

The Corona Crisis and Israel's National Security

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A seminar at the Institute for National Security Studies (INSS) on political and security implications of the corona crisis underscored the prevalent uncertainty regarding the situation, but also highlighted several instructive points. The biggest threat to the global (and Israeli) economy derives from the slowdown or negative growth in the United States, and at the current stage, the American ability to meet the crisis effectively is not clear. As for Israel, the risks of escalation in the northern arena and the Gaza Strip have decreased in the short term, but toughening the restrictions on the border crossings with the Palestinian Authority could lead to its economic collapse. The combination in Israel of a political crisis, the budget deficit, multiple security challenges, and the coronavirus outbreak is highly problematic, and a continuation of the crisis beyond the next two-three months could mean negative annual growth. The IDF could be called on for extensive assistance to the civilian front for a long period, yet while needing to maintain its fitness and readiness. Even in the most optimistic scenario, the priority given to health services and the economy will make it very hard to realize the multi-year IDF plan (“Tnufa”).

The global outbreak of the coronavirus, defined as a pandemic, began to sweep through the world in recent weeks, including in Israel and elsewhere in the Middle East (where the outbreak has not yet reached its peak). On Thursday, March 12, 2020, the Institute for National Security Studies (INSS) broadcast a seminar (without any audience present) on the subject of “Corona, National Security and Democracy.” Participants included Prof. Gili Regev-Yochay, Head of the Infectious Disease Epidemiology Unit at the Sheba Medical Center (Tel HaShomer), **the** economist Prof. Manuel Trajtenberg, former Chief of Staff Lt. Gen. (ret.) Gadi Eisenkot, and INSS researchers.

Most prominent in the discussion was the high level of uncertainty so far among decision makers and the general public alike in what pertains to the crisis. Past experience is only partly relevant, and there are huge gaps in knowledge and information about this virus and how it spreads, making it hard to analyze the situation and choose the optimal ways to handle it. All this is compounded by the need to deal with the ease of spreading fake news – lies, distortions, spin, errors, and conspiracy theories. The following summary of the

discussion outlines possible scenarios and points to issues for follow-up and further discussion as the crisis unfolds.

The International System

Participants analyzed two main global scenarios. The first is more optimistic (“like a severe flu”), where the measures taken are effective and perhaps the warmer weather in April-May will significantly slow the spread of the virus, and the epidemic will be successfully contained in China, most European countries, and the United States. Once trade links and the economy return to normal in the second and third quarters of the year, and the tourism and aviation sectors recover, there will be only a minor decrease in annual GDP.

The second scenario is more pessimistic (“a lengthy pandemic”), whereby most countries will be unable to control the rate of infection and contain the disease at least in the next six months (and apparently until the end of the year). In this situation there will be very serious damage to trade and economic relations, and to the movement of people and goods between countries. All economies will suffer a severe recession, with heavy damage to global production, and there will be millions of fatalities worldwide.

The crisis will not lead to a decision in the superpower competition, and it appears that no global actors will emerge unscathed. At least in the short term, international actors will likely withdraw into themselves, isolationist policies will become stronger, and the willingness of the powers to help countries suffering from the virus will be very limited. Radical elements (such as extreme right wing movements, terror organizations, and autocratic regimes) can exploit such a situation to take action under cover of panic. Perhaps, as one participant posited, the corona crisis has exposed the weaknesses of globalization and could eventually, in the longer term, lead to a rethinking of some of its most prominent features (such as widespread aviation, urban density, dependence on an international supply chain, and the uncontrolled spread of false information).

The biggest threat to the international (and the Israeli) economy derives from a slowdown or even negative growth in the United States. At present, the ability of the US to handle the crisis effectively and gain control of the outbreak is not clear. At this stage management of the crisis requires a material change in the behavior of President Donald Trump, including greater reliance on the professional-scientific echelon, which at present is regarded by the President with much suspicion and distrust. In any event, this is a severe blow to Trump at the height of a stormy election year, given the steep decline in the economy and stock exchange indexes, whose success he linked to his presidency. The coronavirus could thus damage Trump's support base as the elections approach and threaten his reelection. Such a scenario has highly significant implications for Israel, which has so far enjoyed broad support and unprecedented backing from Trump. If the Democrats win the election, and a

president with reservations about Israeli policy enters the White House, support for Israel and its freedom of action will probably continue, but with more limitations. As the US economic crisis worsens, there is also the likelihood of a cut in security aid to Israel.

In the absence of information to the contrary, it appears that China is dealing with the crisis effectively, after an initial stage of late identification and silence. The improved methods of supervision and suppression seem to have shown their effectiveness, although at a heavy price to the economy and privacy, as much as that exists in China. China has begun to exercise its advantage of precedence (it was the first to encounter the coronavirus, and the first to achieve success in blocking it), and to present its determined conduct as the effective way of handling the virus. The Chinese model of "autocratic capitalism" may be attractive to some and gain popularity, but could prove very difficult to implement in other countries. Even without adopting the Chinese model, the solution of invasive monitoring of citizens and limiting their freedom of movement has already been tried in additional countries. The route taken by the virus and the measures to deal with it (from China to the West) could give China an advantage, with the growing demand for its resources from damaged economies, and Western countries hard-pressed to compete with it.

The true state of the corona outbreak in Russia is not clear, but presumably Moscow will retain its traditional strategy of coping, which includes information warfare and capitalization on opportunities to deflect attention from sensitive issues. President Vladimir Putin has already seized the moment to extend his presidency to 2036. His decision to break up the partnership with OPEC with the aim of harming the oil shale industry in the United States and demonstrating his ability to damage the global economy also represents an exploitation of this opportunity.

The crisis in Europe, whose population is older than elsewhere in the world, could widen existing rifts among the countries on the continent (the struggle between the radical right and the socialist left, the refugee crisis); cause the collapse of shaky organizational structures; and even weaken the very basis of the European Union and its institutions.

The corona outbreak has been accompanied by an explosion of rumors and fake news, designed to maximize fear of the epidemic or point to those responsible for its spread. The rumors are promoted by interested countries and by ordinary citizens, as well as those who thrive on conspiracy theories. The media echo some of the lies.

The Regional System

At present, it looks as if the risks of escalation in the Middle East have declined, as all regional actors are focused on the corona crisis. According to official reports, outbreaks of coronavirus in the Middle East are limited in scope (except in Iran). However, it is likely that the reports do not reflect the true situation, and the peak of the epidemic in the Middle

East still lies ahead. Moreover, the region could be fertile ground for a serious epidemic due to the overcrowding in some cities and the presence of millions of refugees and displaced persons. It could cause a serious and widespread humanitarian crisis and exacerbate fundamental problems that threaten the stability of many regimes.

The spread of the coronavirus caught the Iranian regime in one of its lowest points. The emerging oil crisis joins other severe negative economic circumstances; trust in the regime is extremely low; and the official denials of the crisis together with inept handling deepen the crisis of public confidence vis-à-vis the regime. This comes against the background of the fuel crisis, floods throughout the country, and the downing of the Ukrainian airplane. However, the fear of infection limits the extent of protests and provides the regime with at least a temporary shield against mass demonstrations. In the past, the regime has shown its willingness to use violence to suppress domestic threats to its existence. Moreover, Iran has the ability to withstand crises and is able to absorb casualties.

The possibility of an unplanned escalation between Iran and the United States was illustrated when rockets were fired at an American base, which led to an American attack on militia bases. However, it appears that in the short term, the coronavirus has a restraining effect and curtails Iran's policy of defiance – in the region and in the nuclear arena. (The possibility that Iran will, under cover of the crisis, accelerate its nuclear program exists and must be monitored, even if it seems less likely at present.) In the longer term, within months, Iran might return to its former defiant policy. In aspects relating to negotiations with the United States, as Iran experiences increasing distress and loses its leverage, so the prospects of its coming to the table to negotiate a new nuclear agreement will fade.

Iran is now an “exporter of the epidemic” for countries in the radical Shiite axis (Iraq, Syria, and Lebanon), where outbreaks of the disease appear to be linked to elements that have had contact with delegations from Iran. Lebanon has seen broad public pressure to stop flights between Beirut and Iran due to the damage caused, and this development is likely reinforcing the existing public dissatisfaction with Iranian interference in Lebanon (flights to Syria have also been canceled).

In the Palestinian Authority and the Gaza Strip there are attempts to copy Israel's manner of dealing with the virus outbreak, and the authorities are imposing very severe restrictions in the effort to control the epidemic. The crisis demonstrates the importance of a strong and functioning Palestinian Authority. Without effective control of the situation by the PA, any outbreak in its territory could spill over into Israel. The increased restrictions on movement between Israel and PA territory (preventing the entry of Palestinian workers and the movement of goods), which will continue for over two months, could lead to a severe economic crisis, with the collapse of the Palestinian economy and chaos in the West Bank.

For that reason, it is important for Israel to promote cooperation with the Palestinian Authority and Egypt and Jordan, the countries with which it has peace treaties, by sharing medical information, supplying medical equipment, and coordinating traffic at the border crossings.

The recent relative quiet on the Gaza front is due to Hamas's focus on preventing an outbreak of disease and from the extensive steps taken by Israel to ease the situation. Limiting these moves or the scope of cooperation with respect to fighting the epidemic could bring this quiet to an end and increase the likelihood of escalation and the renewal of disturbances on the Gaza border.

Israel

The highly unusual combination in Israel of an extended political crisis, multiple security challenges, and a budget deficit, joined by the corona outbreak, is extremely problematic. The discussion showed that Israel could find itself in one of the following scenarios:

- a. "A country with flu" (optimistic scenario): Spring will slow down the rate of infection considerably; the number of cases in Israel will amount to a few hundred with only scattered deaths; the epidemic will also be contained in China, most European countries, and the United States, so that quarantine restrictions will be limited to countries with severe outbreaks; trade and economic links will gradually return to normal, and the tourism and aviation sectors will recover. In this scenario, there will be a drop of only 0.5-1 percent in GDP, meaning there will still be annual growth of about 2 percent.
- b. "Country under curfew" or "sick country": These are two separate scenarios, where the common denominator is that the crisis will not end in the next six months, GDP will be affected significantly, and annual growth will be negative. However, they differ in how the country will deal with the crisis – by continuing severe quarantine conditions or even lockdown (as in Italy), or by trying to return to normal economic activity while dealing with mass infection. An even more drastic scenario is of a "dysfunctional country" – the disease spirals out of control, leading to the collapse of public services and loss of faith in the government and the authorities.

The challenges currently facing the IDF are led by the need to maintain the readiness and health of the soldiers, so that security challenges can be met; to assist the civilian system, which will presumably need help as the crisis continues; and to maintain fitness and promote force buildup in the new circumstances.

While participants agreed on the importance of a multi-year plan for the IDF regarding force buildup, there was relatively broad agreement that it would be difficult now to finance the plan ("Tnufa") drafted recently up by Chief of Staff Aviv Kochavi. Clearly it is a

necessary to allocate resources to other areas (mainly health services and economic recovery) and to “put out fires” in view of the budget deficit.

The demand that the security system should participate in the civilian efforts against the corona outbreak is apparently necessary because of Israel's special characteristics, and requires a change of perception in the IDF and other security organizations. However, the view was also expressed that this demand may turn out to be mistaken due to the unknown duration of the epidemic (which could be relatively long), during which organizations will be diverted from their primary tasks. This matter requires complex balancing, which must also take into account the need of security organizations to maintain their basic fitness throughout the duration of the epidemic.

On a more positive note, the corona crisis can also be seen as a kind of “live exercise” that simulates a national emergency and allows Israel to examine and implement mechanisms to reinforce social and national immunity, inter alia by activating civilian communities, promoting remote internet-based work, and dealing with overload in hospitals.