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April 1998 – February 2003

# Dilemmas Facing the Second Sharon Government

**Shai Feldman**

**T**he Israeli government that will emerge from the January 2003 general elections is likely to face a wide array of challenges and opportunities. The most immediate of these concerns the possibility that a U.S.-led military campaign against Iraq will prompt an Iraqi ballistic missile attack on Israel. If this occurs, the new Israeli government will face a highly complex set of considerations. At the same time, a war in the Gulf might create a regional environment that – if met by an astute, creative Israeli response – may be safer and more secure from Israel's standpoint.

This article does not intend to present a detailed agenda for Israel's new government in the realms of foreign and defense affairs. Rather, it will focus on dilemmas that the new government may confront in a few of the most urgent and important areas:

the conflict with Iraq, relations with the Palestinians, and the latent threat along Israel's northern border.

## Israel and the Gulf

As this publication goes to press, it is probable but still not certain that the U.S. will lead a military operation to remove Saddam Hussein. However, Israel's security interests are served by the evolving U.S.-led confrontation with Iraq almost regardless of how it ends. This is because Saddam can only avoid a military confrontation by leaving the country or by surrendering the weapons of mass destruction (WMD) in his possession, their delivery systems, and the capacity to produce such weaponry. The surrender would have to be convincing not only to Russia, China, and France, but also to the United States and Great Britain. This



## Dilemmas Facing the Second Sharon Government – cont.

development would clearly advance Israel's national security interests not only through the immediate disarmament but by reducing if not completely eliminating an additional grave danger – the possibility that Iraq may acquire nuclear weapons.

If Saddam will not willingly leave Iraq or if he fails to meet the high standards of cooperation set forth by UN Security Council Resolution 1441, war will almost surely be launched. The direct result of such a war will be the end of Saddam's regime, for once a war is initiated the United States will settle for nothing less. Thus, the government that attacked Israel with ballistic missiles during the 1991 Gulf War will have been eliminated.

Yet the more extensive regional impact would exceed simply ousting Saddam Hussein. In the Middle East at large, such a development will demonstrate the United States' determination to act preventively against extremists who attempt to acquire WMD. Iran's witnessing of this chain of events, coupled with the elimination of its chief antagonist, may propel it to reconsider its own WMD development plans, or at least be more susceptible to external pressure to curb these plans. Even more broadly, a successful campaign in Iraq emphasizes America's resolve to wage the post-September 11 War on Terror on a wide front. In particular, regional powers are likely to be impressed that the U.S. is serious about taking preemptive action to eliminate threats before they crystallize. Syria, for example, might be persuaded that the new environ-

ment cannot tolerate its continued direct and indirect support of Hizbollah.

While such results are bound to enhance Israel's security, a U.S.-led campaign will present Israel's government with a difficult dilemma if Iraq attacks Israel during the war. The effects of any Iraqi attack are likely to be relatively limited, even in comparison to the 1991 ballistic missile attacks, given the small

The more extensive regional impact of a war against Iraq would exceed simply ousting Saddam Hussein.

number of missiles and launchers that remain in Iraq's possession and the expected U.S. ground operations in western Iraq at the outset of the war to quash Iraq's ability to launch these missiles. In addition, the Arrow ballistic missile defense system that Israel has developed and deployed with U.S. assistance over the past decade will further counter the effectiveness of any Iraqi attack. Nonetheless, if attacked, undoubtedly the natural tendency in Israel would be to retaliate, particularly since a second exercise in restraint similar to the non-retaliation of 1991 would be interpreted by the Arab world as a

sign of weakness, resulting in an erosion of Israeli deterrence.

However, in the event of a conventional Iraqi attack the Israeli government would need to consider several factors that may counsel restraint. Clearly the U.S. would prefer to exclude outside interests and interference as it manages the campaign against Iraq. As a result, it is certain that the Bush administration would make every effort to dissuade the Israeli government from reacting to an Iraqi attack, urging it to leave the response to the United States. Beyond the diplomatic pressure, there are also practical military obstacles. Once the U.S. launches its military campaign against Iraq, the entire territory would be cast as a U.S. theater of operations. Under such circumstances any Israeli military action against Iraq would require prior coordination with the United States. Moreover, to restore deterrence, Israel's response would have to be impressive. Yet given Israel's limited capacity to deliver ordnance to great distances, it is not self-evident that its air force would be able to carry out a significant punitive attack against a country that will already be subjected to U.S. bombardments – unless the United States purposefully refrains from attacking certain targets, out of considerations related to Iraq's post-war reconstruction. But in this case, Israeli retaliation against these targets would collide with United States strategy, and it is doubtful that Israel's new government would wish to create a conflict of interests with its only major ally.



The quandary that the government will face will be far greater in the event that Israel is attacked – even if on a small scale – with chemical or biological weapons. In such a scenario, the potential implications of avoiding retaliation take on added significance, the argument being that Israeli deterrence would be severely if not entirely undermined by the perception that it can be attacked with non-conventional weapons without exposing the aggressor to a massive Israeli response.

Yet even in this extreme scenario, considerations that urge restraint are not easily dismissed. First, given the intimacy of U.S.-Israeli defense ties, the Israeli government could not easily ignore the Bush administration's appeals that it be given the responsibility for responding to the attack. The request would be particularly difficult to ignore if the attack results in a fairly small number of casualties.

Second, lacking a capacity for impressive retaliation against Iraq with conventional means, Israel might consider a response using non-conventional weapons. In this case, the government would encounter additional dilemmas, not least of which is the potential dispersal of chemical or biological ordnance – assuming such weapons are in Israel's possession – in a country where U.S. troops will be operating and which the U.S. plans to occupy at least temporarily. Moreover, since U.S. action will also be presented as intended to release the Iraqi people

from Saddam's terror, massive Israeli retaliation that results in widespread Iraqi civilian casualties would collide with America's aims. Under such circumstances, Israel's response would be difficult to explain even if its right to restore deterrence is acknowledged.

**These dilemmas call for Israel's new government to turn its attention immediately to the different developments that may be**

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**associated with a U.S.-led attack on Iraq. While such scenario-based planning cannot be definitive and will not diminish the magnitude of the decisions to be made, it will at least reduce somewhat the danger that these dilemmas will be faced for the first time when pressures – psychological and otherwise – are at their peak.**

On a contrasting note, a U.S.-led military campaign against Iraq should be seen not only in terms of the predicaments that it might present but also in terms of the new opportunities that it might create. For example, Saddam's ouster might be followed

by the rise of new leaders who will be closely tied to the United States in particular, and to the West more generally. These new leaders may incline to adopt a foreign and defense policy that resembles Egypt's, if not quite the warmer policies of Jordan. In this case, the opportunity for Israel is most significant and the challenge is clear: to expand the number of Arab countries co-existing peacefully with the Jewish state. This is a reasonable possibility in light of the influence that the United States is likely to exert over post-Saddam Iraq and the fact that Israel and Iraq have never had specific points of contention to spark sharp conflict with one another.

### **The Palestinian Front**

On the Palestinian front, Israel's new government may encounter some important opportunities along with the immense challenges that currently await it. The challenges and potential lie ahead irrespective of the United States decision regarding a major military operation against Iraq, although they may assume different dimensions in the wake of a war.

The new government's Palestinian agenda is bound to be tailored to its preferences and ideological predispositions. Yet since the composition of the next government coalition is not yet known and the balance of its ideological proclivities remains unclear, for the purpose of this discussion it is assumed that the government will attempt to address the priorities of Israel's general public.

Public opinion polls, including those conducted in the framework of



the Jaffee Center's annual survey on Public Opinion and National Security, indicate that Israelis view themselves as threatened by Palestinian terrorism, leading them to support strong measures that promise to eliminate or at least reduce the terrorist threat. Moreover, most Israelis seem to believe that at present there is no realistic option for reaching a negotiated resolution of the Palestinian-Israeli conflict.

Concomitantly – if not paradoxically – the Israeli public manifests a remarkably patient approach to the conflict. It seems to be persuaded that eliminating the terrorist threat is not a simple proposition. Hence the reelection of a leader who promises not to compromise in the face of terror, despite the fact that this same leader failed to deliver on the one clear platform of his 2001 campaign – to restore the personal safety of Israeli citizenry. The leadership has just received a new mandate even though during its first term Israel suffered more casualties than in any previous period in its history, with the exception of full-fledged conventional wars such as the 1948 War of Independence and the 1973 Yom Kippur War.

Apparently the Israeli public also accepts that the continued war against Palestinian terrorism is circumscribed by other critical national interests. As such, Israel must refrain from steps that might intensify the violence so that it does not escalate into a wider regional confrontation, and measures that might lead Israel to clash with the Bush administration must be avoided.

Relations with the United States are perceived as a major pillar of Israel's national security and consequently as a key to its ability to face strategic threats. Most Israelis, therefore, regard the government's cultivation and nurturing of close defense ties with the United States as an absolute imperative. Accordingly, the new government's reaction to Palestinian violence must remain mindful of these constraints. Its response will

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likely continue to be comprised of defensive and offensive operations, including targeted killings, activity in the Palestinian Authority's Area A to destroy terrorist infrastructures, and the building of a fence that would comprise an obstacle – even if partial – to easy access by terrorists to Israel's population centers. And because Israelis do not expect an immediate complete end to the violence but rather an ongoing effort to reduce its magnitude, the new government will probably enjoy considerable domestic leeway in its encounter with Palestinian terrorism.

Public stoicism and resilience,

however, do not mitigate the essential threat that Palestinian terrorism presents to Israeli society, and it is far from clear how long the public will be willing to tolerate the high cost that the violence exacts, especially from Israel's civilian population inside the 1967 lines. Two factors in particular may try public patience enough to limit the government's license in managing the violence. One is the possibility that the security situation would deteriorate further. Possible causes would be a total breakdown of the Palestinian Authority; a successful mega-terror attack; or the attempt by al-Qaeda to make Israel a high priority target, directly or by infiltrating the Palestinian scene. Any of these scenarios would compel the government to take more drastic action.

A second dimension to the Palestinian challenge concerns the many signs that the Israeli economy continues to deteriorate. Israelis are increasingly convinced that this decline is unlikely to be reversed unless the security situation – which presently constitutes a negative incentive for investments in the Israeli economy – is stabilized. This may produce new pressure on the Israeli government to take more extreme measures that appear to promise the elimination of the terrorist threat. Therefore, **one of the most difficult challenges facing Israel's next government would be to resist taking extreme measures even in face of increased internal pressure to produce a "decisive victory" over terrorism.**

The immediate challenges posed



by the terrorist threat are joined by questions of long-term stability. Surveys show that most Israelis have reached the conclusion that the Palestinian-Israeli conflict – especially given the demographic threat to Israel that it projects – cannot be resolved except in the framework of a divorce between the two peoples, and that disengagement requires Israel to end its present control over large parts of the West Bank and Gaza and be replaced there by a Palestinian political entity. Prime Minister Sharon has acknowledged this exigency, noting a resolution to the Palestinian-Israeli conflict will ultimately include the creation of a Palestinian state.

This emerging consensus is significant even if it is marked by considerable disagreement as to the particular conditions and requirements of disengagement. There is no agreement in Israel whether peace negotiations should be resumed while violence continues and/or while Arafat remains in office. Nor is there a consensus about the concessions that Israel should make once talks are underway or about the extent to which Israel should act unilaterally in the absence of a political agreement – including the abandonment of settlements, without which serious disengagement cannot be achieved. Indeed, on specifics Israelis agree about only one issue, namely, that if/when permanent status negotiations are resumed, Israel should not make any concessions related to the Palestinians’ “right of return.” Similarly, it must insist that any practical solution to the plight of

Palestinian refugees does not exacerbate the demographic threat that Israel already faces.

The significant disagreements about specifics notwithstanding, **the growing consensus about the need to disengage presents Israel’s next government with the monumental challenge of advancing this objective. Hence the imperative to pursue any opportunity to renew talks aimed at reaching a negotiated**

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**disengagement from the Palestinians.** Or, in the absence of productive negotiations, the government can examine carefully the possibility of some form of unilateral disengagement, provided that this can be achieved without jeopardizing national interests, particularly security-related matters.

The very process of resuming negotiations is itself a complicated issue. On the one hand, there is much logic in insisting that all forms of violence and terrorism must stop before talks are resumed – a demand that has gained wide international support and has been the cornerstone

of almost every plan suggested since the violence began in late 2000: from the statement issued by President Clinton at the end of the Sharm el-Sheik summit in late October 2000 to the Mitchell, Tenet, and Zinni plans offered in 2001 and 2002.

However, the recurring failures to implement these plans underscore that the Palestinians refuse to return to the negotiating table unless they receive some assurance that by doing so they stand a chance of realizing their aspirations. At the very least this implies achieving a form of a permanent status agreement as depicted by President Clinton’s “bridging proposals” of December 2000. Thus, a serious willingness on Israel’s part to resume negotiations requires that the wisdom of continuing to demand the complete end to terrorism and the removal of Arafat as preconditions be re-examined. To offset the concern that “negotiations under fire” would constitute a “prize for the terrorists,” Israel could open formal and informal channels of communications through which it might provide a clear vision of a permanent status agreement. This in turn might provide the necessary incentive for the Palestinians to rein in the violence and concentrate instead on the political process.

Furthermore, there are indications that the coming months may provide more fertile ground for resuming negotiations. Specifically, the government should explore seriously whether the growing Palestinian sentiment that the second intifada has been a catastrophe for the Palestinians



holds any prospects for renewing the efforts to negotiate disengagement. Many Palestinian leaders have reached the conclusion that Arafat's decision to allow the violence to intensify in late 2000 was a colossal mistake that must be corrected by stopping terrorism and returning to the negotiations table. By mid-2002 recognition of the disaster was already a refrain in the private discourse of most mainstream Palestinian leaders, and by the end of the year this conclusion was aired publicly, first in an article published by former cabinet member Nabil Amer and later in a well argued speech delivered by Mahmoud Abbas (Abu Mazen), widely seen as the most thoughtful of Arafat's deputies. This change of attitude at the elite level corresponds with the documented reversal in public opinion among Palestinians in the West Bank and Gaza. Thus, in a poll conducted in mid-November 2002 by the Palestinian Center for Policy and Survey Research (PSR), headed by Dr. Khalil Shikaki, 76% of respondents said that they support a mutual cessation of hostilities – up from a similar poll conducted last May when 48% favored a gradual cease-fire by both sides.

This prevailing sentiment among Palestinian leaders and lay people alike suggests that there may be a new opportunity to return to the negotiating table. If indeed the opportunity is realized, it in turn will drive the government's more specific decisions, for example, whether to encourage the ideas contained in the

"roadmap" that has been in preparation by the Quartet for several months.

Complicating the picture is the potential U.S. campaign against Iraq, for it is possible that the war would accentuate the government's Palestinian dilemma even further. First, the drama of the war may be used by the Palestinian leadership as an excuse to stop the violence, arguing that it would be too costly to continue

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the violence while the United States assumes the dominant role in the region. This would immediately challenge Israel's new government to react favorably to a cessation of hostilities, or even to a significant drop in the magnitude of the violence, so as to allow the resumption of diplomatic contacts.

Second, the war would strengthen those in Washington – for example, some neo-conservative members of the Bush team – who already argue that the Bush administration must demonstrate its sensitivity to the plight of the Palestinians, that is, pressure Israel to stop settlement

activities and end the occupation of the territories. The argument reasons that the United States must act decisively in order to make it clear to the "Arab street" that the war against the Taliban in Afghanistan and against Saddam Hussein's Iraq is not a war against Islam. After the war, this view may prevail over that which advises the president to refrain from steps that might alienate American Jews and the Christian Right, at least until after the 2004 elections. In this case, Israel would need to respond to diplomatic initiatives launched by the Bush administration to resolve the Israeli-Palestinian conflict, efforts that are based on or that replace the roadmap drafted by the Quartet.

Third, a war in Iraq may lead to new momentum to revive the Saudi initiative that was supported in various degrees by Egypt and Jordan in early 2002. The initiative has essentially remained frozen since a more developed version won approval by the Arab League in March 2002. Yet the considerable effort made by Egypt in early 2003 to persuade Fatah and Hamas to agree to refrain from further terrorist attacks, at least against Israeli civilians inside the 1967 lines, demonstrates that key governments in the region have concluded that continued Palestinian violence presents a serious threat to their security. This concern might propel these states to resume the effort to achieve a regional "grand bargain" in the framework of which the Arab states propose to fully integrate Israel into the Middle East in exchange for Israel's withdrawal to the 1967 lines.



Some or all of these possible developments may present Israel with opportunities to renew the negotiations process. In light of the growing desire of Israelis to disengage from the Palestinians and the mounting costs associated with the violent confrontation in the territories and inside Israel, it would be highly irresponsible for Israel's new government to ignore these opportunities even if the odds of their successful conclusion appear dim as long as Arafat remains in office. Under these circumstances, it is incumbent upon Israel's new government to examine any opportunity to bring about a negotiated disengagement from the Palestinians. This is also important so that the Israeli public is fully persuaded that no such opportunity was missed because of the government's shortsightedness.

If the Israeli government puts the opportunities to return to the negotiating table to a real test and it becomes evident that these opportunities were more apparent than real, the government would need to examine seriously whether it might be possible to implement unilaterally any effective disengagement from the Palestinians. The main difficulty associated with such possible steps is that in contrast to tactical measures such as the building of a fence – which has clear advantages but also clear limitations – it is impossible to achieve real separation from the Palestinians without dismantling many of the settlements that were erected in the territories over the past 35 years. Given Israeli public opinion, despite

the professed desire for disengagement, this will be no easy task. Yet without the removal of settlements, the current high level of friction in the territories – between Israeli troops that are responsible for securing the roads to the settlements and the settlements themselves, the Israeli resident population in the territories, and the Palestinian civilian population – will persist. Consequently, all the negative aspects

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of the occupation will also continue as will the high motivation of the Palestinians to do everything possible, including suicide bombing, to bring an end to the occupation and its humiliating facets.

Moreover, it would not be easy for the Israeli government to diminish the risks to Israel's national security associated with unilateral disengagement, especially the danger that it would erode Israeli deterrence. The Palestinians may well conclude from such a move that violence compels Israelis to disengage, even if gradually and partially, without the Palestinians having to undertake any obligations

or commitments. Finally, unilateral disengagement would also impact on the Israeli internal scene: it is almost certain that Israel's "right" will portray the government as having surrendered to terror and urge a less conciliatory position, if not an altogether new government.

## Syria and Lebanon

The third issue that may rise to the top of the new government's national agenda is Israel's northern border, with several potential catalysts that could heighten the urgency of the matter. Hizbollah and/or Syria, for example, might take advantage of the Iraq crisis to escalate the situation in the north. It is doubtful, however, that while the United States demonstrates its capabilities and determination to act against a regional member of the "axis of evil," another of the region's states would volunteer to become a new protagonist and join those already designated as members of the axis. Indeed, as part of the consensus in the UN Security Council favoring Resolution 1441, Syria has already signaled its understanding of the costs that might be associated with resisting the United States.

While unable to escalate the conflict without a green light from Damascus, which apparently would not be forthcoming, there is also no evidence that Hizbollah itself is eager to extend the current parameters of its activities any time soon. With the United States continuing its War on Terror, a Hizbollah-inspired escalation of the north would simply strengthen the forces within the Bush



administration that have been arguing since the September 11 attack to include the organization on the short list of groups to be targeted. Moreover, Lebanon would regard escalation as undermining the economic reconstruction of Beirut as well as of South Lebanon, and therefore, Lebanese domestic constraints likewise limit Hizbollah's freedom of action.

However, Israel's new government might itself attempt to put the country's northern border at the top of its agenda. Indeed, some within Israel's defense community are reported to have already intimated that Israel might take advantage of the expected turmoil in the Gulf to launch preventive action against Hizbollah. The reasoning is that while Hizbollah attacks against Israel since the IDF's withdrawal from South Lebanon in May 2000 have been limited and restrained, in recent years it has acquired a dangerous arsenal of "strategic weapons" – launchers and rockets with a range reaching Israel's northern population centers. This arsenal now constitutes part of the mutual "balance of terror" prevailing in the north, but there is no telling when and how this delicate balance might break down. Should that occur, the rockets might be used extensively and with dire consequences for Israelis in the north, and preventive action must be taken to remove the threat. This logic notwithstanding, the possibility that the Bush administration would allow the new Israeli

government to challenge Iraq's neighbors just as the United States seeks their passive consent for a campaign against Iraq is untenable. Washington would most certainly exert massive pressure on Jerusalem to avoid such action and the idea would be removed from the agenda even before Israel's new government could have a chance to review its merits fully.

The final context in which the north might figure on the new government's agenda is an attempt to renew Syrian-Israeli negotiations. This could result from the successful execution of a U.S.-led war against Iraq, which would increase the leverage the United States has over Syria and make Damascus more sensitive to the dangers involved in continuing to "sit on the fence." However, here too this opportunity is likely to prove more illusionary than real. While Bashar Assad's government might indeed be persuaded that the post-Iraq environment would be too dangerous for continuing its double-dealing, it might also reach the opposite conclusion: that having barely survived the political risks entailed in the campaign against Iraq, the Bush administration will be loath to expend any additional energy to reorder the region. If this is their conclusion, the Syrians are most likely to remain where they have been for the past few years – expressing interest in peace while resisting any attempt at a breakthrough.

Moreover, it is exceedingly unlikely that Syria would enter into any form of negotiations with Israel until Palestinian violence ends. Such a move would be considered by Syrians as a betrayal of the Palestinian cause. While the Baath regime views Arafat and his cohorts with nothing less than contempt, they will resist taking steps that might be portrayed by Syria's opponents as treasonous. For all these reasons, it is not likely that Israel's northern border will represent an opportunity for Israel's new government.

## Conclusion

Many other strategic challenges will no doubt occupy the government's attention during its tenure, including the strategic threat projected by Iran, the need to enhance Israel's already close ties with the United States, the action required to improve Western Europe's attitudes toward Israel, and the complex network of relationships between Israeli Arabs and Jews. None are new concerns, but they are indeed gathering new urgency. Significantly, the shape these issues assume and how the government responds to them will almost certainly occur against the backdrop of the three issues explored above. Israel's choice of role – if any – in the confrontation with Iraq, its management of the conflict with the Palestinians, and its containment of the northern border threat will set the tone of the new government's national security policy.