without support of ground forces. Second, the Syria-Iraq border will remain open. Third, the element that deterred Iran from using its land bridge is now gone, and it is likely that the Assad regime will gain control of eastern Syria, including the oil fields. Russia and Iran, which were eager for the United States to leave northeast Syria, got their wish with little effort. Thus, Israel remains alone in the campaign against Iranian entrenchment in Syria.

Israel is not interfering with initiatives for the formidable reconstruction challenge, which are coming mainly from Russia, Iran, and even China. The European countries and the United States will not invest in Syria as long as Assad is in power and there is no constitutional and political reform of this weakened country to enable Syrian citizens to participate in the political process. However, Israel has an interest in the reconstruction process, particularly in southern Syria, in order to focus Syrian and external input on rebuilding the area and creating a stable and responsible area for the

civilian population. The only possible way is to apply indirect influence to the process, based on an international coalition, even of the Sunni Gulf states, while restricting Iranian influence. Before Assad's forces took control of southern Syria and the Golan Heights, Israel erred by failing to make its non-intervention in the fighting conditional on its incorporation into the political contacts, and in the creation of liaison channels to the Syrian army on the Golan Heights to maintain a stable border regime. Yet even now, Israel's potential influence in Syria is not restricted to military-operational matters; it could also occur through involvement in political processes and reconstruction. With the assistance of foreign companies, Israel can support infrastructure projects in southern Syria – an area that could be economically neglected by the regime – mainly by setting up employment centers, civilian technology, water purification, and advanced agriculture.

In the Lebanese arena Israel finds itself alone as well, facing Iranian entrenchment and the reinforcement of Hezbollah's attack capabilities. Thus, it must formulate a new strategy for the northern arena, and particularly the Lebanese front. This strategy must include both hard and soft efforts, with the aim of disrupting Iranian and Hezbollah activities in Lebanon, even if this involves increased risks of escalation. At the same time, it must promote an international operation in order to expose Iranian involvement in Lebanon, improve the effectiveness of UNIFIL in the exposure of Hezbollah activity along the border, demand that Lebanon as a sovereign state and the Lebanese army implement their commitments to international resolutions about distancing Hezbollah elements far from the border, and build international legitimacy for Israel's use of force against infrastructures in Lebanon, if Hezbollah escalates the situation and launches missiles, rockets, drones and ground forces into Israeli territory.

In conclusion, in 2019 Israel will probably be asked to address, or at least to consider seven central challenges in Syria and the greater northern arena. First, Syria will not revert to what it was, and the governance model will probably be more difficult for Sunni inhabitants and regimes opponents, perhaps even more extreme than in the past. There is a slim possibility of governmental reform, with Assad retaining the presidency as an impotent ruler dependent on his external allies. Second, Russia will not succeed in installing a stable and effective regime throughout Syria and tackle all the

country's problems. Third, the United States departure from the arena is a tacit acceptance of the Assad regime and Iranian influence in the area; it transfers the "Syrian portfolio" to Russia, and leaves Israel alone in the campaign against Iran's military entrenchment in Syria. Fourth, Iran and Hezbollah will continue to consolidate militarily in Syria and Lebanon. Nobody can drive Iran out of Syria, even if Israel manages to delay and disrupt the process of entrenchment with the use of military force. Fifth, Israel's room to operate in Syria will be more limited, and if it decides to redirect efforts toward thwarting Hezbollah's surface-to-surface precision missiles project in Lebanon and its other attack capabilities, this will increase the risk of escalation on the Lebanese front, which could expand throughout the entire northern arena – Lebanon and Syria. Sixth, there are no sources or resources, whether internal or external, necessary for Syrian reconstruction. Seventh, the political channels, mainly Astana and Geneva, will not succeed in bridging the huge gaps among all the hawkish parties, or between the regional and global powers involved in Syria.

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International Upheaval and the Middle East

Eldad Shavit

The international arena has been marked by upheaval since President Donald Trump entered the White House, and policies and measures adopted by the US administration in 2018 have exacerbated the tension. In response, the other key international players, particularly Russia, European countries, and China, have had to adjust their policies to ensure that the unfolding dynamic does not damage their interests. These developments have directly affected the behavior of the international actors in the Middle East, and shaped the global standing of the United States. In turn, the emergent international situation impacts on the relations among the various countries and between them and Israel. It affects Israel's strategic interests, its resilience, and its maneuvering ability as it devises ways to cope with the challenges before it.

This essay assesses the direct and indirect impact of events in the international arena on the complex matrix of Israeli interests, and the possible implications of expected future developments in 2019.

The International Arena

President Trump has systematically questioned nearly every assumption that underlay United States policy in recent years in both the domestic and foreign arenas and thereby upset two traditional approaches. The first of these holds that the United States should almost by itself bear the costs stemming from its status as the sole power able to lead the international arena. The second is that American leadership and shaping of international

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institutions and rules of the game necessarily advances the interests and values of the United States. These longstanding presumptions have been replaced by a belief that international actors are taking advantage of the United States. The administration is consequently committed to an “America First” policy, and within this framework, has abandoned many international commitments embraced by previous administrations (the Paris Agreement on climate change; the JCPOA – the nuclear agreement with Iran; the INF intermediate-range nuclear disarmament agreement signed with the Soviet Union in 1987; and important trade agreements) or has demanded substantial changes in the signed agreements.

From the perspective of the Trump administration, the United States should focus exclusively on promoting its own interests. Its enemies should realize that it is determined to achieve its goals, and its allies will have to pay their share if they wish to rely on US economic and military power. President Trump has not flinched from materially upsetting the familiar structure of transatlantic relations as they have developed since WWII, which were based on an agenda that rested on liberal social and economic principles, including democracy, receptiveness to personal freedom, a free market economy, multilateral institutions, and defense cooperation.¹ On the other hand, it appears that despite the administration’s attacks on established multilateral institutions such as the UN, NATO, G-20, and WTO, the administration is in no hurry to pull out of these organizations; it is mainly trying to change the way they operate from within, and in particular to ease the burden on the United States in its commitment to them.

In dispensing with longstanding assumptions, the Trump administration has fulfilled promises made during the presidential election campaign, and has launched a trade war with a number of countries, with the declared purpose of reopening all of the United States’ old trade agreements. President Trump wishes to replace them with new arrangements that will benefit industrial and agricultural workers in the United States. In order to force the partners of the United States to respond positively to its demands, the administration has imposed customs duties designed to demonstrate the seriousness of its intentions. Within a few months of his presidency, Trump began a campaign on several fronts. The most prominent measure is the confrontation with China (the volume of trade in goods and services between the two countries

totaled \$710 billion in 2017, while the trade deficit of the United States with China was \$335 billion).² That Canada and Mexico were willing to sign a new agreement with the United States, which the United States considers an improvement over the previous North American Free Trade Agreement (NAFTA), is regarded as a success, at least by the administration. These trade conflicts are also likely to affect Israel, with an emphasis on the extent of their influence on Israeli exports. A report by the Manufacturers Association of Israel cites the possibility that the global trade war could reduce Israeli exports by NIS 550 million per year.³

An assessment of the US administration's policy in general and its foreign policy in particular indicates that the process of change is underway on two parallel tracks. On the one hand, President Trump promotes (mainly through Twitter) a policy that matches his radical approach. At the same time, the other administration systems seek to preserve some of the accepted frameworks of traditional American foreign policy. Furthermore, there is recurring chaotic policy management, sometimes in conditions of uncertainty, and a lack of an orderly decision making process, which often promotes a policy that reflects incoherence and inconsistency toward a goal, and sometimes even the lack of a defined goal.⁴ The appointments of Mike Pompeo as Secretary of State and John Bolton as National Security Advisor have greatly improved synchronization between the President's wishes and those in the administration responsible for implementing foreign policy.

A recurrent strategy by the administration includes threats (against leaders, countries, and organizations) and an effort to push the other side into a corner, often through economic sanctions and penalties, followed by an attempt to take advantage of the pressure to obtain better results, at least from the administration's perspective, through negotiations. At the same time, it appears that as much as possible the administration wishes to avoid the use of military force as a means of pressure against its opponents. In most cases, it prefers the sanctions weapon, in part because the trauma suffered in Iraq and Afghanistan has made the President, the military establishment, and the public in the United States reluctant to embark on new military campaigns.

Policy toward North Korea, for example, is a clear expression of what is referred to as "Trump's businesslike approach." This has fluctuated between initial threats of war and increased economic pressure and a summit between

President Trump and North Korean leader Kim Jong-un; it is unknown whether any practical measures have been taken to date to convince North Korea to relinquish its nuclear weapons. Nevertheless, even if it is premature to determine whether the goal of North Korean nuclear disarmament will be reached, the interest of the United States and North Korea in promoting the contact between them has sparked processes in which the two sides have shown willingness to take confidence building measures, including maintaining channels for ongoing dialogue. Already by early 2018, these had significantly lowered the tension between the United States and North Korea.

Noticeable in the international arena is the clash between the global perceptions of President Trump and those of leaders of the countries regarded for years as allies of the United States. This in turn has negative consequences for the international community's ability to act in coalition, particularly given the bitterness and disrespect typical of Trump's behavior, especially toward his colleagues in Europe, contrasted with his expressions of admiration and praise for belligerent leaders, such as Russian President Vladimir Putin, Kim Jong-un, and non-liberal leaders in Europe, such as Hungarian Prime Minister Viktor Orbán. Europe's most prominent leaders, led by German Chancellor Angela Merkel and French President Emmanuel Macron, have not hesitated to publicly express their opinion that Europe's relations with the United States should be reassessed, and that it is the responsibility of European leadership to shape a "balanced partnership" with the United States involving promotion of an independent European capability, including in the military sphere, for the purpose of defending its interests.⁵

Still, the processes launched by the US administration are only beginning. Even if, as a rule, the current prevailing attitude in the international arena toward these processes is mainly critical, in practice, the main consequences for both the United States and the other international actors, for better and for worse, can be assessed only in the coming years.

The geopolitical question marks that are likely to typify the international system in 2019 are not solely a result of the Trump administration. They are also affected by the political instability experienced by Europe following British measures to leave the European Union and other problems pervading Europe and threatening EU cohesion. These challenges include uncertainty about the preservation of the democratic tradition in Europe itself. Isolation

and national insularity have grown, primarily due to xenophobia and the growing opposition to immigration, a struggle against globalization, the erosion of liberal norms, increased populism, and the rise of extreme right groups. Prominent in this context is the rise of conservative/populist governments in countries, led by Hungary and Poland, whose policy reflects a retreat from the democratic values prevalent until now.⁶

For the US administration, 2019 will be a year that will test its ability to achieve its foreign policy goals, above all, relations with Russia and the future of the dialogue underway with North Korea concerning its nuclear disarmament. Tension between Washington and Moscow has grown in recent years, and while the current administration, especially President Trump, has tried to display optimism, in practice, and despite the dialogue held between the US and Russia, bilateral relations are at a low point. This is largely due to the administration's limited room to maneuver, given the ongoing investigation into Russia's involvement in the US elections; results of the investigation are due to be published in the first half of 2019. The emerging concrete direction, however, is toward intensifying tension between the United States and Russia – including the possibility that the sanctions imposed on Russia will be stepped up – and the two countries' inability to reach agreements on issues related to the Middle East and Eastern Europe.

Internal developments in the United States over the coming year are also very likely to affect the degree of attention that the administration can devote to foreign policy, including the Middle East. The Democrats' success in the 2018 midterm elections will force President Trump to begin preparing for the November 2020 presidential elections already in 2019. Even if the President feels confident in his standing, his behavior to date clearly shows that he needs to score successes, despite the challenge created by unstable policies and unripe conditions. In this context, foreign policy issues are likely to be a convenient source for achieving success.

For its part, Russia is hard pressed to leverage its achievements in the Middle East to promote its goals in Eastern Europe, especially in obtaining significant relief from the many sanctions imposed on it because of its policy in Ukraine, its interference in the US elections, and the attempted assassination of Russian intelligence agent Sergei Skripal in the UK. The economic sanctions have taken a severe toll in Russia, and authorities are

continuing their efforts to soften the financial and economic consequences through monetary intervention by the Russian central bank. At the same time, however, concern is growing that political tampering with professional economic decisions could cause the situation to spiral out of control. The surge in oil prices over the year did not materially change Russia's economic position, for two reasons. The first is that the price increase resulted from an agreement between Russia and OPEC to reduce oil production, which also applies to Russia. Prices rose, but output and revenue fell. The second reason is that while oil prices rose, the ruble strengthened, so the higher oil prices did not boost Russia's real income. In these economic circumstances, reflected in growing social protest, Putin's standing among the Russian public is declining, despite his efforts to stem this negative trend.

One key question is to what extent these global developments are liable to detract from the status and hegemony of the United States as leader of the free world, or whether they will lead Washington to change its mode of action in the international arena, possibly while creating new frameworks and partnerships. There is still uncertainty concerning the standing of the United States in the international arena. The absence of a stable world order also jeopardizes the ability of the various parties to act together in coping with global challenges, and aggravates the risk of a greater outbreak of conflicts in loci of tension around the world, such as the South China Sea, the Indo-Chinese border, Ukraine, and the Middle East. Even if one assumes that the United States is strong, its economy is sound, and the international actors need the American market, opinions are divided concerning whether the Trump administration's modus operandi will indeed boost American power and create a more balanced relationship between the United States and its allies, as per the President's credo.

Over the past year, the administration highlighted its assessment of the threat posed to the United States by China in both the security and economic spheres. The *National Security Strategy* document published in late 2017 once again described Russia, but this time joined by China, as the main challenge to the interests, power, and influence of the United States.⁷ In effect, in addition to the trade conflict, tension between the two countries is rising, in part due to China's purchase of weaponry from Russia, American aid to Taiwan, and the struggle for control of the South China Sea. The

need to deal with the Trump administration poses an increasing challenge to the Chinese leadership and requires ongoing efforts at damage control. It appears that the trade war has already affected the Chinese economy, even if the impact so far cannot be described as substantial. There are problems in stabilizing the yuan, and Chinese businesses and companies that depend on American imports to supplement the production and supply chain, or that export to the United States (the main sufferers), are experiencing difficulties. The Chinese economy is slowing down somewhat, although it is difficult to attribute this to the trade war, because the trend has been evident for a long time. The fear of a downturn exists, but at this stage, the Chinese leadership seems determined and confident in its ability to overcome the crisis. From their perspective, the Chinese regard taking a hard line as one element in addressing concern about a loss of public confidence in the economy and an ensuing threat to internal stability. In the context of the Middle East, China is not aiming to promote itself as a leading actor beyond traditional efforts to safeguard its economic interests. China's dependence on energy resources in the region and uncertainty regarding the impact of the new US sanctions against Iran, as well as China's ability to rely on Iran as a future source of energy, require it to act cautiously in the region, while striving to extend its influence there, primarily through expansion of its financial investments, including deeper involvement in infrastructure ventures.⁸

Although relations between Russia and China are complex and have vacillated over the years, the global policy of President Trump and his administration have created a confluence of interests between Moscow and Beijing. Bilateral relations grew noticeably more stable in 2018, involving cooperation that included a large scale joint military exercise in September 2018. Underlying this trend is the desire of China's leadership to take advantage of United States uncertainty and occasional hesitation and European weakness to try to shape a coordinated policy with Moscow. Inter alia, joint efforts are clearly underway to challenge the United States policy of sanctions against Iran and North Korea.⁹ Note that the use by the United States of the sanctions instrument is already leading to understandings among the countries facing American pressure, because even if they are currently forced to accede to this pressure, at the same time they strive to find indirect ways to carry out their policy in order to minimize possible damages and

avoid to the greatest possible extent the subordination of their interests and policy to those of the United States.

International Involvement in the Middle East

Principal focal points of international policy in the Middle East in 2018 that directly affect the challenges and dilemmas facing Israel and policy decisions it will have to make in the coming year are the campaign against extremist Islamic groups, the confrontation with Iran, the campaign in Syria, the Israeli-Palestinian conflict, and relations between the US administration and the Sunni states.

The campaign against the Islamic State (ISIS) and extreme Islamist groups. The military efforts by the United States-led coalition have scored much success in attacks against Islamic State cells, which are still present throughout the Middle East, especially in Syria and Iraq. President Trump's desire to declare victory and withdraw from the campaign is clear, and this was underscored by his decision to withdraw US forces from Syria. At the same time, there is still no coherent strategy concerning what will come after the Islamic State to ensure that both the threat does not recur and conditions facilitating a renewed infrastructure for Islamic radicalism in Syria and elsewhere do not arise. In any case, the instability typical of core areas that are the focus of the Islamic State – Syria, Iraq, Yemen, and Libya – and the problems entailed by the massive human and economic resources necessary to attend to humanitarian needs will make it difficult to translate military successes into an overall plan of action.

Iran. At the heart of the matter is President Trump's decision to withdraw from the JCPOA and fully reinstate the American sanctions in effect before it was signed. The administration's stated goals are to deprive Iran of the capability of attaining nuclear weapons and systems for launching them, and to change Iran's policy in the region. It seeks to renew negotiations with Iran, in order to achieve a better agreement that also addresses issues not included in the previous agreement. Even if the US administration desires the replacement of the Iranian regime, it does not appear to have any concrete policy with measures aimed at regime change. At the same time, the other countries in the agreement (the other permanent members of the UN Security Council, plus Germany) are continuing their efforts to formulate a response

to the challenge posed by the new US policy. They aim to preserve the agreement, and especially to influence Iran to refrain from breaching it by resuming uranium enrichment. Thus far, the American action highlights the isolation of the United States. For its part, Tehran, which apparently wishes to gain time in the hope that President Trump is not elected to a second term in 2020, has entrenched itself in its positions. While the sanctions are already exacting a significant price, and even though American rhetoric is marked by threats to attack Iran's activity in the Middle East, Iran is unwilling to restart negotiations. From the administration's perspective, the means to this end are primarily the economic sanctions, activity by powerful regional players, and reliance on Russia in Syria. In any case, it does not appear that the administration has any intention to use military force in order to increase the pressure on Iran in this theater.

The campaign in Syria. In 2018, it became clear that although the civil war is close to an end, the theater has become a focus of international activity. Russia, the United States, Iran, Turkey, and to a lesser extent Israel are all militarily involved in Syria in order to ensure that their interests are preserved when the war is over. The United States and Russia are engaged in a dialogue on the matter, although thus far this has yielded no practical results. Russia continues its efforts to leverage military success in Syria to promote a political solution that will safeguard President Assad's regime and preserve Russian interests in this country. Russia is thereby aiming – so far with no success – to take advantage of the desire of the United States and other Western countries for stability in Syria to achieve progress in its goals in Eastern Europe (with an emphasis on compromises in the sanctions imposed on Russia for its policy in Ukraine). As of now, however, the crisis concerning Syria has intensified, with no solution in sight. For the US, as in the past, there is obvious tension between the need to find a solution that is compatible with its interests and its limited readiness to devote military, economic, and diplomatic efforts to advance them. Only in late 2018 did it appear that an effort was underway to create a more coherent policy on Syria that would bolster the effort to formulate an overall strategy on Iran. At the same time, even if the United States has important interests in the Syrian context, the decision to end the US military presence in Syria

indicates they are not high on the list of priorities among all of the threats that must be addressed.

The Israeli-Palestinian conflict. Expectations that the US administration would unveil its “deal of the century” in 2018 did not materialize. Details of the emerging plan and to what extent it provides an overall solution to the various issues at the heart of the Israeli-Palestinian conflict are so far unknown. It appears that at present, President Trump’s negotiating team, headed by emissary Jason Greenblatt and son-in-law Jared Kushner, is focusing on an effort to exert heavy pressure on Palestinian Authority Chairman Mahmoud Abbas to moderate his opposition to renewed negotiations with Israel. Measures taken by the administration, headed by the transfer of the US embassy from Tel Aviv to Jerusalem and termination of monetary aid to UNRWA, were interpreted as strongly pro-Israel and intensified the impasse in relations between Israel and the Palestinians. Furthermore, it is clear that these measures resulted in diminishing support by the Gulf states, headed by Saudi Arabia, for the administration’s efforts to renew dialogue. These countries fear that supporting the administration’s measures, including after the transfer of the embassy to Jerusalem, are liable to have a negative impact on regimes in the internal and regional theater. It appears that the Gulf states have also eased the pressure they were exerting on the Palestinians to cooperate with the US administration.

Relations between the United States and the Sunni states. Beyond the dispute in the Palestinian context, it appears that there are other disagreements between the United States and the Gulf states, especially Saudi Arabia, concerning the current agenda. These include the political reforms led by the Saudi regime, the crisis between Qatar and its Sunni neighbors in the Gulf, and Saudi Arabia’s involvement in the ongoing war in Yemen. Furthermore, the murder of Saudi journalist Jamal Khashoggi constituted the most serious challenge to relations between the United States and Saudi Arabia since the September 2001 terrorist attacks in the United States. Like Israel, the Trump administration has pinned many hopes on Mohammad bin Salman, regarding him as a partner in the struggle against Iran and in the regional peace process. However, it is clear that for many in the United States, these hopes have been dashed after bin Salman was held responsible for the failures of Saudi policy. Questions have been raised in Washington

about Saudi Arabia's ability to realize the key role assigned to it by the administration in promoting American efforts to contain and restrain Iran's conduct in the Middle East.¹⁰

Implications for Israel

The unequivocal support for Israel expressed by the United States in general, and President Trump in particular, is a strategic asset for Israel. The relocation of the US embassy to Jerusalem, the withdrawal from the JCPOA, and full backing for the Israeli stance in international institutions will continue to constitute a key element of Israel's strategic strength in 2019. Even if the administration is frequently isolated internationally and there are stark disagreements between the US and its allies in the international and regional theaters, the support it gives to Israel, the close relations between President Trump and Prime Minister Benjamin Netanyahu, and the ongoing dialogue between the two countries will continue to play an important role in Israel's security in its challenge-laden strategic environment.

The flowering of Israel's relations with the current administration, in stark contrast to the relations that prevailed between the governments during President Obama's term, requires that attention be paid to the possible long term political consequences for the stance of the Democratic Party toward Israel. Might what is interpreted as automatic support for President Trump and the Republican Party result in a rift between Israel and the US that will be difficult to heal if and when a Democratic president is elected? This question is particularly salient now that the Democratic Party succeeded in regaining control of the House of Representatives in the midterm elections.¹¹ Furthermore, Israel must also deal with waning support by sections of American Jewry, in view of the widening gaps with the Israeli government, and the effects this will have on the US administration.¹²

At the moment, the close ties between the countries help Israel to enhance its international standing, which has strengthened significantly in recent years as a result of its ability to demonstrate its military, economic, and technological power. The intimate dialogue that developed between Prime Minister Netanyahu and Russian President Vladimir Putin, though encountering difficulty in late 2018, has been of great assistance in relieving tension in the ongoing conflict in Syria, and has highlighted the importance attached

by the Russian President, at least thus far, to close ties with Israel and the realization in Moscow of the need to accommodate Israeli interests in this theater. At the same time, the nearly identical views between the Trump administration's policy and Israel on the Israeli-Palestinian conflict and Iran contribute to widened gaps between Israel and its principal allies in Europe, although regular dialogue continues between Israel and leading European countries: France, the UK, and Germany. And even if there is no blatant expression of a rift, insofar as the United States finds itself more isolated and its superpower status is affected, this will necessarily also have an influence on the attitude towards Israel.

Developments in the context of efforts to dismantle North Korea's nuclear program have many international ramifications, and are also likely to affect the Middle East. The assessment of the administration's determination to adhere to the terms it presented to North Korea will have a direct effect on the image of United States power in the region and the seriousness that should be attributed to its intentions. If Pyongyang succeeds in retaining nuclear capability while pressure on the regime eases, Tehran will likewise conclude that it can accelerate its efforts to consolidate its military capabilities and influence in the region, as a result of the realization that attaining more advanced nuclear capabilities will make it easier for Iran to cope with the demands of its enemies.

Over the next year the Middle East policy of the United States will be tested mainly in the context of its ambitious goals vis-à-vis Iran, as stated in the 12-Point speech by Secretary of State Pompeo on May 21, 2018.¹³ To date, the administration is pursuing its policy of pressure alone, with no cooperation from the other countries party to the JCPOA. Furthermore, in contrast to the international cooperation during Obama's term, governments in most countries, and certainly in Europe, China, and Russia, are currently doing everything in their power to thwart the administration's efforts in this context. It is still too early to assess to what extent the administration has succeeded in forcing an absolute halt in trade with Iran, particularly regarding the goal of reducing oil purchases from Iran to nil. It is likewise unclear whether the Iranian regime will in fact change its policy in the way that the Trump administration wants, even if the administration is able to enforce significant and comprehensive sanctions. The European Union and

the leaders of the UK, France, and Germany are united in their decision to act jointly to protect the JCPOA as much as possible, and in particular to try to influence Iran not to violate it. From their perspective, breaching the agreement, let alone bringing about its complete collapse, will run the risk of Iran's return to nuclear capability development. The dilemma now facing European countries that wish to maintain transatlantic relations while at the same time defending the European continent's interests, will continue to shape the actions of the EU countries in the near future, possibly to an even greater extent.

The stance taken by the international actors on the disputes concerning Iran will also be shaped by Iran's responses to the stepped-up sanctions against it. At this stage, it is possible that over the coming year one of the following three main scenarios will develop, in order of decreasing likelihood: (a) continuation of the existing situation – strategic patience and a resistance economy on the part of Iran; (2) escalation in Iranian policy, whether through resumption of uranium enrichment and other actions pertaining to the nuclear program (even while continuing to fulfill its obligations under the NPT), or through an increase in direct activity or activity of its allies against US interests; (3) new negotiations with the Trump administration. It appears that under the status quo, the US will continue its efforts to press on with the sanctions as much as possible, based on the assessment/hope that Iran will eventually decide to enter negotiations, and perhaps even that the developing processes will bring about the downfall of the current Iranian regime.

In case of a significant Iranian breach of the agreement, the international community's response is likely to vary. European countries, which were parties to the agreement, may well regard the new situation as risky, and will have no choice but to join the United States in imposing sanctions on Iran. At the same time, however, some, principally Russia and China, will show "understanding" of Iran's motives. As long as Iran remains within the framework of the International Atomic Energy Agency and the NPT, they will prefer to maintain ties with it. The US administration, which has apparently not prepared a Plan B, will find itself in a dilemma, because an Iranian resumption of nuclear activity will mean that it is able and willing to cope with the consequences of the sanctions. In these circumstances, the question is likely to arise what strategy, beyond sanctions, can force Iran to

halt its progress toward the nuclear threshold, and what red line, if crossed, will mandate military measures. The threatening American rhetoric has escalated in recent months, but it is primarily aimed at deterring Iran from taking action directly or through its allies against American targets in the Middle East. At the same time, it appears that in general, the possibility of military intervention is not attractive to the US defense establishment. President Trump is also not eager to return the American army to the Middle East. Particularly in advance of the next presidential elections, it is doubtful whether the administration would choose such a controversial option.

If negotiations begin between the United States and Iran, even if there are respective constraints and red lines, there will be willingness on both sides to compromise. In these circumstances, the beginning of negotiations itself would presumably earn the Trump administration broad support in the international arena, and reinforce the President's image as a deal maker. The American point of departure will be a demand that the negotiations deal with all of the outstanding issues, as Trump demanded, based on the 12 points that Pompeo presented. The Iranian point of departure will be a demand for the removal, or at least the suspension, of sanctions and complete insistence on Iran's right to enrich uranium. It can be assumed that the two sides' opening demands are unattainable, but there is still room for possible mutual concessions by the parties.

For Israel, it is possible that under the worst case scenario, a summit will be held along the lines of the Trump-Kim summit, whose importance lies in the fact that it took place, while its actual accomplishments are unclear. In any case, starting negotiations will enable Iran to gain time in the hope that Trump will be a one-term president. The beginning of negotiations will relieve the pressure on Iran; all of the international actors opposed to the American sanctions against Iran will be glad to resume some form of business as usual with Iran. The Trump administration will have an interest in achieving a better agreement than the one reached by Obama, thereby proving that the allegations that Obama was too soft and consented to the "worst deal ever" were correct. Under these circumstances, a possible clash between Israeli and American interests may occur. The United States has more maneuvering room than Israel, and it will be more likely that any

agreement reached will fall short of what Israel would like; whether such an agreement will be better than the existing one is open to question.

The decision by President Trump to withdraw US forces from Syria indicates that from his perspective, the United States, at least in this theater, has renounced the use of military force in order to limit the Iranian presence in Syria. Moreover, it appears that with this decision, the United States has deposited the entire Syrian file in Russia's hands, and has lost a key bargaining chip in any efforts to influence a political arrangement in Syria, if and when it is achieved. According to at least some of the parties involved, any arrangement was supposed to address Iran's presence in Syria. It is highly doubtful whether the remaining US leverage, namely, its potential contribution to Syria's reconstruction, can help realize an arrangement that includes a change of the Syrian regime and the ouster of Iranian forces. It is likewise highly questionable whether President Trump will agree to invest massive economic resources in Syria, given its low ranking on his overall list of foreign policy priorities.

Even if the United States retains interests in the area, America's conduct vis-à-vis Syria and its response to the Khashoggi murder weakens its potential influence and room to maneuver in face of the challenges before it. As such, it leaves its allies wondering whether the United States can be trusted to support them against the growing motivation of elements that seek to capitalize on American hesitancy in order to enhance their own power and holds in the area.

The dispute between Russia and the other actors in the arena has sharpened as the war in Syria approaches its end. These include Iran, whose forces Russia is being asked, and wants, to remove from Syria; Turkey, which seeks to neutralize the pressure around Idlib in particular and achieve its goals in Syria; and the Gulf states, which want Iran pushed out of Syria. For its part, Russia wants Gulf money for reconstruction in Syria. Indeed, the question of reconstruction is of great interest to Russia, especially given the relative international indifference to this challenge. All of these parties are generating uncertainty about the final state of the campaign in Syria and potential for a crisis.

With the approaching end of the war in Syria, questions involving Israel from Russia's perspective are also paramount, mainly in the context of

Israel's ongoing activity to thwart the consolidation of Iran's presence in Syria and the transfer of advanced weapon systems to the Syrian regime. Continuation of these actions is liable to challenge the settlement that Russia wants to achieve in Syria. The crisis over the downing of the Russian plane in Syria on September 17, 2018, in which 15 Russian soldiers were killed, should also be assessed in this broad context, beyond the anger expressed by Moscow over the incident. In 2019, to the extent that progress is made toward a settlement in Syria, Israel should expect continued pressure from Moscow that is liable to challenge Israel (and through it also the United States), aimed at forcing a settlement on terms convenient to Russia. In addition, the transfer of advanced weapon systems from Russia to Syria, such as the S-300, is liable to complicate the situation for Israel in this theater.

Although other countries in the international theater have interests in the Syrian theater as well, it appears that these were less relevant in 2018. Developments next year will again be affected first of all by the nature of the dialogue between the United States and Russia, mainly on the question of Iran's presence in the area and an agreed interim solution for the Assad regime.

In the context of the Israeli-Palestinian conflict, the substance of the "deal of the century" also remains unclear at present. While President Trump repeated his ambition to achieve the "ultimate deal," and the American team is continuing its consultations in the matter, it is unclear at present whether the details of the plan will be made public in the coming months. At the same time, if the administration eventually unveils the plan's details, it is doubtful whether the Palestinians will regard it as a starting point for renewing the dialogue with Israel, even if it contains compensation for their side, as promised by the President. At present, the steps taken by the administration (especially the relocation of the American embassy to Jerusalem) have also deepened the deadlock, given the Palestinian refusal to conduct talks with the administration's representatives. In practice, these steps had a negative impact on the ability of the United States to lead the political process.

In conclusion, the unsteady relations between the leading international actors and uncertainty regarding the escalating rift between the United States and Iran are likely to culminate in growing instability in Israel's strategic environment. Israel, which enjoys complete support from the

American administration in both political and security aspects, will therefore be acting in a state of uncertainty as a result of both developments in relations between the powers and the effect of American policy, mainly on Iran and the Palestinian issue. Given the substantial disagreements in the international theater on policy toward Iran, setting priorities is of the highest importance, particularly if Iran responds to sanctions by renewing its uranium enrichment program. Since it is likely that the close connection between Israel and the United States is accompanied by a strategic dialogue and coordination of positions, Israel's main challenge will be preserving the close ties with the administration, and especially avoiding situations marked by gaps between the administration's policy and Israeli interests. Israel should particularly emphasize measures that will ensure the preservation of bipartisan support in the United States, especially with the 2020 presidential elections looming. Simultaneously, Israel should avoid any substantial deterioration in its relations with European countries, which have been extremely significant for its strategic standing in recent years. Given the volatile situation in Syria, Israel should strive to agree on rules of the game with Russia that will enable it to continue preserving its interests in this theater, without undue friction between Jerusalem and Moscow.

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The Palestinian Theater: A Crisis Arena with Opportunities for Israel

Udi Dekel

The Palestinian political system is currently mired in a deep crisis owing to a host of intertwined and mutually reinforcing factors. The focal point is the crisis pertaining to the Gaza Strip and the serious deterioration there over the past year. In the current reality, there is no magic formula on the horizon to dispel the political, security, and humanitarian problems of the Strip and counter their negative implications for Israel's relations with the Palestinian Authority (PA). The Palestinian political system is keenly mindful of "the day after Abbas" (Abu Mazen), which has paralyzed its ability to make critical decisions. Another factor in the crisis is the unbridgeable gap between Fatah and Hamas and their inability to promote reconciliation. Also relevant is the Palestinians' lack of confidence in the Trump administration, after it overturned a number of fundamental premises of the traditional United States approach to the Israeli-Palestinian conflict. Against this background, the chances of promoting a political initiative between the Palestinian system and the State of Israel are extremely slim and will remain so, even after the Trump administration places its "deal of the century" on the table.

For its part, the Israeli government has retained its policy of conflict management, based on the assessment that under the current conditions, and before clear Palestinian and regional power relations emerge that enable Israel to fortify its interests, the parties lack the reason, the motivation, and the wherewithal to advance processes that entail security and political risks. In

light of the low chances of achieving a political breakthrough, Israel focuses primarily on responses to security risks. However, processes and trends in the Palestinian arena indicate an increasing chance of escalation, both in the West Bank and the Gaza Strip. This is joined by the risk that regional actors – such as Iran, Turkey, and Salafi jihadist groups – will attempt to accelerate the deterioration.

In response to this complex challenge – the political impasse, the weakness of the Palestinian system, and the potential for escalation – the Institute for National Security Studies (INSS) has formulated *A Strategic Framework for the Israeli-Palestinian Arena*. The purpose of the framework is to improve Israel's strategic situation and open up a wide spectrum of alternatives for political, demographic, and territorial separation from the vast majority of the Palestinian population, while maximizing Israel's strategic advantages vis-à-vis its adversaries in the regional arena. An Israeli political initiative would improve Israel's international standing, as well as its ability to take full advantage of the opportunity to establish formal relations with the pragmatic Sunni Arab states. Moreover, a new arrangement based on the measures and channels outlined in the INSS framework should prevent the slide into the complex reality of one state and result in a more stable political and security reality that will help Israel realize its destiny as Jewish, democratic, secure, and moral state.

The Deep Crisis of the Palestinian System

The crisis of the Palestinian arena, which was exacerbated in the course of 2018, is marked primarily by the political deadlock with Israel and the inability to promote Palestinian national aims; a weak Palestinian political system that is essentially paralyzed by the anticipation of “the day after Abbas”; a problematic economic reality in the West Bank that is far worse in the Gaza Strip; the deep political rift between the Palestinian Authority and Hamas and the crisis in the Gaza Strip; and the inimical relations between the Palestinian Authority and the US administration.

The weakened national idea. Disappointment and frustration continue to mount among the Palestinians as a result of the ongoing political stalemate, and in turn, erode the centrality of the unifying national idea. Public opinion polls conducted (by Palestinian pollsters) in recent years reflect a process

of a weakened national idea and a new set of priorities revolving around issues such as economic welfare and civil rights. Similarly, there is the sharp decline in support, particularly among young adults, for the two-state paradigm, which is the declared Palestinian national goal adopted with the Oslo process and advocated by the Palestinian mainstream political system.

The day after Abbas. Although Mahmoud Abbas still holds the three leading Palestinian positions – Chairman of the PLO, President of the Palestinian Authority, and Chairman of Fatah – in actuality, the Palestinian system and internal Palestinian forces are preparing for Abbas's departure from the stage, on the assumption that his old age and medical condition will make it difficult for him to retain his leadership for long. Most of the obvious candidates to succeed Abbas lack the broad public support necessary to secure selection as a sole heir, and are perceived by the young generation, which is frustrated and disillusioned with Abbas, as belonging to the national leadership's old guard – the outside leadership that came from Tunisia. The prospect of Abbas's departure from the Palestinian stage poses three options: (a) collective leadership by the Fatah movement, and the division of powers that Abbas holds in his three positions; (b) election of a single leader within the framework of the Fatah movement to control most of the power of the movement and the PA; and (c) division of the system and a strengthened decentralized factor of local centers of control, based on the current West Bank trend of strengthening the traditional local clan foundations that are ingrained in Palestinian society. It is therefore unclear what mechanism will drive the changing of the guard. Will the Palestinian system embark upon a process of general elections? How will Hamas fit into these processes? And what will be the reaction of the Palestinian street?

The internal Palestinian split. With Hamas's seizure of the Gaza Strip in 2007 and the geopolitical split between the Strip and the West Bank, the dream of a unified Palestinian political system appears to have dissipated. After the failure of the reconciliation attempts over the years, including efforts led by Egypt in 2018, the split has essentially become a fait accompli. Consequently, and due to Hamas's success in positioning itself as the sole political address in the Gaza Strip, the stature of the PA and the PLO as the only legitimate representatives of the Palestinian people has been undermined.

The crisis in the Gaza Strip. The humanitarian plight in the Gaza Strip has grown due to the ongoing effect of Israel's closure on the area, and civilian reconstruction has been delayed. Following Hamas's decision to establish an independent administration to govern the Strip, Abbas imposed sanctions, led by halting the transfer of funds to provide for the basic needs of the population of the Strip and to pay salaries. Abbas is unwilling to soften his demand for complete control of the Gaza Strip (including in the realm of security), based on the vision of "one authority, one law, and one gun."

Beginning in the spring of 2018, Hamas took advantage of a civilian initiative to conduct protest demonstrations along the border fence between the Gaza Strip and Israel, through the narrative of the "March of Return," in order to launch a series of weekly violent demonstrations and clashes along the border. These actions included cutting the fence, crossing into Israeli territory, hurling explosive devices and grenades at IDF positions along the border, damaging bulldozers and mechanical equipment used by Israel to build an underground obstacle along the border, and launching incendiary kites and balloons that resulted in hundreds of fires in the Negev – with the overall aim of "breaking the siege" on Gaza.

The demonstrations and the death of dozens of Palestinians sparked the onset of limited rounds of hostilities, during which hundreds of rockets and mortars were launched at the Gaza envelope communities. Egypt, under the leadership of President el-Sisi, assumed the role of the "responsible adult" and took determined action aimed at easing tensions on the ground, to the point of positioning itself as almost the sole restraining force capable of preventing a downward spiral into a high intensity military confrontation. Egypt established a three-pronged dialogue: indirect negotiations between Israel and Hamas and Islamic Jihad, aimed at achieving a ceasefire and easing the closure on the Strip; between the PA and Hamas, aimed at achieving inter-Palestinian reconciliation; and between Israel and Hamas, regarding the exchange of prisoners for the bodies of Israeli soldiers.

As a result of the deterioration in the Gaza Strip, Egypt has taken action, in conjunction with UN emissary Nickolay Mladenov, to advance an arrangement that would stabilize the situation for an extended period. Qatar has also been involved in the contacts as a result of its role in funding the Strip. Within the framework of the lexicon of the Israeli-Palestinian

conflict, the “arrangement” subsequently became “understandings,” which hold less significance than a formal agreement. To enable the sides to reach some agreement without mutual recognition, the Egyptian mediation was compelled to balance the three legs of the triangle – Israel, Hamas, and the PA – and to bridge gaps between the parties. With regard to the first leg, a settlement between Israel and Hamas would impact negatively on the status of the PA as the sole representative of the Palestinians and would perpetuate Hamas’s rule in the Gaza Strip. With regard to the second leg, the Hamas-led campaign against the “siege” (closure) of the Strip serves Hamas’s interests not only in its struggle to improve the humanitarian situation in the Strip, but also in its internal struggle against Fatah and the PA, given its ability to embarrass Israel and demonstrate its ability to lead a popular struggle. In addition, achieving internal Palestinian reconciliation between the PA and Hamas would undermine Israel’s policy to deal with the Gaza Strip as separate from the West Bank. With regard to the third leg, between Israel and the PA, Israel, in its desire to achieve security calm in the Gaza Strip, thwarted Abbas’s efforts to bring Hamas to its knees and refrained from advancing a process vis-à-vis the PA, and has not viewed it as a partner for a political settlement.

At first, Egypt conducted contacts toward an arrangement between Hamas and Israel via a track that bypassed the PA, without conditioning conclusion of the process on internal Palestinian reconciliation. PA President Abbas, however, took action to thwart a separate arrangement between Israel and Hamas, by challenging Egypt and involving international elements (emissaries of the UN and representatives of the Trump administration), and threatened to cut off the PA aid to Gaza completely. Ultimately, the “understandings” formulated by Egypt with the consent of the sides consisted of three primary phases: Phase 1 – an extended ceasefire in exchange for easing the closure; Phase 2 – reconstructing the Strip; Phase 3 – gradual return of PA rule to the Gaza Strip. Implementation of the deal to retrieve the bodies of missing Israeli soldiers will apparently be a condition for advancing from the first phase to the second phase, which is supposed to include infrastructure projects with the aim of reconstructing Gaza and creating tens of thousands of jobs, funded by the international community, and perhaps also constructing a maritime crossing between Gaza and Cyprus or el-Arish. The reconciliation process

between the PA and Hamas is essential in order to facilitate the contribution of the international community, which has made its aid for reconstruction conditional upon the transfer of budgets via the Palestinian Authority.

The escalation that erupted in November 2018 as a result of clashes between Hamas and IDF forces inside the Strip occurred during the implementation of Phase 1: Hamas had reduced the violence along the fence; Israel expanded the fishing area, allowed the entry of Qatari-funded fuel, and eased the process of bringing goods into the Strip; Qatar, with Israel's authorization, sent \$15 million a month into the Strip to pay the salaries of Hamas officials; and Egypt kept the Rafah crossing open for people and goods. The beginning of the implementation of Phase I and Israel's desire to avoid escalation enabled a quick return to the ceasefire framework after the escalation.

Israel must give precedence to its long term interests over the short term interests of security quiet and calm. It is preferable for Israel that the reconstruction of the Gaza Strip be conducted via the PA, to ensure that it, and not Hamas, reaps the fruits of the reconstruction among the Palestinian public. Therefore, it must formulate a joint plan, in cooperation with the PA, Egypt, and relevant parties in the international arena, with the specific goal of mitigating the humanitarian plight in the Gaza Strip and developing infrastructure, on condition that PA rule returns to the Strip. Joint action would serve as a significant means of pressuring Hamas and limiting its ability to maneuver, and the intervention of an international task force in the Strip would be a restraining element that would increase the cost if Hamas chooses to return to violent resistance. Therefore, Israel should assist Egypt in its efforts to achieve inter-Palestinian reconciliation, with the aim of strengthening the PA's foothold in Gaza as a responsible party and designating it as the address for advancing a political settlement. Given that Hamas will likely not cede its military power, sooner or later Israel will have no choice but to undertake a military operation in the Gaza Strip to strip Hamas of its military capabilities. Israel conditions every political settlement on a demilitarized Palestinian entity stripped of all military capabilities that pose a threat to Israel, and maintains this demand by means of an ongoing campaign against the terrorist infrastructure in the West Bank. Over time, Israel will be required to implement its demand on the demilitarization of the Gaza Strip as well.

The economic reality. The economic situation in the West Bank is immeasurably better than in the Gaza Strip, but it too suffers from fundamental problems. The Palestinian economy is completely dependent on Israel. Some 130,000 Palestinians work in Israel (some without legal permits) and in the industrial zones of the Israeli West Bank settlements. A report published by the International Monetary Fund¹ before the meeting of the donor countries, which surveys in detail the Palestinian economy in the past year, deals primarily with the economic, social, and humanitarian deterioration in the Gaza Strip – including 70 percent unemployment among young adults, every second person living under the poverty line, and the productive sectors in decline. The report also deals with the West Bank, depicting a decline in economic growth (approximately 2 percent) in the second half of 2018, and a situation in which the PA's deficit is expected to reach 8.2 percent of its GDP (approximately \$1.24 billion), due in part to an annual running deficit of \$600 million in the transfer of aid by the donor countries.

The report likewise highlights the dangers to the Palestinian economy in the event of a decrease in the aid provided by the donor countries and the continuation of economic pressure on the Strip by the Palestinian Authority. Moreover, if Israel passes legislation cutting the transfer of tax revenues to the PA, the fiscal pressure on the PA can be expected to increase significantly. The report finds that lightened PA sanctions on the Strip and the renewed flow of funds to Gaza, in addition to other factors, may have a significantly detrimental impact on the PA and its ability to pay salaries in the West Bank as well. That being the case, the confrontation between Abbas and Hamas has moved beyond the political dimension and is directly linked to the economic situation of the PA in the West Bank. In the economic context, the greatest hardship is felt by the generation of educated young adults, who suffer from high unemployment rates and difficulties and are hard pressed to find suitable jobs with appropriate salaries. Against this background, a serious crisis of confidence has emerged between this sector and the leadership – of both the PA and Hamas – and the search for alternative ideas to those offered by the political leaders continues to intensify. This mood (joining the weakened status of what was hitherto a unifying national idea, the establishment of an independent state) has found expression in growing support for the idea of a single Israeli-Palestinian state whose citizens would enjoy full equal rights.

Departure from traditional US policy regarding the Israeli-Palestinian conflict. US President Donald Trump has repeatedly undermined the basic principles of the Palestinian position. This stance is unprecedented in US policy, and deviates particularly sharply from the policies of the Obama administration. From the administration's perspective, it has removed the problematic issues from the negotiations agenda, thereby eroding the relevance of the Palestinian political path, most importantly, what it views as elements blocking the political process.

President Trump recognized Jerusalem as the capital of Israel and moved the US embassy to the city; reduced US economic support for the Palestinian Authority; ceased its support of UNRWA, which operates under UN auspices and perpetuates the refugee status of the Palestinians and therefore the Palestinian refugee problem as a whole; nullified the Palestinian veto on the establishment of formal relations and normalization between Israel and the pragmatic Arab countries that are close to Washington; and closed the PLO mission in Washington. These actions must be considered in conjunction with Trump's promise to advance a "deal" – an overall agreement between Israel and the Palestinians – without committing that the deal would be based on the establishment of a Palestinian state with full Palestinian sovereignty and the evacuation of Jewish settlements. In Palestinian eyes, Trump's statements were designed to serve Israel's interests, and the proposals of envoys Jared Kushner and Jason Greenblatt regarding the terms of the conflict resolution are biased toward Israel and detached from the reality on the ground. Therefore, Abbas and his spokespersons have declared that the United States has lost its status as a fair and credible mediator.

In his speech before the PLO Central Council on October 28, 2018, Abbas emphasized that the Palestinians are currently in the most difficult phase of their history and are facing a "historical moment" of "to be or not to be." He also stated that there would be no separate state in Gaza and no Palestinian state without Gaza; called for naming East Jerusalem as the Palestinian capital; opposed the establishment of a state with provisional borders; and reiterated his opposition to the "deal of the century." Abbas likewise addressed Hamas, asserting that its agenda served the proponents of severing the Gaza Strip from the West Bank and the establishment of autonomy in the West Bank. With regard to the stipends paid to Palestinian

prisoners, the wounded, and the families of martyrs, he explained that these elements constitute a red line, and that the Israeli law that calls for deducting terrorist stipends from PA tax money would not prevent the PA from this activity.

A Political Stalemate and Unclear Future

Palestinian and Israeli inability to make critical decisions will obstruct all initiatives aimed at both political progress between the Palestinians and the State of Israel and an end to the humanitarian and governance crisis in the Gaza Strip. Both the PA and the Israeli leaderships have positioned themselves in a comfort space known as the status quo, which does not require them to make difficult decisions but rather to continue managing the conflict. The Palestinian leadership has clarified that it will not address the proposals of the Trump administration due to its bias toward Israel and will continue to promote full international recognition of a Palestinian state. Prime Minister Benjamin Netanyahu would also prefer the United States to delay the unveiling of the plan, at least until after the Israeli elections (April 9, 2019) and after the issue of Abbas's successor is clarified. The leaders of the Arab states, who initially expressed support for an initiative by the Trump administration that includes regional components, have gradually and politely distanced themselves from approaches that deviate from the basic and traditional positions of the Arab world regarding the resolution of the conflict. At this stage, one would be hard pressed to find a respectable party who takes seriously the potential of "the deal of the century" promised by the US President.

The statements and actions of the Trump administration reflect signs of a new approach to an agreement that is closer to Netanyahu's positions, whereby the Palestinians are not necessarily entitled to a state based on the 1967 borders with full sovereignty on all levels. Regarding the Palestinian right of return, Nikki Haley, former US ambassador to the United Nations, said that the Palestinians' aspiration that refugees and their descendants be permitted to return to their homes within the borders of pre-1967 Israel has been taken off the table. The messages of the Trump administration emphasize that the old paradigm of an all-encompassing agreement has failed, and the Palestinians, of their own volition, have rejected the opportunities for

a permanent status agreement. Therefore, a new approach is necessary to define the terms of the conflict, along with substantial actions for a change in the situation. Thus far, President Trump has pushed off unveiling his plan, whether because it is not sufficiently formulated, or due to the difficulty of establishing a regional umbrella to support the plan and convince the Palestinians to cooperate, or in light of the difficulty of identifying suitable timing that would leverage the plan. At this stage, the intention is to launch the plan in early 2019.

Israel is particularly concerned with the stability of the Palestinian system on the day after Abbas, based on the understanding that an unstable, chaotic, or dissolving system will undermine the relative stability in the conflict arena and encourage increased terrorism. Regional actors such as Iran, Turkey, and the Salafi jihadist organizations are liable to take advantage of the opportunity as forces accelerating instability. In their view, Abbas's departure will be a propitiously timed window of opportunity to undermine the Palestinian system and reshape it according to their preferences, under Hamas's leadership. This situation creates a security, economic, and demographic threat to Israel.

Whither the Current Trends?

A comprehensive study conducted in 2018 by the Institute for National Security Studies concludes that analysis of the situation and a look ahead requires taking into account three fundamental possible future states of the Palestinian Authority (this analysis is relevant to the West Bank alone, as long as there is no internal Palestinian reconciliation):²

- a. A functional and cooperative PA: similar to the situation today, in which the PA, as a more or less functioning governing force that provides public services and holds a monopoly over the use of force (in the West Bank), serves as the official responsible party in the political arena and cooperates with Israel in the security realm and in other areas.
- b. A hostile PA: the PA continues to function as the recognized Palestinian governing force and constitutes the recognized responsible party but is hostile to Israel, does not cooperate with it, and permits and takes part in terrorist activity launched from its territory.
- c. A PA that is weak to the point of failing: the PA loses its hold and its systems cease to function, and loses its monopoly over the use of force

and is incapable of functioning as a central force of governance. This situation could result in broad-scale escalation.

Israel has a critical interest in a responsible, stable, and functional Palestinian Authority with which it can maintain security cooperation, based on overlapping interests against terrorism and against Hamas. Strengthening the political component and building institutions would constitute restraining factors, and in this context, are Israeli interests. At the same time, the processes described thus far reduce the chances of the emergence of a responsible and functioning PA cooperating with Israel, especially as long as there is no political breakthrough in the relationship between Israel and the Palestinian Authority and if the assistance to the PA is undermined. Assessments are that the chances of a violent outbreak in the West Bank have increased significantly, as long as Hamas, which is encouraged by Iran and Turkey, understands that it can escalate the terrorist attacks in the West Bank and at the same time enjoy relative calm in the Gaza Strip. These assessments emerge against the background of the political injury to Abbas's status, his loss of legitimacy in Palestinian public opinion, his strained relations with the Arab heads of state, and his poor health.

Israeli Policy: Significance and Recommendations for 2019

The Israeli government has come to terms with the fact that at the present time, it is not possible to reach a comprehensive agreement with the Palestinians. This situation stems from a number of factors, including the lack of a Palestinian leadership that is capable of reaching and most important, implementing an agreement with Israel; an Israeli government that comprises a right wing coalition and includes some elements that oppose a two-state solution, at least at the current time; unbridgeable gaps between the positions of the two parties regarding core issues of a permanent status agreement, and the inflexibility of Palestinian demands regarding refugees and the right of return, the division of Jerusalem, recognition of Israel as the national home of the Jewish people, and a two-state solution; the split in the Palestinian camp; and the fact that only Israel can prevent Hamas from seizing control of the West Bank.

The year 2018 marked the 25th anniversary of the Oslo Accords between Israel and the Palestine Liberation Organization (PLO). In the years since

then, Israeli policy has favored peace negotiations with the PLO/PA and war against Hamas terrorism, which is perceived as Israel's main enemy in the Palestinian camp. Last year witnessed a change in this policy, when the Israeli government chose to isolate the PA and conduct negotiations – albeit indirect – with Hamas regarding a possible set of understandings in the Gaza Strip. That was accompanied by a strong Israeli response to the terror perpetrated by Hamas in the West Bank in December 2018 when IDF forces entered official PA institutions in the West Bank. These developments have translated into a significant weakening of the PA and the provision of legitimacy to Hamas, which does not recognize Israel, is committed to its destruction, and exacts concession through terrorism. This process poses many dangers, as Israel is actually sending the message that terrorism pays.

Moreover, in practice, the Israeli government is implementing a policy of conflict management, which rests on the strategic perception that time is on its side and that there is no reason to advance processes that pose risks to Israel before the balance of power within the Palestinian system and the Arab world in general is clear. The focus is on responding to the security challenges and changing the situation on the ground by reinforcing the settlements, while at the same time preparing the legal foundation for the imposition of Israeli law and the annexation of territory in the West Bank.

A study of scenarios undertaken at INSS³ found that the entire spectrum of alternatives ultimately converges into two fundamental end-situations: two states, or one state (the scenarios of two states pertains to two situations – a Palestinian state with full sovereignty or a Palestinian state with limited sovereignty, known as a “state-minus”; the outcome of one state pertains to two different situations – a state of all its citizens with equal rights for Jews and Arabs/Palestinians, meaning, not a Jewish state, or a state in which there are not equal rights, meaning, a state that is not democratic). Continuation of the status quo, and scenarios of the imposition of Israeli law in the West Bank and the annexation of territories, would mean a high likelihood of slipping into a reality of one state. Whether as a result of the ideology of a radical fringe on each side, or leaderships that are unable to make weighty strategic decisions, the direction counters the State of Israel's purpose as a Jewish, democratic, secure, and moral state. Assuming that there is no change

in this reality in the short term, the option of advancing in the direction of separation and the implementation of a two-state solution will fade.

The prospect of one state has supporters among Jewish and Arab citizens of Israel, as well as within Palestinian society (primarily among the young generation). Still, this support ignores the fact that between the Jordan River and the Mediterranean Sea are two distinct national-religious groups that are neither eager nor able to merge with one another into a single functioning society. There is no successful precedent for this. More serious is the danger of slipping into the situation of one state with an Arab majority, which would endanger the future of the Zionist enterprise.

Public opinion polls, including some conducted over the years by INSS,⁴ show that the majority of the population in Israel is in favor of separation from the Palestinians and still supports the two-state solution. Presumably the support for separation and the willingness to pay its price will increase when the Israeli public thoroughly internalizes the significance of a single egalitarian state (for example, the Law of Return for Jews alongside a right of return for Palestinians), resulting in the emergence of resistance to this position. This will mean abandonment of the dream of “the whole land of Israel,” a construction freeze in the isolated Israeli settlements located deep within the Palestinian territory, and perhaps also their future evacuation. In any event, there is no chance that Israeli society will agree to full equal rights for Palestinian citizens within the framework of one state. Moreover, the attempt to implement equality will cause instability, as it will spark the development of an ongoing Palestinian struggle to close the gaps. Under these conditions, the violent struggle could lead to civil war.

And yet, at this point in time, Israel has intensified its military control over territory in the West Bank and expanded construction in the settlements, in what the Palestinians and the international community perceive as the unilateral establishment of facts on the ground for the purpose of thwarting the possibility of establishing a Palestinian state in the future. As a result, the future options for Israel continue to shrink, and a complex reality of the inability to separate is emerging. This situation erodes Israel’s standing in the international arena, as reflected *inter alia* in Security Council Resolution 2334, which stipulates that the settlements built by Israel in the territories occupied in 1967 are illegal; the resolution was approved after the United

States, under the Obama administration, refrained from using its veto. Also notable is the success of the BDS anti-Israel boycott movement, including the mobilization of Jews from the liberal camp in the United States – whose values in the realm of human rights run counter to continued control of the Palestinians – for active protest against Israel. In this context, the split between Israel and elements within the largest Jewish community outside of Israel is extremely dangerous.

Nonetheless, the Israeli government regards the Israeli-Palestinian conflict as a secondary arena compared to the threat posed by Iran's consolidation in the northern arena, and has focused on ensuring a number of basic interests:

- a. Security stability and calm based on managing an ongoing campaign to dismantle the terrorist infrastructure throughout the West Bank; cooperation with the Palestinian security apparatuses and an effort to improve the economic situation and the daily life conditions of the Palestinian population in the West Bank in order to reduce the motivation for terrorism and violence.
- b. A responsible and cooperative Palestinian Authority that constitutes a single address for establishing the rules of the game; that cares for the civilian population; that objects to the establishment of Hamas and the intervention of elements undermining stability such as Iran; and that is committed to coordination and security cooperation with Israel.
- c. Continued separation between the West Bank and the Gaza Strip and containment of the negative impact of the Gaza Strip and Hamas on the West Bank.

Taking the Initiative toward an Improved Reality

Based on the understanding that Israel is currently facing a dangerous dead end, and contrary to the assessment that nothing can be done to change the situation, the Institute for National Security Studies has formulated a political-security framework for the Israeli-Palestinian arena.⁵

The framework has two goals: to improve Israel's strategic situation and provide it with a range of options for the future; and to arrest current processes and trends and thereby prevent the slide into a reality of one state. The thrust is shaping an improved reality that will facilitate future options for ending Israel's control over the Palestinians, and for ensuring a solid

Jewish majority in a democratic Israel. In other words, the plan aims to create the conditions for political, territorial, and demographic separation from the Palestinians, for the sake of maintaining a secure and moral Jewish and democratic Israel.

In a major strategic planning project, INSS examined various policy alternatives for the Palestinian arena debated in the public and professional discourse. The finding was that the most stable alternative, which will enable Israel to contend with the challenges and with the future in the best possible way and will preserve its fundamental character and its basic security interests, is division into two separate state entities. As the alternative of a permanent status agreement based on two states is untenable at the present time and will apparently remain untenable in the near future, an alternative was formulated combining the advantages of three tracks: (a) interim/transitional agreements with the Palestinian Authority, based on the principle that what is agreed upon or acceptable is implemented, as opposed to the formula of all or nothing; (b) independent Israeli measures of separation to advance a reality of two separate distinct state entities, as evidence of the seriousness of Israeli intentions to open a path to a two-state agreement and negation of the possibility of a Palestinian veto; and (c) mobilization of regional involvement, including the provision of aid to the PA in its state building processes and improvement of its economic and infrastructure situation, along with closer cooperation with Israel.

Now is the Time to Act

Israel is currently facing a unique strategic situation that provides it with an opportunity to strengthen its future. Instead of a policy devoid of initiative that would mean sliding into a reality of one state, Israel should adopt a formative and proactive policy. This is particularly feasible given that Israel currently enjoys several strategic advantages:

- a. *A supportive US administration.* The policy proposed by INSS will suit President Trump's political plan ("the deal of the century") when it is presented, and can also stand alone as an alternative plan (Plan B).
- b. *A number of leading Arab countries are currently more willing than in the past* to cooperate with Israel and assist in a process to create the conditions necessary to establish an independent and functioning Palestinian state.

- c. *The Israeli-Palestinian conflict has lost its centrality within the politics of the Middle East and the international system.* This development has weakened the Palestinians' veto power and the unilateral Palestinian demand for "all or nothing" – all the territory that was occupied in 1967 (or the equivalent), a Palestinian capital in Jerusalem, and recognition of the right of return of the Palestinian refugees and its partial implementation.
- d. *The majority of the Israeli population supports separation from the Palestinians* and still regards the two-state option as preferable to other alternatives.
- e. *The international community still advocates a two-state reality* and can be expected to mobilize to help Israel, if Israel presents its actions as furthering this option.

Israel is strong and steadfast. Its stability, backed by its considerable military and technological power over its adversaries, provides it with room to maneuver in the political-security realm. Decisions made from a position of strength are preferable to actions resulting from being forced into the corner and decision making in response to internal and external pressure. Although the threats have not disappeared and Israel still contends with fundamental challenges from at home and abroad, their severity has decreased. Now, when Israel is not in a state of emergency and does not face an existential threat, is the time to embark upon a future-oriented initiative to establish a controlled process from a position of strength. Even if the process goes amiss, Israel will be able to contend with the developments, and its security and strategic situation will not be compromised as a result.

In light of the obstacles currently preventing Israel from reaching a permanent status agreement with the Palestinians that accords with its essential parameters, the political-security framework formulated by INSS includes measures that advance Israel's interests and enable a variety of options for the future, in order to advance separation from the Palestinians and ensure strategic stability over time. From there, Israel will be able to proceed as it sees fit, and in a graduated and controlled manner, toward additional political alternatives. The proposed framework will be managed with the hope of its serving as a basis for internal agreements within the Israeli public and for understandings with the international community, the pragmatic Arab states, and the Palestinians themselves. It will also reflect Israel's determination to

shape its own future. The plan does not propose a final political solution, but rather serves as a means of providing Israel with an improved strategic reality that will enable it to preserve most possibilities for itself.

Highlights of the Framework⁶

- a. *Modularity and broad flexibility.* The framework allows Israel, at any time, to choose between alternative courses of action, in accordance with the changing conditions in its strategic environment, with the aim of empowering its future as a secure and moral Jewish and democratic state.
- b. *Strengthened security component.* The framework preserves Israel's operational freedom of action throughout the West Bank, from the Jordan River westward, while reducing friction with the Palestinian population.
- c. *Cooperation with the PA security apparatuses,* based on the principle that the more they do, the more the IDF will be able to reduce its operational activity in the Palestinian territory.
- d. *Anchoring Israel's political, security, and territorial interests* in the West Bank with an eye to future agreements, as well as improving Israel's strategic situation in the absence of political progress, by clarifying its intentions to advance political and territorial separation from the Palestinians and create conditions on the ground for a two-state reality.
- e. *Reorganization of the West Bank* (figure 1)
 - i. Israel will transfer authority over Area B to the PA, similar to the powers it currently holds in Area A, and will allow contiguity in the Palestinian territory to create a uniform Palestinian space (A and B) that will serve as the foundation for a future Palestinian state and perhaps also become a Palestinian state with provisional borders. This area will cover almost 40 percent of the overall area of the West Bank, home to more than 95 percent of the Palestinian population.
 - ii. Israel will allocate up to 25 percent of the West Bank from Area C to the development of infrastructure and economic projects to encourage the development of the Palestinian economy, and to transfer Palestinian inhabited areas lying outside Area B and Area C to Palestinian control. Israel will engage in a joint effort with the international community to establish industrial and green energy enterprises, tourism and hi-tech projects, residential construction, and more. In the first stage, Israel

will not transfer security and zoning plan powers to the Palestinians in these development areas. Rather, they can be transferred to the Palestinian Authority gradually, based on cooperation and effective performance.

- iii. The contiguous Palestinian territory will see the establishment of a contiguous transportation system from the northern to the southern West Bank, with the aim of reducing the daily friction between the IDF, the Jewish West Bank residents, and the Palestinian population. In addition, obstacles to Palestinian economic development will be lifted.
- iv. Israel will take action to complete the security fence that will demarcate the boundaries of separation and its future territorial interests. In addition, up to 20 percent of the area of the West Bank will be designated as a special security area under complete Israeli security control, including the Jordan Valley up to the Allon Road and other strategic roads and sites.
- f. *Differential construction in the West Bank.* Construction will continue in the settlement blocs that are in the broad public consensus. In contrast, building will be halted in the isolated settlements located deep in Palestinian areas, and government support for expansion within these settlements will be discontinued. The issue of evacuating settlements will only be raised in the context of a comprehensive agreement with the Palestinians.
- g. *Strengthening Palestinian infrastructure, governance, and economy.* To this end, gradual actions will be taken, with international aid, to improve the performance and expand its powers. Inter alia, territory in Area C will be allocated to economic and infrastructure development to build the basis of a Palestinian state that will be able to function independently in the future.
- h. *Strengthening Israel's international and regional legitimacy and standing* by validating the sincerity of its intentions to progress toward a two-state reality, enhance security and political cooperation, and boost cooperation in the realm of economics and infrastructure.

A solution for the Gaza Strip problem is not a precondition to the advancement of this framework. It is crucial to mobilize international efforts in every way possible to improve the humanitarian situation in the Gaza Strip and to reconstruct infrastructures in exchange for the establishment of

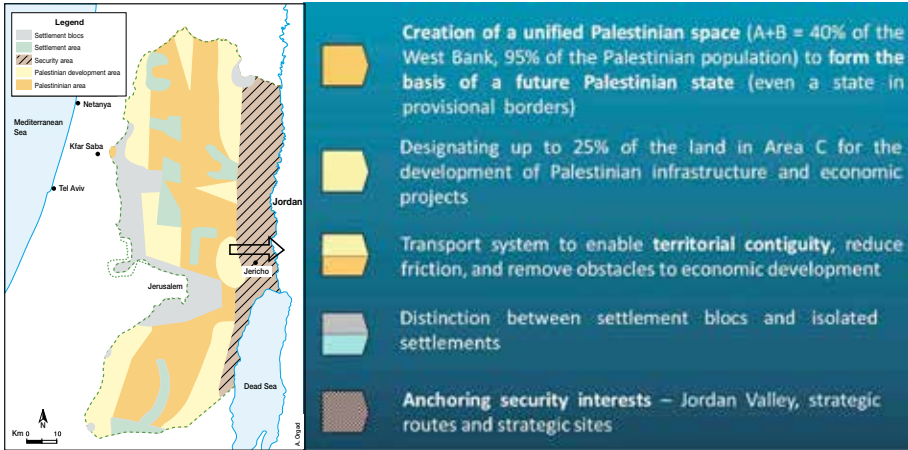


Figure 1. Reorganization of the Territory in the West Bank

an international mechanism that will take action to stop the military buildup of Hamas and other terrorist groups. Israel should advance this issue in parallel to its implementation of the framework in the West Bank, as well as independently of it.⁷ Israel should act to create the conditions that will enable the return of PA control in the Gaza Strip.

The Trump administration will presumably not prevent Israel from advancing any political initiative it places on the table and will support it, particularly in the case of the plan presented here, which matches the administration's ideas regarding an Israeli-Palestinian agreement. The face of the regional system is changing. Interests of Israel and the leading countries in the Sunni Arab world have converged in the present decade, particularly in the struggle against the threat posed by Iran on the one hand, and by Salafi jihadist Islam on the other hand. Cooperation with the countries with which Israel has peace treaties (Egypt and Jordan) is thriving in numerous areas, and in the realm of security in particular. Moreover, Saudi Arabia and the United Arab Emirates are demonstrating support of Israel in complete contrast to their past behavior, and are interested in strengthening their strategic alliance in the Middle East as a counterbalance to Iran. Although these relations are not formal or official, Israel is no longer taboo in the Gulf. Progress on the Palestinian issue will enable all these contexts to be managed freely and without the restraints that still exist.

In the Middle East in general and in Israel's immediate environment in particular, the conditions are not and will never be perfect. Conflicts and past and present baggage frustrate all attempts to change the reality overnight, and patience and restraint is required. Nonetheless, Israel cannot hope for a more favorable platform to advance proactive policy to change the strategic situation in the Israeli-Palestinian arena. Now is the time. Israel enjoys a unique opportunity to rid itself of the burden of controlling the Palestinian population in the West Bank and to shape the conditions for creating a reality of two states for two peoples in the conflict arena, while also reducing the risk of security escalation. This can be done by assisting in strengthening the economy, infrastructure, and security in PA territories. An Israeli initiative and commitment to a two-state solution will facilitate the mobilization of international and regional support for Israeli measures taken toward reaching an agreement, and at the same time will provide it with freedom of action for independent processes of separation in the event that Israel's contacts with the Palestinian Authority do not bear fruit.

Notes

- 1 World Bank, "Economic Monitoring Report to the Ad Hoc Liaison Committee," September 27, 2018, <https://bit.ly/2AqTTOV>.
- 2 Udi Dekel and Kobi Michael, eds., *Scenarios in the Israeli-Palestinian Arena: Strategic Challenges and Possible Responses*, Memorandum 186 (Tel Aviv: Institute for National Security Studies, 2018).
- 3 Ibid.
- 4 See the publications of *The National Security Index*, Institute for National Security Studies, <https://goo.gl/hsLdfJ>.
- 5 Amos Yadlin, Udi Dekel, and Kim Lavi, *A Strategic Framework for the Israeli-Palestinian Arena* (Tel Aviv: Institute for National Security Studies, 2018).
- 6 Ibid.
- 7 Anat Kurz, Udi Dekel, and Benedetta Berti, eds., *The Crisis of the Gaza Strip: A Way Out* (Tel Aviv: Institute for National Security Studies, 2018).

Is Israeli Democracy at Risk?

Pnina Sharvit Baruch

Various measures taken under the current government are perceived by part of the public as threatening the robustness of Israeli democracy. These include the Basic Law: Israel – the Nation State of the Jewish People; the Judea and Samaria Settlement Regularization Law; the so-called “Loyalty in Culture” bill; the bill on the override clause; and attacks on the Supreme Court and human rights organizations. On the other hand, some argue that Israeli democracy is stronger than ever, and that those mourning the state of Israeli democracy do so because the people in power do not share their views. With each side convinced that it is right, the question arises whether Israeli democracy is truly at risk. This article maps the opposing arguments regarding many of the said government measures and analyzes the ramifications for Israeli democracy. It also proposes guidelines for maintaining a healthy democracy, particularly in the face of these challenges.

Some of the divergent views brought below result from different definitions of a “democratic state.” Israel has a democratic regime: the government is elected in free elections, and the results are determined at the ballot box with no external intervention. Many cite this as sufficient proof that Israel is democratic. It is also asserted that the attempt to restrict majority rule in the name of “democratic values” is actually anti-democratic, because it ignores the elections results and imposes specific outlooks that are nothing other than the political views of the liberal left. These views conflict with the majority view, which leans to the right and attaches importance to enhancement of the national identity of the state.

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Labeling any position seeking to promote national interests as essentially anti-democratic is a misrepresentation of democracy. The attitude that regards majority rule as the fulfillment of the democratic idea, however, is misguided; it ignores essential elements in the definition of a democratic state. The focus of the debate, therefore, concerns the question of what those essential elements are, and what degree of protection they require.

The discussion below refers to four spheres in which controversial measures have been taken. The first concerns the scope of protection accorded to human rights and minority rights, and the implementation of the principle of equality. Directly related are the implications of Israeli policy in the West Bank for Israeli democracy.¹ The third sphere concerns the attitude toward opposition groups, and the extent of freedom of speech and the possibility of criticizing the government freely. The fourth sphere concerns the existence of checks and balances, the rule of law, and effective gatekeepers. Following an examination of the four spheres, the effect of the global trend toward erosion of democratic values will be discussed briefly, and insights and conclusions presented.

The First Sphere: Protection of Human Rights in Israel

An essential component of a democracy is the respect for human rights. In this context, difficult questions arise about the relationship between governmental and national interests and the status of individual and minority rights in Israel.

One of the key issues concerns the definition of Israel's Jewish identity and the implications for the approach to minorities in the country. This question arose in full force following the passage by the Knesset on July 18, 2018 of the Basic Law: Israel – the Nation State of the Jewish People (hereafter: the Nation State Law), with 62 in favor and 55 opposed. The law states that Israel is the nation state of the Jewish people, and that exercise of the right to self-determination in Israel belongs exclusively to the Jewish people. It stipulates that Hebrew is the state language – in contrast to the situation before the law was enacted, when both Hebrew and Arabic were defined as the official languages.² A clause in the law states explicitly that development of Jewish settlement is a national value that should be encouraged and promoted.

The way the Arab minority is treated is an issue that also arose following statements by public figures, among them members of the government, that included labeling Arab citizens of Israel in general as traitors or a danger to the security of the state.³ In addition, there were members of the government who failed to condemn racially-based violence against Arabs and their property.

Other questions about the extent of protection of human rights in Israel concern treatment of anyone perceived as threatening national security or safety. Various members of the current government and the coalition have promoted ideas to the effect that there is no obligation to consider the human rights of those perceived as a threat to the state, be they terrorists and their families, enemy civilians, or asylum seekers/infiltrators, and that absolute priority should be given to state interests over the rights of these individuals.⁴

Principal Divergent Arguments

Israel's Jewish and Democratic Identity

It is argued that Israel is undergoing a process of prioritizing its national Jewish component over its democratic component, and this diverts the state from its definition as a state that is both Jewish and democratic, as stipulated in the Israeli Declaration of Independence and basic laws enacted in the past. This is reflected in the Nation State Law, which emphasizes the special status of Jews in the state without including the principle of equality, and without referring to Israel as a democratic state. The Nation State Law wields concrete influence, not just rhetorical, because it can constitute a basis for discriminatory policy and infringement of civil rights, based on arguments of realizing the Jewish national interest. It is also argued that the law was designed to pave the way for annexation of the West Bank or parts therein, involving continued control over Palestinians without giving them full rights. The constitutional anchoring of the national value, without any explicit anchoring of the principle of equality in the basic laws,⁵ can be used to thwart judicial intervention in discriminatory policy. This concern is heightened by the overt intention to influence the composition of the court through the appointment of right wing and conservative judges, as explained below.

Counter arguments contend that the Nation State Law merely provides a constitutional anchor for the essence of Israel as the state of the Jewish people, as determined when it was founded. Since the basic laws were designed to be chapters in Israel's constitution, due to the difficulty in drafting a comprehensive constitution, it is necessary to add to the constitutional matrix a series of provisions dealing with the fundamental characteristics of the state as a Jewish state (as written in the explanatory memorandum to the draft bill). The law does not infringe upon individual rights or include a disavowal of the principles of democracy. It is necessary because the Supreme Court, relying on the basic laws that concern human rights, has given priority to the democratic component over the state's national Jewish component. The value of equality was not included in the law due to the concern that the Court would cite it as grounds for striking down arrangements necessary for actualizing the Jewish dimension of the state. For example, the principle of equality can conflict with the Law of Return or the prioritizing of Jewish communities in land allocations, and with arrangements subjecting certain matters to religious law, e.g. marriage and divorce. It is argued that some of the criticism of the Nation State Law reflects the more fundamental disapproval of promoting national interests in general, typical of those holding liberal cosmopolitan opinions. Acceptance of such perceptions is liable to culminate in the portrayal of Zionism as a colonial movement, while casting doubt on the right of Israel to exist as a Jewish state.

Approach to Minorities

It is argued that the Nation State Law, which anchors the status of Jews in the state without mentioning non-Jews at all, makes non-Jews second class citizens. The combination of this law with statements by figures in the government about minorities excludes non-Jews from the general community and portrays them as less than full partners in the state. This applies particularly to Arab citizens, who are not infrequently portrayed as a threat to the state. This stance constitutes a shift from a legitimate national concept to a dangerous ultra-nationalistic concept. National concepts accommodate expressions of the state's Jewish identity, while also recognizing the rights of minorities. Ultra-nationalism emphasizes opposition to anyone not belonging to the Jewish nation and sanctions deprivation of rights on the sole basis

of not belonging to this nationality. It supplies fertile ground for racism, discrimination, and even violence against minorities. Furthermore, denial of collective minority rights, as in the Nation State Law, is incompatible with a democratic regime.

Counter arguments contend that there is a liberal trend in Israel to emphasize the rights of minorities to self-determination and preservation of their particular culture and identity, while protection of the unique cultural identity of the Jewish majority is not given similar weight. The campaign for absolute civil equality leads to the adoption of ideas of a binational state or a state of all its citizens; the Nation State Law is designed to counter these ideas. Citizens of Israel enjoy full rights, and the Nation State Law neither eliminates these rights, nor detracts from the existing minority rights (except for a lowering of the status of the Arabic language, which is a purely declarative measure). Israel is engrossed in a fundamental national conflict against those challenging its existence as the state of the Jewish people in an effort to ultimately transform it into a Muslim Arab state in which the Jews will be a minority. Therefore, there is no room to recognize the national rights of the Arab minority. This does not constitute ultra-nationalism, because the motives for it are not racist; it constitutes recognition of an ongoing national struggle between the peoples.

Approach to Enemies and Foreigners

It is argued that the government has disavowed its obligation to respect the human rights of enemies and those associated with them, and of those who entered the country illegally. In this context the government has undertaken collective punishment of Palestinians, used excessive force against pro-Palestinian demonstrators, and violated the rights of those seeking asylum. This policy clashes with democratic values that consecrate the right to life, freedom, due process, and relief of the suffering of others, including non-citizens, and even when they are residents of a hostile entity.

Counter arguments contend that as a matter of principle, the security of the state and its residents should not be jeopardized in the name of democratic values. Democracies all over the world signal weakness, and are therefore unable to defeat the terrorist threat. Israel, which faces concrete threats more acutely than most democracies, should not follow their example. The

enemy does not respect the rules of war or the inviolability of innocent civilians, and uses its civilians as human shields. Israel cannot restrict the use of security measures and methods of combat in order to avoid harming civilians, because that means it will be unable to defeat the enemy. The IDF and other security forces should therefore be allowed freedom of action, and not abdicate the security of the state's residents out of concern about enemy civilians. Israel has no obligation toward the residents of the Gaza Strip who elected Hamas. The same is true of infiltrators, who entered Israel illegally, and who jeopardize internal security. Lessons should be drawn from the mistakes made by European countries, which suffer from the results of uncurbed immigration in the name of democratic values and liberalism, including severe damage to their internal fabric of life.

Observations

First, equality between the nation's citizens is an essential element of democracy. Even if a majority of the people were to support a violation of equality, the will of the majority should be rejected in order to maintain the essence of democracy. On the other hand, the principle of equality should not be interpreted to prevent the advancement of national values. The Law of Return, for example, refers to the immigration policy of the State of Israel, giving precedence to Jewish immigrants, and should not therefore be viewed as discriminating between the state's citizens.⁶ When there is tension between national values and the principle of equality, for example, in the allocation of land to Jewish communities in the state, a balance must be found that keeps the deviation from the principle of equality to a minimum. The national struggle facing the State of Israel has not ended, but its continuation must not justify unnecessary discrimination.

Second, respect of minority rights is likewise an essential element of democracy. Strengthening the national dimension of the state is not illegitimate in principle, but only if it is done in a way that does not exclude minorities and with full regard for their rights, including the right to preserve their culture, language, and heritage.⁷ Furthermore, care should be taken that the national dimension does not become an ultra-nationalist dimension, and that determined action is taken against expressions of racism. Responsible leadership is expected to disavow racist statements and deeds, and should

certainly itself refrain from expressing racism, including generalizations against Arabs in Israel. Likewise, extremist statements by Arabs against Israel and Jews should also be rejected. Some of the Arab Knesset members and Arab leaders cause significant damage to Israel's Arab citizens, most of whom want to integrate into the country, by aligning themselves with the enemy and not identifying with Israel,⁸ thereby exacerbating ultra-nationalism among the Jewish population.

Third, there is not necessarily a contradiction between the state's Jewish and democratic identity. Thus, a basic law defining the state's national essence, such as the Nation State Law, should also address the democratic essence, preferably using the wording of the Israeli Declaration of Independence, which reflects the balance set by the founding fathers. This was already done in the basic laws dealing with human rights, such as the Basic Law: Human Dignity and Liberty, which refer to anchoring the state's values as "Jewish and democratic."

A fourth point concerns the use of force and security measures. It is necessary to allow states sufficient freedom of action to wage an effective war against terrorism, and not impose unwarranted restrictions, as is sometimes demanded. However, it should not therefore be concluded that dealing with security threats justifies the removal of all restrictions on the use of force and means of defense. Such license contravenes the norms expected of a democracy. This is therefore a case in which victory in battle will actually be a defeat in the war for the continued existence of the state as Jewish and democratic. The correct way is to observe the rules seeking to minimize harm to civilians in warfare, taking into account the challenges of modern warfare, while not ignoring the needs of the fighting army. The same is true about other security measures, where utility should be balanced against the consequential harm to civilians. Indeed, the demand to remove restrictions is not infrequently motivated by feelings of revenge, and does not serve operational and strategic interests.

Finally, concerning the extent of the obligation to care for non-citizens, such as the Palestinians in the West Bank and Gaza Strip and the infiltrators/asylum seekers, the state can take into account its interests and the need to protect its citizens, but this does not mean that these people's plight can be

ignored entirely. A democratic state is obligated to consider the basic rights of every person under its control or liable to suffer damage from its actions.

The Second Sphere: Control over the West Bank

A discussion of the state of democracy in Israel cannot ignore the consequences of prolonged Israeli control over the West Bank (and in some eyes, the Gaza Strip as well), especially given the fact that there is no foreseeable end to this reality. This situation is not new, but related concerns about its impact on Israel's democracy have increased under the current government, given the lack of a significant political process for ending the conflict and the emerging trend toward abandonment of the idea of two states. Another factor concerns the measures taken to strengthen the Jewish settlements in the West Bank, including regularization of their legal status. In this context, proposals have been made by government figures and coalition parties to consider applying Israeli law to parts of the West Bank, namely to annex these areas to Israel.

One prominent measure in the legislative sphere is the Judea and Samaria Settlement Regularization Law (hereafter: Regularization Law), enacted on February 6, 2017. The law was designed to legalize retroactively Israeli settlements in the West Bank constructed or expanded without legal authorization, while giving precedence to Jewish residents over Palestinians claiming rights to the land who are offered compensation.⁹ Petitions to the Supreme Court against the law are still pending and the law has not yet been implemented. The opinion of the Attorney General is that the law is unconstitutional, and he has therefore filed a submission with the Court opposing the law. The government is represented in the hearing by a private lawyer.

Principal Divergent Arguments

It is argued that Israeli democracy cannot be reconciled with prolonged occupation of the West Bank and the Gaza Strip. Control over the Palestinians violates their right to self-determination. Furthermore, the occupation leads Israel to adopt measures that seriously violate the Palestinians' human rights, such as freedom of movement, property rights, family rights, and the right to due process. As prolonging the occupation generates a growing challenge

to the state's democratic nature, a genuine endeavor to end the occupation should therefore be made. The current Israeli government has shunned any moves in this direction; furthermore, its policy in practice leads to a one-state reality as the only outcome to the current conundrum. Since it does not appear that there is an intention of granting full civil rights to the Palestinians in a one-state reality, this entails the creation of a non-egalitarian state, which means an end to Israeli democracy.

It is also argued that the existence of the Jewish settlements in the West Bank damages the foundations of democracy. First of all, their very existence is a violation of international law, and a democratic state must obey the law, including the international law applicable to it. Furthermore, the Jewish settlements, especially those deep within Palestinian territory, exist at the expense of the Palestinian residents of the area; restrictions on movement and other constraints are imposed on the Palestinians because of the Jewish settlements. In the event of inter-community clashes, the Israeli government does not provide the Palestinians with adequate protection. The current government makes no attempt to limit the harm to the Palestinians, and in fact ignores this harm entirely, and measures have been taken that seem designed deliberately to burden their lives. Furthermore, it is argued that a state of apartheid is forming in the West Bank with two classes of residents in separate jurisdictions, with a policy that gives precedence to the Jewish residents.¹⁰ The Regularization Law illustrates this. The direct application of Israeli law in the territories is a kind of legal annexation in itself, and the law establishes an arrangement that appears unequal by explicitly giving rights only to the Jewish residents, while violating the Palestinians' property rights. Ideas to annex parts of the West Bank, in addition to being in violation of international law, will further aggravate the inherent discrimination, particularly if the Palestinian residents in the annexed territory do not benefit from full rights in Israel.

Counter arguments contend that this perspective is incorrect. First of all, the West Bank should not be regarded as occupied, because it was not conquered from another state. No national rights should be attributed to the Palestinians, because they are part of the Arab nation, which has realized its national rights in the Arab countries. Israel, on the other hand, has good claim to rights in the Land of Israel, the historic homeland of the Jewish people.

There are no grounds for prioritizing the national interest of the Palestinian people over the national interest of the Jewish people. Furthermore, Israel is not responsible for prolonging the conflict, because there is no partner for peace on the Palestinian side, and there is no way of reaching a negotiated solution without substantially jeopardizing Israel's security. Violation of the Palestinians' rights is not due to the occupation itself; it results from the Palestinians' violent campaign against Israel, which threatens the security of its citizens. The two-state solution entails major concessions by Israel, exposes it to security risks, and in any case is impractical. It is also argued that in a single state with autonomy for the Palestinians, a democratic regime can be maintained even without giving the Palestinians full political rights.

In addition, the argument that the settlement policy jeopardizes Israeli democracy is rebuffed. Building Israeli communities in the West Bank is a Zionist act equivalent to the building of Jewish communities during the period before and after the state was established. The dispute over land lies at the heart of the conflict between Jews and Palestinians, and is therefore a political issue. International law is irrelevant because the circumstances are unique, and in any case it is subordinate to Israeli domestic law so that it cannot tie the state's hands. The dispute is in essence between right and left, with the left trying to portray all right wing national views supporting the settlements as subverting the foundations of democracy. The allegation of apartheid is groundless, because law is not applied on a discriminatory basis, but is rather the result of the existence of two different governmental systems in the territory based on citizenship. The Israelis in the Jewish communities are Israeli citizens, while the Palestinians are residents of the Palestinian Authority. Any existing distortion is actually discrimination against the Jews in the area, in comparison with Israeli citizens living within the country's official borders, and the government is merely trying to reduce this discrimination. The Regularization Law is designed to legalize building conducted in good faith, with the state's consent and in pursuance of its policy on land that Palestinians could not be utilize in any case. This eliminates the need to uproot people from their homes with no real justification. Palestinian landowners are offered appropriate compensation. Furthermore, Israeli law should be fully applied to the communities in Judea and Samaria and

the territory between them in order to provide a proper solution for Israeli citizens living in these communities.

Observations

First, the overall conflict is ongoing since the state was founded, and control of the territories has continued for over 50 years. Therefore the continued control over the territories in and of itself does not mean that Israeli democracy is undermined, especially since an end to the conflict also depends on the good will of the Palestinians, who have previously thwarted attempts to resolve it. At the same time, the continued control over the Palestinian people, especially in the tense security environment, leads to measures detrimental to Palestinians' human rights, and impacts negatively on the preservation of democracy in Israel. Insofar as Israel adopts a policy that perpetuates control and does not aim at settling the conflict, there may be a long term cumulative negative effect on Israeli democracy. Ensuring Israel's democratic existence in the future requires an effort to find a solution that takes into account the rights and needs of the Palestinians.

Second, the Jewish settlements in the West Bank are indeed a political issue at the heart of the political dispute in Israel, and not every measure seeking to promote or support them should be portrayed as endangering democracy. At the same time, the settlement policy should be implemented with due consideration of the consequences for the Palestinians and their rights, and a balance should be struck in each individual case. A blanket preference for Jews over Palestinians in the West Bank is inconsistent with a democratic regime. There is also an obligation to foster the welfare of the Palestinians in matters in which they are subject to Israel's control, including the allocation of resources and enabling development to improve their living conditions.

Third, annexing the West Bank or parts therein to Israel without giving the Palestinian population in the annexed area full residency rights, including freedom of movement and social rights, as well as the right to request Israeli citizenship (subject to the conditions required by law), will indeed directly clash with democratic values. Furthermore, if, following annexation, the rights of the Palestinians who do not reside in the annexed territory are compromised (for example, if their freedom of movement is substantially

curtailed) this will likewise challenge democracy in Israel. A one-state reality in which Palestinian residents do not enjoy full civil rights will not allow the preservation of Israel's democratic character.

The Third Sphere: Critics of the Government and Civilian Activists

One of the key principles underlying a democratic regime is the ability to express opinions opposed by the government, to criticize the government freely, and to try to replace it by democratic means. A democratic government allows freedom of conscience, freedom of speech, freedom of association and assembly, the right to demonstrate, and other liberties, all of which are designed to allow free and open discourse and the existence of an effective opposition to the government.

A number of measures taken by the current government and Knesset have aroused allegations about violation of these freedoms, from narrowing the room to criticize the government, to delegitimization of critics of the government, including in the media, human rights organizations, and political groups, to measures taken against them for their very expressions of criticism.

Among the legislative measures criticized are those designed to restrict or impede activity by organizations critical of Israel's activity, for example legislation restricting activity in educational institutions of groups such as Breaking the Silence;¹¹ restricting entry to Israel by a foreign citizen who calls for boycotting Israel, including a boycott of the settlements;¹² and demanding disclosure in an open publication or Knesset debate of any financing received from foreign countries.¹³ Also worthy of note is the "Loyalty in Culture" bill, whereby state funding will be denied to cultural institutions attacking or degrading the state's symbols, treating Israeli Independence Day as a day of mourning, or decrying Israel's existence as a Jewish and democratic state.

In addition to these legislative acts, members of the government have taken measures and made caustic statements against those voicing critical views. Examples include the Minister of Science, Technology, and Space, who vetoed the appointment of a scientist to a professional committee because she previously signed a petition supporting those who refused to serve in the territories; an order by the Minister of Education to employees in his ministry to refrain from participating in a conference on workers' rights that

included the Association for Civil Rights in Israel, because it “consistently defends terrorists who murdered Israelis”; decisions in the education system against including content not consistent with the government’s outlook, either in curricula or cultural excursions;¹⁴ and the portrayal of left wing and human rights groups as anti-Zionist and traitors endangering the country.¹⁵ There are also contentions about measures designed to restrain the power of the media.¹⁶

Principal Divergent Arguments

It is argued that there is an attempt under the current government to silence critical voices and restrict freedom of speech. Steps are taken to censor content and exclude any opinion, person, or activity that does not agree with the government’s political views. In the contemporary public discourse, anyone who criticizes Israel, and sometimes even when the criticism focuses solely on governmental policy, is portrayed as a traitor undermining the country. Instead of condemning this extreme discourse, the political leadership has supported it, and even taken an active part. These actions can lead to intimidation and silencing, and can damage freedom of speech and freedom of conscience, which are an essential element of democracy. There is also concern that they will culminate in violence. If the attempt to gain control over the media and staff it with government supporters while excluding critical voices succeeds, it will weaken an important watchdog of democracy. Furthermore, attacking civil society organizations weakens groups that play an important role in preserving democracy by protecting the human rights of disadvantaged groups and exposing questionable practices by the government.

Counter arguments contend that in a democratic state, it is legitimate to impose limits on criticism when it involves groups slandering Israel abroad and making common cause with its enemies in the international diplomatic arena, including by assisting in initiating proceedings against IDF soldiers outside of Israel and promoting boycotts against Israel. Acts such as denying public funding, depriving access to school students, and barring entry into Israel of foreigners who act against Israel are merely a deprivation of privileges. No punitive measures were taken and no civil society groups were denied essential rights, nor were they barred from continuing

to operate. Regarding freedom of speech and freedom to demonstrate, a lively public debate that includes harsh criticism of the government and its policy takes place in Israel with no government restrictions – in the media, in demonstrations, and through other platforms. This highlights the strength of Israeli democracy. As for harsh language used against leftist groups, the discourse directed against the right, which is portrayed as fascist and ultra-nationalistic, is no less extreme.

Observations

First, it is essential in a democratic state to allow criticism of the government, which is a critical tool for influencing government policy and enabling the overturn of the ruling parties. Labeling any criticism as treason is unacceptable, because it is liable to become a tool enabling the ruling parties to silence opposition. In Israel, the government can be freely criticized, and freedom of speech is maintained. At the same time, there is an alarming trend among groups in the ruling parties toward adoption of scathing and even violent language against critics of the government. This could generate an atmosphere of fear and timidity about speaking against the government, and can even be interpreted as authorizing violence against critics of the government. Freedom of speech is the lifeblood of democracy, and leaders should emphasize this and respect their critics. Public servants should refrain from using extreme and violent language against people with different views, and from expressing support for such language.

Second, it is legitimate in the framework of a democratic regime to impose certain restrictions on those acting against the state in the international arena, for example, those calling for a boycott against the state (in contrast to calling for a boycott only against Jewish settlements in the West Bank). The Supreme Court has recognized this.¹⁷ Such restrictions must not lead to a ban on the existence or activity of such organizations and critics, or to limitations on their ability to express their views, but it is permissible to consider depriving them of privileges, such as restricting the entry into Israel of foreigners promoting an agenda of this sort. Denying access to schools for those expressing views deviating widely from the national consensus does not constitute an attack on democracy, as long as this restriction applies to both sides, not just to critics of the government. Those opposing these

measures should distinguish between not agreeing with such measures and asserting that they undermine democracy in Israel.

Third, showing suspicion and hostility toward anyone working on behalf of human rights should be avoided. Debate over the proper balance between protecting human rights and promoting national or security interests is legitimate. It is best for those speaking about this question, especially political leaders, to frame the discourse in this way, which will help limit the disputes and focus the discussion. Continuing the trend toward portraying human rights as a “leftist” issue and terming defense of human rights “anti-Zionist” is dangerous in the long term, because it might undermine the defense of human rights against acts by the government and detract from the activity of human rights organizations, which play an important role in protecting disadvantaged groups in society and preserving democracy in Israel.

The Fourth Sphere: Checks and Balances and the Status of Gatekeepers

One of the important elements in a democratic regime is a system of checks and balances, in which the government is subject to law and to an effective system of external supervision, including judicial oversight. Over the years, there has been an ongoing debate about the proper extent of judicial review, especially the extent and nature of intervention in the government’s acts and Knesset legislation. The criticism of judicial intervention, however, has intensified and today there is an attempt to restrict such intervention, reflected in a number of measures and actions.

Some of these measures consist of efforts to introduce legislative changes. One of the most prominent is adding an override clause, allowing the re-passage of legislation struck down by the Supreme Court on constitutional grounds by a majority of 61 Knesset members. This will enable the Knesset to bypass human rights anchored in the basic laws by using the effective majority commanded by the governing coalition. Another example is a bill designed to augment the influence of the political echelon (the ministers) on the appointment of legal advisors in government ministries. Thus far, these bills have not been translated into legislation.

At the same time, there is a quantum leap in the force and style of criticism of the Supreme Court, which is portrayed as a political power enforcing

an elitist outlook impeding the fulfillment of the national interest and the implementation of policies supported by a majority of the people.¹⁸ Some of the critics in the government even accused the Supreme Court of preferring protection of the enemy over protection of the state's citizens.¹⁹ In addition, there is an open effort to affect the composition of court judges, especially Supreme Court justices, by appointing conservative judges and those with a right wing outlook.²⁰

These measures have sparked a debate about whether they constitute deliberate weakening of the gatekeepers, while severely damaging the foundations of Israeli democracy, or whether they are measures designed to halt excessive judicial intervention and enable the government and the Knesset to implement the policies for which they were elected.

Principal Divergent Arguments

It is argued that it is essential for Israeli democracy to preserve the Supreme Court's power as a body overseeing the government and the Knesset in order to ensure that human and minority rights are maintained against the tyranny of the majority. The override clause is designed to paralyze this oversight and give the government unrestrained power. Statements directed against the legal system, the courts, and the legal advisors in the civil service accusing them of sabotaging the government's work delegitimize them and erode the public trust in the legal system. The combination of the public atmosphere and political intervention in the appointment of judges and legal advisors can have a chilling effect that is liable to have an impact on the way they fulfill their roles, which should be free of extraneous considerations; detract from the independence of the gatekeepers in the country; and severely undermine democracy. It is also argued that in the framework of the campaign against the Supreme Court, a distorted image of the Court has been created, portraying it as a body with a political bias that prevents the government from ruling according to its policy. In actuality, there are very few cases in which the Court struck down Knesset legislation, compared with many cases in which it refrained from intervening and allowed the government to carry out its policy, even when it contradicted left wing stances and aroused strong resistance among opposition groups and critics of the government. Notable here are the Supreme Court's non-intervention on the subject of the

legality of Jewish settlements in the West Bank and its approval of legally controversial security measures, such as demolition of homes of terrorists' families.²¹

Counter arguments contend that a process of "judicialization" has taken place in Israel, with a takeover of government actions by the legal advisors and the courts, whereby government processes are torpedoed because they do not match the political outlook of the lawyers and judges in the system. These parties represent an elitist-leftist outlook that does not correspond to a majority of the people's views, which are right wing. One of the tools for doing this is striking down lawful policy decisions on the ground of unreasonableness, which is flexible and facilitates interpretation according to the court's will. The court thereby plays an anti-democratic role by preventing the government and the Knesset from carrying out the policy for which they were elected. This is particularly true when the court strikes down laws passed by the Knesset by appropriating this authority with no constitutional basis as part of the "constitutional revolution" carried out by former Supreme Court President Justice Aharon Barak. Appointment of legal advisors to government ministries and of judges to the court based on their political leanings is a legitimate step that occurs in other democratic countries. It is necessary to eliminate the current political imbalance in the judicial system resulting from the existing appointment method, which has allowed the emergence of a self-perpetuating club and the addition of judges belonging to the same group and sharing the same outlooks as the serving judges.

Observations

First, the subordination of the governing authorities to law and judicial oversight is one of the foundations of a democratic regime, reflected in the principle of checks and balances. Measures that attempt to prevent such oversight or to subject jurists to political considerations can jeopardize democracy. In this context, it is regrettable that members of the government voice general criticism of the legal advisors and the court, and statements that undermine their status should be avoided. Particularly alarming is the extreme language used against the Supreme Court by public figures and the lack of condemnation of such language by government members. On

the other hand, not every allegation that legal advisors or courts intervene excessively poses a threat to democracy, and there can be legitimate criticism of their decisions.

Second, there is indeed a trend towards excessive judicialization in Israel. Public discussions transform readily into legal discussions and are decided by legal advisors and courts making extensive use of the legal tool of the “reasonableness” of governmental action. The result is legal intervention in matters that concern only policy. At the same time, this trend results in part from the actions of government members. In more than a few cases, decision makers have preferred to make populist suggestions and pass the decision on to the legal sphere, so that they can blame the jurists for thwarting the measure. Ideas of different kinds of collective punishment raised in the wake of terrorist attacks are a common example. On the other hand, opposition groups also contribute to the situation by choosing to wage their struggle on the legal front instead of in the public arena, as is reflected in the petition to the Supreme Court filed against the Nation State Law by some members of the Knesset. This trend should be halted, and a professional discussion of policy matters should be held in the public arena, not the legal one.

Third, the court’s intervention in government decisions is proper when these contradict the relevant legal framework or constitute unjustified violations of fundamental rights and freedoms. In such cases, the court is indeed tying the government’s hands, but this does not necessarily reflect the enforcement of a political outlook, because ensuring the subordination of the government to the law and protection of human rights is not a political interest of the left; it is an element in democracy that every government in a democratic regime must implement. Even if a majority of the people support measures that constitute excessive violation of human rights, this does not mean that the court is obligated, or entitled, to refrain from intervention in such cases. This reflects the fact that democracy is not merely an expression of the majority opinion; it is also a regime that respects essential human rights. There is no unequivocal answer about when judicial intervention is justified, and different opinions are possible in each case. An objective and in-depth discussion of each case on its merits should be conducted, in place of the tumultuous exchange that takes issue with the general idea of legal intervention.

Fourth, the court's prerogative to strike down legislative acts should be preserved. Otherwise, there is a danger that the tyranny of the majority will gain control and severely undercut human rights, while eroding the foundations of democracy. At the same time, judicial restraint should be maintained concerning intervention in legislation. The override clause, under which the Knesset will be able to re-pass laws struck down by the Supreme Court under certain conditions, is not necessarily a critical blow to democracy. On the other hand, if the majority of 61 Knesset members, available to every coalition, is enough to override a judicial veto, this clause will detract from the basic idea of judicial constitutional oversight.

Finally, the method of appointing judges in Israel by a committee containing both representatives from the legal system and political representatives is a solid method that allows the formation of an independent, strong, and professional judiciary.²² In the framework of the selection process, it is legitimate to take into account the outlooks of the judicial candidates in order to guarantee a variety of opinions among the judges. However, care should be taken to avoid making the court a system of political appointees or yes-sayers seeking to appease the politicians. Political control of the court is one of the practices of a non-democratic government, as in the examples of Poland, Hungary, and Turkey.

Conclusion

The democratic and liberal principles that gained momentum in recent decades in Western countries are currently under attack throughout the world. The Trump administration in the US is viewed by many as an example of this trend, as is the significant strengthening of right wing parties all over Europe. In this short article it is impossible to comment on the complex reasons behind this phenomenon, although some of them are also relevant to Israel.

As such, the weakening of liberal democracy around the world heightens anxiety about the fate of Israeli democracy. One of the reasons for maintaining respect for human rights and democratic values in Israel is concern about damage to Israel's international legitimacy, which might well affect important alliances, especially the strategic alliance with the United States, as well as economic and other ties with European countries. This concern affects the government no less, and sometimes even more, than the substantive concerns

about the fate of Israeli democracy. It is also easier to justify decisions that are unpopular in internal politics on this basis. If the global situation makes democratic values less prominent, international pressure on Israel to respect these values will wane, and the weight of internal political considerations that could lead to more harmful and ultra-nationalistic steps will increase.

The question whether democracy in Israel is in jeopardy depends on the observer's perspective. Various groups in Israeli society will give different and even contrary answers to this question, largely due to different definitions of "democracy." The main dispute concerns the extent to which Israel should take the rights and needs of groups and individuals not belonging to the Jewish majority into account in order to be considered democratic, especially when the groups involved threaten the state, decry its Jewish substance, or attack it in other ways. There are clear differences on this matter between those with a liberal world view, who mostly belong to the Israeli elite, and large sections of the Israeli public.

Maintaining a democratic regime that also enables Israel to preserve its Jewish character and its role as the national home of the Jewish people requires recognition that it is legitimate to lend a certain priority to interests that maintain this essence of the state. On the other hand, maintaining an essential democracy is impossible without recognizing equality between all of the state's citizens, respecting individual rights, and protecting the rights of minorities. As such, these rights must be upheld as much as possible, but they are not necessarily granted absolute protection. In order to achieve a proper balance, pursuit of mutually exclusive extreme national and democratic values should be avoided. Flexible definitions enabling the coexistence of both components should be adopted. In this context, the majority's need to preserve its interests and anchor its identity in the state should be recognized, without detracting from the protection of minority rights.

There is an inherent tension between the democratic character of the state and continued rule over the Palestinians. Since no end to the Israeli-Palestinian conflict is likely in the near future, it is necessary to find a proper balance between preservation of the state's political and security interests and limitations on Palestinians' rights, taking their concerns into consideration. At the same time, an effort should be made to achieve a solution facilitating separation from the Palestinians and an end to ruling over them. Proposed

solutions to the conflict in which Israel retains rule over another people indefinitely, while discriminating against them in comparison with the Jewish citizens, will culminate in untenable challenges to democratic values and in turn, the collapse of democracy in Israel.

Israel is marked by a culture of heated debate and free expression, including vocal criticism of the government. It is important to maintain this situation. Actions and language by officials designed to silence and intimidate critics, constrict them, or limit their freedom of action are liable to damage freedom of speech and make it difficult to conduct an effective opposition, which are essential elements for the preservation of democracy. On the other hand, not every denial of privileges to groups taking action to damage Israel's status is an improper breach of democracy.

A system of checks and balances and external oversight of the government and the Knesset is an essential element in maintaining a democratic regime. The legal system, including the courts and the government legal advisors, fulfills this function. It is very important to preserve the power and independence of this system. At the same time, it is legitimate to influence the composition of the judges so that they will reflect a range of opinions, and to require legal advisors and judges to restrain their intervention in governmental measures, especially legislation, and not substitute their outlook for the judgment of decision makers. The boundary between justified and excessive legal intervention is not unequivocal, and an objective and respectful discourse should be conducted on this point. Extreme statements against the legal system prevent such a discourse, generate a threatening atmosphere that stands to arouse fear to intervene even in justifiable cases, and erode public confidence in the legal system. This constitutes a threat to the long term resilience of democracy.

At the bottom line, it appears that Israeli democracy remains strong and rests on solid foundations. At the same time, democracy is a fragile regime. It is susceptible to elements seeking to misuse and hijack it to take control of the government, after which they will eliminate the democratic framework. Such events occurred in the past and are taking place today (for example in Hungary, Poland, and Turkey). Destabilizing processes usually take place gradually, with the critical blow to democracy often discovered after it is already too late.²³ For this reason, one cannot be complacent, and

steps aimed at eroding democratic values should be countered. It is also important to strengthen the understanding among the general public in Israel of the importance of preserving democracy through education and other means. On the other hand, the tendency on the part of some critics to portray any view contrary to their political position as undemocratic is dangerous in itself, because crying “wolf” makes it difficult to distinguish between legitimate, albeit politically controversial measures and measures that are truly undemocratic by nature.

One of the key insights from this paper is that more attention and respect is necessary from those engaged in the debate to the positions and outlooks of those holding opposing views. It is a good idea for readers of *Haaretz* to be exposed to the views in *Makor Rishon*, and vice versa. It is important to try to understand the other side’s viewpoint in the debate, instead of merely focusing on counter arguments. This would enable a more fruitful and constructive dialogue that can forge a way to protect and preserve the essence of Israel as a Jewish and democratic country in the spirit of the founding Zionist vision.

Notes

- 1 Dilemmas concerning the clash between religious considerations and demands for equal rights, for example, women’s rights or the demand for freedom of religion, will not be discussed here.
- 2 Section 4 of the law states that nothing in it shall affect the status given to the Arabic language before the Basic Law went into effect.
- 3 For example, former Minister of Defense Avigdor Liberman called Joint Arab List chairman MK Ayman Odeh a “fifth column,” and said that Odeh and his colleagues should be outlawed, after Odeh and his party took part in demonstrations against government policy in the Gaza Strip and Odeh’s criticism of how Arab demonstrators were treated by the police. Arik Bender, “Make Ayman Odeh and His Friends Illegal; They are a Fifth Column,” *Maariv*, May 21, 2018, <https://www.maariv.co.il/news/politics/Article-639066>.
- 4 For example, the decision to deny lifesaving medical treatment in Israel to Gaza Strip residents whose relatives are members of Hamas (overruled by the Supreme Court); criticism of investigations against soldiers suspected of unjustifiably attacking civilians on the other side or injured terrorists not posing a danger.

- 5 The right to equality is not mentioned in the existing basic laws. However, the Supreme Court ruled that it is derived from the Basic Law: Human Dignity and Liberty.
- 6 As also indicated by remarks by Supreme Court President Aharon Barak in High Court of Justice 6698/75 Qadan vs. Israel Land Administration (March 8, 2000), paragraph 31, <http://elyon1.court.gov.il/files/95/980/066/a14/95066980.a14.HTM>.
- 7 This principle was also important to Jabotinsky and Begin. See “Menachem Begin: Nationalism or Ultra-nationalism,” *Maariv*, April 7, 1972, <https://bit.ly/2GEXoGw>.
- 8 For example, in response to the suicide terrorist attack on an Israeli tourist bus in Burgas, Bulgaria in 2012, MK Haneen Zoabi said, “Israel is not a victim and even when civilians are killed it’s the Israeli occupation policy that is to blame. If there hadn’t been occupation, oppression, and a blockade, this would not have happened,” Guy Katsoyich, “Zoabi: Attack in Bulgaria Caused by the Occupation; Israel is not a Victim,” *Globes*, July 26, 2012, <https://www.globes.co.il/news/article.aspx?did=1000769468>; former MK Mohammad Barakeh, head of the Higher Arab Monitoring Committee, said in a radio interview, “Israel is an imperialist invention of Balfour,” *Galei Tzahal*, May 2, 2018, <https://bit.ly/2HHwkX1>.
- 9 The law applies to communities built with no proper planning proceedings on land whose usage rights are not in the hands of the state authorities, if this was done in good faith or with state consent. State consent is given a broad meaning that includes, for example, the providing of an incentive by a local authority or settlement institution.
- 10 Examples include the claim that Palestinians rarely receive permits for construction in open areas, even if these are adjacent to their communities, and illegal structures are often demolished, while Jewish communities are encouraged and legalized, even in places where no permits were granted in advance. In addition, residents of Jewish communities are under the jurisdiction of courts in Israel, while Palestinians are under the jurisdiction of military courts in the West Bank.
- 11 Amendment No. 17 of the State Education Law (1953), passed on July 16, 2018, refers to someone who advances the institution of legal or political proceedings outside Israel against IDF soldiers or against Israel.
- 12 Amendment No. 28 of the Entry into Israel Law, passed on March 6, 2017.
- 13 An amendment to Duty of Disclosure for Those Supported by a Foreign Political Entity Law (2011), passed on July 11, 2016. It is argued that this duty applies mainly to human rights organizations receiving funding from the European Union and the UN, while most of the funding for right wing organizations comes from private overseas donors to whom the law does not apply.
- 14 For example, changes in the new civics textbook, removal of the book *All the Rivers* by Dorit Rabinyan from the curriculum for expanded matriculation in literature,

and removal of the play *A Parallel Time* staged by the al-Midan Theater from the educational system's "culture basket."

- 15 For example, the Prime Minister wrote about the New Israel Fund on Facebook, "The overarching goal of the New Israel Fund is to erase the Jewish character of Israel and turn it into a state of all of its citizens," and that the Fund "endangers the security and future of the State of Israel as the nation-state of the Jewish people," <https://www.facebook.com/Netanyahu/posts/10155501254537076>. According to its website, the Fund by definition does not support organizations that deny the Jewish people's right to sovereignty in Israel, or that call for a general boycott of Israel, <http://nif.org.il>.
- 16 One example is the attempt to promote a bill to consolidate the regulators of the media, designed to eliminate and subject statutory independent regulatory authorities to an agency controlled by the Ministry of Communications. See Omri Milman, "Netanyahu Taking over Media in 65 Pages," *Calcalist*, March 12, 2017, <https://www.calcalist.co.il/local/articles/0,7340,L-3709379,00.html>.
- 17 See Paragraph 18 of the ruling by Justice Hendel, Request for Permission for an Administrative Appeal 7216/18 Alqasem vs. Ministry of Interior – Population and Immigration Authority (October 18, 2018).
- 18 For example, Minister of Justice Ayelet Shaked stated, "The court sees the other-worldly Jerusalem and not the south Tel Aviv of this world," and that the Supreme Court revolution caused "Israeli democracy to run away from the nation." See Ahiya Ravad and Tova Zimuki, "Shaked against the Justices: "Democracy is Running away from the Nation"; Hayut: "Embarrassing Language against Justices," *Ynet*, December 21, 2017, <https://www.ynet.co.il/articles/0,7340,L-5060242,00.html>.
- 19 Minister of Tourism Yariv Levin said, "It's about time for the Supreme Court justices to realize that their job is to protect Israeli citizens, not those seeking to murder us." Minister of Culture and Sport Miri Regev said, "The Supreme Court is neutralizing Israel's citizens," Hezki Baruch, *Arutz 7*, October 22, 2015, <https://www.inn.co.il/News/News.aspx/308417>. Minister of Education Naftali Bennett charged that IDF soldiers fear the Military Advocate General more than they do Yihya Sinwar (the leader of Hamas). See Yoav Zeitun, Tova Zimuki, and Shahar Hai, "Bennett: Fighters Fear the MAG More Than They Fear Sinwar; Chief of Staff: This is Part of the IDF's Strength," *Ynet*, November 19, 2018, <https://www.ynet.co.il/articles/0,7340,L-5409165,00.html>.
- 20 Minister of Justice Ayelet Shaked declared that she wanted to appoint judges "to divert the ship from the liberal-activist direction that Barak led to a conservative direction," Nahum Barnea and Tova Zimuki, "Democracy Has not Been Weakened; It Has only Become Stronger," *Yediot Ahronot*, September 5, 2018, <https://www.yediot.co.il/articles/0,7340,L-5342031,00.html>.

- 21 In addition, regarding most of the petitions filed on the subject of Jewish settlements, for example, concerning the removal of outposts, the Supreme Court's intervention relied on the state's position, which recognized the illegality of the outpost and undertook to remove it.
- 22 In contrast, for example, to the method of appointing judges in the United States, which is very political, although the government there changes between rival political camps, so presidents from both parties have a chance of appointing judges if seats are vacated during their presidency.
- 23 A good manifestation of this kind of process is the example of "the boiling frog syndrome." As the story goes, if you place a frog in a pot of boiling water, it will immediately try to jump out. But if you place the frog in a pot of room temperature water and slowly turn up the heat, the frog will not do anything at all. Oblivious of the impending danger, it will become sleepy and eventually will not be able to hop out of the pot before it is boiled.

Conclusion: Strategic Assessment and Policy Recommendations

Amos Yadlin

This chapter spans four subjects. The first is an assessment of the national security situation in late 2018, as formulated by the Institute for National Security Studies. The second section focuses on core issues for early 2019 that should be debated by Israel's military and political decision makers. The third section examines black swan events, strategically significant turning points that are unlikely to occur, but if they do occur, would be of utmost significance for Israel's political and security situation. It is recommended that the Israeli government examine these extreme events and their potential implications for Israel, and prepare for them. The fourth section of the chapter presents ten core recommendations for Israel's national security policy in 2019 and beyond.

A General Situation Assessment

An assessment of the State of Israel's national security situation in late 2018 shows impressive military, political, technological, and economic strength. At the same time, it reveals the risk of military escalation on multiple fronts, as well as the limitations of the current policy's ability to address challenges and maximize opportunities.

Israel faces a basic tension between its unprecedented military and strategic strength, and its profound difficulty in achieving national security objectives. This is a function of the limited benefit of military actions against

key enemies, as well as the heavy social and economic tolls entailed by war and Israel's high sensitivity to casualties. Indeed, in general, even outstanding military victories do not always translate into political achievements, and dealing with the consequences of "the day after" is often no less complex than managing the military operations themselves. The asymmetry in aims and expectations from war (for the enemies of Israel, non-loss means victory, whereas the Israeli public expects decisive victory), in addition to differences in rules of engagement, makes it difficult to fulfill grand campaign objectives – and therefore requires their formulation in modest terms.

Tension also exists between very strong basic deterrence, which prevents Israel's adversaries from initiating wide scale military action, and the military and security challenges that lie below the threshold of war. These tensions contribute to potential volatility on all of Israel's main fronts: Syria, Lebanon, and the Gaza Strip. In spite of the "mutual deterrence" that exists, these fronts are also characterized by the potential for deterioration into large scale confrontation and outright war, which might occur on more than one front at a time.

In most areas of national security, excluding the challenge of Iranian entrenchment in Syria and the transfer of weaponry to Hezbollah, Israel has chosen to maintain the status quo rather than take a proactive approach aimed at reaching a more secure situation. Domestic political considerations and the impulse to avoid weighty decisions make it difficult to deal with dangerous long term trends. This means that Israel manages to enjoy a reasonable although non-optimal situation at present, but at the expense of the future. Adhering to the status quo in the context of the Israeli-Palestinian conflict, for example, means accepting a negative trend and blocking the option of implementing a two-state solution, thus accelerating the slide into a reality of annexation and one state.

At the same time, it is worth viewing Israel's situation as a strategic window of opportunity for furthering the campaign against Iran and for adopting a better plan of action regarding the Palestinians. These circumstances may vary in the future due to changes in the United States administration, political developments in the pragmatic Arab states, narrowed technological gaps between Israel and other countries, and reduced freedom of military action in arenas in which Israel currently operates relatively freely.

The Iranian Threat

The Israeli government has defined the Iranian threat as the primary threat to Israel's national security. This threat has two mutually reinforcing components: nuclear and conventional. There is the Iranian nuclear program (which according to information acquired by the Mossad, sought in the past to attain nuclear weapons and retains the option of attaining them, and is gradually and patiently progressing in that direction), which will be a strategic umbrella for the regime in its endeavor to achieve influence and hegemony throughout the Middle East. In tandem, in the framework of its efforts to project power in the region, Iran is conducting conventional proxy warfare and building bases for operations in Lebanon, Syria, and apparently in Iraq as well. Iran continues to fund and arm non-state actors, including Hezbollah, Hamas, and Shiite militias in Iraq and Yemen that advance its strategic goals on the military level and also serve as vehicles for influencing local governments. It has done this successfully in Lebanon, Syria, Iraq, and Yemen, and thereby threatens Israel and other countries in the region from these respective places. Tehran seeks to exhaust Israel and deter it from directing its military capacities toward Iran's nuclear program. Departing from the past, in 2018 Iran used force directly against Israel rather than via a proxy. Similarly, while over the years Israel has focused on fighting against Iran's proxies, in the past year it attacked the Iranian military presence in Syria directly. Israel must internalize the limitations of its strategy of fighting Iran's proxies; such activity will be hard pressed to achieve its objectives without weakening the key party behind the proxies' power: the Quds Force. It is also important to assess Iran's weaknesses and vulnerabilities consistently, including its economic weakness, the erosion of the regime's public legitimacy, and overstretch of the Quds Force over many arenas. All these make Iran more vulnerable, particularly in light of the shifts in US policy.

Donald Trump's election as President brought changes to the United States approach to Iran. In 2015, under the Obama administration, the international community reached a nuclear agreement with Iran, the JCPOA, which delayed most of the Iranian nuclear program and made an Iranian breakout to nuclear weapons more difficult until 2025-2030. Those who formulated the deal also hoped that it would generate a change in Iran's policy in other areas, but this hope has proven false. Iran, strengthened by the resources that it received

as a result of the removal of sanctions, increased its efforts to bolster its position in Syria, Lebanon, Iraq, and Yemen. It was against this backdrop that President Trump adopted a harsher policy toward Iran, and as a central tenet of his foreign policy, his administration is pressuring Iran to change its behavior in all areas where it harms the strategic interests of the United States and its Middle East allies, particularly Israel and Saudi Arabia. The US withdrawal in May 2018 from the JCPOA was accompanied by two stages of sanctions renewal and the imposition of even harsher ones; its declared aim is to renew negotiations with Iran in order to reach an agreement that addresses the twelve demands laid out by Secretary of State Mike Pompeo. Many are convinced that the undeclared aim of the administration's policy is regime change in Iran. For now, the US is engaged in its struggle with Iran on diplomatic and economic levels and is not prepared to engage in military conflict. This policy, which avoids using military tools, resembles President Obama's policy toward Iran, and was echoed by President Trump's decision in December 2018 to withdraw the American forces from Syria that had fought against the Islamic State. Consequently, the question that must be probed with the United States is whether the withdrawal of the US forces from Syria is a first step, to be followed by a withdrawal of forces from Iraq and air and sea power from the Gulf and the Mediterranean. It is in Israel's interest that the US boost its activity against Iranian terror and efforts at regional hegemony, and that its withdrawal from Syria not be perceived as a change in policy vis-à-vis Iran.

It is highly unlikely that Iran will respond affirmatively to the United States demands, as doing so would entail abandoning the ideology and strategy that have guided the Islamic regime over the past forty years and surrendering central principles of the Islamic Revolution, and thus what the regime views as essential national strategic interests. Iran has demonstrated significant stamina in the past in spite of its basic weaknesses. As such, there are several main possible scenarios, which are listed here in decreasing order of likelihood:

- a. Continuation of the existing situation: In other words, Iran will show "strategic patience." It will count on Trump being a one-term president, and on the next administration rolling back policy changes and reentering the nuclear agreement; it will absorb the damage from US sanctions over

the next two years while being assisted by the other partners to the JCPOA – Britain, Germany, France, China, and Russia – in their opposition to Trump’s policy. Iran will neither violate the agreement, nor will reenter negotiations with the United States. In this scenario, Israel must search for ways to deal with the weaknesses of the agreement and prepare for future changes in US policy, and for the years when the limitations imposed by the deal will expire.

- b. Entering negotiations with the US: In this scenario, sanctions imposed by the US and especially by the financial institutions that previously cooperated with Iran create an unbearable economic situation for Iran, and it is compelled to return to negotiations. Even in this case, it is doubtful that Iran would accept all the American demands, or that the US would be willing to sign an agreement in which it would also make compromises, potentially including compromises that come at the expense of Israel’s interests. In such a case, it would be imperative to emphasize the demands that are most urgent to Israel: extending the sunset clause (expiration of the limitations) until 2050, implementing international oversight authority at military and undeclared sites in Iran, limiting the Iranian ballistic missile program, and dealing with components of the weapons program and Iranian subversion and terrorist activities across the Middle East.
- c. Violation of the agreement, mainly by the renewal of large scale uranium enrichment and acquisition of stocks of low grade enriched uranium (3-20 percent), which does not violate the Non-Proliferation Treaty. This scenario could result from an Iranian decision that would reflect the end of Iran’s strategic patience, or from the failure of negotiations with the US. It would not necessarily mean full withdrawal from the JCPOA, as the agreement allows Iran to violate certain clauses in response to similar actions by other partners, and therefore some of these partners would be able to justify continued cooperation with Iran. The principal implication of this scenario would be shortening the time Iran needs to acquire nuclear weapons.

Two additional scenarios are extremely unlikely – Iran’s acquisition of nuclear weapons, like North Korea, with the aim of reentering negotiations from a strengthened position; and the fall of the regime (some claim this

is the US administration's goal), which according to all signs is stable and has the power to suppress any public unrest. Indeed, the fall of regimes is difficult to predict and typically occurs without prior warning.

The Northern Front: The Syrian-Lebanese Arena

The challenges facing Israel in the Syrian-Lebanese arena have increased over the past year. In early 2018, Iran heightened its efforts to consolidate its independent military capabilities in Syria and give Hezbollah advanced military capabilities; toward the end of the year Israel's freedom of action was reduced, after having expanded in previous years due to the civil war. Russian and Iranian assistance to the Bashar al-Assad regime and to militias that operate on its behalf and with its sponsorship allowed the regime to win the war against divided opposition forces. However, the civil war has not ended definitively, and it is unlikely that the regime will control all of Syrian territory soon. In the northern and eastern regions of the country there are areas that remain under the control of rebels supported by the US and Turkey. The regime faces the challenge of rebuilding its infrastructures. This is a project that will cost an enormous sum, and there is no regional or international party willing to allocate the required hundreds of billions of dollars. The reconstruction, which will necessarily be slow, will take many years, and it is doubtful whether the regime will be interested in the return of most of the refugees who were forced to flee during the war. This is a result of the change in the demographic composition of Syria in the wake of the flight of many Sunni Muslims, which makes it easier for the regime to maintain its control.

Over the past two years Iran has sought to exploit the situation in Syria to advance its strategic interests by consolidating its military infrastructure for operations against Israel. This military infrastructure includes transferring and producing advanced weaponry and development of capabilities for the Shiite and pro-Iranian militias it sponsors. Israel for its part has carried out vigorous military activity against this effort and its attacks have severely damaged Iranian infrastructure, but it is doubtful that Iran will give up on its presence in Syria. Russia does not support Iranian entrenchment, and may even try to impede it, but is unlikely to stop it and certainly will not completely prevent it. Russia and Iran have important shared interests,

chief among them preservation of the Assad regime and efforts to push the US out of the Middle East. Because the US is not militarily active against Iran, including in Syria (US forces were authorized to act only against the Islamic State, and in any event, will soon be withdrawn), containing Iranian entrenchment in Syria falls on Israel's shoulders alone.

The first round of direct Iranian-Israeli confrontation in the Syrian arena ended in 2018 with a total Israeli victory, based on Israeli intelligence and air superiority, in an arena that is comfortable for Israel militarily and intelligence-wise. The Iranians failed to deter or exact a price from Israel in this round. At the same time, Iran has not given up on its aspiration to consolidate its presence in Syria. Furthermore, the downing of a Russian plane by Syrian air defense, which occurred after Israel acted against Iran in western Syria, reduced Israel's freedom of action in this arena. Russia is pressuring Israel on both political and military levels to reduce and perhaps even to cease its actions in Syria. It has provided sophisticated air defense systems to Syria (S-300 and command and control systems), and does not want or is not able to limit Iran's area of operation. The limitations that apply to Israeli activity are likely to become more stringent next year, and Iranian challenges that are of significance to Israel are likely to be seen in Iraq as well.

In light of developments in Syria, Iran has diverted a portion of its military buildup efforts against Israel from Syria to Iraq and Lebanon. Iranian support for Hezbollah buildup is not new, but the quality of the weaponry that has been transferred to Hezbollah over the past two years is worrisome. Primary sources of concern for Israel are the project to convert non-precision missiles and heavy rockets into precision missiles, the improvement of Hezbollah's air defense capabilities, and the supply of long range coast-to-sea missiles to the organization. Israel's attacks prevented most of the transfers of advanced weapons and technology to Lebanon, and it appears that Iran has internalized its military inferiority in Syria and therefore has begun to focus on direct activity within Lebanon. If the capabilities Hezbollah possesses develop further, the organization will be able to attack Israel using a wide array of precision missiles and damage essential military and strategic infrastructure.

Clearly Israel's efforts against the Iranian "precision project" in Lebanon will be conducted under different conditions than those in Syria of the last

few years. Since the Second Lebanon War (2006), a balance of deterrence has existed between Israel and Hezbollah, in which both sides understand that military action in the other's territory is highly likely to lead to a large scale conflagration, which will cause serious damage to both sides. The revelation in late 2018 of tunnels dug by Hezbollah under the Israel-Lebanon border demonstrates the organization's efforts to cause severe damage to Israel, both physically and psychologically, in the event of war. At the same time, the Israeli operation against the tunnels underscores to Hezbollah that Israel maintains intelligence superiority and is determined to foil its efforts in this and other contexts.

The Palestinian Arena

In the Palestinian arena, Israel faces three military and political challenges:

- a. Instability in Gaza and the potential for escalation, caused by the socioeconomic deterioration in the region; pressure applied by the Palestinian Authority on Hamas in Gaza; and some potential degree of erosion of the deterrence that Israel achieved with Operation Protective Edge (summer 2014). Israel's attempts to stabilize the Strip by regulating relations with Hamas and cooperating with Egypt and Qatar, all with the tacit agreement of the Trump administration, have enjoyed only limited success, and the situation remains fragile and unstable. It is clearly quite difficult to formulate policy and strategy in view of the challenges in this arena, considering the tensions and contradictions between Israel's various interests and policy components: retaining quiet and deterrence vis-à-vis Hamas, stabilizing the situation in the Gaza Strip, preventing Hamas from gaining military strength or political achievements, and not weakening the Palestinian Authority in Ramallah any further or undermining stability in the West Bank.
- b. The "political vacuum" regarding the Palestinians: Israel has stuck to the status quo, which is nothing but a slow crawl toward a one-state reality. In the background is anticipation of the Trump administration's "deal of the century," which is supposed to be made public in the near future. The chances of this deal succeeding hover between slim and none. In the best case scenario, Israel will manage to win the blame game and the Palestinians will be viewed as responsible for failure, having rejected the deal prior to

its unveiling. But Israel will also need to shoulder the consequences of this failure, which inter alia will be expressed by additional challenges to Palestinian Authority stability. These risks join the possible results of the end of the Mahmoud Abbas era. This penultimate atmosphere has affected Abbas's behavior as President of the PA: he has shown rigidity and taken political risks by confronting the US and displayed obstinacy toward Hamas and the Gaza Strip. Senior PA officials are also gearing up for the struggle for succession, and all these developments undermine stability. At the same time, the continued political impasse harms Israel's legitimacy in the international arena and assists the BDS movement in its efforts to promote a boycott of Israel. Finally, in the long term, sliding into a one-state reality will have severe consequences for the future, character, and image of Israel as the nation state of the Jewish people.

- c. New waves of terrorism in the West Bank: The wave of stabbing and car-ramping attacks that took place between 2015-2017, which was marked by attackers unaffiliated with any organization who acted independently, has recently seen a revival, with the addition of shooting attacks. This is a highly lethal mode of attack and emerges from diverse sources – first and foremost Hamas cells, operated from the Gaza Strip or from overseas, marginal Tanzim members, and independent attackers. In its recourse to this mode of attack, Hamas aims at two targets – Israel and the Palestinian Authority. Dealing with these attacks, in the shadow of the political impasse between Israel and the Palestinians and the impending end of the Mahmoud Abbas era, makes it difficult for Israel to continue its security coordination with the PA and causes popular rage among the Palestinians. Israel must be ready for the development of widespread disturbances and for additional waves of terrorism. Terrorism in the West Bank clearly demonstrates the problematic nature of stabilizing relations with the terrorist organization Hamas while maintaining a political freeze with the Palestinian Authority, which ostensibly does not support terrorism, although it continues to compensate families of terrorists after their death or imprisonment.

The Regional and International Arenas

The international arena continues to be characterized by the return to a world of multiple superpowers, as economic, technological, and military competition between the US and China increases. For its part, Russia is implementing aggressive and adversarial policies. The US is adjusting the central emphases of its security policy from fighting terrorism to competition among superpowers, and shifting its center of gravity from the Middle East to East Asia and the Pacific. Despite ongoing harm to its international status as a result of the political impasse with the Palestinians, Israel still enjoys good standing in the international and regional arenas. This is due in part, and perhaps mainly, to the relations with the Trump administration; some Israelis define this as “the friendliest American administration to Israel ever.” And in fact, in most areas there is no gap between US and Israeli policy, and the supportive President sees eye to eye with Israel on most current strategic issues. Withdrawal from the nuclear agreement, transfer of the US embassy from Tel Aviv to Jerusalem, end of US support for UNRWA, passage of the Taylor Force Act (ending the transfer of funds to the Palestinian Authority for as long as it continues financial support for families of terrorists), and the sweeping American support for Israel at the UN – all of these steps completely match Israeli government policy. At the same time, the administration’s policy regarding the two most significant challenges to Israeli security, Iran and the Palestinian issue, has not fundamentally changed the nature of the confrontations or the threats facing Israel. The situation remains fragile and volatile.

Moreover, the honeymoon between Israel and the US will be short-lived if President Trump is not elected for a second term. In addition, the administration’s policy has generated a robust negative response among powerful elements in American politics and society. Support for Israel has become a partisan issue identified with the Republicans, and the return of the Democratic Party to power could be accompanied by difficulties for Israel. Resentment toward Israel – and with it, distance – has grown among important sectors of American society, particularly in the left wing of the Democratic Party and among minorities, led by African Americans, young people, women, and even many in the Jewish community. Even in the short term, there are still differences between US and Israel basic interests, and

in the US there is a bipartisan consensus that reducing US involvement and military activity in the Middle East is an American interest. The US is not willing to use force against Iran's influence and proxy warfare in the region, and has not demonstrated a genuine interest in influence in Syria, where Russia has achieved predominant status.

Israel has good relations with Russia and conducts effective dialogue with the leadership, but coordination with Russia regarding challenges in Syria is tactical, not strategic. Certain security and military circles in Russia are not sympathetic to Israel and its actions, and Russia's interests in the Middle East are not identical to Israel's. On the contrary, Russia has shared interests with Iran and the Syrian regime. Elsewhere in the international arena, Israel has blossoming economic relations with Asian economic giants China and India, and successfully cooperates in bilateral fields with European Union countries despite difficulties due to differences of opinion on the Palestinian issue.

In the background are changes in the rules of the game in many countries around the world. This change is led by trends of populism and anti-elitism alongside extreme nationalism, and these phenomena are strengthened by the promulgation of false information on social media as well as by politicians. This complex picture is taking place in the age of "post-truth" and fake news, in which it is increasingly difficult to understand unfolding events, and the status of facts as a basis for discourse and policy is dangerously eroding. Although these phenomena are not new, they are steadily increasing, in the wake of the information revolution, the proliferation of information, and changes in the media market, and they create new challenges for decision makers, professionals, and the public at large. The post-truth era is also connected to a series of social and cultural changes that led to the loss of trust in institutions that in the past were perceived as objective and responsible for clarifying reality, such as governments, academia, the legal system, and the press.

Without a doubt, the points of friction and increasing tension among superpowers – in the South China Sea, Ukraine, Eastern Europe, and Syria, as well as in trade wars and wars over public opinion – require Israel's ongoing appraisal of its relations with the three superpowers: the United States, China, and Russia. That said, the US retains its singular status as an

ally whose political, military, economic, and strategic support to Israel over the past fifty years is unequaled, and the bilateral ties differ from partnerships with other powers based on trade and security coordination.

In recent years there has also been a marked increase in Israel's status in the regional arena, due to its improved relations with the pragmatic Sunni states, primarily Egypt and Saudi Arabia. This improvement was made possible by the lower priority placed on the Palestinian issue by these governments, and by the growth of shared interests with Israel, mainly the struggle against Iran and Salafi jihadist forces. Relations and collaborations that were covert are now partly rising to the surface, as evidenced by Prime Minister Benjamin Netanyahu's visit to Oman in October 2018. However, the Arab public across the region still shows sweeping support for the Palestinians, and this is the basis for the Arab states' attitude towards Israel. For this reason, governments in the region view potential escalation in the Israeli-Palestinian arena as a development that would undermine their stability, and therefore see concrete progress toward an agreement as a condition for making relations public.

In other words, the lack of a breakthrough in the political process is a glass ceiling limiting the pragmatic states' freedom of action regarding their public relations with Israel. It is true that these states are willing to encourage political progress, but their practical abilities in this matter are limited by domestic considerations and regional politics. Egypt's mediation between Israel and Hamas and Qatar's assistance in stabilizing the Gaza Strip are outstanding examples of this. The stance of Saudi Arabia and the Gulf states regarding Israel, such as their willingness to interpret the Arab Peace Initiative in a flexible manner, signal future potential. However, the Arab states will presumably not support any political plan, including the Trump plan, that is too close to Israel's position and far from the Palestinian position. Expectations that the pragmatic Arab states would assist in pressuring the Palestinians to take a more flexible stance have proven wrong, as was shown by attempts that have not yet borne fruit by the President's negotiators, Jared Kushner and Jason Greenblatt, to market the "deal of the century" to Arab rulers.

Essential Issues

An evaluation of Israel's political and security situation at the close of 2018 raises ten main issues that must be addressed with a view toward 2019. All

of these issues require in-depth study and discussion in senior military and political forums. INSS has formulated a policy-oriented stance about each of them, based on ongoing research.

1. *Has Israeli deterrence weakened and reached the point at which the chance of a confrontation with Hamas, Hezbollah, and Iran has increased?* It appears that the answer to this critical question is negative. At the present time, Israel does not have an interest in outright war, and its deterrence vis-à-vis its enemies is still very strong at a basic level, with opponents deterred from outright war with Israel and from actions that have a high likelihood of leading to war. Iran did not initiate an escalation in response to attacks Israel carried out in Syria, Syria fired only defensive anti-aircraft missiles, Hezbollah has been deterred since the Second Lebanon War, and Hamas also guards against deterioration in the Gaza area beyond rounds of shooting that are limited in intensity and duration.

At the same time, deterrence is an elusive concept and depends on cost-benefit analysis vis-à-vis the adversary, and therefore great caution is necessary. An incorrect analysis of the other side may lead to war – despite deterrence that is considered effective. Over the past year, Israel’s deterrence has eroded somewhat. Its adversaries are developing operational spaces that bypass the scope of deterrence and using force below the threshold of causing war (incendiary kites and balloons sent into Israeli territory from the Gaza Strip, riots and violent popular demonstrations along the Gaza Strip fence, solo terrorist attacks, and activity in the international arena without claiming responsibility). In addition, Israel has not succeeded in preventing them from building advanced and threatening capabilities. The challenge is to balance efforts to reduce expected future damage with the risks involved in these efforts and the increased likelihood of escalation leading to war. Ways must be found to quash these challenges through renewed deterrence and updated tools in accordance with developments.

2. *Is the approach of the “campaign between wars,” which has proven successful in the past few years, mainly regarding Iranian entrenchment in Syria, still relevant?* Is it possible to conduct the “campaign between wars” in Lebanon with the same success as in Syria? Is it possible to control the potential for escalation under new conditions? The same successful

campaign that achieved a significant delay in Hezbollah's military buildup and in Iranian entrenchment in Syria appears to have reached a stage of diminishing effectiveness, or a situation where its results do not justify the risks it entails. Changes in the strategic environment must be identified: Assad has decided the civil war and Russia is determined to achieve stability and calm in Syria; most Hezbollah forces have returned from Syria to Lebanon; and in the Gaza Strip Israel prefers an arrangement with a terrorist organization over a confrontation with it. The enemies of Israel have learned its *modus operandi* and developed operational, technological, and doctrinal answers in response. Iran's transition to building stockpiles of precision missiles in Lebanon and Iraq, as well as the limitations Russia has placed on Israeli activity in Syria, require updating the methods, pace, and arenas of operation, if not the formulation of a new approach that will allow Israel to wage an effective campaign while preventing deterioration toward a full scale confrontation.

3. *Does the future threat from military buildup in the northern arena – with an emphasis on the “precision project” – require an initiated campaign, or can Israel postpone the confrontation with the knowledge that it has the intelligence, technology, and operational capabilities to use in a future confrontation?* As Israel approaches the decision of what to do about the “precision project,” the cabinet must answer the following questions: Does the extent of the threat render it relevant to the “mini-Begin Doctrine,” meaning proactively preventing the emergence of a first degree strategic threat, and perhaps even an existential threat, to Israel? Does Israel have the ability to deal with the threat posed by the “precision project” in a future war, in terms of its protective capacity and ability for active defense (the Arrow, David's Sling, and Iron Dome systems), and does it have the ability to attack this precision system effectively at the outbreak of a war? Have all political and other alternatives for stopping the “precision project” been exhausted, and if so, what is the appropriate time for action? Is Israel prepared for the risk of all-out escalation with Hezbollah on the northern border in the wake of such action? Is the risk of non-action significantly greater than the risk involved in acting now? The discussion of these questions is highly classified, but our assessment

is that a preventive war or operation is not the only possibility, and there are multiple ways of addressing the threat without escalation to war.

4. *Is there an initiative that Israel could take that would improve its situation in the Palestinian arena?* Here INSS has a clear answer, as defined in the fourth recommendation below, which urges adopting the INSS framework on the Palestinian arena that was launched this past October.¹
5. *Is the strategic “window of opportunity” still open, or is it closing, on at least some fronts?* Israel’s improved situation in recent years resulted from its military, economic, and political strength, the supportive US administration, allies in the moderate Sunni world, the weakness of its enemies, who were busy with the Syrian civil war, and decreased international interest in the Palestinian issue. This window is likely beginning to close – first regarding the northern arena, where Israel’s ability to act has been significantly reduced due to the decisive outcome of the civil war and the change in Russia’s stance. In contrast, in the Palestinian arena the window of opportunity is still open, although it may also close due to the weakening of the Trump administration and the deterioration of US-Saudi relations following the murder of journalist Jamal Khashoggi. Against this background, there is less chance of support from pragmatic Arab states for an independent Israeli initiative in the Palestinian arena.
6. *What are the correct priorities in dealing with the security challenges?* The dispute between former Minister of Defense Avigdor Liberman, who demanded vigorous action against Hamas, and the General Staff and the cabinet, which preferred to focus on the northern arena, relates to this weighty question. It is true that the IDF should be able to handle both arenas simultaneously (especially while the confrontations there are low intensity), but it prefers to fight higher intensity confrontations sequentially. Critical resources in intelligence, airpower, and missile defense have led to prioritize the more dangerous northern front, while completing the above-ground and below-ground barrier on the border between Israel and the Gaza Strip. At the same time, while Hamas has undermined Israeli deterrence, at least psychologically, the chances of a miscalculation in the northern arena increase. If the operation to seal the tunnels in the north ends without escalation and the discussion about the

precision project for Hezbollah-held missiles does not lead to preventive action against it, then Israel must rebuild its deterrence against Hamas and strike a harsh blow against the organization's military wing.

7. *How involved will the US be in the Middle East, and to what extent will the Trump administration lead a policy of isolationism?* In spite of rhetoric that is music to Israeli ears, the Trump administration, like the Obama administration, is not willing to go much beyond political steps and the imposition of sanctions on countries that threaten Israel. The American people are not willing to enter another costly battle in the Middle East, in part because its newfound energy independence, resulting from the revolution in shale oil, decreases the importance of the region to it. No less important is American military, economic, and technological competition with China, which decreases the attention and resources that the US directs toward the Middle East. The sole enemy against whom the US is acting in the Middle East in the kinetic realm is the Islamic State. Neither the US nor Russia will remove Iran from Syria for Israel, and thus stopping Iranian entrenchment by military means is a mission that remains solely in Israel's court. President Trump's decision to remove US forces from Syria does not fundamentally harm Israeli security in the short term, but it strengthens Israel's enemies and makes it easier for them to build up their strength in Syria in the long term. Israel must pay attention to the possibility of more reversals in US policy. The President may take additional hasty decisions that contradict the positions of his closest advisors regarding additional issues beyond Syria.
8. *How can Israel ensure that it remains a bipartisan issue in the United States?* For some 50 years, Israel was a subject of US consensus and won broad support from both parties. Since 2015, Israel has been seen more and more as a subject of dispute between the parties. The Republicans overwhelmingly support Israel, while the Democrats have reservations about Israeli policy, particularly on the Palestinian and Iranian issues. Today it appears that the Prime Minister's policy, which relies on the conservative wing of the Republican Party, evangelicals, and the Orthodox Jewish community, supports the prevailing trends, but the United States political system regularly experiences changes and reversals, and the current ruling party stands to be replaced at some point. It is thus important

to work to renew the situation in which Israel's vital interests are a matter of bipartisan consensus in American politics, and to prevent harm to these interests in the event of a Democratic administration.

9. *How should Israel address the widening gap with American Jewry?*

Israel-diaspora relations and relations with American Jewry in particular are at an unprecedented point of crisis. Research conducted by INSS indicates increasing trends of distance and alienation, weakened ties and sense of belonging, and looser bonds of mutual responsibility, care, and importance that each of the communities feels towards the other.² The most worrisome gap is with the Reform and Conservative communities that constitute the majority of American Jewry. The conversion crisis, the Western Wall issue, and the nation state law are merely symptoms of identity crises on both sides of the ocean. Addressing this challenge requires extensive, long term action to reformulate the relationship and identity between the two communities, by increasing awareness and mutual recognition, as well as cooperation. This national mission requires large scale organization in partnership with many different parties, along the lines of a national authority that could, based on a systemic approach, supply rationale, direction, and resources for the many relevant programs and projects. Preparations should also be made for a joint war on anti-Semitism, on the rise in Western and Eastern Europe and in the US. In Europe this phenomenon has received institutional expression – Jeremy Corbyn as the head of the Labor Party in Britain, and Hungarian Prime Minister Viktor Orbán, his friendship with Israel notwithstanding; in the US the expressions are more grassroots, such as the mass murder at the synagogue in Pittsburgh. These are clear warning signs and symptoms of a deep problem.

10. *How should Israel deal with the post-truth, fake news world?* It is clear today that these phenomena impact directly on both national security and the democratic process. Decision making on matters of national security requires an understanding of reality, and Western liberal democracy is based on an engaged and well-informed voting public. The ability to make sound decisions is undermined when beliefs, opinions, and emotions influence discourse more than facts, and when the ability to distinguish between truth and lies diminishes. The change in the characteristics of

military confrontations makes reality more complicated, and the 2016 US presidential elections and the Brexit vote in the UK demonstrated the ability of foreign parties (in this case Russia) to intervene in another country's democratic process. This era thus requires that the relevant parties create ways to clarify reality and to neutralize hostile external influences on the ability to understand that reality. It should be assumed that Israel also constitutes a target for influence campaigns, which will increase in 2019, inter alia, due to the forthcoming elections.

Black Swan Events

A black swan event is defined here as a significant turning point of low probability, yet were it to occur would constitute a severe event, such that it is important to consider what actions would be taken in such a case. The following are eight potential black swan events that Israel must prepare for, at least on the level of giving prior thought as a partial basis for a response, or as a contingency plan for building or using force.

1. *Iran acquires nuclear weapons*: Iran possesses the knowledge required to make a nuclear bomb. A significant turning point will occur if in the very unlikely event Iran chooses the North Korean route, leaves the NPT, or develops a secret method and tries to challenge the world by arming itself with nuclear weapons. Israel and the US must be prepared for this extreme scenario and ensure that they have the ability to prevent Iran from fulfilling it. Intelligence, operational capacities, and agreement on the division of responsibilities are essential, because if this turning point occurs, the time that Israel and the US will have to respond will be very short.
2. *The "all-out scenario" – fire from multiple active fronts simultaneously*: Hezbollah from Lebanon, Syria, Iran, the Gaza Strip, and the West Bank. If Israeli deterrence is weakened or limited activities escalate to a full confrontation, there could be a situation in which, through coordination or through rapid deterioration, all of Israel's enemies wage war simultaneously or in quick succession. In parallel to an eruption in the Gaza arena and the northern arena, riots could break out in the West Bank. Since the Six Day War, when Israel operated on four fronts – Egypt, Jordan, Syria, and Iraq – it has not had to face a similar scenario, and thus the security forces

and the cabinet must prepare to operate under such conditions. When such a possibility becomes more likely, the buildup of appropriate military force must be ensured (especially the order of battle) and operational plans and appropriate rules of engagement for such a large scale event must be formulated. It is important to define priorities regarding action in and within the different arenas, as well as which party must be removed from battle and which should be dealt with more gradually. It is also important to clarify what assistance Israel will be able to receive from its allies and what its logistical perseverance capacity will be. An extreme event such as the “all-out scenario” would have profound implications for the defense budget, the IDF, and the home front, and for continued deterrence.

3. *President Trump changes his policy toward Israel, stops defending it in the UN Security Council, and abandons the Middle East entirely.* President Trump’s policy toward Israel is extremely positive, yet contradicts the general outlook of isolationism – “America First” – that he promotes, as well as the reduction of government spending and American foreign aid, and minimal US involvement in the Middle East. True, the President is unlikely to change policy so drastically, but for example, if Israel rejects the “deal of the century,” anti-Israel elements would be able to lobby the President against Israel, while using some familiar anti-Semitic justifications or claims that Israel’s relations with China harm American interests. Israel must consider the possible consequences of anti-Israel processes in the United States and by the United States administration, ranging from no longer vetoing anti-Israel resolutions in the Security Council to reducing aid.
4. *Confrontation with Russia:* Israel’s activity in Syria counters Russia’s desire to stabilize and reconstruct the country. Russian advisors and military personnel in Syria, who work in cooperation with the Assad regime, Iran, and Hezbollah adopted anti-Israel positions, and these resonate throughout the Russian security forces. If Israel harms Russian troops in Syria or attacks the advanced air defense systems that were transferred to Syria, which would cause direct harm to the Assad regime, this could dramatically change Russian policy regarding Israel’s activity in Syria – from strategic coordination with Israel and de-confliction efforts, to a

direct confrontation with Israeli activity, reinforced air defenses, and more liberal rules of engagement, or taking diplomatic measures against Israel.

5. *The day after Abu Mazen – an armed third intifada, Hamas takeover of the West Bank, the Tanzim leading violence using live fire and terrorist attacks:* Israel has enjoyed a decade of relative quiet in the West Bank and cooperation with the security forces of the Palestinian Authority in the struggle against the terrorist organizations, especially Hamas. Mahmoud Abbas and the heads of the security forces have viewed this cooperation as serving a Palestinian interest. There is a low but viable possibility that the next leader of the PA, PLO, or Fatah will choose a policy of terrorism, similar to that pursued by Yasir Arafat in 2000 (at the start of the second intifada), or that Hamas will take over the West Bank. Shooting attacks, bombs, and suicide terrorists can challenge Israel to the point that it needs to conduct an operation along the lines of Operation Defensive Shield in 2002, in which Israel reconquered city centers in the West Bank.
6. *The fall of the regime in Egypt and the creation of a Turkish-Egyptian axis against Israel:* This scenario would resemble the downfall of the Hosni Mubarak regime. The bad economic situation and the tense social situation in Egypt would lead to a renewed rise to power of the Muslim Brotherhood. This time, however, unlike during the Mohamed Morsi era, the Muslim Brotherhood would gain a firm grip on power and likely cancel the peace agreement with Israel, or at least cancel its military annex. In tandem, Egypt would join forces with Turkey in promoting harsh anti-Israel policy and supporting Hamas and other Palestinians, in a manner that would directly harm Israeli interests.
7. *The fall of the regime in Jordan:* Jordan is suffering from a severe economic crisis, which in large part due is to the flood of refugees that have reached its territory. The regime itself also suffers from ongoing political crises, some of which are aimed directly at the king and the monarchy. If the Jordanian front becomes an active front against Israel, this would be a dramatic development that requires a change in the IDF's order of battle, the construction of a land barrier on the Israel-Jordan border such as that along the Egyptian border and even the border with Gaza, and a completely different routine security policy. In such a scenario, Jordan would likely

become a new Islamic State territory or a Muslim Brotherhood state, or a state under clear Shiite-Iranian influence via Iraq. Certainly a regime unfriendly to Israel would be established there, which would revive the eastern front, creating an extremely serious situation. It is important to formulate a contingency plan for dealing with this threatening scenario.

8. *Severe cyber attacks (by Iran, Russia, or an unknown source) on Israel's infrastructure and financial system*: Cyberwarfare is a new field of combat in the 21st century. Thus far, Israel has been one of the leaders in the field, and its enemies have remained far behind. Israel has some of the world's most advanced defense systems, but in the cyber world new and innovative means of attack are constantly developing. Russia, as a cyber superpower, and Iran, as a country that is upgrading its cyber capabilities, may attack Israel on this new plane. Identifying the source of the attack, for purposes of deterrence, neutralization, and response may be difficult. The response will need to be considered in relation to the certainty with which the attacker can be identified, the degree of damage inflicted, and the implications of response and escalation in cyberspace and beyond.

Addressing the Challenges: Policy Recommendations

With respect to the military challenges that Israel currently faces, there is an inverse relation between the severity of the threat and scope of the challenge of addressing it, and on the other hand, the urgency and immediacy of the threat. It is thus very important not to allow important matters to be pushed to the sidelines. The threats, in order of decreasing severity, are the Iranian nuclear threat, Hezbollah, Iran in Syria, and Hamas in the Gaza Strip. In terms of urgency, the situation in Gaza can escalate in the immediate term; in Syria the need to attack another element in the Iranian military buildup can arise in the near future; in Lebanon, escalation depends on Israel's decision whether to take action against the construction of advanced military infrastructure; and in regard to the Iranian nuclear challenge, Israel will only take action if Iran breaks out to a nuclear bomb, a secret plan to do so is discovered, or red lines are crossed.

The political challenges also focus on these four arenas: the continued struggle against the Iranian nuclear program and exposure of the intentions

and capabilities that Iran hopes to conceal; exposure of the illegitimacy of the Iranian military buildup in Syria, and political processes against Iran's subversive activities in the region and its support for terrorism; preparations for the possibility of the Trump administration's "deal of the century" and its consequences; stabilizing the situation in Gaza and attention to the socioeconomic crisis there; and preparation for the future of the Palestinian Authority after the departure of Mahmoud Abbas. In addition, it will be necessary to continue the struggle against the delegitimization of Israel and the BDS movement, and halt the damage to relations with important parts of American society, especially American Jewry.

Israel has not sufficiently exploited the political window of opportunity that opened over the past decade. Addressing military and political challenges requires taking initiative, moving from a status quo that is problematic in the long run, and making the most of the opportunities. Taking initiative, particularly in the political arena, alongside increasing preparedness for conflicts in the east, north, and south, is the basis of the strategic recommendations for handling the main problems facing Israel in the coming years:

1. *The Iranian nuclear challenge*: Israel should reach clear understandings with the United States that include joint intelligence and early warning efforts; define the red line in the event that Iran stops honoring parts of the nuclear agreement, and especially if it tries to break out to a nuclear weapon; and form a joint political and military plan for stopping Iran if it crosses the red line. In light of Trump's withdrawal from the nuclear agreement and the possibility that Iran will renew its nuclear activity, the defense budget and Israel's preparedness and force buildup plans must enable operational readiness for taking action against a nuclearizing Iran. In addition, there is a need for understandings with the United States whereby if a new version of the JCPOA is formulated, the ensuing compromises do not harm Israel's interests.
2. *Iran in Syria*: At present, Israel can continue to base its campaign to prevent Iranian entrenchment in Syria on intelligence superiority and precise and diverse attack capabilities. It is preferable that the campaign continues to take place within Syrian territory, but Israel must also be prepared for the possibility that the campaign will expand to Lebanon or even directly to Iran. Every effort must be made to avoid a confrontation

with Russian forces in Syria. The process of rebuilding the Syrian army has already begun and could lead to greater assertiveness on the part of the Assad regime toward Israel Air Force actions in Syrian skies. All of these highlight the need to critically examine the existing paradigm and prepare for the possibility that Israel will be able to continue aerial attacks, but less often than in recent years and based on greater preparation, and examine alternate courses of action.

3. *Hezbollah*: Israel must continue to prevent the transfer of high quality weapons to Hezbollah in Lebanon, as long as the strategic conditions allow it. In addition, Israel must prepare for action against precision missiles in Lebanon and the technological infrastructure for producing them. Decisions regarding these actions must take into account that such actions will cause a broad confrontation, which will include offensive and defense capabilities, ground fire and maneuver, ground and air defense, and missile defense. Thus, action should be taken in accordance with the pace at which the threat develops. Simultaneously, the civilian front in the northern arena should prepare for war. Israel must continue to make clear that it views Lebanon and Hezbollah as one and the same, and that it will continue to act accordingly if Hezbollah attacks Israel. Israel's approach to a war against Hezbollah and the period following such a war should also be shaped in coordination with the United States and with additional regional and international partners.
4. *The Israeli-Palestinian conflict*: This issue remains Israel's fundamental problem in its relations with its neighbors in the region and with the international community. The Trump administration's "deal of the century" initiative has been delayed, and the disconnect between the US administration and the Palestinians ensures that Israel will win the blame game before the initiative is even unveiled and placed on the agenda. However, the United States and the pragmatic Arab Sunni world will expect Israel to take steps to renew faith in Israel's good intentions. But beyond the expectations of Israel's allies, taking such steps is a paramount Israeli interest that will enable it to define its borders and foundations as a Jewish, democratic, secure, and just state. It would be a historic mistake to maintain the status quo, which means a dangerous decline to a reality of one state. The State of Israel has received a rare strategic window of

opportunity to take independent and coordinated steps in the Palestinian arena, and should take advantage of this opportunity. The INSS political and military plan for this arena includes a series of actions for stopping the slide toward a one-state reality and starting to move toward a reality of two political entities. The core components of this plan, which does not allow the Palestinians veto power, are redefining responsibility for the territories such that Areas A and B would be unified, and certain areas within the current Area C would be made available for Palestinian use, without harming the settlement blocs, and while maintaining full freedom of action for Israeli security forces in the entire area. This would lead to long term improvement in the stability of Israel's security and in its strategic standing.

5. *Gaza*: Gaza under Hamas rule is not a partner for a political process. Any political arrangement with Hamas – a terrorist organization that does not recognize the State of Israel – weakens the moderate camp within the Palestinian arena (the Palestinian Authority, based in Ramallah) and encourages those who claim that Israel only responds in the face of force. However, it seems that since Hamas lacks significant military options because Israel has developed capabilities against rockets and cross-border tunnels, and since Hamas has not succeeded in providing for the needs of the Gaza population, it is willing to consider an arrangement under parameters that Israel could accept. In the past, it appeared that there was no room for agreement between Israel and Hamas – entering a process of negotiation regarding an arrangement – because of the issue of the missing soldiers and the civilians held by Hamas, and because of the organization's unwillingness to accept the principle of reconstruction in return for demilitarization. However, it is possible that due to its current distress, Hamas would agree to a small *hudna* (truce) in the framework of an arrangement. This possibility should be examined; the minimum Israeli demand must be ensuring that the arrangement, if it occurs, will at the very least prevent additional military buildup by Hamas.
6. *The military campaign against Hamas*: It must be ensured that there is an operational plan that is not aimed at the conquest of Gaza, but maneuvers to Hamas's centers of gravity in order to deal it a serious blow, without the self-imposed limitation of maintaining Hamas as an

“address.” Hamas’s military wing did not suffer a serious blow during the three rounds of confrontation between the organization and Israel during the past decade, and it is important that it, and not the population, pay the price in the event of a confrontation.

7. *Russia and China*: Close relations and specifically extensive trade relations should continue with these countries based on open and honest dialogue, but without forgetting for a moment which is Israel’s one reliable ally – the United States. Israel has a unique and irreplaceable relationship with the United States based on shared values and interests. Neither Russia nor China is interested in or capable of providing Israel with the military and diplomatic support that the United States provides it. Regarding China, what is most important is increasing risk management in policy regarding Chinese investments in critical infrastructure within Israel, as well as maintaining a dialogue with the United States, which is very sensitive to the transfer of technologies to China. Regarding Russia, it is necessary to clarify anew coordination and de-confliction in Syria, to take action to reduce the supply of advanced weaponry to Syria and Hezbollah, and to try to minimize Russia’s support for Iran. In addition, Israel must be attentive to US sensitivities regarding Russia, which is seen in Washington as a superpower that acts aggressively in Europe in general and in the Ukraine in particular.
8. *Delegitimization*: The war against the delegitimization of Israel demands a different approach than that taken so far. Aside from a different policy on the Palestinian issue, which would help reduce criticism of Israel considerably, Israel must ensure coordination of the efforts against agents of delegitimization. A balanced response on the part of Israel’s overt and covert agencies, as well as on the part of civil society organizations, is required. The issue is too important to be used as a political tool within Israeli politics. In this area as well, INSS has issued clear recommendations, chief among them the need for a joint Israeli and Jewish response around the world, both governmental and non-governmental, as well as an information infrastructure and comprehensive and synergetic organization of the campaign that integrates efforts vis-à-vis diverse groups.³
9. *The US Jewish community*: American Jewry is a central element in Israel’s security. There is a need to take initiative to strengthen relations

with the various parts of the Jewish community, with an emphasis on young people and the Reform and Conservative communities. An ongoing dialogue with different sectors of American society is imperative, including with those who are in conflict with the Trump administration and do not have a history of being anti-Israel or being in conflict with American Jewry, alongside renewed cooperation and dialogue with the Democratic Party. This can be done without harming relations with the Trump administration or with the broad group of Republican and evangelical supporters.

10. *Military preparedness*: In view of the “volatile year,” IDF readiness must be enhanced and the defense budget increased. Due to the considerable volatility on all fronts and a certain weakening of Israeli deterrence, the Defense Minister and the incoming Chief of Staff must reassess the working assumptions on which the Gideon Plan is based, and strengthen the IDF’s readiness for confrontations on all fronts. This involves increasing training and arsenals and especially formulating strategies and operational plans for addressing the current capabilities developed by Iran, Hezbollah, and Hamas.

Finally, Israel is entering an election year. This influences military options and motivations, causes inattentiveness on the part of the government and the Knesset, requires educating new cabinet members, and takes time for trust to develop and cooperation to be stabilized among new and less experienced teams. Public confidence in decision makers is especially important regarding defense issues. The current era is characterized by eroding trust in state institutions, but the Israeli public still has significant trust in the army and the defense establishment. This trust should not be taken for granted. The political reality expected in the coming year will bring challenges to the legitimacy of the political echelon in the eyes of the public, and place great responsibility on the military echelon, and especially the new Chief of Staff, to analyze the situation objectively and professionally vis-à-vis the political echelon and the public. The current political polarization in Israel and the legal situation of the Prime Minister, who also serves as Minister of Defense, could intensify the argument and cast doubt on the motivations behind military and political decisions. Against this backdrop, the legitimacy of the military echelon with regard to decision making could be compromised.

2019 could prove to be a turning point after a number of years with a rare window of political opportunity to improve Israel's security, achieve national objectives, and shape its future. The intelligence and military gap between Israel and its adversaries is starting to narrow, and there is increasing volatility in all of the arenas before Israel. Despite the Knesset elections that will take place this year, it is important that Israel initiate political processes in the Palestinian arena and address critical military threats, as well as develop up-to-date mechanisms for monitoring escalation and shortening the length of confrontations should they develop.

The essence of the statesmanship of the historic leaders of Zionism and Israel was the ability to identify strategic opportunities vis-à-vis the superpowers and the international community, and vis-à-vis Israel's Arab and Muslim neighbors. This approach is still valid today – no less than in the past, and perhaps even more so.

Notes

- 1 Amos Yadlin, Udi Dekel, and Kim Lavi, *A Strategic Framework for the Israeli-Palestinian Arena* (Tel Aviv: Institute for National Security Studies, August 2018; English: forthcoming).
- 2 Assaf Orion and Shahar Eilam, eds., *The American Jewish Community and Israel's National Security* (Tel Aviv: Institute for National Security Studies, December 2018).
- 3 INSS publications on the struggle against the delegitimization of Israel include: Einav Yogev and Gallia Lindenstrauss, eds., *The Delegitimization Phenomenon: Challenges and Responses*, Memorandum No. 169 (Tel Aviv: Institute for National Security Studies, 2017); Avner Golov, *The Israeli Community in the United States: A Public Diplomacy Asset for Israel*, Memorandum No. 181 (Tel Aviv: Institute for National Security Studies, 2018); Yotam Rosner and Adi Kantor, eds., *The European Union in Turbulent Times: Challenges, Trends, and Significance for Israel*, Memorandum No. 175 (Tel Aviv: Institute for National Security Studies, 2018).

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Strategic Survey for Israel 2018-2019, the latest volume in the annual series published by the Institute for National Security Studies (INSS), reviews a period characterized by marked changes in Israel's close strategic environment, as well as events in its more distant circle that likewise have had a direct impact on the challenges and opportunities before it. The chapters analyze some of the most urgent and complex issues Israel will confront over the next year and beyond.

The essays compiled in this volume cover Iran's efforts to expand its influence in the Middle East, in particular the implications of Tehran's policy in Israel's northern arena; developments in the northern theater, including regional and superpower involvement in Syria, as well as Hezbollah's ongoing military buildup in Syria and in Lebanon; the unfolding dynamics between the superpowers and the ensuing impact on the Middle East, particularly regarding Israel's security and political interests in the northern arena and the conflict with the Palestinians; challenges posed to Israel by the ongoing conflict with the Palestinians and proposed moves that would create an improved security-political reality; and the ramifications of recent developments in Israel's internal arena for democracy, which can serve as a basis for discussion on how to preserve Israel's essence as a Jewish and democratic state.

The final chapter, written by INSS Director Maj. Gen. (ret.) Amos Yadlin, presents an overall net assessment and policy recommendations for Israel as it meets political and security challenges and seeks to preserve and fortify its strategic advantages.

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