

PART 1: THE STRATEGIC CHALLENGE AND THE MILITARY AND DIPLOMATIC RESPONSE

The Gaza Strip is exceptional in the Palestinian arena due to its modern history and its geographic, demographic, and political characteristics. Gaza's unique behavior and its influence on both Israel and Palestinian Authority (PA) in the West Bank began more than a decade ago, following Israel's disengagement from Gaza in 2005 and Hamas's takeover in 2007. Under Hamas's control, the Gaza Strip has, over the years, developed into a semi-state arena that is separate and independent from the PA and poses unique threats and challenges to Israel. During this time, the Israeli government has implemented a policy of differentiation and division between the Gaza Strip and the West Bank in order to weaken Hamas's military buildup capabilities and to diplomatically challenge both Hamas and the PA. This policy has contributed to the substantive separation that has developed between the two parts of the Palestinian territory, during which Hamas has consolidated its standing in Gaza and has become sovereign there. Hamas's military buildup and the increasing disconnect between Gaza and the West Bank have created two rival and distinct governing systems that cannot cooperate or set shared goals and instead compete with one another for the leadership of the Palestinian people and for setting the Palestinian national agenda vis-à-vis Israel.

Figure 1. Israel's policy alternatives toward Hamas in Gaza



Over the past decade, the diplomatic discourse in Israel has focused on three main strategic alternatives for dealing with the Gaza Strip: overthrowing Hamas's rule; leaving a weakened and deterred Hamas in power; and recognizing in practice Hamas's rule and providing aid for Gaza's reconstruction, even though this means consolidating Hamas's rule. Israel constantly wavers between the second and third possibilities,

sometimes choosing to promote military stability by achieving understandings or an arrangement with Hamas and sometimes working to block reconstruction efforts in Gaza out of concern for strengthening Hamas and its rule and enabling it to continue its military buildup. In order to weaken Hamas, Israel has applied a closure on Gaza and responds to missile attacks almost routinely with pinpoint strikes in Gaza. On three occasions in the past decade, the Israel Defense Forces (IDF) had been on the verge of large-scale operations in Gaza. At the same time, as part of ceasefire and stability arrangements, Israel has reached understandings with Hamas on several occasions, aimed at achieving security calm in order to ease the closure on Gaza, which in practice mean Israel's recognition of Hamas's responsibility over Gaza.

Israel's dynamic policy of accommodation and deterrence has eroded since March 2018 when Hamas successfully began turning popular protests in Gaza, which occurred as a result of the distress and the sense of being imprisoned, into massive demonstrations ("The Great March of Return") and into attempts to carry out attacks against Israel. This has provided Hamas with leverage to pressure Israel and with the ability to control the escalation, based on the assessment that Israel does not want the situation to reach the point of a large-scale military operation and does not see an alternative to Hamas's ruling in Gaza.

As long as Hamas controls Gaza without any positive and significant diplomatic process with the PA and the PA does not strengthen its own control and institutions, the chances of the PA's returning to rule in Gaza decrease, at least in the foreseeable future. Attempts to promote reconciliation between Fatah and Hamas, with Egyptian mediation, have not succeeded at resolving the conflict between them, which would reinstate the administrative control of the PA in the Gaza Strip. At the end of 2017, the two sides were close to agreeing on reconciliation, but it was thwarted due to Hamas's opposition to dismantling its military wing, or at least to giving up its independence in exercising power, while Mahmoud Abbas, the president of the PA, opposed the creation of a Hezbollah-type situation in Gaza and demanded the implementation of his vision of "one authority, one law, one weapon."¹

On more than one occasion in 2019, Israel was ready to undertake a military operation in Gaza but always refrained in the end due to the short- and long-term implications and consequences of this step. In practice, Israel's policy regarding the Gaza Strip enables Hamas—an armed, hostile entity that directly and constantly threatens Israel—to consolidate its standing and its rule in the territory.

1 Gal Berger, "Senior Palestinian Authority Official to Kan News: Reconciliation Talks in Cairo Fail Completely," *Kan, the Israeli Public Broadcasting Corporation*, November 27, 2018, <https://tinyurl.com/vmqyp3a> [in Hebrew].

Despite both the direct and constant military threat to Israel from the Gaza Strip and the repeated rounds of violence between Israel and Hamas and the rogue organizations active in Gaza, at present there is not any in-depth public discussion in Israel on policy alternatives toward the Gaza resolution and about Israel's strategic objectives in the Palestinian arena in general and in the Gaza Strip in particular. Consequently, the INSS decided to establish a research group composed of twelve experts to examine strategic alternatives regarding the Gaza Strip, assess their feasibility, formulate insights indicative of the preferred alternative, and place it on the agenda of the Israeli public and decision makers.

In the analysis process carried out at the INSS, five possible diplomatic and military alternatives were examined for addressing the military challenge that the Gaza Strip in general and Hamas in particular pose for Israel:

1. **Managing the conflict**, based on the logic of adjustment and deterrence. This alternative means exerting ongoing pressure on Hamas to weaken it and achieve longer-term calm by strengthening deterrence.
2. **An extended ceasefire (calm—"tahadiya") between Israel and Hamas** based on the logic of an agreement. This alternative means recognizing Hamas as the sole body responsible for Gaza.
3. **Completely disconnecting the Gaza Strip from Israel and from the West Bank** based on the logic of disengagement. This alternative would lead to closing the crossings between the Gaza Strip and Israel and providing Gaza with access to the sea and to the Sinai Peninsula.
4. **Military operation to overthrow Hamas's military wing** in accordance with the logic of military victory. After defeating Hamas, steps would need to be carried out that would aim to stabilize and influence the territory. This alternative could also be a platform for advancing other alternatives, such as maintaining Hamas's rule but in a weakened state, or creating the conditions for returning the PA to Gaza so that it becomes the body responsible there, or establishing an international trusteeship in Gaza (the chances of the last option being realized are extremely low).
5. **Creating conditions for intra-Palestinian reconciliation and supporting steps in this direction** in accordance with the logic that any agreement must only be conducted with the PA, as it should be seen as the only body that represents all of the Palestinian camp.

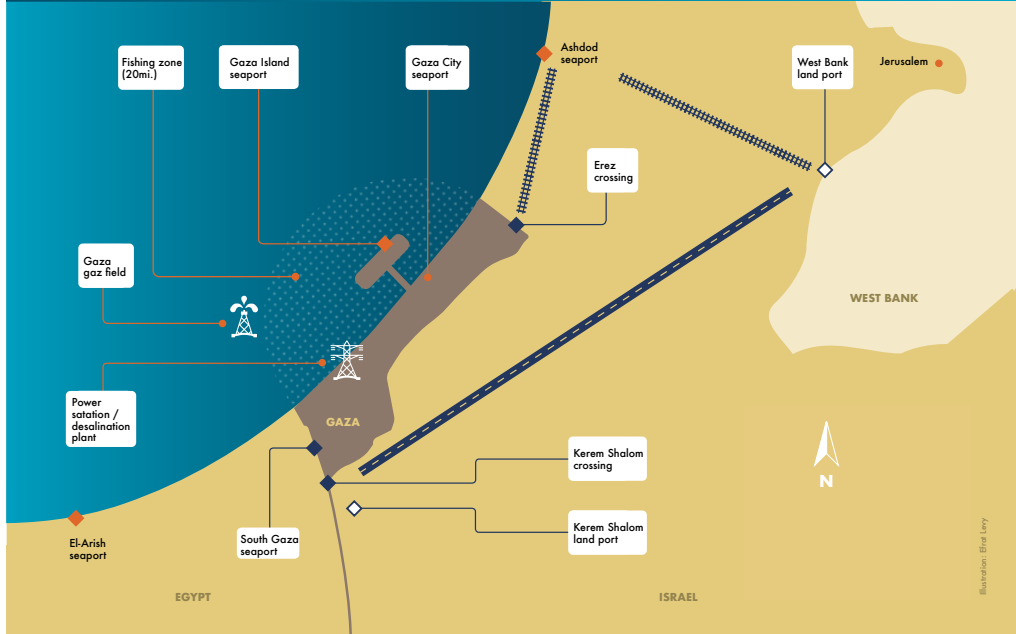
At the end of the analysis process, it became clear that there is no magic solution for positively, substantively changing the situation in the Gaza Strip. However, it also became apparent that the most preferable and most capable alternative of being realized is establishing a long-term ceasefire between Israel and Hamas with Egyptian mediation. Such a ceasefire would include easing the closure on Gaza and advancing infrastructure projects in the area.

The Research Process

Based on the current situation, basic assumptions were formulated for mapping out the alternatives that Israel can pursue regarding the Gaza Strip and for selecting the preferred alternative:

1. Israel has, in practice, come to terms with the fact that Hamas is sovereign in the Gaza Strip and sees it as the body responsible for all that occurs there. According to Israel, this reality is the reason that Israel is unable to begin a peace process with the PA.
2. As long as Hamas is in power in Gaza and Mahmoud Abbas is the president of the PA, there is only a slim chance of formulating and implementing a reconciliation agreement between Hamas and Fatah and restoring the PA's rule in Gaza.
3. Israel's policy of differentiation between the West Bank and the Gaza Strip has considerably weakened both parts of the Palestinian system—the PA in the West Bank and Hamas in the Gaza Strip; however, the connection between the two territories is still pertinent.
4. The rounds of violence between Israel and Hamas have encouraged the military buildup of Hamas and the Palestinian Islamic Jihad (PIJ) and have assisted Hamas in strengthening its grip on the territory.
5. The humanitarian distress in the Gaza Strip causes instability and increases Hamas's motivation to escalate the conflict with Israel. Hamas uses this mounting distress to force Israel to ease the closure and reduce the pressure on Gaza as well as to focus regional and international attention on Gaza and place the blame for the situation on Israel.
6. Hamas has enhanced and diversified its attack capabilities (from incendiary kites to attack drones, from short-range rockets to medium-range missiles). The continued "incidents on the fence," along the demarcation line between the Gaza Strip and Israeli territory, reflect Israel's loss of control over events in Gaza and increases the risk of a military escalation.

Figure 2. Plans for improving infrastructure and commerce in the Gaza Strip



7. Hamas has the capacity to impose its authority over the rogue organizations in Gaza—chiefly the PIJ, as well as Salafi-jihadist groups—even though it does not have complete control over them.
8. Despite Israel’s disengagement from Gaza and the dismantling of its settlements from there, the international community sees Israel as being responsible for the Gaza Strip. This approach stems not only from the closure that Israel has imposed on Gaza but also from the Oslo Accords, which determined that the West Bank and Gaza Strip are a single territorial unit, and also because the Israeli-Palestinian issue still remains unresolved.
9. Changing the condition of Gaza’s infrastructure requires massive investment that can only come from regional and international aid. Currently, transferring money from the international community for Gaza’s reconstruction is only possible with the involvement of the PA since the international aid groups consider the PA as the legitimate Palestinian government. At the same time, the PA is interested in weakening Hamas and reduces the budgets transferred to Gaza. In this respect, the transfer of aid for reconstructing Gaza would notably contribute to strengthening Hamas at the expense of Fatah and the PA.
10. The Gaza Strip is one of the most crowded places in the world: Some 2 million people live within an area of 365 km. The unemployment rate in Gaza is over 50

percent,² and the severe shortage of land reserves makes the dream of reconstruction almost impossible to realize.

11. Egypt has a central and unique role to play, as the sole mediator between Israel and Hamas and between the PA and Hamas.

The Strategic Problem vis-à-vis the Palestinian Arena

Israel's policy in the Gaza Strip is connected to its policy toward the entire Palestinian arena and influences its relationship with the PA. There are currently two leading ideological-political approaches in Israel regarding the future of the Israeli-Palestinian conflict:

1. There is no Palestinian partner for formulating and implementing a comprehensive agreement. Time is in Israel's favor, and Israel should examine the consequences of the regional upheaval for the Palestinian arena before taking the risks involved in establishing an independent Palestinian state.
2. Israel's "managing" the conflict and its lack of effort to reach an agreement with the PA greatly reduces the chances of achieving a comprehensive settlement in the future and will deteriorate into a one-state reality in which Israel will not be able to separate from the Palestinians.

Given the schism that exists in Israel regarding which policy to implement on the Palestinian issue, the Israeli government has been unable to formulate clear objectives that optimally address Israel's interests and consider the widest possible common denominator. Furthermore, due to the difficulty reconciling the opposing approaches, the Israeli government has a limited range of options regarding Hamas, the Gaza Strip, and the PA. Under these circumstances, the Israeli government has addressed the challenges of terrorism originating from the Gaza Strip through a tactical short-term—and not a strategic long-term—perspective.

Israel's policy toward the Gaza Strip reflects four main logics that are not always compatible:

1. The logic of an arrangement, according to which Israel seeks to reach diplomatic settlements—ideally bilaterally—with the Palestinians.
2. The logic of separation, by which Israel will take steps—independently if necessary—to separate from the Palestinians on all levels: political, demographic, civil, and territorial.

² The World Bank, "Economic Monitoring Report to the Ad Hoc Liaison Committee," April 30, 2019, pp. 6–7, <https://tinyurl.com/wehjqqg>.

Figure 3. Ways to reconstruct the Gaza Strip



3. The logic of accommodation and deterrence, according to which Israel is coping with the reality in the Gaza Strip without having any clear vision to change it. At most, Israel carries out military actions whose entire purpose is to maintain deterrence and prevent Hamas and other terror groups from gaining military strength. This logic derives from the conception that Israel does not have a practical and reliable partner for a diplomatic process; thus, it must maintain the current situation of isolated autonomy in the Gaza Strip, while deepening its control over the majority of the territory of Judea and Samaria. In practice, Israel has created an increasing number of facts on the ground in Judea and Samaria, and deliberations over partial and complete annexation of these territories is already underway in some circles within Israel's leadership.
4. The logic of military victory, according to which Israel must dismantle Hamas's military wing by means of a large-scale military operation and afterwards enforce the demilitarization of Gaza. According to this logic, Hamas's political wing—albeit weakened and deterred—must be kept in power to serve as the body responsible for the population, since the PA does not want and cannot retake control of the Gaza Strip, mainly with the help of the IDF.

Israel's Interests and the Correlating Tension

1. Maintaining stability and calm in the arena.
2. Not granting legitimacy to Hamas—despite recognizing it as the de facto responsible body ruling Gaza.
3. Preferring that the Gaza Strip be controlled by the PA, which opposes terrorism, and supporting intra-Palestinian reconciliation and a Palestinian unity government.
4. Preventing Hamas from consolidating additional power in Gaza but compromising in the short term with its continued rule there, and thus seeing it as the sole body that is preventing chaos or a jihadist takeover.
5. Strengthening the PA's standing in the West Bank by adopting the approach that it is the only legitimate Palestinian government and strengthening its relevance as a future partner for negotiations with Israel.
6. Maintaining the principle of differentiation between the Gaza Strip and the West Bank and reducing the negative impact of events in Gaza on events in the West Bank. Such a stance dictates opposing intra-Palestinian reconciliation and reducing the PA's influence on events in Gaza.
7. Bringing about an international reconstruction plan for the Gaza Strip to prevent the development of a humanitarian crisis, despite the understanding that a reconstruction plan contributes to strengthening Hamas.
8. Reaching strategic understandings with Egypt and achieving cooperation in the fight against terrorism and extremists.

Israel's policy is influenced by a series of structural tensions that limit its range in maneuvering on the issue of Gaza. The tension between demands and interests is evident on all levels, as shown below in figure 4.

