Strategic ASSESSMENT

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

Strategic Assessment is written by INSS researchers and guests and is based, for the most part, on research carried out under INSS auspices. The views presented here, however, are those of the authors alone.

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Editors' Note

The weeks following the publication of the Winograd Commission's interim report have seen much heated debate in Israel on subjects related to political leadership, civil-military relations, and IDF performance. In addition, the fortieth anniversary of the Six Day War has spawned numerous events, reports, and analyses commemorating the war and taking stock of the momentous changes that have affected Israel over the past four decades. Certainly the most recurrent theme of the retrospectives is the Palestinian issue and the need for a resolution to this longstanding conflict.

Several subjects that are at the heart of these events appear in this issue of *Strategic Assessment*. The opening article, by Shlomo Brom, describes the discord and divisions within the Palestinian unity government. Analyzing whether the government might be able to weather the storm of its inauspicious beginning, the article examines whether the hopes placed in the unity government, or alternately, the dangers ascribed to it are grounded in the reality that has emerged in the Palestinian Authority since its creation in March. Brig. Gen. (ret.) Brom considers how this current reality should impact on Israel's policy and the policies of the major international players.

The second article, by Emily Landau, reviews the international community's race against time in its drive to halt Iran's quest for nuclear capability. In the wake of the report issued recently by the International Atomic Energy Agency, which highlights Iran's rapid progress in its nuclear ambitions, Dr. Landau urges the international community to impose stronger sanctions on Iran without delay. Although Iran has made significant advances, time has not yet run out, and now it is crucial to step up the pressure on Iran.

Giora Eiland discusses six challenges created by the new kind of war that has evolved and assumed greater dominance over the last few decades. In light of the growing number of low intensity confrontations between states and terror or guerilla organizations, Maj. Gen. (res.) Eiland emphasizes that political and military leaders can no longer think only in terns of traditional parameters that are relevant to inter-state conventional wars. The author offers several guidelines for meeting the challenges inherent in the kind of war that the twenty-first century will witness with increasing frequency.

The article by Prof. Zaki Shalom and Yoaz Hendel shifts the focus from the personal conclusions of the Winograd Commission interim report and the lapses in the conduct of the war to what the authors feel is the main factor behind the war's failures: Israel's policy on the northern border following its withdrawal from Lebanon in May 2000. They argue that Israel's policy of restraint and containment, despite numerous provocations by Hizbollah, eventually led to the Second Lebanon War, and suggest that the necessary conclusions be drawn with regard to the current provocations from Gaza.

Dr. Yehuda Ben Meir and Dafna Shaked present the main results from three annual surveys conducted within the framework of the INSS National Security and Public Opin-

ion Project. Among the authors' principal conclusions: over half of the Jewish population in Israel can be broadly described as belonging to the political center, a finding that brings with it clear political implications. There is also a good deal of flexibility in Israeli public opinion, what allows under certain circumstances considerable room for change.

In his article on al-Qaeda, Yoram Schweitzer maintains that the danger to Israel posed by al-Qaeda and its affiliates does not represent a fundamentally new or escalated threat. The recently sounded alarms of an enhanced al-Qaeda presence do not seem to be substantiated by facts on the ground. According to the author, Israeli and Jewish targets have been al-Qaeda objectives since 2000, and since then they have not become the principal organizational priority.

Challenging Israel's request to the US for increased military assistance, Roni Bart argues that Israel should initiate a decrease in American aid that leads to a 100 percent decrease over the next twenty-five years. While the aid testifies to the special relationship between Israel and the United States, Dr. Bart contends that it is morally wrong for a country of Israel's economic stature to continue to enjoy economic handouts of such magnitude. Israel's economic independence and its need to protect the political good will it currently has in the US are among the other points the author raises to argue his case.

Noam Ophir reviews a substantial change in US power projection capability, whereby aircraft carriers will no longer be the dominant component in a military action. In fact, the US now possesses the unique capability of executing an extensive, intercontinental attack without the need to operate from foreign territory. An American attack on Iran, if executed, could possibly be the first significant demonstration of this capability.

Ephraim Asculai discusses a proposal by the United States for a Fissile Materials Cutoff Treaty (FMCT), which attempts to overcome the longstanding objections to the treaty. Dr. Asculai presents the positions of the proponents and opponents of the FMCT, including Israel, and considers whether the treaty would have any impact on non-proliferation.

Comparing IDF performance in the Second Lebanon War and on the Gazan front, Col. (res.) Gabriel Siboni argues that contrary to commonly held perceptions, many of the military objectives defined for the northern campaign were in fact achieved, while those defined for the campaign in Gaza have failed. The author suggests that ignoring the achievements in Lebanon may influence the IDF's ability to learn from experience, while refraining from a sound critical analysis of the performance in the Gaza Strip reinforces the lack of strategic success in the south.

The final article of the issue, by Amir Kulick, presents and analyzes the World Bank report on the Palestinian Authority economy. While the policies of Israel and the US have contributed to the PA's economic woes, the World Bank notes that there are more fundamental reasons for the PA's serious economic predicament, first and foremost, an inferior budget policy. Discussing the inflated PA public sector, which constitutes a heavy drain on the economy, Kulick contends that while the government does not pay its employees' salaries, an extensive humanitarian crisis is not in the offing.

The Palestinian Unity Government: What Next?

Shlomo Brom

When the Palestinian unity government was established on March 17 on the basis of the Mecca agreement between the Fatah and Hamas movements, the Palestinian public and the Arab world saw an opportunity to end the Palestinians' internal crisis and to progress along the Israeli-Palestinian track. Israel primarily viewed the creation of the new government both as a risk to the sanctions imposed on the Hamas government and as a risk to the diplomatic boycott – i.e., given the possibility that Hamas as a ruling party would gain international legitimacy without making any substantial changes in its position towards Israel. International parties were essentially divided between those that shared Israel's position (the US) and those that saw the creation of the new government as an opportunity that should be explored and whose potential should be realized in full (several European countries).

The aim of this article is to examine whether the new government has a chance of surviving, and whether the hopes placed in it, or alternately, the dangers ascribed to it are grounded in the reality that has emerged in the Palestinian Authority since the creation of the government. In addition, the article questions how this new reality might impact on Israel's policy and the policies of the major international players. The few months that have elapsed since the government was established makes it difficult to provide definite answers to these questions. However, as with other governments, the first months of the Palestinian government provide a reasonable indication of its conduct and allow initial answers to be formed to these questions.

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The Prevalent Disorder

The Mecca agreement was made possible when Fatah and Hamas consented to defer discussion of several major issues, including the future of the security apparatuses controlled by the two movements and changes in the Palestinian Liberation Organization (PLO), which would allow Hamas to join the organization. This means that they did not, in fact, agree on a division of control between them. Such a division is the fundamental basis for establishing a unity government and yet barring agreement, competition and confrontation between Fatah and Hamas have continued within the unity government. In effect, the emergent reality is the continuation of a two-headed Palestinian Authority in which there is a power struggle between the office of the president and the government. The result is that the government itself is paralyzed because it is split between the two movements.

Not only has there emerged no agreement between the two movements on the two main issues of the security apparatuses and the PLO, but contacts are frozen due to overriding mutual mistrust. The two sides were supposed to agree on the creation of a national security council as a vehicle for deciding on the future of the security apparatuses. This in turn would allow the government and the president's office to agree on a security policy that would achieve the primary objective of restoring internal security in the Palestinian Authority. There is, however, no agreement over the composition of the council. Mahmoud Abbas (Abu Mazen) and Fatah want the council to be headed by Muhammad Dahlan, who would be given the title of national security advisor, while Hamas does not agree that its bitterest Fatah rival serve in this capacity. Consequently

the government's control of the various security mechanisms has diminished even further, compared with the control enjoyed by the Hamas government it replaced. The previous minister of the interior controlled at least the Hamas executive force, created as a rival to the security mechanisms controlled by Fatah. Yet after the creation of the unity government, this force, though ostensibly answerable to the Ministry of the Interior, in fact heeds the instructions of the military arm of Hamas and not the instructions of the ministry. The preventive security organ and the civilian police force that were to be subordinate to the Ministry of the Interior are, in fact, controlled by Fatah operatives. This situation has already prompted the new minister of the interior, Qawasmeh, to resign.

The integration of Hamas into the PLO has also stalled. A committee of unaligned experts was supposed to meet in Damascus and recommend practical steps for Hamas and Islamic Jihad to join the PLO, but Fatah thwarted the convening of the committee. The committee, in an expanded assembly of representatives of all the organizations, was subsequently due to convene in Cairo and make decisions based on the recommendations that were to have been formulated in Damascus. The executive committee of the PLO controlled by Abu Mazen notified the Hamas leadership that the meeting in Cairo was postponed due to technical problems, and no new date has been set for the meeting. It is unclear if another meeting scheduled for Amman will take place.

Meanwhile, Abu Mazen, who is also the PLO chairman, has initiated reforms in the PLO designed to weaken the PLO by means of reexamination of the organization's different departments, with a view to either canceling them or merging them with existing

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Palestinian Authority organizations. This is underway without any input from Hamas. The committee is headed by former finance minister Muhammad Nashashibi and Abu Mazen's advisor Nimer Hamad. The main issues addressed by the committee are reducing the PLO's diplomatic corps in the various countries, retiring many PLO personnel, and closing the PLO's offices in a number of Arab capitals, first of all, Tunis. The latter move is designed to impinge on the strength of Farouq Qadoumi, who opposes Abu Mazen within the PLO and cooperates closely with the Hamas leadership in Damascus. One important mechanism that is slated to be transferred from the PLO to the Palestinian Authority is the "National Fund," the PLO's economic branch, whose institutions are due to be directly answerable to the PA's Ministry of Finance. It is unclear if these activities, designed to weaken Abu Mazen's enemies within the PLO, will not ultimately damage Fatah, though control of the PLO is one of its few remaining assets.

The government does not function like an entity with collective responsibility, and the new ministers within the government are busy with ousting members of the rival movement from their ministries. Few ministers attempt to administer their offices properly and act in the overall interests of the Palestinian Authority, rather than in the interests of their political party. This situation damages day to day functioning and does not allow the government to work towards achieving the two stated objectives – lifting the political and economic embargo, and restoring law and order – in other words, taking care of internal security. At the same time, the ministers not formally aligned with the two rival organizations are noticeable exceptions. They are Finance Minister Salaam Fayyad, Foreign Minister Ziad Abu Amr, and Information Minister Mustafa al-Barghouti.

Despite the basic willingness of European countries to give the unity government a chance, they are for the most part not prepared to maintain direct contacts with Hamas members as long as the government does not accept the terms of the Quartet (recognition of Israel, commitment to non-violence, and honoring previous agreements with Israel). Most of the European governments, together with the United States, maintain a policy of contact only with ministers who do not belong to Hamas, although cracks appear to be emerging in this policy, reflected for example in the Norwegian deputy foreign minister's meeting with Palestinian prime minister Ismail Haniyeh, and in contacts of international organizations that operate in the territories (including the World Bank and the UN Development Programme) with Hamas ministers. The international parties are not willing to transfer economic aid directly to the government, and aid for the Palestinians continues to be channeled through the special mechanism established following the creation of the Hamas government that functions out of the president's office. In addition, no tangible progress has been achieved in transferring the monies promised by Arab countries, and according to Finance Minister Fayyad, funds from previous commitments totaling $1.46 billion have also not been transferred. Some of the money was transferred from Arab countries to the Arab League and did not progress further due to difficulties in executing bank transfers to the Palestinians, given the steps taken by the United States and Israel after the establishment of the Hamas government. Another large portion of the funds was not transferred at all. It appears that the Arab states, in association

with discussions held by the Arab summit committee, also undertook to transfer a sum of $55 million each month for the Palestinian government's ongoing activities. However this commitment too has yet to be fulfilled. The result is the Palestinian government's continued inability to renew payment of salaries in an orderly fashion.

The failure of the unity government to stabilize the internal security situation is dramatized by three issues: the Shalit affair, the kidnapping of the BBC reporter Alan Johnston, and the continued firing of Qassam rockets. The continuation of the Shalit affair is partly due to the inability of the Palestinian Authority's institutions, the presidency and the government, to impose their authority on the kidnappers. It is also unclear if the Hamas leadership has full control over them. The operation in which Shalit was captured was a joint effort by the military arm of Hamas and independent groups that collaborated with them (the Popular Resistance Committees). In Gazan reality, loyalties metamorphose quickly (for example, the Mumtaz Dagmoush faction that previously operated from within the Popular Resistance Committees under the name of the Army of Islam and cooperated with Hamas now operates in collaboration with the preventive security force controlled by Fatah). This means that all deals have to be approved by all the elements involved and be acceptable to the extreme element. As such, it is not surprising that while it is in the basic interest of Hamas to cut a deal, which would improve its image with the Palestinian public and might also generate a more conducive atmosphere for improved international relations, it has made far-reaching demands that are difficult, if not impossible, for Israel to meet.

The Johnston affair is an even more ex-treme case. The reporter was apparently kidnapped by an element from within the Dagmoush tribe, possibly by the aforementioned Mumtaz Dagmoush faction. This tribe represents the disintegration of authority in the Gaza Strip. The family members live in a closed and fortified compound in the Sabra neighborhood of Gaza City that is surrounded by fences, landmines, and explosives, and is heavily guarded and monitored around the clock. No government element has access to the site. Neither Hamas nor Fatah has a wish to confront the members of the tribe, and both fear the tribe might join the opposing camp. Fatah accuses a faction within Hamas of responsibility for the kidnapping, while Hamas links Dahlan and his associates to the Mumtaz Dagmoush faction. In any case, the government and the PA are considered helpless, and the kidnappers continue to demand a high ransom from the Palestinian Authority in return for Johnston's release.

The ongoing Qassam rocket fire also bespeaks the Palestinian government's inability to control the territory, although in this case the picture may be more complex. There are signs that Hamas may be interested in continuing terrorist attacks against Israel on a low level, in order to emphasize – as it did in the basic principles of the new government – that resistance is legitimate as long the occupation continues. It might also seek to differentiate between itself as a movement and the government, and to stress that despite what might seem a shift in certain positions, it continues to adhere to ideological authenticity in this important area.

What Lies Ahead

In view of the predicament of the unity government, both movements believe that the open and violent conflicts between them

may be renewed at any time, and they are preparing for it. The sense within Fatah is that the nature of the government entraps Hamas, which cannot thus revert to its previous mode of operation and does not have genuine leverage to force Fatah to implement a true division of authority. The sense within Hamas is that it is indeed in a trap and that the cessation of internal military confrontations only grants Fatah an important interval to redeploy and build up its strength ahead of the next round. A meeting of the "Security Quartet" (security representatives of Israel, Egypt, Jordan, and the United States) held recently in Cairo, attended by Dahlan, strengthened Hamas's suspicions. Thus it is understandable why even Haniyeh, the Hamas prime minister, threatens to dismantle the government and revert to extensive Hamas terror.

Fatah has started to operate along two main channels. On the one hand, it is making an effort to strengthen its hold in the West Bank. Its security apparatuses initiated a wide operation to enforce law and order, particularly in Nablus and Jenin. In addition to bolstering their control on the ground, the campaign allows them to display their effectiveness compared with the Hamas government's lack of effectiveness in Gaza. On the other hand, along with bolstering the existing mechanisms in Gaza, Fatah created a new force, the "Fatah Executive Force" which is designed to operate as a counter force to the Hamas executive force. The idea is to create a militia to confront the Hamas force and Hamas activists on the streets of Gaza.

Hamas is preparing to fight on two fronts simultaneously, against Fatah and against Israel. Its preparations are focusing mainly on Gaza and include extensive weapons smuggling from Sinai and the construction of for-

tifications, based on insights drawn from the Second Lebanon War. At this stage Hamas is unable to bolster its principal weak point, its military weakness in the West Bank Alongside these preparations for a confrontation there are periodic violent clashes between members of Hamas and Fatah, which result in fatalities. Often the clashes are the result of a localized issue and the need to "settle accounts" and take revenge for a fatality, and not due to the movements' defined policies. In mid-May a larger scale violent confrontation, which included Hamas's launching rockets at Israel, broke out. In the meantime the internal clashes subsided under the pressure of Israeli reprisals, probably to be resumed at a later stage.

The reality that emerged following the creation of the unity government, indicating the dysfunction of the new government, does not augur well for the government, and the scenario of its early collapse and the renewal of a full-fledged confrontation between Hamas and Fatah appears reasonable. At the same time, past experience with the Palestinian Authority indicates that dysfunctional arrangements tend to last if the alternatives are less inviting. The alternative of a full renewal of the violent confrontation – civil war – is not convenient for either side and each would prefer this situation only if the current one becomes intolerable. Hamas might reach this conclusion if it feels that the hope it attached to the new government is not within reach and the continuation of the status quo is severely damaging to its image within the Palestinian public. And indeed, the current situation contains a number of elements that are liable to generate such a feeling in Hamas. First, its hope that the establishment of the unity government would lift the political and economic embargo and allow its govern-

ment to function is not materializing: the political achievements are very limited. Hamas is gradually realizing that the international players are not rushing to lift the economic sanctions, that the transfer of funds from Israel is an important element in the Palestinian government's ability to function, and that the promises of Arab aid are only partly bearing fruit and do not constitute a suitable alternative. Second, its hope that the Mecca agreement and the creation of the unity government would allow it to strengthen its political position in the Palestinian Authority and initiate a similar process within the PLO is not materializing.

At the same time, there are indications that Palestinian public opinion views both Hamas and Fatah as to blame for the current situation. For the first time, Hamas finds itself in an unfamiliar position of being attacked by public opinion, as is Fatah. If the situation continues Hamas may conclude that it has no choice and even though the alternative is not good, it is preferable to end the status quo. The Qassam rocket barrage and mortar missiles initiated by Hamas on Israel's Independence Day and its declarations concerning the end of the ceasefire are largely a message that Hamas is running out of patience. The launch of rockets at Israel during the internal clashes delivers the same message. At the same time the continued survival of the unity government is still convenient for Fatah and it is doubtful whether it has an interest in initiating its collapse.

External Actors

This analysis suggests that should the present situation continue, there is little chance that the threats that Israel and the US administration considered as possible outcomes of the establishment of the unity government

will be realized. However, the possibility that the internal Palestinian crisis will be resolved and there will be renewed progress along the Israeli-Palestinians track is also minimal. It is difficult to assume that there can be an effective Israeli-Palestinian channel when a weak Israeli government has to reach understandings with a Palestinian Authority that does not function and is mired in an ongoing internal crisis. Thus, Israel and the international actors are faced with two basic modes of action. One is to work towards brining the unity government down by encouraging confrontation between Fatah and Hamas, with Fatah emerging victorious and renewing its control over the Palestinian Authority, thereby creating a trustworthy Palestinian partner. Another approach is to take measures to strengthen the Palestinian government and stabilize the internal situation in the Palestinian Authority in the hope that this will generate a partner for an Israeli-Palestinian process.

The first option has few realistic prospects. While it is possible to increase the financial and political pressures on the unity government to bring about its collapse and continue supporting Fatah in its efforts to boost its military strength ahead of the confrontation that will take place after the unity government collapses, it is highly doubtful whether the reality that follows the confrontation will be one of a stable Palestinian Authority with a functioning government that can act as a reliable partner. There is also a strong possibility that even after Fatah is strengthened Hamas would still win a military confrontation in Gaza. In the West Bank it appears that Fatah would be victorious. Even if Fatah manages to assemble a new government it is doubtful whether it would gain legitimacy from the public, and it would have to continue bat-

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tling with a strong and violent opposition. Hamas will not disappear and instead will return as an organization that largely operates through terror. The result will be a very weak government and increasing anarchy. In such a situation Israel and the international community would not have a reliable Palestinian partner.

Nor does the second option lack for difficulties. First, it is possible that the process of disintegration of the Palestinian Authority and the escalation of the confrontation between the various political components of the government have reached such proportions that it is questionable whether they can be contained and the situation redirected to a process of cohesion and strengthening the government. Second, this option would require creating a situation whereby both sides understand that they have no interest in bringing about the government's collapse and renewing the confrontation. This necessitates taking measures that would allow the government to function, including the Hamas elements in it. This means at least partial renewal of aid to the government, and engaging the government. The risk involved in a policy of this sort is that lifting the pressure from Hamas will give it the impression that it can achieve its political objectives without changing its positions and accepting the basic idea of two states for the two nations. It is possible that the Palestinian internal situation would then be more stable, but this would perpetuate the control of a movement that does not accept Israel's existence and aims to annihilate it. Such a situation certainly does not generate a Palestinian partner in an Israel-Palestinian political process and is opposed to Israeli interests.

It may be possible to avoid such a result if, on the one hand, Israel and the United States do not give Fatah the impression that they are trying to bring down the unity government and to generate a confrontation in which they would support Fatah. On the other hand, working with the Palestinian government will be based on the principle of "no free lunch." The willingness to renew transfer of part of the aid funds and the tax money to the government and to work with its ministers would not be made contingent on full acceptance of the Quartet's terms but would be conditional on actual steps being made, such as advancing the Shalit deal, stopping the Qassam rocket fire, keeping the ceasefire, and implementing specific agreements with Israel. Also important is the clarification that the more the Quartet's terms are met the more the sanctions will be lifted. However, there is some willingness to start the process with the unity government even in return for only partial measures. The idea is to create a process that will help Hamas change its positions and gradually reach full acceptance of the principle of two states for the two nations, which would be implemented through negotiations between the two sides. This process would require ongoing dialogue between Israel and the Palestinians. At first it will be convenient for both sides, Fatah and Hamas on one side and Israel on the other, for the dialogue to be with Abu Mazen. This dialogue will clarify whether the terms for renewal of negotiations between the sides exist, and what types of agreements are on the table.

Renewal of an Israeli-Palestinian ceasefire is an essential element of any policy that aims to engage the Palestinian unity government. The main obstacle for the resumption of the ceasefire is the Hamas demand that it be extended to the West Bank. Israel will not agree to stop its preventive activities in the West

Bank if it means that Hamas is allowed to reconstruct its terror and armed infrastructure in the West Bank without interruption. Any genuine attempt to extend the ceasefire to the West Bank demands a system of guarantees and monitoring arrangements that will prevent Hamas's armed reconstruction.

The current situation is a result of internal processes in the Palestinian Authority, but also of the lack of a clear decision by Israel and its allies regarding a choice of one of the alternatives. On the one hand there is no decision and determined action to bring down the Palestinian unity government. In practice, the decision is not to talk to the Palestinian government and to maintain the sanctions, but it is also accompanied by declarations that Israel will formulate its opinion of the government based on the latter's actions,

in other words, this indicates that Israel still has expectations of the government. On the other hand, there is certainly no decision regarding action to stabilize and work with the Palestinian government.

There is always, it seems, the possibility of desisting from involvement, observing developments on the Palestinian side, and then deciding accordingly. The problem is that in the Israeli-Palestinian reality there is no situation in which Israel is not involved. Palestinian dependency on Israeli actions is so great that any act or non-act by Israel means involvement and impact on what ensues on the Palestinian side. Since the situation is such, Israel's steps should be based on clear goals with a strategy designed to achieve them.

Iran's Nuclear Advances:
The Politics of Playing with Time

Emily B. Landau

Over the past four years, one of the most frequently asked questions about Iran is when will it be able to go nuclear. Sometimes the focus is on the so-called "point of no return" or "technological threshold," and sometimes the question is when it might actually be in a position to attain nuclear weapons, or mount them on long range surface-to-surface missiles. Speculation over this question has engendered any number of estimates as to how far advanced Iran's nuclear program really is. The urgency of the question keeps analysts busy trying to assess the answer, but from the range of answers provided, one cannot escape the distinct sense that there is no one authoritative assessment.

Beyond the technical and intelligence aspects of this question, however, there are significant political and policy implications as well. Estimates provided over the years have been used by policymakers to justify their policy decisions and directions, and as such, they have played a central role in the diplomatic/political process itself.

Once the West – through the EU-3 – embarked on negotiations with Iran in 2003, it found itself engaged in a process that was very difficult to weather, let alone master. Structurally, Iran had the upper hand in the negotiations due to its determination and steadfastness, whereas the West was constrained by the fact that it represented many states with different and sometimes conflicting interests. But the West couldn't acknowledge this – even to itself – and so it clung to the belief that *it still had time*. One could chart a steady increase in its determination, but not at a pace that was fast enough to match Iran's advances. And so it lagged behind, while shunning more determined action. And here is where the estimates played a significant role – there was always an assessment to quote that indicated there was still enough time to stop Iran through diplomacy.

As long as one could support the view that there was still time before Iran crossed the technological threshold, then there was still time for diplomatic initiatives – negotiations, and perhaps sanctions as well – to work, and there was no justification for emphasizing undue pressure in this regard or moving to harsher measures such as military action. Similarly, when more severe estimates were quoted, they were often brushed

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aside as exaggerations, as there was always a longer term estimate out there to justify continued diplomacy.

A report released in May, however, based on the IAEA visit to Natanz, indicates that the West is now perhaps out of time. According to this report, Iran is successfully spinning 1,300 centrifuges, and it may no longer be possible to stop Iran from crossing the technological threshold. The same people who were quoting estimates that there is still time for negotiations now say that time has run out and that there is nothing to be done about it. IAEA Director General ElBaradei has said that one of the purposes of uranium enrichment suspension – keeping Iran from attaining nuclear knowledge – "has been overtaken by events." Accordingly, if Iran has passed the technological threshold, there is no longer any logic to insisting on suspension of uranium enrichment activities: once it has the know-how it is just a matter of time. Basically, ElBaradei seems to be implying that the international community now has no choice but to face the reality of a nuclear-capable Iran.

Since everyone knew that Iran was advancing its program, how is it that Iran advanced so far? How did the West fall into this trap?

The problem is that from late 2003, it seemed there were no good options for stopping Iran from advancing its program. The military option was favored by none, and the diplomatic option was slow and cumbersome. One of the problems with the diplomatic route was that the focus of negotiations was almost exclusively on something that in retrospect has proven to be virtually non-negotiable for Iran: namely, suspending uranium enrichment indefinitely. Thus, time was not used in a productive manner

and slipped by all too quickly. Not surprisingly, it became clear that Iran was beating the system. Had technical and technological estimates all been in the direction of more severe estimates, perhaps the efforts of the international community would have been more focused, and at least the turn to sanctions would likely have been much quicker. But because the West understood that it had difficulties as far as displaying a collectively determined approach, it perforce fell back on the less severe estimates. These justified delay of harsh action, but ultimately locked the West in a self-made trap on the basis of these generous timelines.

In recent months, estimates have been shortening the timeline, yet even in the face of these estimates, attempts were made to highlight that there is still time. The month of April provided an opportunity to juxtapose different statements on Iran's progress and to observe the reactions to them. In early April, Ahmadinejad proclaimed that Iran had completed the fuel cycle and was beginning industrial production. In late April, it was reported that according to a new US intelligence report, Iran would be able to achieve nuclear weapons capability (enough enriched uranium for a bomb) already in 2010, which advanced the timeline from 2015, a previous US estimate. While Ahmadinejad's proclamation was pronounced by most observers to be an exaggeration of Iran's advances, the latter estimate – which also claimed that Iran was more

advanced than previously thought – was received quite differently, and accepted as indication that time is likely running short. The difference between the two reactions is the difference between saying that time is short, but that there is still enough time to stop Iran if states show determination, and saying that time is up, and that either action is taken immediately or it will be too late.

Israel as well has conducted a very delicate balancing act between saying that there is not too much time for action and that there is still enough time for diplomacy. Israel has wanted to push for more concerted action, but also to discredit reports whereby Iran was more advanced than was thought, which would require an immediate determined response. Thus over the past four years Israel regularly attributed the shortest timeline for Iran going nuclear (if it was not interrupted in its work), and was even notably pleased when US estimates finally came into line with its own. At the same time, however, Prime Minister Olmert was quick to dismiss Ahmadinejad's proclamations of early April, saying that he doubted that Iran's program was as advanced as was claimed and that there was still time to stop Iran. Thus Israel wanted to emphasize that time was short, but wanted to keep the threshold still far enough away so that it didn't require immediate action. Olmert did not want to embrace the estimates that time was actually running out.

In light of the IAEA report, time now indeed seems to be running out. The point is that whatever the actual amount of time left, the true challenge is to put this time to effective use. Simply repeating the mantra that there is still time to stop Iran through diplomatic means does not help to stop Iran.

The record so far of attempts to deal with Iran through negotiations does not leave much room for optimism: while Iran has been playing *for* time, the international community has been playing *with* time. At this point, the international community must remain steady and determined on the course it chose in mid-2006. It should not yield on the demand to suspend all enrichment activities, but there is no time to negotiate this, as the Europeans would like. The international community must significantly step up sanctions through the UN Security Council and outside the UN framework and increase the pressure on Iran until it suspends its uranium enrichment activities. This should be Israel's clear message as well. Although El-Baradei is right that a significant advance has been made, time is not yet up, and this is exactly the time to step up (but not give up) the pressure on Iran. Stronger sanctions might not work, but anything less will be a clear victory for Iran.

The Changing Nature of War:
Six New Challenges

Giora Eiland

Since World War II – and for Israel, since the Yom Kippur War – the nature of war has changed gradually but continuously, evolving from conventional total wars among states to low intensity military confrontations between states and organizations. This observation encompasses two dimensions: first, the number of low intensity wars is greater than the number of conventional total wars. Second, there are more wars between a state and organizations (terror organization, guerilla organization) than (symmetric) wars between states. This does not mean that the age of conventional wars is over, rather that the phenomenon of other kinds of confrontations has expanded significantly alongside regular wars.

States (led by either politicians or the military) generally fail to understand the significance of this change. Thus, even when the confrontation in question is different from a "regular" conventional war they continue to judge, appraise, and evaluate the situation in terms of criteria that are increasingly less relevant. The 2006 war in Lebanon and the war in Iraq proved this repeatedly. For example, around a year ago, the US president convened a press conference to explain that the security situation in Iraq was improving. In order to convey a sense of professionalism he appeared alongside General Casey, commander of the US forces in Iraq. Proof of the improvement offered by the president was the number of Iraqi battalions that were becoming operational – they were increasing in number, and the number would continue to grow. The president used a correct set of terms for regular wars in which the side that has more divisions has a better chance of victory. In a conventional war the balance of power is mainly measured by quantitative evaluation. In Iraq, the quantitative aspect to the confrontation is not entirely unimportant, but it is secondary compared with other variables, which the president did not mention.

Similar assessments are made in Israel. Before the war in Lebanon I was a member of a team that examined the defense budget. Most of the members argued that the budget could by cut by about $1 billion. The scientific explanation for this was offered by means of comparing Israel's investment in the defense budget with its enemies' investment. As Israel invests more, its investment is apparently superfluous, so cuts can be made and savings gleaned. The point is,

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though, that in an asymmetric war the cost of an explosives belt and preparation of a suicide bomber is insignificant compared with the sum that it takes to prevent an attack. Consequently, the quantitative terminology (comparing battalions or budgets) is almost entirely irrelevant.

The reality of a new kind of war generates six challenges, which are the focus of the essay below.

Challenge 1: Asymmetric Wars in a Populated Arena

Asymmetric wars that take place in an arena with a civilian population require an analysis and adjustment of the principal variables. The first adjustment is connected to intelligence. While in a conventional war the commander asks the operations officer *where is the enemy*, in an asymmetric war the first question asked is, *who is the enemy*. The enemy in an asymmetric war does not wear a uniform and is part of a civilian population, and thus it is not always clear who he is. Moreover, the enemy can be "both" – an ordinary civilian during the day and a terrorist at night. Yet the more important dimension in terms of "who the enemy is" is specifically not the tactical dimension, rather the political dimension. For example, in recent years the definition of "who is the enemy" in the Israeli-Palestinian conflict has changed many times according to the political situation. At certain times the Palestinian security forces were allies "fighting with us against terror"; other times they stood to the side; and at other times they were "the enemy" that Israel faced.

The definition of the enemy was no less important in the Second Lebanon War. Israel decided the enemy was Hizbollah and not Lebanon, and the world delighted in this distinction. It supported every attack on Hizbollah targets and opposed any attack on other Lebanese targets. Yet it is difficult – if not impossible – to overcome a guerilla organization that enjoys the clear sponsorship of a state if it is impossible to attack the sponsoring state (Lebanon). Thus, Israel placed itself in a tough campaign with its hands tied behind its back, without even seriously examining the question of who is "the enemy."

The second component of intelligence relates to what constitutes a relevant target. If in regular wars a large part of the relevant intelligence concerned physical targets (tanks, headquarters, and airports) and was the output of a longer process, in an asymmetric confrontation real time intelligence is measured in hours, minutes, and sometimes seconds, and the vast majority of targets are people. If, for example, it is known that the enemy is located in a particular building, this building will be a target. If the terrorists move somewhere else five minutes later the building is no longer relevant as a target. Thus, a high capacity for intelligence adjustment in real time is required.

The fact that low intensity wars take place within civilian populations is not just an intelligence issue, and it has far-reaching aspects – from rules of management to legal aspects. The latter is related, for example, to the Supreme Court discussion of whether targeted killings are permissible.[1]

Challenge 2: Civil-Military Relations

In regular wars the dialogue is simple: the political leadership informs the army it has to win, and after a ceasefire is achieved, the political leadership starts to work. After the army conducts the fighting, the politicians address the results of the war. This is a simple set of concepts. It may be hard to achieve

a victory, but the definition of what represents a victory is simple, since the political definitions are generally quite clear and their translation into military objectives is simple. Military tasks and achievements are formulated in basic terms: stop the advance of a division, seize a mountain range, prevent the enemy from crossing a certain line, or destroy an airport.

The conventional war between states is relatively simple, as it involves a clearly defined area relating to the dimension of time (the time the war starts and the time it ends) and the dimension of space, and there is a clear framework in terms of the parties involved. The state framework serves as "an address" and overall, there is an authorized mechanism to suspend or halt the confrontation when the state opts to do so.

Definitions blur when the enemy is an organization rather than a state. Then the delineations of time and place are less clear, and the state's objectives are more amorphous in terms of what it wishes to achieve and what it is capable of achieving. In limited confrontations it is not easy to define political objectives and to translate them into military missions. A British general with experience in Northern Ireland, Bosnia, and the 1991 Gulf War once said on a visit to Israel that in today's reality, the attempt to define the strategic purpose or the army's missions is like trying to hold jelly in your hand. The more you try to grasp it the more it slips through your fingers. For this reason one should strive to maintain a different type of dialogue between the political and military leaderships, not just a hierarchical dialogue in which the politicians command and the army implements, but something qualitatively different.

I witnessed the difficulty in generating the right kind of dialogue when Ehud Barak was prime minister. During Barak's term, at the start of the events of September-October 2000, every time a terrorist attack occurred that led to an escalation in the situation, the General Staff generals were summoned hurriedly to the office of the prime minister, who was also the minister of defense. The prime minister asked for the aerial photographs of the targets the army recommended attacking. His decision, as head of the political leadership, was to wage an aerial attack and the army's role in the discussion was to suggest targets. It took a while for one of us to say: "Mr. Prime Minister, maybe the principal issue here isn't which targets to attack. Maybe we should be asking whether attacking is the right thing to do. Maybe there are more effective measures we can take." There was a similar process with Sharon. It was actually Shimon Peres (who at the time was foreign minister) who said at one of the discussions that 80 percent of the important issues were neither just of a military nature nor just political, but involved both areas. He determined that there was no choice but to hold joint discussions, and with high frequency.

Three weeks after the start of the Second Lebanon War, Olmert said that the army did not present him with a ground operations plan in Lebanon, so he did not approve anything that was not presented to him. This claim reflects a basic misunderstanding regarding how the dialogue between the political and military leaderships should take place. In today's reality almost every political action has security implications; certainly every military action has political implications. Under such circumstances the prime minister cannot wait for the army to come to him and submit plans. In a situation such as the war in Lebanon the prime minister, chief of

In a conventional war the commander asks the operations officer *where* is the enemy. In an asymmetric war the first question asked is, *who* is the enemy.

staff, and minister of defense should meet on a daily basis, in the most select forum, first to ascertain that all share the same view of the reality, and then to jointly make the right decisions.

Challenge 3: Organizational and Process Changes

The defense organizations were formed to suit either of two situations: a situation of complete security calm or an all-out war. Today, the continuum between all-out war on the one hand and total peace on the other generates innumerable other situations that necessitate a different type of division of authority and coordination between the parties involved. The United States reached this conclusion after September 11, 2001 and after the war in Iraq. The question that arose is whether the division of areas between military intelligence, the CIA, and the FBI, which was appropriate at the end of World War II and at the start the Cold War, is also the correct structure to deal with terror today. The conclusion was that the intelligence facility needed to be reorganized. A civilian team was appointed to oversee and coordinate between the various intelligence sections. This team reports to the president, so that the CIA head is no longer the senior of the three organization heads and no longer reports directly to the president. In Israel too changes are underway – some successful and others less so.

The division of tasks between the IDF and the police can be cited as an example. Until 1973 the IDF had to fight against the Syrian and Egyptian armed forces, and the police were responsible for catching criminals. The division between the tasks was so clear that during a war that lasted two to three weeks, police officers left their regular duties and joined the military, since the only important occupation during a war was to fight at the front. Today, when one examines the tasks of the police and the army, one finds an overlap of some 30 percent. This requires adjustments in some areas, such as allocating resources and personnel and granting authority. As one who served as IDF head of operations for ten years, I can attest to the army's conceptual difficulty in recognizing that on a national level, it was preferable that 13,000 police officers continue in their professional capacity and not join the army as reservists.

Another example of organizational complexity is the boundaries of responsibility between Military Intelligence, the Mossad, and the GSS. Officially the Mossad is responsible for preventing terror abroad and the GSS is in charge of terror inside Israel and the territories. Today this delineation is inadequate. Some of the major terror threats cross borders – a suicide terrorist can come from England or pass through Egypt to Gaza and from there to Israel. In this case, who is responsible?

A positive example of changes made in the defense system in view of the requirements of an asymmetric war concerns the challenge of suicide attacks, and this returns us to the issue of targeted killing. In order to act efficiently one needs not only to finalize intelligence within a matter of minutes but also "to close an operational cycle," in other words, to connect the information of the GSS officer with the commander of the area division and the fighter pilot. The GSS and air force should be allowed to coordinate an operation in a matter of minutes or seconds, at a level of uncertainty and great complexity. The prime minister is the party responsible for formally connecting the two organizations. Nevertheless, the IDF and the GSS have created efficient working processes by

adjusting dividing lines, and this is the only way to achieve efficient operational results. Such changes are generally effected late, or are not carried out at all.

Challenge 4: Technology

Superficially, one can say that if one is waging a war against an enemy armed with explosives belts, knives, and Kalashnikov rifles, then advanced technologies are irrelevant because ultimately it comes down to hand to hand combat on the streets. This is obviously an error, as the state's clear advantage over an organization lies in the capabilities and resources at its disposal, particularly technological capabilities. Thus, technological adjustments are required to fighting against terrorist organizations, which involve not only technical ability (converting weapons currently used from use a to use b) but also the ability to change the psychological orientation of those developing the technology. For example, when a missile or bomb is manufactured for a war, the better it is, the greater its ability to kill and wreak destruction. When fighting in an arena with civilians, some of the weaponry becomes problematic. The weapons have to be made less lethal and then used effectively. If this expertise is not available one remains with advanced technology that is not compatible with the circumstances of asymmetric war.

A good example of matching new weaponry to new situations, particularly in the last six years, is the unmanned aerial vehicle (UAV). Initially UAVs were mainly designed for identifying clear military targets, such as tanks, artillery, and enemy headquarters. Due to technological advances in camera quality, flight duration, and altitude (UAVs are not visible or audible from the ground) one can employ them efficiently to combat

terror. The UAV is used today not only to track down people (during the day and at night) but also to identify a specific person. A better example of this is the technological solution that allows listening to the enemy's communications equipment, and specifically its adaptation for use in the West Bank. It would not be an exaggeration to say that a crucial part of the success in dealing with suicide terrorism is due to the development of suitable technological abilities.

Challenge 5: Media

One of the important means in any military confrontation, including regular wars, is public legitimacy, particularly international legitimacy. The impact of this factor on freedom of action and the ability to prolong and maximize the means at one's disposal is enormous. International legitimacy is influenced by the image of the reality more than by the reality itself, and the image of the reality is largely created by the media – especially television. The IDF understands that this is the situation, but it is difficult to translate this basic understanding into actual measures, primarily when it incurs a price that the IDF is not always willing to pay.

At the start of the events of October 2000 the Jewish settlement of Netzarim, in the middle of the Gaza Strip, was surrounded and under siege. For about one week air lifts by helicopter were the only way of providing the settlement and the IDF battalion there with supplies. Every night a CH 53 helicopter was sent with soldiers and equipment to the settlement. At the time the foreign media was extremely hostile towards Israel and focused almost exclusively on the Palestinian side of events. I was then head of operations. The IDF spokesperson called me and said there were three foreign reporters

who wanted to go to Netzarim to relate the Israeli side of the story. Clearly, the only way to do this was to fly them there by helicopter. I called Yair Naveh, then commander of the Gaza division, and asked him to take the reporters to Netzarim on a night trip. Naveh said to me: "Have you lost your mind? If I take them they will use the space otherwise available for a sniper, a MAG gunman, and a medic . . ."

The IDF's openness to the issue of the media has developed significantly since October 2000, but is still far from the desired level.

6 Challenge 6: Expectations vs. Reality

In asymmetric war there is a large discrepancy between expectations among public opinion, politicians, and the media and the capability of the security forces to realize those expectations. The gap between expectations and realistic capabilities is reflected in four ways: the duration of the campaign, the number of casualties, the ability to avoid wounding innocent people, and the ability to achieve complete victory. Expectations are as such:

• *Duration of the campaign*. If the IDF beat four armies in six days in 1967, how long should it need to gain victory over a few thousand Hizbollah fighters? We are stronger than the enemy, and as such, it is reasonable that we should win in a short period of time.

• *The number of casualties*. Armed confrontations like the one in Lebanon are not generally wars of survival. They are sometimes viewed as "elective wars" and therefore the price one is willing to pay is determined accordingly. The IDF is both stronger than the enemy and has the benefit of far more advanced equipment. These advantages generate the expectation that we will win without endangering our forces, based on the thinking that with such sophisticated weapons, we should engage the enemy from a distance and with caution.

• *Avoid wounding innocent people*. We are ready to support all-out war with Hamas or Hizbollah as long as the casualties on their side are fighters. When the television shows pictures of dead children, we tend to express reservations and protest, "we didn't support this kind of war."

• *Manner of victory*. We are ready to pay a price for war, and even for an elective war, on condition that we ultimately achieve a clear and total victory. A clear and total victory means formal surrender by the enemy and acceptance of our terms or, at least, inflicting such a severe blow on the enemy that it is clear to all, including the enemy, that it can no longer continue fighting.

These expectations are logical as long as "a regular situation assessment" is made, and as long as the balance of power is examined with the traditional measurements of states engaged in a conventional war. Some of today's wars, however, are different in terms of their character, and their special nature neutralizes part of Israel's advantages. Thus, it is impossible to attain the full desired result in any of the aforementioned dimensions.

Occasionally, a short term impression emerges that the desired result has been achieved (Iraq in April 2003 or Lebanon 1982). However, often this is the result of only one campaign and not of the entire war. After a while the enemy adjusts to the circumstances and embarks on a new campaign using tactics that neutralize the advantages of the modern army. If the military leadership or senior politicians ignore this and promise the public results that are unattainable, it will in-

crease the gap between the expectations and the results, and a serious crisis of trust will ensue when the full reality emerges.

Strategic Adjustments

The ability to win a war in the twenty-first century depends on a leadership's ability to prepare for it correctly. The following are four anchoring guidelines:

• *Suitable deployment for the nature of the impending war.* There are three kinds of military confrontation: (1) conventional wars between states; (2) wars with states with which there is no shared border; (3) wars with terrorist or guerilla organizations. Each of these categories involves a different approach. The decision makers have to know what kind of war they will have to face and what its attributes are when a crisis develops or a war is initiated.

The use of aerial force to achieve the objectives (or most of them) is correct in a war with an enemy state with which there is no shared border. This is also the correct approach when engaging an enemy that bases most of its force on tanks and fixed facilities, and when the enemy – which is a state – is sensitive to damage inflicted on national infrastructures. That aerial force with the same technological abilities is less efficient when the enemy's strength is based on thousands of fighters with personal weapons (including rockets and anti-tank missiles), who are part of the civilian population and are not sensitive to national logic or damage to national infrastructures.

• *Creating versatility and flexibility in the defense forces.* Versatility in this context is a military ability that is suitable for a range of scenarios. The UAV is a good example. It is an efficient intelligence tool against distant countries, against a conventional army, and

in a war against terror. Flexibility is the ability to change processes, inter-organizational areas of authority, and organizational structures, together with a change in the environment and the threats. Such a need was identified twenty years ago with regard to protection of the home front. Nevertheless, the Israeli government displayed rigid thinking and did not take the necessary measures, as evidenced by the severe problems with the home front during the Second Lebanon War.

• *Use of military force while recognizing its limitations.* What has changed in recent years is not just the nature of the military confrontations but also the way the world views violent confrontations that cause fatalities. In order to succeed in a war one has to achieve legitimacy for the strategy (the act of embarking on a war) and the tactics (the way the war is conducted and the means used). The former, on its own, is not sufficient. The "good news" is that these limitations also restrict the enemy, even if it is an organization and not a state (and on condition that it has a strong connection with the state, for example, Hamas or Hizbollah). The restrictions that these two organizations were forced to accept in the last six years show how much the combination of military force with other means – political, economic, and public – is the correct mode.

• *Matching objectives to capabilities.* It is not right to conclude from the aforementioned that one cannot achieve significant objectives in confrontations with terror or guerilla organizations. Israel's achievements in its fight against suicide terrorists from Gaza and the West Bank are highly impressive, and it would not be wrong to define it as a victory. In March 2002, 135 people in Israel were killed in seventeen terror attacks. Since then Israel's losses in such attacks have been

In order to succeed in a war one has to achieve legitimacy for the strategy (the act of embarking on a war) and the tactics (the way the war is conducted and the means used).

significantly reduced. The dramatic change is the result of four elements: (1) a successful military operation in April 2002, which set the right attainable objectives; (2) continued control of West Bank towns; (3) the construction of the security fence; (4) long term pressure on Hamas, which impelled the organization to suspend suicide missions.

Thus, coherence of the objective, the tasks, and a realistic level of expectations (i.e., significant lowering of the level of terror, but not total cessation) were and are a key to success.

Note

1. The fact that a discussion of whether targeted killing is permissible or not attests in part to a misunderstanding of reality. The determining factor regarding whether or not an action taken against an enemy is labeled targeted killing is only the nature of the intelligence. For example: a military force is operating next to the security fence in the Gaza Strip and terrorists open fire on it. If the Israeli force returns fire everyone would agree this is an act of self defense (and thus legitimate). Change just one element: assume that the force receives information about the whereabouts of the terrorists one minute in advance. Based on real time intelligence, Israeli forces open fire. Does this become targeted killing, since Israel opened fire? Probably not. Now assume that there is better intelligence and the information about the terrorists arrives while they are still in a vehicle en route to the ambush. This kind of good, real time intelligence allows one to send a gunship helicopter to attack the terrorists while they are on their way. Does the operation then become non-legitimate? If the enemy is considered a target that can legitimately be hit (and this is a question that should be asked in any event, and especially when its identity is known) then it is unreasonable to reject the targeted killing only because there was good intelligence, which reduced the risk and increased the chances of success.

Conceptual Flaws on the Road to the Second Lebanon War

Zaki Shalom and Yoaz Hendel

The failures of the Second Lebanon War and the strong waves of protest that arose in their wake forced the government of Israel to appoint a government investigative commission. Its mandate was to examine how the political and military levels functioned both with regard to the preparedness of the IDF and the home front, and with regard to the decision to go to war and how the war was conducted.[1]

The Winograd Commission's interim report, made public on April 30, 2007, points to failures in the State of Israel's conduct by both top political and military officials. Some of these failures were caused by inefficient management of the campaigns, and others were caused by a mistaken worldview and faulty situation assessments. These failures led to the State of Israel's ending a major military confrontation, for the first time in its history, without achieving a clear military victory.[2]

When the report's conclusions were published, public attention, fanned by the media, naturally emphasized the personal responsibility of the current leadership for the war's failures. It appears that the public's desire to "nail" those responsible for the failures was the culmination of the demand for changes necessitated by the commission's conclusions. And indeed, there is almost no disputing the personal responsibility of Prime Minister Olmert, Defense Minister Peretz, and Chief of Staff Halutz for the failed conduct of the war. However, this article intends to shift the focus, even if only slightly, to what is dealt with indirectly by the report but what should be understood as the main factor behind the war's failures: Israel's policy on the northern border from the withdrawal from Lebanon on May 24, 2000 until July 11, 2006.

This essay highlights the risks entailed in a superficial focus on the specific personal conclusions of the investigative report and on the lapses in the conduct of the war. This sort of emphasis on rather marginal symptoms from a strategic perspective, rather than on a comprehensive focus on the root of the problem itself, is ultimately liable to turn the positive soul searching now taking place in Israel into a tangential aside whose benefit will dissipate over the years.

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Accordingly, this article will deal with the problematic legacy inherited by the present leadership, a legacy that resulted, inter alia, from what was the normative way of thinking among large segments of the leadership and large segments of the public sector. This legacy made a decisive contribution to the circumstances that according to the Winograd report caused the difficult security situation, which the current leadership failed to confront successfully. The report's approach to these circumstances will be reviewed, as well as the possible implications of the report's findings for issues on Israel's current security agenda.

The Intoxicating Lull

The commission determined that the years since the IDF's withdrawal from southern Lebanon were years of relative calm and prosperity for the border towns in the north. This period, according to the commission, "benefited towns well-versed in suffering and heavy bombardment by Katyusha rockets, from Kiryat Shmona and Metulla in the east, to Nahariya and Rosh Hanikra in the west." The commission stated that "the land of the guest houses," the label affixed to the northern region throughout this relatively calm period by military personnel, was well chosen.[3] The commission went so far as to declare that this perception was part of a worldview common to many important political and military officials, according to which "the age of wars [at least in this region] has passed."

With these words the commission put its finger on one of the main factors molding Israel's policy in the period under discussion, namely, the deliberate avoidance by the IDF of massive action against Hizbollah's intensive deployment and its provocative activity along the northern border. The drive, justified in and of itself, was to perpetuate the lull at any price in order to benefit the residents of the northern Galilee "and to allow them to recover from the long years in the shadow of the Katyushas."[4]

One gets the impression that this lull also made a decisive contribution to the assessment/hope, dominant among many figures in Israel's public circles, that even Hizbollah would be inclined to accept, albeit unwillingly, the status quo created after Israel's withdrawal from Lebanon. It was often argued that henceforth Hizbollah would attempt to achieve its objectives mainly, though not exclusively, through political means and propaganda rather than through the use of force. Hizbollah's intensive attempts to enhance its political power in the domestic realm in Lebanon during that period almost certainly strengthened this perception. Furthermore, the report cites a complex of reasons that could support what from Israel's point of view was an encouraging situation assessment, including:

1. The increasing criticism of Hizbollah's military activity from within Lebanon, mainly from opponents of Syria, and the demands to disarm the organization.

2. The international community's increasing pressure on Iran and Syria, Hizbollah's patrons.

3. The weakening of Syria following Hafez al-Asad's death and the ascent to power of Bashar al-Asad, a weak and inexperienced leader.

It seems that these factors were tapped as proof of the fundamental change that Israel desired so heavily regarding the situation of the northern border towns. On the eve of Israel's withdrawal, it is likely that no serious authority deluded himself that Hizbol-

lah was about to refrain completely from provocative actions against Israel.[5] However, the statement of then-prime minister Ehud Barak that "the IDF's departure from Lebanon will bring about an erosion of the legitimacy of Hizbollah's continuing its violent struggle against Israel in the Lebanese arena" seems to have reflected a widespread perception.[6]

There were also contrasting views. In his testimony before the commission, Maj. Gen. (res.) Amos Malka noted that his assessment as head of military intelligence differed from Barak's statements. He contended "that the Middle East reads Nasrallah's messages more than Ehud Barak's messages."[7] In his view, the Arab world attaches more credibility to Hizbollah's threats than to Barak's calming assessments. The withdrawal from Lebanon was thus naturally presented in the Arab world as a defeat for Israel,[8] and was exploited by Hizbollah for significant momentum in building its combined military force with the assistance of Iran and Syria.[9] Gabi Ashkenazi, OC Northern Command at the time of the withdrawal, warned in a letter to the chief of staff in August 2000 that despite the (relative) calm in the north, Hizbollah's provocative military actions might bring about a serious deterioration along the northern border. "If this phenomenon continues [uninterrupted by Israel], it will lead to a situation that we will not be able to accept."[10]

In July 2005 the assessment of Military Intelligence was that Hizbollah was liable to act on its threats and attempt to kidnap soldiers. The following December, Intelligence's assessment continued to be that there was a high probability of an effort to kidnap an Israeli soldier. That same month, Maj. Gen. (res.) Aharon Ze'evi (Farkash), then head of Military Intelligence, sent a letter to Prime Minister Ariel Sharon, Defense Minister Shaul Mofaz, and Chief of Staff Dan Halutz stating that "[appropriate] deployment and preparedness [of the IDF] are required to cope with the possibility of escalation on the northern border."[11]

Members of the Winograd Commission

It appears that these insights, which evinced a critical challenge to the accepted ways of thinking, were not accepted by the decision makers at the political level; the latter's approach emphasized the relative lull prevailing since the withdrawal as one of many factors likely to contribute to "sustained calm in the northern region." The commission's report makes it quite clear that the dominant thinking was based on the assessment that Hizbollah would continue to undertake violent acts against Israel, but that the organization's hostile actions would be carried out in relatively small doses, of specific and limited dimensions, and over long intervals of time. According to this worldview, such a modus operandi was supposed to allow Israel to retaliate with a low profile response and thus confine the prevalent calm – or more precisely, the prevalent tension – to limited dimensions.[12]

The commission stated that it had no intention of challenging past policy with the wisdom of hindsight. It rightfully gives expression to the need to examine the decisions that were made from the point of view of the decision makers in real time, and not in retrospect.[13] Nevertheless, from the commis-

sion's comments one can infer that in spite of the clear economic prosperity prevailing in the north once the forces were withdrawn and other heavily calculated considerations, the situation on the northern side of the border required that assessments opposed to the prevalent point of view among senior political officials be raised more vigorously. Thus, it was the obligation of those who held contrasting opinions to present an opposing assessment with greater determination. The gist of those evaluations should have emphasized that Hizbollah was pursuing a trend toward escalation, to the point of a calculated and nearly certain risk of a comprehensive confrontation with Israel. Indeed, this is what ultimately happened.[14]

Unilateral Action

Israel's withdrawal from southern Lebanon on May 24, 2000 took place in coordination with the UN, which determined that when Israel moved to the international border it fulfilled UN resolution 425 from 1978 (adopted following the Litani Operation). The withdrawal from Lebanon was therefore unilateral, occurring without coordination with the Lebanese government or Hizbollah. The Lebanese government officially rejected the UN's decision and stated that fulfillment of the resolution required Israel to withdraw from Shab'a Farms. Israel continued to claim that Shab'a Farms were conquered from Syria in the Six Day War and that therefore, from Israel's perspective, it was territory whose future would be discussed in negotiations with Syria.

The logic on which the unilateral action was based is simple: since Israel was unable to reach an agreement with the other side, it would carry out what it saw as essential and desirable for itself in accordance with its na-

tional interests. Since Israel would appear to the international community as the party that did what it was obligated to do, the other side would be forced to accept the new rules of the game that would be imposed upon it and act accordingly. This way of thinking also led to the comprehensive disengagement from Gaza and the end of the Israeli presence in that region (August 2005).

In the Lebanese context, the logic of unilateral action failed to produce the desired outcome. It became clear that the arrangement on the ground had to be coordinated not with the UN and not with the superpowers, but with those who control the territory, that is, the Lebanese government and Hizbollah. This way of thinking also failed in the Gaza Strip. In neither case did Israel succeed in convincing anyone – and it is doubtful whether Israel itself was convinced – that its withdrawals from Lebanon and from the Gaza Strip were not "capitulations to terror" but rather actions taken to realize its national interests. It is highly questionable whether Israeli leaders who took those decisions believed so. The other side's assessment, which enjoyed far more credibility, was that the withdrawals were caused by Israel's fears concerning its ability to continue coping with the challenges posed to it by Hizbollah and the Palestinian organizations. This, however, does not necessarily mean that those withdrawals did not in principle also serve Israel's national interests.

Restraint Will Prevent Escalation

The commission determined that in practice, the mindset underlying Israeli policy toward Hizbollah was restraint and moderation, even in situations when Hizbollah initiated the aggression. This policy, it should be stressed, was contrary to the security con-

cepts of retaliation, preemption, seizure of the initiative, and surprise embraced by the State of Israel since its founding. In practice, it was implemented throughout the period following Israel's withdrawal from Lebanon with varying degrees of intensity.

On October 7, 2000, some five months after the withdrawal, three IDF soldiers were kidnapped from the Mount Dov area. This incident was clearly an open act of defiance and provocation against Israel and the IDF. Hizbollah blatantly conveyed that it was not ready to accept the rules of the game that Israel had stipulated following its unilateral withdrawal to the international border. Furthermore, Hizbolah demonstrated that it was not deterred by the vehement Israeli threats about a tough response in the event that Israel, its citizens, or its soldiers were attacked. Thus Hizbollah opted for action far more severe than shooting at Israeli targets and soldiers: its operatives penetrated Israeli territory – a serious blow to Israel's sovereignty – and kidnapped its soldiers (who died in or subsequent to the attack).

The IDF sought to respond in accordance with what had been planned, drilled, and declared on the eve of the withdrawal, and according to what the severity of the action required. The proposal for an appropriate response, however, made by Shaul Mofaz, chief of staff at the time, was rejected by the cabinet.[15] As the commission states, Israel decided on a limited, pinpoint response. The IDF was careful not to cross any lines and made do with several insignificant and ineffective aerial attacks. "This," the report notes with undisguised criticism, "was in fact the beginning of the policy of restraint and containment, moderation and a low-key response, which continued after the next attack as well."[16]

According to the commission report, the IDF had prepared a set of actions that would impose "levers of influence" on Hizbollah so that it would curb its actions against Israel. These levers of influence "included attacks on Syrian targets in Lebanon, attacks on Lebanese infrastructure sites, and others." The assumption was that "using these levers of influence when necessary would restrain Hizbollah and lead to a reduction in attacks against Israel." But in practice almost no use was made of these levers of influence in the years after the withdrawal, and if use was made, it was with a very low and ineffective dosage.[17]

The political limitations, the policy of containment, and the desire for calm in the north were conveyed to the army, and influenced not only its patterns of response but also its mode of deployment. From the beginning of 2002 reserve forces replaced regular army soldiers in the northern sector (although it had been the accepted practice that only regular forces would guard the northern border), and in that way, too, the idea was ingrained in the army that as long as it restrained itself, the tensions would lie low.[18] Moreover, as part of the policy of containment, the IDF chose to reduce its mobile activity along the border, transferred its bases to a rear line, built bypass access roads, and forbade military and civilian vehicles from moving near the border (in territory that according to the international border was under Israeli sovereignty). The forward lookout points were eliminated and replaced by electronic look-

Retired judge Eliyahu Winograd gives Prime Minister Olmert a copy of the interim report

out equipment. Eventually even the open-fire orders were changed and the ability of IDF soldiers to respond to hostile activity on the other side of the border was restricted.[19]

The commission revealed that in November 2005, three days before the attack in Rajar (November 21, 2005), Military Intelligence relayed data about Hizbollah's intention to attack IDF soldiers along the border. Hizbollah squads were identified with certainty, and nevertheless, approval to liquidate them with precision fire was not granted.[20] Indeed, the consistent message to the army was that the cabinet will authorize measured, pinpoint responses to Hizbollah provocations, and the State of Israel will not become entangled again in the Lebanese quagmire. The IDF accepted and acted in accordance with the political officials' instructions, as legally required by the State of Israel. The restraint, however, failed to produce the reciprocal response in Hizbollah. Hizbollah's provocations continued afterwards as well, and were even stepped up. On November 21, 2005, an attempt was made to kidnap soldiers while Hizbollah aimed heavy fire at Kiryat Shmona, Metulla, and Nahariya.[21]

The policy of restraint, though based on serious and thoughtful considerations, obligated the IDF to undergo a revolution in orientation. From a force that initiates and attacks, which espouses moving the arena of battle to the enemy's territory, the army in the Northern Command turned to defense and entrenchment. Its declared goal was to reduce the points of friction, contain Hizbollah's provocations, and prevent hostile activities, mainly but not exclusively with the aid of a defensive posture. Former OC Northern Command Udi Adam defined the containment policy as instituted in the north this way: "Its practical meaning was relinquishing Israeli sovereignty on the northern border, and giving Hizbollah a free hand on the border."[22]

Under these circumstances, it was clear that Barak's assurance after the October 2000 kidnapping that Israel reserves the right to respond at the time that suits it[23] was devoid of content. In this context journalist Ze'ev Schiff wrote the following:

Did Israel not make a serious error by failing to respond with force to Hizbollah-Iran-Syria's building of a military formation next to its border? Over the years a threatening formation was established there, which required a preventive strike. Recoiling from such a strike ultimately led to war. Israel even avoided signaling its enemies that it would not ignore the building of a threatening formation. It did not strike at the transfer of Iranian weapons to Damascus, a move the Americans hinted they would accept with understanding; nor at the convoys transferring rockets to Lebanon, nor at any of the rocket warehouses in Hizbollah's possession, nor even at short range rockets near the border. It is true that Israel prepared itself properly [to cope with] long range rockets and also carried out several painful pinpoint actions, but these did not affect the building of the formation. The result was that in this period Israel's deterrence vis-à-vis Hizbollah and Iran was eroded.[24]

The latent assumption likely underlying the political approach chosen by Israel upon its withdrawal from Lebanon was that restraint and moderation by Israel would be matched by restraint and moderation by Hizbollah. It eventually became clear that this assumption was mistaken, and the mistake incurred high costs for Israel in terms of human and economic resources. Indeed, the

commission determined that "the IDF's departure from Lebanon did not cause Hizbollah to change its basic way of thinking [continuation of the war against Israel]. Despite a certain erosion of its legitimacy to continue fighting Israel, the organization refused, from domestic Lebanese considerations as well, to disarm and stop the armed struggle against Israel." At the same time, however, and notwithstanding its general desire to continue the confrontation with Israel, Hizbollah sought to preserve a limited level of conflict with Israel, which would not necessarily evolve into an all-out conflict, as actually occurred in July 2006.[25]

One of the most serious results of the containment policy was a reduction in defense budgets. The government began to believe that years of calm and economic prosperity were guaranteed to Israel in general and the north in particular (an assessment enhanced by the downfall of Saddam Hussein's regime). Thus it decided that it was now reasonable to cut the defense budget, and the IDF, in order to cope with the budget slashes, applied the cuts in the northern sector. According to the commission, forward positions were eliminated for budgetary reasons, forces were reduced, and less skilled and professional units were directed to the sector.[26]

In our view, the commission's manner of expression on the policy of restraint/containment is too moderate and not sufficiently decisive. The report tries to display empathy and understanding with regard to the considerations that led to adoption of the containment policy. One can understand the commission's reservations about declarations that are in the realm of 20/20 hindsight and its desire not to harm the privilege bestowed on decision makers in a democratic government to make decisions in accordance with their worldview. Nonetheless, the commission's approach, which emerges as critical of this policy, is not critical enough.

Southern Parallels

The policy of restraint along the northern border did not reflect merely a decision based on constraints that emerged from Hizbollah's capabilities and its connections with Syria and Iran. It was apparently a mistaken worldview that gained a foothold among the Israeli leadership over a long period of time. In comparing Israel's policy of containment on the northern border with the current policy in the Gaza Strip one can find many similarities:

1. In both sectors Israel evacuated the territory in a unilateral withdrawal, and not with an agreement with those in control of the territory.

2. In both sectors Israel declared a policy of harsh response in the event of provocations.

3. At the critical moment in both sectors Israel chose to adopt a policy of measured response and restraint.

The firing of Qassam missiles at the western Negev and at the city of Sderot in particular has become a routine event in recent years. Palestinian organizations in Gaza have reiterated their intentions to kidnap Israeli soldiers, and since the kidnapping of Gilad Shalit other attempts to kidnap soldiers have followed.

It is therefore clear that in the Gaza Strip too, as in Lebanon before the war, Israel is broadcasting a message of containment and restraint, and sees this policy as part of the accepted rules of the game between it and the Palestinian organizations. This policy does not match the declarations of Israel's leadership following the disengagement from Gaza

The latent assumption was that restraint and moderation by Israel would be matched by restraint and moderation by Hizbollah. It eventually became clear that this assumption was mistaken, and the mistake incurred high costs for Israel.

that any provocation against Israel would be met by a harsh response that "would set the Gaza Strip on fire."

The State of Israel must realize that the credibility of its threats is a central element in shaping its deterrence capability. Its inability or lack of willingness to carry out the threats made by its highest ranking officials necessarily projects weakness and harms its deterrent capability. If Israel's deterrent capability is important to it, it would do best to avoid making unequivocal threats that it has no intention or ability to carry out.

Against the backdrop of Hizbollah's accelerated activity to regain its pre-war capabilities and to redeploy along the border, and against the backdrop of the serious strategic threats facing Israel on the Palestinian front as well, it is to be hoped that the final report of the Winograd Commission will accelerate the soul searching and the process of drawing the requisite conclusions in the entire realm of the policy of containment and restraint that the government of Israel has adopted since the withdrawal from Lebanon, and which has been challenged in this article.

Notes

1. Government decision of September 17, 2006 in accordance with paragraph 8a of the Basic Law: The Government 2001.
2. Partial report of the Winograd Commission, chapter 1, p. 11, article 9.
3. Ibid., Preface, chapter 4, p. 38.
4. Ibid., p. 44, article 25.
5. The commission mentions this, stating that "there was no one who deluded himself into thinking that Hizbollah would beat its swords into plowshares upon Israel's withdrawal from Lebanon." Partial report, Winograd Commission, p. 38.
6. Testimony of former prime minister Ehud Barak before the commission on November 28, 2006. See Ibid., p. 39, article 4.
7. See testimony of Maj. Gen. (res.) Amos Malka before the Winograd Commission, November 2, 2006.
8. Thus on the eve of Israel's withdrawal Dr. Ramadan Abdullah Shallah, secretary general of Palestinian Islamic Jihad, stated in an interview with al-Jazeera, on May 16, 2000, "that this is the first time that the occupier has withdrawn frightened because use was made here of psychological warfare." His conclusion is that no one recognizes Israel's ability any longer, and that now Muslims everywhere, and in Palestine in particular, will celebrate this.
9. See partial report of the Winograd Commission, article 6, p. 40.
10. Ibid., p. 47, article 38.
11. See "The Winograd Jolt" at http://www.ynet.co.il/home/0,7340,L-4749,00.html.
12. Partial report of the Winograd Commission, p. 46, article 34.
13. Ibid., p. 62, article 113.
14. Ibid., p. 46, article 33.
15. Ibid., p. 44, article 24.
16. Ibid., p. 44, article 26.
17. Ibid., p. 39.
18. Ibid., p. 47, article 42.
19. Ibid., p. 47, article 40.
20. Ibid., p. 47, article 43.
21. Ibid., p. 41, article 10.
22. Ibid., paragraph 41, p. 47.
23. Ehud Barak, summary of cabinet meeting, October 9, 2000.
24. Ze'ev Schiff, "Six Years Later," *Ha'aretz*, April 12, 2007.
25. Hizbollah's increasing activity on the northern border fits the arguments made by Chief of Staff Moshe Dayan in the mid-1950s about the IDF's response policy. Dayan stated that even restraint and moderation are liable to lead to a wide scale conflict. Restraint creates an impulse in your adversary to test the boundaries of your patience. Lack of a response "requires" it to step up its activity. Ultimately, the opposing side's raising the threshold will require a comprehensive response, and thus an all-out conflict will ensue. See Moshe Dayan, "Military Actions in Times of Peace," *Ma'arachot*, 118-119 (1959): 54-61.
26. Ibid., p. 47, article 42.

The Israeli Body Politic:
Views on Key National Security Issues

Yehuda Ben Meir and Dafna Shaked

The Israeli center – sometimes known as the silent majority – remains strong and steady. Over half of the Jewish population in Israel can be broadly described as belonging to the center. There is little homogeneity in any group, including the extremes of the spectrum; moreover, the hard core extreme right as well as the hard core extreme left are marginal, each consisting of no more than 10 percent of the population. There is a good deal of flexibility in Israeli public opinion, what allows under certain circumstances – especially strong and charismatic political leadership or some dramatic event – considerable room for change.

At the same time, over the past three years there has been a high degree of consistency in the basic attitudes and opinions of the adult Jewish population in Israel regarding the Israeli-Palestinian conflict and possible solutions. The results of the survey completed in late March 2007 are of particular interest, as they reflect the impact of the past year's events on Israeli public opinion, and specifically the Second Lebanon War. The data confirms that basic attitudes and opinions did not change dramatically as a result of the 2006 war in Lebanon, although there were some far-reaching changes on a small number of specific issues. Overall, Israelis remain hawkish on security but dovish on political issues, manifesting a readiness for territorial compromise and concessions in the context of a permanent settlement and an end to the Israeli-Palestinian conflict. Relative to 2005 and 2006, there was a shift to the right on a number of issues, in the range of 5 to 13 percent, but on most issues moderate positions still enjoyed majority support, even if somewhat reduced.

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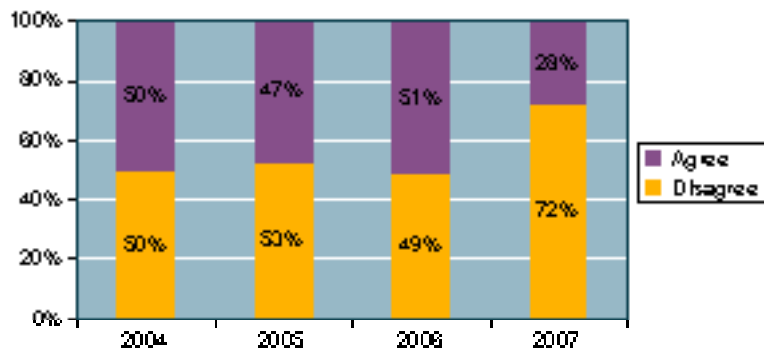
Figure 1. *Support for Unilateral Disengagement Involving Evacuation of Settlements, 2004-2007*

One major and consistent conclusion from the studies conducted over the last few years is the predominant effect of religious identification on one's political opinions. Of all the demographic factors investigated (gender, age, country of origin, education, and socioeconomic status), the one with the strongest influence on the attitudes and opinions of the respondents was one's own definition of his or her religious identity. The ultra-Orthodox and the religious were the most hawkish, the secular population had the most moderate positions, and the traditionalists were in the middle.

In 2007, support for the establishment of a Palestinian state in the West Bank and Gaza was 55 percent, down from 61 percent in 2006; support for the solution of "two states for two peoples" was 63 percent, down from 70 percent in 2006. Nonetheless, both propositions still enjoy a clear majority among the Jewish public. One major change surfaced with regard to unilateralism, which suffered a major blow and has fallen from favor with the Jewish public (figure 1).

Demography continues to dominate over geography. Respondents were asked to rank four key values in order of importance:
    a. a country with a Jewish majority
    b. Greater Israel
    c. a democratic country
    d. a state of peace

For over twenty years, the value ranked as the most important has been a Jewish majority. In 2006, for the first time, an absolute majority of the Jewish population (54 percent) listed it as the most important value, vs. only 7 percent who chose Greater Israel as the preeminent value. The corresponding numbers for 2007 are 50 percent and 9 percent. In 2006 and 2007, 72 percent and 71 percent, respectively, chose "a country with a Jewish majority" as "the most important" or "the second most important" value, vs. 27 percent and 29, respectively, who named Greater Israel as their priority value. The dramatic similarity of the findings demonstrates that we are dealing with a fundamental and consistent parameter of Israeli public opinion.

The prioritization of demography over geography is manifest in the readiness to evacuate certain settlements in the West Bank. Support for removal of all the settlements, including the large settlement blocs, was negligible – 18 percent in 2006 and 14 percent in 2007. However, 46 percent in 2006 and 45 percent in 2007 supported the removal of all the small and isolated settlements. Taken together, 64 percent in 2006 and 59 percent in 2007 were ready to evacuate certain settlements in the West Bank in the context of a permanent settlement.

Israelis have remained committed to seeking a solution to the conflict, although they are quite pessimistic regarding the Palestinian partner. Support for halting the peace process has remained low. In 2006, on a 1-7 scale, 20 percent agreed with the proposition that the peace process should be suspended, vs. 69 percent who disagreed (11 percent were in the middle). The comparable numbers for 2007 were 22 percent, 62 percent, and 16 percent. On the other hand, in 2007 only 31 percent believed in the possibility

of reaching a peace agreement with the Palestinians, slightly down from 34 percent in 2006 (figure 2).

In 2007, support for the Saudi initiative, even in principle, was limited: 27 percent supported a positive Israeli response to the initiative, vs. 49 percent who were opposed (24 percent were in the middle). When asked what Israel's position should be if a Palestinian unity government would be formed on the basis of the February 2007 Mecca agreement, there was no consensus. Forty-two percent opposed any contact with such a government vs. 24 percent who favored negotiating a long range truce (h*udna*) with the government. Twelve percent supported day to day coordination on practical issues but no political negotiations with the PA; 17 percent were in favor of continuing to negotiate with Abu Mazen; and a mere 4 percent supported a further unilateral move in the West Bank.

Similarly, Israelis are quite pessimistic about Hamas. When asked whether there was any chance that Hamas would go the way of the PLO and recognize Israel, 44 percent responded "no chance," and 46 percent chose "very little chance." Only 8 percent said that there was "a fairly good chance" and 2 percent responded "a very good chance." At the same time, Israelis have not completely given up on a political solution. Only one third agreed with the statement that "there is no political solution to the conflict" and this figure has remained constant over the past four years (2004-2007). It should also be noted that 49 percent in 2006 and 44 percent in 2007 believed that "most Palestinians" want peace.

Construction of the security fence continued to enjoy massive support among the Jewish population. Indeed, it is hard to find any issue in Israel about which there is so wide a
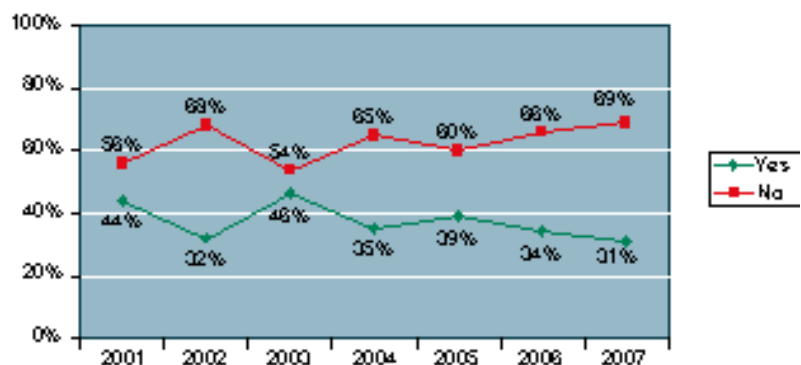

Figure 2. Possibility of Reaching a Peace Agreement with the Palestinians, 2001-2007

consensus. Eighty percent in 2004, 82 percent in 2005, 79 percent in 2006, and 76 percent in 2007 supported the construction of the fence. In the context of a question relating to the various proposals on the route of the fence, 81 percent in 2005, 75 percent in 2006, and 78 percent in 2007 disagreed with the statement that "the fence should not have been constructed at all." Respondents were also asked if under certain circumstances, e.g., no possibility of political progress with the Palestinians and a resurgence of terrorism in the territories, would they agree that Israel declare the fence as its permanent border. A clear majority were in favor in 2005 (57 percent) and in 2006 (60 percent). However, by 2007 the Jewish population was evenly split on the issue: 49 percent in favor and 51 percent opposed. This decline primarily reflects the disenchantment of Israeli public opinion with unilateralism.

The events of 2006, namely the continuation and intensification of the Qassam rocket attacks against Israeli towns and cities from the Gaza Strip after the disengagement – culminating with the kidnapping of an Israeli soldier by Palestinians and the killing of two others on June 25, 2006 and the Second Lebanon War – brought home to many Israelis the dangers and drawbacks inherent in unilateralism. The dramatic effect on public opinion

can be seen in the latest results. Support for "unilateral disengagement involving evacuation of settlements" declined sharply from 50 percent in 2004, 47 percent in 2005, and 51 percent in 2006 to 28 percent in 2007. In 2004, 56 percent of the Jewish population supported Ariel Sharon's disengagement plan in Gaza and northern Samaria. In the days just prior to the actual implementation of the disengagement (August 2005) and one half year later (March 2006), the Jewish public was evenly split (50 percent – 50 percent) with regard to the plan. When asked in March 2007 what was their after-the-fact opinion of the disengagement, only 36 percent supported the disengagement plan vs. close to two thirds (64 percent) who opposed it. It is clear that Israeli public opinion views the disengagement from Gaza as a dismal failure and this perception will inevitably have a strong influence on the decisions and actions of the Israeli government in the near future. Support for the removal of some settlements (mainly the small and isolated ones) in the context of unilateral disengagement declined from 55 percent in 2006 to 41 percent in 2007.

The Jewish public expressed mixed feelings regarding the results of the Second Lebanon War. Fifty-one percent believed that neither side won the war. The remainder was evenly divided, with 23 percent saying that Israel won and 26 percent that Hizbollah won. In the aftermath, 46 percent indicated that their confidence in the IDF has decreased as a result of the war, vs. 46 percent who said it hasn't changed (8 percent said it increased); 53 percent felt a drop in Israel's deterrent capability. At the same time, confidence in the ability of the IDF to defend Israel remains extremely high: 83 percent of the Jewish population said they can depend on the IDF to defend the country. On the other hand, faith in the political leadership is low, with only 34 percent saying that they can depend on the government to "make the right decisions on questions of national security." Regarding the decision by the government to go to war, 20 percent justified it outright, while another 49 percent viewed the decision as justified but believed that Israel should have continued the war until either Hizbollah was destroyed or the abducted soldiers were recovered. In contrast, 20 percent would have preferred a limited military response, and only 11 percent were of the opinion that there was no need for any military response. Thus while Israelis by and large were clearly unhappy with the results of the war, over two thirds in principle supported the government's decision to go to war, believing that under the circumstances it was justified. This finding has clear implications for the future.

There was a slight increase in the threat perception of Israelis, although a significant majority of the Jewish public remains confident that Israel can cope successfully with any conceivable threat. In 2007, 76 percent saw a high or medium chance of an outbreak of a war between Israel and an Arab country or Hizbollah in the next three years, up from 37 percent in 2006 and 39 percent in 2005. Nuclear weapons in the hands of Iran were viewed as the most serious threat facing Israel: 6.2 on a 1-7 point scale. Interestingly, the second most serious threat in the eyes of Israelis was "corruption in the public system."

Particularly noteworthy is the distinct difference between a respondent's assessment of the overall state of the country and the assessment of his/her own personal condition. Not only is the perception of the latter much higher than that of the former; in addi-

tion, while regarding the state of the country there was a clear decline in 2007, ratings as to one's personal state remained as high as ever in 2007. On a 1-9 scale there was a progressive improvement in the assessment of the state of the country from the aspect of national security from 2004 to 2006 (an average score of 4.1, 4.6, and 4.8, respectively) only to drop in 2007 back close to the 2004 level (4.3). Assessment of the individual personal state increased from 2004 to 2006 (an average score of 5.5, 6.0, and 5.9) and remained in 2007 at 5.9. The picture is identical regarding optimism. Assessment of the state of the country from the aspect of national security "five years hence" increased from 2004 to 2006 (an average score of 5.2, 5.3, and 5.5, respectively) only to drop in 2007 back to the 2004 level (5.2). The comparable numbers for 2004 to 2007 regarding the assessment of one's own personal state in five years are 6.6, 6.6, 6.9, and 6.9. The improvement in one's personal mood over the four year period and in the assessment of the state of the country from 2004 to 2006 reflects the sharp decrease in terrorism over this period as well as the rapid improvement in the economic situation and the rise in the standard of living of most Israelis. The decrease in the national mood from 2006 to 2007 reflects the disappointment with the results of the disengagement from Gaza and the unsatisfactory results (at least in the view of most Israelis) of the Second Lebanon War.

Interestingly, Jewish attitudes towards the Arab minority, i.e., the Arab citizens of Israel, did not change significantly as a result of the Second Lebanon War. There remains a great deal of ambivalence in the attitude of Israeli Jews towards Israeli Arabs. A large majority opposed allowing Israeli Arabs to participate in crucial national decisions or including Arab ministers in the cabinet, and supported the voluntary emigration of Israeli Arabs from Israel (63 percent in 2006 and 66 percent in 2007). At the same time, a large majority of Jews supported the granting of "equal rights" for Israeli Arabs – almost three quarters of the respondents in 2006 and two thirds in 2007. When asked what Israel should emphasize in its relations with its Arab citizens, 60 percent in 2006 and 57 percent in 2007 chose the option of "equalizing their conditions with those of the other citizens of the state" over "intensifying punitive measures for behavior inappropriate for Israeli citizens."

Following the disengagement from Gaza in late 2005 and probably as a direct result of its smooth implementation with minimal violence, the concern about possible civil strife as a result of a political settlement with the Palestinians involving territorial withdrawal and evacuation of settlements has decreased significantly. In 2007, 29 percent saw a possibility of civil war as a result of Israeli withdrawal from Judea and Samaria in the context of a permanent settlement with the Palestinians, down from 37 percent in 2006 and 49 percent in 2005 (prior to the disengagement). Both in 2006 and 2007, the vast majority – three quarters – of the Jewish population viewed a refusal by a soldier to serve in the territories or to obey an order to evacuate settlements as illegitimate.

Is al-Qaeda Closing In?

Yoram Schweitzer

Over the past year and especially in recent months, senior members of the Israeli defense establishment have charged that there has been a significant escalation of the threat posed by al-Qaeda towards Israel. For example, according to the head of IDF Intelligence in comments made at the Knesset's Defense and Foreign Affairs Committee in January 2007, between dozens and hundreds of trained al-Qaeda members with explosives expertise were sent to the region by the order of Ayman Zawahiri, Bin Laden's deputy, as part of the organization's deployment in the states bordering Israel, namely, Jordan, Egypt, Lebanon, and Syria.[1] In March this year, there were reports of a new organization called Fatah al-Islam, numbering several dozen members from Arab states and aligned with al-Qaeda, which had already been involved in violent confrontations with the Lebanese army and was preparing for terrorist activity.[2]

In the months after the disengagement from Gaza there were reports of a threatening presence of al-Qaeda activists in the occupied territories, particularly in the Gaza region,[3] which apparently indicated seeds of a consolidation between global and local fundamentalism forces. These observations followed previous warnings voiced by a number of defense officials[4] and by defense commentators with background in intelligence[5] who claimed that there were growing signs that al-Qaeda was tightening its grip around Israel. Some were even cited as saying that al-Qaeda was expected to attack Israel during 2006.[6] All these warnings suggest that there is an immediate and growing threat to Israel's security from al-Qaeda, and this danger necessitates new preparations to thwart the organization.

Member of the INSS research staff

Strategic **ASSESSMENT**

This essay argues that the threat posed by al-Qaeda to Israel is not new,[7] and that the current situation is the continuation of a gradual process begun by the organization in 2000 of expanding operations against Israelis and Jews. At this stage the sporadic events in Israel's neighboring states do not represent any qualitative shift in the situation that demands excessive alarm among Israeli residents. Necessary, rather, is intelligence and preventive awareness that is already a prerequisite of the Israeli intelligence and defense systems pitted against a dangerous enemy that is constantly looking to carry out terrorist attacks and kill large numbers of Israelis and Jews.

Al-Qaeda vs. Israel: From Ideological Grudge to Active Aggression

In order to examine the charge of an overall increase in the al-Qaeda threat against Israeli and Jewish targets, what follows is a brief review of the connection between the ideological basis of the organization's activities and the practical implementation of operations since the organization was created in the late 1980s and until recent times, which ostensibly embody the heightened threat.

The philosophy of al-Qaeda and its affiliates as expressed in the organization's declarations was and remains fundamentally anti-Jewish and anti-Israeli, and in essence is not any different from any extremist Islamic element that preceded it. In its eyes, Jews are part of a worldwide plot whereby they collaborate with the Christians (who are called "Crusaders"). Over time, the "Judeo-Christian plot" was joined by other enemies, including Muslim heretics. These include principally the Shiites and "traitors" from among the Sunni Muslims, and all of them together

comprise an enemy that must be battled until the bitter end.[8] According to this approach, Israel is the political embodiment of the plot, and it was intentionally placed in the region like a bone in the throat of the Muslim world. As such, it must be combated and destroyed, and the Jews must be driven from the region. This is to be achieved through painful terror operations that, al-Qaeda contends, will weaken the Jewish state's patrons and will prove to millions of Muslims and their potential supporters that Israel is ultimately a weak and temporary state, a shadow of its image of invincible military might.[9]

In practical terms, until the beginning of 2000, the venomous rhetoric aimed at Israel and the Jews was translated into little or no terrorist activity. Only a very small number of attacks were planned, mainly by terror groups and networks supported by al-Qaeda in the United States, Europe, and the Middle East, and the vast majority of attacks were prevented.[10] In 2000, a new pattern began to emerge that reflected both an organizational decision and a fundamental improvement in al-Qaeda's operational readiness.

Bin Laden, who settled in Afghanistan in 1996, intensified his organization's efforts to carry out terrorist activities through operatives under his direct command. At the same time he set up an extensive military-terrorist and indoctrination training facility that succeeded in recruiting cadres of qualified activists to the global terror market who were eager to act in the name of the fundamentalist Islamic ideology of global jihad. These activists, some instructed by al-Qaeda and others inspired by it, focused their operations against elements defined by al-Qaeda leaders as their sworn enemies. Israel and the Jews were not yet marked as a prime target for terror attacks of global jihad groups

and its terror networks, principally because of the large number of enemies spread out over a very wide geographical region. In fact, the number of parties defined as enemies of global jihad grew steadily due to the escalation and expansion of the confrontation between them and the rest of the world. Meanwhile the means and quality personnel available to al-Qaeda and its affiliates were not unlimited. Nonetheless, with time and as the involvement of al-Qaeda and its affiliates spread and their confidence grew, efforts to strike against Israel and targets identified with it also increased.[11] This was mainly a result of the understanding by al-Qaeda leaders that delivering a substantial blow against Israel would also likely gain the support of those who generally objected to the indiscriminate terror activities carried out by the organization against Arab and Western targets.

Heightened activity against Israel and the Jews began in 2000 when attempts were made to attack Israeli targets in Australia during the Olympic Games (June), and a terror attack was attempted against a Jewish target in France (December 2000). Both were prevented. That same year a senior member of al-Qaeda sent Richard Colvin Reid, a British citizen and son of a Jamaican immigrant, to Israel to collect information on Israeli targets as part of a feasibility study on terror attacks in Israel in general and on Israeli airports in particular. Reid was subsequently involved, by means of an explosives-laden shoe, in an attempted suicide attack in 2001 on an American Airlines plane. There were attempts to send Palestinians (Nabil Ukal and Saad Hindawi) at the end of their training in Afghanistan to establish a terror network in the West Bank and Gaza (the first half of 2000).[12] The possibility was also examined of

sending a Saudi suicide pilot to bomb Eilat, and terror attacks were attempted on Israeli targets in Jordan by units sent by Zarkawi. These were prevented by the Jordanian security forces before the war erupted in Iraq.

The clearest evidence that al-Qaeda under Bin Laden was looking to unleash its full force against Israel was the attack on Israeli tourists in Mombassa (Kenya) in November 2002. The terror cell sent to Kenya by the al-Qaeda command – which was helped by a local infrastructure – fired missiles at an Arkia passenger plane that was taking off but missed their mark. At the same time, a vehicle driven by a suicide operative attacked a hotel where Israelis were staying and killed fifteen people, including three Israelis. Only due to a technical operational failure that prevented the downing of the plane and the subsequent deaths of hundreds of passengers was the attack in Mombassa (which was intended to be Israel's 9/11) not engraved in the minds of the Israeli public or the world as proof that Israel is an al-Qaeda priority. It is clear that had the masterminds succeeded in their original plan, there would be no question of whether al-Qaeda presents a danger to Israeli and Jewish targets.

Post-War Iraq as a Means of Escalating Terror Operations

As the post-war campaign developed in Iraq, al-Qaeda and its affiliates focused their efforts on pursuing and wearing down their enemies there, to gain victory or create an image of victory in Iraq, the global jihad's current principal arena of combat. At the same time, they maintained their efforts to carry out terror attacks against all their enemies and, at an accelerated pace, against Israel and the Jews. These efforts were carried out according to the operational capacity at their

The attack in Mombassa was intended to be Israel's 9/11. Only due to a technical operational failure was the attack not engraved in the minds of the Israeli public or the world as proof that Israel is an al-Qaeda priority.

disposal, which, again, is not unlimited.

From 2003 al-Qaeda and its affiliates carried out a number of terror attacks against Israel and Jewish targets, most through suicide bombers. Two British citizens of Pakistani origin who worked for Hamas took part in a suicide attack on the Mike's Place club in Tel Aviv (April 2003). These suicide bombers came from the same terror cell that carried out the attack on the London Underground on July 7, 2005. The specific link of the two suicide bombers with the London attackers and with the al-Qaeda command is not entirely clear. The other terror attacks carried out by global jihad elements against Israel and/or Jews concentrated on the Middle East and Europe. The most prominent among them were an attack on a synagogue, restaurant, and banquet hall in Morocco (May 2003) and an attack on a synagogue in Istanbul (November 2003).

In Egypt, Israeli tourists were attacked in Sinai (at Nuweiba and Ras al-Sultan in October 2004), and at hotels in Sharm el-Sheikh (July 2005). In Jordan, simultaneous suicide attacks at three hotels killed over fifty people (November 2005). According to Zarkawi, who claimed responsibility, the attacks were aimed at Israelis, Palestinians, and Americans who frequented the hotels in question, where they purportedly plotted against the Muslims.[13] There were also a number of sporadic rocket attacks against Israel from Jordan and Lebanon. The first operation was carried out by a small group sent by Zarkawi from Iraq to Jordan, and the second was carried out by a cell that may have received assistance from Ousbat el-Ansar – a loosely structured organization that mainly operates in the area around Sidon and is identified with the global jihad and the al-Qaeda organization.

In the past year there were reports in Israel of attempts by elements aligned with the global jihad to exploit the chaos created in Gaza following the Israeli withdrawal, in order to consolidate a local infrastructure there and recruit Palestinian members in West Bank towns for future terrorist activity.[14] This claim was also sounded by Palestinian spokespeople, particularly from among Fatah, who claim that operatives aligned with al-Qaeda were responsible for the attack on the American School in Gaza (April 2007) and the kidnapping of BBC reporter Alan Johnston.[15]

Is the Threat to Israel More Severe?

Israeli intelligence may possess advisory information not open to the public about actual intentions by al-Qaeda and its affiliates to escalate terrorist activity against Israel and Israeli targets that justifies their assessment of a new and heightened danger. Otherwise, it appears that the assessments of the security officials as quoted in the media emerge

from a severe situation assessment based on the attacks of the last two years in Israel's neighboring countries and on the sporadic events aimed at Israel from their borders. In the last two years, Bin Laden's deputy, the most vociferous and prominent of al-Qaeda spokesmen, has connected Israel to global jihad priorities. In an address marking the fifth anniversary of 9/11, Zawahiri focused the global jihad's strategic priorities on two preferred areas of activity – the Persian Gulf and Israel.[16] Yet Zawahiri also declared that Israel's turn will come only after the global jihad's previous tasks have been completed, including victory over the Americans in Iraq, maintaining the jihad in the countries around Iraq, and spreading terror against regimes in the Arab states around Israel.

It seems, therefore, that the main area of concern for the Israeli security authorities, as indicated in an article written by the senior military commentator of *Haaretz*, is that al-Qaeda will try to introduce new recruits into Israel who have authentic Western nationalities and no terrorist backgrounds, allaying suspicion about their connections with dramatic terrorist attacks.[17] It is well known that al-Qaeda's operations are marked by initiative and are designed to cause mass destruction and death. As al-Qaeda's capability and its determination to cause the mass murder of Israelis is a proven fact, it seems that this is the principal referred threat facing Israel, which while not new should naturally not be treated lightly.

The challenge posed by al-Qaeda and its affiliates to the Israeli intelligence and security services is part of a range of terrorism challenges facing Israel. One can divide the challenge of al-Qaeda and its affiliates and the potential counter measures into different arenas. On its borders Israel faces the threat

of global jihad elements that are drawing closer to Israel's neighboring countries. Israel shares common interests with its peace partners – Egypt and Jordan – and they cooperate together to preempt threats by al-Qaeda and its affiliates. This threat is a constant source of concern for the local security services, which devote significant resources and efforts to combat it. Israel helps these countries and in turn is helped by them to neutralize the threat against it and its interests emanating from within their sovereign territory.

The situation is more complex with regard to dealing with global jihad elements in Lebanon. On the one hand, the Lebanese government has proven its difficulty in dealing with sub-state elements operating against Israel in and from its territory. The deployment of the Lebanese army along Israel's border with Lebanon following the confrontation with Hizbollah has mitigated this threat. In addition, Lebanon has no interest in being dragged into another confrontation with Israel as a result of a provocation by global jihad elements that are yet limited in power, which may help to prevent action being taken against Israel from Lebanese territory. The Lebanese army's operations against Fatah al-Islam in Tripoli are an example of this.[18]

Preventing operations against Israel by global jihad elements in Syria is largely contingent on Syria's interest in stopping them, and at this stage it seems that this interest does exist. Global jihad elements in Iraq are apt to become a threat to Israel, particularly if areas in Iraq emerge that are not under the control of the central government and may become refuge areas and training arenas for directing terrorism against Israel.

The situation in the West Bank and particularly the anarchy in Gaza may encour-

age the infiltration of elements aligned with global jihad, known to take advantage of non-governed areas. At this stage, however, there is no evidence of the creation of an active and extensive infrastructure of global jihad elements. The dire forecasts of Gaza's becoming an al-Qaeda center for operations that enjoys close collaboration with Palestinian Islamic organizations have not materialized thus far. Moreover, the danger embedded in such cooperation, if it occurs, is part of the challenge these organizations pose to Israel in any case.

The global jihad threat against Israel proper thus necessitates constant and routine awareness concerning extreme scenarios or possible changes that may occur in the arenas close to Israel, but this does not represent a new situation, compared with what Israel has dealt with in recent years.

With regard to threats against Israel in the international arena, the tangible threat to Israeli and Jewish targets has existed and has been common knowledge for some time. Prevention of terror threats against Israeli and Jewish targets abroad is based on intelligence that Israel obtains through its own means and via international cooperation. This cooperation has been maintained for many years, and in recent years, particularly following 9/11, it has even been upgraded due to the shared sense of many countries around the world of the danger posed by al-Qaeda and its affiliates. There is keen awareness among security elements of the varied dangers that Israeli targets abroad face from the global jihad. In view of these threats, situation assessments and periodic examinations of the threat level against Israel and Jews are conducted in order to prepare in the most efficient manner possible for both routine and random dangers. Such activities, which are naturally confidential, are reflected in occasional alerts issued by the counter terror command in the prime minister's office, and in announcements about dangerous areas for Israelis. It is clear that all these efforts do not guarantee complete prevention of individual terrorist attacks.

At this stage there is thus no apparent reason for Israel to announce a significant increase in the threat posed by al-Qaeda and the global jihad, beyond the regular and ongoing threat they pose to Israel. Nevertheless, in view of the possibility that coalition forces headed by the United States could leave Iraq, which would grant the global jihad a sense of victory and strength, all global jihad adversaries – including Israel – would be liable to encounter heightened terror activities of "Iraqi alumni," who would be dispatched around the world to intensify terrorist activity. If al-Qaeda declares Israel to be the next jihad arena and a main target of its operations, and if it manages to recruit its pool of affiliates to this end – which has not happened thus far – there is liable to be a major change in the threat level towards Israel. If this occurs, then there would be justification for determining that "al-Qaeda is closing in" and taking special precautions against the new threat.

Notes

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2. Souad Mekhennet and Michael Moss, "New Face of Jihad Vows Attacks," *New York Times*, March 16, 2007.
3. Gideon Alon, "Shin Bet Chief: First Signs of World Jihad Visible in West Bank," *Haaretz*, June 6, 2006.
4. Alex Fishman, "Al-Qaeda Will Launch an Attack This Year," *Yediot Ahronot*, February 23, 2006.
5. Yaakov Amidror, "Dore Gold: 'Secure Borders

Must not be Surrendered,'" *Haaretz*, January 15, 2006.

6. Lior al-Hai, "Deputy Chief of Staff: 'Al-Qaeda Is Getting Closer,'" *Yediot Ahronot*, February 23, 2006.

7. Yoram Schweitzer, "Does Bin Laden Pose a Threat to Israel," www.ict.org.il, August 22, 2000.

8. MEMRI (The Middle East Media Research Institute), "Bin Laden in an Address to the Iraqi People," December 28, 2004.

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11. GlobalSecurity.org – Verbatim Transcript of Combatant Status Review Tribunal Hearing for ISN 10024.

12. Schweitzer and Shay, *The Globalization of Terror*, pp. 36-37.

13. MEMRI, November 2005, "The Al-Qaeda Organization in Iraq in a Series of Revelations after Terror Attacks in Amman: 'We swear that the Muslims killed were not the target and we would never think of hurting them'; Zarkawi: 'The attacks in Jordan were directed against Israeli intelligence personnel.'" Ynet, November 18, 2005.

14. Michael Freund, "Beware: Al-Qaeda is Targeting Israel," *Jerusalem Post*, March 7, 2006.

15. Lt. Col. (res.) Jonathan Dahoah-Halevi, "The Growing Hamas – Al-Qaeda Connection," *Jerusalem Issue Brief* 7, May 17, 2007.

16. "Bin Laden's Deputy: 'Israel is on the Firing Linr,'" Ynet, September 11, 2006.

17. Ze'ev Schiff: "Concern in Israel: The al-Qaeda Organization is Recruiting Foreign Nationals to Carry Out Terrorist Attacks in Israel," *Haaretz*, September 5, 2006.

18. "Fatalities in Battles between Lebanese Army and Palestinian Organization," *Haaretz*, March 21, 2007.

Strategic
ASSESSMENT

Israel and American Aid:
Continue Forward or Reverse Course

Roni Bart

In early March 2007, a high level Israeli delegation arrived in Washington in order to open negotiations about a new long term agreement on American financial aid to Israel. According to the previous agreement signed in 1998, next year will see the culmination of a ten year process that gradually reduced American annual assistance by 20 percent, from 3 to 2.4 billion dollars, by eliminating all economic aid. The Israeli delegation requested to reverse this process, and to restore American aid back to its 1998 annual level for military procurement, without reinstating economic aid. This is not necessarily a wise course.

Facts and Figures

The United States has been providing Israel with financial assistance since 1949.[1] This aid began with small *economic* loans and grants for various purposes (trade, food, refugees), and only in 1959 was a *military* loan first provided. Until 1966 combined aid never exceeded $100 million. The first significant leap occurred in 1971 with a military loan of more than half a billion dollars (needed to offset heightened risks due to Egypt's violations of the 1970 ceasefire), followed in 1974 when combined assistance amounted to more than $2.5 billion (after the Yom Kippur War). The peak, $4.9 billion, was in 1979 following the Camp David accords, which required relocation of IDF bases from the Sinai Peninsula to the Negev. From 1983, all economic aid was provided solely through grants, and since 1985 the same was done regarding military aid.

By 1987 a routine had set in: Israel requested and the United States approved annual financial assistance to the tune of $3 billion – $1.8 billion in military aid and $1.2 billion in economic aid. On top of this regular aid, the United States provided Israel with special assistance, for example, during the 1991 Gulf War and the 2003 Iraq War. On other occasions Israel was given hundreds of millions of dollars worth of surplus equipment. Regular military aid also does not include additional funds for special R&D projects, such as $1.3 billion extended thus far for the joint anti-missile Arrow system, which are provided through the defense budget.[2]

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Equipment pre-positioned in Israel for potential use by the American military saves Israel significant costs of emergency supplies. In the economic sphere, the United States extended guarantees for billions of dollars of commercial loans, thus enabling Israel to save hundreds of millions of dollars on interest (with no cost to the Americans, since Israel always pays back on time).

Israel receives American financial assistance on more favorable terms than any other aid recipient. All aid is transferred to the Israeli government rather than allocated to specific programs, and the government is not required to provide an account of the allocations. Money is transferred in a lump sum at the beginning of the fiscal year rather than in quarterly installments, which allows Israel to invest the money in American bonds and earn interest (in some years up to $100 million). Twenty-six percent of American military aid is defined as Off-Shore Procurement (OSP), meaning that it may be spent in Israel for local procurement. Israel also receives partial offsets for its military purchases in the United States, through American contractors obligated to reciprocal procurement. On the other hand, there are strings attached to this generosity, the most troublesome of which is that all purchases in the United States must be approved by the Pentagon and conform to American priorities.[3]

Back to the basic numbers. In 1996 Prime Minister Binyamin Netanyahu decided to reduce Israel's dependence on American assistance by 20 percent by eliminating the economic assistance that was no longer justified. A 1998 agreement stipulated a gradual reduction of $120 million in economic aid each year, half of which would be transferred to military aid. This process ends in 2008, when Israel will receive no economic aid and $2.4 billion in military aid.[4] The intent was that this would be the fixed annual sum for the foreseeable future. This apparently is not to be.

Increase the Aid

The Israeli delegation arrived in Washington with a request to increase the annual aid sum gradually ($50 million each year spread over ten years) to $2.9 billion, thus reversing the process initiated in 1998 but without reinstating economic aid. The underlying rationale for this request is to take advantage of the final two years of the firmly pro-Israel Bush administration.[5] The initial American response did not disappoint the Israelis. A joint declaration stated: "These talks reflect the deep historical and security ties between the United States and Israel, based on shared values and common interests. The meeting today is another manifestation of the unshakable commitment by the United States to Israel's security and a step towards fortifying and enhancing the strategic relationship between our two countries."[6] Negotiations are to continue until the end of the year, when the administration will likely integrate the agreement into its 2009 budget proposal.

Israel's main reason for increased aid is fairly obvious: financial need. Security threats are multiplying. Twenty years ago Israel faced "only" a conventional threat; nowadays there are three additional ones: asymmetric (terror and guerilla-militia), long range missiles, and nuclear. Costs of sophisticated weapon systems are ballooning, and with them, the budget required to maintain Israel's qualitative edge (a stated American goal). The F-15 costs $50 million; the F-22 – $150 million. Oil-rich Arab countries will always outstrip Israel's financial resources (and while these countries do not pose an im-

The process initiated by Netanyahu inched Israel toward the goal of economic independence. Freezing the process, let alone reversing it, means forsaking this dream.

mediate threat to Israel per se, there is a risk that sale of state-of-the-art weapons to Gulf states would serve as a precedent for sales to Egypt.) In addition to this permanent predicament is the immediate need to replenish military stocks depleted during the Second Lebanon War and to prepare more urgently for the next conflagration.

Beyond the obvious financial need, there is also an important diplomatic aspect to the issue. American aid to Israel is a powerful public symbol of American support. Increased aid, agreed upon smoothly with administration officials and supported by customary bipartisan consensus in Congress, will send a strong message about the robustness of American-Israeli relations. This might be especially important given ever-growing Arab demands for the United States to pressure Israel on the Palestinian issue, and after Israel's dismal performance against Hizbollah set off rumors about American disenchantment with Israel as a strategic asset. "Put your money where your mouth is," is a quintessential American maxim, claims an Israeli observer. If both Israel and the United States want to make sure that the extent of American support for Israel is not misread in the Middle East with unintended consequences, the purse is the best proof for it.[7]

There are also political factors in both countries, unmentioned in polite society. Three quarters of the military assistance is spent in the United States. More than a thousand contractors in forty-seven states benefit from Israeli procurement.[8] This translates into political support, not only specifically for aid but also for Israel in general, by relevant business sectors as well as by district and state representatives in both chambers of Congress. There is likewise a need for Jews and politicians to show support for Israel by

endorsing aid. In Israel, success in increasing American aid improves the reputation of those involved. In the defense establishment American financial aid is correctly perceived as the only long term constant in budget planning, immune to political interference and therefore better left untouched. Thus, there are strong financial, diplomatic, and political reasons to maintain aid at its present level, or better yet, to increase it.

Decrease the Aid

Then again, as usual in such matters, there are also reasons to continue the process of decreasing aid, perhaps leading to an eventual elimination of it. The first of these reasons has less to do with strategy, diplomacy, economics, or politics and more to do with morality and honor.

"Since 1976, Israel has been the largest annual recipient of US foreign assistance, and is the largest cumulative recipient since World War II."[9] In the past fifty-five years, Israel has received more than $84 billion in grants alone.[10] Annual *American* aid to Israel per capita is more than $340, which is by far the highest in the world. Average *global* aid per capita is only $22![11] This comparison becomes all the more glaring given that according to all international indices the recipient is a relatively rich country. True, Israel is not yet a member of the OECD, but its annual Gross National Income (GNI) per capita of $25,000 puts it at the thirty-seventh place in the world, and its Gross Domestic Product (GDP) per capita of $23,000 at the twenty-seventh place.[12] A country so ranked that on a permanent basis receives fifteen times the average amount of foreign aid per capita worldwide yet neither acts nor plans to act to decrease its dependence cannot be defined as anything but voluntarily addicted to it.

From a moral point of view, Israel's place at the top of the list of aid recipients, ahead of all poor and sick and malnourished Third World countries is, to say the least, problematic. True, aid not provided to Israel might not be diverted by the United States to other countries, but that should be left to the representatives of American taxpayers. Furthermore, problematic moral comparisons aside, there is, or should be, a matter of national honor. It was only a generation ago that the goal of "economic independence" was still mentioned in Israel, if only as a distant aspiration. The process initiated by Netanyahu inched Israel toward that goal; freezing the process, let alone reversing it, means forsaking this dream.

Economic independence highlights a second reason for decreasing aid. Israel's financial dependence on the United States is a diplomatic drawback. True, this leverage has not been used by the United States since the extreme 1956 American pressure to withdraw from the Sinai Peninsula. It has not even been mentioned. But that is only because there is no need for anything explicit to be said. Both sides are aware of the implications of this dependence. Israel's involuntary choice of Boeing over Airbus was a case in point, as was the need to gain Washington's approval for certain economic steps during the 1985 and 2003 economic crises. More painful for Israel was the 1975 "reassessment," when Secretary of State Henry Kissinger initiated a freeze on all scheduled arms deliveries and hinted at starker measures. Had President George

Bush Sr. and Prime Minister Yitzhak Shamir won their respective elections in 1992, it is reasonable to imagine American aid used to pressure Israel on the Palestinian issue. (Secretary of State James Baker might have actually relished it.) Above all, the American leverage over Israel, inter alia due to financial dependency, is manifested by the ever-present question: "What will the United States say?" True, even if Israel were economically independent, it would still depend on crucial American support in other areas (technology, diplomacy). That, however, does not negate the importance of diminishing Israel's dependence on the United States as much as possible.

A third reason for decreasing aid is maintaining long term political support in the United States. At some point, despite – or perhaps because of – the influence of the pro-Israeli lobby, Americans may grow weary of the burden. It is already possible to detect potential warning signs. In 2003, against the wishes of the pro-Israeli lobby, Congress included aid to Israel in an across-the-board cut in all foreign aid. On top of that, Congress rejected the administration's request for an extra $200 million to help Israel fight terrorism. In 2005, both the administration and Congress cold-shouldered an Israeli request for extra assistance to offset the costs of the disengagement from Gaza. (This very request is a symptom of the way Israel takes American aid for granted. Requesting money for relocation of settlements, which Israel had initially built and developed over American objections and disapproval, should be viewed as a sign of Israeli hubris.)

Starring effortlessly at the top of the list of aid recipients far into the future should not be taken for granted. American officials and politicians claim that aid to Israel offers "the

American Financial Aid to Israel
(millions of dollars)

Year	Military Grant	Military Loan	Economic Grant	Economic Loan
1949				100
1950				
1951			0.1	35
1952			86.4	
1953			73.6	
1954			74.7	
1955			21.9	30.8
1956			15.6	35.2
1957			19.1	21.8
1958			11.3	74.1
1959		**0.4**	10.9	42
1960		0.5	13.4	42.3
1961			18.3	59.6
1962		13.2	7.2	73
1963		13.3	6	68.6
1964			4.8	32.2
1965		12.9	4.9	47.3
1966		90	0.9	35.9
1967		7	3.2	15.1
1968		25	6.5	75
1969		85	0.6	74.7
1970		30	12.9	50.7
1971		**545**	2.8	86.5
1972		300	106	24.9
1973		307.5	104.8	80.5
1974	**1,500.00**	**982.7**	116.3	22.3
1975	100	200	432	46
1976	750	750	518.6	319.1
TQ	100	100	51.3	31.2
1977	500	500	534.6	227.9

Year	Military Grant	Military Loan	Economic Grant	Economic Loan
1978	500	500	550.4	272.2
1979	**1,300.00**	**2,700.00**	579.2	308.8
1980	500	500	579.1	541.9
1981	500	900	796	217.4
1982	550	850	939	24
1983	750	950	792.6	
1984	850	850	1081	
1985	1,400.00		1,976.70	
1986	1,722.60		1,925.90	
1987	**1,800.00**		**1,240.20**	
1988	1,800.00		1,233.40	
1989	1,800.00		1,245.60	
1990	1,792.30		1,242.60	
1991	1,800.00		1,912.30	
1992	1,800.00		1,300.00	
1993	1,800.00		1,301.40	
1994	1,800.00		1,241.50	
1995	1,800.00		1,302.40	
1996	1,800.00		1,347.30	
1997	1,800.00		1,330.10	
1998	1,800.00		1,280.00	
1999	1,860.00		1,150.00	
2000	3,120.00		1009.1	
2001	1,975.60		900.5	
2002	2,068.00		780	
2003	3,086.40		655.7	
2004	2,147.30		540	
2005	2,202.20		407.1	
2006	2,280.00		290	
Total	**51,354.4**	**11,212.5**	**33,187.8**	**3116.0**

* Economic aid includes the regular aid and allocations from the following programs: Food for Peace, Export-Import Bank, Jewish Refugee Resettlement, American Schools and Hospitals, Cooperative Development.

Source: The American-Israeli Cooperative Enterprise, Jewish Virtual Library, 2007, http://www.jewishvirtuallibrary.org/jsource/US-Israel/U.S._Assistance_to_Israel1.html.

best return on the investment;" since Israel is a democracy and has consistently been a strategic asset, first during the Cold War and now in the War on Terror.[13] It is certainly true that unlike its Arab neighbors, including American-leaning ones, Israel is the only country in the Middle East that will *always* stand by the United States in any regional crisis. Generous and qualitative military aid is perhaps the most important component in "the special relationship" between the two countries. However, important voices calling to engage more seriously in the Israeli-Palestinian conflict (a euphemism for pressuring Israel) indicate a growing willingness to acknowledge that Israel is also a diplomatic liability. Israel would do well to limit the negative aspects of its image and not be regarded an eternal financial burden as well. This might be all the more relevant given that both parties in Congress as well as most presidential candidates are leaning toward balancing the federal budget by cutting expenses.

Furthermore, if it is correct to assume that at some point and for some reason the United States would wish to decrease aid, it is important that Israel preempt this by initiating the process itself. Since aid to Israel is a powerful public symbol of American support, any American-initiated decrease, even for purely budgetary reasons, would be perceived as weakening support. Not so if the initiative is Israel's, as proven by the Netanyahu process.

A fourth and final reason for decreasing aid is the economic advantage this step will bring. American aid comes with strings, some of which shackle the Israeli defense industry. Decreasing or eliminating American aid will help this sector in four ways. One, the IDF will buy more in Israel, meaning more money will be invested in the local economy. Two, purchases by the IDF bolster the reputations of firms and thus their sales. Replacing American firms in doing business with the IDF will strengthen marketing efforts of Israeli firms abroad. Three, Israel's defense exports will be at least partly freed of American restrictions. Four, paying with Israeli money for procurement in the United States will increase the volume of reciprocal purchases by American firms in Israel. Thus, while decreasing aid means giving up cash-in-hand, it also means boosting the Israeli defense industry and thereby offsetting some of the financial loss.[14]

Conclusion

Israel's military needs are many and expensive, and the United States is generous. However, American aid amounts to only 4 percent of Israel's annual budget. Israel can and should change its budgetary priorities in order to gradually decrease American regular aid (as distinct from emergency aid during crises or special funding for joint ventures such as the Arrow). Two factors might mitigate the negative effects of such a move. First, Israeli shekels will not have to compensate for 100 percent of vanishing dollars. According to knowledgeable officials, between $250 and $500 million dollars could be saved by extricating Israeli procurement from American restrictions, mainly from the obligation to buy American products that are sometimes more expensive than equivalent items manufactured elsewhere.[15] Second, American aid to Egypt was unofficially linked to the aid to Israel after the 1979 Camp David agreement. Egypt is not under any external threats. Israel might therefore be able to persuade the United States to simultaneously decrease its military aid to Egypt, thus somewhat alleviating the problem of maintaining a qualita-

tive edge. Spreading the process over a long period of time would preclude the impression of diminishing American support for Israel.

Israel should initiate a decrease in American aid, because it is morally wrong for a rich country to lock itself in perpetuity into the international list of recipients (let alone to head it); because it behooves Israel, for the sake of its national pride and international reputation, to strive for economic independence; because economic dependency is a diplomatic hazard and will, in time, jeopardize American goodwill; and because it is better that Israel initiate the process itself rather than wait for the United States to do so, seemingly implying diminishing support. Instead of asking for a 25 percent increase over ten years, Israel should suggest a weaning process: a 100 percent decrease over twenty-five years.

Notes

1. My thanks to Limor Simhony and Nizan Feldman for assisting with the research and data for this article.
2. For comprehensive data on American aid, see attached table. For funding of the Arrow project, see J. Sharp, "U.S. Foreign Aid to Israel," *CRS Report for Congress RL33222*, January 5, 2006, p. 12, http://www.opencrs.com/rpts/RL33222_20060105.pdf.
3. For example, Israel is permitted to buy only items purchased also by the American military (in order to lower overall prices). The American military naturally enjoys preference in schedule of delivery.
4. American foreign aid in 2008, according to the as yet unapproved budget proposal, will total $20 billion. This is a 12 percent increase from 2007, but less than a mere percent of the overall federal budget of $2.9 trillion. Other Middle East recipients include: Egypt – $1.7 billion; Jordan – $464 million; Palestinian Authority – $63 million (frozen); Lebanon – $52 million.
5. Shmuel Rosner and Aluf Ben, "What Else Can Be Asked of Bush," *Haaretz*, March 2, 2007, http://www.haaretz.co.il/hasite/spages/829337.html.
6. "U.S.-Israel Meeting on Assistance," http://www.state.gov/r/pa/prs/ps/2007/mar/81250.htm.
7. Shmuel Rosner, "The Proof is in the Purse," *Haaretz*, February 14, 2007.
8. Mitchell Bard, "U.S. Aid to Israel," Jewish Virtual Library, 2007, http://www.jewishvirtuallibrary.org/jsource/US-Israel/foreign_aid.html.
9. Mark Clyde, "Israel: U.S. Foreign Assistance," *Issue Brief # IB85066*, Congressional Research Service, April 26, 2005.
10. See appended table.
11. The actual figure published by the World Bank is $14, but this refers to the entire global population; $22 is the average per capita when calculating only the population of receiving nations. Due to lack of readily accessible data, this global figure includes American military aid but does not include military aid from other countries. However, adding this missing data would produce merely a marginal change. Adapted from World Bank data, http://www.oecd.org/dataoecd/52/12/1893167.xls.
12. Both figures in purchase power parity dollars. For GNI, see World Bank Outlook Database, April 2007, http://siteresources.worldbank.org/DATASTATISTICS/Resources/GNIPC.pdf; and http://www.imf.org/external/pubs/ft/weo/2007/01/data/weoselgr.aspx.
13. For the American rationale and bipartisan support for aid to Israel, see "U.S. Aid to Israel," *AIPAC Briefing Book*, 2007, http://www.aipac.org/Publications/AIPACAnalysesIssueBriefs/U.S._Aid_to_Israel.pdf.
14. See Erez Rephaeli, "American Military Aid: Discussion and Reassessment," unpublished paper, 2005, pp. 31-46. While Rephaeli's precise figures are debatable, there is no doubt that decreasing American military aid will benefit Israel's defense industry and affiliated sectors (and governmental tax revenues).
15. For in-depth analysis of this point, see Rephaeli, pp. 10-14.

From Missouri to Natanz:
US Global Strike Capability

Noam Ophir

Recent years have seen a substantial change in US power projection capability. For decades this capability was based on the use of aircraft carriers; now the US possesses the unique capability of executing an extensive, intercontinental attack without the need to operate from foreign territory. An American attack on Iran, if executed, could possibly be the first significant demonstration of this capability. The next stage will be the ability to carry out such an operation within a shorter response time than is currently possible.

Aircraft carriers and their escort ships have been a dominant component in almost every American military action since the end of the Second World War. To many observers, the aircraft carrier, perhaps more than anything else, has been a symbol of US military might. Even today, when voices are heard speculating over a possible US military action against Iran, the natural tendency is to check how many aircraft carriers are situated in the Persian Gulf. Modifications in the deployment and numbers of aircraft carriers are perceived as essential data with regard to US preparedness for launching a military action.

However in recent years the US has been involved in an ongoing process that will change the current state of affairs. In fact, already today aircraft carrier deployment is not necessarily a key indicator of US operational preparedness. Instead, a possible American military move against Iran is likely to rely on forces stationed in the US itself and on weapons whose locations would be disclosed only after opening fire. These capabilities have been employed in the past, but they are gradually playing an increasingly central role in US combat plans. At this stage advanced US power projection capability is still being developed; however, if all goes according to plan, within a decade – and perhaps sooner – the US is expected to undergo a revolutionary change on this level.

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The Road to Global Strike

Changes in US power projection capability are predicated on underlying reasons and rationales. For years aircraft carriers have been considered a key instrument in US power projection capability. The ability of an aircraft carrier together with its escort ships to deploy in a relatively short time in a crisis region and be ready for immediate action upon arriving has granted it a large degree of operational flexibility. The mere fact that an aircraft carrier is dispatched to a region is a demonstration of US determination. Sometimes the appearance of an aircraft carrier and its accompanying task force is sufficient to neutralize a crisis.

However, notwithstanding operational flexibility, several days are required for an aircraft carrier to arrive at the theater of action. In addition, the airborne wing of an aircraft carrier relies on attack planes with a limited effective range, and as of today, aircraft carriers do not carry stealth aircraft. This means that in most cases the airborne wing of an aircraft carrier is forced to operate as a part of "strike packages," where a considerable portion of the force is allocated to defense against air and land threats, while only a small part of it used for attacking the mission's designated targets.

In such cases it is necessary to employ aircraft taking off from land airbases. The problem is that these are not always available in a particular region, and it is often difficult to receive diplomatic authorization from neighboring countries to deploy and activate aircraft from their territory. Added to this is the difficulty in getting permission to fly in foreign airspace. As a result, aircraft are forced to fly in less than optimal flight paths, thus lengthening flight time and creating additional challenges for the mission's successful

B-2A stealth bomber during aerial refueling

performance. A good example was the punitive action against Libya in April 1986. US warplanes were forced to take off from Britain and make a lengthy bypass of the Iberian Peninsula given France's opposition to their passing through its airspace.[1]

Advanced power projection was initially demonstrated as a limited level capability,[2] activated only on a small scale and in tandem with a much more extensive action employing short range capabilities. Since then, the capability has been expanded significantly and has achieved operational dominance, to the point where it is able to be activated independently and not as an accompanying factor.

The critical advances occurred in recent years. Due to the great importance accorded by the Bush administration to finding a response to non-conventional threats from countries such as Iran and North Korea, it was decided to prepare for the option of direct attack missions from US territory, without the need to rely on the assistance of foreign countries. At the beginning of 2003, US Strategic Command (STRATCOM), which until then was responsible only for the planning and execution of nuclear warfare plans,

was assigned an additional task called Global Strike. This task consists of, inter alia, the capability to attack quality enemy targets, including non-conventional weapons facilities located at any point on earth. In August 2004, STRATCOM completed an operational plan that includes preliminary readiness for Global Strike missions, i.e., missions ready to be executed upon receiving the command.[3]

While the concept of Global Strike also comprises alternative nuclear options, this article focuses on the concept's conventional dimension and the ability to hit any point on earth directly from US territory.

Iran: The First Practical Test?

The path to implementing the idea of Global Strike can be demonstrated with its possible application against Iranian nuclear facilities. In a similar manner it is possible to examine its application in operational scenarios against other targets in other countries. This analysis *is not* an attempt to examine all military alternatives at the disposal of the US vis-à-vis Iran or their implications, but rather is an examination of the role of Global Strike as one among these alternatives.

The starting assumption is that the goal of any American military move would be first and foremost to hit nuclear targets in Iran[4] rather than a wider scale operation also directed at hitting army concentrations, military targets, and so forth. The majority of these targets are stationary and defended, away from population centers; some of them are located underground so as to make hitting them difficult. An analysis of current US military capabilities demonstrates that a possible military move against these targets could almost entirely be executed by forces operating from US territory, together with forces secretly deployed in the Persian Gulf,

far from the eyes of the media.

Most of the attacking force at the disposal of the US for attacking defended targets is based on B-2A type stealth bombers stationed in Missouri.[5] The ability of the B-2A to fly directly from the US,[6] independently penetrate beyond enemy air defense systems while avoiding detection, and carry unique types of armaments grants it an advantage over any other weapon system. Each B-2A is capable of carrying eight guided penetration bombs weighing approximately two tons each.[7] For comparison's sake, no aircraft positioned on the deck of an aircraft carrier is capable of carrying even one bomb of this type.[8] What is more, the B-2A will constitute the sole platform capable of carrying the MOP (Massive Ordnance Penetrator) bomb, which weighs approximately 15 tons. This bomb is now under development, but based on past history it can be assumed that when needed, the bomb's introduction into operational use can be accelerated.[9] The US Air Force currently has twenty-one B-2A bombers. If we assume that only two-thirds of them are operational at any given time, then the US has the capability to attack more than 100 well-defended targets simultaneously, along the likes of the centrifuge plant at Natanz, for example.

The bomber's long range capability has an added advantage. The fact that the US controls airspace over Iraq and Afghanistan enables the planning of penetration routes, guaranteeing that not all bombers will come from the direction of the Persian Gulf, i.e., southwest to northeast as the Iranians can expect. It is possible to plan penetration routes such that a portion of the force comes from the east, a portion from the west, with some forces even coming in from the north instead of the south. This means that Iran could find

itself attacked simultaneously from several directions, and from points where its air defense system is thinner. Fighter planes with far shorter ranges would find themselves hard-pressed to execute such outflanking maneuvers.

An additional important component of US power projection capability is the Tomahawk cruise missile. The missile was first employed in 1991 and since then hundreds have been launched in operational actions. But in this area too fundamental changes have occurred in recent years. In 2004 a new version of the missile came into service; its greatest advantage stems from its two-way communication ability. The operational significance of this is that the missile transmits via satellite communication an image of the target seconds before it is hit. This capability, absent from previous models of the missile, enables an assessment of the results of an attack in real time.[10] In addition it is possible to draw up a list of fifteen targets for the missile, or even transmit information on a new target while the missile is in flight.[11] Put another way, imagine a scenario in which several missiles are launched against the same target so as to assure its destruction; if information is received that the target has been destroyed it will be possible to deflect the remainder of the missiles, freeing them to attack alternate targets. Similarly, if an important target is not destroyed, a real time allotment of additional missiles will be possible in order to attack the target, even if these missiles originally had other targets designated for them.[12]

Along with the operational flexibility of the new generation of Tomahawk missiles, there has been another significant change in the operational capability of cruise missiles. As part of the nuclear arms reduction agreements between the US and Russia, the US

Trident submarine launching cruise missiles (artist's sketch)

Navy was required to remove from service four of its eighteen Trident ballistic nuclear missile-carrying submarines (SSBNs). These nuclear submarines in their original configuration were able to carry 24 ballistic missiles armed with nuclear warheads. The submarines were designed with the ability to remain underwater secretly for several months while unaccompanied and unassisted by other ships. Instead of retiring these submarines from service it was decided to reconfigure them to carry cruise missiles (SSGN) and special operation forces. In place of nuclear missiles, each submarine of this type can carry 154 cruise missiles.

This seemingly does not represent any innovation or novelty; indeed cruise missiles are permanently placed in attack submarines and on surface ships. However, in practice, converting Trident submarines to launching platforms for cruise missiles constitutes a fundament operational change. Two Trident submarines arriving secretly to the Persian Gulf could launch over 300 cruise missiles within six minutes.[13] For comparison's sake, a typical naval task force is equipped with between 120 and 180 cruise missiles,[14] scattered among a large number of ships. In oth-

er words, dozens of ships are needed in order to match the fire-delivering force of two submarines. Clearly a naval task force such as this is far more vulnerable, particularly in a relatively crowded arena such as the Persian Gulf and against an opponent like Iran, which has invested heavily in long range anti-ship missiles.

The launching procedure on a Trident submarine is much faster than that of a regular marine force, such that the exposure time is cut to just a few minutes, after which the submarines leave the area. In addition, the simultaneous firing of hundreds of cruise missiles complicates the self-defense efforts of the opponent. A situation in which Iran is attacked by B-2A bombers as well as cruise missiles coming in from all directions will make it difficult for its air defenses to function successfully. Unlike bombers having to cross the airspace of several countries, the cruise missiles can be launched without any need to coordinate with other countries. Today the US Navy is in the midst of a process for gradually absorbing the Trident submarine. The first submarine entered operational service in February 2006. This process is scheduled to continue over a number of years, but the assumption is that if an operational need arises, this timeframe can be shortened.[15]

The combination of B-2A bombers and cruise missiles would enable the simultaneous strikes on hundred of targets in Iran as part of a broad move against its nuclear infrastructure.[16] That fact that these weapon systems possess a high degree of accuracy combined with the fact that the majority of nuclear targets are not situated in the heart of population centers reduces the risk of collateral damage. Nevertheless, operational experience has shown that the B-2A is also capable of precisely hitting targets situated in the heart of a city, for example the bomber attacks in Belgrade during Operation Allied Force in Yugoslavia in 1999.

If follow-up attacks become necessary, for example on sites not completely destroyed, it will be possible to make further use of Global Strike forces, albeit on a smaller scale. The B-2A bombers could make additional sorties, activated from the Diego Garcia naval base in the Indian Ocean, about 5,000 kilometers from Iran. If the bombers are forced to return to the US, and if in the first wave of attack all of the operational bombers are employed, the second wave could be carried out a mere two days later. Using the Diego Garcia base could enable additional waves in less than a day. On the other hand, in the case of submarines, it would be difficult to execute a repeat attack within a short time since the vessel would have to be rearmed.[17]

It is important to remember that the advantage of Global Strike lies in the ability to carry out a wide scale operation without the need for numerous early preparations. If additional waves of attack are required, or if it is decided to expand the target base to include additional targets (so as to enable a response to possible Iranian counter operations and retaliation), it is reasonable to posit that forces stationed in the Gulf region will be used as well.[18]

Prompt Global Strike – From Days to Minutes

Despite the qualitative, fundamental change in US power projection capability currently underway, the capability itself is not revolutionary. If we examine, for example, the use of B-2A bombers, they require several hours to get from the US to Iran, and they must cross the airspace of several countries. The time variable shortens in the case of launch-

The advantage of Global Strike lies in the ability to carry out a wide scale operation without the need for numerous early preparations.

ing cruise missiles, but this necessitates the early deployment of submarines in the area of action, which is liable to take several days. In fact, current power projection capabilities would likely become irrelevant should the need arise to respond within a shorter time, for example, a scenario in which information is received that North Korea is preparing for a missile attack on South Korea; or an attempt by China to hit the US spy satellite apparatus; or a plan by Iran to attack Israel with non-conventional weapons. True, these scenarios are extreme, but they are possible. In such cases, all the US can do today is to employ forces already situated in the region, but these too are liable to be unsuitable from an operational aspect. Or, the US could try to relay a threatening message to the enemy when its intentions are uncovered, in the hope that this will deter it from carrying out the action.

Scenarios of this sort have prompted the US to work on a new warfare concept called Prompt Global Strike, or PGS. The goal is to develop weapons enabling a direct attack from US territory on any target at any point on earth, without needing to coordinate with other countries and within approximately one hour of receiving the order, to a degree of accuracy measuring several meters. If using B-2A bombers shortens response time from several days to about one and a half days, now the goal is to shorten this to less than one hour. If the emphasis in Global Strike is on the distance dimension, then PGS, as its name implies, adds the importance of the time dimension.

Setting aside the question of how to supply the required intelligence for the moment, it is possible with today's technology to carry out PGS missions. Intercontinental ballistic missiles (ICBM), for example those posi-

Test launch of a Tomahawk missile (January 2003) as part of evaluation of the concept of launching cruise missiles from Trident submarines

tioned on US bases or in submarines (SLBM), can hit any point on earth within the required fixed period of time. However, these missiles suffer from two key disadvantages. First, all intercontinental ballistic missiles currently in the possession of the US are equipped with nuclear warheads; and second, since these missiles were intended for delivering nuclear payloads, their rate of accuracy is lower than conventional armaments. Official data is classified, but the precision of the most accurate intercontinental ballistic missiles can be measured in tens of meters. For the sake of comparison, the precision of a smart bomb is to within a few meters or even less. Accordingly the idea arose to equip intercontinental missiles with new conventional warheads that include guidance systems aimed at improving accuracy to the required level. This capability has already been proven in test launches.[19]

But while most of the technology is already available, the use of PGS capability based on converting intercontinental ballistic missiles presents quite a few problems that concern distinguishing between conventional and nuclear weapon attacks. If we imagine a situation where a decision is

made to activate PGS facilities against Iran, then the US could launch intercontinental ballistic missiles from its own territory. The fear is that the early warning systems of countries like Russia or China would detect the launch without knowing whether it is a conventional or nuclear missile. Today this problem is of relatively less importance because any non-experimental launch of an intercontinental ballistic missile would be automatically defined as an operational nuclear launch, with all that this entails. The fear is that a conventional attack would be interpreted as nuclear. In order to prevent this situation, several solutions have been proposed. The simplest solution would be to give advance notification to Russia, for example, of a missile launch; however this solution is likely to disclose the attack and harm its chances of success. Other possible solutions include positioning conventional intercontinental ballistic missiles at separate sites from nuclear missiles; or launching them using different flight paths.[20] Today the voices of those opposed to the idea of reassigning intercontinental ballistic missiles for use in conventional missions are stronger than those supporting the idea. Congress is emphatically opposed to funding a research and development program in this area and is blocking any attempt to allocate funds for this purpose, even for projects defined as feasibility studies. Thus, for example, a fierce struggle is underway concerning the Navy's request to equip a specific number of Trident II submarine-launched ballistic missiles with conventional warheads.

Conclusion

Even if it is decided to continue developing PGS capabilities based on existing intercontinental ballistic missiles or other alternatives, it will take another decade until these become operational. However, the US already has the unique operational ability to carry out within a day or so a comprehensive attack operation aimed at hundreds of targets, including well defended ones, without relying on forces stationed in the territory of foreign nations or a broad operation to hit the enemy's air defense systems. This capability is expected to expand when submarines carrying cruise missiles are brought into service and the development of new penetration bombs is completed.

This capability has operational and geo-strategic importance. First, reliance on countries in a region of action to allow the activation of force from their territories has decreased. Second, a considerable portion of the need to coordinate the timing of an action with other countries (endangering the chances of surprising the opponent) has been saved.[21] Activating forces from US territory and from underwater launch positions would enable the element of surprise, since the enemy would have very few signs, if any, that an attack is imminent. In the case of Iran it would be possible to exploit this long range capability in order to attack from different directions simultaneously, thus damaging the targeted country's ability for self-defense.

This does not mean that a possible attack on Iran's nuclear facilities via Global Strike would be simple or assured of success. This article has not at all dealt with many key questions, including: how is the required intelligence for defining hundreds of designated target points for the attack force obtained? How should Iranian retaliatory attempts be thwarted? Is it enough to attack nuclear targets, or is a wider action called for, i.e., directed against government facilities, surface-to-surface ballistic bases, and the like? And

still unexamined has been the question, perhaps the most important of all, of whether a military operation alone, as described here or by other means, can halt Iran's efforts to achieve military nuclear capability.

Global Strike does not pretend to be a magical solution or a substitute for other military capabilities – air or land – nor for all possible operation scenarios; it is rather an additional and important stage in the development of US fighting capability. However, Global Strike can assist the US in overcoming no small portion of the operational obstacles on the path to a broad scale attack on nuclear targets in Iran. This type of capability is not at the disposal of other countries.

Notes

1. "Operation El Dorado Canyon," April 2005, http://www.globalsecurity.org/military/ops/el_dorado_canyon.htm.
2. On the first day of the 1991 Gulf War, B-52 bombers took off from a US airbase, flew directly to the Gulf, launched cruise missiles, and returned to US territory. This mission, which lasted close to forty hours, was at the time thought to be the longest in history. Since then similar missions have been flown during operations in the Gulf, the Balkans, and Afghanistan. John Tirpak, "The Secret Squirrels," *Air Force Magazine* 77, no. 4, April 1994, http://www.afa.org/magazine/perspectives/desert_storm/0494squirrels.asp.
3. Hans M. Kristensen, "Global Strike: A Chronology of the Pentagon's New Offensive Strike Plan," *Federation of American Scientists*, March 2006, pp. 4–5, http://www.fas.org/ssp/docs/GlobalStrikeReport.pdf.
4. For a map of key Iranian nuclear sites see Ephraim Kam, "A Nuclear Iran: What Does it Mean, and What Can be Done," *INSS Memorandum* No 88, February 2007, p. 14, http://www.tau.ac.il/jcss/memoranda/memo88.pdf.
5. Added to this is the ability to launch long-range cruise missiles from B-52 bombers that will not penetrate Iranian airspace. These bombers could also take off directly from US territory.
6. The range of the B-2A without aerial refueling is approximately 9,600 km. With a single refueling the range increases to 16,000 km. The flight distance to the Natanz region on a flight path from the US to the Middle East crossing over Egyptian and Saudi Arabian airspace is approximately 14,000 km. In 2001, as part of the war in Afghanistan, bombing sorties of similar distances were carried out. The profile of a typical sortie includes: a direct flight from the US to the region, six refuelings in the air, an attack on the target, and finally landing at the Diego Garcia base in the Indian Ocean. Flight time: 40 hours. Upon landing the bomber was refueled with its engines still running; the crew was replaced by a new crew, and then the plane took off for a direct flight to the US lasting 30 hours.
7. For a discussion of the question whether existing arms, including those activated by the B-2A, can successfully confront the level of defense of Iranian nuclear targets, see Whitney Raas and Austin Long, "Osirak Redux? Assessing Israeli Capabilities to Destroy Iranian Nuclear Facilities," SSP Working Paper, April 2006, http://web.mit.edu/ssp/Publications/working_papers/wp_06-1.pdf.
8. The only aircraft capable of carrying bombs of this type is the US Air Force's F-15E. However, activating this aircraft necessitates using bases in the Persian Gulf as well as escort planes. In addition, the F-15E is capable of carrying only two bombs of this type, as opposed to the eight carried by the B-2A.
9. "Massive Ordnance Penetrator – DTRA Fact Sheet," April 2007, http://www.dtra.mil/newsservices/fact_sheets/display.cfm?fs=mop.
10. In other words there is no need to wait to gather visual intelligence of targets after an attack in order to evaluate the strike; it is possible to make an evaluation based on the missile's transmission of a replay picture indicating whether or not it hit its designated target.
11. "Tomahawk Cruise Missile," *Raytheon*, 2006.
12. It is not known if the US has the ability to alter

the allocation of targets for a large number of missiles simultaneously and in real time.

13. CDR Robert Aronson, "SSGN: A 'Second Career' for the Boomer Force," http://www.navy.mil/navydata/cno/n87/usw/issue_6/ssgn.html.

14. Ibid.

15. "Guided Missile Submarines – SSGN," *United States Navy Fact File*, January 9, 2005.

16. An additional advantage for the combined activation of bombers and submarine-launched missiles is that the operation would be multi-branched, i.e., not the exclusive domain of a single branch of the US armed forces. Experience has shown that inter-branch conflicts have influence on operational planning and on decisions over which forces are to participate in operations.

17. In addition to Trident submarines it will be possible to execute follow-up attacks via cruise missiles positioned on ships permanently stationed in the Persian Gulf.

18. Aircraft carriers are important from two key aspects vis-à-vis long range attack operations, first, as a deterrent measure, where precisely due to their high profile they are likely to send a message to the enemy. Second, although most scenarios do not call for the participation of aerial forces positioned on the decks of aircraft carriers in attacking nuclear targets, these forces could assist in thwarting a portion of possible retaliatory attempts by the enemy (Iran), mainly directed against Persian Gulf countries.

19. For example, in March 2005 there was a test of a conventional warhead for a submarine-launched ballistic missile equipped with a terminal guidance system, making it accurate to less than ten meters.

20. Amy F. Woolf, "Conventional Warheads for Long-Range Ballistic Missiles: Background and Issues for Congress," *Congressional Research Service*, February 9, 2007, http://www.fas.org/sgp/crs/nuke/RL33067.pdf.

21. At the same time, almost all flight paths from the US to the Gulf necessitate approval for crossing Egyptian and Saudi airspace. Moreover, it can be assumed that in any case there would be a certain degree of pre-attack coordination, at least so that these countries could prepare for the eventuality of being attacked in retaliation for a US attack.

The Fissile Materials Cutoff Treaty: An Interim Report

Ephraim Asculai

In the spring of 2006, the United States delegation to the Conference on Disarmament (CD) in Geneva presented a draft text of a mandate for an ad hoc committee to negotiate a treaty, a "Ban on the Production of Fissile Material for Nuclear Weapons or Other Nuclear Explosive Devices."[1] With this proposed mandate, the US delegation presented a draft text proposal for the treaty. However, this is not a new topic for the CD, since the issue has been raised in the past. The following article presents a brief history of the Fissile Materials Cutoff Treaty (FMCT),[2] a discussion of the US draft texts, the position of the proponents and opponents of the treaty, including Israel, the situation in the spring of 2007, and some outlook for the future.

A Brief History

In July 1992, the Bush administration announced a global arms control initiative that also stipulated a ban on the production of fissile material.[3] The initiative specified the Middle East as one of the five areas where special efforts should be made to apply the ban. In December 1993 the UN General Assembly adopted a resolution calling for the negotiation of a "non-discriminatory, multilateral and internationally and effectively verifiable treaty banning the production of fissile material for nuclear weapons or other nuclear explosive devices." In March 1995, the CD adopted a report, often called the "Shannon Report" after the Canadian Ambassador Gerald Shannon who was appointed Special Coordinator by the CD,[4] whereby it agreed to establish an ad hoc committee to negotiate the proposed fissile materials production ban. The report avoided dealing at this early stage with the divisive issue of accounting for past production of fissile materials, or "stocks," by stating that all issues could be debated by the committee. However, the discussions were again stalled, for two main reasons: stocks and linkage with nuclear disarmament. Led by India, a number of non-aligned countries linked the commencement of FMCT negotiations to negotiations on a timetable for universal nuclear disarmament. The nuclear tests conducted by India and Pakistan in May 1998 had the effect of opening up new opportunities.[5] Under pressure to make concessions, India indicated that it would no longer insist on the linkage.

In August 1998 a new coordinator was elected, and the ad hoc committee conducted its first working sessions. However, these few sessions, serving more as a debating forum, were not fruitful, and no progress was made on the way to an agreed text or even a first

Members of the INSS research staff

draft. The following year the mandate was not renewed and no further formal discussions took place in the ad hoc committee on the topic of an FMCT. This was the situation until May 2006. The reasons for this were not only FMCT-related. Some CD members, notably China and Russia, linked an agreement to discuss an FMCT to the larger issue of the work of the CD, notably to an agreement on the Prevention of an Arms Race in Outer Space (PAROS). The US, on the other hand, opposed such a linkage.

Notwithstanding the formal history, many informal discussions and seminars took place, position papers were published, and proposals were put forward in the years since the Shannon Report was adopted.

The US Proposal

The US proposal for the mandate includes the following paragraphs:

> 1. The Conference decides to establish an Ad Hoc Committee on a "Ban on the Production of Fissile Material for Nuclear Weapons or Other Nuclear Explosive Devices."[6]

> 2. The Conference directs the Ad Hoc Committee to negotiate a nondiscriminatory and multilateral treaty banning the production of fissile material for nuclear weapons or other nuclear explosive devices.

These two paragraphs of the proposed mandate text already hold the first contentious items: the production of fissile materials is not totally banned; the verification requirement, part of the Shannon Report, is omitted; and the divisive issues such as existing stocks of fissile materials and nuclear disarmament that had been included in the Shannon Report are not included in the proposed mandate.

To be sure, the production of fissile material was not banned even in the Shannon Report. The reasons for this are easy to understand and carry a logic of their own: high enriched uranium (HEU) is used, for example, in marine propulsion reactors, and plutonium is used in advanced nuclear fuel for reactors, when remixed with uranium. Thus, it is the *use* of newly produced materials in nuclear explosives that is banned, not their production.

The omission of the verification requirement is more serious and contravenes the 1993 UN resolution. Verification is supported not only by the "purists" who insist that the application of all treaties, especially those relating to arms control, must be strictly verified because of bad experiences. A more realistic view is that verification should be included in those treaties that *can* be verified. The US apparently took the view that an FMCT is not verifiable and that verification can be circumvented, as was shown in the case of the NPT, notably (but not exclusively) when applied to Iran. It is possible that the US decided to have a more declarative treaty as a first stage, setting the scene for the application of verification at a later stage.

The related issue of stocks should also be taken seriously. The apparent leader of the campaign for the requirement of the inclusion of existing stocks of fissile materials in the treaty is Egypt. Egypt's traditional position is that all such materials, whether in Non-Nuclear Weapons States (NNWS) or in Nuclear Weapons States (NWS), should be accounted for and placed under verification.[7] This is seen as a first step on the road to universal nuclear disarmament. Egypt's position is supported by quite a few member states of the Non-Aligned Movement (NAM).

Egypt's proposal has one interesting im-

plication: it bypasses the NPT. If the stocks are included in the treaty and if the treaty is universally accepted, there would be little use for the NPT, other than some declarative values concerning universal nuclear disarmament, the right to peaceful uses of nuclear energy, and an interim right to hold nuclear weapons by the NWS. However, the inclusion of stocks does have another important implication: the possible inclusion of safeguards for those who join the treaty, even for those who are not parties to the NPT.

Verification

What would be the purpose of verification if it is included in a future FMCT? The Shannon Report calls for "an internationally and effectively verifiable treaty banning the production of fissile material for nuclear weapons or other nuclear explosive devices." In order to be effective, the verification has to: a) cover all known production facilities (e.g. enrichment and reprocessing plants) and their products; b) search effectively for any undeclared such facilities; and c) search for any undeclared materials including those produced in such facilities or acquired from other sources. In addition, d) it has to assure that no fissile material has been diverted from peaceful uses to nuclear explosives.

The first requirement is the simplest, albeit still a very complicated and costly task. However, if the Additional Protocol (AP) is applied, the probability of failure is limited, though not totally reduced to zero. The second requirement, the search for undeclared facilities, is much more difficult, and would arouse serious objections from the inspected parties if it became more intrusive than acceptable. The search for fissile materials, the third requirement, is an almost impossible task, since these are easily hidden and

notoriously difficult to uncover. The fourth task cannot be carried out unless stocks are included in the initial declaration and later monitored and accounted for.

If a verification regime for those who become parties to the treaty is mandated, it would probably resemble the present IAEA inspection regime, the AP included. There are tasks that the present regime cannot undertake and some that probably cannot be fulfilled. In addition, the international community would expect the verification mechanism to provide assurances as to the integrity of the states, attesting to the fact that these have done no wrong. This cannot be done. There is no way that any verification can provide assurances about the absence of concealed activities or materials in a given state. Any such assurances (such as are implied in the text of the AP, and in several statements and reports of the present IAEA director general) would be misleading, and their consequences fraught with danger. Therefore, an ineffective verification mechanism could be even worse than a treaty without verification, since a false sense of security can be worse than a situation whereby states are committed to a treaty, without verification, where suspicion would exist.

Although the exact reasons for the US decision on the specific route may not be very clear, the idea of having a treaty without verification is probably the soundest possible one.

In Lieu of Verification

Article III of the US proposed text of the Draft Treaty includes:

2. No Party shall be precluded from using information obtained by national means and methods in a manner consistent with generally recognized principles

Israel never hid its disdain for an FMCT. Joining such a treaty would seriously harm its policy of opacity, which is one of the basic premises of its national security strategy.

of international law, including that of respect for the sovereignty of States.[8]

3. Any questions that arise regarding the implementation by a Party of the provisions of this Treaty shall be addressed through consultations between that Party and the Party or Parties seeking clarification.

4. In addition, any Party may bring to the attention of the Parties to this Treaty concerns regarding compliance with the provisions of this Treaty by another Party or Parties and may request the depositary to convene the Parties to this Treaty to consider the matter.

5. If…any Party believes that questions have arisen that are within the competence of the Security Council of the United Nations…, that Party may request consideration of such questions by the Security Council. The requesting Party should provide evidence related to the matter.

In these few sections, the US proposes to replace any international verification mechanism with a loosely defined set of rights for individual states to use any information they legally collect to try and resolve their grievances, namely if they suspect a state of acting contrary to its treaty obligations. In part this resembles how the cases of North Korea and Iran were brought to the attention of the world and later dealt with. In these cases, this method was an effective starting point, but the overall outcome was not.

Another interesting feature of the US proposal is that the treaty would come into force following its ratification by the five NWS. This opens some interesting speculations: is this a means of bypassing the CD and agreeing on a treaty only among the NWS? Is this a confidence-building measure designed to

lower the pressure on the demand for nuclear disarmament? Can the other states be persuaded to join this treaty while negotiating the open issues, including stocks and verification, at a later stage? The US rationale for this is based on past experience with the NPT, where only three ratifications were needed for its entry into force, and the Comprehensive Test Ban Treaty (CTBT) where forty-four ratifications are needed (and where no entry into force is in sight).[9] It is better to employ the NPT model and expect the others to join in when they are convinced of the benefits of the treaty. Meanwhile the treaty implementation would already be underway.

A further question is why the US put forward its proposal at this time. Out of the many possible motivations, two stand out clearly: the US wanted to present an appearance of recovering from its inability to ratify the CTBT and proceeding with a nuclear non-proliferation/disarmament agenda, and it needs such a move in order to justify, at least partially, its willingness to conclude a nuclear cooperation agreement with India by securing its agreement to this treaty. In addition, an FMCT without verification will not affect the US in any significant way, since it has effectively terminated its production of fissile materials for nuclear explosives, and will not be harassed by a verification mechanism when the treaty comes into force.

The International Reaction to the US Proposal

A general debate concerning the FMCT was launched at the CD in May 2006, when the US presented its proposals. During this debate several (but not all) members of the CD presented their country's position on the major issues.[10] Not all relevant issues were addressed by all speakers, but none

of the speakers opposed the idea of having an FMCT. It is worthwhile to note the reactions of some of those who would be most affected by the FMCT – the NWS, India, and Pakistan.[11]

• China: "FMT negotiations in the CD should be based on the mandate contained in the Shannon Report…We are of the view that future FMCT negotiations should not involve the issue of stockpile."

• India: "India continues to believe that any treaty banning the production of fissile material must be non-discriminatory: it must stipulate the same obligations and responsibilities for all States…We believe that an FMCT should incorporate a verification mechanism in order to provide the assurance that all States party to it are complying with their obligations under the Treaty."

• Pakistan: "We believe that a verifiable treaty on fissile materials is an essential condition for the effective cessation of a nuclear arms race. A credible verification regime will be necessary to guarantee successful implementation."

• Russia: "The scope of the treaty will not cover existing stocks of fissile materials, since otherwise it would entail establishing a cumbersome verification mechanism, and, accordingly, unacceptably high costs of its maintenance."

These statements indicated that there was as yet no agreement on the terms of reference for an FMCT, necessary for the mandate of an ad hoc committee and for the start of a debate on the text of a future treaty. The specific stumbling blocks for such an agreement will be the issues of stockpiles and verification. Moreover, the broader linkage to the work program of the CD (e.g., PAROS) is an outstanding issue that hinders any progress on specific issues.

The subject of the FMCT was raised again at the winter 2007 session of the CD meetings, but nothing more than hearing statements by the members of the CD was achieved during the major part of this session. However, towards the end of the winter session, a draft resolution concerning the appointment of four coordinators was tabled. This proposal included the appointment of a coordinator "to preside over negotiations on a non-discriminatory and multilateral treaty banning the production of fissile material for nuclear weapons or other nuclear explosive devices."[12] It could be another way of bypassing the necessity of approving a (contentious) mandate, but this has yet to be seen. During the ensuing discussion many CD members supported the proposal, but stated that they had to refer the matter to their capitals. Thus, the winter 2007 session ended without a decision being taken on the proposal. In any case, it will be an uphill road for any FMCT text to be agreed on.

Israel and the FMCT

Israel never hid its disdain for an FMCT, especially under the Shannon Report. Joining such a treaty would seriously harm its policy of opacity, which is one of the basic premises of its national security strategy. This would especially be true if the treaty included verification provisions. Israel is not a member of the NPT, and as such, is not under a comprehensive safeguards regime. There is no external accounting of its activities, its inventories of materials, or its facilities, and not only in the nuclear field.[13] Israel, not free of threats, guards its privacy jealously.

In the past there have been a few official public statements concerning the FMCT as well as some media reports about Israel's position. In 1998, following the establishment

One cannot be very optimistic about the effect of an FMCT on the non-proliferation issue.

of the ad hoc committee on the FMCT, then-prime minister Binyamin Netanyahu said in a press release that Israel still has "fundamental problems" with an FMCT and that Israeli support for the ad hoc committee "does not indicate we are taking a position on the treaty and its contents."[14] Furthermore, it was reported that in two letters and several conversations in 1999, Netanyahu told US president Clinton, "We will never sign the treaty, so do not delude yourselves, no pressure will help. We will not sign the treaty because we will not commit suicide."[15] During a 2006 debate at the UN, an Israeli representative made what is perhaps the most elaborate statement on the subject:[16]

> Israel cannot view an FMCT devoid from regional and global realities. Israel views the FMCT in both regional and global contexts, and its policy is governed by these two considerations:
>
> 1. In the regional context of the Middle East, issues related to nuclear disarmament can be dealt with only after achieving lasting relations of peace and reconciliation, and within the context of the overall regional security and stability…
>
> 2. In the global context, recent developments highlight the fact that, non-compliance of states with their international obligations, as well as the misuse and unchecked dissemination of nuclear fuel cycle capabilities, have become among the most pressing challenges in the nuclear non-proliferation field. The FMCT does not address these challenges and in fact can further complicate them.

Israel also stresses that an FMCT, especially now, will be counterproductive to non-proliferation efforts because it will give states like Iran the ultimate legitimacy to produce fissile material, ostensibly for civilian purposes, since the treaty would only ban fissile material production for weapons purposes. In conclusion, it is doubtful that Israel would join it, even in its diluted US version.

A Look to the Future

The future of the US proposals at the CD will largely depend on behind the scenes negotiations. These proposals will probably reemerge at the CD if and when enough support is gained for the proposal to appoint a coordinator for this subject matter, so that no opposition is presented at the plenary and an ad hoc committee can begin its work, even of no mandate is formally approved.

It is uncertain if the CD can, at this time, make much progress towards achieving an agreed text of an FMCT. If the US is genuinely serious about such a treaty, it could bypass the CD and agree with the other NWS on a text and bring the treaty into force in a relatively short time. It would then try and get other states to join in. This would, however, cause great, perhaps irreparable, damage to the CD in particular and to the UN nonproliferation mechanism in general. The US attitude towards these international organizations does not exclude this possibility. A detour around the international organizations could perhaps achieve the desired treaty with the US text and have the NWS ratify it. These states would even persuade others to join in. However, it would not easily achieve the status of a norm in international law, a status that is perhaps the ultimate desire of the parties to the treaty.

One cannot be very optimistic about the effect of an FMCT on the non-proliferation issue. The NWS are not the issue today. Even the three non-NPT members are not the issue. The main issues are the nuclear proliferation by rogue states, with Iran being the lead ex-

ample in 2007, and the assistance, by Pakistan and others that are commercially motivated, to proliferators. The FMCT will not have any effect on these issues. Indeed, the non-proliferation regime received a considerable boost when an agreement was achieved with North Korea in February 2007, which goes even further than the proposal for discontinuing the production of fissile materials. This was not done within the proposed framework of the FMCT, and its verification will not follow the proposed methodology. The fact that such an agreement could be achieved is a clear demonstration that the proposed treaty is not an essential step in preventing proliferation of nuclear weapons. Thus, the CD and the other international organizations, including the Security Council, would do well to address effectively the more pressing issues, and not be sidetracked into keeping up appearances of moving ahead.

Notes

1. Member of the INSS research staff, http://geneva.usmission.gov/Press2006/0518DraftFMCT.html.
2. Of the many acronyms that have been proposed over the years, FMCT is the most popular, and the one used here.
3. Taken from Shai Feldman, "Israel and the Cut-Off Treaty," *Strategic Assessment* 1, no 4 (1999): 6-9.
4. Briefly, the way the 65-member CD works is this: the full Conference agrees, by consensus, on a mandate for an ad hoc committee (composed of all CD members) on a specific topic, places it on its agenda and selects a person (one of the heads of the national delegations to the CD) to become the "Special Coordinator" to chair the committee. Unless the CD decides otherwise, the mandate has to be reaffirmed each year and placed on the agenda. Otherwise, the issue will not be debated at the CD that year. As a rule, all CD decisions are taken by consensus, i.e., with no votes against. Israel is a member of the CD.
5. This is not surprising if one recalls that the NPT, the Additional Protocol, and other non-proliferation efforts also followed proliferation crisis events.
6. The term "fissile materials" is defined in the same way in all proposals for the treaty. Without going into technical details, the term means mainly mean high enriched uranium (HEU) and plutonium (Pu) that can be used in nuclear weapons.
7. The five NWS are defined in the NPT: China, France, Russia (replacing the USSR), the UK, and the US.
8. The "legal" information could include satellite photography, open source information, and so on. It would, however, exclude, e.g., human intelligence and similarly obtained information.
9. http://geneva.usmission.gov/Press2006/0518RademakerPress.html.
10. This section is mostly based on: http://www.reachingcriticalwill.org/political/cd/positions_matrix.html.
11. Israel did not take part in this debate.
12. As reported on the UN Office in Geneva website, http://www.unog.ch/.
13. As an example, Israel signed but did not ratify the Chemical Weapons Convention (CWC), thus undertaking not to produce chemical weapons, but not placing its facilities under international inspections.
14. As reported in: http://cns.miis.edu/research/wmdme/israelnc.htm.
15. There are several version of this message. This version was reported in: http://www.armscontrol.org/act/2003_12/MillerandScheinman.asp.
16. http://www.israel-un.org/gen_assembly/60UNGA/itzchaki19apr2006.htm.

From Gaza to Lebanon and Back

Gabriel Siboni

In the summer of 2006, the IDF was impelled to respond to two significant challenges with major military operations. The kidnapping of Gilad Shalit led to a wide scale operation in the Gaza Strip. The kidnapping of Ehud Goldwasser and Eldad Regev two and a half weeks later on the northern border led to the IDF embarking on what is now known as the Second Lebanon War. Nearly one year after the two events it is worthwhile examining the processes underway in the IDF and the public and civilian systems that bear on all aspects of IDF performance.

The Second Lebanon War is commonly perceived by the public as a war in which the IDF failed to achieve the strategic goals set for it. According to the generally held view, Israel's position after the war was inferior to its position at the onset of the war. The outpourings of words splashed across the newspapers contend that the war in Lebanon was disastrous for Israel and defy any other interpretation (let alone a more balanced one) of Israel's overall strategic situation. At the same time, the IDF's performance in the Gaza Strip has been relegated to the margins of public debate, which in turn allows continued evasion of the subject of the IDF's ability to achieve the strategic objectives that were defined before it embarked on the operation in the south.

The supreme job of any military is to achieve the grand strategic objectives[1] as defined by the political leadership, even if in many cases the military is an important partner in defining these objectives. Once defined, these objectives become the goals of the political leadership. The IDF's military operations in the north and the south were conducted subject to the definition of the military strategic purpose adapted for each sector. The aim of this essay is to survey to what extent the IDF's strategic objectives were achieved in each campaign, and to examine if and how much the IDF's success in these confrontations was internalized by the Israeli public. Essential here is a professional military analysis relating to the strategic objectives defined by the military compared with the actual achievements.

Prior to the military operation in the Gaza Strip the chief of staff defined the military strategic purpose for the IDF, from which the forces' tasks and operational methods were derived. The strategic purpose defined at the time[2] addressed two main components: (a) the need to generate conditions for the return of Gilad Shalit in a manner that will deter the terror organizations from carrying out similar kidnappings in the future; (b) the creation of a different military reality in the northern and western Negev by stopping high trajectory fire. Creating conditions for the return of the kidnapped soldier is an objective that cannot be measured, and therefore it is dif-

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ficult to judge whether it has actually been achieved. On the other hand, generating a new security reality in the northern and western Negev is a strategic purpose that can be examined and assessed. About one year after the IDF embarked on the campaign in the south, the firing of Qassam rockets continues with varying intensity, Hamas continues to build up its operational strength, and arms smuggling continues on an unprecedented scale, almost without interference. Thus, not only has the security reality in the south not improved; it has actually deteriorated, while at the same time the Palestinians' operational strength and potential in the Gaza Strip has significantly increased. The IDF failed to achieve the principal strategic objectives set for it in this campaign.

The military strategic objectives defined for the IDF when it embarked on the Second Lebanon War comprised a number of elements,[3] some measurable and others whose success, if at all achieved, was essentially difficult to gauge.[4] Consider the following elements: stopping terror activities against Israel that emanate from the sovereign territory of Lebanon; implementing Lebanon's responsibility and its control of the south of the country; and inflicting substantial damage on Hizbollah and exerting pressure for the return of the hostages. Examination of the IDF's performance in this war should be carried out on two levels: the first level relates to performance vis-à-vis the degree to which the strategic objectives that the IDF set out to achieve in the war were in fact achieved; the second level relates to the IDF's operational performance in the war. These are two separate levels of examination.

Balanced examination of the strategic achievements requires breaking down the strategic purpose into secondary compo-

nents and examining to what extent each component was achieved, as follows:

- ***Stopping terror activities against Israel from Lebanon's sovereign territory*** – in practice, the last few months have been the quietest period on the northern border since Operation Peace for the Galilee in June 1982. Terror from Lebanese territory, which included kidnap attempts, high trajectory fire, and a direct threat to the lives of the civilians along the border have lessened considerably.

- ***Implementing Lebanon's responsibility and its control in the south of the country*** – the security situation in southern Lebanon has changed radically; the deployment and activity of the South Lebanon Army and the activities of UN forces have pushed Hizbollah northward, and the organization's freedom of activity in the south has decreased significantly.

- ***Inflicting substantial damage on Hizbollah*** – the extent of damage inflicted on the organization should be assessed by a set of indices, for example, the price that Hizbollah is willing to pay in order to restore the previous situation as a prism for examining the degree of damage the organization sustained. This is in context of the organization's standing in Beirut, specifically, the current status of "rejection" compared with its previous standing as king of the south. The organization sustained an unprecedented blow after it suffered about 1,500 casualties, including about 500 deaths. A considerable number of

GOC Southern Command Maj. Gen. Yoav Galant with Prime Minister Olmert

villages were abandoned or destroyed, its long range rocket facility was almost totally destroyed, and its logistical rear in Baalbek was hit. All these indicate a very heavy toll on the organization.

• *Exerting pressure to return the hostages* – assessment of the achievement of this objective is nearly impossible (see note 4) so that it is impossible to examine the degree of its realization clearly.

In order to achieve the strategic purpose the IDF endeavored to inflict damage on four Hizbollah centers: the Nasser area in south Lebanon, the security area in Beirut, the long range rockets array, and the logistical rear in Baalbek. Three of these efforts contributed successfully to helping the IDF achieve the defined strategic goals. The IDF's integrated effort in the Nasser area of south Lebanon was only partly successful, and the IDF failed to reduce the rocket fire on the country's home front and to end the war sooner.[5]

Following the war in Lebanon a government commission of inquiry was appointed and dozens of briefing teams were established to examine the IDF's performance in the war. In contrast, the IDF and the Israeli public desisted from probing the IDF's performance in Gaza and its inability to achieve even part of the strategic goals that were set for it. This fact raises questions about the various norms for evaluating the IDF in Lebanon and the Gaza Strip. Did Hizbollah's large scale rocket fire, compared with the firing from the Gaza Strip, impact on the public's view of the military's performance and its position on the war? Was the severity of the damage inflicted on the home front the index that determined the public's view of the war? Diverting public debate to the failures and the negative aspects of the war, while almost completely ignoring its achievements, has generated a distorted perspective. One analogy is a soccer team that wins 4-3 yet leaves its ardent fans offended and angry over the goals the team conceded, who then storm out "to burn down the club," forgetting entirely about the victory.

The decision to embark on a military operation in the Gaza Strip after the kidnapping was justified and essential, but the IDF did not manage to achieve any of the strategic objectives that it set for itself. On the other hand, those who claim that the war in Lebanon was unnecessary should be asked what were Israel's strategic alternatives in July 2006. The confrontation with Hizbollah was lying in wait at Israel's door, and its premature outbreak led to its evolving in a situation of strategic unreadiness on the Iran-Syria-Hizbollah axis. One can only wonder how this confrontation might have developed had Iran had a nuclear capacity. The public exposure of the strategic axis is an important political achievement that has contributed greatly to Israel's national security.

Focusing the public debate on the failure in the Second Lebanon War and ignoring its achievements entirely may influence the

IDF's ability to learn from experience and draw the proper conclusions. Furthermore, directing the spotlight to the war in Lebanon, using strategic language that ignores the complexities of war on terror, and not conducting a critical analysis of the performance of the security systems in the Gaza Strip, does not contribute to the desired improvement and reinforces the lack of strategic success in the south.

Notes

1. In the interests of creating a common language, the following is a summary of strategic philosophy. **Grand strategy** is a tool used by the government to set long term national security goals (even if in general the government does not make use of this tool). Often, the government makes do with issuing the IDF what are called war objectives or political directives. The military has a **military strategy** that defines the long term goals that it wishes to achieve from the fighting. In IDF terminology (which is currently under review), these goals are called the **strategic purpose**. This military strategy is one factor among the country's national security goals that the government has to define in its grand strategy. In practice, the military defines its strategic purpose based on the government's political directive (when there is one). Overall, the content of the directives is influenced by the interchange between the military and the government relating to the constraints on or recommendations of the military with regard to its ability to implement the directives.

2. Shlomo Brom, "Operation 'Summer Rains' – Aims, Methods, and Possible Outcomes," *Tel Aviv Notes* no. 175, July 5, 2006.

3. Ze'ev Sciff, "Let's Be Realistic," *Haaretz*, October 21, 2006.

4. One clear example is that part of the strategic purpose relating to enhancing Israeli deterrence in the field. This is a strategic aim whose total or partial achievement is difficult to estimate. Another example of such an objective is the creation of conditions for returning the hostages that, in different versions, appeared as a strategic purpose both for the campaign in Gaza and the war in Lebanon. In general, the military leadership should set strategic objectives that are quantifiable and achievable, and that can be examined in a balanced manner.

5. Reducing the Katyusha fire was defined as an objective only later in the combat; limiting the war's duration is part of Israel's security concept and does not need to be designated specifically as a war objective.

International Social Welfare?
Socioeconomic Aspects of the Economic Crisis in the Palestinian Authority

Amir Kulick

Responsibility for the economic difficulties of the Palestinian Author-
ity (PA) is often assigned to Israel. The ongoing embargo on the Gaza
Strip, the disruption of traffic through the border crossings, the obsta-
cles that confront Palestinians working in Israel, and Israel's failure to
transfer what it collects for the Palestinian Authority to the PA are the
main proof cited by various elements.[1] However, a report released by
the World Bank in February 2007 presents a more complex picture. It
sheds light on the PA's financial and administrative situation, and of-
fers important insights about its socioeconomic reality.[2]

The PA's Financial Situation

Nearly a year and a half after the elections
to the Palestinian Legislative Council and
Hamas' rise to power, it is clear that the Pal-
estinian Authority is in the middle of a severe
economic crisis that may threaten its very ex-
istence. The policy of Israel and the United
States is the immediate cause of this situation.
The halt in the transfer of funds from Israel,
the American threat of legal action against
economic institutions that transfer funds to
the Palestinian government, and the cessa-
tion of foreign aid to the Palestinian budget
have all contributed to a sharp decline of
its income ($17 million in March 2006, com-
pared with $104 million the previous March).
Nonetheless, the World Bank notes that there
are more fundamental reasons for the PA's se-
rious economic predicament. Most of all, the
difficult situation should be attributed to an
inferior budget policy. Overall, between 2003

and 2005 the Palestinian economy gradually
recovered from the damage sustained in the
first years of the intifada. The government's
revenue increased considerably due to sever-
al factors, among them the transfer of tax lev-
ies from Israel, sizable profits attained by the
Palestinian Investment Fund, and improved
local collection of funds. At the same time,
the PA's deficit increased appreciably during
this period.

In the early stages of the Oslo period the
Palestinian government's expenses grew
rapidly, yet they generally kept pace with
the rise in revenue. During the intifada a gap
began to widen between the government's
revenue and expenses so that already at the
end of 2005 (a few months before the Hamas
government was sworn in), the PA's eco-
nomic situation was non-viable. That year
the government's deficit peaked at $60 mil-
lion a month (about 60 percent of the PA's

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monthly income), and the PA's cumulative budget deficit reached $3.7 billion, despite the enormous sums that were transferred to the PA by international parties and donor countries (which totaled some $2.01 billion between 2000 and 2005). When foreign assistance to the government budget ended in March 2006 once the Hamas government was sworn in, the PA's financial position deteriorated further. Meanwhile, the donor countries significantly increased their contributions by means of non-governmental channels. The International Monetary Fund (IMF) estimated that a total of about $700 million was provided as budget support in 2006, compared with $349 million in 2005. Amounts defined as emergency/humanitarian aid also increased in 2006. On the other hand, donations earmarked for development projects declined.

The main part of the PA's financial obligations comprises debts to local banks, various Israeli companies, goods suppliers, the Palestinian Oil Corporation, and above all, the PA employees pension fund. The total debt is estimated by the World Bank at about $7.3 billion. Needless to say, this debt is among the highest in the world.

The Public Sector: Mortgaging the Present at the Future's Expense

Most of the burden on the PA budget has resulted from the expansion of the public sector and the high salary level in that sector. The proportion of public sector workers is among the highest in the region – 4 public servants per 100 inhabitants. In the first years of the PA the Palestinian government assumed new areas of responsibility, and the growth of the sector (an average of 12 percent per annum between 1995 and 2000) could be justified. However, this increase accelerated

during the intifada when the PA began to use the public sector as a means of mitigating the rapid rise in unemployment. Between 1999 and 2004 the number of public service employees grew by 30 percent to about 31,000.

In addition to the increased number of employees, the PA paid its employees high salaries and this exacerbated the deterioration of the economic situation. Between 2004 and 2005 public sector salaries rose 21 percent and security personnel salaries by 28 percent. In December 2005, two thirds of the PA's expenses (about $93 million) were earmarked for salary payments, and there are estimates that today this sum is even higher. Throughout 2005, the salaries paid by the PA to its employees each month averaged around 55 percent of government costs and 23 percent of the GNP, which is the highest level in the region. (By way of comparison, next in line is Kuwait, where public sector salaries account for around 16 percent of the GNP, although similar to other Gulf states, government sector salaries are a means of distributing oil revenues.)

In contrast to the public sector salaries, salaries in the private sector froze (in nominal terms) as of 1999. Today, government service employees earn on average 15 percent more than their counterparts in the private sector. Paradoxically, salaries in the lower levels of the public sector are higher than the parallel levels in the private sector. In contrast, senior personnel in the public sector earn less than those with similar jobs in the private sector, which discourages individuals with advanced technical or management skills to enter the public sector. This is exactly the opposite of the situation that should exist for the public sector to compete with the private sector for workers with superior skills. In this economic reality, the World Bank states that

the current financial system in the Palestinian Authority is simply not sustainable.

The situation is even more serious when we consider the PA's (in)ability to make timely salary payments based on independent sources of funding available to it (e.g., income from taxation, revenue from taxes collected by Israel, and revenue from the Palestinian Investment Fund). Analysis indicates that as far back as 2005 the amounts allocated for salaries for PA personnel were the equivalent of 92 percent of its independent revenue. In 2006 this roughly stood at 100 percent. Due to the intensive rise in salaries of public sector employees, even if Israel renews transfer of tax monies, the PA will not be able to function in any way beyond paying salaries. Clearly this situation endangers the PA's ability to provide public services, makes it dependent on outside aid, and renders it particularly vulnerable to fluctuations in the amounts of financial assistance it receives from outside.

The return that the PA receives on these enormous sums is of dubious quality. In the Palestinian education system, for instance, the number of maintenance personnel in relation to the number of students is double that in the UNWRA education system; general administrative costs of the local authorities grew from 14 to 22 percent. The inefficiency and waste are particularly severe in the security sector. In 2005 the Ministry of the Interior noted there were 14,000 "insubordinate" security personnel out of a total of 60,000 employees – 24 percent of all the sector personnel. According to different estimates, 40-50 percent of personnel in this sector did not attend work on a regular basis even before salaries were stopped in March 2006. At the same time, a significant number of employees are classified as not perform-

ing a job of any significance in the security authority's routine activities. For example, 2,800 personnel are defined as "honorary officers." Moreover, it is hard to say that the heavy investment in the Palestinian security apparatuses enhances the security situation of the PA's citizens.

Behind the Public Sector Expansion

The rise in the number of employees in the public sector stems from a combination of economic and political factors, as well as the lack of budgetary discipline. On the economic level, the difficulties experienced by the private sector with the outbreak of the intifada, the drop in the number of Palestinians employed in Israel (from 23 percent of the work force prior to the intifada to 10 percent during the intifada), the high birth rate – 3.5 percent a year – which leads to 45,000 additions to the work force each year, and the increase in the number of unemployed, have generated heavy pressure on the public sector to absorb at least some of the surplus work force.

In addition to economic pressure, the Palestinian government endeavored to tackle security anarchy in the PA by increasing the number of recruits. With that in mind, the PA – particularly in the Gaza Strip – preferred to enlist members of local militias in the military and police as a way of strengthening its control over them. The creation of "an executive force" by the Hamas government led to an increase of thousands of new recruits to the security mechanisms.

At the same time, part of the increase in the number of public sector employees was generated by considerations of patronage. Various indications point to the fact that senior Palestinian officials exploited the public services to reward their supporters, as a

means of integrating and mollifying their political rivals, and as a way of building up a solid support base. This situation is no secret to the general public. A survey conducted in June 2005 indicated that 95 percent of the population believe that "wasta" – connections – are an essential means of finding employment in the public sector.

Ultimately, at least part of the responsibility for expanding the number of employees in the public sector lies with the donor countries. Despite their concerns over the way the PA was being administered and its non-compliance with the various reform programs, they continued transferring funds, both for the Palestinian government's budget and for various projects. Moreover, the tendency of the donor countries to operate bilaterally with different government ministers hampered the attempts to impose budgetary discipline and generated inefficient financial conduct in these ministries. At the same time, the willingness of the donor countries to finance development projects and allocate large sums of money for other expenses (that are not salaries) allowed the PA to channel its resources toward exorbitant salaries for its employees, far beyond its independent financial means.

Implications

This analysis of the PA's economic situation is undoubtedly not the whole story. While the budget of the Palestinian government shrank significantly since the establishment of the Hamas government, economic activity continues in the Palestinian market. Although the contribution of the public services sector to the GNP dropped by about 5 percent in 2006,[3] illegal smuggling of funds by Hamas government ministers, transfers of Palestinian workers' funds from abroad,

and in particular massive international aid for the Palestinian population have largely made it possible to overcome this discrepancy. Thus, the real levels of consumption and imports in the Palestinian market declined only slightly in 2006.[4] In other words, the government does not pay its employees' salaries but an extensive humanitarian crisis is not in the offing.

There are numerous short term and long term political, social, and economic implications that emerge from this state of affairs. These implications relate to the domestic Palestinian arena, Israeli-Palestinian relations, and the policies of the international entities towards the Palestinians and their activities. Most of these implications lie beyond the scope of this article, and therefore focus here will be on a limited number of issues. Most prominent is the fact that the massive foreign aid to the PA in practice enabled the establishment of a quasi-state entirely dependent on the graces of the international community. The large budgets that flowed into the PA allowed it to channel its resources to expansion of the public sector in disproportion to its real needs. This generated a sort of artificial economic surge for many of its citizens. The onus of investing in a physical and human resources infrastructure – the basis for future economic development – was placed on the international community. The real implication of this situation became clearer with the cessation of foreign aid to the PA budget, after Hamas rose to power. Since March 2006 the donor countries have almost completely frozen their investments in various development projects in the occupied territories. Instead, they have begun to finance various food projects and other humanitarian programs. Thus, the PA's future economic development has in fact stalled,

and a wide stratum of people living on welfare is emerging.

Meanwhile, the public sector expanded while the private sector froze. The salary gap in favor of the government sector, the curfew and restrictions on freedom of movement, and the institutional corruption in the PA (the various monopolies, involvement of senior politicians in different business activities, and illegal taxation at the border crossing into the Gaza Strip are some of the noteworthy examples) all combined to inflict a serious blow on the private sector. The long term implications of this situation are quite serious, as this sector is the growth engine of any modern economy. The fact that the private sector is unable to create a sufficient number of new jobs is particularly worrisome, especially when 45,000 people seek to join the work force every year. Moreover, many university graduates are finding it hard to locate employment in the private sector. Therefore, there are long term ramifications for the PA's economic future, and the available human capital in particular.

On the security level, the large budgets allowed the PA to expand the security establishment considerably, which currently numbers around 70,000 personnel. In the last few years this establishment has become a double-edged sword for the Palestinian government. In the absence of a suitable infrastructure (an efficient officer stratum, organized training, and strict selection mechanisms) the absorption of new personnel – including many "rebel" elements in the security system – brought the street level disorder into the actual security apparatuses. Thus, these mechanisms turned from a national asset into an economic burden. Moreover, increasing the number of recruits did not bring about an improvement in the internal security situation inside the PA or tighter control of the various terror elements, but instead created a political and social problem. This is reflected, inter alia, in the conflicts between the various mechanisms and between personnel who belong to rival factions and the government's inability to gain exclusive control of the use of force in the occupied territories. Briefly, the situation may be described as social-security anarchy. The decline in the public's faith in the government and its institutions given this state of affairs may in the medium or long term be disastrous for the PA and its ability to control its citizens.

On the social-national level, the gap between the Gaza and the West Bank populations is widening. Without other means of making a living, the public sector is the main source of income for thousands of Gazan families. This is reflected in the high level of unemployment – around 36 percent. On the other hand, in the West Bank there are alternative sources of income, and the unemployment level there rose relatively moderately in the first nine months of 2006. There are numerous differences between the two areas: political, cultural, economic, and others. The current economic situation only serves to intensify these gaps and may have a detrimental effect on the future processes of consolidating a sustainable Palestinian state.

In an effort to improve this inauspicious situation, World Bank experts have recommended a range of reforms and different economic measures. However, two of the main players responsible for the PA's severe budgetary situation are Abu Mazen and the current finance minister, Salaam Fayyad. The latter was also Palestinian finance minister between 2002 and 2005. Under his aegis the PA achieved many gains in the economic realm, particularly with regard to transparen-

cy and orderly financial conduct. At the same time, he and Abu Mazen led an aggressive elections economy in 2005, when the salaries of public sector workers were appreciably raised and which brought the PA's deficit to an unprecedented level. This step and others taken by them significantly worsened the PA economic situation and bequeathed the new government with a non-viable inheritance.

Complementing the personal abilities of Salaam Fayyad and Abu Mazen are a number of important factors, including the meager government budget in the wake of the freeze on foreign economic aid to the PA and the performance of the Palestinian unity government. In the PA's current financial position, considerable economic reforms should include a drastic cut in the public sector, including the dismissal of some and early retirement for others, a reduction in the security mechanism, and internal reforms implemented by the government ministries. Nonetheless, more than the extensive resources required to implement these is the need for an internal government consensus that enjoys close cooperation between all the government ministries. In the present political situation in the PA it is thus doubtful whether such drastic measures can be implemented.

However, the continuation of the prevailing situation will render the Palestinian Authority's institutions useless. The fact that many services are provided to the public without the government channels, the PA's inability to enforce law and order and to ensure the individual security of its citizens, and its inability to ensure that its citizens have a source of income (even if only by virtue of being the largest employer) accelerates the process of the Palestinian Authority's disintegration as a governing body, if not officially, at least in practice.

Notes

1. See, for example, a report issued by the International Monetary Fund and the World Bank in May 2007 on the restrictions of movement imposed in the occupied territories: "Movement and Access Restrictions in the West Bank: Uncertainty and Inefficiency in the Palestinian Economy."

2. All the data in this article is taken from the World Bank report *West Bank and Gaza Public Expenditure, Review: From Crisis to Greater Fiscal Independence*, Vol. 1, February 2007. Interpretation of this data is in part by the authors of the report and in part by the author of this article.

3. According to figures of the Palestinian Central Bureau of Statistics, this sector contributed 19.9 percent to the GNP in the first quarter of 2006, compared with 14.3 percent in the fourth quarter of that year. See http://www.pcbs. gov.ps/Portals/_pcbs/NationalAccounts/ Table%202%20WEB%20E.htm.

4. See the World Bank report on PA economic performance in 2006: http://siteresources. worldbank.org/INTWESTBANKGAZA/Re- sources/WBGEconomicDevelopments2006. pdf.

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