Strategic
ASSESSMENT

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

Strategic Assessment is a quarterly publication comprising policy-oriented articles written by INSS researchers and guest contributors. The views presented here are those of the authors alone.

Abstracts

Defining the Enemy in an Asymmetrical Confrontation: The Case of the Second Lebanon War / Zaki Shalom

Particular dilemmas arise when a terrorist organization acts from within a sovereign state against another state. In such a case, the state under attack by the terrorist organization faces the fundamental question of who is the enemy, i.e., against whom it should direct its punitive and retaliatory actions. This article attempts to examine the dilemmas that arose in Israel in the process of defining the enemy in the Second Lebanon War. It focuses on two central issues: the discussions on defining the enemy on the eve of the war; and why this issue was not settled before the war broke out.

Economic Peace: Theory versus Reality / Nizan Feldman

The consistent declarations by Prime Minister Netanyahu about the potential impetus that "economic peace" can give to negotiations over a permanent settlement between Israel and the Palestinian Authority are informed by studies of commercial liberalism. This article contends that formal models and empirical data notwithstanding, it is still difficult to argue persuasively that increased economic cooperation between Israel and the PA and the creation of conditions conducive to economic growth on the West Bank can pave the road to political peace.

Israel's Arms Sales to India / Yiftah S. Shapir

Reports in the media over recent months have claimed that Israel has become India's principal arms supplier, with sales surpassing those of major arms suppliers such as Russia and France. The reported transactions included a range of weapons, from deals on Phalcon airborne early warning planes to spy satellites to air defense systems. This article offers a brief review of recent developments in the field, and attempts to assess the nature of the security relations between Israel and India, the challenges inherent in these relations, and the prospective future of this relationship.

Fewer Gestures, More Substance: Possible Developments along the Israeli-Palestinian Track / Shlomo Brom

Spokespeople from the Obama administration have frequently referred to an ambitious program to resolve the Arab-Israeli conflict, yet there is still no meaningful movement along any track. This essay examines the reasons for the current stasis on the Israeli-Palestinian channel and suggests ways to overcome it. The most auspicious idea envisions a gradual process composed of several components unfolding over time and in tandem. The gradual nature, the ability to make corrections at any stage, and the fact that the initial stages do not demand major concessions from either side or an exclusive focus on the permanent settlement lend this process major advantages.

The Sixth Fatah Convention: Formal Changes Only / Anat Kurz

The results of the elections to Fatah institutions held during the movement's sixth convention in August in Bethlehem institutionalized the redistribution of power underway among its ranks over the last two decades. The strategy and political platform agreed upon by the participants were likewise not revolutionary, rather an expression of familiar policy principles. This essay analyzes the outcome of the convention, examines the implications for a potential thaw in the Israeli-Palestinians political process, and contends that Fatah's future will be shaped more by the dynamic in the internal Palestinian and Israeli-Palestinian arenas, and less by official manifestoes.

Partial Agreements with the Palestinians / Shlomo Brom, Giora Eiland, and Oded Eran

In the current political reality of the Israeli and Palestinian arenas, it is doubtful whether it will be possible to continue the approach of the Annapolis process and conclude a comprehensive permanent agreement. On the other hand, a situation of total stagnation is dangerous and threatens the viability of a two-state solution. An alternative approach is the generation of a gradual process of attaining and implementing partial agreements. This essay outlines four concrete scenarios where partial agreements bring the two sides closer to a permanent agreement.

Compromising on a Nuclear Iran / Yoel Guzansky

The inability to stop Iran's nuclear program is liable to make the United States come to terms with Iran's capability of enriching uranium on its soil. This essay seeks to explore the limits, possibility, and implications of a compromise with Iran on this matter. Formal recognition of Iran's nuclear capabilities as the result of negotiations will present a complicated dilemma for Israel, because it will find it difficult to justify any offensive action intended to deny this capability to Iran. Yet with or without a compromise, it is already possible to define Iran as a nuclear "threshold state," or one rapidly approaching that status.

If Iran, then Israel? Competing Nuclear Norms in the Middle East / Emily B. Landau

The question of Israel's nuclear program is likely to become an issue in any negotiations with Iran. This essay analyzes the relevance of two competing nuclear norms vis-à-vis the Iranian challenge and Israel's presumed nuclear capability: equality and self-defense. The challenge for Israel is that the equality principle in and of itself is normatively attractive and appears to require no further justification. Yet a close look at Middle East politics reveals that exclusive focus on the equality norm is insufficient for the very real world of Middle East politics, where political agendas, threats and threat perceptions, and security challenges are what really determine the nature of debates on the nuclear issue.

The Internal Crisis in Iran: Looking Back, Looking Ahead / Ephraim Kam

The protests that broke out in Iran in June 2009 following announcement of the election results were the largest in the history of the regime, and involved hundreds of thousands of people. Nonetheless, the regime successfully quashed the protests and has since held them in check. This essay reviews the reasons for the domestic unrest in Iran, surveys the role of the paramilitary, religious, and political establishments in the reform movement, and assesses prospects for the future of the reformist camp.

Hizbollah Espionage against Israel / Amir Kulick

The enmity between Hizbollah and Israel involves a complex interface of many layers, among them political, social, economic, and military. This article focuses on the intelligence dimension of the hostility, specifically Hizbollah's secret activity against Israel that various espionage affairs have exposed in recent years. Surveying the prominent cases of espionage, the article studies this secret campaign and assesses Hizbollah's modus operandi, its goals, and the implications for Israel.

Defining the Enemy in an Asymmetrical Confrontation: The Case of the Second Lebanon War

Zaki Shalom

Introduction

The phenomenon known as "asymmetrical confrontation" or "low intensity confrontation" presents the international community, especially democratic states, with new dilemmas unknown in the era of classical wars, when regular armed forces fought one another. Such regular wars had their own sets of rules: it was usually clear when the war started, who started it, and how it ended. Also, for the most part the decision in such wars was clear, and was often formulated in official documents. The situation differs radically in conflicts with irregular forces.

Particular dilemmas arise when a terrorist organization operates from within the territory of a sovereign state against another state. In such a case, the state under attack by the terrorist organization faces the very fundamental question of who is the enemy, i.e., against whom it should direct its punitive and retaliatory actions. It is customary to assume that in terms of international law, a sovereign state bears responsibility for any activity carried out from its territory against another state, and is therefore the address for retaliatory and deterring actions on the part of the state under attack.

In practice, the situation is usually much more complex. In many cases, the terrorist organization operates inside a sovereign state like a state-within-a-state. In practice it controls some areas of the sovereign state and does not allow the legal government to impose its sovereignty in this area. In fact, it is considered to be an enemy of the host sovereign state just as it is the enemy of the state it attacks. This presents the state

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under attack with a dilemma: is it appropriate and does it further its interests to attack a sovereign state, which in practice may be viewed as a kind of ally of the state under attack, in that both are in conflict with the same enemy?

The State of Israel has been forced to confront this dilemma for many years, as terrorist organizations have operated against it from sovereign states. Israel's dilemmas were particularly acute because the sovereign states from within whose territories the terrorist organizations chose to operate usually took moderate political positions regarding the Arab-Israeli conflict and were considered pro-West states. In this sense, Israel faced a difficult constraint: Israel viewed maintaining the stability of the moderate regimes as in its own national interests. Moreover, Western nations were naturally opposed to Israel attacking their ally, and Israel had to take their positions into consideration very seriously. Over the years, Israel was asked to focus its efforts against terror on protective measures. When retaliation was required, Israel was asked to act against the terrorist organizations or the extremist nations supporting them. In any case, it was urged to avoid harming the ally to the extent possible. In this context, the subject was usually Lebanon or Jordan.

In addition to defining the enemy in the conflict with terrorist organizations, Israel's set of considerations included issues of operational and moral nature: terrorist organizations tend to operate from within civilian populations not directly involved in the fighting. This created a wide spectrum of dilemmas for Israel when it was trying to decide on its manner of fighting, including: was there an absolute ability to destroy terrorist cells hiding within civilian populations or dispersed in small groups through large areas? What was the cost that Israel was willing to pay for a frontal confrontation with such cells? To what extent could Israel put civilian populations in "the terrorist state" at risk in order to exert pressure on terrorist organizations?[1]

This article attempts to examine the dilemmas that arose in Israel in the process of defining the enemy in the Second Lebanon War. It focuses on two central issues: the discussions on defining the enemy on the eve of the war; and why this issue was not settled before the war broke out.

The Discussions on Defining the Enemy

The abduction that prompted the war in Lebanon started around 9 A.M. on July 12, 2006. In the incident, three soldiers were killed, two were

injured, and another two, Eldad Regev and Ehud Goldwasser, were abducted by Hizbollah. Five soldiers were killed in an attempt to rescue the abducted victims.

The serious import of this incident must be examined in light of similar events, albeit less extreme in terms of their results, that took place on the Lebanese border in the preceding months. All were accompanied by militant declarations by Hizbollah leaders who extolled the daring of Hizbollah fighters braving "the strongest army in the Middle East." The policy of restraint adopted by Israel following the withdrawal from Lebanon in May 2000 severely eroded Israel's deterrent image vis-à-vis Hizbollah. Under these circumstances, it was clear that the July 12, 2006 incident – particularly its outcome – demanded an Israeli response. The lack of an appropriate response in these circumstances would have implied a critical blow to Israel's deterrent capability.

The prime minister called a cabinet meeting for 8:30 P.M., nearly twelve hours after the incident, to determine the nature of Israel's response and its goals. Until the beginning of the cabinet meeting, frenzied consultations at various echelons and in various settings were held about the goal of the response, its nature, and its scope. In these discussions two virtually opposite approaches emerged in terms of defining the enemy that would be the focus of the Israeli response: Lebanon and Hizbollah. However, not a single proposal sought to focus exclusively on one defined target. Both addressed the need to attack both Lebanon and Hizbollah. The argument revolved around the question of how much and when to attack each of the targets.[2]

One approach called for placing full responsibility for the incident on Lebanon and its government. Lebanon, so it was said, was a sovereign nation with recognized institutions of governance. It had the ability to enforce its authority throughout the nation should it really want to do so. Thus, the proposal suggested that Israel's response to the incident focus on a crushing attack on Lebanese infrastructure targets, especially electric and fuel installations and Beirut's airport. In the security discussion preceding the cabinet meeting, Chief of Staff Dan Halutz unequivocally stated his opinion on the matter: "We have to look at this incident as a turning point in the Israeli-Lebanese dialogue. We have to place the entire onus on the government of Lebanon, but we will not spare attacking Hizbollah wherever we can....It is inconceivable that we

not attack Hizbollah targets."[3] Yet the position of the military echelon was not accepted. "From day one," said Halutz, "it seemed to me that we have to view Lebanon as a single entity and as the address for our operational moves. My position on this was rejected."[4]

The proposal by the military leadership to attack Lebanese infrastructure targets was meant "to push Hizbollah beyond the threshold it had crossed by means of an operation that was beyond its expectations; an operation that would clarify that the price we will extract from the other side [for an attack] is higher than its potential profit." Nevertheless, despite the intimidating formulation, the proposal brought by the military to attack the infrastructures was measured and limited. It was not meant to paralyze Lebanese civilian life (though it would have been possible to do so), rather intended to cause it enough damage to make normal life difficult for Lebanon's citizens and thus motivate them, so it was hoped, to put pressure on their government to take steps to curb Hizbollah activities and anti-Israel operations. According to the Winograd Commission report, Major General Gadi Eizenkot, who at the time was the head of IDF operations, proposed "attacking two power stations and damaging about 20-30 percent of Lebanon's electricity consumption, Hizbollah's security center in Beirut, the power station at al-Manar, Beirut airport, and Fajar missile launchers."[5]

The second, contrasting approach was ultimately adopted by the prime minister and the defense minister. According to the Winograd Commission report, it was also supported by the heads of Israel's General Security Services and the National Security Council at that time. This approach sought to focus the response on Hizbollah. When the chief of staff proposed immediately attacking Beirut's airport, Defense Minister Amir Peretz expressed his reservations regarding attacking Lebanese infrastructure targets. "If it's possible to eliminate the Fajar positions," he said, "it makes more sense to do that than to attack the airport."[6]

Prime Minister Olmert, who demanded that the response be focused on Hizbollah, raised serious objections to the proposal to attack Lebanese infrastructures. He made it clear that the international community understood Israel's need to come up with a harsh response to the attack, but demanded that such a response be directed at the organization that initiated the provocative act rather than against Lebanon. His comments clearly reflected the concern that should Israel direct its response at

Lebanon, Israel would lose the world's sympathy for its response. In addition, he claimed that it is not self-evident that attacking civilian targets in Lebanon would in the end weaken Hizbollah. "Therefore," he concluded, "it is necessary to focus on Hizbollah targets." It is not clear to what extent he communicated to the cabinet ministers the pressures exerted on him by the American administration and the British government to avoid attacking Lebanese infrastructure targets and to what extent these pressures affected the shaping of his positions that night.[7] As would be expected, the position of the prime minister and the defense minister was adopted, and the response focused on Hizbollah rather than on Lebanon itself.

Defining the Enemy: Lebanon vs. Hizbollah

Defining sovereign Lebanon as the enemy and focusing on Lebanese infrastructure targets as the chief of staff proposed was not a risk-free undertaking. It is almost certain that such a move would have aroused international criticism of unknown extent, scope, and intensity, including from the United States. On the day of the abduction, the American administration categorically demanded that Israel avoid attacking infrastructure targets, a move liable to endanger the stability of Fouad Siniora's government. The administration would likely have looked askance at an outright Israeli refusal to heed its request, and it is hard to assess what the practical ramifications of American disapproval might have been.

Indeed, any attack on Lebanese infrastructure targets had implications for the stability of the Lebanese regime headed by Siniora, a moderate, pro-Western regime that saw Hizbollah as a bitter rival, if not enemy. The accepted assumption was that this regime was a natural ally for Israel, and therefore Israel must not take steps that might weaken it or undermine its stability. However, attacking infrastructures does not necessarily entail great loss of life. The damage is reversible and of a primarily economic nature. Thus while attacking infrastructures might have led to severe rioting in Lebanon, it is nevertheless difficult to assess the practical effect such an operation might have had on the regime's stability. This rationale could have been used to temper the criticism coming from Western nations.

Defining Lebanon as the enemy would likely have allowed Israel to exit from the campaign within a relatively short period. Within this time framework, it would have achieved meaningful strategic gains, first and foremost the enhancement of Israel's image of deterrence. Attacking the infrastructures would have demonstrated Israel's determination to maintain the security of its people, even at the cost of disagreements with the United States and other Western countries. "The core of my recommendation," said Halutz, "consisted of a high intensity response, much beyond the scope expected by the enemy. This philosophy was founded on the belief that if we desire to live as an independent state in the Middle East, we must be able to generate deterrence, to act decisively, and at times even to act outrageously."[8]

Focusing the attack on Lebanese infrastructure targets would have demonstrated that Israel was maintaining its credibility and acting on the declarations made by its leaders that Israel would hold Lebanon responsible for any Hizbollah act against it and demand a steep price from Lebanon. Israel's deterrence with regard to Hizbollah had eroded over the years, mainly because Israel did not act on its threats to react decisively against provocations after the withdrawal in May 2000. "Our responses," said Halutz, "were weak, contradicting our declarations before the withdrawal when we committed ourselves to making Lebanon burn should Hizbollah act against us....We adopted a policy of restraint, moderation, and symbolic response; this simply encouraged the other side to push us farther and farther towards the edge."[9]

In the prevailing circumstances, Israel should have made it clear to the American administration that its ability to achieve decision over Hizbollah in a direct confrontation was limited, if at all existent. Thus if the West was interested in seeing Israel win the confrontation, it had to allow Israel extensive room for maneuvering, including attacking Lebanese targets. It is possible that Israel's allies in the West, especially the United States, would have shown understanding for Israel's claims.

Indeed, unlike the prevalent assessments on the eve of the war that the United States would try to stop Israel, the administration showed a great deal of understanding for Israel's need to act with force and determination in order to curb Hizbollah's ability to act. According to Major General Moshe Kaplinsky,

> We were all waiting for the administration in Washington to stop us. This approach was totally mistaken. We failed in analyzing their needs, their insights, and the understandings they were formulating at that time with regard to Hizbollah. In my opinion, the Americans understood, just like we did, the importance of this battle not just for Israel alone but for the entire world of similar outlook and therefore they allowed us full freedom of action.[10]

The problem was that this assessment regarding Israel's highly limited ability to win a war that mainly targeted Hizbollah was never stated out loud to the American administration for the simple reason that it was only understood after the war. Moreover, before the war the assessment that Israel was capable of achieving a decision in a battle against Hizbollah, and that such a decision was attainable primarily on the basis of massive airpower, was prevalent in Israel.

Against this background, one must conclude that before any future confrontation in Lebanon, Israel must make it clear to the international community that its target for response *must* be Lebanon rather than Hizbollah. Major General (ret.) Giora Eiland made reference to what Israel must do before such a scenario actually plays out:

> The right thing to do ...is to explain to the world...that the next time Israel is forced to wage a battle against Hizbollah, the State of Lebanon will no longer enjoy any immunity.... The war will not be between Israel and Hizbollah but between Israel and Lebanon. Only a political statement of this sort...will ensure that the war [and] its outcome [are] radically different from the Second Lebanon War.[11]

At the end of the war, it was claimed – with a great deal of justification – that defining Hizbollah as the enemy led the IDF into a war in which its chances of emerging with the upper hand were very slim, if not nil. With Hizbollah as the enemy, the IDF was hard pressed to find an effective expression for the almost absolute superiority it enjoyed in the overwhelming majority of parameters relevant to a decision in a confrontation. The IDF had decisive superiority in terms of sheer numbers of personnel, quality and quantity of weapons, technological capabilities, firepower, intelligence gathering, quality of command and fighters, and more. Yet the IDF waged a war on Hizbollah's home turf where the organization was able to demonstrate its relative advantages

over the IDF, while the Israeli home front was under massive attack by missiles that the IDF had no way of dealing with.

A Decision on Defining the Enemy: Questions without Answers

The process of defining the enemy on the eve of the Second Lebanon War is still a source of conjecture. The abduction was anticipated many months before it happened. In his testimony before the Winograd Commission, the prime minister clarified that upon taking office as acting prime minister on January 4, 2006, Lebanon was at the top of his priorities. He told the commission, "I am constantly concerned with one issue: northern Israel. I feel that from there 'disaster shall break loose.' This awful event [the abduction] seemed to us a certainty. We spoke of it with a certainty above all certainties." Similar testimonies were elicited also from the military leadership, including Major General Udi Adam, head of the Northern Command.[12]

In addition, on the basis of a statement made by the prime minister in a security discussion some months before the war, one may infer that the prime minister, and almost certainly other leading officials in the security services as well, viewed an abduction not only as a sign of a crisis but as an option that could have presented Israel with a justified opportunity to change the rules of the game set between Israel and Hizbollah in recent years. In a security discussion that occurred on May 10, 2006, Olmert said: "Were we able to get to a situation at the end of which the Lebanese army would be deployed in the south, Hizbollah would fall back and be stripped of its weapons....If there is such a thing whose result would be the removal of the threat of Hizbollah – this interests us deeply."[13]

The Winograd Commission determined that "we have not found any support or other references to this important comment." However, Halutz, in his testimony before the commission, also expressed a similar thought process. Halutz reviewed the violent events prior to the abduction and the attempted abductions. After an event in which Hizbollah fighters fired at and injured a soldier and a civilian in Manara (a kibbuz near the Lebanese border), Halutz proposed that if a similar event occurred in the future "we should change our policy of action on the northern border and take advantage of it in order to destroy Hizbollah's infrastructures along the border."[14] This thought process was presumably acceptable to cabinet ministers and senior personnel in the security services as well.

The emerging picture indicates that in 2006 some individuals in positions of senior leadership in Israel came to the conclusion that a drastic change in the balance of power and in the rules of the game between Israel and Hizbollah was needed. At the same time, it was inconvenient for Israel to initiate a unilateral move that would upset the status quo. Israel in fact needed a provocation by Hizbollah to give it justification for escalating the action into a war-like confrontation in order to transform the intolerable reality created on the northern border since its withdrawal from Lebanon in May 2000.

Against this background, one may better understand the need that the prime minister – and almost certainly other ministers – had to define the enemy in Lebanon early on. On March 5, 2006, two months after taking office as acting prime minister, Olmert called for a discussion at a senior security forum about the policy of response in Lebanon in the event of an abduction. At the discussion, Olmert made fairly explicit statements about the need for determining ahead of time the enemy in Lebanon against whom the IDF would retaliate. This is how the dialogue between the prime minister and the chief of staff is documented in the Winograd report:

> Olmert: "We have to be ready with pre-planned responses formulated to match the type of provocation involved."
> The Prime Minister expressed hope that "someone is preparing such plans."
> The Chief of Staff added that "the plans are there."
> Olmert said that "we would like to hear what they are at the earliest opportunity."
> The Chief of Staff added: "They exist and are authorized by everyone."
> The Prime Minister said: "I wouldn't want to wait, God forbid, for an event to take place before starting to consider [the goal and nature of the response]."[15]

Especially given such decisive words, it is astounding that in the end, the prime minister's demands were left without any response. It is almost certain that the chief of staff's statement that the plans were "authorized by everyone" referred to Sharon's government. Olmert, according to the Winograd Commission, never got the prepared response plans from the IDF, which almost certainly were in the IDF's hands. "We did not find any evidence that these plans were in fact presented to the prime minister

or to the political-security cabinet in a comprehensive and organized fashion, and therefore also that they were authorized by them."[16]

It would seem then that the prime minister had his say, but there was no follow-up mechanism in the prime minister's office that ensured that his request was put into practice. It is impossible to determine the reason for this unequivocally. In his testimony before the commission, the prime minister tried to downplay the importance of establishing the goals and nature of the response at the outset, because many components having to do with the formulation of Israel's response were unknown.

> There are many conditions lacking certainty, and it is impossible to create an exact platform to match all our capabilities, all our conditions, all our needs, all our priorities, have it be ready on July 12, and have a prime minister who will come to a very simple conclusion [of fulfilling it]. You have to operate under conditions of uncertainty.

We do not know if Olmert was aware that at least on the surface, these statements contradict his demand of the chief of staff to receive precise details regarding the IDF's response plans.[17]

It would seem that the military had a clear picture of the goal and nature of the response that would be executed in the event of an abduction by Hizbollah. In his testimony before the commission, Chief of Staff Halutz presented the military's plan for a response to an abduction. The plan included massive aerial strikes in Lebanon, almost certainly against infrastructure targets and Hizbollah targets, over the course of a few days. Only at a later stage was a limited ground maneuver supposed to be carried out along the border for the purpose of destroying the fortifications constructed by Hizbollah there. At the same time, from the exchange between the commission members and Halutz, it is clear that the plan was not brought to the attention of the political echelon, and therefore was not authorized. Below is the dialogue at the commission over the issue as documented in the Winograd report:

> Judge Winograd says to Halutz: "You are presenting us with a picture in which you had a fairly organized, previously arranged plan that included massive strikes by the air force, also against infrastructure installations in Lebanon, after which a limited ground action would take place along the border. I have not found that you came to the Prime Minister, to the political echelon, and said: 'Look, this is the plan.'

Nothing like that was ever said." Dan Halutz confirms that this is so.[18]

We do not have an unequivocal explanation for why the military echelon never bothered to receive authorization from the political echelon ahead of time for the goals of its response in the event of an abduction. From Halutz's testimony before the commission it seems that he could have understood that the prime minister would have tended to adopt a disproportional response and would have authorized extensive attack activity in the case of an abduction by Hizbollah. According to him, after incidents that took place between the IDF and Hizbollah, he received instructions from the prime minister to expand the target bank for attack in the event of another unusual event along the border. In hindsight, it is clear that the chief of staff's reliance on unilateral understandings was of no relevance to the events of July 12, 2006. Even if the prime minister had agreed to expand the target bank, this does not necessarily mean that he would have adopted the chief of staff's position to focus the response on the infrastructures of Lebanon.

Conclusion

On July 12, 2006, the State of Israel faced a most serious threat to its vital interests posed by Hizbollah. An immediate decision was required regarding the response Israel would make. Israel's leadership lacked clear vision and was beset by internal differences of opinion over the most important strategic issue created by the circumstances: which was Israel's primary enemy in Lebanon – Hizbollah or the state of Lebanon? Israel's decision makers struggled for a long time – too long – with the question before making a decision, albeit not a clear one.

An examination of the events of the Second Lebanon War and the process of defining the enemy are of concrete significance for the State of Israel now too. The definition of an enemy in confrontations liable to take on the nature of war is a decision of a distinctly strategic nature, and must be made before any fighting breaks out. The decision over the nature and extent of the response bears a rather tactical character and may be made in real time.

Therefore, it is appropriate that we ask if we have learned the lessons that are inherent in the definition of the enemy. Should Hizbollah carry out a similar provocation again, does the military echelon have a

clear definition of the enemy, one that is also acceptable to the political echelons and approved by them? This is highly doubtful.

On November 24, 2009 Defense Minister Ehud Barak stated that in case of another confrontation in the north, the state of Lebanon will be the target of Israel's response. Yet even if this statement is an expression of the Israeli government's formal position – which is not clear – it is not certain that this position will indeed be implemented in real time.

Notes

1 For an extensive discussion of this issue, see. Sherry Makover, "'Yes, we are the most moral army in the world,' An Interview with Prof. Asa Kasher," *Haaretz*, September 25, 2009.

2 *The Commission for Examining the Events of the Battle in Lebanon, 2006, the Winograd Commission, the Second Lebanon War, Partial Repor*t, April 2007, pp. 110-11, 107.

3 Ibid.

4 Dan Halutz, "The Failures and Achievements of the War," *Armed Forces and Strategy* 1, no. 2 (2009): 34.

5 *Winograd,* pp. 116-17. See also Halutz, p. 52.

6 Ibid., pp. 109 and 112.

7 Ibid., pp. 118-19.

8 Halutz, p. 53.

9 Ibid., p. 52.

10 Moshe Kaplinsky, "The IDF in the Years Before the War," *Armed Forces and Strategy* 1, no. 2 (2009): 29.

11 Giora Eiland, "The Second Lebanon War: Lessons of Strategy," *Armed Forces and Strategy* 1, no. 2 (2009): 22.

12 Testimony of the prime minister before the Winograd Commission.

13 *Winograd,* p. 94.

14 Ibid. See also the testimony of Dan Halutz before the commission.

15 *Winograd,* p. 93.

16 Ibid., p. 94.

17 Ibid.

18 Testimony of Dan Halutz before the Winograd Commission.

Economic Peace:
Theory versus Reality

Nizan Feldman

The consistent declarations by Prime Minister Binyamin Netanyahu about the potential impetus that "economic peace" can give to negotiations over a permanent settlement between Israel and the Palestinian Authority have been received with criticism and skepticism by many in the international community and the PA, and among political circles in Israel. While the gist of the criticism claims that Netanyahu confers importance on the economic dimension in order to avoid placing the core issues on the agenda, few have attempted to examine if there are theoretical foundations or relevant empirical data to support the rationale presented by the prime minister.

Of the critics who have actually related to the essence of the idea, some have argued that it is naive to think that economic issues can affect the development of negotiations over disagreements that run so deeply. This intuitive claim sums up one of the basic positions of political realism, which states that issues of "lower politics" cannot significantly affect the shaping of foreign policy concerned with issues of "higher politics." However, against this familiar widespread contention, it is possible to point to some recent academic studies that have tried to promote the old liberal belief that economic growth and economic interdependence are factors that may reduce the probability of violent confrontations between nations.

The theoretical origins of most of these studies − commonly labeled studies of "commercial liberalism" − are those informing Netanyahu's program. However, similar starting points are not necessarily proof that

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the formal research models and the empirical evidence displayed in the academic research can support the prime minister's analysis.

This article contends that even if we ignore the wealth of criticism directed at studies of commercial liberalism and rely solely on models developed by the most ardent proponents of the concept, it is still difficult to argue persuasively that increased economic cooperation between Israel and the PA and the creation of conditions conducive to economic growth on the West Bank can pave the road to political peace. The models at the heart of commercial liberalism studies would indeed claim that significant improvement in the West Bank economy is likely to reduce the probability of an outbreak of another round of violence between the sides. However, the analysis of such models, in the context of a number of economic and diplomatic events that have gathered momentum in recent months, teaches that exclusive focus on the economic dimension is liable to contribute to increased political tension between the sides and even compromise Israel's room to maneuver in future negotiations.

Economic Peace Theory

Although it is possible to point to a long line of classical liberal thinkers in the last three centuries who argued that economic interdependence and growth can positively affect political relations between states, it is only in the last thirty years that research has attempted to test the claim and support it with firm theoretical and empirical underpinnings. Most of the research on the topic focuses on the issue of the alternative costs involved in the conflict, or in simpler words: what states and their citizens are liable to lose by taking violent steps.

Proponents of commercial liberalism assume that economic cooperation between two states increases their absolute economic welfare, and therefore raises the alternative costs involved in political confrontations. The deeper the economic cooperation, the more the economic welfare of both sides grows, thus dampening their enthusiasm for taking steps that are liable to interfere with regular economic activity. An analysis of Netanyahu's statements reveals that the issue of alternative costs is a central component of his idea of economic peace. At the 2008 Herzliya Conference, he noted that the economic reality of the West Bank "is liable to lead people to think that they have nothing

to lose, and the road from here to terrorism is short."[1] According to Netanyahu, there is a great deal of evidence for cases where promoting economic issues has contributed to paving the way for political peace between two hostile sides.

And indeed, it is possible to point to a long list of studies that have tried to support the rationale of commercial liberalism by presenting empirical evidence. The growth of globalization processes has been accompanied by a significant increase in studies attempting to assess the statistical connection between economic issues and violent conflicts. Nearly all the quantitative studies have in fact succeeded in locating a negative correlation between economic interdependence and conflicts.[2] However, the dependent variable in these quantitative studies is violent confrontations between states. In other words, the thrust of the theoretical underpinnings supports the claim that economic growth or cooperation between states reduces the probability that they will go to war with one another, but does not address the possibility of these economic elements leading to conclusions of peace treaties.

While it is true that there are also academic works that focus on specific case studies − especially the example of West European states − that demonstrate the deepening of economic integration spilling over into expanded cooperation in broader fields, the ability to generalize from these studies is tenuous. One may wonder, for example, if the case of West European countries, which were under a common threat from the Soviets and signed peace treaties before agreeing on economic cooperation, can really be used to conclude that promoting economic cooperation will necessarily contribute to political cooperation in other parts of the world as well. The problem with generalizing from a specific case is what prompted the quantitative research on the subject. And in any case, both the quantitative and the qualitative studies focus on the interactions between pairs of states, but do not discuss the cases in which one of the actors has yet to achieve

> Swift economic growth and a market economy would likely lessen the PA's willingness to engage in violent conflict, yet if they are achieved without political negotiations the PA might be encouraged to take unilateral steps that from Israel's standpoint are provocative.

political independence. This is a critical question, as will be discussed below.

Even if we adopt the relatively narrow definitions suggested by the quantitative studies and analyze how economic factors have in the past affected the conflict between Israel and the PA, it would still be hard to draw optimistic conclusions. The quantitative research on the subject is based on large samplings that include economic and political interactions between dyads of states over long periods of time in various regions around the world. Including Israel and the PA as a dyad in these samplings would compromise the strength of the negative correlation between commerce and violence that is indicated by statistical analyses. In other words, the Israeli-Palestinian conflict is a clear case of an inverted example compared with the trends presented by the extensive quantitative research on the subject: expanding the economic integration between the sides, as well as their rates of economic growth, has often had an impact that is the opposite of what was expected. For example, one could note that the economic growth in the PA before the second intifada was more than 9 percent.

The last claim, often cited by Netanyahu's critics on this point,[3] reflects the difficulty in tapping quantitative studies to support the economic peace idea, but it still does not nullify the theoretical rationale for commercial liberalism. In recent years, most of the studies have in fact been based on empirical tests, but the forecasts presented by them are based on formal models that can certainly address cases where states enjoying extensive economic integration have fought with one another.

According to the basic model, decision makers strive to raise the aggregate value of their countries, and will therefore not initiate a violent conflict when the profits are lower than the costs.[4] The costs of a conflict are partly the result of loss of economic activity resulting from cooperation with the enemy state. This is the main reason that expanding economic cooperation reduces the incentive to initiate a conflict. However, that does not mean that reducing incentives is always enough to prevent the eruption of violence. States will choose violence when the potential marginal benefit of a conflict outweighs the marginal costs caused by the conflict's damage to economic cooperation. That is, even the model most closely identified with commercial liberalism indicates that along with the economic potential inherent in cooperation

between two sides, the importance of the interests that the sides believe they can advance through violence must be tested.

In order to explain the outbreak of the second intifada, proponents of the model would claim that the Palestinians believed that after the failure of the Camp David summit, taking violent steps would promote goals that would confer on them greater benefits than those gained through economic growth. However, at the same time proponents of the model would clarify that these parameters are not unchangeable static factors. Therefore, launching moves that would create growth on the West Bank – and therefore raise the costs of a future conflict with Israel – alongside steps that would reduce the belief that it is possible to attain successes through violence can indeed reduce violence between the sides.

When Netanyahu claims that "economic peace relies on two forces: Israeli security and market forces," he is expressing just this principle. In all his statements on the subject, Netanyahu has also clarified that economic peace would not make political negotiations superfluous, rather would create conditions for them to mature. The rationale behind the models of economic liberalism supports this claim only to a limited extent, because it does not formally explain how reducing violence and expanding cooperation lead to a compromise on core political issues. However, even if we assume that reducing violence is a necessary condition for political negotiations between the sides, the model refers to interactions between states and has not been applied to cases in which one side has yet to achieve independence.

An analysis of this type of case is likely to be different. First, it is safe to assume that the benefits of changes in the status quo of a player who is fighting for independence would be greater in most cases than those of states. Therefore, even proponents of the model would agree that economic issues affect the decisions of such an actor only in cases in which it is enjoying significant economic growth. Second, the changes in the economic situation of this type of actor may affect its ability to realize national ambitions, and therefore also affect the political relations between it and the state from which it demands its independence. This last question may be critical in light of the momentum gathering for some of Palestinian prime minister Salam Fayyad's ideas for launching economic and political steps that would create the conditions for a de facto Palestinian state.

Economic Peace versus Fayyadism

While Netanyahu's idea of economic peace was greeted with suspicion and scorn by many in the international community, the emphasis on the economic dimension in Fayyad's program for nation building received much favorable interest among many in the West. After Fayyad made his program public in August, Thomas Friedman, who popularized the idea of commercial liberalism when he coined his "Golden Arches Theory" (the assumption that two countries with McDonald's franchises will not go to war with one another), coined a new term that is beginning to gain popularity: Fayyadism.[5]

Fayyadism refers to the ability to realize political goals through rapid economic development of the West Bank that would be accelerated thanks to increased transparency and efficiency of institutions. Constructing effective, efficient governmental institutions meeting Western standards would raise the level of attractiveness of the West Bank to foreign investors, and enable the laying of the foundations of a market economy. The combination of functioning institutions and a market economy would create the infrastructure for the future Palestinian sate. The quick rise in the standard of living on the West Bank would present an alternative to Hamas' governance because it would clearly emphasize the profits inherent in abandoning the notions of Islamic rule.

There is much overlap between Netanyahu's notion of economic peace and Fayyadism. First, both ideas express the hope that market forces can promote political goals and moderate the effect of radical Islam without resorting to violence. Second, both ideas attribute decisive importance to the establishment of functioning bureaucratic institutions to ensure property rights and allow for improvements in the quality of life in the West Bank. However, while Netanyahu urged that creating a reality of economic freedom and security in the West Bank is what will allow the Palestinians to sit down and start discussing real peace, Fayyad's program is meant to create the conditions for establishing a de facto Palestinian state within the next two years.

> One must not err in hoping that economic processes alone are the central key to a political breakthrough.

This discrepancy undermines the use of commercial liberalism models to support the claim that advancing economic cooperation and creating conditions for swift economic growth in the West Bank will necessarily contribute to achieving political peace. Achieving swift economic growth and building a market economy would likely lessen the PA's willingness to engage in violent conflict, yet if these are achieved without political negotiations it might encourage the PA to take unilateral steps that from Israel's standpoint are provocative. An improved security, government, and economic situation in the West Bank bolsters the popularity of Fayyadism among Western thinkers, who might encourage international elements to support a Palestinian unilateral declaration of a state.

The Effect of the Processes on the West Bank Economy

An analysis of the economic developments on the West Bank indicates that both the steps taken as part of Fayyadism and the steps taken by the Netanyahu government – and presented as part of promoting the policy of economic peace – have contributed to an improvement in the economic situation. The international institutions that have examined the economic situation on the West Bank have listed the bureaucratic reforms made by Fayyad, the improvement in security, and Israel's removal of roadblocks as the three primary factors allowing for the renewed growth.

Recovery from the global recession and improvement in Israel's economy also contribute to a strengthened West Bank economic situation because they increase Palestinian exports and the scope of foreign assistance. The renewed growth in foreign aid, representing more than one quarter of Palestinian gross local product, will allow the PA to continue paying salaries in the coming months and even increase government spending on investments in infrastructures without creating irregular deficits.

Assessments by the International Monetary Fund project that growth in the West Bank for 2009 is expected to be more than 7 percent, with most of the production sectors expected to experience growth. Similarly, unemployment dropped in the second quarter of 2009 by more that 4 percentage points compared with the previous quarter, and now stands at less than 16 percent.[6] Judging by the growth in the volume of foreign

investments flowing into the West Bank, it appears that international confidence in the Palestinian economy has grown. In the past year, a number of deals were signed between the PA and foreign companies on infrastructure services, construction, and communications. Likewise, a number of funds have examined the possibility of investing in Palestinian companies, and two investment funds, from Britain and the UAE, have even invested in a number of companies traded on the Palestinian stock market.[7]

However, the current improvement in economic indicators does not demonstrate a higher standard of living or the achievement of sustainable growth. Government investments in infrastructures and the current rate of foreign investments are not enough to ensure that the West Bank economy continues to grow at a reasonable rate over time. Interest on the part of foreign companies must increase significantly in order to create a market economy in the West Bank that can ensure sustainable growth. The penetration of foreign companies focusing on the industrial sector, as well as the institutionalizing of trade relations with companies specializing in supplying input for industry are the requisite factors for establishing an export sector that allows the Palestinians to reduce their dependence on Israel and foreign donations.

In contrast to ideas raised in the past by Peres and Netanyahu about the establishment of industrial parks in West Bank cities that would provide employment for Palestinians, Fayyad's program stresses the severing of the economic dependence on Israel and foreign donations. However, in order to achieve this there is an initial need for closer cooperation with Israel over both security and economic issues. The removal of individual Israeli roadblocks increases freedom of movement and therefore contributes to a growth in personal consumption and economic activity, but investors looking to make long term investments must be convinced that there will not be a regression in terms of freedom of movement in the West Bank. Similarly, the rate of foreign investments will not increase significantly if foreign companies have reason to believe that the instituting of transparency in the bureaucratic establishment is unlikely to gain further momentum.

Conclusion

For now, one may conclude that continuing short term growth processes in the West Bank as well as laying the initial foundations for attaining sustainable growth depend on close security coordination between the PA and Israel and the rate of reforms in Palestinian government institutions. Because the economic dimension is a decisive component of Fayyad's program for establishing a state, and because economic growth in the West Bank is in Israel's best interests, there is a possibility of promoting cooperation that would to some extent raise the standard of living on the West Bank even in the absence of progress of the political negotiations.

Making such moves is crucial because an improved West Bank economic situation promotes the alternative to Hamas rule and is likely to contribute to calm on the security front. However, one must not err in hoping that these processes alone are the central key to a political breakthrough. It is precisely because the economic dimension and other issues of "lower politics" are gaining momentum on the Palestinian agenda and in international discourse that the assumption that exclusive focus on economic cooperation will spill over to political peace in the future is flawed. Not only does an Israeli focus on economic cooperation in the absence of political negotiations not contribute to the maturation of conditions for future political negotiations between the sides; it is also liable to give the Palestinians an opportunity to take unilateral steps that can reduce Israel's scope for political maneuvering.

Notes

1   In the last two years, Netanyahu has presented the principle of economic peace on many occasions. The most detailed speech on the issue was given at the 8th Herzliya Conference. Unless otherwise noted, all citations attributed to Netanyahu in this article are from this speech, http://www.netanyahu.org.il/blog/2008/11/.

2   The professional literature on the subject is quite extensive. For a good overview of the literature supporting the concept of commercial liberalism from a quantitative point of view, see Edward Mansfield and Brian Pollins, "The Study of Interdependence and Conflict: Recent Advances, Open Questions, and Directions for Future Research," *Journal of Conflict Resolution* 45, no. 6 (2001): 834-59.

3   See, e.g., Ephraim Kleiman, "Is There Anything to 'Economic Peace'?" *Haaretz*, December 12, 2008, http://www.haaretz.com/hasite/spages/1044770.html.

4   The model cited was developed in 1980 and almost all quantitative studies
    on the subject cite it as the basis for presenting their hypotheses: Solomon
    Polachek, "Conflict and Trade," *Journal of Conflict Resolution* 24, no. 1 (1980):
    55-78.

5   Thomas L. Friedman," Green Shoots in Palestine," *New York Times*, August 4,
    2009, http://www.nytimes.com/2009/08/05/opinion/05friedman.html.

6   The sharp drop in unemployment from the first to the second quarter is also
    linked to seasonal changes that affect employment in the agricultural sector.
    However, unemployment in the West Bank dropped by more than 1 percent
    in comparison with the same quarter in 2008. *Palestinian Economic Bulletin*,
    Portland Trust, Issue 36 (September 2009).

7   *Palestinian Economic Bulletin*, Portland Trust, Issue 33 (June 2009).

Israel's Arms Sales to India

Yiftah S. Shapir

Reports in the media over recent months have claimed that Israel has become India's principal arms supplier, with sales surpassing those of major arms suppliers such as Russia and France. The reported transactions included a range of weapons, from deals on Phalcon airborne early warning (AEW) planes to spy satellites to air defense systems.[1] This article offers a brief review of recent developments in the field, and attempts to assess the nature of the security relations between Israel and India, examine the challenges inherent in these relations, and evaluate the prospective future of this relationship.

Background

For forty years relations between Israel and India were frozen. India refused to establish diplomatic ties with Israel and preferred to cultivate ties with the Arab world. This changed dramatically in 1991 as part of a comprehensive shift in India's perception of itself, its economy, and relations with the world. Diplomatic ties were launched in January 1992, and within a short period of time defense cooperation became an important factor in the bilateral relations. An even more dramatic turn of events relating to defense cooperation took place following the Kargil conflict in 1999, when Israel agreed to speed up the supply of arms and military equipment that India needed. The lessons from the war impacted on the strategic thinking of the Indian military establishment, and on the other hand proved to India that Israel is an arms supplier that can be relied on even during a crisis. Since then defense cooperation between Israel and India has grown considerably. Sales of weapons have skyrocketed and totaled close to $1 billion over the last two years. There

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have also been reports about cooperation in the field of anti-terrorism and exchanges of intelligence, and there have been several sets of reciprocal visits by senior defense officials of both countries.[2]

Another important turning point came after the terror attack in Mumbai (November 26-29, 2008). This attack, (which was widely covered by the Israeli media due to the targeting of a Jewish site and the Israeli casualties), shocked the Indian defense establishment and brought about another change in Indian strategic thinking. This led to a sharp rise in defense expenditure in general. An announcement was made about plans for large scale procurement of war planes, tanks, artillery, infantry equipment, air defense systems, and naval equipment. This indicates a further step in cooperation with Israel, particularly in the exchange of intelligence and counter-terror operations.[3]

The Hot Deals

There is little non-classified information about the scale of cooperation between Israel and India, intelligence exchange, or assistance, instruction, and training on combating terror. Thus despite the primacy of these issues, the scale of the defense ties can only be assessed through the weapons transactions, which naturally attract far wider coverage.

The following deals exemplify sales activities over the last two years:

a. A transaction of Phalcon AEW planes: The deal was signed back in 2004 and included installation of Israeli-made early warning systems on Russian-made Beriev A-50 aircraft. The deal, worth about $1.1 billion, experienced difficulties and delays. However, the first Phalcon was recently sent to India, and the other two are expected to be handed over to the Indian Air Force in 2010. Meanwhile, it was announced that India is interested in acquiring three more AEW planes from Israel, although this involves installation of the systems on smaller US-made G550 aircraft or on ERJ-145 jets made in Brazil.[4]

b. Aerostats: India purchased between two and four EL/M-2083 radars from Elta Ltd. to be installed on aerostats. They will be positioned on the India-Pakistan border and will be designated to identify low altitude aerial penetration. The transaction is worth $600 million. This is a follow-up transaction to two systems delivered in 2004-5. There is a likelihood that the terror events in Mumbai will lead to

the purchase of additional radar systems; even before the Mumbai events India felt it needed several dozen aerostats to cover its border.[5]

c. Air defense systems: Two large deals are in progress. One is a transaction for Barak-8 missiles or, as the Indians call them, MR-SAM. This is a land-based and enhanced version of the Barak missile that in the past was sold to the Indian navy and installed on its ships. The enhanced version of the system will protect installations against aircraft, helicopters, and cruise missiles up to a range of about 70 km. The transaction involves Rafael and Israel Aerospace Industries (IAI), and according to reports is worth some $1.4 billion. The second deal is for SPYDER air defense systems, a short range mobile defense system based on the land version of Python-5 and Derby air to air missiles.

d. In April 2009 India launched its RISAT-2 reconnaissance satellite. The satellite was initially presented as purely for civilian purposes but it soon became clear that it was designed for military uses. It carries a SAR radar system made in Israel, and in fact it was inferred that it is similar, if not identical, to the Israeli-made TechSAR reconnaissance satellite launched in January 2008 by an Indian satellite launcher.

e. Enhancing jets and helicopters: IAI has completed upgrading Russian-made Mi-24 assault helicopters. Meanwhile an announcement was made about a large scale project involving enhancement of An-32 transport planes made in the Ukraine. India has approximately 100 such aircraft and at least half will be upgraded. The planes will be equipped with avionics systems made by Elbit Ltd. of Israel.

f. Attack UAVs: It was recently reported that India has purchased HAROP attack UAVs, a modern version of the Harpy anti-radar weapons that were sold to China in the past.

The Other Side of the Coin

The defense procurement relations between Israel and India are not necessarily one-sided, as India itself has a large defense industry. This industry has encountered numerous problems over the years in undertaking overly ambitious goals, such as the light combat aircraft (LCA) and the Akash and Trishul air defense systems − the latter was actually canceled when the Indian navy said it preferred the Barak missiles. However, the industry has achieved some significant successes

too, for example, in the field of ballistic missiles and space. Thus it is not surprising that Israel purchased the launch of its TechSAR satellite in India, using India's PSLV polar satellite launcher.

The Indian government does not hide its intention to increase its local acquisitions over the years in place of purchases from foreign sources. Yet the industry still needs to acquire technologies, and thus India asks that technology be transferred with every large arms deal, and usually transfer of production to India as well. All the transactions are carried out via joint ventures between Israeli and Indian companies, and with certain projects (such as the Barak 8 missile project), joint development as well.

Over the years India tried to interest Israel in other products it manufactures. In 2004 it was announced that Israel purchased the Dhruv light helicopters from India, though the deal was subsequently canceled.[6] In general India does not have products that interest Israel, especially as Israel prefers to purchase US-made arms financed by the FMF military aid. However, there can be exceptions. Recently there was speculation over Israeli interest in the BrahMos supersonic cruise missile.[7]

Advantages

Close examination of procurement transactions between Israel and India reveals several important elements regarding Israel's strong and weak points in the Indian market. The specialization of the Israeli defense industry has earned it several key niches that give Israel important edges in the areas of electronics and optronics; radar and aerial deterrent systems − mainly airborne (such as on the Phalcon); UAV systems; antitank missiles (such as Spike), advanced air to land arms; and avionics systems for planes, including navigation, reference, and target acquisition systems. Israel also has extensive experience in enhancement of aircraft and Armored Fighting Vehicles (AFV), especially in enhancing equipment from the FSU, a practical area for India since much of its equipment came from the USSR. Satellites are likewise a strong area for Israel, in particular special reconnaissance satellites such as Ofek, Eros, and the TechSAR radar satellite.

Another advantage enjoyed by Israeli industries is Israel's willingness to transfer technologies and production lines as part of arms sales deals (as it has agreed to similar requests by other countries, e.g., Turkey).

Other countries generally do not agree to this (the United States, for example, is very strict about this). Due to the constraints of Indian law, large transactions are carried out via joint ventures – through Israeli companies and local companies or organizations.

Challenges

The road to arms sales is not without obstacles and risks. Indeed, a particular challenge stems from one of Israel's relative advantages, namely, the willingness to transfer technologies. In the short term this willingness constitutes an advantage, but in the long term it entails considerable danger. If the advantage of Israeli industries lies in their unique technologies and integration ability, establishing joint ventures and transferring technology enhances India's ability to use such technologies on its own in the future.

India's reasons for shunning relations with Israel for over forty years still exist. India always saw itself as the leader of the non-aligned movement (NAM) and as such, the hero of countries freeing themselves from the shackles of imperialism. Thus it identified strongly with the Palestinians, and this empathy has not changed. The desire not to provoke the Muslim countries, particularly the Arab world, also remains, given the large Muslim population in India and the concern lest their allegiance tend to Pakistan. This attitude is reflected in public and political opposition to defense ties with Israel. In fact, Indian government officials often labor to conceal or play down the importance of arms deals with Israel, if they cannot conceal them completely. Following the launch of the Israeli TechSAR satellite by an Indian satellite launcher, for example, the Indians took pains to point out that it was a commercial launch sale that did not involve defense cooperation.[8]

Over the last two years Indian law authorities have conducted investigations into former and current senior Indian officials, on the grounds that they were involved in receiving bribes from Israeli companies. The first Barak transaction was one of the deals reviewed by the Central Bureau of Investigation (CBI), and the investigators went as far as the former minister of defense. India recently blacklisted Israeli Military Industries (IMI) and legally banned commercial dealings with it. One cannot of course prove a clear link between an unfriendly approach to Israel in some quarters of the political establishment and investigations

into trading with Israel. Ultimately, other arms dealers in the world also find themselves in similar situations. At the same time, accusations of this sort are useful to opponents of transactions for political reasons. In any case, the criminal investigations have thus far delayed the conclusion and implementation of transactions, but have not precluded or canceled them.

The US Factor

Another more important limitation is Israel's dependence on the United States, and conversely, American interests in South Asia. India's renewal of its ties with Israel in 1992 was part of its new position vis-à-vis the United States. Its ambivalent approach to the United States, the symbol of imperialism, changed, and the Indian economy opened up to American methods and the American economy. Without this shift it would not have been possible for a change to occur in its stance towards Israel.

On the other hand, the United States has a range of interests in Southern Asia and as such, has a strong position on all aspects of Israeli arms sales to India. Israel's close ties with the United States and its dependence on it oblige Israel to be attentive to US requests and comply with its demands. Israel cannot sell equipment that contains US-made components without obtaining clear permission. In fact, even when no formal approval is technically necessary, there may be sufficient pressure to refrain from selling certain equipment. For example, Israel sold the Green Pine missile-detector radar system, manufactured by Elta, but New Delhi's request to obtain the full Arrow system was rejected due to United States opposition. In the case of the Phalcon AEW, Israel confirmed that Washington did not object to this deal since in 2000 Israel was forced to cancel a similar deal with China.

This state of affairs has an essentially damaging effect on Israel's credibility as an arms supplier, as in any future deal, the heads of the Indian establishment have to check whether Israel can be relied upon that it will not be told by the United States to withdraw from the transaction, even at advanced stages of the deal.[9]

To date India has desisted from buying American weapon systems, which have generally not even been offered to it. The gaps between American and Indian legislation have made it very difficult for such transactions to take place. India has demanded that any deal above a

certain value must be implemented via an Indian company − normally a joint venture between an Indian company and the seller company. On the other hand, US legislation is very strict on supervising defense exports and usually requires supervision and verification, to which the Indians are not willing to agree.

The situation has recently begun to change. The issue of supervision was one of the main topics touched upon by Secretary of State Clinton during her visit to New Delhi this year, and according to the Indian press, understandings were reached to pave the way for more extensive defense sales in India.[10]

India has greatly increased its defense budget over the past year and is about to purchase large amounts of weaponry. India's request for advanced war planes, for example, involves 126 fighter planes, and the American defense industries are competing for the project (with a unique version of the F-16IN. The entry of American companies to the race also means fierce competition for Israel, as well as a new kind of political pressure. For example, in the case of the fighter plane transaction, Israel was asked to cancel its plan to join in the competition with SAAB of Sweden, as the radar and avionics supplier for the version of the Gripen jet that competed in the tender. The entry of American companies into the Indian market may impact on Israel's ability to sell systems such as radar systems or early warning planes. This year US-made Hawkeye command and control planes were sold to India, and in fact, this may have an effect on any future early warning aircraft transaction.

The Israeli industry still holds an advantage in that it knows the arena and has experience working in the Indian market, which is very different from Western markets. It also has the advantage of the existence of Israeli-Indian joint ventures, and thus government or private Indian companies have a vested interest. However, because of the scale of the American industries and the support they enjoy from the administration, it is reasonable to assume that this advantage will gradually decline over the years.

Iran[11]

India's ties with other countries in the region − i.e., all the Arab states and in particular, the Gulf states − constitutes another threat to Israel's defense ties with India. However, the most serious problem for Israel is

India's relationship with Iran, which has hundreds of years of history behind it. Today, Iran attaches special importance to its ties with Iran. On the economic level, energy-starved India is largely dependent on Iranian oil. Iran also serves as a very important channel for Indian trade with Russia and former Soviet republics via the ports of Bandar Abbas or Chahbahar, and from there overland to the Caspian Sea. In strategic terms, Iran acts as a base on the other side of Pakistan, which makes close defense ties with Iran an important strategic asset. India and Iran enjoy close defense ties, and even carry out joint military and naval maneuvers and reciprocal military visits. One striking example of this was the marine exercise between Iran and India in March 2006, while President Bush was on a state visit to New Delhi. The significance of the exercise went beyond the purely military sense, and was a statement of Indian independence in the face of international pressure.

India's independence will not allow Iran to interfere with or obstruct arms deals. However, in terms of defense ties between Israel and India this relationship constitutes a risk of leakage of information, technical information about Israeli systems, tactical information about modes of operation, and operational tactics – information that is conveyed by means of training on weapon systems and through cooperation between Israel and India in areas such as intelligence and counter-terror activities. This danger is particularly relevant in view of the fact that a major component of India's ties with Iran is based on cooperation in the areas of terror and subversion, an area that is a concern for both countries because of their borders with Pakistan.

Conclusion

Israel's trade and relations with India surveyed here – which are joined by extensive economic ties that have developed in parallel in the areas of agriculture, water, and other civilian technologies and far exceed defense commerce – are undoubtedly a source of pride to Israel. Yet in this regard Israel must not rest on its laurels. While in any one year Israel's total arms sales to India might exceed Russia's, for example, and as such India is Israel's major customer and Israel is India's main supplier, this is an entirely temporary situation. Israel enjoys niche advantages in the global arms market. It is not a supplier of main weapon systems, and India will necessarily procure its main weapon systems – fighter planes, war ships,

tanks, or artillery – from other, larger countries. Moreover, the Indians are aiming to achieve independence in the field of arms. As Israeli weapons sales also involve the transfer of technology, ultimately the Indians will develop their own capabilities based on the technologies they procure from Israel, and they will be able to forego the partnership. The residue of the past still impacts on internal Indian politics and it may hasten the processes of detachment. In addition, the entry of new players to the Indian weapons market, and in particular the entry of the American industries, will make it difficult for Israel to operate in India in the future.

A final question is, is the special relationship with India a "strategic relationship"? This depends on the definition of the term. Some argue that close defense ties, cooperation in development and manufacture of weapon systems, exchanges of intelligence, and training constitute a strategic relationship. If so, the relationship with India is certainly a strategic partnership.

However, these components are not sufficient. A "strategic relationship" must also include a convergent outlook on processes in the world, and the knowledge that the partner can be relied on in times of trouble. In this respect there is a large gap between Israel and India. Israel is a United States ally. India, meanwhile, despite its closer ties with the United States, has not given up its non-aligned identity. It maintains good relations with Russia and with non-aligned countries. Israel views the Iranian threat very seriously while for India, Iran is a partner, and an ideological partner that takes a negative view of American hegemony. India's behavior in international forums does not indicate that it can be relied on to help Israel in any difficult situation. India's position on all aspects of the Israeli-Arab conflict is not a neutral one, rather is decidedly pro-Palestinian. So it is no surprise that throughout the years of close ties with India, Indian visits to Israel were on a defense level rather than a political level.

Close cooperation between Israel and India is an impressive Israeli achievement, but Israel and India are not strategic allies. Israel's achievement is an achievement of a window of opportunity, and there is no guarantee that it will continue over time.

Notes
1   Aama Sickoler "Israel Becomes India's Largest Arms Supplier," Calcalist, February 15, 1999, see http://bit.ly/4m1YOB.

2   On the start of relations between Israel and India, see for example:
P. R. Kumaraswamy, "Strategic Partnership between Israel and India," *MERIA* 2, no. 2 (1998).

3   Middle East Newsline morning report, March 25, 2009.

4   See Yaakov Katz, "India to Finally Receive Phalcon AWACS," *Jerusalem Post*, May 9, 2009; and "Indian AWACS Moving Forward on 2 fronts," *Defense Industry Daily.*

5   See Rajat Pandit, *Times of India,* May 14, 2007; Middle East Newsline morning report, March 25, 2009.

6   *Haaretz*, November 28, 2004.

7   See Martin Sieff, "BMD Focus: BrahMos for Israel?" Spacewar.com, March 12, 2008. The BrahMos missile is a joint Russian-Indian project, and in fact is a development of the Oniks / Yakhony missile known in the West as SS-N-26 (the Russian names come from two versions of the missile - a model for local use and one for export). The BrahMos is an anti-sea craft missile and there are models that are launched from ships using land launchers, and from war planes. It has a range of 280 km (and the air launched model is thought to have a greater range) and its unique feature is its supersonic speed - Mach 2.6 at high altitude and Mach 2.0 at low altitude. This speed greatly reduces the flight time and makes it very difficult to detect or intercept.

8   See Samuel Cherian, "Media Takes Off on TechSAR, but No Takers," *IDSA Strategic Comments*, December 7, 2007, http://bit.ly/1khjEP.

9   A possibly even more illustrative case is the sale of the Harpy UAVs to China. The UAVs were sent to Israel from China for routine maintenance, but following US pressure Israel was forced not to return them to China.

10   See K. P. Nayar, "US Defence Deal: The Inside Story," *The Telegraph* (Calcuta), July 23, 2009, http://bit.ly/hnGbf.

11   For more on Indian-Iranian relations, see C. Christine Fair, "India and Iran: New Delhi's Balancing Act," *Washington Quarterly* 30, no. 3 (2007): 145-59, and Harsh V. Pant, "India and Iran: An Axis in the Making? *Asian Survey* 44, no. 3 (2004).

Fewer Gestures, More Substance: Possible Developments along the Israeli-Palestinian Track

Shlomo Brom

Great Expectations

In the ten months that have passed since President Obama assumed office, administration spokespeople have frequently referred to an ambitious program to resolve the Arab-Israeli conflict, yet there is still no meaningful movement along any track. This essay examines the reasons for the current stasis on the Israeli-Palestinian track and suggests possible options and means for progress the United States, together with the parties to the conflict, would do well to formulate.

Early 2009 presented a complex reality that was sure to impact on any possible attempt to make progress along this track. First, a new Israeli government with a coalition composed primarily of right wing parties assumed office. Many of the coalition partners have not evinced interest in an agreement with the Palestinians because they view the establishment of a Palestinian state as a threat to Israel and because they are unwilling to concede large parts of the West Bank. Others in the coalition would perhaps be interested in an agreement with the Palestinians but doubt it possible to arrive at a permanent agreement, given their assessment that the internal Palestinian situation does not allow the Palestinian leadership to reach and certainly not to implement an agreement. Thus the Israeli government has an inherent interest in not advancing the negotiations with the Palestinians lest any progress expose internal schisms that would cause the government to fall and in any case would not – according to most of the coalition members – produce an agreement that serves Israel's interests.

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Second, the Annapolis process, which antedated the current Israeli government, collapsed in late 2008. The ostensible reason was the war in Gaza, which made it difficult for the Palestinians to continue the negotiations. However, the fundamental reasons were deeper. The weakened status of Prime Minister Olmert, who had clearly reached the end of his political road, precluded both conclusion of an agreement on a subject so sensitive and its acceptance in the Israeli political establishment or among the Israeli public. The other party to the negotiations understood this political reality, and therefore would naturally hesitate to conclude an agreement. The second and perhaps more important reason was the political weakness of Palestinian president Abbas and his party, Fatah, and his assessment that he must focus on the internal Palestinian arena and take some steps to strengthen his position before reaching an agreement. One such step was the Sixth Fatah Convention that was held in August 2009; the general elections in the Palestinian Authority planned for 2010 are perhaps the next step. The Annapolis process was interrupted when Olmert presented Abbas with the outline agreement he had formulated after months of negotiations and asked for Abbas' reaction. Abbas preferred not to respond at all. In the meantime, the war in Gaza broke out, the government in Israel changed, and the negotiations were not renewed.

Third, the war in Gaza in late 2008 and early 2009 produced a fairly stable ceasefire. Hamas is not interested in renewing its rocket fire and has labored to stabilize the ceasefire by restraining the more radical factions in the Gaza Strip. Although attempting to apply the lessons it learned from its military failure in the war and prepare itself for the next round, it has run into problems because of the ongoing siege of the Gaza Strip and especially because of more effective Egyptian efforts to prevent arms shipments into the Gaza Strip. Hamas' primary interest is to consolidate its rule in Gaza, particularly in light of its loss of support from Gaza Strip residents as a result of the war. By contrast, the rate of support for Hamas immediately after the war increased in the West Bank.

The West Bank is also stable and has seen few terrorist attacks. With the help of Lieutenant General Dayton's mission, the PA has succeeded in improving its security capabilities and gradually strengthening its ability to impose law and order on larger parts of the area. The enhanced security situation has also facilitated lifting some of the limitations on

the Palestinians' freedom of movement, and this in turn has led to an improved West Bank economy. This progress has only partly translated into a strengthened Abbas-Fayyad government, because the Palestinian public still has no faith in the government to run a corruption-free administration that would work towards advancing the national interests of the Palestinian people. However, the convergence of the various factors has increased support for Abbas and Fatah and decreased support for Hamas. A survey for the International Peace Institute in New York carried out by an American polling institute showed that the rate of support for Abbas in all the areas under PA control stands at 52 percent; support for Fatah is 45 percent and for Hamas only 24 percent.[1] Although Abbas' mismanagement of the Goldstone report's discussion in the UN Security Council has apparently compromised support for Abbas, whether this will have a long term impact is an open question.

The Obama administration sought to jumpstart the negotiations by means of parallel actions by Israel and the Arab states. It asked Israel to freeze all settlement construction and the Arab states to take initial steps to normalize relations with Israel, such as renewing diplomatic activity of North African and Gulf state representatives in Israel and authorizing El Al flights over Arab countries, thereby shortening the flight paths. This formula was based on two assumptions. The first was that American pressure generating a settlement freeze would on the one hand help earn Arab and Palestinian trust in America as a mediator, and on the other hand was possible to attain, because no meaningful opposition to such a step, which has broad international and American support, would emerge from within the American political establishment or even from within the American Jewish community. The second assumption was that the Palestinians themselves are not capable of doing anything that would acquire the trust of the Israeli political system and public opinion beyond what they have already done in terms of security, and therefore the right way to earn that trust was through gestures on the part of Arab states.

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Over the past ten months it has become clear that both assumptions were flawed. First, the United States did not manage to extract a full freeze on settlements from the Israeli government. Even a left wing Israeli government is incapable of a full settlement freeze, including stopping construction in Jerusalem neighborhoods that are over the Green Line, although in the eyes of the international community and certainly in the eyes of the Arab world, these are also settlements. To the same extent, it is very difficult for any Israeli government to freeze construction in the communities within what is known as the large settlement blocs near the Green Line. After all the progress in the various previous rounds of negotiations with the Palestinians on the territorial question, it is assumed among Israeli politicians and public opinion that in any permanent arrangement with the Palestinians these settlement blocs will be annexed by Israel, and therefore there is no point in freezing construction there. Netanyahu, heading a government with a right wing slant, certainly could not have accepted such demands. The Obama administration could also not rely on the lack of Israeli public support for Netanyahu's rightist bent, not because of sweeping support for the settlement movement among the Israeli public,[2] but because the demand for a *full* freeze did not seem reasonable or fair to Israelis.

> The most auspicious idea for building a political process with the Palestinians that takes into account the constraints of the present reality is via a gradual process composed of several components unfolding in tandem.

The assumption about Arab gestures also proved mistaken, first of all because at the outset there was exaggerated expectation of the effect such gestures would have on Israel. After more than fifteen years of a political process that began with the vision of "a new Middle East," the Israeli public has had its fill of disappointments and does not pin much hope on symbolic normalization steps that are seen as easily retracted empty gestures. Normalization with Arab nations is not the ultimate goal for Israelis, who merely want the Arab world, including the Palestinians, to leave them alone. However, the assumption that there would be a substantive Arab response to the request was also erroneous, especially the reliance on Saudi Arabia. Saudi Arabia has followed a consistent policy with regard to normalizing relations with Israel, and is not prepared

to take any steps towards normalization before there is a permanent Israeli-Palestinian accord. This policy should have been expected given the conservative Islamic nature of the regime and its view of itself as the keeper of the holy sites. It is no wonder, then, that the Saudis greeted the American hope of normalization gestures with a cold shoulder.

In the meantime, the American focus on these two issues helped both the Israelis and the Palestinians avoid making decisions about renewing negotiations. Neither the Israeli government nor the Palestinian leadership appears particularly enthusiastic about the resumption of negotiations over a permanent settlement. While Prime Minister Netanyahu did succumb to American pressure and announced his acceptance of the two-state solution in his June speech at Bar-Ilan University, he is in no hurry to work towards its realization. It seems that Netanyahu does not believe it is possible to arrive at an acceptable permanent agreement that the Palestinians would be able to fulfill. His policy focuses on improving the conditions of the Palestinians' lives by removing roadblocks and allowing for the free flow of people and goods. Called "economic peace," his policy is driven by the idea that an improved economic situation will strengthen the political status of the Palestinian partner, and then gradually make it possible to reach some agreements with the Palestinians. Such a process also provides a good solution to the need to maintain coalition unity and prevent right wing elements in the coalition and within the Likud itself from undermining the government's stability. If the process is attainable while both declaring a desire for negotiations over the permanent accord and simultaneously refusing to cooperate in creating the conditions that would allow for such negotiations – all the better. Thus has the government positioned itself vis-à-vis the United States.

Abbas, whose traditional policy was based on a demand for negotiations over the permanent agreement – out of the assessment that he could strengthen his own and his party's political power only through offering political prospects to the Palestinian public – has changed his approach. He is presenting negotiating conditions that are unlikely to be realized. The gist of the conditions consists of a demand for a total freeze on the settlements and a very rigid timetable for the negotiations. Perhaps Abbas believes that he can rely on the American administration to exert enough pressure on the Israeli government to accept these conditions.

However, it is hard to believe that this is Abbas' true assessment of the situation, when it is now patently clear that the American administration understands it will not obtain a total freeze from Israel and in light of Israel's approach to negotiations on a permanent settlement. The survey conducted for IPI showed that a decisive majority of the Palestinian public does not think that the United States will succeed in getting Israel to do its bidding.

Rather, it seems that in the current circumstances, Abbas too is not interested in renewing negotiations over a permanent settlement. First, Abbas apparently thinks it is preferable to enter into such negotiations when his position is stronger than it is now. At present it is better for him to focus on steps that strengthen his internal political standing, such as the Fatah convention, PA institution building, and improvement in the economic situation, rather than enter into negotiations over the permanent arrangement and seemingly give in to Israeli conditions and American pressure. It is highly possible that for Abbas, even holding PA elections is an essential part of this process because elections would restore legitimacy to his presidency, which is now in question because of claims that according to the Palestinian constitution, his tenure has already expired. Second, if in any case the current prospects for a breakthrough are essentially non-existent, Abbas may well prefer that US-Israeli relations deteriorate to the point that Israel ultimately negotiates from a position of weakness. In addition, Abbas may decide it worthwhile to wait for the next Israeli government to pursue a political process.

The Dangerous Impasse

Although the current situation may seem convenient for both leaderships, it is fraught with danger for a number of reasons. It is liable to create a situation in which the idea of implementing the two-state solution is shelved for a long time, to the point of risking the prospects of its ultimate implementation. In such a situation, the notion of a bi-national state is likely to become more attractive within Palestinian, Arab, and international circles. Nonetheless, this does not seem to disturb the Israeli government – which like any other government, thinks first and foremost of its own survival – and it is unlikely that conditions to change this approach will emerge on their own.

On the Palestinian side it is also likely that while Abbas' status will fluctuate somewhat, it will not undergo a dramatic change. It will be very difficult to hold elections in the PA in 2010 when Fatah and Hamas are unable to agree on a date or a mechanism for holding these elections. The lack of agreement stems from each party's drive to hold the elections at a time and in a way that would ensure its victory. Despite the reported loss of support for Hamas in favor of Fatah, the Hamas government in the Gaza Strip is stable; it presumably cannot be undermined without aggressive external intervention. Therefore, it is impossible to hold elections in the Gaza Strip or in the PA in general without Hamas' agreement. Should this situation continue, it is likely to erode the American administration's desire to be engaged in ongoing activity on the Israeli-Palestinian track regarding a permanent agreement. The relative advantage inherent in the American administration's willingness to advance this cause at the beginning of its term would not be realized. At the same time, one may expect that a partial freeze on settlements will dissipate and the growth of the West Bank settlement population will continue, gradually bringing about a situation in which a division into two states will be well-nigh impossible.

The institutionalization and deepening of the separation between the Gaza Strip and the West Bank will seriously hamper the realization of the two-state solution. It will be impossible to reach and implement a permanent agreement of this solution without a reliable Palestinian entity governing over all Palestinian territory and a reasonable measure of Palestinian national consensus on the two-state solution. The longer the freeze lasts, the deeper the separation between the two areas will become. In the short term and from a tactical perspective, this situation may be convenient from the Israeli point of view; in the long term, it threatens Israel's interests vis-à-vis the solution or at least the abatement of the conflict.

Israel is also liable to lose the Palestinian partner it has now. Experience of the past two decades teaches that an improvement in the economic situation of the Palestinians is not enough. In 1999-2000 the Palestinians' economic conditions were relatively good and the trend was one of ongoing progress. Nonetheless, this did not prevent the outbreak of the second intifada after the failure of the Camp David negotiations. Currently there does not seem to be a real danger of large scale violent

outbreaks because the Palestinian public is tired of violence. There is even data in various polls about a decline in the support of violence, which in the past was consistently high.[3] Likewise, Israel's degree of control over security matters would hinder such an outbreak of violence. The real danger lies in the possibility that the trust the Palestinian public has in its leadership in the West Bank will continue to unravel and Palestinian society will continue to crumble; individuals will focus on the family and their immediate environment, causing the disappearance of Israel's Palestinian partner even if Hamas does not take over control of the West Bank. The recent declaration by Abbas that he is not going to run in the next elections is a manifestation of his despair and frustration, and indicates that the weakening of Israel's partner is accelerating.

Possible Outlets

The key question is how it is possible to build a political process with the Palestinians that will take into account the constraints of the present reality. The most auspicious idea is via a gradual process requiring time, composed of several components unfolding in tandem. The first component, which would take place over several years, is designed to create gradual movement towards the two-state solution by changing existing reality on the ground. The core of this change must be the gradual expansion of West Bank territory under PA control and the expansion of the PA's control (i.e., changing C status areas to A or B status, or B areas to A), alongside building PA institutions and capabilities and improving the West Bank economy. The beginning of the process may perhaps resemble the concept of economic peace, but there is a limit to the ability of expanding Palestinian control of contiguous areas in the West Bank as long as there is no change in the status of the Jewish settlements. At a later stage, such a process would require dismantlement of a few isolated settlements, because it is impossible to maintain Palestinian territorial contiguity without evacuating these settlements. In the long term, it is also important that the process include the beginnings of settlement dismantlement because this transmits a credible message of Israeli intent to apply the two-state solution despite the inherent difficulties in arriving at a permanent agreement.

The speed of the process will depend on the rate of construction of Palestinian capabilities and the security situation, as well as on both

sides' political ability to make progress. Presumably the more successful the process is in its initial stages, the more both sides' political ability will grow and enable the transition to the next stages. In this sense, it is important to learn from the experience of the last two years of constructing the Palestinian security capabilities. When Dayton and his team started to work with the Palestinians, there was no Israeli willingness to assist the project because of an assumption that it was bound to fail. The success of the project in Jenin reversed this perception, and it is now easier for Israel to do what is asked of it, and it is easier for the PA to expand its activity to other areas. The main problem preventing the PA from making more progress is the lack of a political context and the existence of a political process. In such a situation, it is easier for the Palestinian opposition to accuse the PA government that all of these steps are nothing but collaboration with the Israeli and American enemies.

The last point demonstrates the importance of the second component, i.e., negotiations over the permanent settlement. It is hard to assume that it will be possible to sustain a process of changes on the ground without the renewal of negotiations over the permanent settlement. The Palestinians' primary concern is that partial agreements are Israel's way of maintaining the status quo and avoiding the implementation of an acceptable two-state solution. The existence of negotiations over the permanent settlement alongside a process that in its advanced stages includes the beginning of dismantlement of isolated Jewish settlements would transmit a clear message about the viability of the two-state solution.

However, the renewal of negotiations over the permanent settlement must reflect the understanding that this process is neither simple nor brief. Despite the apparent unwillingness of either side to enter the negotiations, it seems that the American administration has the power to pressure both sides to begin. If, for example, President Obama convenes an international meeting such as the Madrid conference whose purpose would be to renew the negotiations process, it is hard to imagine that the sides would be able to refuse to participate in such a conference and the negotiations that would follow in its wake. By contrast, the American administration cannot force the sides to hold serious negotiations, and it is quite possible that the discussions at the beginning would be insincere

and futile, as were the discussions in the various channels of negotiations after the Madrid conference until the beginning of the Oslo process.

The third component is a regional umbrella to be based on the Arab peace initiative. It is possible that the best way to lend substance to this component is not by pressuring the Arabs into taking unilateral steps to normalize relations with Israel, but rather through renewing activity of multilateral negotiations groups on the various topics: regional arms controls and security, refugees, water, the economy, and the environment. Beyond this, the regional umbrella would be expressed through a demand of leading Arab nations, especially Egypt, Saudi Arabia, and Jordan, to provide backup and assistance for the Palestinians throughout the process. It will be necessary to assist the PA in building capabilities; this field has already seen some beginnings, such as the Jordanian help in training the Palestinian security forces. However, this is not enough, and the Palestinians will also need Arab help to conduct the negotiations. The Palestinians alone cannot reach agreements with Israel on issues such as Jerusalem and the refugees.

The fourth component is an international umbrella whose purpose is to create an international platform that would provide backup and support for the process. Such support would be expressed during political events such as the international conference and possibly also in appropriate Security Council resolutions. It would be joined by massive aid in constructing the PA's capabilities, alongside guarantees for both sides about steps that would be taken should the process go awry. A central piece would of course be United States leadership and its part in steering the entire process.

All of these components do not answer the question of how to cope with Hamas' governing of Gaza and its opposition to the political process. Therefore, a fifth component – defusing Hamas as spoiler liable to undermine the entire process – is crucial. Such defusing is possible thanks to Hamas' basic desire for a period of calm that would allow it to strengthen its control of Gaza and because of the changes in Hamas policies given its decision to enter the Palestinian political arena as a party. According to these policies, the movement does not presume any capability by Fatah to conduct negotiations with Israel that would serve the Palestinians' national interests. Nonetheless, if such negotiations result in the transfer of territory into Palestinian control and the

establishment of a Palestinian state, Hamas will not interfere. This policy was apparent, for example, in Hamas' response to the disengagement plan and its implementation. Israel's interests, therefore, are served by creating a situation in which Hamas continues to maintain its governance of Gaza and allow normal life there. This would probably strengthen Hamas' motivation to maintain the calm and not interfere with progress vis-à-vis the PA because the Hamas government would have an interest in proving it is a capable government that provides calm, security, and services to the Gaza Strip population. Israel could do so were it to allow for the return of normal life in the Gaza Strip, primarily by opening the crossings and allowing a freer flow of goods in both directions.

Some might claim that it is preferable to attempt to topple the Hamas government in Gaza and thereby empower the Palestinian partner. If Israel allowed the Hamas government to function, it would hurt its Palestinian partner in the West Bank. While it is possible that such claims would be valid were it only possible to topple the Hamas government, the only way of effecting this is through an outside military invasion, i.e., Israel's conquest of the Gaza Strip. However, Israel is not prepared to pay the price of such an operation, which is liable to force Israel to remain in the Strip for an extended period of time and renew the occupation regime there. In such a reality, the primary consideration must be how to create a situation that is most convenient with regard to Hamas and that can be achieved through the proposed combination of considering Hamas' interests and deterrence. Deterrence alone will not achieve this in a situation where Hamas estimates that Israel is presenting it with an existential threat. Of course, a change in the approach toward Gaza will be possible only after the Shalit deal is completed.

It is very difficult to build such a complex process where some of the components touch on highly sensitive issues for both sides. However, it is preferable to the United States and to both sides to try and construct this process whose advantage lies on the one hand in its gradual nature and ability to make corrections at any stage, and on the other hand, in that the initial stages do not demand major concessions from either side or exclusive focus on negotiations over the permanent settlement that place all the eggs in one basket. The prospects for this proposed process depend on the feasibility of achieving successes in its early stages to make a change in the political reality on both sides. This in turn would

create a situation that allows for a transition to the more difficult stages, such as the beginning of evacuation of isolated Jewish settlements and effective negotiations over the permanent agreement.

Notes

1   The survey was carried out by Charney Research. http://www.nrg.co.il/on-line/1/ART1/946/770.html?hp=0&loc=102&tmp=679.
2   According to public opinion poll conducted by the Institute for National Security Studies in 2005-2007, a majority, which in 2005 reached two-thirds of the population, supports the removal of isolated settlements on the mountain ridges as part of a permanent arrangement with the Palestinians. Yehuda Ben Meir and Dafna Shaked, *The People Speak: Israeli Public Opinion on National Security 2005-2007*, Memorandum no. 90 (Tel Aviv: Institute for National Security Studies), p. 58.
3   See, e.g., the PSR (Palestinian Center for Policy and Survey Research in Ramallah) survey from May-June 2009.

The Sixth Fatah Convention: Formal Changes Only

Anat Kurz

The results of the elections to Fatah institutions held during the movement's sixth convention in August in Bethlehem institutionalized the redistribution of power underway among its ranks over the last two decades. The strategy and political platform agreed upon by the participants were likewise not revolutionary, rather an expression of familiar policy principles. This essay analyzes the outcome of the convention, examines the implications for a potential thaw in the Israeli-Palestinians political process, and contends that Fatah's future will be shaped more by the dynamic in the internal Palestinian and Israeli-Palestinian arenas, and less by official manifestoes.

Fatah's Formal Regrouping

The establishment of the Palestinian Authority relegated the challenge of reassessing policies and the intra-organizational balance of power to the back burner of Fatah's agenda. Veteran leaders were appointed to PA key positions, where they consolidated their power. In the first years of the second uprising there were expectations, internal Palestinian and international, for reforms in the PA. The call for a convention dedicated to real organizational reconstruction rose likewise from within the movement's own ranks. However, the tensions between the rising generation of leaders born in the territories and the activists who arrived from the Palestinian diaspora when the PA was established, as well as inter-factional disagreements, prevented a convention from taking place.

Over the years, the list of failures attributed to Fatah's leadership by many in the movement and without grew steadily longer. The

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most prominent of these lapses were the loss of the 2006 Palestinian Legislative Council elections to Hamas and the fall of the Gaza Strip to Hamas in June 2007. Another major challenge facing the movement was the questionable legitimacy of Mahmoud Abbas' presidency, once his term expired in January 2009 and new elections were not held. In addition, Abbas staffed the emergency government established in the PA after the Hamas takeover of the Gaza Strip with non-Fatah members because he was concerned that the movement's negative image would compromise its chances of becoming firmly entrenched. Thus Fatah was driven from its governmental hegemony. Discussions between Fatah and Hamas held over the years with Egyptian mediation and meant to prevent the institutionalization of two separate Palestinian entities did not culminate in the establishment of a unity government (with one short-lived exception, based on an understanding between the movements reached in Mecca in March 2007). Nor did the military blow sustained by Hamas and the damage to its image in the confrontation with Israel in late 2008-early 2009 ease Hamas' conditions for regulating relations with Fatah. The dialogue between the movements, conducted in Cairo in the months after the fighting ebbed, came to naught.

Moreover, in late 2008 the failure to formulate principles for an agreement between Israel and the PA as part of the Annapolis process – even if only a shelf agreement – became a fait accompli. The PA, operating as a semi-state entity in the West Bank, enjoyed international recognition and support, but this, even coupled with reforms in its security services, did not advance the goal of restoring the Gaza Strip to Fatah control. In the absence of a political breakthrough, Israel's support for the PA's war on militant factions stirred up criticism of Fatah as serving foreign interests. The West Bank economic recovery, made possible through international financial generosity and managed by Salam Fayyad's government, did not succeed in muting the criticism of Fatah's leadership regarding corruption in its ranks and its flawed functioning over the years.

Against this backdrop, convening a congress appeared unavoidable. The very convening was meant to be proof of Fatah's vitality and relevance as a prominent national movement. The convention was designed to show the Palestinian public, Israel, and international partners in the effort to advance an Israeli-Palestinians settlement a strong political posture and a cadre of suitable leaders. Most of all, Fatah sought to improve its

standing among Palestinian public opinion, or in other words, present a viable alternative to Hamas.

Hamas' efforts to prevent participants from the Gaza Strip from attending the convention threatened to disrupt the event or at least compromise the validity of any decisions taken there. Among the representatives from Gaza were also those who charged Fatah's old guard with insufficient efforts to ensure their attendance, so as to contain the threat to the veterans' own standing. An accusation of this sort likewise resonated among the younger generation in the West Bank: inviting many of Mahmoud Abbas' supporters from the diaspora was seen as a move intended to stop the rise of the younger generation from the territories to the official leadership ranks.[1] However, as the convention drew closer, the obstacles were overcome. Abbas was determined to hold the conference, and specifically in Bethlehem, in order to highlight the West Bank as the locus of Palestinian political activity. His intention was supported by Israel, which even allowed the arrival of representatives from all over the Middle East in order to emphasize the association between the Palestinian issue and the semi-state entity in the West Bank. This arrangement also undercut would-be challenges to the legitimacy of resolutions reached at the convention.[2]

The Changing of the Guard

The results of the elections to Fatah institutions at the convention dispelled apprehensions of predetermined bias. Most of those elected to the Central Committee by some 2,200 delegates were new faces from the intermediate generation of the movement, virtually all from the territories. The power of the members of the intermediate and younger generations rose considerably within the ranks of the Revolutionary Council as well.[3] This was a dramatic though hardly radical development that reflected two familiar, interrelated trends. The intermediate generation led two popular uprisings – the first set a process in motion that culminated with the establishment of the Palestinian Authority in the context of a negotiated agreement with Israel. As such, it redirected the movement's locus of activity from the diaspora to the territories, and gradually also stripped the founding generation of its undisputed seniority. The 2009 election results, as well as the occasion of the congress specifically in the

territories, thus conferred official validity on an organizational evolution in formation for two decades.

The change of representatives in the movement's institutions mandated by the elections will not help ease tensions in the ranks. The factions, roughly divided by generation and origin, are also divided internally. Power struggles – the daily bread of any political party – are destined to continue complicating formation of a united front.[4] Moreover, discussions at the convention centered primarily on the political platform and who would man the institutions; the failures that weakened the movement and caused its deterioration were not investigated in depth.[5] Nonetheless, the elections expressed an understanding of the need for reform, and that failure to undertake one would only accelerate disintegration of the movement, undermine its ability to preserve its West Bank stronghold, and preclude the possibility that it would reclaim its hold over the Gaza Strip in the foreseeable future. These elections may also be seen as a harbinger of a future test, perhaps general elections in the PA.

In order to attempt to rehabilitate its historic standing, Fatah needs to demonstrate that it is a bridge between a past replete with distinguished accomplishments and a present abounding with acute challenges. Abbas' uncontested reelection as the movement's chairman is supposed to serve as such a demonstration. Abbas is identified with the Oslo accords; he was one of the first to criticize publicly the militant turn taken by Fatah when the second uprising erupted; and he is the one who in recent years has been leading the Palestinian camp favoring, in principle, a bilateral settlement with Israel. True, his political path did not prevail, but his history as a member of the founding generation of the movement remains a source of legitimacy for the leadership's changing of the guard and for the continued claim of being the sole representative of the Palestinian people.

At the same time, Abbas' reelection as Fatah chairman and the changing of the guard at the helm of the movement do not point to a clear political direction. For years, the intermediate generation of Fatah and the movement's younger members from the territories demanded convening the movement in order to formalize the status to which they felt entitled, but this was not linked to a particular political message. Indeed, the political implications of figures from the territories assuming

the leadership have so far been mixed. They are the source of the first uprising, yet they also urged the PLO and Fatah's leadership to pursue a more pragmatic approach, leading to a dialogue with Israel. They led the second uprising, but at the same time supported continuing the process by making efforts to stabilize security in the West Bank and provide an opportunity for economic rehabilitation there. Similarly, the intermediate generation encouraged resumption of the political process, though presenting the tough conditions formulated in the movement's platform. Not coincidentally, Fatah's strategic framework, affirmed by congress participants, granted legitimacy to any path the movement may adopt – both political action and violent struggle alike.

The Strategic Framework

The highlights of Fatah's strategy were outlined in speeches at the plenary sessions and in statements released to the media during and after the convention. They revealed tension between a commitment to violent struggle to liberate Mandatory Palestine, as formulated in Fatah's historic charter adopted by the convention participants,[6] and a commitment to peace negotiations, stressed in Abbas' speeches (along with his statements affirming the right to resist the occupation).[7]

Adoption of the charter and insistence on the right of resistance were the basis for the seeing the strategy as evidence of Fatah's radicalization. However, the commitment to struggle against Israeli control in the territories is far from new. It was affirmed by movement spokespeople after the PLO adopted the political path in November 1988 and likewise after the signing of the Oslo principles. In the years of the second intifada, especially at times of political foot-dragging or stalemate, movement spokespeople regularly threatened to escalate the struggle. The resistance option remained on the table even when the Fatah leadership – especially with Abbas at the helm – clearly preferred the political option. Thus the convention did not signal any strategic transformation, rather reaffirmed the principles that have guided Fatah for years.

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One may view a strategy that legitimizes both the diplomatic route and violent struggle as an attempt to provide the Palestinian public with an alternative to Hamas, and at the same time, with an alternative to the alternative: the movement's leadership steadfastly clings to the political option in the hope that its results will retroactively prove that compromise was in principle the correct choice, a choice long seen as a concession lacking any payoff because it failed to chip away at Israel's control of the West Bank. At the same time, escalation of the resistance would serve as a response to a political standstill.[8] The militant message is supposed to curb public criticism of the proven failure to generate a political breakthrough and the continued cooperation with Israel in an attempt (largely undercutting the notion of resistance) to impose law, order, and calm in the West Bank.[9] Similarly, insisting on the right of resistance is supposed to generate pressure on Israel to soften its stance so that it will be possible to make progress along the political path.

Furthermore, many modes of action bearing the features of civil disobedience (and sans firearms) were spelled out under the label of resistance. Discussions stipulated that resistance need not be violent and may be expressed also through political action. At the convention there were even speakers who issued warnings about learning lessons from Hamas' experience in a frontal confrontation with Israel and the negative impression that a call for a violent struggle would create among outsiders watching the convention.[10]

Fatah's sixth convention was meant to strengthen the movement for the tests it faces: political-territorial bargaining with Hamas and political-territorial bargaining with Israel.

In any case, the militant message does not contain a real risk to Fatah's international standing. In the eyes of many international political and media circles, the movement shares the blame with Israel for the political freeze. Many even attribute most of the responsibility for the dead end to Israel. Therefore, the potential problematics of approving the resistance option, especially one that may be translated as a call for a head-on struggle against Israeli settlements beyond the Green Line, are ostensibly offset by the criticism of Israeli control of the West Bank, the ongoing construction in the settlements, and the blockade of the Gaza Strip. In addition, and to be on the safe side as far as the international community was concerned,

the strategic messages also reiterated the right, anchored in international law, to resist the occupation in general and the settlements in particular.[11]

In theory, the dual strategy serves the organization's interests of maintaining relevance in the face of diverse developments. However, in practice it does not provide a response to challenges and costs caused by the dearth of achievements in the various arenas of struggle. Fatah's commitment to a political path while there is an ongoing political standstill erodes public support for the movement. Still, as the choice of a head-on struggle proved in the second intifada, veering from the political path also exacts a price, both immediate and long term. The political stalemate, associated with Israel's reluctance to commit to conciliatory moves in the West Bank that would raise security risks and exacerbate internal political tensions, is the clearest expression of the cost Fatah is forced to pay for the involvement of its activists and leaders in the armed struggle and their impotence regarding Hamas' activities in this arena.

Political Implications, Albeit Limited

The political platform approved by convention participants conveyed a hard line message. In the convention's closing address, Abbas declared that the aim is the end of the Israeli occupation of all territory conquered in 1967, subject to UN resolutions on the subject and in accordance with the principles of the Arab peace initiative. He also repeated the traditional demand for a just solution to the refugee problem, also in line with the UN resolutions, and the establishment of a sovereign state with Jerusalem as its capital. Abbas vehemently dismissed the possibility of establishing a state with provisional borders. The rejection of interim solutions was also emphasized in the list of rigid preconditions for returning to the negotiating table. Additional preconditions were a total freeze on settlement construction, especially in Jerusalem, an end to Israeli military activity in the territories, an end to the siege of the Gaza Strip, and an immediate discussion of the core issues of Jerusalem and the refugees. The platform also avowed a commitment to maintain the refugee camps until the refugees return to their homes. The idea of responding favorably to Prime Minister Binyamin Netanyahu's condition for renewing the negotiations – i.e., the demand that the Palestinians recognize Israel as a Jewish state – was rejected out of hand.

Consequently, senior spokespeople in Israel interpreted the list of preconditions as a recipe for a dead end, and without a doubt, Fatah's platform will make it hard to jumpstart the political process.[12] However, the platform is only one component of a complex of elements making it difficult to renew the dialogue. Once Prime Minister Olmert and President Bush ended their terms in office, and in light of the escalation in the military confrontation between Israel and Hamas, the talks were suspended after months of fruitless attempts to bridge the profound gaps. Since then Israel and the PA have instituted what is in effect an informal, tacit interim arrangement that lacks a defined political framework but is not intolerable for either side. The PA continues to sustain itself with the help of massive external aid: Israeli and international support has greatly helped to reduce tensions over security in the West Bank, and has enabled economic growth. Hamas' firm entrenchment in the Gaza Strip, and especially the construction of its military infrastructure, demonstrate to both Israel and the PA what is liable to happen should Israel withdraw from large areas of the West Bank before Hamas and Fatah have arrived at some sort of institutional coordination that would also give the Fatah-led PA security forces a sweeping monopoly on arms. It seems, then, that the party most eager to renew the political process is the American administration.

In practice, renewing the process – and given past disappointments, this would likely be a process with modest goals – will be determined by Jerusalem and Washington, not by Israel and the PA. When the Israeli government rejects a demand to freeze the settlements, it is above all rejecting an American demand rather than a consistent Palestinian request. Should Israel respond to the demand, it would be the result of American pressure to lower the profile of the Israeli-Palestinian conflict, thereby contributing to the regional effort to curb Iran's nuclear program. Moreover, Israel's preparations for a possible renewal of the talks – if only to dissipate the American pressure – are evidence of limited regard for the proposal's vitality. Discussion in Israel about the possibility of returning to the negotiating table points to the assessment that belligerent declarations are not written in stone, and that in light of cost-benefit considerations it is indeed possible that maintaining relevance will outweigh other interests and dictate a policy of compromise on the part of Fatah or the PA. Such considerations are likely to elicit a positive

response from President Abbas and the PA to an explicit invitation to return to the negotiating table should it come as part of a political initiative placed on the regional agenda by President Obama even before Israel fully complies with Fatah's preconditions.[13] In the past, Fatah leadership has acted against its explicit platform: thus it was with the signing of the Oslo accords even before the PLO canceled the section of its charter calling for the destruction of the State of Israel; thus it was with the Fatah-led PA renewing, time and again, contact with Israel without canceling militant sections of the Fatah charter; and thus it will be if the negotiations over the course of the permanent borders are renewed without an Israeli commitment to discuss the questions of Jerusalem and the refugees in the first phase of the discussions and without an Israeli agreement to a freeze on the settlements other than for a limited period.[14]

Still, the question remains how the list of Fatah's demands is compatible with both the strategic goal of seeking a negotiated settlement and the call by Abbas at a Palestinian cabinet meeting after the convention to restore the dialogue.[15] A partial answer is that in light of the gaps between the PA and Israel on the core issues and the toughening of the Netanyahu government's policy regarding the negotiations, those who formulated the platform have given up on the effort to produce a thaw in the political freeze. With an eye towards Palestinian public opinion, they have instead focused on an effort to demonstrate a steadfast position on the renewal of negotiations.[16] In other words, the political platform, like the strategic framework, is meant to respond to the very urgent need of strengthening the movement's standing at home in the face of the ongoing failure to advance national sovereignty and halt the expansion of Hamas' influence.

In any case, the exclusiveness of Palestinian responsibility for renewing the dialogue has been appropriated from Fatah. Even before the political split, Hamas became a key in fanning escalation against Israel or in ensuring a security calm that would make it easier for Israel to renew negotiations. Another element weakening Fatah's standing is the institutional separation between the movement and the Palestinian government. After closing the Fatah convention, Fayyad announced a detailed program to prepare the infrastructure of a Palestinian state to be declared in 2011 − without any connection to the results of negotiations with Israel.[17] It may be that this move or one like it will recreate the

dynamics that developed in the Palestinian arena in the years of the first uprising: then, a political initiative on the part of local leadership in the territories spurred a less rigid Fatah stance and paved the way for negotiations between the PLO and Israel.

The Next Phase

Fatah is regrouping. In light of the competition with Hamas over national leadership and the ongoing political stalemate, its leadership and rank and file have recognized the need for organizational reform and a clarification of its policies. Fatah's sixth convention, which dealt with these issues, was meant to strengthen the movement for the tests it faces: political-territorial bargaining with Hamas and political-territorial bargaining with Israel. However, Fatah's capability of generating a change in its home environment and in Israeli-Palestinian relations on the basis of the convention's outcomes is patently limited.

Fatah is trying to rehabilitate its status within a complex reality. Regulating inter-party relations on the Palestinian arena is meant to restore its national primacy. Reestablishing its status as the legitimate representative of the Palestinian people is supposed to improve its ability to hold discussions with Israel and improve the chances for the implementation of an eventual settlement. On the other hand, a political breakthrough is supposed to fortify its national primacy. Extricating itself from this closed loop, however, is not simple. For this to happen, Fatah must formulate a more moderate political platform than the one devised at the convention. This may facilitate mitigation of the Israeli position towards renewing the talks and the principles of an agreement. In addition, Hamas must soften its stance on institutional coordination with Fatah, and accept Fatah's commitment to a negotiated settlement.

In light of the wide gap between Israel and the PA, it seems that the next major test to Fatah's standing may well be not the Palestinian public judging the draft of a settlement, rather, general elections in the PA. And indeed, the Fatah convention was meant to prevent institutional disintegration of the sort that reduced its public support in the previous elections and contributed to Hamas' electoral achievement. In October Abbas announced both his potential resignation and presidential and parliamentary elections on January 24, 2010, but it is doubtful whether he and his movement will enjoy the opportunity to put their popular support

to the test of elections. The split in the PA poses political and logistical difficulties for such elections. Hamas spokespeople have already declared that without inter-party accommodation, elections are not possible. Fatah and Hamas alike are expected to postpone the elections until each is convinced of its assured victory. Nor will international elements that encouraged the previous elections support another round without the certainty that results will guarantee Fatah control of the PA.[18] Yet even if elections are held and Fatah earns a victory, the road from there to a change in the reality that became entrenched in the years of the second uprising on the intra-Palestinian and Israeli-Palestinian arenas will not be easy, and certainly not rapid.

Despite the existence of coordinated crisis-solving mechanisms between Israel and the PA, the danger of an outbreak of another violent round in the West Bank still looms in the background. Fatah's leadership will likely avoid a planned recourse to the right that it claims of violent resistance. The chances that escalation will force Israel to make concessions are minute, and are in any case lower than the possibility that escalation would further toughen Israel's position and curb economic development in the West Bank. Likewise, the costs of escalation would intensify criticism of Fatah's leadership: the Palestinian public, tired of the Israeli military and civilian presence, is also tired of struggling against it. Nonetheless, a spontaneous outbreak is liable to spread quickly, as the Israeli-Palestinian experience has shown. In that case Fatah would station itself at the forefront of the struggle, and act as it did in the last two popular uprisings. After all, resistance is anchored in its strategic approach and political platform, approved in the movement's sixth convention.

An escalation in the Palestinian struggle would not represent the most serious threat to Israel. Israel will handle an eruption of violence, notwithstanding its human, economic, and diplomatic costs. A greater threat is Palestinian abandonment of its avowed commitment to an agreement and reliance instead on demographic processes that, given time, would undermine the

> The conditions Fatah stipulates for renewing the dialogue mirror the final agreement that would purportedly be acceptable to the movement. Should the conditions be entirely fulfilled, all that would be left for Israel and the PA to do is compile lists of invitees to the festive signing ceremony.

national foundation of the State of Israel and erode its international legitimacy. In recent years, the discussion of the notion of one state for two peoples has revived in the Palestinian arena; it has been fueled by the apparent impracticality of the vision of dividing the land, and has also helped Hamas expand its sphere of influence. Because Palestinian striving for a one-state solution does not in principle entail a violent struggle, it is easy for Israel to push a debate of the idea's inherent risks to the sidelines. However, this very Palestinian debate should alarm Israel's leadership. Coping successfully with this challenge involves eroding the attractiveness of the original aim of the national Palestinian struggle and demonstrating the attractiveness and relevance of an agreement on the basis of two states for two peoples.

Israel's willingness to make significant territorial-political concessions – alongside an effort to contain security threats whose danger will not wane even with the formulation and implementation of an Israeli-Palestinian compromise – will help it make the most of the negotiations options. On the other hand, Israel's willingness to make concessions will not ensure a political breakthrough as long as Fatah and the PA are not the only arbiters in Palestinian politics, and certainly not as long as neither has retreated from rigid basic positions. As it stands, Fatah's platform leaves no room for discussion. The conditions it stipulates for renewing the dialogue mirror the final agreement that would purportedly be acceptable to the movement. Should the conditions be entirely fulfilled, all that would be left for Israel and the PA would be to compile lists of invitees to the festive signing ceremony.

It is true that in theory and in practice, Fatah's platform was aimed first and foremost at the movement's supporters on the Palestinian arena. With time and with the inauguration of norms of proper administration, perhaps the platform will assist Fatah in its struggle at home. However, without easing the conditions for renewing the negotiations and enlisting public support for the concessions that will be necessary to promote any negotiated agreement, it will be hard for the movement to enable the renewal of the negotiations with Israel and attempt to realize its declared strategic goal.

Notes

1   Avi Issacharoff, "Fatah Members in Gaza to Boycott Organization's Beth-lehem Convention," *Haaretz*, August 1, 2009; "'Old Guard' Want to Keep

Young Reps Out of Fatah," *Jerusalem Post*, August 1, 2009; "Fatah: Hamas Gov. Summoning All Our Members in Gaza," Ma'an News Agency, August 1, 2009.

2 An emergency session of the Palestinian National Council, called by Abbas after the Bethlehem convention and held in Ramallah, was meant to emphasize the connection between Fatah's policies and the PLO. At this session, Abbas declared: "We will endeavor to promote the role of the PLO's Executive Committee and get it to function regularly in order to play an effective role especially in peace negotiations with Israel." Furthermore, Abbas rejected any attempt to find the refugees a different homeland. Ma'an News Agency, August 26, 2009.

3 "Young Guard Dominates Fatah C'tee," *Jerusalem Post*, August 11, 2009; Ziad Abu-Ziad, "A Brand New Fatah?" *Jerusalem Post*, August 11, 2009; "Observers Call Fatah Conference a Successful Coup against Old Guard," Ma'an News Agency, August 11, 2009; Ahmed Qurei (Abu Ala), who was edged out of Fatah's Central Committee, made accusations about irregularities in the voting, Ma'an News Agency, August 11, 2009. His removal from the first rank of leadership counters the claim that the younger and intermediate generations were blocked from attaining organizational primacy. However, Qurei as well as Saeb Erekat were among the six who were seated on the PLO's Executive Committee at a post-convention meeting of the Palestinian National Council.

4 "Re-elected Fatah leader [Abbas] says Unity Must Top Agenda," Ma'an News Agency, August 12, 2009; "Once Vaunted, Marwan Barghouti is Rarely Mentioned at Fatah Congress," Ma'an News Agency, August 6, 2009; Mohammad Yaghi, "Fatah Congress: A Victory for Abbas," *Washington Institute for Near East Policy*, Policy Watch 1568, August 13, 2009; "Fatah Leadership in Gaza Resign," Ma'an News Agency, August 13, 2009.

5 Khaled Abu Toameh, "Analysis: How Fatah has Evolved into the Palestinian Ba'ath Party," *Jerusalem Post*, August 10, 2009.

6 "Armed revolution is a decisive factor in the liberation fight and in uprooting the Zionist existence, and this struggle will not cease unless the Zionist state is demolished and Palestine is completely liberated," *Camera – Committee for Accuracy in Middle East Reporting in America*, Media Analysis, August 25, 2009. See also "The Intra-Palestinian Arena, Terrorism News and the Israeli-Palestinian Conflict," July 28–August 4, 2009, *Intelligence and Terrorism Information Center*, pp. 4-7, and C. Jacob, "Fatah Sixth General Conference Resolutions: Pursuing Peace Option without Relinquishing Resistance or Right to Armed Struggle," *MEMRI - Inquiry and Analysis* – No. 541, August 16, 2009.

7 "When we stress that we espouse the option of peace and negotiations based on the UN resolutions, we retain our fundamental right to legitimate resistance guaranteed by international law," in C. Jacob, "Fatah Members: The Principles of Resistance and Armed Struggle Must Not Be Relinquished,"

MEMRI – *Inquiry and Analysis* – No. 538, August 6, 2009, p. 2; "Abbas: Keep on with Talks 'as long as there's a tiny bit of hope,'" *Jerusalem Post*, August 4, 2009.

8   "The movement adopts a just and comprehensive peace as a strategic option, with various means of obtaining it; it will not accept stasis. It espouses various means of armed struggle in order to restore our inalienable rights." *MEMRI* – No. 541, p. 2.

9   Criticism of the indecisiveness in formulating the resistance option was made within Hamas circles: "Hamas on Abu Mazen's Election: The Collapse Continues," Ynet, August 8, 2009; "Abu Zuhri: Fatah's Position on Resistance Ambiguous," *Izz ad-Din al-Qassam Brigades Newsletter,* August 10, 2009.

10 "In Fatah's judgment, the end does not justify the means." *MEMRI* – No. 538, p. 3. See also Ziad Abu-Ziad: "We do not want the Fatah conference to chant slogans and revolutionary statements of struggle, and to call for armed struggle and for violence that is far removed from the reality in which we live in." *MEMRI* – No. 538, p. 7.

11 See, e.g., "The Fatah movement clings to the Palestinian people's right to resist the occupation by all legitimate means, including the right to implement the armed struggle, as guaranteed by international law." *MEMRI* – No. 541, p. 2.

12 President Shimon Peres, Minister of Defense Ehud Barak, Minister of Foreign Affairs Avigdor Lieberman, and Kadima chair Tzipi Livni all expressed their criticism. See *Maariv*, August 13, 2009; *Jerusalem Post,* August 5, 2009, August 15, 2009; and Qatar News Agency, August 9, 2009.

13 On American pressure exerted on President Abbas to come back to the negotiating table even without a freeze on building in the settlements, see Herb Keinon and Khaled Abu Toameh, "PM Upbeat, Abbas Negative, About Talks," *Jerusalem Post*, August 23, 2009.

14 After the meeting between Binyamin Netanyahu, Mahmoud Abbas, and Barack Obama on September 22, 2009 during the UN General Assembly, Netanyahu declared that there is agreement on returning to the negotiating table without preconditions, though "the fact that there is no recognition of Israel is the obstacle to peace." Similarly, Netanyahu rejected Obama's statement about ending the occupation begun in 1967 and announced that Israel would not agree to such an arrangement. For his part, Abbas declared that renewing the dialogue depends on a stipulation that the agreement be based on a withdrawal to the 1967 lines and that no mutual basis was created for negotiations. See Ynet, September 23, 2009; *Haaretz*, September 24, 2009.

15 "PA Chair Mahmoud Abbas (Abu Mazen): Negotiations Only Way to Peace," *Haaretz*, August 17, 2009.

16 The tension between the desire to renew the political process and the effort to appease public opinion was apparent by the PA's indecision over the Goldstone report that strongly condemned Israel at the UN Human Rights Council for the scope and intensity of the fighting in Gaza. American pres-

sure, stemming from a concern about causing the failure of the effort to renew the process, propelled Abbas to withdraw the demand to discuss the report, *Haaretz*, October 1, 2009. Another contributing factor was Israel's fury, complete with the threat of economic sanctions, *Haaretz*, September 27, 2009. However, following public outcry and protests from Fatah and Hamas spokespeople alike, Abbas again demanded a discussion of the report, *Haaretz*, October 4, 2009; Ma'an News Agency, October 7, 2009.

17 The initiative earned the blessing of the European Union as soon as it was made public. See "EU Backs Fayyad Plan for De Facto Palestinian State," Ma'an News Agency, August 30, 2009.

18 Forty percent of participants in a public opinion poll in the West Bank and the Gaza Strip about two months after the Fatah convention said they would vote for Fatah in 2010 elections, and 18 percent said they would vote for Hamas. Likewise, 40.6 percent felt that the convention had no effect on Palestinian politics, while 36.1 percent claimed that the convention was a significant development. See the public opinion poll conducted by the *Jerusalem Media & Communications Center (JMCC)* and *Friedrich Ebert Stiftung*, October 7-11, 2009.

Partial Agreements with the Palestinians

Shlomo Brom, Giora Eiland, and Oded Eran

Background

Efforts to reach a permanent agreement between Israel and the Palestinians by the end of 2008, as mandated by the Annapolis process, did not succeed. This failure reflects not only the inability of both sides to meet the goal within the predetermined time frame, but also the weight of some of the basic elements that make it difficult for the two sides to reach a successful conclusion to the negotiations, even if the negotiators are given more time.

The first factor is the domestic political situation in the Palestinian Authority. It is split between the Gaza Strip, controlled by the Islamic Hamas government, and the West Bank, ruled by the government of Mahmoud Abbas/Salaam Fayyad, whose political base is the national secular Fatah movement. The Hamas government maintains effective control of the Gaza Strip by means of its militia force, but it does not recognize Israel and is not prepared to engage in negotiations with Israel over a permanent agreement. The Fatah government recognizes Israel, wants to conduct talks with Israel and conclude a permanent agreement with it, and is controlled by the veteran partners in talks with Israel (since 1993). However, it is questionable whether it has the power to reach an agreement with Israel and implement it. It is controlled by a political party, Fatah, which suffers from deep divides between the various factions and a poor public image among Palestinians – that of a corrupt

and ineffective movement that cares only for its inner circles. This government has two fundamental problems: a lack of legitimacy and weakness. The government was not elected by the Palestinian public, but was appointed by President Abbas after Hamas wrested control of the Gaza Strip. The president himself was voted in by a general election, but his term of office has ended and the legitimacy of the decision to extend his term is questioned. This decision was not approved by the Palestinian parliament, where Hamas has a majority. The weakness of the Fatah movement and the deep divisions in it exacerbate the fragility of the government, which does not enjoy the support of certain important figures within Fatah itself.

After almost 15 years of rule in the Palestinian Authority, the Fatah government has not succeeded in establishing effective government institutions and mechanisms in many areas, and what was created was largely destroyed during the intifada. There are particularly severe problems regarding security. The government in Ramallah does not have sufficient security forces and mechanisms to maintain effective control in the West Bank, stop the activities of rival militias and – principally – armed elements of Hamas, or prevent the existence and operation of a terror infrastructure. There is also a lack of a judicial system and a prison system, which are important in establishing law and order. While there was progress in the past year in the performance of the Palestinian security forces, under the auspices of the Dayton task force and a European Union delegation that helped train the local police and security forces, the development of these capabilities is taking time.

This situation has several ramifications. First, it complicates the potential transfer of responsibility for Palestinian territories from the Israeli security forces to the Palestinian security forces, due to concern that the Palestinian security forces will not be able to carry out their tasks. Poor performance would allow the rehabilitation of the Hamas militia force and the extensive terror infrastructure, which would eventually enable Hamas to take control of the West Bank. This means that even if Israel succeeds in reaching a permanent agreement with the Palestinians, it will be difficult to implement. Second, there is a high degree of mistrust between the sides. The Israeli side is not confident of the ability or the will of the Palestinians to observe agreements, while the Palestinian side does not believe that Israel truly wants to cede its control over the Palestinians.

In such a situation it is very hard for both sides to relax their positions to an extent that makes it possible to reach and implement agreements. The problems of legitimacy and weakness of the Palestinian government also hinder concluding any agreement. The permanent agreement demands a compromise on the most sensitive issues, including refugees, Jerusalem, and territory. The Palestinian leaders, on the one hand, are concerned that any concession in talks will be exploited by their bitter political rivals, Hamas, to attack and undermine them. At the same time, they also suspect they will not receive the necessary backing from their divided party, and thus they are unable to display the necessary flexibility precisely because of their weakness.

The second factor is the domestic political situation in Israel. After long years of the intifada and two wars, in Lebanon in the summer of 2006 and in the Gaza Strip in late 2008 and early 2009, the Israeli public has lost faith in the ability to reach an agreement with the Palestinians that will end the conflict between them. There is also a lack of faith in the principle of land for peace. From what is considered the failure of the unilateral withdrawal from southern Lebanon and the disengagement from Gaza, the Israeli public has concluded that withdrawing from territories and transferring them to the Palestinian side only generates new threats against Israel. This sentiment was reflected in the results of the last elections, which brought a largely right wing government into power. Furthermore, the continued deep split in the Israeli political system weakens the government and makes it hard to reach and implement decisions on controversial issues. The negotiations with the Palestinians are at the center of a fierce debate in the Israeli public and necessitate tough decisions on sensitive issues, such as evacuation of a large number of settlements, division of neighborhoods in Jerusalem, control of the Temple Mount and other holy sites, and a solution to the refugee problem. Like the Palestinians, the Israeli side is hard pressed to demonstrate flexibility on the sensitive issues, and will also find it difficult to implement an agreement in these areas.

There are various ways to deal with the difficulty of reaching a permanent agreement and implementing it. The approach that was chosen for the Annapolis process was to maintain parallel tracks. On the one hand, there were talks on a permanent agreement and an attempt to reach its successful conclusion. On the other hand, it was possible to start

off under the heading of implementing the first phase of the Roadmap, a process of building Palestinian capabilities and institutions, primarily in the area of security, which would enable the Palestinians to implement the agreement they reach. From the outset, this approach had two main problems. First, it did not address the main obstacles, described above, that prevent reaching an agreement. Second, there was a lack of synchronization between the two processes. The deadline for completing the talks was the end of 2008, even though it was clear that the process of building capabilities, which is more gradual, could not evolve at the same rate. The attempt to solve this problem led to the development of the idea of a shelf agreement, in other words, an agreement that is not designed for immediate implementation after it has been concluded, rather implementation on a gradual basis, determined by when and at what rate Palestinian Authority capabilities are successfully generated. This solution also entails significant weakness, as signing an agreement without actually realizing it can only increase the mistrust of both sides with regard to the ability to reach and implement a permanent agreement. Thus, it could impinge on the ability to foster the conditions that make it possible to implement the agreement.

In the current political reality of both sides to the talks, and in particular, following the elections in Israel, it is doubtful whether it will be possible to continue utilizing the approach of the Annapolis process. On the other hand, a situation of total stagnation is dangerous. There is a danger that the situation on the ground will become irreversible, and a two-state solution will become impossible. Stagnation will also not be acceptable to the international community and, in particular, to the Obama administration, which in contrast with the previous administration views a solution of the Arab-Israeli conflict as urgent. The European Union takes a similar view and will pressure Israel to continue participating in a political process with the Palestinians, beyond improving the basic conditions of the Palestinian population (which has been called "economic peace").

For all these reasons an alternative approach should be considered. This approach centers on bypassing the difficulty of reaching and implementing a permanent settlement within a short time frame, particularly regarding the sensitive issues. At the same time, it avoids stagnation and can generate a process of negotiations that will ultimately

address many of the problems between the sides and persuade both publics that they are capable of living side by side. One possible approach is the generation of a gradual process of attaining and implementing partial agreements so that in effect, the two sides are brought closer to the permanent agreement even if during the course of the process they encounter difficulties in reaching agreement on various sensitive areas.

The Advantages and Disadvantages of Partial Agreements

Partial agreements offer a number of main advantages. One, they are easier to achieve because they make it possible to defer agreement on the sensitive issues. Two, there is a wide range of potential agreements and therefore it is possible to allow more flexibility and gradual progress, in tandem with creating the necessary capabilities within the Palestinian Authority. Three, partial agreements allow for rapid change in the situation on the ground and demonstration of the fruits of the agreements to the public on both sides, thereby engendering mutual trust. Four, this process does not contradict the Roadmap since it gradually realizes the Roadmap's second phase, creation of a Palestinian state with temporary borders. Finally, it does not preclude continued negotiations on a permanent settlement either. If the sides are interested as such, they can proceed with talks on the permanent settlement without the time pressure.

At the same time, a process of partial agreements also has its fair share of disadvantages. First, the Palestinian side will be concerned that the temporary will become permanent and that by means of the partial agreements, Israel will create a permanent reality that does not provide a solution for the needs of the Palestinians and obviates the need to make the concessions demanded by a permanent agreement. This is why Palestinian Authority president Mahmoud Abbas strongly opposes negotiations that do not relate to a permanent settlement. It will be difficult to persuade the Palestinian side to participate in a process of partial agreements, and certainly such that do not refer to the political horizon of two states.

In addition, the Israeli side will be concerned about entering a gradual process of concessions over negotiating assets without obtaining "an end to the conflict" and Palestinian concessions on issues that are central for the Israelis, such as a solution to the refugee problem, in a manner

that does not threaten Israel's identity. And third, gradual process can become a process of confidence destroying instead of confidence building between the two peoples if the sides do not meet their commitments. In such a case this will reduce the chance of reaching a permanent agreement instead of bringing the sides closer to it. This is what happened with the Oslo process: the sides did not honor their commitments and it became a process of shattering trust.

This paper represents work by an INSS team that was created in order to develop a workable approach to partial agreements with the Palestinians. The team analyzed the potential for possible partial agreements with the Palestinians in the various areas, and attempted to imbue them with content in a manner that takes into consideration the sides' respective realities and constraints.

Basic Premises

The main premise is that a permanent agreement is not feasible at the moment, due to the internal political situation on both sides that does not allow them to bridge the gap in their stances. Furthermore, even if the sides do reach an agreement they will struggle to implement it. The Palestinians suffer from the weakness of the Palestinian Authority and the Israelis have to deal with evacuating a large number of settlements. At the same time, the unilateral option is not practical for the Israeli public, due to the perception that the disengagement from the Gaza Strip and the unilateral withdrawal from Lebanon failed and created severe security threats in the absence of commitments by the other side.

Partial agreements serve interests on all sides. For Israel, the aim of these agreements will be to strengthen the Palestinian partner for a permanent agreement, weaken those who oppose an agreement between the two sides, and lay the infrastructure for the permanent agreement. On the Palestinian side, partial agreements will allow additional territories to be transferred to Palestinian control, and will facilitate the establishment of a state entity infrastructure and a return to normal life. They will also make it possible to improve the economic situation in the West Bank in a manner that will strengthen the Palestinian Authority and the administration there, and will lay the infrastructure for a permanent agreement that will be acceptable to all. The United States and the European Union will be able to support a realistic process with

chances of success that will help advance a permanent agreement and an improvement in the Palestinians' security and economic situation.

Partial settlements constitute a possible interpretation of the Roadmap, do not contradict it, and can be maintained alongside a quasi-Annapolis process. They also suit a situation in which Israel decides to give priority to the negotiations channel with Syria but cannot allow stagnation along the Israeli-Palestinian channel.

The analysis of partial agreements principally refers to agreements that relate only to the West Bank and the Palestinian partner in this region. The assumption is that at the initial stage, there is no Palestinian unity government with which Israel, in accordance with a policy that negates dialogue with Hamas, would be hard pressed to negotiate. Hamas, which controls Gaza, is not powerful enough in the West Bank to be capable of preventing the two sides from reaching and implementing partial agreements in the West Bank. It is possible that it even would not oppose them because they would mean that additional territories would be transferred to Palestinian hands, and Hamas will not want to be perceived in Palestinian public opinion as opposing this on political grounds.

The Interests of Both Sides

In the process of negotiations for partial agreements the conduct of the sides will be guided by their interests. It appears that the interests on the Israeli side include:

a. Motivating a process on an Israeli initiative and preventing being dragged into scenarios that do not suit Israel's policies and interests and where other players have taken the initiative.

b. Motivating a process that will ultimately lead to a permanent settlement, or a permanent reality that is in Israel's favor.

c. Optimum management of the conflict with the Palestinians during the process, in other words, preventing escalation and dealing with problems that arise before they become more severe.

d. Maximum security for Israeli residents during and after the process.

e. Maintaining the cohesiveness and resilience of the Israeli public by conducting a process that the public can accommodate, particularly in all aspects relating to the future of Israelis living in the territories.

The Palestinians will likely be guided by the following interests: preventing damage to the chances of reaching a permanent agreement that will be acceptable to their public; laying the infrastructure for the Palestinian state; improving the living conditions of the Palestinian population; and achieving unified national agreement around the idea of two states for two peoples.

The various levels of partial agreements must provide a solution for these interests of the two sides, to make it possible to reach agreement on them.

Principles

The primary components of partial agreements of this nature are a *territorial component* that will generally include transfer of territories to Palestinian control and a change in the status of these territories; a *security component* that will address the relevant security arrangements; and an *economic component* that will address a change in the civilian reality in the field. As the process progresses, there will also be a need to address the sensitive areas, such as the issues of Jerusalem and refugees, if only to demonstrate that these issues will also be ultimately addressed, and thereby to facilitate the acceptance of the partial agreements on both sides.

In devising the agreements it will be important to preserve the *visibility component* of the process, particularly in areas such as the welfare of both populations, in order to achieve support on both sides and international support. Consideration will also be given for the need to reserve "assets" for the final stage of the negotiations on the permanent agreement. In addition, the process should be designed to minimize internal conflict in Israel, particularly in all aspects relating to evacuation of settlements in the early stages.

There are other important guiding principles. The tension between the drive to generate genuine change at any level of a partial agreement, and the wish to maintain the ability to reverse the process if its implementation fails must be considered. The different stages must be devised to avoid impinging on security at any of the stages. The territorial solutions need to preserve maximum territorial contiguity on both sides. The main consideration in the territorial solutions is demographic, in other words, generating a reality in which the entire Jewish population and the smallest

possible number of Palestinians are under Israeli control. Cooperation with international and Arab parties should be incorporated in reaching the agreements, even though this is not an essential condition. Finally, at any stage there will be a need to construct joint control and supervision mechanisms that will make it possible to oversee the agreements, and to amend the situation in case of non-implementation.

The Range of Agreements

There is a wide range of possible partial agreements. The various issues included in the agreements have been divided into five main areas – the territorial component, security arrangements, economics and others civilian areas, Jerusalem, and refugees. The range of possible agreements has been identified in each of these areas. This analysis makes it possible, at this stage, to devise different levels of a partial agreement from elements of these five areas.

The Territorial Component

Analysis of the territorial component suggests six possible levels:

a. Restoring security and civilian responsibility for part or all of Area A to the Palestinians, and lifting some restrictions on movement in other areas.

b. Redesignating parts of Areas B or C to enjoy the status of Area A, de facto or de jure.

c. Allowing Palestinian economic activity in parts of Area C.

d. Evacuating individual settlements in order to create Palestinian territorial contiguity in certain regions (mainly in the north and the south of the West Bank).

e. Evacuating all the isolated settlements on the mountain ridge (around 17 settlements) and creating fuller Palestinian territorial contiguity.

f. More extensive dismantlement of settlements, which will create a reality that is closer to the status of the permanent agreement (near the line of the security fence). This is a territorial solution based on the principle of a return to the 1967 lines, taking into consideration security requirements and the demographic reality that has emerged on the ground.

At the lower levels, evacuation of unauthorized outposts and freezing the expansion of settlements can be incorporated based on parameters to be negotiated.

Security Arrangements

There are a number of parameters for determining the content of the security arrangements that will be coordinated with the territorial component.

The first parameter relates to the areas where the Palestinian forces will be deployed. The partial agreements should aim to achieve gradual elimination of the difference between Area A and Area B. In each area that is transferred to the Palestinians, they will be able to deploy security forces based on a map to be agreed on between the sides, and to transfer forces from place to place without interference, so that they can honor their commitments in the area of security.

The second parameter is the scope of the Palestinian security forces. There is mutual dependence between the size of the forces and the areas transferred to the Palestinians. On the one hand the Palestinians will need to have sufficient forces to carry out the security tasks in the areas that will be transferred to their control, and the size of the forces will dictate the rate of transfer of the areas to their control. On the other hand, transfer of territory requires Israel to agree to an increase in the force that the Palestinians can operate.

The third parameter is the nature and equipment of the forces. In this area Israel need not deviate from its previous criteria, whereby the Palestinian state will not have a military and its security forces will be police and gendarmerie forces, with equipment that is suitable for such forces.

The fourth parameter will be the degree of the forces' freedom of movement. Efforts should be made to allow the Palestinian forces maximum freedom of movement in the areas they control, and the ability to move forces between areas. On the lower territorial levels, at which Palestinian territorial contiguity is not extensive, coordination mechanisms and arrangements should be devised that allow movement of these forces as required via areas controlled by Israel.

The fifth parameter is the degree of freedom of action of the Israeli forces in the territories under Palestinian responsibility. In the early

stages, when there is little faith in the ability of the Palestinian forces to operate, there will be a requirement for a great degree of freedom of action by Israel. If the process proves successful the requirements will decrease over time.

The sixth parameter is the degree of intervention by international forces in the security arrangements, either through supervision and verification tasks or in more operational ways.

An additional important component is the degree of involvement of Palestinian forces in the international crossings. The gap is between symbolic presence and full control with international and Israeli supervision.

The security arrangements should also include mechanisms for liaison and cooperation between both sides' security forces. Two different approaches can be considered for the security arrangements. According to one approach a uniform model for security arrangements will be devised, and its graduated element will be reflected in extending the arrangements to additional areas, in accordance with the territorial changes. According to a second approach there will be different levels of the security arrangements, and there may be some difference between the arrangements in different zones transferred to Palestinian control according to the security situation and the state of the Palestinian forces there.

Economic and Civilian Issues

The flexibility range in the economic area pertains to the following issues:

a. The number of permits issued to entry of Palestinian workers into Israel.

b. The nature of the economic regime between the two sides – from a unified customs zone (the present situation) to a free trade area to a third option of a regime that integrates elements from the first two options.

c. The nature of the arrangements at the international crossings and crossings into Israel.

d. The range of freedom of movement among the different Palestinian regions in the West Bank (the issue of checkpoints).

e. Allowing an airport (subject to Israeli air control).

f. Allowing the Palestinian Authority to sign economic agreements with third parties.

g. Allowing access of Palestinians to the Dead Sea.

Other civilian issues that allow a degree of flexibility pertain to various state symbols, including Palestinian participation in international organizations and improved arrangements for dividing shared aquifer water.

Jerusalem

Due to the sensitivity of issues connected to Jerusalem, it seems that it will be possible to include such measures only in the very advanced stages of partial agreements.

A move that can be of great symbolic importance is moving the route of the security wall/fence in Jerusalem. Changing the route can convey a message to the Palestinian side of a willingness to transfer control of neighborhoods in Jerusalem to them in the future.

Administrative steps can also be taken that entail recognition of the Palestinian character of East Jerusalem. One such step is the establishment of Palestinian municipal administrations in the Arab neighborhoods, with agreement on links of these administrations to the Palestinian Authority for certain issues (such as health and education). This proposal does not apply to the Old City and the historic basin in general, due to their sensitivity. There may also be different levels of authority to be granted to these administrations.

A more advanced measure is a change in the administrative structure of Jerusalem, to an umbrella municipality that includes an Israeli municipality and a Palestinian municipality, with each responsible for part of the city.

Another possible move is a change in the status of Palestinian neighborhoods that are already on the other side of the fence. This would constitute an Israeli declaration that in a permanent solution, Israel accepts that these neighborhoods will be part of the Palestinian state. The change will be reflected in a transition to the status of Area B. Such a move is not complicated where the neighborhoods are outside the area defined as part of Jerusalem according to the Jerusalem Law, and is far more complicated when they are in the area, as this requires legislation.

Israel can allow a Palestinian Authority representative office in Jerusalem, formally or less formally, through Israeli consent to honor its commitment in the interim agreement, and to allow the operation of cultural and financial Palestinian institutions, such as the Orient House.

On the Temple Mount, the most sensitive holy place in Jerusalem, the Palestinian Authority already enjoys de facto control, through its control of the waqf. More formal presence of the Authority there can be considered.

Again, due to the sensitivity of issues relating to Jerusalem, it seems that it will be possible to incorporate steps of this nature only at the more advanced levels of partial agreements.

Refugees

There is a clear Israeli interest that part of the Palestinian response to Israeli action in realizing the partial agreements will be steps connected to a solution of the refugee problem. Clearly, they cannot be steps in which the Palestinians waive their principal claims on this issue outside the framework of a permanent agreement; thus the steps will have to be mainly oriented towards practical treatment of rehabilitation of the refugees.

One step can be the start of discussion and the creation of frameworks for discussion with international elements regarding their participation in, and funding of, the rehabilitation process. Another step can be a basic discussion on the level of compensation for the refugees, and on the international implementation mechanism of the compensation. Third is agreement on discussion of the narratives of both sides on this subject, designed to bridge as far as possible the gaps in the narratives: this will generate a willingness on both sides to recognize their responsibility. Such discussion can be of great symbolic importance.

At an advanced stage there can be Israeli consent to controlled return of Palestinian refugees to areas in the West Bank controlled by the Palestinians (as Israel controls the crossings, this return will in any event be controlled).

Some Concrete Scenarios

It is possible to put together a host of variations of levels of partial agreements based on the domains of flexibility in each of the five areas.

Four possible stages will be presented to illustrate this, from the lowest level that is easiest to put into practice to a partial agreement that is close to a permanent agreement. The selected levels are "Jenin plus," "the northern and southern West Bank," "the northern and southern West Bank with settlement evacuation," and the last is "permanent agreement minus." These are not the only possible variations. They were selected because they represent the ends and the middle of the spectrum of possibilities.

Jenin Plus

The main idea behind the Jenin plus agreement is to build on the success of deploying the Palestinian security forces that were trained by General Dayton in Jenin, and to establish a relatively large area under full Palestinian control in the north of the West Bank. Within this area there will be free movement for Palestinians and there will be arrangements that will facilitate the entry and exit of goods and people between the area and the rest of the West Bank, and also from Israel, in order to revitalize the area's economy.

The agreement will apply to the entire north of the West Bank up to the outskirts of Nablus, and will also include Tul Karm and its surroundings. It mainly comprises A and B areas, although it is also important to include some Area C territory, to a limited extent. These will be territories that Israel clearly has no intention of annexing as part of the permanent agreement. It is important that these C areas are included to allow better contiguity within the zone, and they will convey to the Palestinians a message that the partial agreements are not designed to freeze the situation of an interim agreement, rather to gradually expand the territories for which the Palestinians have control and responsibility. All these areas will become de facto, if not de jure, Area A. In other words, they will be areas under full Palestinian responsibility, in terms of both security and civilian matters.

This agreement also considers the limitations of the Palestinian Authority − how much it can take on itself − and gives it the control and responsibility it is capable of applying with the security forces it has at its disposal and the forces that are about to complete training. In addition, it is relatively easy to implement this agreement, as since the 2005 disengagement the area is almost completely free of settlements.

According to the security arrangements relating to this area, the Palestinians will have full security responsibility and freedom of action and deployment in all parts of the area. There will be an Israeli commitment not to operate in this area, except in exceptional circumstances. In this area two national security battalions will be deployed, in addition to civilian police forces. There will be a strong presence of the Dayton mission there, in order to help the Palestinian forces and also act as a monitoring and verification body. There will also be a mechanism for joint security liaison with Israel. Special arrangements will be necessary to allow movement of reinforcement forces to and from the area.

This area should act as a model of success that will allow subsequent expansion to other areas, and therefore it is important that its operation also fuel economic and welfare activity. In this framework, important measures will include the operation of an economic corridor with easier transit arrangements to Israel via the northern crossing (Jelama), adding work permits in Israel for local residents, and cooperation with the delegation of the Quartet's special representative, Blair, on promoting economic projects in the area. It will be possible and desirable to incorporate in the area's economic projects internationally supported projects for improving conditions in the refugee camps.

The main obstacle to be overcome in the talks with the Palestinians over such an agreement is the Palestinian concern that Israel is trying to implement a cantonization plan in the West Bank. In order to allay this fear, cooperation with Arab and international elements may be necessary, to provide guarantees to the Palestinians that this is an initial step and part of a process that will lead to the conclusion and implementation of a permanent agreement. The very willingness to allow the Palestinian Authority into parts of Area C, at least in economic terms, will make it easier to convince the Palestinians.

The Northern and Southern West Bank

The main idea behind an agreement that includes the northern and southern West Bank is identical to the principal idea of the previous partial agreement, but this agreement will apply to a larger area of the West Bank. These two regions were chosen because in the north, there are almost no settlements that interrupt Palestinian territorial contiguity,

in the south of the West Bank there are very few settlements, and it is possible to create Palestinian territorial contiguity in a relatively large area.

Given the difference in the area to which the agreement applies there will be a need for more security forces so that the Palestinian Authority will be able to govern the area effectively without a need for Israeli security activity. This means that the national security force will have to be doubled in the area of the agreement, from two battalions to four battalions, with additional civilian polices forces.

In the economic field an additional economic corridor will be established that leads to the Tarkumiya crossing, similar to the northern corridor. In the other areas this agreement is identical to the previous one.

This agreement too can be implemented by Israel without special internal political difficulties, particularly in the wake of the success of the Jenin plus model and with a reasonable level of risk in terms of security. The principal factor that will determine the practicability of the agreement is the situation of the Palestinian security forces. According to the Palestinian Authority plans agreed on with the Dayton delegation, the Palestinian security forces are close to the size of the forces required.

The Northern and Southern West Bank plus Settlement Evacuation

This partial agreement also applies to the northern and southern West Bank but entails the evacuation of a small number of settlements, in order to improve Palestinian territorial contiguity and better freedom of movement. In the north of the West Bank, for example, it is possible to create far better contiguity by removing only two settlements, Maaleh Dotan and Hermesh.

This addition offers a significant qualitative change as it transmits a clearer political message to the Palestinian Authority, and also points inwards to the Israeli public. It demonstrates willingness to pay a political price in order to progress towards a two-state solution, and it enhances the message that there is no intention to maintain the status quo. For that reason this agreement is harder to implement from Israel's point of view.

From the other vantages this agreement is largely identical to the previous agreement. The economic elements can be augmented by approval to build and operate an airport in the area of Jericho.

Permanent Agreement Minus

Permanent agreement minus allows establishment of a Palestinian state and, in fact, constitutes full implementation of the stage of creating a Palestinian state with temporary borders, based on the Roadmap. This is a far more advanced step that is not very different from the permanent agreement itself. The main differences between this partial agreement and the permanent agreement is that the agreement does not include a full solution to the problem of the refugees and a full solution on the subject of Jerusalem, and therefore does not incorporate agreement on an end to the conflict as well.

The territorial border of the agreement is close to that of the route of the separation fence, and all the settlements beyond the separation fence will be evacuated. This is an agreement that leaves several territorial bargaining chips for the last stage of negotiations of the permanent agreement, particularly because there is no swap in the partial agreement and the Palestinians do not receive alternative territory for the areas that remain under Israeli control. The territorial part of the agreement will also include an arrangement over safe passage between Gaza and the West Bank (whereby agreement will have to be reached later regarding "its cost" as part of the swap).

With regard to security this agreement will include the final agreement on the size and arming of the Palestinian security forces, whereby the basic idea is that the Palestinian state will not have a military but only a gendarmerie force, a civilian police force, and intelligence organs, and they will be armed accordingly. The agreement will also include a strong international presence that will assist the Palestinians with security tasks, will monitor implementation of the agreement, and will participate in supervision of the borders, at least in the first years following the signing of the agreement. There will also be cooperation and coordination mechanisms with Israel.

The agreement will include Palestinian control of the international crossings, including seaports and airports with an international presence for monitoring and verification, and effective remote Israeli monitoring. There will be a limited Israeli military presence at warning stations and as part of the international force deployed in the Jordan valley. Final arrangements in the area of aviation and the electromagnetic spectrum will be agreed on.

The Palestinians will have full civilian authorities. In the economic arena, the two states will agree on the format of economic relations between them – continued customs unification based on an enhanced format or a free trade area. More efficient arrangements will be set for the passage of goods and people to and from Israel. Palestinians will have full authority to sign economic agreements with other countries. Final arrangements will be agreed in the area of water and the environment, in addition to coordination and cooperation in other civilian areas.

In Jerusalem, the agreement will incorporate altering the route of the wall, so that districts of East Jerusalem, to which there is no Israeli claim, will move to the Palestinian side. Palestinian state representation will be allowed in the area of East Jerusalem that will remain on the Israeli side of the wall, and there will be more Palestinian control in various areas of life in the Palestinian neighborhoods, including full control of education and health.

On the subject of the refugees, agreement will be reached by the two sides with international bodies with regard to the amount of compensations, the criteria for allocating them, and the mechanism involved. A discussion will take place designed to develop a shared narrative. Refugees will be allowed to return to the Palestinian state based on terms to be accepted between the two states. Implementation of a plan to rehabilitate all the refugees in the area of the Palestinian entity will be started, in fields such as residence and employment, with international assistance.

This stage also allows greater involvement of Arab states, in accordance with the Arab peace initiative. Involvement will on the one hand be reflected in the provision of benefits to Israel with regard to relations with Arab states, and on the other hand, involvement in implementation of the agreement, through the provision of economic aid to the Palestinian state. This will include rehabilitation of the refugees in the West Bank, participation in the international force, and rehabilitation of the Palestinian refugees who choose individually already at this stage to stay in Arab states and relinquish a right of return, including providing them with full citizenship in those countries that have yet to offer this.

In the current political circumstances on both sides, it is difficult to envisage implementation of this extensive partial agreement. Its full implementation will require successful implementation of partial

agreements based on the format of the agreements mentioned above. Success in these smaller agreements will boost trust on both sides and will help to make the leap to a big agreement. Such success also means that the Palestinians have made great strides in building state institutions, in particular security mechanisms, and have proved their effectiveness.

It is hard to assume that it will be possible to implement the agreement fully without restoring effective control by the Palestinian Authority of the Gaza Strip, which means that Hamas has been fundamentally weakened and lost its control of the Strip, or that a situation of national Palestinian reconciliation with a more moderate Hamas has taken place. However, one can consider a partial alternative that will be implemented in the West Bank only, should the Palestinian Authority not regain effective control of Gaza.

Conclusion

The idea of a process of partial agreements has gained a bad reputation in the wake of the Oslo process, and it has many opponents. Its weaknesses are known and it is hard to present it as an ideal solution. However, it is possible that in the current reality, this is the only possible solution that will make it possible to prevent stagnation, and will allow progress on the Israeli-Palestinian track that will prevent an irreversible situation that damages the interests of both nations.

The lessons learned from the Oslo process make it possible to take a number of steps that will avoid the failures and pitfalls of that process:

a. Ensuring that both sides honor their commitments, by establishing a reliable monitoring and verification mechanism.
b. Involvement of international players: in assistance to both sides, and particularly for the Palestinian side in meeting their obligations, in providing rewards and guarantees to both sides, and in monitoring and verification.
c. Simultaneous honoring of obligations by both sides.
d. Transition to the next stage will be contingent on the success of the current stage, and will not be automatic.
e. Underscoring to the Palestinians the importance of state building and institutions building, with intensive international help and sponsorship.

f.   Recruiting the Arab world, through the Arab peace initiative, for support of the agreements and involvement in their application.

The most difficult obstacle to overcome will be persuading the Palestinian partner to participate in this process and to waive its basic position that negates negotiations on partial agreements. The willingness of the international players will be necessary (including the Arab players) to provide the Palestinians with guarantees and help win them over. If the Palestinian leadership is convinced there is no better alternative and they have sufficient guarantees from the international community for the permanent agreement, it may agree − for the lack of other options − to take part in such a process.

Another tough obstacle, from Israel's point of view, is the absence of an end to the conflict as the only meaningful reward that the Palestinians can give to Israel for all its concessions. An end to the conflict means an end to reciprocal claims and, possibly, this may constitute the temporary solution: in presenting partial agreements, it will be possible to say to Israeli public opinion that although Israel wants to reach a permanent agreement centered on an end to the conflict, as long as the other side insists on certain claims Israel also retains that right.

Compromising on a Nuclear Iran

Yoel Guzansky

The inability to stop Iran's nuclear program is liable to make − or perhaps has already made − the United States come to terms with, albeit reluctantly, Iran's capability of enriching uranium on its soil. The following essay seeks to explore the limits, possibility, and implications of a compromise with Iran on this matter. The bad news for Israel is that with or without a compromise, it is already possible to define Iran as a nuclear "threshold state," or one rapidly approaching that status.

At the heart of the Obama doctrine lies the willingness to conduct dialogues with rogue states. In the Iranian context, its prominent features are downplaying the military option (though not taking it off the table entirely) and conceding the suspension of uranium enrichment as a precondition for opening talks. It seems that the administration is also not interested in moving towards a significant increase in sanctions, at least not until fully exhausting the dialogue option. Obama does not want to be seen as someone looking for an excuse to apply more pressure on Iran. His personal prestige is at stake, and his administration will make every effort to attribute success to his move, even if in doing so he has to cross another line in the sand.

The American Position

The Bush administration insisted that Iran stop enriching uranium and even sought to pass several Security Council resolutions demanding "full and sustained suspension" of all activities involved in the enrichment process. The administration's efforts were unsuccessful. Not only did Iran not stop; it also expanded and improved its uranium enrichment capabilities. As of late August 2009, Iran had installed more than 8,000

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centrifuges at the enrichment facility in Natanz (half of which are in use) and amassed about a ton and a half of low enriched uranium.[1]

The statement by Secretary of State Clinton that the United States would be prepared to provide a "defense umbrella" to its allies in the Middle East in the face of the Iranian nuclear threat has sounded to some senior Israeli officials as America's acceptance of the nuclear status that Iran has attained.[2] And indeed, from statements made by senior members of Obama's team, it seems that under certain circumstances, the administration is likely to allow Iran to maintain the nuclear capabilities it has acquired.

It may be that this position is based on the American assessment that the international community is unable to deny Iran a capability it already has, so that Iran must be stopped now, or at least its progress towards military nuclear capabilities postponed as much as possible. In this vein, the secretary of state said at a Senate hearing: "Our goal is to persuade the Iranian regime that they will actually be less secure if they proceed with their nuclear weapons program," without referring to Iran's uranium enrichment capability.[3]

This statement, like other recent declarations, distinguishes between preserving Iran's uranium enrichment capabilities, which at first glance seems like a fait accompli, and developing the military dimension of the nuclear program, which remains a line not to be crossed. In his June 4, 2009 speech in Cairo, President Obama declared that "we are willing to move forward without preconditions" and that "any nation − including Iran − should have the right to access peaceful nuclear power if it complies with its responsibilities under the nuclear Non-Proliferation Treaty."[4] Perhaps the purpose of these statements was to signal Iran that at the conclusion of such talks, the United States might be willing to leave Iran the capability of operating a nuclear fuel cycle. The clearest statement made on the issue came from the chairman of the Joint Chiefs of Staff, Admiral Mullen, who in response to the question "could [Iran] have as Japan does a full nuclear fuel cycle program?" said: "I think that's certainly a possibility." He also noted that the purpose of a dialogue with Iran is making sure that "they don't end up with nuclear weapons."[5]

The Iranian Position
In general, Iran's leadership is not interested in friendly relations with the United States because from the ayatollahs' perspective, such closeness

might represent a bear hug and undermine one of the pillars of the regime's ideology. Despite the many advantages inherent in normalization of relations with Washington, it would exact a high political cost for Iran. In addition, relations that are constantly in crisis allow Tehran both to place the blame for its economic distress on international sanctions and extol its technological successes, especially in the nuclear field, as a symbol of resistance to the West. Accordingly, Iran has yet to modify its basic position that it has the right to enrich uranium on its soil. On the contrary, in its mind that is what negotiations are supposed to affirm. Thus despite, or perhaps because of, the blurring of principles by the West, Iran has to date made no significant change in its policy on the issue. The bottom line is that Iran is interested in American recognition of its status as a regional leader, and like the United States, seeks to engage in dialogue from a position of strength. To effect such a position, Iran is striving to bolster the image already taking hold in the international community of Iran as a "threshold state."

American declarations that imply United States willingness to leave even limited enrichment capabilities in Iran as part of a final settlement are greeted warmly in Tehran. In a recent editorial, the conservative daily *Kayhan* claimed that the secretary of state's comments are tantamount to acceptance of Iran's nuclear capabilities: "Clinton has accepted the possibility of a nuclear Iran, and is simply trying to show that the risk from a nuclear Iran has been blown out of proportion and that the classical doctrine of nuclear deterrence will be applied to Iran just as it is applied to any other nuclear power."[6]

Statements by Iran's foreign minister suggest that Iran is at least considering a "stop" in the "threshold sphere." He even compared Iran's nuclear status to the Japanese: "The common view of Japan's nuclear activity must be valid for other nations, too, including Iran." He repeated that Iran's nuclear program is "legal and for peaceful purposes," and added that "Japan invested many years in building trust with regard to its nuclear activity, and Iran is moving in the same direction."[7] Omitted from this analogy is that Iran's nuclear status is far different from Japan's: while Iran does not have Japan's technological ability or economic might, it may have surpassed Japan in components connected to the military dimension of the nuclear program and the development of surface-to-surface missiles.

Iran has frequently announced that it is not developing nuclear military capabilities, but has been adamant, at least to date, about rejecting any compromise on the issue of enrichment. Nonetheless, should Iran conclude that an international coalition is about to intensify the pressure on it, that the economic and political situation in the country is liable to threaten the regime's legitimacy, and that the United States is in fact serious about allowing enrichment, even limited, it is likely to "compromise" and show greater willingness to arrive at a formula according to the above parameters.

Thus far the nature of the Iranian answer to proposals from the West has been, "Yes, but." Because it feels that time is on its side, Iran is expected

The Japanese Model

What is the Japanese model that, at least according to some senior Iranian figures, Iran is striving to adopt? While already in the 1970s Japan had the scientific ability and industrial resources it needed to develop nuclear weapons, various obstacles have prevented it from pursuing this path. With a dearth of natural resources and one of the world's highest rates of energy consumption, Japan was impelled to rely on nuclear energy to produce electricity. Today, its 55 light water reactors are responsible for 35 percent of the country's electric consumption.

However, there are controversial sides to the Japanese nuclear program: Japan has an advanced nuclear fuel cycle technology and enormous plutonium reserves. According to one assessment, Japan has 7 tons of separated plutonium for civilian use and another 40 tons stored in facilities overseas – a quantity enough for more than 1,000 nuclear facilities. This combination has led to the widespread opinion that Japan can manufacture nuclear weapons within a short period of time. Nevertheless, Japan seeks to project full transparency in everything having to do with its activities in this field and pledges that the plutonium is meant for civilian needs only. All Japanese nuclear facilities are subject to inspection by the International Atomic Energy Agency, and Japan is an avid supporter of non-proliferation regimes (a Japanese candidate was recently elected to head the IAEA).

There are a number of obstacles impeding Japan from realizing its military nuclear potential. Public opinion that opposes nuclear weapons, an educational system that promotes pacifist ideas, and the

to present an "open door" image yet again in order to waste time, while at the same time, avoiding a severe crisis with the international community. But should Iran seek to promote its ideological and strategic ambitions at any cost, it may choose to continue striving for nuclear weapons and not remain satisfied with America's "permission" to continue operating and developing its nuclear facilities. Moreover, it may be that this American policy will provide Iran with a tail wind and only intensify its refusal.

A Nuclear Threshold State?

Formal recognition of Iran's nuclear capabilities as the result of negotiations will present a complicated dilemma for Israel, because it

living testimony of the horrors of Hiroshima and Nagasaki all serve as moral reins. In addition, there are a number of legal obstacles, first and foremost the Japanese constitution, which in Article 9 establishes that "the Japanese people forever renounce war as a sovereign right of the nation and the threat or use of force as means of settling international disputes...To accomplish the aim of the preceding paragraph, land, sea, and air forces, as well as other war potential, will never be maintained."

To be sure, Japan maintains a well-trained and well-equipped army that participates in UN peacekeeping missions around the world. Moreover, a broader interpretation of the constitution would allow Japan, at least theoretically, to develop nuclear weapons for defensive purposes. Nonetheless, Japanese leaders have repeatedly declared that "Japan will not allow any production, maintaining or importing of nuclear weapons." Additional obstacles are linked to international commitments Japan assumed, headed by the Non-Proliferation Treaty (NPT).

However, the most significant obstacle to Japan's developing nuclear weapons is linked to its agreement with the United States, which is obligated to come to its aid in case of nuclear attack (the nuclear umbrella). Japan's growing concern about America's willingness to come to its side in the moment of truth, especially in light of North Korea's defiant behavior, brought then-Secretary of State Condoleezza Rice to reaffirm this commitment with greater emphasis immediately after North Korea's first nuclear test in 2006.

will find it difficult to justify any offensive action intended to deny this capability to Iran. Although officially Israel is demanding that Iran be denied any nuclear development, in its own declarations Israel too has blurred another line. For the first time Israel publicly presented the equation that "nuclear capability in Iran equals the ability to launch a nuclear bomb." In the past, the language of Israeli demands vis-à-vis the Iranian nuclear project was "control of enrichment technology," and before that, "the point of no return." In his visit to the Knesset Foreign Affairs and Defense Committee, Meir Dagan, the director of the Mossad, noted that Iran would have the capability of "launching a nuclear bomb" around 2014, and determined that "from the perspective of a nuclear program, this is no longer a technical matter, because the Iranians have solved the technical problems."[8] He thereby defined Iran as being in practice in the threshold sphere.

What then is a nuclear "threshold state" and does Iran fit the definition? There is little consensus in the professional literature about what firmly constitutes a nuclear threshold state, but a prevalent view is that it applies to a state that has mastered most of the components of the nuclear fuel cycle, has an advanced scientific-technological infrastructure, has a reserve of fissile material, and has the capability of fitting a nuclear warhead on a suitable platform; all that is needed is the strategic decision to cross the threshold and to arm itself with nuclear weapons. In many ways, Iran may already be defined as a "threshold state" or as one very near there.

Much has been written in recent years about nuclear proliferation and the ways to handle its challenges, including with regard to Iran, and considerable thought has been devoted to the ramifications of a nuclear Iran. However, there has never been a deep, searching discussion about the possibility and meaning of an Iranian slowdown or cessation before reaching the threshold. Despite the existence of several definitions in this context, all are fairly similar and leave considerable "threshold sphere room" for a state. So, for example, the term "threshold status" describes a situation where a state has the capability of independently producing nuclear weapons within a short period of time, ranging from a number of hours to a number of months. Another definition, which more closely matches Iran's status, is called "standby status," and describes a situation in which a nation already has all the facilities necessary to produce nuclear

weapons.[9] If so, what purpose are negotiations supposed to serve? In United States eyes, negotiations with Iran are crucial in order to stop it before the threshold, while in Iran's view, negotiations are supposed to provide it with recognition of its status. This is not a particularly broad sphere for compromise, and it is problematic.

American recognition of Iran's nuclear status would grant Iran some considerable advantages without having to pay for them in any significant way. Accordingly, the risks of this situation are several, including:

a. Canceling the political-economic campaign to change Iran's policy. If the status is approved as part of a settlement, then canceling political-economic pressure would naturally follow suit.

b. Iran would be granted considerable immunity regarding any military attack on its nuclear facilities. Israel would find it difficult to justify an attack on Iranian nuclear installations once Iran received this kind of international seal of approval.

c. Iran will have an opportunity to leverage its nuclear status and exert greater influence on the Persian Gulf's agenda and show involvement in different Middle Eastern arenas, free of the restrictions it might incur should it cross the threshold.

d. Iran will preserve the option to arm itself with nuclear weapons when convenient and with little advance warning, forcing Israel to improve its intelligence and develop mechanisms that will sound the alarm when Iran takes this irrevocable step and proceeds to military nuclear development or distribution of technology or nuclear materials.

e. Iran's deterrence may grow stronger because doubt will always linger about its capabilities and intentions. This will force Israel to treat it as a nuclear power.

f. It is possible that this precedent will encourage other states to develop their own peaceful civilian nuclear programs; some have already declared they intend to do so.

g. A settlement along the parameters described above is the least of all the evils for the United States, but very bad for Israel, and should it come to pass, is liable to generate growing gaps and disagreements on the subject.

At the same time, the arrangement has several advantages. First, stopping Iran before it crosses the threshold may at least slow down a

nuclear arms race in the region, because states that feel threatened by nuclear weapons in Iran are likely to be less committed to developing their own independent nuclear programs. Second, the sense of immediacy of the threat of a nuclear attack against Israel will be somewhat reduced, along with public concern about living in the shadow of the Iranian bomb. Third, if there is formal international recognition of Iran's nuclear status, it will presumably be accompanied by a demand for tighter control and oversight of developments within the nuclear program.

It is possible that stopping or slowing Iran down before it crosses the threshold actually matches Iran's own interests, especially in light of what seems to be the strengthening of the international coalition against it and Iran's growing inner weakness. Therefore, at this point Iran is likely to be satisfied with recognition of its nuclear capabilities (and "rights") while completing all the components that would allow it to overcome the last hurdle when conditions prove to be more convenient.

While the likelihood is low that the United States and Iran will reach a deal that resolves all the disagreements between them, it is not inconceivable that the sides' demands and room for maneuver will allow them to reach an arrangement whereby Iran, under various limitations, would preserve its nuclear capabilities. Yet in light of Iran's reputation, it is eminently possible that the sides will not reach any kind of lasting arrangement. And in any case, even this diminished prospect does not change the fact that Iran is now in the "threshold sphere."

One may argue that there is no essential change in the American position on the subject because already in the past the United States agreed to a civilian nuclear program in Iran, and what we have is at most a tactical deviation. Still, the United States has consistently and explicitly opposed leaving Iran with enrichment capabilities and linked the continuation of enrichment to Iran's striving for nuclear weapons.[10] It is also possible that behind the current American policy there is more skepticism than in the past about the chances of negotiations succeeding in generating a change in Iran's nuclear policy, and the administration is allowing itself some non-binding utterances in order to test the waters and define Iran's limits on the nuclear issue.

There are other possible rationales prompting the US position. It may reflect a desire to strengthen the international coalition and provide legitimacy for harsher measures down the road. In other words, what

seems a turning point in the United States approach is merely meant to demonstrate the seriousness of the administration's intentions to one and all, especially Russia, and provide the administration with legitimacy for more stringent steps should Iranian intransigence continue and defeat any attempts at dialogue. In addition, this approach may be a pragmatic tactic. It is not inconceivable that behind the apparent adjustment of policy stands the recognition that in light of the technological time tables of the Iranian nuclear program, the administration has a responsibility to try and solve the central disagreement with Iran as soon as possible and stop it now, before it tries to cross the threshold. Furthermore, this policy implies that in light of the futility of international efforts to impose a change in Iran's policy with the reluctance to attack nuclear facilities at this stage, the American administration must formulate a new strategy based on a policy of containment and deterrence. Finally, the policy may reflect a belief in America's ability to turn the clock back on Iranian capabilities. The American administration may believe that even if Iran is recognized as a nuclear threshold state it will not be too late to convince it in the future to cease nuclear development, especially if a more moderate and pragmatic regime emerges in Iran.

Conclusion

At least in the Iranian view, the purpose of any negotiations is to bestow international legitimacy on its nuclear status. It is not inconceivable that the American administration too may be able to live with an arrangement that would include stopping Iran in the threshold sphere, together with improved inspection and limitations on the enrichment process that would complicate its ability to cross the threshold.

American's dilemmas will be how to act should Iran continue to drag its feet and refuse a compromise within these parameters. Will it succeed in imposing much harsher sanctions as it has declared? Time will tell. No less important than the dialogue with Iran, the American administration must increase its coordination with Russia and try to come to an understanding that would not enable continued Iranian nuclear progress. It may be that the cancellation of the American plan to place radar and interceptors in Eastern Europe is somehow connected to the matter.

Growing internal unrest in Iran may also make it harder for the American administration to bridge the tension between its desire for dialogue and its democratic values. Similarly, it will have to deal with the Iranian fear of Western openness, especially at a time of growing internal weakness. One way to do so is to look for backdoor lines of communication – in tandem with the public negotiations – that in the past were the preferred channels for transmitting messages and settling disputes. This would allow ways to climb down from the previously scaled high rungs of the ladder, and prevent external elements (Israel?) from criticizing any position of excess compromise.

Notes

1   International Atomic Energy Agency, report by the director general, August 28, 2009, http://www.isis online.org/publications/iran/IAEA_Iran_Report_28August2009.pdf.

2   National Public Radio, "Clinton's Iran Comments Irk Israel," July 28, 2009; http://www.npr.org/templates/story/story.php?storyId=106884041.

3   "Clinton: Nuclear Capability in Iran Poses 'Extraordinary Threat,'" Fox News, May 20, 2009, http://www.foxnews.com/politics/2009/05/20/clinton-nuclear-capability-iran-poses-extraordinary-threat/.

4   The White House, Office of the Press Secretary, June 4, 2009, http://www.whitehouse.gov/the_press_office/Remarks-by-the-President-at-Cairo-University-6-04-09/.

5   ABC News, May 24, 2009, Transcript: Joint Chiefs of Staff Chairman Adm. Mike Mullen, http://abcnews.go.com/ThisWeek/story?id=7664072&page=1.

6   MEMRI, August 2, 2009.

7   "Iran: The Japanese Nuclear Model Applies to Us Too," MEMRI, May 7, 2009.

8   *Haaretz*, June 16, 2009, http://www.haaretz.com/hasite/spages/1093355.html.

9   Ariel E. Levite, "Never Say Never Again: Nuclear Reversal Revisited," *International Security* 27, no. 3 (2003).

10 *Washington Post*, December 19, 2005; http://www.washingtonpost.com/wp-dyn/content/article/2005/12/19/AR2005121900375.html.

If Iran, then Israel? Competing Nuclear Norms in the Middle East

Emily B. Landau

Introduction

If the US and Iran ever do sit down to bilateral talks – and if the US insists that these talks include discussion of the nuclear issue – two issues of concern are almost certain to be forced onto the agenda by Iran: insistence on maintaining a uranium enrichment program on Iranian territory, and demands to relate to Israel's nuclear program. While it is generally expected that the question of uranium enrichment will be part of any prospective negotiation between the two states, reference to Israel's nuclear program has for now been mentioned only by Iran, as a point to be included in its proposal for talks with the US. Indication of Iran's intent can be found in the proposal for negotiations that it submitted to the P5+1 in early September. There was no mention there of Iran's own nuclear program; however, it clearly advocated universality of the NPT, and urged moving forward on "real and fundamental programmes toward complete disarmament."[1]

It is hard to predict at this point how President Obama is likely to react to a demand from Iran to relate also to Israel's nuclear status, and how it would play out in the negotiation itself. On the one hand, according to reports in the Israeli press, Prime Minister Netanyahu has secured a commitment from Obama to abide by existing US-Israeli understandings with regard to Israel's strategic deterrence.[2] But as strong as that renewed commitment may be, Obama's determined embrace of the nuclear disarmament agenda – with its uncritical across-the-board standard of equality in the nuclear realm – could nevertheless render him susceptible to an Iranian argument for "equal treatment." This is an argument that

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derives its legitimacy from the norm embedded in the NPT, a treaty that focuses solely on weapons at the cost of ignoring important dynamics of international politics, as well as the significant differences that exist among states.

Since the early 1990s, Iran, drawing on the strength of the NPT-based norm of equality, has invariably and vehemently denied charges of military intentions in the nuclear realm while pointing an accusing finger at Israel instead.[3] In fact, the Iranian demand for "equal treatment" has become a well-worn tactic to deflect attention away from its own illegitimate military nuclear activity, which it has carried out in breach of its commitment to remain non-nuclear per its NPT membership.

A closer look at Middle Eastern realities past and present in the nuclear realm – especially the context of previous demands from Israel to address the nuclear issue – can help explain why a negotiation with Iran over its nuclear ambitions should not be held hostage to the normative prescripts of the disarmament agenda. Rather, there are equally important competing norms, and discussion of the Iranian nuclear challenge in fact needs to be conducted with reference to the very real world of Middle East politics, where political agendas, threats and threat perceptions, and security challenges are what determine the nature of debates on the nuclear issue.

Comparisons with ACRS

If Iran demands that the question of Israel's nuclear option appear on the agenda of its talks with the US, this will not be the first time that such a demand has been made by a regional player in the framework of negotiations. The most important experience to date is the Arms Control and Regional Security talks (ACRS) of the early 1990s, one of the five multilateral working groups set up as part of the regional track of the 1991 Madrid peace process.[4]

Egypt entered these talks with a very clear arms control agenda that was focused directly on how to control and eliminate weapons of mass destruction (WMD). At the beginning of the talks the Egyptian message as far as Israel was concerned was that Israel's nuclear option must be placed on the table, for the simple reason that no state could claim exception to a discussion of WMD; no state could be exempt due to "special security concerns." Yet it was only as the talks progressed

and were more directed to Confidence and Security Building Measures (CSBMs) than WMD that Egypt strove to focus the discussion primarily and later almost exclusively on Israel's assumed nuclear capabilities. After suggesting that a worthy confidence building measure would be Israel joining the NPT, Egypt's campaign with regard to Israel culminated with the demand that Israel agree to place the discussion of a Weapons of Mass Destruction Free Zone (WMDFZ) squarely on the ACRS talks agenda. The most Israel would agree to − and it considered this to be a major concession on its part, reached in February 1995[5] − was a timeline whereby Israel would address the NPT issue two years after it had signed peace agreements with all its neighbors, including Iran and Iraq. This did not satisfy Egypt, and the zero-sum positions on Israel's nuclear option ultimately delineated the contours of the demise of the talks.

The example of the Egyptian demand from Israel in the early 1990s is instructive for understanding and dealing with what Iran is likely to raise today. At the time that Egypt raised the issue, it was more than ten years after concluding a peace agreement with Israel, and it was raised in the context of an ongoing regional dialogue. As much as Israel opposed the demand, and even though it created considerable tension in Egyptian-Israeli relations, concomitant progress was nevertheless evident on other issues, most notably CSBMs. It was these confidence building measures that became the major focus of the ACRS talks.

The context of the Egyptian demand was thus vastly different from the situation today, where blatant rejection and virulent rhetoric mark Iran's attitude toward Israel. Whether Ahmadinejad actually advocated that Israel be actively wiped off the face of the map, or "merely" stated that as an illegitimate and criminal entity Israel is destined to fall off the face of the map, the extreme hostility toward Israel of the present and past governments in Iran is quite stark. Due to the deep − and in Israeli eyes incomprehensible − hatred toward it, the very rationale for Israel's nuclear deterrent is actually underscored and enhanced by Iran's nuclear program. One of the most solid rationales for Israel's nuclear deterrent is the development of

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a nuclear weapons capability by a state that is openly hostile to Israel. Iran's attitude and activities in the nuclear and regional realms thus strengthen and concretize the case for a continued deterrent in a manner that was not present during ACRS, when Egypt's argument was that Israel no longer faced existential threats in the region.

Moreover, even though Egypt stressed the Israeli nuclear threat in the early 1990s, it had lived with an assumed Israeli nuclear deterrent for years. Thus the dialogue itself came in the context of a given reality – there was nothing new and/or existential at stake in the talks for any of the parties. While success (however defined) would likely have been a positive development for the region, failure in and of itself did not bring severe consequences. As far as the nuclear issue was concerned, it merely returned the Middle East to the status quo ante, before the process began. Efforts to contain Iraq's suspected WMD activities – which were a major impetus for convening the talks – were carried out through a separate process that did not in any way hinge on the success of the ACRS dialogue. Indeed, Iraq was not even invited to take part in ACRS.

Today a very serious threat is rapidly emerging in Iran. The reality of this threat is underscored not only by Israel, but by the positions taken by other regional players as well. Even at the time of ACRS, while Egypt vigorously advanced the nuclear agenda, most of the participating Arab states were noticeably less adamant on the issue, indicating their willingness to proceed in the first stage with CSBMs, which focused on inter-state relations. They resisted embracing the Egyptian nuclear agenda with the enthusiasm that Egypt was hoping for.[6] In the face of the Iranian threat today, Iran's attempt to focus on Israel is not gaining significant ground even with Egypt itself. The moderate Arab states today are openly concerned and even fearful of Iran's regional agenda.[7] At times they project the sense that they are considerably more concerned with what they see developing in Iran than with what they suspect Israel has. Egypt in particular seems concerned with Iran in a way it never was with Israel; it realizes that Iran not only seeks hegemony, but can realistically pursue a hegemonic agenda in the region.[8] This is something

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Israel cannot pursue − even if it theoretically wanted to − because it has no significant regional constituent to appeal to.

Competing Norms in the Nuclear Realm

On the conceptual level, there are two norms relating to the nuclear realm that compete for prominence when policymakers address nuclear weapons and the challenge of nuclear proliferation. The first − the norm of equality introduced above − is an outgrowth of the traditional disarmament agenda that views nuclear weapons as inherently "bad": a negative and destabilizing phenomenon in international relations. This is the rationale behind efforts to halt their spread, most notably through tools like the NPT. With the weapons at the forefront of the debate, the identity of the states involved in proliferation activities is secondary, and there is no justification for differentiating among them. All states are perceived to be equal in the face of nuclear proliferation, and all must be held to the same standard of elimination.

The competing norm is that states have the right to defend themselves against serious (and certainly existential) threats. Nuclear weapons are the ultimate deterrence against the emergence of such threats. If these weapons exist solely for the purpose of this defensive/deterrent role, then they can be justified, because self-defense is also normatively acceptable in international politics. In fact, nuclear weapons so far have come to be recognized as weapons of deterrence only, not of use. In Israel's case, even with an ambiguous nuclear policy, Israel's red lines have been transmitted to its neighbors, and its message of deterrence against existential threats has been received as such over the years by the Arab states.[9]

In the competition between these norms, power politics is an unavoidable feature of the debate. Nuclear states (that possess the weapons) not surprisingly focus more on the justification of maintaining some nuclear weapons in order to address severe security threats. Non-nuclear states (that made a commitment to forego them) are naturally more inclined to lock into the equality norm as the basis for their judgments on nuclear matters. Their logic is that if they don't have them, they don't want anyone else to have them either. But while rhetorically grounded in the norm of equality, the position of the non-nuclear states is not devoid of a security rationale as well because the NPT ensures

that many potential enemies remain non-nuclear. In this sense the NPT functions as a collective security system, albeit a limited one.[10]

The competition between these two norms is at the heart of the debate over Iran's nuclear ambitions. So far, even though Iran is being judged per its NPT commitments, the equality norm has actually *not* been at the forefront of debate. Most attention has been directed to the reality that Iran is a threat to other states, more so than it itself is threatened, and therefore its nuclear proliferation activities are viewed in particularly harsh terms.

But the equality norm is lately coming more and more to the fore, in direct correlation to the perceived inability of the international community to stop Iran from becoming a nuclear state. In other words, the more it becomes apparent that strong actors in the international community are powerless to stop Iran, the stronger the impulse to conjure up the double standards argument. It's not that this argument will help in dealing with Iran, but it does make it easier to rationalize failure. The argument goes something like: "We can't stop Iran, but wait a minute, what about Israel? Why is nobody focusing on that?"

The challenge for Israel is that the equality norm in and of itself, especially at this point in the game, is normatively attractive and has gained additional weight due to the recent renaissance of the disarmament agenda and its adoption by President Obama. The pressure for taking it seriously and applying it to Israel is cropping up more and more in debates on this topic in Europe and the US. Not only does the notion of equality immediately appeal to liberal minds and sensibilities, but it seems to require no further explanation. It shifts the burden of proof to the other side that must argue why all states should *not* be treated equally per their nuclear ambitions.

As such, the self-defense norm must be explained when challenged. This is a time consuming endeavor, whose success hinges on a deeper understanding of the complexities of context. In Israel's case, it necessitates conveying an entire set of issues regarding Israel's security calculations and its record of restrained and responsible behavior in the nuclear realm for over 40 years of being a presumed nuclear state. In short, adhering to the self-defense norm requires building a convincing case, whereas equality is conveniently absolute.

What needs to be understood, however, is that the "absoluteness" of equality is in reality an illusion. The significant differences that exist among states in so many aspects of their international behavior do not suddenly disappear merely because the topic of discussion is nuclear weapons. Indeed, even the new adherents of the disarmament agenda, including Obama, advocate reducing the number of nuclear warheads because they believe that the threats they face have diminished, especially as far as Russia is concerned. But Obama has made it crystal clear that as long as any threats exist, the US will maintain what it needs to defend itself against them.[11]

Assessment

In practical terms, Iran at present is a regional security challenge to be dealt with in its own right, without overburdening the situation with problematic linkages. From an international and regional political perspective, there is no basis for invoking the equality norm when discussing Iran's nuclear ambitions and Israel's nuclear deterrent. If Israel is made a focus of attention, this will not make Iran any less dangerous; indeed, it would probably embolden Iran, rendering it an even greater regional threat.

Although Western norms embedded in the NPT advocate equal treatment of all states regardless of the significant differences among them, the US would be better advised to pay more attention to regional realities and listen carefully to the voices coming from the region, even when sounded softly. One lesson of ACRS is that when dealing with nuclear (and other WMD) challenges through negotiations, the conceptual guide should not be the NPT and the disarmament agenda, rather the regional context of threats and inter-state relations. This principle is reflected also in the 1995 Barcelona Declaration: there the parties were encouraged to adhere to a full range of international and regional WMD non-proliferation agreements and regimes, but equally important was the goal of promoting "good-neighbourly relations," regional and sub-regional cooperation, and CSBMs.[12] These regional efforts should be a guide for dealing with the Iranian nuclear challenge as well.

The current situation is more complicated than ACRS and could pose particular problems for Israel. On the one hand, Iran's nuclear advances

threaten the region to a degree that failure of diplomacy may spell immediate and critical deterioration of regional security. No such threat was apparent at the time of ACRS, and this gives the US good reason to do everything possible to ensure a successful outcome.

At the same time, because the stakes of the negotiation with Iran are so much higher than in ACRS, the US will want to get to a deal quickly. Ironically, this kind of pressure could make it less sensitive to the complexities of regional context and more willing to make concessions. These could involve a general willingness to consider a deal with Iran that acknowledges the need to treat Israel on equal terms, especially as the US is already inclined to think along the lines of disarmament. Particularly troubling are statements such as the one attributed to Bruce Riedel, a former US National Security Council official: "If you're really serious about a deal with Iran, Israel has to come out of the closet. A policy based on fiction and double standards is bound to fail sooner or later. What's remarkable is that it's lasted so long."[13]

The fallout for Israel could be direct or indirect. While the US will no doubt continue to uphold Israel's need for self-defense, the legitimacy of basing this on a nuclear deterrent may lose strength in its eyes. There are already indications that the US is thinking along the lines of beefing up Israel's missile defenses in answer to Iran's developing capabilities.[14] As such, there could be pressure on Israel to take a concrete step in the direction of disarmament: this could relate to the NPT itself, to the initiation of discussion of a WMDFZ, or to a demand for more transparency and a willingness to submit to inspections. Israel's policy of nuclear ambiguity could be challenged as well. But the effect of the US accepting the logic of equality could also be more indirect. In this scenario, no straightforward demands would be put to Israel; rather, in negotiations we would simply see a more lenient position towards Iran that would gain implicit legitimacy from the fact that Iran is not the only nuclear challenge in the region.

In any case, because the agenda for talks with Iran will most likely be a broad one and negotiations always involve mutual concessions, the US will have to choose its battles. Israel's challenge will be to make sure that its security concerns – in particular its nuclear deterrent – are not a price that the US is willing to consider. In light of demonstrated failures of the international community to discover and eliminate new cases of nuclear

proliferation in Middle Eastern states that are party to the NPT, Israel's defensive needs dictate continued reliance on nuclear deterrence for the foreseeable future.

At the same time, Israel can no longer depend on the fact that its security situation will be readily understood in the US and beyond. This is already evident in the resolution passed by the IAEA General Conference on September 18, 2009, calling on Israel to accede to the NPT and place all its nuclear facilities under comprehensive IAEA safeguards.

What can Israel do? The first step is to recognize right now that there is an emerging problem that could get quite serious. Many in Israel prefer not to admit that trends are already shifting, and their impulse is to fall back on their longstanding belief that the US – on the basis of assurances made to Israel – will never allow real pressure to be put on Israel with regard to its nuclear deterrence. And indeed, pressure on Israel to join the NPT does not seem to be a genuine concern for the immediate future. But other options mentioned above are certainly realistic. On the basis of its recognition that there is a problem, Israel must actively begin to try to influence the discourse by reinforcing the normative prescript of "self-defense" and explaining that it overrides the equality norm in the context of the Middle East. Israel must deliver a strong message that equality doesn't apply when a state faces severe threats to its most basic security; without a nuclear deterrent, for Israel these threats would be in the realest sense existential.

Furthermore, Israel needs to clarify for itself its position on a WMDFZ and then begin to convey its position to others. It is important to explain that dealing with WMD regionally means first and foremost working on improving regional relations. Dialogue on a WMDFZ cannot proceed without creating a context within which states begin to actually talk to each other in an atmosphere conducive to confidence building. In the current regional conditions, this effort will take years. But Israel must clarify whether and how it is willing to begin.

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Notes

1   See "Package of Proposals by the Islamic Republic of Iran for Comprehensive and Constructive Negotiations." There is no date on the document, but it was presented to representatives of the P5+1 in Tehran on September 9, 2009.

2   "The first item that Netanyahu raised in his meeting with US president Barack Obama three months ago was anchoring all previous US commitments to maintain Israel's strategic deterrent capability. Obama agreed and also signed a letter to Netanyahu in which he endorsed the promises made by his predecessors." Aluf Benn, *Haaretz,* August 14, 2009.

3   For one example from among hundreds of statements in a similar vein see "Velayati Calls Nuclear Technology Aims 'Peaceful,'" Tehran IRNA, in English, 0942 GMT, April 13, 1995. According to the report, Iranian foreign minister Velayati reiterated that the purchase of Russian nuclear technology was solely for peaceful purposes and in compliance with international regulations. "Contrary to Iran, the foreign minister said, the Zionist regime has so far refused to sign the Non-Proliferation Treaty (NPT)."

4   On ACRS see Bruce Jentleson, *The Middle East Arms Control and Regional Security (ACRS) Talks: Progress, Problems, and Prospects*, IGCC Policy Paper, no. 26. University of California: IGCC, 1996, and Emily B. Landau, *Arms Control in the Middle East: Cooperative Security Dialogue and Regional Constraints* (Brighton: Sussex Academic Press, 2006).

5   *Haaretz,* February 23 and 24, 1995.

6   A similar dynamic was evident in other contexts as well. By 1995, Egypt was vigorously pursuing its agenda both within and outside the ACRS framework. A major arena where it sought to press its case while leading the other Arab states was the April-May 1995 NPT Review and Extension Conference. Egypt hoped that all the Arab states would resist supporting indefinite extension of the NPT if Israel did not agree to join the treaty. In what was a major disappointment for Egypt, the other Arab states did not follow through on Egypt's agenda and the indefinite extension of the treaty was secured although Israel did not join.

7   For important Arab sources in this vein see chapters on Iran's extended influence in the Arab world, and Iran's responsibility for the rift in the Arab world in Y. Carmon et al, *An Escalating Regional Cold War – Part I: The 2009 Gaza War,* MEMRI, no. 492, February 2, 2009.

8   This was evident in official Egyptian statements following Operation Cast Lead, when Egypt deplored Iran's radical approach to the Middle East. See Emily B. Landau, "In the Wake of Operation Cast Lead: Egypt's Regional Position Revisited," *Strategic Assessment* 11, no. 4 (2009): 75-78.

9   See Ariel Levite and Emily Landau, *Israel's Nuclear Image: Arab Perceptions of Israel's Nuclear Posture* (Tel Aviv: Papyrus Publishing House, 1994, Hebrew).

10 This point was made by Martin Briens, in his presentation at a conference on

"A World without Nuclear Weapons or Nuclear Anarchy?" Heinrich Boell Foundation, Berlin, September 10-11, 2009.

11 In his speech in Prague on April 5, 2009, where he outlined his ideas about nuclear disarmament, Obama said, "Make no mistake: As long as these [nuclear] weapons exist, the United States will maintain a safe, secure and effective arsenal to deter any adversary, and guarantee that defense to our allies – including the Czech Republic. But we will begin the work of reducing our arsenal." http://www.whitehouse.gov/the_press_office/Remarks-By-President-Barack-Obama-In-Prague-As-Delivered/.

12 See the Barcelona Declaration adopted at the Euro-Mediterranean Conference, November 27-28, 1995.

13 Quoted in Eli Lake, "Secret US-Israel Nuclear Accord in Jeopardy," *Washington Times,* May 6, 2009. See also Eric Etheridge, "Israel's Nukes," The Opinionator Blog: A gathering of opinion from around the web, *New York Times,* May 7, 2009.

14 "US Ships Anti-missile Systems to Israel," UPI, September 22, 2009.

The Internal Crisis in Iran: Looking Back, Looking Ahead

Ephraim Kam

As every year, Jerusalem Day was observed in Iran on September 18. This is an important date for the Islamic regime, celebrating the goal of the Muslims' eventual liberation of Jerusalem and supporting the Palestinians in their struggle against Israel. The day is marked by mass parades and impassioned speeches against Israel and Zionism. However, this year the day was different, as the focus was on the internal struggle in Iran. While the regime undertook to prevent another outbreak of discontent, the reformist camp, which aims to change the orientation of the regime, hoped the day would bring thousands out into the streets to demonstrate support for its demands. In practice, the regime once again had the upper hand. In Tehran and other cities thousands of people demonstrated against the government's policy, but the regime succeeded in staging even larger demonstrations that overshadowed the reformists' protests.

The June Protests and their Aftermath

The reluctance by the members of the reformist camp to take to the streets on Jerusalem Day en masse reflects the regime's success in blocking the spread of protest, at least for now. The angry protests that broke out following announcement of the election results on June 12, 2009 peaked during the first ten days, in terms of the number of people who took part, the force used by the regime to quash the protests, and the number of casualties, including dozens of fatalities. The protests in Iranian cities were the largest in the history of the regime, and involved hundreds of thousands of people. Rallying cries escalated quickly from demands to

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correct the election results to calls of "death to the dictator." However, in the subsequent days the number of protests saw fewer participants; since the middle of July, protests have grown sporadic and generally involve at most several thousand people, if not fewer.

Despite the initial extent of the protests, the regime did not lose control of the street at any stage and did not yield to the demands of the protesters to annul the election results. With the help of the police, special forces for quelling civil uprising, and members of the Baseej militia – a volunteer militia with around three million members that operates under the Revolutionary Guards and has proven itself as a skilled force capable of suppressing outbreaks of protest – the regime used primarily physical force and intimidation to deter the reformists from taking to the streets in larger numbers. The Revolutionary Guards themselves were for the most part not deployed against the demonstrators, probably because the regime did not see the need and because, in contrast with the Baseej, the Guards are not allowed to operate on campuses and arrest students there. However, the Revolutionary Guards had an important behind the scenes role: collecting intelligence and disrupting the opposition; falsifying the election results; and interrogating the arrested reformists.

From the outbreak of the protests the regime pursued a hard line approach towards the reformists, almost without compromise. Although the most senior leaders of the protest movement were not arrested, despite occasional reports of regime intentions, their assistants and members of their families have been detained, at least for short periods.

In addition, the slander campaign waged by the regime against the reformist leaders has included an announcement by the committee for protecting the constitution, responsible for screening election candidates, that the reformist candidate Mir Hossein Mousavi will not be allowed to run for president in the future. The regime also announced that a special investigation would be launched against the other reformist candidate, Mehdi Karoubi, likely charging him with aiding and abetting enemies of the regime. Hundreds of movement activists, including senior members, were arrested for long periods; some were tortured in prison cells or subjected to showcase trials, and their confessions were publicized in the media. The police periodically raided and closed offices connected to the reformist leaders, in order to disrupt the opposition's organizational efforts. At the same time, the regime announced its intention to examine

the university's academic programs to ensure they are not offensive to Islam or the revolution, and it is looking to boost Islamization of the education system. The regime is also liable to undertake cleansing of the universities on the assumption that they are the most important source of the protest, particularly during the academic year, which began in early October. Meanwhile, it has closed reformist newspapers, and journalists were forced to flee Iran for fear of being arrested.

The reformists adopted a low profile in the face of the force and threats of arrest. It is important for them to demonstrate and convey the idea that the regime is not legitimate, that the unrest is ongoing, and that they will not forsake their struggle. However, without having the ability to contend with the organized power of the regime, at this stage they are making do with non-violent protests: limited demonstrations, traffic jams in the cities, organized nightly calls of Allah Akhbar (God is great) from the rooftops, graffiti against Ahmadinejad and Ali Khamenei; and websites, social networks, and blogs to organize, communicate, and maintain the unrest.

The Crisis in Retrospect

From the outset it was clear that the unrest that broke out in Iran in June did not stem fundamentally from the charge that the presidential elections were rigged. The allegation of false results was the catalyst for the outburst, not its cause. The basis for the protest came from the frustration and dissatisfaction of a large part of the Iranian public, possibly the majority, with the nature of the regime and its handling of internal affairs. Many Iranians are no longer prepared to tolerate the meddling of the Islamic regime in their private lives and the institutionalized suppression, which have increased since Mahmoud Ahmadinejad assumed the presidency in 2005. Demands for more individual freedom, protection of the rights of the individual, increased political freedom, and reduced corruption among the leadership have been sounded, likewise prompting calls of "death to the dictator" at the demonstrations. Such calls were directed against Ahmadinejad in the past, but this time they were also directed towards Khamenei. The discontent was exacerbated by the difficult economic situation in Iran, reflected in the high rates of inflation and unemployment and the housing shortage, all of which suggest to many Iranians that the oil royalties do not trickle down and are not used for the

welfare of the individual or improvement of the economic situation. This desire for change has existed in Iran for some time, particularly among the younger generation and women, and in the past has been expressed periodically through student protests that were quashed quickly and efficiently by the regime.

The force of the outburst following the announcement of the election results apparently surprised the regime and confronted it with the most significant internal challenge in many years. Moreover, the June 2009 crisis exposed a number of cracks at the base of the regime, beginning with a rift between the regime and much of the public. The massive demonstrations in June made it clear to the regime, for the first time with such force, that a large part of the public has had enough of its policy and its leaders. The demonstrations reflected deep disappointment over expectations that have not been met and the failure of the regime to fulfill promises of socioeconomic justice, political freedom as part of an Islamic democracy, and economic welfare. The regime's explanations that the protests resulted from outside subversion and the actions of a small minority were not convincing to a public that is looking for change.

A second rift lies within the regime leadership. The protest was led by senior members of the regime, central figures in the Islamic Revolution – former presidents Rafsanjani and Khatami, former prime minister Mousavi, and former parliament speaker Karoubi. This was not a matter of trying to mount a counter-revolution or a demand to change the Islamic regime, and it appears that most of the Iranian public continues to support the Islamic republic as the preferred form of regime. However, a division has emerged between those who want a conservative, rigid Islamic republic and others who want a more liberal and open Islamic regime. From the outset the Islamic regime was characterized by confrontation and internal differences, but this time the rift went deeper. Since early 2008 Rafsanjani, and later Khatami, have criticized Ahmadinejad's performance in the areas of economics and foreign policy. Their decision to support the candidacy of Mousavi against the incumbent president, who has the public support of the supreme leader, indicates the depth of the divide between the reformists and the conservatives.

A third rift lies in the religious leadership. During the crisis it became clear that an important group of senior religious officials also has reservations over the conduct of the regime and its senior members, and

over the status of Khamenei and Ahmadinejad. The most prominent among this group is Ayatollah Hossein Ali Montazeri, one of the leading religious clerics in Iran, who in the 1980s was considered Khomeini's heir, but since then has been relegated to the sidelines. During the crisis Montazeri criticized the regime for repression and tyranny and called on senior religious leaders in the holy cities to oppose the ruling leadership and use their influence to restore authority to the people. The willingness of this group to expose a rift in the religious leadership stems from a number of factors: the damage inflicted on their standing; the reservations over Ahmadinejad's leadership, and possibly of Khamenei's too; and their sensitivity to the feeling among the public.

However, there was another important reason for the reservations of the religious clerics with the behavior of the regime's leaders: the strengthened standing and influence of the Revolutionary Guards in the Iranian system. The Guards were formed as an elite force whose main job was to protect the regime. During the Iran-Iraq War, however, they became a large military force that took part in the fighting against Iraq, and at its height numbered over 700,000 soldiers. After the war the force was reorganized and today it is a large military force, the equivalent of a standing army, with about 120,000 members. It includes an air force and a navy and is also responsible for the missile units. No less important, since the 1990s the Guards have become the most important economic organization in the country with control of major economic companies, including the energy sector. The Guards have also become a highly involved political force, and Guards veterans fill important positions in the government, parliament, city and local councils, and the financial sector.

The Guards' political influence relies on their control of economic organizations, their ranks holding key positions and constituting the main support of the regime, and the percentage of the public that identifies with them: over the years millions of young people − estimated at 10 million − have joined the Guards. Even though the constitution prohibits political involvement

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by armed forces, the Revolutionary Guards are a group that answers to the supreme leader and is involved in politics. In the past, Guards commanders provided public support for suppressing student protests, and during the last crisis they openly expressed their opposition to the reformists and defined the protests as hostile to the revolution. President Ahmadinejad is a Guards veteran. He boosted their political and economic power, and their support facilitated his victory in 2005 and his reelection in 2009. On the other hand, leading Guards officers opposing Ahmadinejad did not receive adequate support, probably because Khamenei did not want them to be elected: Muhammad Baker Kallibaf, a former air force commander in the Guards and currently the mayor of Tehran, was defeated in the 2005 elections, and in the 2009 elections former Guards commander Mukhsan Razai was also defeated.

The Revolutionary Guards' heightened political and economic standing concerns some of the senior religious leaders. The Guards are steadfastly loyal to the spiritual leader on religious grounds. However, there are reports that they have reservations towards the religious establishment being at the heart of the decision making process while they risk their lives to defend the country and the regime. In any case, the process of accumulating power by the Guards is likely perceived by the religious establishment as a potential threat, out of fear that they may become an independent factor that will whittle away its power and authority. Former president Rafsanjani, himself a religious leader, has publicly attacked the control of the political and economic system taken by figures in the Guards.

The June 2009 crisis carries additional significance: the supreme leader lost some of his authority as supreme leader, which is a fundamental principle of the Islamic Revolution. Once Khamenei became the spiritual leader in 1989 when he replaced Khomeini, he took care to steer clear of political arguments. However, before and after the 2009 elections he openly supported Ahmadinejad, thus taking sides in the confrontation. As Ahmadinejad is a controversial figure in Iran, part of the public's anger was directed towards Khamenei, thereby challenging

> While the regime has currently resorted to intimidation and deterrence against the reformists, it is possible that in the future it may have to consider appeasement and compromise.

his moral authority. Above all, his authority has been damaged with leading figures, including from the religious establishment, who have criticized his conduct because the reformist leaders did not heed his call to stop the demonstrations and accept the election results, and because calls of "death to the dictator" were also directed against him.

Moreover, in the past Khamenei was able to maneuver between the various groups in the regime's leadership in order to sustain its cohesion. In 1997 and 2001 he allowed the election of the reformist Khatami as president, but he permitted the conservatives to control the judicial authority and the media. In 2005 he supported the election of Ahmadinejad as president but did not block the appointment of his main rival Rafsanjani as head of two influential bodies: the Assembly of Experts and the Guardian Council, which has authority to appoint and depose the spiritual leader. This time he forsook the balance and compromise approach and placed all his weight behind the radical camp.

Why Khamenei chose to attack the reformist leaders and support the controversial Ahmadinejad is not clear. He may have been concerned that victory by the reformists in the current circumstances of deep unrest, coupled with the reservations of senior religious figures over Ahmadinejad, would implicate himself, harm his standing as spiritual leader, and destabilize the regime. In any case, Khamenei's actions damaged the public standing, legitimacy, and maneuverability of the spiritual leader. Against this backdrop there were reports of differences of opinion with regard to Ahmadinejad among the regime's leadership following the elections, and that some are demanding that his independence be limited, due to his negative image in the public and his ties with the Revolutionary Guards. If so, it is possible that Khamenei will distance himself from the president and limit his freedom of action, in order to rehabilitate his own standing.

What Lies Ahead for the Regime?

The June 2009 crisis posed a serious challenge to the Iranian regime but did not significantly undermine its stability. Throughout the crisis the regime controlled the situation, and was not even close to retreating from its positions. Within a relatively short period it managed to stem the protest without having to use all the means at its disposal. The regime continues to enjoy the support of millions of Iranians, particularly among the lower

classes and in rural areas, and it has vast experience in suppressing demonstrations and riots. Its military and paramilitary organizations – especially the Revolutionary Guards, Baseej, and intelligence and internal security mechanisms – protect the regime firmly and effectively. There were no reports of divisions or disloyalty in their ranks during the operations, and following the crisis the militia was reorganized, in order to improve its efficiency.

Nevertheless, the crisis is deep because of its many facets. It became clear that a large group in Iran is looking for a change in the regime's approach and conduct. Divisions emerged both in the political and religious leaderships. The polarization between the two camps became more discernible and more pronounced than before. The regime lost some of its legitimacy, both in the internal system and the external arena: legitimacy was hitherto based on embrace of the revolutionary approach and the values of Islam; since June 2009 it has largely relied on intimidation and deterrence. Khamenei lost some of his moral authority and his status as the senior religious authority whose ruling is final, and Ahmadinejad is a controversial figure and hated by large sections of the public. These are divisions that a hard line approach alone cannot repair or suffice to contain the unrest. And while the regime has currently resorted to intimidation and deterrence against the reformists, it is possible that in the future it may have to consider appeasement and compromise.

The reformist camp did not achieve its objectives in the June 2009 crisis, mainly because conditions for change were insufficient. The protest was not organized and it lacked determined and charismatic leadership. The demonstrations were mostly spontaneous and were not organized events. The reformist leaders did not present a cohesive alternative position that over time could have helped them sway the masses in the face of brutal force. Mir Hossein Mousavi, the prominent figure in the reformist camp during the crisis, is still not viewed as a leader capable of spearheading the desired change, possibly because he was outside the political arena for the past twenty years. It may also be due to his past tenure as a prime minister under Khomeini, in one of the darkest periods of the regime, which does not give him an image of a true reformist. The other leading figures among the reformists are no more attractive. Rafsanjani is not viewed as a genuine reformist, and the public sees him as a corrupt person who used his senior position to get rich. Khatami was

the great hope of the change seekers when he was elected in 1997, but he also disappointed his supporters and was seen as weak and incapable of finding the means to bring about change.

However, failure notwithstanding, the unrest will not disappear. The protest movement is not a transient matter, and it enjoys strong support among the younger generation and the greater public, and even among some of the religious leaders. As it reflects a genuine desire for change, it will likely seek and find channels of expression, violent and non-violent, and will occasionally erupt, in an organized or spontaneous manner, when the opportunities arise. The economic situation, which is not about to improve significantly in the near future, may contribute to a deepening of the rift between the regime and the younger generation. Thus the potential for change in the nature of the regime will continue to exist. The change itself could come when there is a convergence of factors: the emergence of a strong leader, organized protest, and determination not to be deterred by the regime's use of force. This will probably not happen in the near future, but it is highly likely that it will ultimately occur. If and when that time comes, the events of June 2009 may in retrospect be an important milestone.

Outside intervention will not greatly help to bring about change in Iran. Subversive means, opposition forces, and Western propaganda will likely not contribute to strengthening resistance to the conservative regime. Heavy economic sanctions will create pressure on the regime, but it is doubtful if they will spark active internal opposition. When change in the nature of the regime in Iran takes place, it will be the result of internal processes and not outside involvement.

One should not expect the regime to alter its approach on foreign and security issues as a result of the crisis, as they did not contribute to the outburst of the unrest and therefore there is no real internal pressure on the regime to adopt different policies on major issues. On the tactical level, the regime is liable to take a tougher stance. It will seek rapid and striking gains in its nuclear and missile programs, in order to draw attention away from internal distress. Thus if the internal crisis has any impact at all on foreign policy, it is liable to lead to the demonstration of a tough stance on the nuclear issue, especially continued insistence on uranium enrichment in Iran.

At the same time, the crisis may also affect the imposition of sanctions on the regime regarding its position on the nuclear issue. On the one hand, exposure of the division within the Iranian people may heighten the regime's sensitivity and vulnerability to pressure and economic sanctions, as the economic distress is one of the important reasons for the outburst of unrest. On the other hand, Western governments decided to launch direct talks with Iran on the nuclear issue, notwithstanding the internal crisis. Nonetheless, the sense of estrangement in the West towards the Iranian regime, in the wake of the forceful repression of the protest, may strengthen the willingness to increase the sanctions on Iran, should the talks ultimately fail.

Hizbollah Espionage against Israel

Amir Kulick

Antagonism among states and between states and terrorist organizations is a complex interface of many layers, among them political, social, economic, and military. The enmity between Hizbollah and Israel is no different in this regard. This article focuses on the intelligence dimension of the hostility, specifically Hizbollah's secret activity against Israel that various espionage affairs have exposed in recent years. Surveying the prominent cases of espionage, the article studies this secret campaign and assesses Hizbollah's modus operandi, its goals, and the implications for Israel.

Since its establishment in the early 1980s, Hizbollah has viewed Israel as a bitter foe to be destroyed. With this mindset, it waged a stubborn military struggle against the presence of the Israeli military in Lebanon until Israel's withdrawal from the security zone in May 2000. This struggle was played out near IDF and SLA outposts and in the villages of the security zone, and included various forms of attacks: standoff fire, booby traps, attacks on outposts, and Katyusha rocket fire on northern Israel. As part of this campaign, Hizbollah gathered intelligence on the security forces operating in Lebanon. Analysis of Hizbollah's activities in those years suggests that the information was gathered primarily through lookouts; the goal was to become familiar with the routine operations of the Israeli forces in the region and improve the effectiveness of attacks on IDF and SLA outposts and the placement of booby traps along the roads. Essentially similar information, though more sharply focused, was gathered by Hizbollah sympathizers within the security zone and served the purpose of carrying out "high quality" attacks, such as the assassination of the commander of the communications unit for Lebanon,

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Brigadier General Erez Gerstein (February 1999), and SLA deputy chief of staff Aql Hashem (March 2000).

Expanding the Geographical Arena

Following the IDF withdrawal from the security zone, the nature of Hizbollah's struggle against Israel changed. The steady intensive fighting against the Israeli forces ceased, and instead the organization began to devote more resources to military buildup in advance of a comprehensive campaign against Israel. While attacks on the border continued from time to time, especially in the Mt. Dov area, Hizbollah's primary military activity centered on different aspects. Accordingly, the type of intelligence Hizbollah sought to compile about the IDF and Israel changed, and with it the operational methods for gathering such information. Analysis of the espionage affairs that have come to light suggests that in the first years after the withdrawal Hizbollah still sought to gather intelligence that was in essence military-tactical. In two prominent espionage cases exposed in 2001-2003, Hizbollah activated two espionage networks, one headed by Saad Kahmouz from the village of Rajar and the other led by IDF Lieutenant Colonel Omar al-Heib, a Bedouin officer, and his partner Mahmad Rahal Abu al-Ez. Both networks were used to gather intelligence primarily about IDF activity in northern Israel. Kahmouz's network was asked to gather intelligence about IDF bases in the region and to photograph major intersections and the entrances to IDF bases, in addition to photographing Kiryat Shmona from various angles.[1] Omar al-Heib's network was asked to provide information about IDF deployment in the north, the structure of outposts, the number of soldiers serving in them, IDF methods of operation in the border area, IDF code maps of the region, the location of observation cameras, and tank ambush sites.[2] This type of intelligence gathering, a direct continuation of Hizbollah's intelligence gathering activities of the security zone era, could serve the organization in improving its attacks on border outposts or in carrying out more targeted attacks in the depth of the northern area such as in Kiryat Shmona, at the entrances to military bases, or against senior officers.

At the same time, Hizbollah gradually began to expand the range of its intelligence interests to include more remote areas in the heart of the country, and beyond intelligence limited to the IDF. As early as 2002, Nissim Nasser, a part-Jewish part-Shiite Lebanese citizen

who immigrated to Israel in the 1980s, was recruited by Hizbollah and asked to supply a map of the greater Tel Aviv area marked with various infrastructure installations, such as the electric company and the Pi-Glilot gas depot, and to photograph other installations in Haifa and the center of the country.[3] Like Nasser, the brothers Mahmad and Ahmad Smali from Rajar, recruited by Hizbollah and arrested for spying in 2003, were asked to transmit written material about Israeli infrastructures to Lebanon.[4] Hizbollah made an even more sophisticated attempt at gathering precise geographical information about targets inside Israel through Haldon Barghouti, a Hamas activist from Ramallah. During a visit to Syria, Barghouti's handlers gave him a GPS capable of storing data. He was asked to frequent major roads and targets in order to map and analyze the area.[5] Hizbollah tried to elicit similar information, though apparently of lower quality, from Ismail Suleiman, from the village of Ka'abiya-Hajajra, who was asked by his handler to gather information and photograph sites and army bases.[6] Hizbollah also tried to elicit specific information about infrastructures in Israel's northern region from Arwa Hassan Ali, an Israeli Arab prisoner who in 2005 escaped to Lebanon. During his debriefing with Hizbollah, Arwa was asked to mark specific locations, such as banks, government institutions, and infrastructures, among them Bezeq and electric company installations, on aerial photographs of Nahariya.[7] Though this is not an example of classical espionage, it is possible to grasp the type of information Hizbollah was seeking to obtain.

A database about Israeli infrastructure, military, and other installations may help to plan terrorist attacks on such locations, although such sites are heavily guarded and therefore are relatively immune to targeted attacks. Yet in light of Hizbollah's many efforts in recent years to construct rocket and missile systems, such a database would be useful in creating a target bank to serve Hizbollah in a comprehensive war against Israel. True, the artillery at the organization's disposal – Katyushas and heavy rockets of various kinds – is low precision weaponry that veers from its course the greater the launch range. Nonetheless, Hizbollah apparently seeks information about precise targets for two reasons. The first is linked to the manner in which this type of weapon is used. If Hizbollah is in fact preparing to attack targets deep within the northern region and the country's center, it would likely do so by means of shooting volleys towards those targets and thereby raise the chances of

hitting them. In other words, in the next war, the "deep Israeli rear" (i.e., the region stretching from Haifa to Tel Aviv) might be exposed not only to single rockets as in the Second Lebanon War, but also to volleys intended not only to exhaust the civilian population but also – and especially – to damage specific targets. The second reason is connected to capabilities the organization already possesses. According to various Israeli spokespeople, Hizbollah's weaponry has grown significantly since the last war, both in terms of the rockets at its disposal and in terms of their ranges. Defense Minister Ehud Barak, for example, stated that Hizbollah has rockets that could reach southern Israel, and the number of missiles possessed by the organization has tripled from what it possessed on the eve of the Second Lebanon War.[8] Perhaps gathering information about potential targets in the form of specific Israeli infrastructure installations signals that not only have the numbers and ranges of their rockets grown, but their precision also has significantly improved. If so, there are serious implications for the civilian rear and Israeli strategic installations.

Analyses of espionage affairs exposed in recent years have also indicated Hizbollah's ongoing effort to formulate a different sort of target bank – for operational needs such as assassinations and abductions or for intelligence needs such as recruiting higher quality sources – with the aim of obtaining better information. This effort began when Israeli forces were still in the security zone, and information was then primarily intended for assassinations of senior IDF and SLA officers in the area. After the withdrawal from Lebanon, this type of intelligence gathering expanded into the depth of Israel. Thus in 2002 Nissim Nasser, who lived in Holon just south of Tel Aviv, was instructed to gather intelligence about a family member who was serving in a senior position in the security services, and was even asked to supply a photograph of him to Hizbollah. Omar al-Heib was asked to gather intelligence about the movements and security arrangements of Gabi Ashkenazi, then-GOC Northern Command and Meir Kalifi, commander of the Galil Division. In another instance, an Israeli Arab from Kalansawa, Khaled Kashkoush, was instructed to gather information about members of the security services. Recruited by Hizbollah when he was a medical student in Germany, he was told to apply for a job at Rambam Hospital in Haifa to help him with his assignment.[9]

The incident involving Rawi Sultani is of a similar pattern. Sultani, who worked out at the same gym frequented by Chief of Staff Gabi Ashkenazi, was apparently recruited by Hizbollah while in Morocco in the summer of 2008; he was instructed to gather information about Ashkenazi's routine arrival times at the gym and the security arrangements there, as well as about other senior personnel. Thus while Hizbollah was able to capitalize on a random opportunity (the access Sultani had to Ashkenazi), there is no intelligence coincidence here, rather an ongoing attempt on the part of the organization to gather intelligence for operations against senior personnel both within and outside of Israel's security forces. Specific information about individuals is liable to be used by Hizbollah in planning assassinations or abductions or, alternately, to recruit individuals into the organization's ranks after some weakness in conduct or character has been discovered.

Hizbollah undertakes similar intelligence gathering efforts to locate potential targets for terrorist attacks within Israel, though based on what has been published to date this effort seems secondary in scope. So, for example, Manar Jabrin, a university student, was recruited by Hizbollah and trained to gather detailed intelligence on buildings.[10] In addition to gathering information about the chief of staff, Rawi Sultani was also allegedly instructed to gather information about potential targets for terrorist attacks in Israel. One may ask why Hizbollah would want to gather such information, as a terrorist group organized by Israeli Arabs or Arabs in the territories is much more likely to have a better knowledge of potential targets for attack and better access to updated information of this sort.

A possible answer may lie in previous Hizbollah failures in sending attackers from abroad into Israel. Since the 1990s, Hizbollah has tried to smuggle operatives into Israel in order to carry out showcase mass casualty attacks. The first was Hassan Miqdad, a Shiite accountant, who was recruited into Hizbollah's apparatus for attacks abroad; he underwent training with explosives and managed to smuggle in a bomb and plastic explosives through Ben Gurion Airport. Israeli intelligence personnel concluded that he was trying to decide on a place for carrying out a mass casualty attack in Tel Aviv. In any case, his plan went awry when the explosives he was handling exploded in his hands during his stay at the Lawrence Hotel in Jerusalem in April 1996. Another attacker, Steven

Smirk, a young German convert to Islam, was sent to Israel in November 1997 after being trained on light weapons and explosives by Hizbollah in Lebanon. According to Israeli sources, when he was arrested at Ben Gurion Airport he was carrying a video camera, which he was supposed to use to gather information about Tel Aviv and Haifa and select an appropriate spot for a suicide attack. A third incident took place close to the outbreak of al-Aqsa Intifada, when a Hizbollah operative named Fuzi Ayoub arrived in Israel in October 2000. Ayoub had also been trained in Lebanon, including in bomb assembly, and was supposed to carry out a showcase attack in Israel. Ayoub was arrested by the Palestinians when he arrived for an operational meeting in Hebron, and ultimately fell into Israeli hands in 2002. A fourth incident occurred in 2001, when the Israeli security service arrested Jihad Soman, a British-Lebanese citizen who was dispatched by Hizbollah to carry out a terrorist attack in Israel. In Soman's hotel room a Jewish skullcap, a timer, and three cell phones were found.[11] If Hizbollah has succeeded in preparing a list of potential targets where showcase attacks could be carried out, it might pave the way for actions of such terrorists by significantly cutting down on intelligence gathering and operational preparations, and thereby also make it harder for Israel's security services to foil their plans.

Expanding the Conceptual Sphere

Along with its physically expanded theater, Hizbollah has also expanded its sphere of conceptual interests. Many of the Hizbollah agents were instructed to gather information not immediately useful for direct operational needs, rather meant to meet broader purposes. Hizbollah, together with Iranian elements, is attempting systematically to gather infrastructure information about Israeli society and the State of Israel. So, for example, Saad Kahmouz's ring was asked to pass on to Hizbollah not only tactical information about IDF preparations in the north but also Israel's statistical annual as well as various books and periodicals. Around the same time, Nissim Nasser was also asked to provide his handlers with information about the Israeli mindset.[12] Similarly, while interrogated by the Hizbollah, Elhanan Tanenbaum was asked about the atmosphere and way of life of Israeli society alongside questions about Israeli politics, the relations between Jews and Arabs, and other such topics.[13] It would seem that the reason behind attempts to produce information of this type

is both intellectual curiosity about the phenomenon that is the State of Israel, and the desire to find more effective ways of fighting it.

This is especially the case when Iranian elements are involved in generating the information. Mahmoud Mahajna (Abu Samara), the treasurer of the Islamic Movement who was recruited by Iranian intelligence in 2001, was asked to pass along information about events in Umm el-Fahm and about Israeli Arabs in general.[14] Iran and Hizbollah sought to elicit even more general information about Israel and Israeli society through Jaris Jaris, the head of Fasuta's Local Council in 2001-2003. Jaris wanted to establish a research center, and on the basis of advice from a Lebanese friend, tried to obtain financial support from Hizbollah and Iran. In the end, Jaris was recruited by Iranian intelligence in November 2004 and was asked to provide information about Israeli society, the system of government, the various political parties, social struggles, and conflicts between various elements in Israel. At a deeper level, Jaris was asked to forge relationships with Israeli politicians and even to run for the Knesset as a member of one of the existing parties.[15]

The attempt to gather information to better understand the Israeli mindset peaked with the alleged espionage affair of Knesset Member Azmi Bashara. According to the indictment, Bashara was in contact with Hizbollah intelligence personnel and supplied them with various assessments about Israel's policies in the period before the Second Lebanon War. During the war itself, he maintained his contact with Hizbollah and even advised the organization on how to improve its political-psychological war against Israel and what media messages should be directed to the Israeli public, both Jewish and Arab.[16]

Thus in recent years, Hizbollah and Iran have added a dimension of conceptual depth that is beyond the immediate military level. Apparently the drive to make the comprehensive battle against Israel more effective, in the broader sense of the notion, is what lies at the root of this phenomenon. They seem to have concluded that military efforts alone do not suffice in the struggle against the Zionist entity.

Change in Methods of Operation and Agent Recruitment

The cases of espionage exposed in recent years reveal greater sophistication by the organization in recruitment of new members. In the first years after Israel's withdrawal from Lebanon, Hizbollah used

primarily drug smuggling as the means to recruit agents within Israel. The connection between terrorism and drugs is not a new phenomenon, nor is taking advantage of drugs as a means for attaining different goals. Indeed, various terrorist organizations around the world take advantage of the drug trade to finance their activities and use the infrastructures for smuggling drugs to transfer weapons and operatives from one place to another. From time to time terrorist organizations have even added an ideological aspect to this activity: flooding the countries they are fighting with drugs in order to weaken them socially and economically.[17] Intelligence organizations (police and military) around the word have also used the illegal drug trade to activate agents and to produce intelligence. For example, major Lebanese drug traders such as Ramzi Nahara and Mahmad Biro and his son Qaid served as Israeli agents. In exchange for the information they provided, the Israeli authorities ignored their criminal activities and allowed them to operate essentially unhindered.[18]

When the IDF withdrew from the security zone, Hizbollah entrenched its military presence in Lebanon more firmly. Hizbollah fighters were deployed at roadblocks throughout the south and manned a line of outposts along the border with Israel. Consequently, the organization became the sole power in the region, and it used this power to pressure Lebanese and Israeli drug smugglers. In order to obtain Hizbollah's permission to continue operating, the drug dealers were forced to cooperate and supply Hizbollah personnel with information about Israel. Ramzi Nahara and his brother Kamil who were previously Israeli agents now started to operate spy rings among Israeli Arabs on behalf of Hizbollah. In exchange for the continued flow of drugs from Lebanon, these Israeli Arabs in turn fed Hizbollah information about the army and the country. This is how Kamil Nahara operated Lieutenant Colonel Omar al-Heib's spy network in 2002, while around the same time his brother Ramzi operated the Rajar-Kiryat Shmona spy ring of drug dealer Saad Kahmouz. Qaid Biro, a friend of the brothers (who also took an active part in the abduction of Elhanan Tanenbaum[19]), recruited and ran two Israeli Arab drug dealers, the brothers Mahmad and Ahmad Smoli from Rajar. In 2003 they traded drugs in exchange for information about Israel. Qaid's name also came up in the context of the Nissim Nasser espionage affair.

Hizbollah continued to use drug dealing as a convenient platform for recruiting agents in Israel in subsequent years as well. Noaf Hatib Sha'aban from Rajar was arrested in 2006 on the charge that in exchange for drugs he transferred security information to Hizbollah that included maps specifying the locations of Israeli army bases.[20] That same year, Riyad Mazarib, from Mazarib in the Jezreel Valley, was arrested for having transmitted to the Shiite organization information about events in Israel and sites where rockets fell during the Second Lebanon War. Like the others, Mazarib undertook these activities as part of drug dealing with Lebanese elements.[21] Finally, Louis Balut, an IDF NCO, transmitted information about IDF preparations in the north in 2008 as part of a drug running ring operating in the border area.[22]

While the drug trade was a convenient and available recruitment mechanism, it allowed the organization to recruit only agents of a particular type, i.e., those already involved in criminal activity. Their intelligence gathering access is usually limited, and the danger of exposure by Israeli security forces hovers at all times. Therefore, it seems that in tandem with the drug platform, Hizbollah in recent years started to locate candidates for potential recruitment on ideological grounds. Accordingly, it changed its modes of operation and expanded the geographical areas in which it operated from an intelligence-operational point of view. Here it chose to focus primarily on Israeli Arab university students, especially those studying or traveling abroad. Within this circle, Hizbollah could not operate with the help of drug dealers, and therefore started to train designated intelligence officers who would find and recruit agents. Rather than in the northern sector of Israel, they operated in institutions of higher education and sites abroad hosting activities for Israeli Arab youth. One example was the Manar Jabrin case, a student from Umm el-Fahm who studied dentistry at the University of Amman. She was recruited by Hizbollah in 2003 after forming a friendship with an agent who operated relatively freely on campus, took various courses, and openly voiced anti-Israeli sentiments.

This approach produced good results for Hizbollah also in later years. In late 2006, the organization succeeded in recruiting Khaled Kashkoush, a medical student studying in Germany. Dr. Hashem Hassan, a Lebanese resident of Germany who headed the charity organization called the Lebanese Orphans NGO linked to Hizbollah's Lebanese civilian division,

determined Kashkoush was a candidate for recruitment. The actual recruitment was effected by a designated intelligence officer named Mahmad Hashem (Rami). According to sources in the Israeli intelligence community, Hashem is a professional handler of agents who operates abroad on behalf of Hizbollah. Kashkoush's recruitment was a process that lasted some four years, from the initial contact made in 2002 until the completion of the recruitment sometime in 2006 – evidence of an orderly recruitment process and thorough intelligence work. The Kashkoush espionage affair may also say something about the task the organization has in mind for agents of this type: not only intelligence gathering but also locating potential candidates for recruitment. Hizbollah in fact asked Kashkoush to name Israeli Arabs studying abroad who were suitable for operation in the ranks of Hizbollah.[23]

Two additional espionage affairs involving young Israeli Arabs demonstrate the new dimensions added to Hizbollah's intelligence activity. The first was the affair of Ismail Suleiman from Ka'abiya-Hajajra. He was recruited into Hizbollah by a professional recruiter while on a religious pilgrimage in late 2008. Based on Suleiman's own testimony, he was approached by a man who introduced himself as a Palestinian resident of Lebanon, Abu Qassam, while he was at a mosque with some friends in Mecca. The Palestinian made initial contact with the group and zeroed in on Suleiman. At a meeting some days later, the Hizbollah operative carried out the initial triage by asking Suleiman about his religious leanings, his views about the Second Lebanon War, and, finally if he would be willing to gather information to be used against Israel. At the end of the meeting, Abu Qassam explained to Suleiman the arrangements to be used for clandestine communication, set up another meeting to complete the recruitment process, and gave Suleiman his first test: to photograph and gather information about strategic sites and military bases in the vicinity of Suleiman's home.[24]

That same year Rawi Sultani from Taibe was apparently recruited into Hizbollah's ranks. The connection between Sultani and Hizbollah was made at a summer camp for Arab youths being held in Morocco. The Hizbollah operative showed the campers movies about the organization's activities against the Israeli army during the Second Lebanon War. At the end of one of the films, according to the indictment, Sultani approached the operative and told him that he worked out at the same gym frequented

by Ashkenazi. The Hizbollah operative arranged to be in touch with Sultani via e-mail, and about a month later, the Hizbollah operative invited the youth to a meeting abroad. According to the indictment, this meeting took place in Poland and was attended by someone who, on the basis of his actions and behavior, seems to have been a professional intelligence officer: setting up a meeting in one location and holding it elsewhere, giving Sultani a detailed list of information to gather – in this case about security arrangements surrounding the chief of staff and other information about the setting – and finally, making arrangements for secret communications: handing over encryption software and instructing Sultani how to use it. In this case too, like the Kashkoush affair, Sultani was asked if he could point out potential candidates for recruitment who were studying abroad and who would agree to help Hizbollah.[25]

Conclusion

Several key inferences emerge from this backdrop. First, Hizbollah undertakes systematic intelligence gathering about Israel at a number of levels:

a. At the tactical level: intelligence gathering about the northern sector and IDF assessments about the region. Apparently, this information is meant primarily to prepare a database to assist in carrying out acts of terrorism along the border.

b. At the operational level: intelligence gathering about essential sites and installations inside Israel. Apparently, the purpose is to improve Hizbollah's ability to cause more significant damage to Israel's rear during an all-out war.

c. At the strategic level, which involves two layers: the first is intelligence gathering in order to better understand the workings of the Zionist entity, to find more ways to attack it and be better equipped to analyze its future moves. The second layer involves intelligence gathering for the purpose of carrying out a spectacular mass casualty attack or abduction. Such an operation would in all likelihood be an expression of the organization's desire to react to an Israeli attack (such as the assassination of Imad Mughniyeh or some other senior Hizbollah member in the future), to restore the old rules

of the game or to determine new rules that are more convenient from the organization's perspective.

The second inference is that Hizbollah's intelligence work is not random, rather systematic and well established. As such it resembles more the work of an institutionalized espionage agency than that of a terrorist organization or other irregular body. Task-oriented intelligence gathering, operating within different target audiences, developing expertise among those recruiting sources, and more are all evidence that the process of institutionalization taking place within Hizbollah's armed wing in recent years was also applied to the field of intelligence.[26] In intelligence and operational terms, this process has made the organization sharper and more focused, thus also more dangerous and efficient than before.

The third inference is largely an outgrowth of the second. The fact that Hizbollah's intelligence has become more organized and focused is likely to make the next battle against the organization more difficult and complex, especially in everything concerning Israel's rear. The preparation of a systematic database covering Israel's rear in conjunction with improved fire capabilities significantly raises the probability that in the next war not only will Israeli population centers be exposed to harm but so will national installations and infrastructures in the heart of the country. It seems that this point will become most essential in the future; it requires extensive preparation on the part of Israel's civilian authorities and the military, which together bear the responsibility of neutralizing this threat as quickly as possible. The Hizbollah threat in formation and its severe implications must be clear to Israel's national leaders and to the public. Ideally, in any future battle against Hizbollah or another organization or country, there will be no disparity – unlike during the Second Lebanon War – between knowing the facts and understanding them.

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