Editors' Note

This issue of *Strategic Assessment* contains two sections. The first opens with a strategic overview by Maj. Gen. Aharon Ze'evi (Farkash), which examines three principal factors that shape the region and Israel's strategic environment: the United States' Middle East policy; internal forces within Arab countries; and global jihad. In Farkash's view, Israel is now in a comfortable strategic position that offers the decision-making echelon room to progress along political tracks.

The following two articles relate to Iran. Yiftah Shapir surveys the Iranian satellite program, particularly in light of Iran's successful satellite launch in late October. Shapir shows, however, that notwithstanding intensive efforts and investment, Iran has not succeeded in making significant progress in its space capability. In the third article, Drs. Emily Landau and Ephraim Asculai analyze the progress that Iran has made on its nuclear program, even over the years that it conducted (and at times suspended) negotiations with the EU-3. The authors demonstrate that Iran has successfully treaded a fine line and sustains a diplomatic front even as it pursues its nuclear ambitions against the will of the Western world.

The fourth article, by Imri Tov, reviews the annual debate between the finance and defense ministries over the defense budget. Tov argues that given the different priorities and planning methods of the two ministries, it is important to define ways whereby defense spending can be made more efficient and channeled to other national interests, so that defense spending becomes an economic growth engine.

The second part of this issue is devoted to post-disengagement issues. With the hindsight of the first three months, six articles consider domestic, economic, military-strategic, and political aspects of the disengagement and the period immediately following. Meir Elran and Dr. Yehuda Ben Meir review selected domestic effects of the disengagement, questioning how traumatic the event was, and for whom. Imri Tov comments on why the costs of the disengagement far exceeded the projected costs, and claims that any effect on the Israeli economy is a function of the political situation, rather than the disengagement itself. Hirsh Goodman reviews Israel's media policy during the disengagement, suggesting that the openness to the media represents a welcome change in the IDF's media policy.

Turning to non-domestic issues, Moshe Sharvit discusses what changes, if any, occurred in the strategic-military balance with the Palestinians as a result of the disengagement. In the final article, Ayellet Yehiav studies Egypt's new responsibility along the Philadelphi route and the implications for its greater regional role.

This special supplement offers insights on the events that gripped Israel this past summer, suggesting where and how Israel might go forward.

Israel and the Middle East, 2005: A Strategic Overview

Aharon Ze'evi (Farkash)

Let me begin by underlining the intellectual humility necessary when attempting to analyze enemies and adversaries in times of uncertainty, such as today. I say this neither out of lip service to a slogan nor as a platitude for the record, rather because I believe it is true. Our world is not a traditional world like the one in which we lived during the "second wave" era. It is characterized by ups and downs and far-reaching changes. We must therefore be modest enough to appreciate the difficulties involved in gathering information, making assessments, and understanding the complex and integrated processes that impact on us.

When discussing the state of the nation, it is my belief that Israel is now facing three strategic challenges – security, the economy, and national identity. I am relieved that it is my job to deal only with Israel's adversaries and enemies, and not the latter two challenges. I think that today, security is the least challenging threat facing the State of Israel, especially after the events surrounding the implementation of the disengagement plan, which was a challenge that required the utmost of us all.

Principal Formative Influences

Let me identify three principal influences that currently affect developments in the region and shape both our current strategic environment and unfolding strategic issues. These influences are:

■ United States policy. Note that since November 2004, when President Bush was reelected, the region has witnessed great changes, not all of which have been acknowledged.

■ Internal forces within Arab countries

■ Global jihad

The first influence shaping Israel's strategic environment is United States policy and the ongoing American presence in the Middle East. The American presence is a factor that leaders of the region can no longer ignore. If some regional leaders had hopes that presidential elections would retire the administration in November 2004 and the American presence would be cut short, this has not happened. The leaders of the region have come to understand that the United States, a new neighbor in the Middle East, is here to stay. While we can predict neither the length nor the scope of this presence, the fact that America is here and is a neighbor of Iran, Syria, Saudi Arabia, and Turkey is clear to all. The United States sees its policy as a force spawning sweeping, generations-long changes that are already underway. In

the eyes of the current administration in the United States, democracy in the Middle East will result in a better and safer America. While this argument is debatable, it is the main claim of the current American administration.

The confrontation with Israel is of particular importance to al-Qaeda, for both theological and strategic reasons.

The second major factor shaping Israel's security environment is the internal forces at play within the Arab countries. Due precisely to leaders' internalization of the American presence in the region, the last half year has witnessed the rise of strong internal forces within Arab states. The public, the media, the weakness of ruling regimes, and serious problems in the economy are the factors that brought about the changes. The leading issue on the agenda is a world view that holds *al-wataniya* (nationalism – from *watan*, meaning national homeland) above all else. The interest of the nation now takes precedence over interests of pan-Arabism, the Arab world, and the Arab League.

Urdun awalan ("Jordan first") is the initiative of King Abdullah, based on his understanding of the threat involved with the Israeli disengagement plan. The same is true of the call of *Lubnan l'lubnani-in* ("Lebanon for the Lebanese"). And there is no need even to mention the elections in Egypt. We have not seen such phenomena in the past, and they signify a turn inward. Foremost on the agenda is safeguarding the national homeland and promoting the necessary changes. A posturing of this sort has never before existed so clearly in the Arab world.

The nature of self-criticism has also changed over the past year. If in the past, after March 2003, these countries denied their problems, denied their responsibility for terrorism and decline, and presented the Arab and Muslim world as a victim, other explanations have now emerged. The ills of the Arab world are slowly becoming the focus of public discussion. For example, *al-Hayat* editor Ghassan Shirbel wrote the following in a May 2005 editorial: "Change is knocking at the door of the Arab and his homeland, but he is hesitant to open it. This is a period of difficult adaptation, the success of which depends on accepting the principle of change and the willingness to make well–timed, painful decisions demanding a combination of courage and wisdom."

This public awakening has not been characterized by self-criticism alone, and extends to the Palestinian issue. If the Palestinians were once portrayed as the victims and Arafat was heralded as an Arab symbol and leader committed to lead his people, the Palestinian issue has now been relegated to a secondary role. Other voices are sounded that reflect in-

creasing doubt about the effectiveness of resistance. Debates within Hamas and Islamic Jihad currently include the speculation that perhaps their future lies in the political system, and that they may therefore also need, for the moment, to give up firing Qassam rockets and pursuing active resistance. Also in a unique position today is Hizbollah in Lebanon, which understands that its existence is guaranteed if it is enmeshed in the political system in Lebanon, where the group has two Shiite government ministers in its service.

Attitudes towards the United States and Israel are also currently changing and assuming a less prominent position. Until 2004, the United States was depicted as acting in the service of Israel. It was identified as an imperialistic, alienated, and destructive force. While this portrait has not changed, some voices are now saying that there is a need to address the challenge posed by the United States. To this end, people are undertaking multi-dimensional assessments of the American presence in the region. Signs of change are finding expression in acknowledgment of American power and the need to deal with it as an inevitable feature of the current political state of affairs, including in domestic issues.

Global jihad, the third force shaping Israel's strategic environment, is currently evolving and assuming new dimensions. The military intelligence prism yields a new intelligence assessment regarding Qaedat al-Jihad, which is al-Qaeda's real name. The

Egyptian Jihad, led by Ayman al-Za-wahiri, merged with al-Qaeda in January 2001, nine months prior to the September 11 terrorist attacks in the United States. The new organization was called Qaedat al-Jihad, and Ayman al-Zawahiri is the organization's number two man. Some say that he serves as the ideologue and the military-operational commander of the group. In this context, it is important to point out a few basic principles, as well as the changes that have direct implications for Israel that we believe are taking place within the organization.

The strategy of al-Qaeda has shifted due to defeats the organization has suffered since September 11, 2001, when international security and intelligence forces began pursuing them in earnest. Against the background of the attacks in Beslan (Russia), Spain, Turkey, and more recently, in Egypt, the heart of the Arab world, Jordan, and even Syria, more countries have internalized the need to fight international terrorism. This growing understanding among governments around the world has also increased pressure on al-Qaeda.

I will be cautious with my words about al-Qaeda, as Israel's intelligence capability regarding al-Qaeda is not on the same level as its capabilities regarding the Palestinian Authority or Hizbollah. Therefore, I want to emphasize that the ideas presented here for the first time are tentative speculations and are not established beyond reproof. Al-Qaeda's strategy, as we have come to understand it over the past few weeks and months, divides its struggle into three realms: the West, the Arab world, and al-Sham and Egypt. The West and the Arab regimes, including the Palestinian Authority and Israel, are defined as enemies. This does not stem from the behavior of these entities, but rather from their fundamental nature. Egypt has ties with "the great Satan" (the United States), as does Saudi Arabia. For this reason, al-Qaeda sees jihad within these countries as legitimate. Syria, it feels, may change course and as a result Basher al-Asad should take heed not to abandon the jihad. Arab Islam is the heart of Islam both ideologically and geographically. According to al-Qaeda, action must be taken to topple Arab regimes that do not understand the religious core of Islam. The Arab regimes of the weakened Arab world must be expelled, and al-Qaeda is a dynamic force that advances this objective.

Today there is at least one known group, named Junud al-Sham (the soldiers of al-Sham), that is actually al-Qaeda in Syria. Two additional groups linked to al-Qaeda are transnational groups. One is located at Jabal Hilal, in the center of the Sinai Peninsula, and consists of Egyptian Jihad soldiers, and the other group is known as the Egyptian Unity and Jihad. There is also Abu Musa Zarqawi's group that operates in Jordan and is al-Qaeda's representative in the land of the Tigris and Euphrates.

According to al-Qaeda, action must be taken simultaneously against the Arab world – to bring about the change of regimes – and against the West. For this reason, attacks will continue to occur in the Arab world as well as outside of it, in Spain, London, and Turkey. Today, the Arab world is a target for terrorism. Israel is located in the center of the Islamic world in which the caliphate should be established. The struggle in Iraq and the ejection of the Americans is merely a preparatory stage for the establishment of the caliphate. The confrontation with Israel, however, is of particular importance to al-Qaeda, for both theological and strategic reasons.

Those following the region during the past year, therefore, have seen al-Qaeda move increasingly closer to Israel. Intelligence sources that have not yet been fully authenticated tell us that a number of al-Qaeda opera-

tives crossed the border from Egypt into the Gaza Strip when the Philadelphi route was breached. If this is true, this would provide defiant elements in Hamas and even al-Aqsa Brigades with the ability to take refuge in the warm embrace of al-Qaeda. This has

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not happened so far because the Palestinian Authority has understood that a connection with al-Qaeda could inflict great damage on Palestinian interests. Al-Qaeda's struggle will not end with the ejection of American forces from the region, but rather only after a proper Islamic regime is established on the ruins of Israel and the current Arab regimes. After achieving this goal, al-Qaeda efforts will be directed outward to face the great Satan. This strategic approach was not known until now. Israel was never the focus of al-Qaeda strategy, and I am not certain that Israel will become the focus. However, we now undoubtedly face a growing, significant challenge by al-Qaeda.

The radical elements are pursued in earnest, but they will not give up. The situation is similar in Hizbollah, Hamas, Islamic Jihad, and al-Qaeda. They will find alternative new ways

to face the challenge that they perceive before them.

A fourth factor I regard as a primary force shaping Israel's strategic environment is Israeli policy. Without delving into this subject, let me suggest that in my reading of the overall strategic picture, the more time passes, the more Israel will be forced to take unilateral steps to assume responsibility for its future and its existence.

From Change to Transformation in the Middle East

To summarize the main thrust of all these developments, I would say that the Middle East has moved from a process of change to a process of transformation. Transformation comes from within, and we can see it, for instance, in Lebanon. Lebanon was influenced by UN resolutions 1559 and 1614, as well as by international pressure and the investigation of Hariri's assassination. However, the bottom line is that the process in Lebanon has been a genuine transformation because it has come from within, from inside the country itself. It appears that the transformation in Egypt has also been emerging from within. Out of 3,000 judges in Egypt, 1,000 were not willing to supervise the referendum held a few months ago on the amendment to section 76 of the Egyptian constitution. The reason for their refusal was that they were not willing to play a role in supporting corruption.

We must differentiate between democracy and processes of democratization. In my mind, there is still

no democracy in the Middle East, but there has been a different use of the democratization process aimed at bringing about profound change. This is what occurred in Lebanon, and this is what is underway in Egypt and the Palestinian Authority. Palestinian Authority president Abu Mazen appears to be the first leader in the Arab world to be elected by a 63 percent majority and not the customary 99.9 percent majority. The results of the Egyptian elections in which Mubarak was re-elected after twenty-four years in power are also of interest. This move from change to processes of transformation has profoundly influenced the important forces shaping the region. In 2004 the primary force was American policy. American policy is still a major force in 2005, but now internal forces are also dominant.

In response to attacks during one of his lectures on the American failure in Iraq, Fouad Ajami said: "Mr. Bush may not be given to excessive philo-

The Middle East is a social and economic time bomb.

sophical sophistication, but the revolutionary message he brought forth was the simple belief that there was no Arab and Muslim 'exceptionalism' to the appeal of liberty. For a people mired in historical pessimism, the message of this outsider [Bush] was a powerful antidote to the culture of tyranny."

To the trends discussed let me add a number of evolutionary processes pertinent to the region.

- There is no *military* coalition against Israel.
- The threat of the weapons buildup is expanding and is cause for concern. I call it "from the Qassam to the Shehab III" – from the rocket-based threat in the Gaza Strip (which I hope we will succeed in blocking from emerging in Judea and Samaria) to the rockets of Hizbollah to the Shehab III missiles in Iran.
- The Middle East is a social and economic time bomb. Each year, the Middle East labor market increases by more than 3 percent, more than any other region in the world. This means that more than 3 million people over the age of nineteen will join the work force each year after 2005: approximately one million people in Egypt, about 800,000 in Iran, and about 300,000 in Syria. Assessing these figures in context of the dysfunctional regimes ruling the countries in question, the conclusion must be that a social, economic, and possibly even religious time bomb is forming in the region.
- Changes in the region are evolutionary, not revolutionary, and require time and patience to understand and address.
- There are increasing challenges to the stability of Arab regimes (Egypt, Saudi Arabia, Syria, Pakistan, etc.).

Risks and Opportunities for Israel

The attempt to synthesize the intelligence ramifications for Israel, after assessing the balance of threats and risks on the one hand and opportunities on the other hand, suggests that the contemporary strategic environment in the region is increasingly comfortable for Israel. As chief of Defense Intelligence, it seems to me that it is the decision-makers who must take advantage of the positive processes we are witnessing, whose strength exceeds the power of the negative processes also currently underway. If they take advantage of these processes effectively, we are likely to see positive results. If they do not, the opposite is liable to occur.

The first trend concerns the strengthening of the Arab nation states: the respective national interests of the Arab states are increasing, and the burden of Arab collective responsibility is weakening. There are direct channels that can be developed with Lebanon, Jordan, Egypt, and so forth. At the moment, Lebanon is not obligated to abide by decisions of the Arab League, which is growing increasingly weaker. We have seen Qaddafi make decisions independently, and the same has been true in other places. *Al-Wataniya* – nationalism – occupies the citizens of Lebanon, Syria, and other Arab countries more than events occurring outside their borders.

Second, the bloc in the north – Lebanon, Hizbollah, and Syria – is disintegrating. Syria has lost Lebanon. This is important from our perspective because it means that an independent Lebanese interest is emerging in many areas, including politics, the economy, and policy. The same is true in Syria. Hizbollah is a player in the game, and therefore at this point it must exercise greater restraint. In-

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deed, Hizbollah is facing hard times as a military organization and as a fighting jihad organization. It is obligated to honor decisions stemming from the domestic Lebanese arena, to which the organization must answer, and therefore it must now decide if it wants to be a political party (*hizb*) or the party of Allah (*hizb Allah*). This is the third process underway.

The fourth process concerns the changing nature of terrorism. The terrorist threat is now pursued more intensively and has changed in character. This is the case with regard to al-Qaeda, Hizbollah, Hamas, and Islamic Jihad. At the same time, over the past two years we have witnessed the exercise of restraint by Hizbollah, Hamas, and Islamic Jihad in terms of its terrorism. My assessment is that Hamas is currently at one of its lowest points ever in terms of operational capacity, though not in terms of motivation. Similarly, this does not mean that it is unable to carry out an attack when it decides to do so.

Fifth, continued pressure on Iran regarding its nuclear program has succeeded in delaying it for at least two years. Still, this issue must also be viewed from the complementary perspective; that is, pressure has not brought the program to a halt. Nonetheless, the efforts have provided some success, and have proven that such political measures can bring about change. A similar change also appears to be emerging in North Korea.

The sixth process, progress in democratization in the region, has a positive and negative side. Here, I am referring to its positive side. With regard to the dangers involved in this process, we must be especially sensitive, and in light of the strength of the United States and its friendship with Israel, we should be wary of a change in direction in the future. We must therefore recognize Europe's importance and the importance of other allies to Israel.

Against the positive trends, the risks and dangers must also be identified. For one, the terrorist organizations still possess the power of deterrence, despite the fact that they are pursued and are currently under pressure. The elements responsible at the moment for calm between Israel and the Palestinians are the IDF, the Israeli security apparatus, the General Security Services, and Hamas. I would like to make clear that no security body within the Palestinian Authority is playing a part in maintaining the calm. This includes Abu Mazen. The preservation of calm has been an independent decision of Hamas, which is the force with influence. The downside of this situation is that it will be able to reactivate the violence when it decides to do so. So too with Hizbollah and global jihad organizations. They still retain deterrent power and operational terror abilities.

Second is the threat of shockwaves in the countries with treaties with Israel. We must be cautious and note the threat that Jordan perceives in the security fence and the disengagement. I regard peace with Jordan as a strategic asset just as peace with Egypt is a strategic asset, and we must therefore be careful and aware of the dangers facing these two countries from outside forces.

My final point relates to the danger inherent in the completion of the Iranian nuclear program supported by a regime that is more extremist and conservative than in the past. I do not think that the opponents of the program will be able to arrest it, and therefore essential are security, military, and political intelligence evaluations concomitant with effective grappling with the threat that is taking shape before us. And in context of this danger, let me present two arguments, voiced to me in meetings with a number of senior officials in Europe, mitigating the urgency of the Iranian issue. The first: "I don't understand, sir, why you have cast this picture of a nuclear threat over Europe. After all, we lived under precisely a cloud of this sort following World War II." The second dismissal was, "In the end, either you or the Americans will solve the problem – so for now let's leave the matter alone."

Iran's Efforts to Conquer Space

Yiftah S. Shapir

Iran became the forty-third country in the world to own a satellite when the Sinah-1, Iran's first satellite, was launched on October 27, 2005. The Sinah-1 is an important milestone in Iran's efforts to gain space technologies, though the actual significance of the launch is mostly in the prestige Iran gained, since the satellite was developed and launched by foreign contractors. It was carried by a Russian Kosmos-3M space launch vehicle (SLV) that took off from Plesetsk, in northern Russia. In addition to the Iranian satellite, the SLV carried seven satellites for various other states and research organizations.

The history of Iran's space efforts and its drive to pursue independent space projects began during the shah's reign. The main goal in 1977 was to establish an Iranian communications satellite system. In addition, several Iranian organizations were involved in plans to send small research satellites into space that would pave the way for launching a military intelligence-gathering satellite. The Sinah-1 is thus only the first achievement in an ambitious program.

This article will discuss Iran's space activity and examine its implications for Israel and the general strategic balance in the Middle East. The Iranian plan for missile development – both surface-to-surface military missiles and satellite-launching missiles – is not part of this discussion.

The Research Satellite Project

In 1997 there were reports of a Russian-Iranian agreement on the transfer of technology enabling Iran to build its own research satellite. The name of the planned satellite, Mesbah (variously translated as "dawn," "lighthouse," and "flashlight"), was announced in 1999. Since then contradictory details on the project have been published, referring to it as a spy satellite, a communications satellite to be built instead of the previously-begun Zohreh, or a satellite solely for educational purposes. Information in recent years points to a number of Iranian research satellites projects; the Mesbah was to be the first among them.

Sinah-1

The Sinah-1, and not the Mesbah, became the first Iranian satellite. Not many details are known about the Sinah-1, and reports about its mission are clouded. Its mass is 160 kilograms and it carries two cameras and communication equipment. This data is somewhat surprising since all previous reports about Iran's research satellites dealt with much smaller satellites. Like the rest of the satellites carried on the same booster, it is prob-

ably intended to enter a helio-synchronous orbit with an inclination of 98.2 degrees. This orbit will give the satellite almost global coverage. No data is available yet as to the satellite's altitude. It is known that some of the satellites carried on the booster did not succeed in entering their orbit, but no data is available regarding the Sinah-1.

The Sinah-1 was described as an earth monitoring satellite, with its cameras intended to monitor agriculture and natural resources in Iran, as well as to monitor natural disasters. According to Iranian spokespersons it cost $15 million and was designed by the Russian firm Polyot, based in Omsk (the firm that produced the Kosmos-3M SLV). One can assume that the Sinah-1 is a version of the Sterkh satellite, designed and marketed by this firm.

Mesbah

Mesbah is the name of a research satellite built with the aid of the Italian company Carlo Gavazzi Space. The satellite is based on a multi-purpose bus for the MITA mini-satellites that the company developed for the Italian space agency. The MITA is a three-axis-stabilized cube-shaped platform designed for satellites weighing up to 100 kilograms

The Mesbah will have a mass of 60 kilograms. Little about its payload has been revealed, but it will apparently

Although Iran currently depends on foreign technology both for the construction and launching of satellites, it has not given up the goal of developing its own space capability.

include a remote sensing camera with a resolution of tens of meters. The satellite will also carry communications equipment designed for amateur radio frequencies that will forward e-mail messages according to the "store and forward" method. The satellite will be placed in low orbit at an altitude of about 900 kilometers.

Iran has studied a number of options for launching the satellite, in-cluding an indigenously-built SLV. It was ultimately decided to use a Russian SLV from Plesetsk. The Mesbah was intended to be the first Iranian satellite, but an accident caused by an electrical short circuit prevented its launch in September 2005. No new date for its launch has been given.

Safir

In 1999, at the time that construction of the Mesbah satellite was announced, Iranian officials revealed that another research satellite project was underway. This satellite, referred to as SMMS, SMNS, Safir, and even Sinah-1, was to be small and "multifunctional," weighing only twenty kilograms. It is hard to say whether this was a single project, a composite of different projects, or if the project was linked to the Asian satellite project. According to Iranian spokespersons, this would be a "pure" Iranian satellite built by Iranian engineers and launched by an Iranian satellite launcher – the Shehab-4, but it seems that this satellite, too, will be launched by a Russian SLV.

Research Satellite Project Implications

Various goals have been ascribed to the research satellites. Iranian spokespersons have noted that the satellites are designed for the "remote survey of the earth's surface," "identification of natural resources, monitoring of electricity, and gas and oil energy networks," and that "later the satellite will be used for communications and crisis management." On the oth-

er hand, observers in Israel and the United States emphasize the military side of the Iranians' space program. The Israeli press presented the Iranian models as spy satellites for collecting visual intelligence data. Nonetheless, it appears that the Iranian satellites are unable to operate as spy satellites. It seems that even the Sinah-1, though heavy compared to other research satellites, is too small to carry a camera capable of taking photographs with a resolution suitable for military intelligence gathering. Furthermore, the satellites are built by a foreign company and launched by a foreign country. It is most unlikely that Iran would hand over to foreign hands an intelligence-gathering project that by its nature is classified.

The main goal in launching research satellites is the acquisition of technological know-how. Some Iranian spokespeople have candidly stated this. They want to train engineers and researchers in various areas of planning, construction, and launching satellites. Actually this is nothing unusual. Many countries, including those in the Third World, are involved in similar projects. Today's technology is readily accessible, and a number of companies in the world specialize in the production of generic buses for mini-satellites, micro-satellites, and nano-satellites. When ordering a satellite, the client's team participates in the development of the payload and its integration into the bus. At this stage, at any rate, Iran's situation appears to be no different from that of other states. Iran has managed to reach the stage of launching a satellite

with the aid of foreign manufacturers – a stage that other countries in the Middle East, including Saudi Arabia, Egypt, Algeria, and Turkey, attained quite some time ago.

Nevertheless, the Iranian projects should not be underestimated. Although Iran currently depends on foreign technology both for the construction and launching of satellites, it has not given up its goal. The research satellites are already regarded as a contribution to national strength, and referring to them, former Iranian defense minister Ali Shamkhani said that "Iran's space capability is one of the main means of deterrence." Moreover, Iran has not surrendered its desire to launch a satellite on its own SLV. Development of the Shehab-4, intended to be Iran's first SLV, continues. This may be followed by the Shehab-5 and Shehab-6, able to launch heavier satellites.

The Russian press has dealt extensively with Russia's efforts to convince Iran to abandon the idea of using its own SLV. According to these

The PM-NPO's Express-1000 Bus
Source: *company website*

reports, the Russians feared that the United States would regard an Iranian launch as a last straw and be prompted to respond harshly. Naturally Russia is interested in demonstrating to the world its ability to restrain Iran. It is far more probable, however, that Iran's SLV project has not ripened yet and Iran still lacks the requisite technological capability. If Iran had an operational SLV, it is unlikely that Iran would have been willing to abandon a launch project out of fear of American reaction. Until this capability is attained, the American threat remains a comfortable excuse to hide behind.

History of the Project
In the 1970s the Iranians began work on a project to launch communications satellites into geo-stationary orbit. The first period witnessed the joint Iranian-Indian Zohreh ("Venus") project designed to send four Iranian communications satellites into geo-stationary orbit. At the same time, Iran and India negotiated with NASA for launching satellites on a space shuttle. Since then the project has gone through several phases. Iran conducted negotiations with French companies for a long time, and the French-built satellites were to be launched in 1995. Insufficient progress materialized, however, and from early 1988 Iran conducted similar negotiations with Russian organizations. This project was suspended in 2003, and only in late 2004 were contacts renewed, probably with different organizations in Russia.

The Zohreh Communications Satellite Project

In January 2005 it was announced that a contract had been signed for constructing the Zohreh satellites. The new version of the Zohreh contract was signed with the Aviaexport Company. The contract's net worth is reported to be $132 million, much lower than the previous transaction ($300-$350 million). The actual satellite will be developed by PM-NPO Reshetnev in Krasnoyarsk, a firm experienced in satellite production. The Iranian satellites will be the Express-1000,[1] the firm's new state-of-the-art satellite, much smaller than other communications satellites in use.[2] Its internal equipment will be French-produced but according to reports German companies will also be involved in the project. The launch is scheduled to take place thirty to thirty-six months from when the terms of the contract are met. If the contract was actualized, that is, if Iran actually made the first payment, the launch date will be set for 2007-8.

Communications Satellite Project Implications

Three communications networks operate in Iran, and these operate over 1000 ground stations and supply voice and data communications services.[3] Although the network is based on a microwave backbone, communications satellites are not unknown in Iran because the local telecommunications company rents foreign satellite services.[4] Iran is interested in expanding the volume of its civilian communications, and satellite communication will certainly be able to provide coverage to vast, inaccessible, sparsely populated areas, such as desert and mountain regions. Good radio and television coverage to these areas has proven difficult, so that transmission via satellite may be the best solution.

Iran sees a number of advantages in launching its own satellite, advantages that go beyond basic communications needs:

1. The ability to use satellite channels for military purposes without fear of their blockage by an embargo in an emergency. Iran has learned from its experience with American efforts to restrict its import of strategic goods. Iran is also aware that in an emergency its communications satellites may be obstructed because of American pressure. It fears Washington's ability to pressure international satellite providers into blocking these channels.

2. Control over civilian reception of television and radio transmissions. This is a very sensitive topic in the Islamic republic. At present Iranian law forbids citizens to own satellite dishes because of the fear that the contents of certain programs are not compatible with the spirit of Islam. Thus,

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state ownership of a communications satellite will allow citizens to own reception equipment for satellite broadcasts and provide reception in remote areas. At the same time, the government will be able to control the broadcasts and contents that are picked up by citizens.

3. A successful communications satellite project has the potential of becoming a successful economic enterprise. It has been claimed that over time the cost of maintaining national satellite communications channels is cheaper than purchasing them from a foreign provider. Furthermore, super-

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Iran's difficulties in obtaining its own communications satellite are even more conspicuous against the background of other Middle East states' success in this domain. In a world where communications satellites are produced and launched by commercial bodies, the ownership of communications satellites has become solely an economic enterprise. Thus, aside from Israel, which produces its own communications satellites, today Saudi Arabia has its own communications satellites (through the ArabSat project, which has launched eight satellites to date); Egypt owns two satellites (the NileSat project); Turkey owns four satellites (project TurkSat); and the United Arab Emirates (with their own Thuraya satellites, a unique technological project that cost over $1 billion) has already launched two of its three satellites.

fluous channels can be sold to other communications consumers in the region, thus defraying some of the outlay.

4. Above all, ownership of a communications satellite gives a major boost to national pride since it demonstrates the state's technological capability. In Iran's efforts to attain the status of a regional superpower, demonstrative steps such as these are of great importance.

Still, the negative aspects of this effort cannot be ignored. First, they contain an economic risk, as the project's profitability is far from assured. A project of this nature may be inordi-nately more expensive than purchasing channels from a foreign provider. Moreover, in the case of channel acquisition from a foreign provider, expenses will always be more controlled, since only the exact amount of communications volume will be ordered in accordance with the budget. In the case of financial constraints, expenses can be cut back by limiting the use of channels. On the other hand, when a national satellite is owned, a situation could develop whereby the state finds itself with an excess of unmarketable channels. Potential buyers may be put off from purchasing channels from Iran, fearing external pressure (from the United States, for example) and preferring to avoid communications volume from Iran.

After examining almost thirty years of Iran's handling of the project, the question also arises whether the project will ever materialize. Many times over the years Iran has concluded contracts that have repeatedly come to naught.

The exact reasons for Iran's cancellation of its contracts are not known. Some observers think that Iran's heavy financial burdens have precluded the finalization of the projects. Others claim that in some cases Iran made demands that the providers could not accept. For example, in one case it was reported that Iran demanded guarantees against the imposition of embargos, conditions that no one was willing to agree to. But it seems that Iran's main problem in attaining communications satellite capability is due to the inherent nature of the Iranian government system, that is, the inability of the various bodies operating in the system to reach an agreement and implement it. If this is indeed the case, it may well hold true for other strategic projects as well.

Conclusion

Iran is determined to attain an independent satellite capability for communications and research, and in the future, for military purposes. If the launches of the Zohreh communications satellite and the other research satellites are successful, Iran will probably seek to obtain additional capabilities, especially the independent

construction and launching of its own satellites. It will also probably try to build a military image-collecting satellite for supplying photographs of military quality. Iran regards these

It seems that Iran's main problem in attaining communications satellite capability is due to the inherent nature of the Iranian government system.

projects beyond their functional aspects, as contributing to the nation's strength and deterrence capability and bolstering its position as the region's leader. Today, at a time when almost every state can purchase satellite products on the open market – from imagery for research to communications channels, and even military quality imagery (up to a resolution of one meter) – there is little cost effectiveness in investing enormous resources to attain an independent satellite capability.

Nevertheless, a close examination of the projects that Iran has been engaged in indicates its great difficulty in attaining these capabilities. Iran has failed to reach even the basic stages in these grandiose projects after many years of effort, stages that other states attained a long time ago. The reasons for this failure are not clear but they seem to be linked to the government's inherent inability to coordinate government agencies, resolve conflicting demands, and mobilize the required resources for the projects. In other words, Iran is motivated to achieve far-reaching goals. Iran also has a significant technological infrastructure. Nevertheless, the engine is stalled and important projects are being delayed.

If this assessment is correct and the Iranian failure is a deep systemic failure, this could point to questions on Iran's capability to materialize other ambitious programs, such as in the realms of ballistic missiles and nuclear weapons.

Notes

1. Express–1000 satellites will be launched either on the Soyuz-2 launcher equipped with a Fregat-type booster, or as part of a group launch on the Proton launcher with a Briz-M booster.
2. It weighs only 832 kilograms and will carry twelve transponders produced by the French company Alcatel Espace.
3. According to the plan at the beginning of the decade, there were supposed to be twelve million lines operating in Iran by 2003 – one telephone for every five people. More recent data is unavailable.
4. Iranian National Telecommunications Company (TCI) has transponders on the Intelsat satellite. The Islamic Republic Broadcast Organization rents its own transponders on the Intelsat, which is positioned on longitude 63 east. The organization also uses Eutelsat, HotBird-3, and Telstar satellite services. In addition, the communications station in Tehran via the Inmarsat satellite is designed mainly for communication with ships at sea. Iran employs satellite channels for contact with ships and mobile ground stations.

Iran's Nuclear Program and Negotiations with the EU-3

Emily B. Landau and Ephraim Asculai

The latest developments in the ongoing negotiations between Iran and the EU-3 (Britain, France, and Germany) on the nuclear issue began with Iran's flat rejection in early August of the European proposal to restrict its indigenous nuclear program in exchange for many economic, political, and technological incentives that would still give Iran all the benefits of civil nuclear energy. This rebuff was compounded by Iran's subsequent decision to restart activities at its Uranium Conversion Facility (UCF) in Esfahan a few days later. Although Iran stated its willingness and desire to continue negotiating, it was adamant in its decision to operate its own complete nuclear fuel cycle, including enrichment, a condition the EU-3 has not been willing to accept.

In mid-September, just days before the International Atomic Energy Agency (IAEA) Board of Governors was scheduled to discuss these new developments, Iran's new president Ahmadinejad delivered what was regarded as a highly defiant speech at the UN. He stated in the clearest terms that Iran would never surrender its uranium enrichment program, and went on to criticize the US and Europe for attempting to interfere. His message left no room for compromise and his rhetoric was sharp, to the point of accusing the West of nuclear apartheid. Voicing strong disappointment with the speech, the Europeans began work on a draft resolution for the Board of Governors meeting that would immediately refer Iran's case to the UN Security Council for possible sanctions. Ultimately, because of lack of support from some key Board members, the EU-3 had to settle for a

watered-down version of the resolution. The resolution that was passed (with twenty-two votes in favor, one against, and twelve abstentions) noted that "Iran's many failures and breaches of its obligations to comply with its NPT Safeguards Agreement…constitute noncompliance." However, it did not specify when the case would be referred to the Security Council or under what conditions. That the resolution was far from unanimous is unusual for decisions by the IAEA board, and indicates that the US and Europe do not enjoy widespread support for their position. The issue has been postponed to the next Board of Governors meeting, scheduled for November.

In an attempt to assess how effective diplomacy as a strategy of non-proliferation has been with Iran, particularly in light of these developments, this article considers what

the net impact of two years of EU-3–Iranian negotiations has been on Iran's determination and ability to push forward its nuclear program. Two observations are certain: first, since the summer of 2002 Iran has been thrust into a difficult situation, with the international community actively involved in trying to ensure its compliance with its non-proliferation obligations; and, second, Iran's reaction to such involvement has been a mixture of expressed determination to complete the fuel cycle, together with repeated statements that it has no military intentions. Moreover, it has shown willingness to cooperate in negotiations with the EU-3 and concluded two agreements with these states – in late 2003 and again in late 2004.

Yet assuming that Iran does have nuclear military ambitions – and there is good reason to assume that

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it remains motivated in this direction even though it denies this fervently – the key challenge at the present juncture is to understand Iran's behavior in the negotiations so far. One option is to conclude that when Iran is in a bind, facing serious pressure from the international community, it bends and cooperates. Therefore, although it may take time and though there may be setbacks, negotiations could well lead to a successful outcome, if the international community remains determined and steadfast over the long term. Conversely, perhaps the cooperative behavior that Iran has displayed is part of its overall strategy of making the best of a difficult situation. Iran is accordingly investing great efforts to buy valuable time that would allow it to continue with its program, albeit more slowly and cautiously, and is doing its best to defy the intention of the international community to arrest the uranium enrichment program. If so, the prospects for negotiations in their present format leading to a successful outcome are much slimmer. A variation on this theme is that Iran is playing for time in order to achieve a technological breakthrough (at known or concealed sites) which, if declared, would lend it an edge in any negotiations.

A thorough assessment of the issue must examine how Iran has managed its nuclear ambitions over the past two years. This assessment begins with the technical aspect and the evidence as to actual progress that has been made by Iran in this period. To what degree has it succeeded in – or been stopped from – advancing its nuclear program? Equally important, how has it conducted negotiations with the EU-3? Where does it bend and where does it stand firm, and what is the significance in terms of Iran's own leverage over the EU-3 in the negotiations taking place? To what degree has it been able to keep open its options for advancing a military program, even when under increasing pressure? Moreover, Iran's past behavior in dealing with prolifera-

Former Iranian chief nuclear negotiator Hassan Rowhani with Russian president Vladimir Putin

tion issues should also be considered, as well as the additional steps that Iran is taking to garner crucial international support for the continuation of its nuclear program. It is only the sum total of these various aspects of Iran's behavior, technical and political alike, that can yield better insight into how negotiations with the EU-3 have impacted on Iran's ability to move its military program forward.

Iran's Nuclear Program

The starting point of the analysis is the UCF in Esfahan, declared by Iran in 2000 and reactivated on August 8, 2005. The UCF is essential for all of Iran's nuclear programs, and therefore its activation is of great concern.

Years of suspicions that the Iranians were attempting to attain military nuclear capabilities yielded no hard evidence of this intention. In 2000, however, Iran declared to the IAEA that it was constructing a uranium conversion facility. Such a plant can produce an assortment of compounds, but the main product of concern is uranium hexafluoride, whose only use is as feed material for uranium enrichment. Highly enriched uranium constitutes one of the two main substances that can comprise the core of an explosive nuclear device. Since Iran did not have a declared facility for uranium enrichment, the questions surrounding the construction of the facility were obvious, and the concerns – justified.

Senior members of the National Council of Resistance of Iran (NCRI) helped solve this puzzle at a press conference in Washington in August 2002, where they provided information and satellite images of two Iranian sites: one in Natanz, allegedly designed to house a large plant for uranium enrichment, and the second in Arak, which included a heavy water production facility. The Natanz site completed the picture and explained the reason for building the uranium conversion facility. Analysis of the site's potential published by international media indicated the possibility of producing large amounts of weapons-grade uranium within a short time following the site's beginning of operations.

But the issue of enrichment is only one piece of the Iranian nuclear project. The heavy water plant discovered in Arak hinted of other possible developments. Heavy water has but one use: in nuclear reactors. Heavy water reactors can use natural uranium nuclear fuel. This fuel is the best source for plutonium, which is the alternative material needed for the core of nuclear weapons. Indeed, within the framework of declarations issued by Iran as a result of international pressure, it announced the construction of a forty megawatt research reactor near the heavy water production plant. The declared reactor has the potential of producing one nuclear explosive device per year. The plutonium must then be separated from the irradiated fuel at a reprocessing plant, which would be large, cumbersome, and not easily hidden. The IAEA has confirmed that the Iranians have attempted to purchase equipment for such a plant. What is also certain is that Iran carried out small-scale experiments of irradiating uranium and producing limited quantities of plutonium, without informing the IAEA. The plan of working on all fronts was implemented by the Iranians with great zeal. The second vital element needed to activate the research reactor – nuclear fuel – is within reach of the Iranians, given that the facility to produce the nuclear fuel is part of the uranium conversion facility. Hence, the importance of the UCF to all aspects of Iran's nuclear program.

Once details of these activities surfaced, Iran came under greater IAEA scrutiny and it became clear that it had been conducting a secret nuclear program. In the summer of 2003, with threats of referral to the Security Council for sanctions in the air, the EU became more actively involved in the attempt through diplomacy to ensure Iran's compliance with its non-proliferation obligations. The EU-3 succeeded in concluding a deal with Iran in October 2003 to suspend uranium enrichment activities, but in June 2004, Iran reneged on the deal and renewed the construction of its uranium conversion and, probably, its enrichment facilities.

Iran has walked a thin line, and its strategy of crisis avoidance has been played out in several ways.

With the subsequent resurfacing of the possibility of bringing the issue before the Security Council, the EU-3 was again (November 2004) able to broker a deal in which Iran "volunteered" to suspend its enrichment program, in exchange for the renewal of talks on trade agreements and cooperation between Europe and Iran. The suspension agreement is not very comprehensive and does not include, for example, the construction of the Arak research reactor. Perhaps not surprisingly, therefore, satellite images indicate that activity at the site is actively progressing, and although it will take quite a few years until it is completed, this is a clear signal of Iran's intentions.

Iranian sources claim to have used the time between June and November 2004 to convert thirty-seven tons of uranium (yellow cake) into gas at the UCF in Esfahan.[1] In May 2005 Iran once again began to talk about its intention to renew enrichment activities, and the ensuing rocky months culminated in Iran's decision to restart the UCF. The Iranians rejected the European proposals and the Europeans, in return, broke off the talks that were to be resumed at the end of August 2005.

Over the course of the past two years, Iran remained determined not to concede its right to uranium enrichment. Although it apparently was not able to progress significantly in its nuclear program during the periods of suspension, Iran has claimed to have made substantive advances in the time between the two suspensions. Moreover, a clear indication of Iran's determination to proceed with the enrichment project even during the suspension period was its demand to continue unapproved work on development of twenty gas centrifuge machines, the primary technology used by Iran in its enrichment program. This also provides circumstantial evidence suggesting that Iran has not completed the necessary R&D needed for its own enrichment plant. Recent unverified claims have been made by the NCRI that Iran has been fooling the UN and EU by secretly constructing some 4,000 centrifuges while pursuing negotiations with the EU-3, and hiding them at military and Iranian Revolutionary Guards facilities that are off limits to the UN.[2]

Iran has noted repeatedly that its agreement to suspend enrichment activities, an act of confidence building toward the international community, was entirely voluntary, since enrichment activity lies within Iran's legal right. Iran has restarted the UCF,

Iran continues to stress its intention to continue with negotiations. Yet for Iran, negotiations are not viewed as a means of reaching agreement, rather as a means of warding off harsh measures.

central to all aspects of its nuclear program, so far with impunity, even though the EU-3 has finally joined the US in demanding the referral of the Iranian issue to the Security Council. To gain insight into how Iran, undeterred, reactivated the UCF, we need to examine Iran's skillful means of conducting negotiations with the EU-3, and its posturing toward the greater international community.

Before turning to Iran's negotiations strategy, it is important to note the additional evidence of Iran's continued determination to carry out activities that could ultimately be used in a military nuclear program. Reports indicate that Iran has worked on developing the detonating mechanism into which the fissile material is placed and on carrying out field experiments. It is clear that the extent of the project is vast, since the effort invested in it is large and the funding allocated con-

siderable; all this indicates the desire of the regime to achieve a first stage military nuclear capability, within the shortest amount of time possible.[3] Another major sign of Iran's intention to develop a nuclear weapons capability is its substantial missile development project, which as yet appears non-circumscribed, with increasing missile effective range and precision. There is no use for long-range missiles other than their equipment with non-conventional warheads.[4]

The power plant under construction by the Russians in Bushehr is also a factor in the nuclear equation. The main problem here in terms of nuclear weapons proliferation is the possibility that the irradiated fuel in the reactor will serve as a source for a large amount of plutonium. Although the plutonium produced therein is not of as high a quality as that produced in the research reactor, it could still be adequate for military purposes. The solution to this problem is the return of the spent fuel after its use in the reactor to the country of origin, in this case Russia. The negotiations on this issue were long and arduous, and only recently has an agreement been signed between Russia and Iran that settled the matter. It should be pointed out that it is the external source of the fuel that constitutes Iran's official pretext for establishing the large enrichment plant, the official statement being that Iran does not want to be dependent on others for nuclear fuel.

Iran's Negotiating Style

Iran's behavior in its negotiations with

the EU-3 has straddled its strong determination to complete the fuel cycle and an ostensible willingness to cooperate. Despite two agreements signed with the EU-3 over the past two years to suspend enrichment activities, in virtually every statement made, Iran stressed that this is merely a temporary measure to demonstrate good will. It has been absolutely steadfast on this point, even as it supported continued negotiations. Clearly, Iran wants to continue work on its nuclear program, and since 2002 it concluded that the best strategy was to do so under the cover of cooperation, while making efforts to keep negotiations alive. It will not bend on the issue of uranium enrichment, but neither did it want to create a crisis that would sever negotiations and invite harsh measures against it.

Iran therefore has walked a thin line, and its strategy of crisis avoidance has been played out in several ways. First, Iran has taken pains to present its own actions (viewed by Europe as a breach of its commitments to the EU-3) as a response to Europe not meeting its end of the bargain. Thus when the first agreement with the EU-3 ended in June 2004 with Iran's announcement that it was resuming activities related to uranium enrichment, Iran claimed that the EU-3 had promised to remove the case of Iran from the IAEA Board of Governors agenda in June, but had not fulfilled its promise. Similarly, it explained its recent moves to reactivate the UCF as prompted by the lack of seriousness on the part of the EU-3 vis-à-vis its

commitment to present an acceptable proposal to Iran within a designated time frame. Again, it was allegedly Europe that didn't live up to its commitment, not Iran.

A second strategy is to justify its actions as acceptable, according to Iran's interpretation of what was decided. Hence Iran's insistence that restarting activities at the UCF does not constitute a breach of the November 2004 agreement, because suspension was a voluntary measure on Iran's part and not a commitment. Iran has also justified reactivating the UCF in light of the clear distinction it draws between conversion activity and enrichment activity. Accordingly, Iran only began the conversion process, which it regards as non-problematic, but not enrichment. Finally, at the level of rhetoric, the Iranians continue to stress at every opportunity their clear intention to continue with negotiations.

Iran's strategy for dealing with WMD proliferation did not begin in 2002 with the revelations regarding undeclared nuclear activities in Natanz and Arak. In fact, evidence of Iran's impetus to present itself as a cooperative international player as the best means for pushing through what it views as most important goes back to the 1990s. At that time, Iran stood out as a Middle Eastern state that not only signed the Chemical Weapons Convention (CWC), but then ratified it in November 1997, and it has since been an active member of the Organization for the Prohibition of Chemical Weapons (OPCW). At the same time that it was talking about the importance of producing an Islamic bomb to counterbalance Israel, Iran was strengthening its profile as a cooperative international player in the non-conventional realm by joining the CWC.[5]

In the latest crisis, initiated when Iran restarted activities at the UCF in Esfahan, there is a tactical change in nuance in Iranian statements and reactions. Iran made a subtle move to the offensive in its reactions, accusing the EU-3 of reacting with unaccept-
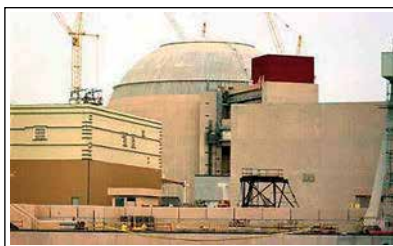
The nuclear reactor at Busheher

able harshness to Iran's action when it referred the case to the IAEA Board of Governors. It expressed surprise at this unexpected behavior on the part of Europe, given the ongoing negotiations. Moreover, in late August, the newly elected Ahmadinejad scolded states that benefit from their economic relations with Iran but object to its right to develop a nuclear program. While he did not name the states, he was most likely referring to the EU-3. This new tactic culminated with the speech at the UN, where Iran's president severely criticized the West for its interference with Iran's nuclear program. Iran is seeking to turn the table on Europe, in order to present the latter as the one who is putting forth unacceptable demands and displaying an unusually harsh and uncompromising stance.

Iran's strategy has been given a boost by the support it received from other non-Western states. Iran has noted states in Asia and Africa (especially South Africa) that back its desire to develop its civilian nuclear program and that do not accept Europe's demands that Iran cease all uranium enrichment activities. Western diplomatic sources have been quoted as saying that over the last two years Iran has offered cooperation and aid to numerous Third World countries in exchange for their support of Iran's nuclear program.[6] Many other states are also reluctant to support the European position; apparently oil is the overriding factor in their policy considerations, since Iran is OPEC's second largest exporter. For example, China and Japan have signed extensive contracts with Iran for the supply of oil and gas. This support hampered the IAEA Board of Governors' ability in early September to agree on anything stronger than a resolution urging Iran to reinstate full suspension of all enrichment related activities as well as the production of feed material, including through tests or production at the Uranium Conversion Facility.

All in all, slowly but surely Iran is seeking to create a broader atmosphere of acceptance for its activities, emphasizing its continued desire to cooperate, as long as what it views as its legitimate right to enrich uranium is condoned. In this manner, it hopes to continue to buy valuable time for

pushing its nuclear program forward, although as recent developments demonstrate, avoiding a crisis is becoming more and more difficult.

A recent statement lends direct support to the interpretation that Iran has been playing for time and provides insight into how Iran regards the role of negotiations. In an early August interview, Chief Iranian Nuclear Affairs Negotiator Hosein Musavian said that in 2003 Iran adopted a twofold policy: it worked intensively with the IAEA, and also conducted negotiations on international and political levels: "The IAEA gave us a 50-day extension to suspend the enrichment and all related activities. But thanks to the negotiations with Europe we gained another year, in which we completed (the UCF) in Esfahan." Later in the interview he added: "We suspended the UCF in Esfahan in October 2004, although we were required to do so in October 2003. If we had suspended it then, (the UCF) in Esfahan would have never been completed. Today we are in a position of power: (the UCF) in Esfahan is complete and UF4 and UF6 gases are being produced. We have a stockpile of products, and during this period, we have managed to convert 36 tons of yellow cake into gas and store it. In Natanz, much of the work has been completed."[7] While apparently meant primarily for internal consumption, this statement is surely cause for concern.

Conclusion

It seems that Iran not only remains determined to continue with a military nuclear program, but that it has been able to make some advances even during negotiations with the Europeans. Its ability to utilize the time that has gone by to push its program forward, even while engaged in intensive interaction with the IAEA and the EU-3, has been enhanced by its negotiating style and careful maneuvering so as not to expose itself to harsh measures.

The latest developments seem to be bringing the moment of real crisis closer, especially as the EU-3 has become disillusioned with the prospect of successful negotiations. Significantly, however, these developments, while an intensification of the dynamics, are not a break from the established pattern. They simply underscore that for Iran, negotiations are not viewed as a means of reaching compromise and agreement, but rather as a means of warding off harsh measures that will interfere with its program. Furthermore, Iran seems to be even more secure today in that it has gained important support for its program, which makes the prospect of sanctions against it less likely, even if the case is referred to the Security Council. Iran has also threatened to use its oil as a retaliatory measure against those who want to transfer the issue to the Security Council. Negotiations with the EU-3 were the best option for buying time, but now Iran is talking about searching for new partners that might be more accepting of its civilian program. As such, it still feels that it has room to maneuver.

There remains the question of what to do to deny Iran's attaining a military nuclear capability. There are no good options at this point, although one idea is to stop relying on international forums for decisions and to begin consolidating like-minded states for agreement on serious sanctions against Iran. The importance of creating such a group is underscored against the background of Iran's own attempts to consolidate a group of this sort in support of its right to enrich uranium. Beyond this, states may have to begin to think seriously of how they will deal with a nuclear capable Iran, as this is a scenario that could materialize despite all efforts to stop it.

Notes

1. www.ynet.co.il, May 10, 2005.
2. Ian Traynor, "Iran is Building Secret Nuclear Components, Says Rebel Group," *The Guardian,* August 19, 2005.
3. See *Maariv,* July 26, 2005 and *Haaretz,* July 27, 2005 for reports on findings published in *Der Speigel*, according to which Iran was involved in two secret deals to purchase nuclear components.
4. See MENL, "Iran Deploys Ukrainian Cruise Missiles," October 7, 2005; and Con Coughlin, "Russians Help Iran with Missile Threat to Europe," *Sunday Telegraph,* October 16, 2005.
5. There are unsubstantiated claims, mainly by the US, that Iran is still producing chemical warfare agents, but critical here is the image that Iran has sought to create as a cooperative international player.
6. MENL, August 12, 2005.
7. MEMRI Special Dispatch Series, no. 957, August 12, 2005.

The Defense Budget Debate, Yet Once More

Imri Tov

In early August 2005 the government approved the state budget, which it will submit to the Knesset for approval in the coming weeks. The outlines of all ministry budgets have been drawn. Although some changes are expected in the budget following the change in finance ministers, no changes are expected in the manner of drafting the budget or in its underlying principles.

There are two leading operative objectives in a budget that furthers a broad economic policy: a budget deficit not exceeding 3 percent of the GDP (the estimated increase for 2006 is approximately NIS 17 billion)[1] and a maximum increase in government expenses of 1 percent (approximately NIS 2.2 billion). This budget policy, therefore, dictates a "cutback" that has sparked a public debate on the question of who should be saddled with the higher cutbacks. In recent years, defense has usually been at a disadvantage in this debate, despite general agreement that defense is a supreme priority. Hence the changes in the defense budget over recent years (table 1).

Table 1. The Defense Budget, 1999-2005

Year	Updated budget in NIS billion
1999	29.4
2000	30.5
2001	32.5
2002	35.2
2003	33.1
2004	32.4
2005	30.8

Source: State comptroller's report for 2005. All figures represent the sum total of expenses in shekels from local sources, without conversions from US military aid funds. The 2005 figure is taken from the 2005 budget principles as proposed by the Ministry of Finance.

First of all it must be clear that the overall cutback is a reduction in the budget increase, and not an actual reduction compared with last year.[2] Reduced is the amount of last year's budget, with the addition of two other types of expenses: first, the "automatic pilot" – those expenses that increased last year's total spending and that are expected to persist in the current budget year; the second is a supplement of 1 percent of last year's budget expenses. The 2006 budget, approved by the government, comprises the following figures: total expenses, which include last year's budget plus the "automatic pilot" and the allowable supplement, amounting to NIS 217.4 billion; estimated revenues for the budget year of approximately NIS 196.7 billion; and a deficit resulting from the difference between revenues and expenses amounting to NIS 20.7 billion. The acceptable deficit based on the tabulation above totals NIS 17.2 billion. Therefore, there must be a "cutback" of NIS 3.5 billion.

Of the sum intended as a cutback, NIS 1.6 billion has been foisted directly on the defense budget, while the rest has been divided among the various ministries, including defense. The debate over reductions in the budgets of all the ministries is fundamentally similar, though it enlists different arguments in the different ministries. The sum approved for the defense cutback was reduced following demands by the defense establishment and a ruling by the prime minister, and was set at NIS 650 million in direct cuts. Yet while government deliberations

over the budget have concluded, it is likely that until the final approval of the budget, some changes will be made. Still, it should be remembered that planning for the year 2006 has already begun within the defense establishment and other ministries, and the working assumptions of each ministry include the government's decision plus suppositions regarding the final arrangements that will be approved over the coming months.[3]

This article presents the highlights of the debate over the defense budget before it is to be presented to the Knesset.[4] The defense budget is the largest of government budgets, but the political support it enjoys in the Knesset rests on the power of the defense minister, with the prime minister wielding his influence according to changing considerations. There is no significant defense lobby in the Knesset.[5]

The Treasury vs. the Defense Ministry

Four central issues are raised by the Ministry of Finance regarding the defense budget that the Ministry of Defense is called on to address:

↙ Practicality

The defense budget is the largest among the various ministries, constituting approximately 18 percent of the overall budget.[6] Barring a cutback in defense, it would not be possible to arrive at the necessary budget reduction without striking a mortal blow to other ministries. In addition, a cutback in defense reduces political and professional opposition to general cutbacks.

In response, the defense establishment argues that the defense budget must be removed from the political debate. In addition, a distinction must be made between the defense budget and the budgets of other ministries, according to their relative importance. As long as defense deals with the state's very survival, its present size must be regarded as a necessary condition for existence. The budgets of the other ministries, however, define conditions of existence, and therefore have more room for flexibility.

The practical consideration is of great importance for negotiations over determining the budget. Some of the agreements achieved rely on the possibility, by no means assured, of changing the original budget allocation during the course of the year. This process gained media coverage following the state comptroller's report.

← National Priorities

As part of its role, the Ministry of Finance considers itself obliged to set national priorities. It serves as the government's professional branch for allocating resources and examining the efficacy of their use. Exercising this responsibility, the Treasury generally prefers expenditures on health, education, and various social welfare expenditures.[7]

Defense's response to this argument refers back to the previous argument, with the added claim that short range administration of policy must be avoided as far as the defense budget is concerned, because planning for this budget is normally long range. Yearly changes result in waste and in planning difficulties.

The dispute between the ministries of finance and defense raises the broader question, relevant to all ministries: who determines the priorities for national expenditures and on what basis? Which body is the appropriate branch to consider assessments and risks of all types, including hidden risks, according to priorities? Who determines the order of importance for allocating budgets, whether marginal or primary? Can the Treasury's budget department, staffed by outstanding professionals who are working towards the realization of economic objectives on the deficit and the size of overall spending, also serve as the group making recommendations to the government on how to allocate budgets, based on evaluating risks from an overall national perspective, and not only those in the field of economic policy?[8]

The complementary argument to the issue of national priorities is the Treasury's determination that economic growth engines lie in the fields of civic investment, exports, and private consumption. Defense spending does not contribute to sustainable or desired growth. The defense establishment, however, counters by asserting the contribution of defense spending to technology and its development, exports, foreign relations, and the like.

The fundamental issue that emerges from this debate is: does defense spending impact negatively on the economy's growth? Seemingly, defense spending increases translate into reduced spending on growth engines, i.e., civic investments, export, and private consumption. The notion that this is the sole relationship is so prevalent that the option of developing defense as a growth engine is rejected outright. But is this indeed the case? Professional literature and experts grappling with this issue express doubts regarding a necessarily negative relationship between the two. For example, there is sufficiently broad agreement that technological education plays an important part in the building of future growth engines for the economy. The capabilities of the military system, by way of public resources, have given rise to technologies whose conversion to the civilian market have greatly contributed to an increase in exports and other growth engines.

↑ Military-Strategic Considerations

An additional argument raised by the Ministry of Finance is that Israel's strategic situation has changed, allowing for cutbacks in the defense budget. Examples include the changes in Iraq, the collapse of the so-called eastern front, and the ongoing presence of the American army in the region. Given the change in these strategic circumstances, the presumption is that the budget for 2006 must be adjusted. Since most of the disengagement budget is not included within the defense budget, it will be possible to cut the defense budget, despite the issue of the removal of settlements and the army's involvement.

The defense establishment disagrees with the Treasury's assessment of the situation and rejects its conclusions, insisting that the authorized and responsible party for performing a national situation assessment is not the Ministry of Finance. More fundamentally, however, the debate focuses on the essential issue – does a change in the assessment of the strategic situation oblige a budgetary change?

In fact, a change in the assessment of the strategic situation does not necessarily mandate a change in the defense budget. The immediate expected change is in force buildup and planning its use. Changes in force buildup do not warrant budget changes; rather, they point primarily to a change in how to employ existing power, for which no additional expense is required, unless it is not possible to adjust spending sufficiently or if the change in buildup demands new acquisitions.

Thus, the strategic changes occurring in the world and the Middle East do not necessarily require an immediate change in the size of the budget; therefore, linking the situation in Iraq with the cutback in the defense budget is not a forgone conclusion. Also, statements that the Gaza disengagement would lead to a cutback in security needs are not substantiated. Altering the defense budget as an outcome of changes in the strategic environment would be appropriate only as part of an overall analysis of the force needed for the new strategic situation. Only through such an analysis can budget needs and expenditures over time be determined.

Force buildup and planning its use are not marginal activities of subtracting or adding budgets and inventories following a solitary change. They deal with the existing inventory of capabilities and ensuring its comprehensive operability under new conditions. Sometimes a budget supplement is needed, and sometimes not. This issue must be examined within a specific context. Thus, the differences between the defense and finance ministries in assessing required changes in the defense budget stem from differences in their manners of analysis. The assessment of risks performed by the two ministries is totally different; and they diverge in their understanding of force buildup methodologies, which represent separate organizational interests.

→ Management of National Resources

It is the Treasury's responsibility to examine how effectively budgets were used by the various government ministries. Since the Ministry of Finance's ability to investigate and control the defense budget is relatively low compared with its ability to oversee the budgets of other ministries, it has chosen a method to provide a response to this relative weakness. In other words, the Treasury maintains that the defense budget must be cut persistently so that the defense leadership will seek the best and most efficient way of providing the required level of security within the framework of ever-decreasing resources.

Over the last years, mainly coinciding with its ability to know more details of the defense budget, the Treasury has begun to demand specific changes beyond the continuous cutbacks, contrary to past recommendations and proposals.[9] Generally, however, the defense establishment's response to demands for increased internal efficiency calls for the Treasury not to intervene, since it interferes with multi-year planning processes and has no understanding of the issues that it proposes to solve. Moreover, a division of responsibility exists under which increasing internal efficiency is the responsibility of the defense leadership, not to mention the fact that the leadership itself is interested in this, without the need for the Ministry of Finance's intervention or encouragement.

Here too, a fundamental question arises on how to set in motion increased efficiency within the defense establishment. The differences of opinion between the ministries are a product of different administrative outlooks and the partisan objectives of each ministry.

What is meant by "efficiency" requires clarification, since this is a concept understood differently by different people. Here, efficiency is defined as the relation between an objective's value, or the expected benefit, and the cost of resources having alternative uses that have been invested in attaining the objective. This definition enables the formulation of two processes. The first points to the notion that the more that is achieved from an objective through a smaller use of economic resources, the more efficiency rises, i.e., "maximum bang for the buck." This is an accepted mindset within the military for those seeking to achieve maximum military strength and security within the budget at their disposal. The second process describes the increase of efficiency as the process whereby fewer economic resources are used in order to achieve the objective, resulting in a rise in efficiency, i.e., "minimizing the cost per unit of output." This is a mindset characteristic of economists and budgeters interested in arriving at a designated security level (military strength) at minimum expense.

Setting into motion processes of increased efficiency in the defense establishment is perceived differently by the two ministries. The defense establishment tends to view the first process as preferable, which allows it to plan for maximum security over time, even when a budget increase is required for a particular year. The Treasury, driven by macroeconomic considerations, prefers to administrate budgets on a yearly basis, while permitting, with limitations, a multi-year purchasing process. This dimension of the debate will decline if the Treasury moves to allocating multi-year budgets.

Recommendations

The inter-ministry debate is based on differing situation assessments, varying risk evaluation methodologies, different work cultures, and a lack of trust that has accrued over the years. Settling the budget debate will not only contribute to a more pleasant public arena, but also to the ef-

The capabilities of the military system, by way of public resources, have given rise to technologies whose conversion to the civilian market have greatly contributed to an increase in exports and other growth engines.

ficiency of processes in government ministries, the government, and the Knesset. Thus, notwithstanding the chasm between the ministries, there

are some potential measures to bridge the divide:

- *Setting up an advisory staff for the government and the prime minister.* The advisory staff will focus on evaluating national risks, not only military ones, and prioritize the urgency and importance of handling them. The staff will deal with evaluating military, social, environmental, and health risks, basing itself on work done in the various ministries. The staff's work will enable the Treasury to focus on its designated role, macroeconomic policy, allowing another group to examine economic objectives and dimensions against social or other objectives and dimensions. The staff must act solely as an advisory body, with authority for decisions remaining, as today, with the government and the prime minister.

Does a change in the assessment of the strategic situation oblige a budgetary change?

- *Linking budget clauses and policy objectives.* Familiar spending budgets must change and reflect the objectives that the organization or ministry strives to achieve. A multi-year budget focused on placing a price tag on objectives would serve as a fitting index for the measure of success at various ministries in achieving their goals; this in contrast with the current situation where the budget presents a collection of expense clauses whose linkage with any task

or objective requires special work. In most cases this is not feasible.

Creating the option of assigning a price tag to objectives obliges designing budgetary tools for the long-range and short-range administration of tasks of the defense economy. Yearly budgets cannot provide a fitting solution for the cost of multi-year tasks; the tools needed include: budgeting tasks, multi-year budgets, involving Treasury staff in discussions of work programs at the Ministry of Defense (and at other ministries), and identifying working techniques that transform strategic objectives as the focus at all echelons.

- *Optimizing institutional control mechanisms over the defense budget.* The Knesset and the Ministry of Finance are the two official bodies that control the defense budget. The Ministry of Finance checks the level of the budget and the fulfillment of its clauses, while the Knesset is mandated to inspect and approve decisions and the use of the budget towards their realization. Neither of these bodies employs techniques for reviewing the fulfillment of tasks, except for checking isolated expense clauses. Designing appropriate tools, some of which also serve to link budget clauses and policy objectives, will improve ability to control the defense budget.

- *Increasing efficiency as an ongoing process in the defense establishment.* Increasing efficiency in the defense sector is not a onetime move, but rather an ongoing process whose necessity must be recognized by the heads of this sector. In creating such

awareness, the Ministry of Finance plays a fundamental, though not exclusive, role. The concrete process must be coordinated between the two

Altering the defense budget as an outcome of changes in the strategic environment would be appropriate only as part of an overall analysis of the force needed for the new strategic situation.

ministries, while allowing the option of planning to the defense system and the granting of appropriate funding to the Treasury.[10]

- *Seeing defense spending as a growth engine.* The defense budget for research and development must be increased for fields that private business organizations avoid due to business risk. Spending on technological education within the defense system should be increased as well as resources directed to the development of technologies that can be used by both the military and civilian sectors. The given fact that defense spending will accompany the economy for many years to come, and in significant sums, justifies the search for a way to build a defense budget that contributes to other sectors, instead of acting solely as a competitor for national resources.

- *Creating analytical information systems for the defense establish-*

ment. Defining objectives and goals, evaluating policy, analyzing outcomes, and designing savings plans are just some of the decisions that require information originating exclusively from the defense sector. The preparation of data that can be publicized and used for analytical goals is a condition for achieving trust among decision-makers and the public. Moreover, only reliable information that is publicly distributed can, over time, generate credibility for information that flows out of the defense establishment, and even more so, support the legitimacy of the system within the country's social system.[11]

Settling the budget debate will contribute to the efficiency of processes in government ministries, the government, and the Knesset.

Conclusion

Only a change in the budget model and a change in the government's working method can neutralize the more important hubs of the debate between the budgeted body and the body responsible for determining the budget, in this case the ministries of defense and finance, and thereby improve the allocation process. If no change is effected in the rules of the game, i.e., enlarging the circle of participants in discussions over determin-

ing the defense budget with increased transparency; increased cooperation between the Ministry of Finance and the Ministry of Defense in discussions over work plans; and a refinement of external supervision over the determination and administration of the budget, distortions in the resource allocation process will continue to grow in the Israeli economy. Without these measures, dialogue between the Treasury and government ministries – the defense ministry chief among them – and even more so the public debate within and outside the Knesset will not be founded on reliable information and structured thinking and will not proceed along more efficient and reasonable lines.

Notes

1. In general there is no debate on the level of the overall reduction. The "economic formula" by which the allowable deficit for the state budget is set at approximately 3 percent of the GDP is customary and accepted, although its scientific validity is debatable. Still, it is worth noting that even more than this formula is perceived as a valid technique, it is seen as proof of determination and consistency in the administration of government policy. At the same time, there is no overriding need to sanctify the number 3 as the key to good policy administration.
2. The possibility that expenditures will fall in comparison with the previous year exists, for example, when government income does not increase as a result of lowering tax rates; or if in the previous budget year, a onetime expense was approved on a scale exceeding the approved percentage increase in expenses.
3. All government ministries also take

into account the possibility of a change in the budget during the working year. Usually benefiting from changes during the year is the Ministry of Defense, which can demonstrate needs that must be fulfilled and the ability to purchase. The final outcome of changes during the year does not alter the overall picture of the budget and the underlying macro-evaluations.
4. Changes in ministry budgets during the year are another issue that will not be discussed here. Suffice it to mention that this represents an administrative tool in the hands of the Treasury for regulating shortages and surpluses in the operations of the various ministries and in the general budget.
5. Members of the Knesset with military backgrounds and almost certain sympathy for the defense establishment understand that their political bases do not reside within the army; therefore their support for the system's demands is not automatic.
6. The weight of budget spending on defense within unfixed expenses is growing. The relative size of the defense budget represents a decisive parameter in cutback considerations.
7. It is not any way the intention here to discredit Treasury officials, who are not politically suspect. The political apparatus influences their decisions by way of the finance minister, who is a political figure.
8. The conceptual decision for efficient allocation is "simple": when marginal utility (the change in utility following a small increase in the budget) is equal among all ministries, allocation is "efficient." Due to the inability to actually measure marginal utility within various ministries, it is not possible to employ this simple model for creating an objective tool for efficient distribution. It is therefore obvious that when there is no possibility to finalize amounts for allocation, the decision becomes

political-administrative (Treasury), and the process of fashioning and approving the defense budget is one of debate, with argumentative reasoning intended to convince the other side.

9. Required changes in the defense budget according to the Treasury's understanding include: continued reduction of the budget, reduction of workforce expenses, civilianization of tasks, project reviews, downsized delegations sent abroad, and unification of headquarters. The Treasury has also suggested shortening compulsory service, although the committee appointed by the minister of defense has not yet formulated its recommendations. The Treasury is prepared to lend assistance via additional budgets for fulfilling structural revision programs in the defense establishment.

10. The reorganization that will lead to continued savings in resources lies within three fields:

   • *Defense production* (including force buildup and activation during a conflict), especially: power buildup based on lifecycle costs of components; capabilities, buildup with flexibility that enables response to a variety of conflict situations; and response creation through comparing expected damage from the realization of the danger with the cost of the response. Note that insurance against all risks is expensive and inefficient, and includes evaluations regarding risks for which it would be wrong to initiate an early response.

   • *Management of defense resources* (the defense economy), with an emphasis on subordination of economic decisions to the establishment's strategic objectives. Objectives must be determined "top down," with the achievement of overriding objectives taking preference over all others. Decisions must be made according to long-range parameters and subordinate to system objectives. A single price mechanism must be installed by which decisions will be reached at all levels of the system – the price mechanism – to enable putting a price tag on activities within the system (including regular soldiers who constitute the central hub of inefficiency in the defense system). There should be trans-organizational joint action programs; exchange of ownership of assets for outsourcing; cooperation with the business sector, relying on a division of labor such that the defense sector specializes in security production (a focus on core pursuits), and on the competence of the business sector; and transparency and accountability towards other sectors.

   • *Acquisitions system* (connecting between the defense sector and other sections of the national economy), mainly: an organizational structure supporting efficient acquisition decisions (chiefly shortening the acquisition channel); optimization of performance, costs, and time (by formulating substitution rates between the three); acquisition of systems based on lifecycle cost; timing decisions – administrative delay causes increased acquisition prices; and continuous study and updates of best practice procedures existing in the field of purchasing organizations in Israel and the world.

11. Establishing an analytical research body within the defense establishment that will act as an evaluation and analysis center alongside decision-makers will also contribute to increasing the credibility of information flowing from the defense establishment.

Domestic Effects of the Disengagement

Meir Elran

Introduction

The implementation of Israel's withdrawal from the Gaza Strip and four settlements in northern Samaria was seen by many as a formative event in Israeli foreign policy, especially in relations with the Palestinians, and in the domestic arena. For the first time since the Six Day War, Israel officially recognized that one of its cardinal strategic tenets was counter-productive to its interests. As Prime Minister Sharon stated on August 15, 2005, the day the withdrawal began, "It is no secret that I, like many others, believed and hoped that we could forever hold on to Netzarim and Kfar Darom. However, the changing reality in this country, in this region, and in the world required another reassessment and changing positions."[1] Shimon Peres was blunter in his definition of events, when he declared on September 12, 2005 that, "remaining in the Gaza Strip was an historical mistake from start to finish."

The implementation of the disengagement plan was undoubtedly an operational success. Despite the potential internal and external dangers and the bleak scenarios that loomed on the eve of the disengagement, the exceedingly problematic evacuation of thousands of citizens took place without serious casualties, without any major blunders, and with commendable speed. The motto that the IDF coined for the operation – "sensitivity and determination" – reflected the careful operational planning and emotional preparation for the disengagement. In the complex campaign over Israeli public opinion – which may have been the more important operation – those behind the disengagement plan had the upper hand. Facing them were the settlers and their supporters who strove to influence the public, first in order to foil the evacuation plan, and second to create a basis for preventing its repetition in the West Bank. Whether the clear failure of the first dimension will be matched by failure of the secondary goal remains to be seen.

Had the disengagement not been implemented smoothly, and this was certainly a possibility, the domestic implications would necessarily have been completely different, with tangible effects perhaps already evident. In what was perceived as a contest between Israel's national political system and its challengers, the former clearly emerged the victor. Nevertheless, even if the state and its agents achieved a definite victory, it is not certain whether this was also an ultimate, decisive outcome.

This article does not deal with the security or foreign policy ramifications of Israel's withdrawal from the Gaza Strip to the 1967 lines. Rather, the aim here is to focus on the end to the settlement enterprise in Gaza and assess the domestic implications of the disengagement and their potential impact on national security. Given the storm that Israel weathered during the evacuation of the settlers from their homes, the intense public debate the evacuation awakened, and the glaring media exposure it received, there is room, even at this early stage, to examine a number of the related central issues that may have a formative influence on Israeli society.

The Trauma that Was(n't)

In the weeks leading up to the disengagement, the impressions were that it would be an extremely difficult operation that could escalate easily to include physical injury and extreme violations of Israeli law and social norms. This impression was intentionally created. It seems that from the outset, both sides, the government and its enforcement branches on the one hand and its opponents on the other, wanted to heighten the sense of a fracture that would bear

particular significance for future developments. Yet the reality of the evacuation was far smoother than the widespread predictions in the media. During the week of the disengagement, forty-seven incidents were defined as "extremism cases" (forty in the Gaza Strip and seven in Samaria)[2] in which the IDF employed professional, specially trained negotiating teams (created when dealing with terrorists holding hostages). With the hindsight of the weeks and months since the disengagement, even if the storm has not completely dissipated, it seems in general that the public discourse has turned to other subjects. Those who were evacuated from their homes have unquestionably undergone a severe personal trauma that may require years of physical and psychological rehabilitation. But the general public that witnessed the evacuation through the unprecedentedly intense media coverage resumed its routine – if it had ever abandoned it. In the not too distant future will it be possible to say that the fading memory of Gush Katif resembles that of Yamit (not to mention that of the *Altalena*)?

At the same time, the state's success in carrying out its policy, even by force, should not mask the difficulties in the evacuation of settlers and the destruction of settlements, and the distress it caused to parts of the public. As Brig. Gen. Gershon Hacohen, the commander of the division that implemented the evacuation in the Gaza Strip, stated after the event, "There was a real danger of bloodshed. There was a possibility that a violent rebellion would develop in Gush Katif. What tipped the scales against the danger of bloodshed was the way we operated with the presence of a large force, and the unique method of operation that we developed for this sensitive context . . . There were weapons there. There was a potential for severe violence. . . . There was an event here that had the potential for developing into a civil war . . . There was a very profound conflict here. A conflict that can blow up a nation and crush a state. But through open and secret cooperation, we

Head of Operations Maj. Gen. Yisrael Ziv (r) with a resident of Gush Katif

managed to prevent it. We built a bridge over the abyss."[3]

The strength of the bridge and state of the abyss remain to be evaluated. Furthermore, the question arises whether the frightening scenarios that were presented to the public had in fact any solid basis at the outset, or were rather the reflection of multi-directional manipulation. Whatever the case, the public perceived the evacuation, at least prior to and during the event, as an enormous menacing process that would be difficult to carry out.

The Gaza border, along with most of the separation fence's route, has reinforced the new national narrative on Israel's future borders, namely, "we are here and they are there."

The success of the implementation may contribute to shaping a number of the following important trends that in themselves are neither inevitable nor immediate. Many forces in the political system and the territories actively oppose them. However, political developments of the coming months will build on the following fruits of the disengagement:

■ The strengthened legitimacy of the democratic government and its executive arms. In the face of increasing public criticism of the "politicians" – some of it certainly justified and by no means an exhausted issue – Israel's government system proved that when it leads with a clear message and with the support of the majority, however silent the majority, it is capable of making painful decisions and taking bold steps that change historical trends, even in the face of legitimate political and sectoral opposition as well as illegitimate threats. This in itself is an auspicious outcome.

■ Undermining national myths that have been instilled in the

Israeli public for years and that threatened (and perhaps for this reason were created in the first place) to cement patterns that may have been correct in their day but that have failed the test of time: the perception of security as a function of retention of the territories; the viability of the occupation and control over another nation; the ultimate function of the settlements as the main marker of Israel's borders; and the impossibility of evacuating Jewish settlements in the territories. In other words, what had been considered in the Israeli mindset as "unthinkable" may now have become "thinkable." The first test will be the illegal outposts, at least some of them. A survey conducted by *Yediot Ahronot* and Mina Tzemah in late August found that 68 percent of those questioned believed that the illegal outposts should be dismantled; 54 percent thought that after the Gaza disengagement the peace process should be renewed and Israel should display willingness to withdraw from additional territories in Judea and Samaria.

In the national religious camp, a heated debate is taking place on its future political direction.

■ The shaping of a new national narrative regarding Israel's future borders through a political settlement or by a unilateral move. With the pullout from Gaza, the 1967 lines were reaffirmed with new strength and legitimacy. The Gaza border, along with most of the separation fence's route and against the background of the peace agreements with Egypt and Jordan and the pullback from Lebanon to the international border, has reinforced the principle growing among the public, "we are here and they are there." Contributing to this narrative are the West Bank settlement blocs, which, the prime minister has emphasized, will muster popular support for drawing the borders with the future Palestinian state.

Protesters at Kfar Darom; signs read "Kfar Darom will not fall again" (top) and "God will not forsake His people" (bottom)

Between this position and the concession of lands east of the separation fence route (including the Jordan Valley and Hebron) is a wide divide. Nevertheless, the new narrative is taking greater hold in the public consciousness, which will bolster the ability to translate it into practical measures.

Polarities in the Religious Zionist Camp

Perhaps the leading social issue of the disengagement was the division between civic and religious discourse. Many in the general public opposed the disengagement (even after the disengagement was completed, 37.8 percent of the Israeli public and 41.3 percent of the Jewish public remained opposed[4]), including the prime minister's political representatives and influential members of his own party. In practice, however, those who actively supported the settlers during the evacuation did not come primarily from the general public that opposed the disengagement, and were not the politicians in and outside the Likud who derided the prime minister's initiative. The vast majority of the activists came from the religious Zionist camp (to be distinguished from the religious public as a whole), although they too did not account for the entire religious Zionist population. Even at the large protest in Kfar Maimon on July 25, which included tens of thousands of protestors and was the last sizable physical standoff between the security forces and the opponents of disengagement that had any potential chance of reversing the disengagement course, most National Religious Party voters stayed home.

By most accounts, the heart of the religious Zionist camp suffered a profound shock during the disengagement process. Many expressed a sense of their ideological identification with the national Zionist enterprise, at whose center stood the settling of Mandatory Israel, succumbing to a sense of betrayal and alienation. One example is the statement by Rabbi Yaakov Meidan, one of the designated future heads of the Har Etzion hesder yeshiva [combin-

ing military service with religious study]: "Decades ago, our public, the religious-Zionist public, made a strategic decision to live together with secular Zionism. . . . We decided to forge an alliance . . . based on love for this land. On the desire for the revival of the state. . . . Those who went with us hand in hand to every place, including into the fire, have plunged a knife in our back . . . My complaints are not against the secular public as a whole . . . .The problem is with the secular elites. In the attitude of those elites I have the feeling of a knife in the back."[5]

The disengagement heightened sentiments long present within this public, a public that has vacillated for years between integration with the secular state and insulation from it. The question here, which leading spokespersons in the national religious camp have also posed, is whether the apparent disregard by the secular public and the government (perhaps the state, too?) of the national religious public's values and needs will hasten incipient trends toward separation and perhaps even bring the national religious camp closer to a moral, social (and political?) pact with the ultra-orthodox camp. Rabbi Meidan discussed this issue, claiming that, "In order to forge an alliance with the secular elites, we neglected our more natural union with the Haredi [ultra-orthodox] public. Today I think that was a mistake. In the future we will behave differently."

It is too early to assess where the introspection spurred by the disengagement is leading. In the national religious camp, not a monolithic ideological bloc but with deep roots to the state and the state's values, a heated debate is taking place on its future political direction. Key figures in the camp attribute Jewish religious values to the state and its strengthened position, as established early on by Rabbi Kook: "The State of Israel is the foundation of God's throne in the world." The integration of the national religious camp in the civilian state has also yielded common benefits and stands to continue to do so. According to Rabbi Yuval Sherlo, "It is true that the state is not administered according to Torah considerations. We must take the responsibility and ask what we have done that has led to this and what

we can do that we have not done yet. There is so vast a space for activity, and instead of wallowing in deep despair we should be strengthened by a great faith and plunge into the immense tasks before us. There is no reality that cannot be influenced. There is always [a way], if the path is found, and since we are filled with the boundless energies that have been revealed in this struggle, we are forbidden to lead these energies to a reality of despair and retribution rather than moving forward."[6]

The army emerged from a challenging civilian task as the supreme champion of the nation, its unity, and its values.

Commenting on the soul-searching within the national religious community, Professor Avi Ravitzky of the Hebrew University predicts that the crisis will lead to certain elements in the national religious camp being drawn more to the ultra-orthodox, with others preferring to overcome the gap and reestablish their ties to the secular public.[7] Shai Binyamini, head of the movement Realistic Religious Zionism, observes that the national religious public is being divided by a deep crisis: "People will spit on the flag, vilify IDF soldiers, and the state. Religious Zionism will split into two [parts] – one, no longer Zionist, will lack identification with state . . . It will identify with the classic ultra-orthodox position . . . and the other part will preserve classic religious Zionism. This is the moderate stream, and proportionally – it is in the minority."[8] Rabbi Shlomo Aviner claims that perhaps "the time has come to appear as a party that moves forward, that speaks in the name of Torah, that instead of being divided marches forth to greater unity, and that binds within it all the different people that proclaim the name of God, from the national religious to national ultra-orthodox, from Habad to Meimad."[9]

This internal debate will also probably have considerable influence on the government's position. The state has a keen interest in seeing that impor-

tant strong forces such as the national religious camp continue to be active and integrated in the state and its enterprises. The importance of this lies not only in safeguarding the abstract value of unity in Israeli society as an obligatory ingredient for strengthening the state and advancing its ability to meet internal and external challenges. It also has practical significance for everything connected with this sector's contribution to the state, particularly the army and other resources. For the last generation the national religious public's proportional representation has grown in the voluntary elite combat units, command positions, and service in the standing army. This has been a practical contribution as well as a message of ethical leadership. In Israeli society, which is characterized by increasing divisions in the social, moral, and political spheres, the detachment from the mainstream – not to mention insulation and alienation – of such a prominent camp will severely impair the value of national unity and its practical expressions in the realm of security.

The IDF and the Police

If there were "winners" and "losers" in the dramatic story of the evacuation, then the IDF, and perhaps surprisingly the Israeli police too, emerged as the winners. From this practical, political, complicated, and problematic affair, these two official groups succeeded in advancing their institutional interests. Polls indicated overwhelming public approval of the performance of the security forces, even among those who opposed the disengagement.[10] Indeed, the IDF won an immense degree of legitimacy as the state's leading body, presumably the only one that could manage the disengagement's specific difficult challenges. This was especially apparent when compared with the criticism – though not always justified – of the ineptitude within the special authority set up to help the evacuees and coordinate its activity with civilian government ministries. Thus, on the heels of the army's success in ending the second intifada – praise that was accompanied by significant criticism and questions – the army emerged from a challenging civilian task as the supreme champion

of the nation, its unity, and its values.

Little can detract its from the army's success in the superb planning, preparation, and implementation of the disengagement. Significant for the future, however, is how this esteem impacts on Israel's civil society and its relationship to the IDF. It seems increasingly likely that if and when the government has need of a large and efficient implementation body, even for missions that lack popular consensus, it would turn mainly to the IDF. Yet any future civilian scenarios that require a large mobilized force are liable to muster new reservations among IDF leaders, even if they naturally take responsibility for carrying out the task assigned by the political level. Moreover, because the success of the disengagement model does not guarantee similar successes in the future, the army's intense involvement in a civilian operation is likely to call the socio-military balance into question.

Some people claim that the army's successful implementation of the disengagement will result, sooner or later, in the abolishment of the IDF's main feature as a "people's army."[11] This characterization of the IDF and its questionable relevance for the future has headed the national agenda for many years. However, even assuming that the IDF continues the trend toward professionalism, together with the privatization of non-core processes such as the reforms in its reserve system, it will still remain in essence a "people's army," in the sense of general mandatory service, and it will retain its image as an organization standing above political, class, ethnic, and gender differences in Israel's Jewish society. Such an image earns the army prestige, resources, and political influence. Neither the evacuation of settlers nor the encounter with similar challenges in the future will lessen the interest of the IDF and the decision-makers to preserve the army as it is for years to come.

Yet in light of the lessons of the disengagement, is the IDF's strength likely to be built in a difference form? As yet, there is no sign of this. On the contrary, the military proved that when given a clearly defined task and sufficient time for planning and

organization, it knew how to improvise and build the necessary task forces. The construction of large ad hoc forces on the basis of the standing army and rear echelon units not only proved itself in the specific assignment, but also proved that the pool is not depleted and can be used in the future, even for non-standard military tasks. Moreover, the IDF demonstrated again that it has to build itself in a generic structure for a wide variety of assignments, different from one another in character and requirement without enlarging the force. The IDF learned this lesson a long time ago, especially in the transition from involvement in linear, structured wars to asymmetric low-level conflicts. The current task that required dealing with an internal civilian object emphasized the necessity of this versatility.

Overall, insubordination and the refusal of military orders has figured minimally within the IDF. With the disengagement, the issue surfaced in context of a conflict of national vs. religious allegiances. According to army reports,[12] in the course of the disengagement sixty-three soldiers refused to obey orders. Of these, fifty were conscripts, eight were in the standing army, and five were reservists; twenty-four were hesder yeshiva students. Five of those who refused were officers in the standing army; the most senior officer among them was a captain in the logistics branch. This does not mean that the danger of a much larger wave of disobedience was not real. At any rate, the army soberly weighed this contingency and made a serious informational and organizational effort to counter it in time. Thus, the chief of staff stated in an Army Radio interview on August 14 that disobedience is "one if the more dangerous phenomena in the army . . . that if not properly handled when nominal can become a destructive phenomenon. Disobedience contains something that is unacceptable to us – the creation of militias within the IDF." Whatever the case, it seems that the relatively small number of "refusers" was also linked to the fact that the first circle of evacuation, which was in immediate contact with

the evacuees, was made up primarily of police, conscripts, and regular soldiers from improvised units, whereas the infantry units, with a large proportion of religious soldiers, were deployed at a greater distance in security envelopes to protect against a possible Palestinian attack.

At any rate, because of the relatively low number of those who refused to obey orders, the IDF decided not to confront the basic issue of the special service track for religious troops who study in the yeshivas. The army's relationship with the hesder yeshivas was already on the agenda of the IDF and the public prior to the latest crisis. Yet in the current highly charged relationship between the IDF and the national religious camp, it is important to support those who call for the ongoing integration of the national religious camp into Israeli state institutions.[13] The same idea was strongly implied in the statement of Brigadier General Tal Russo, the commander of the division that was responsible for evacuating the four settlements in northern Samaria, in an interview in *Maariv* on August 26, 2005. Asked if, as a commander, he was willing to accept new companies of hesder students, Russo said that "personally I would accept them because I think it is important to bring them into the IDF. But I imagine that in the present situation most brigade commanders, if they had the choice, would prefer not to take yeshiva students. This is something we have to correct."

Another important issue is the IDF-Israeli police integration and cooperation. It is no secret that at the beginning of the disengagement operation the heads of the two bodies tried to cast the bulk of the assignment on the other. However, due to order of battle limitations and the efficiency of the system, the job of implementing the disengagement plan was given to the IDF, while the police organized itself for effective systems integration. The lesson here is clear and important. After the IDF's success in combating terror during the second intifada, to a large extent thanks to close operational coordination with the General Security Services,

the disengagement operation proved that a systems benefit could be derived from operational cooperation with the police. Many people in the IDF saw this as a revelation and innovation. In the future, given the proper meticulous preparation, effective systems integration can be employed again in civilian and semi-civilian missions, while relying on the professionalism demonstrated by some of the police units – the border police and special task force – that took part in the operation.

A completely different question concerns security itself and the success and prestige that the police won in the wake of its performance during the evacuation. Will the police be able to channel this success to special tasks especially in the war on crime? There may be hope that in future thinking on the transfer of priorities at the national level, the Israeli police too will reap the benefits from its achievements during the disengagement. At any rate, the more diversified and flexible the police's ability to employ its strength for law enforcement assignments and public order, the less that Israel will have to call on the IDF for civilian tasks that are lie on the borders of the consensus. This is a trend worth encouraging.

Cautious Optimism

In his speech to the nation on August 15, the prime minister declared: "The disengagement will allow us to look inward. Our national agenda will change. In our economic policy we will be free to turn to closing the social gaps and engaging in a genuine struggle against poverty. We will advance education and increase the personal security of every citizen in the country."[14] If Israel takes advantage of the disengagement to try to realize these strategic objectives, then the disengagement initiative will be registered as a major turning point in the history of Israel. On the other hand, if it turns out that the prime minister's statements were merely empty words, then Israeli society's ultimate impression of the disengagement and the way it was handled will be much less favorable.

Notes

1. For a translated transcript of the entire speech, see www.pmo.gov.il/PMOEng/Communication/PMSpeaks/speech150805.htm.
2. *Haaretz*, August 25, 2005.
3. *Haaretz*, September 9, 2005; translated English article, September 16, 2005.
4. According to a survey in August 2005 by the Tami Steinmetz Center at Tel Aviv University.
5. *Haaretz*, July 22, 2005.
6. The Moreshet site's "Questions and Answers," September 11, 2005.
7. Yair Sheleg in *Haaretz*, July 22, 2005.
8. www.ynet.co.il, August 19, 2005.
9. *Hatzofeh*, September 22, 2005.
10. A Mina Tzemah poll found that 89 percent of those questioned gave a mark of "very good" or "good" to the police and army on its handling of the evacuation of Gush Katif (*Yediot Ahronot*, August 19, 2005). According to a *Maariv/Telsar* survey published on August 24, 2005, those questioned rated the soldiers and police 8.8 out of 10 for their role in carrying out the disengagement plan. A survey by the Tami Steimetz Center at Tel Aviv University in August 2005 found that 77.3 percent believed that the security forces displayed a large or very large degree of consideration during the evacuation, whereas 9.1 percent felt that the security forces' degree of consideration was negligible or very negligible. Hence even among those who opposed the unilateral disengagement, approximately 41 percent of the Jewish population, there were many who thought the security forces' behavior commendable.
11. See for example Yagil Levy's article in *Haaretz*, August 31, 2005, in which he states that, "it would not be unquestionable to assume that the success of disengagement will only hasten reforms that are already planned for the regular army and reserve systems. These reforms are gradually being based on a conscription model of professional, selective, and even partially voluntary foundations. In this way the army will try to advance professionalism so as to limit its exposure to political pressures that permeate its ranks."
12. From the Chief of Staff and head of Manpower to the Foreign Affairs and Defense Committee, September 8.
13. See, for example, Rabbi Yuval Sherlo's remarks on the Moreshet site's "Questions and Answers," September 17 2005, where he declared that "the starting point is attendance at a hesder yeshiva, which will influence military service for better and the world of Torah for the better.
14. See note 1.

The Post-Disengagement Anguish

Yehuda Ben Meir

In the months preceding the disengagement, Israeli society rehearsed terrifying scenarios of the evacuation of settlements in the Gaza Strip and northern Samaria. Even Prime Minister Sharon himself, in somewhat of a careless comment, spoke of the potential of civil war. Opponents of the disengagement plan warned that the withdrawal would result in an irreparable split between the state and the religious Zionist population, a large, active sector of the Israeli public. Almost everyone believed that the disturbing scenes witnessed during the Israeli evacuation of Yamit in 1982 did not compare to what awaited Israel in the Gaza Strip settlements. Senior IDF commanders spoke of a best-case scenario that included broken arms and legs, and Soroka hospital in Beer Sheva was instructed to make preparations to treat 200 injured people per day. Against this background of grim predictions, the smooth, quick evacuation, which surpassed even the best expectations, allowed Israeli society to breathe an immense sigh of relief.

Prior to the disengagement, it was argued in this journal that the widespread frightening scenarios were exaggerated and unrealistic. It was emphasized that there was no danger of civil war, and that religious Zionism's mainstream was little likely to disengage from the state or lend its support to mass refusal of orders or other acts that would significantly damage the IDF.[1] Just as I believed that the scenarios back then were highly exaggerated (and as we have seen, this was in fact the case), I now regard Israeli society's immense sense of relief as exaggerated as well.

The discussion below focuses on this sense of misplaced relief. It aims to describe the dimensions of the crisis experienced by the settler population throughout Judea, Samaria, and the Gaza Strip and parts of the national religious sector, and to assess the short and long-term implications of the crisis for this group, and for Israeli society in general. For the decisive majority of the Israeli population – supporters and opponents of the disengagement alike – the disengagement passed without having inflicted any great trauma. Furthermore, not only was the disengagement not traumatic, but in some ways Israeli society even emerged strengthened from the ordeal. According to all surveys, the feeling that characterized Israeli society most after the disengagement was a feeling of pride and satisfaction with the determined and sensitive way the IDF and the Israeli police force carried out the task. Most Israelis sympathize with the evacuees and identify in one way or another with their pain and sorrow; a large percentage of the population (albeit a minority) think that the disengagement plan was a mistake. Still, the vast majority regards the manner in which the disengagement was conducted as a great success for the State of Israel in general and for the IDF and the police force in particular. For this portion of the population, the disengagement is a fait accompli that should be accepted and a point from which to move onward.

The Trauma of the Disengagement

The evacuees of Gush Katif, the greater settler population (especially of the ideologically-based settlements), and certain segments of the religious Zionist community (primarily the "hardal" – the Hebrew acronym for the ultra-Orthodox national religious – sector) see things quite differently. The disengagement in their eyes was a genuine trauma. For them, the passage of the disengagement plan by the Knesset and the cabinet resulted in a crisis of consciousness – for many a crisis of religious faith, as

well as a crisis that punctured an entire worldview.[2] The actual disengagement and the specific way the evacuation was carried out intensified the crisis for a number of reasons. First, significant portions of the settler population and the ultra-Orthodox nationalist sector sincerely believed that at the end of the day, the evacuation would not occur. During the weeks and days leading up to the evacuation, the word "disengagement" was consistently accompanied by the words "that will never happen"; Rabbi Mordechai Eliyahu, former chief rabbi of Israel, promised in a celebratory tone, "there will be no disengagement!" Within the ultra-Orthodox nationalist sector were those who expected a miracle from heaven. The more pragmatic settlers were waiting for either a dramatic last-minute political turnaround or for the IDF to inform the government that it was unable or unwilling to carry out the evacuation by force (just as Chief of Staff Motta Gur had informed Prime Minister Yitzhak Rabin regarding the evacuation of settlers from Sebastia in 1975).

Today, with the wisdom of hindsight, these hopes appear to have been wishful thinking or products of immense self-delusion. And indeed, there was a large degree of self-delusion. This, however, does not detract from the intensity of the feelings experienced by this portion of the population during the days preceding the disengagement. The last issue of *Nekuda* (the monthly publication of the Yesha – the Hebrew acronym for Judea, Samaria, and Gaza – Council) published before the disengagement clearly reflects the depth of the belief that it was still possible to prevent, stop, or at least delay the implementation of the disengagement plan.[3] The fact that the evacuation was carried out in its entirety according to the precise schedule set by Prime Minister Sharon, despite all the hopes, prayers, promises, lobbying, and efforts of its opponents, demonstrated that their labors had been in vain. The more this fact seeps into the consciousness of this portion of the Israeli population, the more intense their psychological, religious, and emotional crisis becomes.

Second, the settlers and the ultra-Orthodox nationalist sector hoped that if the disengagement ac-

tually occurred, its implementation would involve a national trauma so overwhelming that it would be decades before any Israeli government or prime minister would even consider evacuating additional settlements in Judea and Samaria. However, they failed to achieve this aim as well. In fact, the evacuation of the Gaza Strip in six days and the evacuation of all four settlements in northern Samaria in one day convinced many Israelis that the future evacuation of settlements in Judea and Samaria – especially

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small isolated settlements – would not be a serious problem for a determined government with a majority in the Knesset. Indeed, the sense is that while Ariel Sharon was the leader who paved the way and was perhaps the only leader able to do so in the current political context, in the future Sharon will not be the only one capable of such measures. In fact, many voices within Israeli politics are now calling for another unilateral disengagement in Judea and Samaria, and Eyal Arad and Eival Giladi, two of Sharon's close advisors, have confirmed that such a possibility exists.

It is also worth noting that the leadership of the settler population – both the Yesha Council, the collective public leadership, and the Yesha rabbis, the religious leadership – faced a difficult dilemma. How could they prevent the use of violence that would most likely turn public opinion against the settlers, but at the same time sear the evacuation into the consciousness of the Jewish population of Israel as a major trauma in order to prevent additional

Israeli withdrawals? The settler leadership found no solution to this dilemma and consciously decided on preventing serious violence as a foremost priority. Special emphasis was placed on banning resistance with live ammunition, which was not done in such a determined manner during the evacuation of Yamit.

The Yesha Council claims that this was a principled decision, reflecting its priority of maintaining its relationship with Israeli society over the value of Jewish settlement. Without doubting the sincerity of the leaders of the Yesha Council, there is also reason to believe that this conscious choice reflects the serious trauma of Yitzhak Rabin's assassination, still perceptible ten years after the fact. During the months leading up to Rabin's assassination, the settlers waged a campaign of incitement against the prime minister, the likes of which had not hitherto been seen in Israel. While the overall majority of the public was indifferent at first, the assassination by Yigal Amir transformed this indifference into a powerful backlash aimed at the country's national religious population in general and the settlers in particular. It was clear to the leadership of the settlers that if during the disengagement a soldier or a police officer were killed, this would again snap the Israeli public out of its indifference and spark a harsher response against the settlers and against the settlement project in its entirety. This meant risking everything, which was a chance the settler leaders were unwilling to take.

Thus, the transformation of the disengagement into reality and the way it was carried out intensified the crisis that the settlers and the ultra-Orthodox nationalist sector were already experiencing. Just as the human body defends itself immediately upon suffering a blow and only begins to feel the intensity and pain of the blow after the passage of time, the same is true of the spirit and the soul. Only with the passage of time have the settlers and the ultra-Orthodox nationalist population begun deal-

ing with the intensity of the crisis. The more time that passes, the greater the sense of frustration, disappointment, bitterness, and helplessness experienced by this portion of the population. During the days and weeks that followed the disengagement, or to use the language of the settlers, after the prime minister's destruction of Gush Katif, taking revenge against Ariel Sharon became the settlers' primary aim. They invested great efforts in defeating Sharon within the Likud party's Central Committee and ousting him from power. For the settlers, punishing Sharon would offer a degree of consolation and would also send a clear message to other Israeli leaders, that "this is what happens to the man who raises his hand against the Land of Israel." Sharon's surprising and impressive victory within the Central Committee prevented them from achieving this goal as well, which may well result in further intensification of the settlers' feelings of frustration, disappointment, bitterness, despair, and helplessness.

The Road Ahead

That such feelings are harbored among a sector of the population, which until now has been highly represented in state institutions (unlike the majority of the ultra-Orthodox "haredi" population), is extremely dangerous for the social fabric of the state. These feelings could result in this population's alienation and isolation from the overwhelming majority of Israel's population, which would be a major blow to social consolidation and coherence within the country. In fact, even before the disengagement was carried out, voices within the ultra-Orthodox nationalist public held that if the state disengages from the Land of Israel and the settler population, they in turn will have to disengage from the state.

More generally, the settlers, the ultra-Orthodox nationalist sector, and other parts of the religious Zionist community have been debating intensely the

reasons for the failed campaign against the disengagement, as well as the direction they should follow in the future. This debate has included all voices and virtually the full spectrum of opinions. It has heard calls to disengage from the state, to refuse service in the IDF, to move closer to the ultra-Orthodox sector, to engage in civil disobedience to the point of open rebellion, and to organize forces in order to gain political control of the government. Predictably, the harshest responses have come from the youth who for months played an active role in the struggle against the disengagement, as well as from

The transformation of the disengagement into reality and the way it was carried out intensified the crisis.

the evacuees themselves. These people feel betrayed and regard the disengagement as a terrible defeat. As is usual in such situations, they are looking for whom to blame. Their focus is primarily on the Yesha Council and to a certain degree on the Yesha rabbis, based on the claim that the struggle these leaders waged was too moderate and too weak. Instead of leading an active resistance, the critics argue, the leaders limited themselves to mere protest and prevented a large portion of the population that was willing to oppose the evacuation in a much more active and determined manner from doing so. Here and there, more extreme voices can also be heard branding the Yesha Council as "collaborators" who knowingly cooperated with the IDF, the police, and the government in thwarting significant resistance to the evacuation, coining terms like the "Pesha" (crime) Council and the "Yeshu" (Jesus) Council (because it too turned the other cheek).

The main lesson learned by a portion of the settlers and the ultra-Orthodox nationalist population, albeit a minority within this collective, is that "one doesn't win by using love" and that victory can only be achieved by active and forceful resistance.

Undoubtedly, some are already preparing the ideological (and perhaps even physical) foundation for active and violent resistance to future attempts to withdraw from territory in Judea and Samaria, and this is the source of the great danger facing Israeli society and the state. A potential foundation for Jewish terrorism and religious and political subversion now exists, as does the possibility of a completely different type of resistance to all future decisions involving the evacuation of settlements from Judea and Samaria.

The rhetoric used by extremist opponents of the disengagement plan (characterized by comparisons to the holocaust and the use of terms such as expulsion, racial transfer, and crimes against humanity) has now become a problematic obstacle for the leaderships of the settler community and the ultra-Orthodox nationalist population. Any intense, committed struggle always involves risk. If the struggle is ultimately successful, there is no problem. If it fails, however, it is very difficult to control the frustrated and extremist responses of the disappointed losers. Indeed, the Yesha Council, the overwhelming majority of the rabbinical and spiritual leadership of the ultra-Orthodox nationalist sector, and the more religiously centrist Bnei Akiva

A potential foundation for Jewish terrorism and religious and political subversion now exists.

youth movement (which represents a large portion of the religious Zionist population) are presently in the midst of an immense damage control operation. These forces completely reject the ideas of looking for guilty parties and disengaging from the state, the IDF, and secular Israeli society. Prominent figures such as Rabbis Haim Druckman, Motti Elon, and Yuval Sherlo have made clear public statements to this effect.[4] Rabbi Druckman said that "the worst Israeli government is far better than the best exile." Rabbi Sherlo has argued that "adopting the ultra-Orthodox model…is a direction that would ensure

our status as an isolationist cult." The major message of a decisive majority of the rabbis and public leaders in the ultra-Orthodox nationalist camp has been that disengagement from the state or from the IDF and the adoption of the ultra-Orthodox model would be tantamount to the total collapse of the century-old religious Zionist ethos.

For the majority of the religious Zionist public, identification with the state of Israel, the IDF, and Israeli society is stronger than the value of Jewish settlement.

It is impossible to predict how the intense debate will be resolved, and there is also no way of knowing if the crisis has crested or if the peak still lies ahead. The settlers and the ultra-Orthodox nationalist camp are now clearly facing great confusion and a serious problem, the outcome of which only time will tell. And while this population accounts for only a minority among religious Zionists, it is not a small group, and numerical inferiority does not quash the seething frustration harbored by many. Herein lies the danger to the Israeli society that in its post-disengagement relief overlooks the crisis of a whole collective.

As for the mainstream of religious Zionism, which accounts for the majority of the country's national religious population, it clearly does not intend on disengaging from the state, its institutions, or Israeli society, nor will it condone attacks on or alienation from the IDF. This population is not about to change its lifestyle, despite its identification with the evacuees of Gush Katif. Significant also are the voices within religious Zionism pointing in another direction, calling for soul-searching of a different kind. These voices are asking whether religious Zionism was mistaken to have placed such a strong, almost exclusive emphasis on the Land of Israel while at the same time neglecting the people of Israel. Some have posited that the nationalist religious camp itself is responsible to a large degree, due to its behavior and isolationism, for the split that emerged between itself and Israeli society as a whole. A prominent representative of this approach is Bar-Ilan University president Prof. Moshe Kaveh, who has categorically rejected the involvement of rabbis in political issues and argues that religious Zionism must increase its efforts to make connections with the state and with secular society in Israel.[5] And indeed, the majority of religious Zionists will continue reciting the traditional text of the prayer for the State of Israel, serving in the IDF, celebrating Independence Day, identifying with state symbols, and, most importantly, seeing themselves as an inseparable part of Israeli society. For this segment of the population, which constitutes the majority of the religious Zionist public, identification with the state of Israel, the IDF, and Israeli society is stronger even than the value of Jewish settlement.

Notes

1. Yehuda Ben Meir, "The Disengagement: An Ideological Crisis," *Strategic Assessment* 7, no. 4 (2005): 1-8.
2. For a description of the crisis, particularly within the ultra-Orthodox nationalist sector, see Ben Meir, "The Disengagement: An Ideological Crisis."
3. *Nekuda*, no. 282, Sivan 5765, July 2005.
4. *Haaretz*, August 29, 2005, p. A5.
5. *Haaretz*, September 23, 2005.

The Disengagement Price Tag

Imri Tov

An economic assessment of the disengagement includes two elements: one, calculating the planned financial expenses; and two, an estimate of the disengagement's long-range economic yields, which by definition, cannot yet be assessed.[1] The focus of this discussion, therefore, is the assessment: of the costs involved in the evacuation of the Gaza Strip and northern Samaria.

The assessment will address two sets of questions: the first deals with the total cost of expenses for implementing the disengagement and includes the estimate at the time of the planning, the reasons for deviations from the estimate, and examining whether such a change is liable to cause a macroeconomic change in the Israeli economy. The second set of questions focuses on changes in the nature of public spending following the disengagement and its likelihood of being a macroeconomic influence on the Israeli economy.

Disengagement Expenses: Estimate and Deviations

In December 2004 the Jaffee Center estimated the cost of the disengagement plan at between 6 and 9 billion NIS.[2] This figure included civilian expenses (5-7 billion NIS) and costs of the IDF's redeployment (1-2 billion NIS). The estimate reflected the assumption that at the time the plan was publicized, policymakers, at both the professional and political levels, asked that the lowest threshold of estimated expenses be the figures published.

When the evacuation of the Jewish settlements from the Gaza Strip was completed, the press was flooded with reports that the move had been accompanied by a rise in financial outlay. According to the media the deviation from the original cost estimate (the bottom threshold) came to 3-4 billion NIS. As such, the total estimated cost outlay for the evacuation of Gush Katif and completion of the Gaza disengagement plan (including resettlement of the inhabitants) would reach 10-11 billion NIS, or over 2 percent of the annual GDP. The plan called for this amount to be spent gradually over a two to three year period. Beyond tactical considerations in the economic and political spheres, there are a number of explanations for this deviation. The deviations from the cost budgeted, in overall amount and its breakdown, seemed to focus on the following areas: the compensation estimates for the evacuation that were based on the treasury's lowest figure; the cost of building infrastructures for new settlements, a cost that had not been budgeted; the actual cost of the evacuation that apparently deviated from the original plan by tens of millions of NIS; and, of course, errors in planning under pressure. In the military sphere, no information is available on changes in the army's planned deployment or changes in its estimate cost.

How will an increase in the reported sum affect the Israel's budgetary deficit? The state's budget (in shekels) is supposed to pay for the entire cost of the disengagement. Information on the distribution and size of the amounts allocated for the coming years is not available. It seems, however, that the budget plan intends to stay within the limits of the national deficit in the current fiscal year (2005) and the coming years. The chances of receiving American aid are low, given the magnitude of the recent natural disasters in the southern United States. Nevertheless, it is possible that this is only a temporary postponement of American aid.

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* Written in conjunction with Noam Gruber

The Budgetary Outlay since the Evacuation

The evacuation of Gush Katif from the Gaza Strip changes the public cost connected with the population that was evacuated. First, the one-time cost for the evacuees' resettlement has increased, including the preparation of new sites for evacuee resettlement. Second, the evacuation of the Gaza settlements has raised another public-budgetary issue: will there be any cost savings?

In other words, it may be claimed that the civilian budgets distributed to the Gush Katif settlers are larger than those given to citizens inside the Green Line. It should be mentioned that different estimates exist regarding the per capita budgetary expense in Gush Katif. Whatever the case, the cost discrepancy is not serious from a macroeconomic point of view. Thus, the disengagement's importance lies in its social-political implications rather than its budgetary-economic significance. Furthermore, although the evacuation obviates certain ongoing expenses (for example, regional councils, security, and infrastructure maintenance) such savings should not be sought in the budget until after the evacuees have been resettled within the Green Line. Therefore the estimated costs do not include an estimate of the gap, whether positive or negative, in the per capita outlay in different regions.

Conclusion

Disregarding the political ramifications, the economic situation estimate rests on two partial assessments: one, the overall expense of the disengagement and its degree of influence on the size of the state's budget deficit and government outlay; and two, the composition of the cost and its relative regional or industrial sector concentration.

The overall cost of the Gaza disengagement will be approximately 2 percent of the GDP. Only if this sum is soon channeled to the economy as an addition to the general demands will pressure be exerted on the local resources, such that growth may be accelerated while the deficit increases in the regular

accounting of the balance of payments. In this scenario, prices could rise in local input centers for construction infrastructures and associated industries. However, since the treasury has budgeted the cost, while deviating slightly from the deficit's parameters and the increased costs at the basis of its macro policy, a change is not to be expected in the conduct of the economy after the disengagement.

Nevertheless, the concentration of expenses in the southern region, especially in Ashkelon and its vicinity would probably generate regional development that would create an active economic periphery outside the greater Tel Aviv region. Furthermore, against the backdrop of plans for resettling Gush Katif evacuees, if the cost for developing the Galilee and Negev regions increases, this could be seen as an affirmative social-economic move. In addition, the military cost that focused on the redeployment of camps and bases will also create demands for construction and industrial products for the security of civilian settlements under the threat of steep trajectory fire. This additional expense will also contribute to the development of the southern region.

Notes

1. Political uncertainty about Israeli-Palestinian relations renders the issue of mutual influence and interconnection between the two economies beyond analysis, and what remains is to broach various alternatives. The border crossings and the preferred customs regime are exceptionally sensitive issues that demand immediate resolution, but even here, a decision independent of political-security considerations is essentially impossible. Additional economic-related questions have been raised in Israel's public debate, mainly: will the disengagement improve Israel's economic rating in the eyes of foreign agencies that rank national economies? Can the import of vast sums of money be expected after the disengagement? Will the stock market start to climb after the disengagement? The answers to all these questions depend on the political and economic developments in the post-disengagement period, and therefore the actual disengagement's influence on these answers is non-essential and undoubtedly transitory.
2. Imri Tov, "Economic Implications of the Disengagement Plan," *Strategic Assessment* 7, no. 3 (2004): 16-23.

The Disengagement and Israel's Media Strategy

Hirsh Goodman

Implementation of the disengagement from Gaza in August 2005 had all the ingredients for a media extravaganza that would be disastrous for Israel's image. Scenes of soldiers and police having physically to drag settlers from their homes; preparations for possible armed resistance by those opposed to the decision; the specter of Jew fighting Jew; Israeli bulldozers leveling the settlements after their evacuation as if a scorched earth policy was in progress: all these were images that might well cast Israel as a warring, militaristic society, even toward its own citizens.

And then there was the relatively high probability that the pullback would take place under a hail of Palestinian rocket and mortar fire, to make it look as if Israel was withdrawing under fire, leaving Gaza with its tail between its legs with the same potentially negative strategic consequences created by Israel's withdrawal from southern Lebanon on May 24, 2000. It was claimed that Hizbollah's perceived armed victory against Israel in southern Lebanon encouraged the Palestinians to launch their intifada four months later in September 2000 – and even if most analysts in Israel are highly skeptical of the theory, it has had its proponent nonetheless.

The threat of a media fiasco was by no means overblown. In the almost five years of conflict with the Palestinians that preceded the Gaza pullback, Israel's media relations were, to put it mildly, not successful. With the Gaza disengagement, however, the way in which the move was portrayed both inside Israel and to the world indicated that clearly something very fundamental had changed in Israel's media policy. Instead of excluding the media, as was Israel's general policy to date, media access was facilitated and encouraged, and the branches of government involved in the evacuation and the security forces cooperated fully in this effort.

Behind the New Media Policy

Prior to the implementation of the disengagement, workshops on the media and its importance were conducted with those charged with carrying out the evacuation. Brig. Gen (res.) Eival Giladi, the coordinator of the disengagement in the prime minister's office, proved a highly articulate spokesperson as he briefed the press in a systematic and ongoing manner, and he was perceived as a voice of authority on the issue. Army Spokesperson Brig. Gen. Miri Regev was able to persuade many in the General Staff, particularly O.C. Southern Command, Maj. Gen. Dan Harel, who had overall responsibility for the operation, to take a chance on a policy of openness with the media even though the presence of the media could complicate his mission. "He thought that the media should not be in or near the homes but at least 100 meters away from there. Harel understands the importance of the media but his first commitment is to his mission and I can appreciate his position. The media can escalate a situation," Regev told *Yediot Ahronot* on August 12, three days before the disengagement began.

The incident that tilted the command toward a policy of media openness came on June 30, 2005, with the decision to evacuate hard-line disengagement opponents from the hotel at Neve Dekalim. Given the fanaticism of those who had holed themselves up in the hotel, the army assumed with a high degree of certainty that a confrontation, possibly even with life threatening consequences, could

erupt between those at the hotel and the evicting forces. Those in charge also assessed that the presence of media and cameras would serve to incite the opponents even further. It was thus decided that the media would be exposed to the evacuation in a controlled, phased manner whereby they would be kept at a distance during the actual first stage of the evacuation and then, when the situation had settled down, be brought to the scene under the auspices of the IDF Spokesperson's Unit. The orders then changed and instead of watching from a distance, the reporters were ordered back to the Kissufim checkpoint, some ten minutes drive from the hotel, and from there the army's Spokesperson's Unit was to drive them to the hotel when operational conditions permitted.

"And then began to unfold the worst nightmare a spokesperson can have," said Regev in a September 15 lecture delivered on the Army Radio's Open University program. "The buses never arrived on time due to bureaucratic reasons and then when they finally arrived they were blocked on the roads to Neve Dekalim by protesting settlers. Some media personnel who had managed to get into the closed military area were injured while being forcibly made to leave the area." (Two were arrested and led away with their hands cuffed behind their backs.) "And cameramen who were in the hotel without permission caught this all on camera and, in the end, the media who were there illegally were able to document the event the responsible media was barred from."

The whole operation was over in fifteen minutes, which meant that those journalists who had cooperated with the IDF Spokesperson's Unit were penalized and furious. Worse, what the media got was neither the message nor the impression that the army and police wanted to create. That night the news focused more on the tensions between the media and the army than on the fact that in a brilliant, disciplined, well-planned move, the evacuating forces managed with skill and dexterity to deal with a potentially explosive situation. In short, from a spokesperson's view, everything that could go wrong did go wrong, leaving Regev's personal relations with

the media in tatters, and this after only a month on the job. "I came to a fundamental conclusion," she said, namely, that angry and frustrated media is bad media. The fact is that the reporters who were in the hotel illegally did not interfere with the force's carrying out its mission, proving that fears of media presence were exaggerated.

The way the Gaza disengagement was portrayed both inside Israel and to the world indicated that clearly something very fundamental had changed in Israel's media policy.

As a result of the incident, the disengagement planning team headed by Giladi fundamentally reexamined its media policy. The lesson of Neve Dekalim was that the media has a presence everywhere. In this day and age of new technologies, where cell phones have global transmission capabilities, the media is omnipresent. Also, in the specific case of the disengagement, the media crews had months to prepare and plan their coverage. Understanding that the authorities might prefer that they not be on site, reporters had been building up a steady presence in the Gaza Strip for weeks. In all, some 2000 foreign journalists and hundreds of local journalists were on hand to cover the event. All the major news chains had rented homes in Gush Katif for their reporters and crews and linked them to satellite hookups and the like. Hundreds of cameras and telephones had been distributed to local residents to document the event. Clearly if the Neve Dekalim fiasco was not to be repeated a new media policy was needed.

Managing the Message

The planning team came to several conclusions, most importantly, if the IDF and police wanted to control the message they had to control the media. They could not allow settlers with cell phones to dictate the disengagement narrative. This lesson had been dramatized three years earlier, in May 2002, when Israeli forces were reported by the international me-

dia to have committed a massacre in the Jenin refugee camp when, in fact, no such massacre had taken place. The reasons for this, it was later determined, were twofold: one, a breakdown in communications between the military conducting the operation and the Foreign Ministry, responsible for explaining the action to the world; and two, the decision to ban the media from covering the event under terms agreed upon with the IDF led to the world's airwaves being dominated by rumor and Palestinian propaganda, causing tremendous damage to Israel's image and foreign relations.

Drawing on this lesson and the experience of Neve Dekalim it was decided to facilitate as much media coverage as possible through agreement between representatives of the press and the IDF Spokesperson's Unit. Some limits were set, but generally a policy of total openness was declared and a massive logistics campaign was launched in order to ensure that full media coverage occurred. A press center was established, transportation was provided for all, and the media was present with both the evacuating forces and the families in their homes, if the families did not object. The limitations included that media could not move from settlement to settlement freely (this being so as not to clog the evacuation routes) and that in certain instances when human lives were threatened or it was judged that the media would inflame the situation, some areas could be temporarily declared closed military areas.

In tandem, commanders, soldiers, and police who would be charged with carrying out the evacuation underwent intensive media sensitivity training. They would operate according to strict guidelines set by the IDF Spokesperson's Unit and also learn about how to present themselves to the media. Critical here was training the forces not to be provoked by incendiary behavior, displayed subsequently by some disengagement opponents who called soldiers Nazis or spat at them. "Keep cool; the cameras are watching every move," was the message inculcated systematically into the forces. Also, a rule was set

Maj. Gen. Dan Harel with Brig. Gen. Miri Regev

whereby media could be excluded only based on consultation between the highest ranking officer in the field and Regev herself, and only enforced in extreme cases, for example, a group of people threatening to blow themselves up. Charles Enderlin, the veteran correspondent for France-2 Television and a harsh critic of the IDF's policies in the past, told *Haaretz* on August 28 that "the organization worked as never before. Somebody planned this carefully with the intention of changing Israel's image in the international media and it worked."

The careful planning was the result of several factors:

■ A clear understanding of what the IDF wanted to achieve in terms of its message was formulated early on and was flexible enough to be constantly updated and changed according to need.

■ Giladi, as head of planning the disengagement, had the strong support of the prime minister and therefore the authority of the prime minister.

■ The lessons of the past, particularly an appreciation for new media technologies that make it impossible to hide the story, led to a situation of nonconfrontation with the media that facilitated Israel's ability to convey its message rather than having the airwaves dominated by rumor and propaganda

■ The disengagement was an "easier sell," particularly for the foreign media, as it portrayed Israeli against Israeli and the uprooting of Jewish settlements, without having to "sell" Israel's occupation of the Palestinians and its conflict with them.

■ Though only in her job for three months, Regev had extensive media background, having served in the IDF Spokesperson's Unit for twenty years, including as deputy; in the prime minister's office; and as the chief military censor. She had been appointed to her position by Chief of Staff Dan Halutz and, like Giladi with the prime minister, was understood to speak on his authority.

■ Extensive media planning for the operation was undertaken by the IDF Spokesperson's staff under the previous spokesperson, Brig. Gen. Ruth Yaron, which al-

lowed for a smooth transition between the unit commanders.

According to Regev in her lecture on Army Radio, she and the others responsible for determining the IDF's information policy during the disengagement were guided by the following principles:

- The disengagement was being conducted under intense public debate, with the opponents well-organized, vociferous, and unwilling to resign themselves to the move even though it was passed into law in February 2005.

- The IDF's image and role as the people's army in the service of democracy was threatened by the strong attempt of the ant-disengagement camp to involve the IDF in the political debate. In consequence a cardinal rule was set whereby the IDF would explain only how the disengagement was taking place and not why.

- Some rabbis and settler leaders who rejected the legitimacy of the disengagement and threatened to de-legitimize anyone associated with it called on soldiers to disobey orders. The IDF, therefore, had to establish beyond any doubt its determination to execute the mission handed down by a democratically elected government in Israel.

- At the same time the mission the army was being asked to conduct was qualitatively different from other missions, including forcibly removing people from their homes, most of them law abiding citizens, some of whom had lived in Gush Katif for thirty years. Therefore in carrying out this mission the IDF had to show sensitivity as well as determination. Indeed, those two words, sensitivity and determination, became the working title of the IDF's media plan for the disengagement itself.

- Insubordination and the pressure to refuse to fulfill orders had to be quashed with an iron first given the potential strategic harm to the IDF, its image, and self-confidence. Hence the messages through the media and a very intensive campaign headed by the chief of staff, who made it clear that anyone refusing to obey orders would be judged with the full letter of the law. In the end the number refusing to serve was less than a hundred out of some 18,000 forces involved in the evacuation.

These principles were designed to create a public image that would allow the IDF to carry out the government's decision with only minimal damage to the IDF's image as the people's army, with its unique and unifying element in Israeli society. This was to be achieved through a policy of openness with the media and media training with the evacuating forces. Journalists were embedded with the evacuating forces and, if families agreed, entered the homes of the settlers to be evacuated. Shuttle bus services were set up to ferry the thousands of journalists to and from Gush Katif. There was a defined chain of command when changes to the open policy were necessary. In addition, the IDF spokesperson's office created twenty video documentation teams of its own to provide visuals for those news stations not able to have coverage everywhere at once. And, at all times, sensitivity and determination would guide the actions of the evacuating forces.

The first direct dividend from this policy of cooperation, openness, and heightened media awareness came on July 13, when tens of thousands of settlers and their supporters tried to penetrate the Gaza Strip, declared a closed area by order of the IDF, in order to make the evacuation of the 8,000 residents there near impossible. The world's cameras caught solid, unflappable, neatly dressed, disciplined, and courteous Israeli soldiers and police keeping their cool though at times insulted and degraded. The soldiers also withstood calls on them to disobey the orders of "the army of evacuation." The scenario had been anticipated and planned for accordingly, both in operational and media terms, whereas a policy of closing the media off from the potential confrontation would probably have led to an entirely different type of coverage coming from the area. Throughout the disengagement, the IDF and the other security forces came across as professional, well-trained, and disciplined personnel representing a government in the cause of democracy. From a media point of view, the mission was accomplished. Whether that will remain the situation as the story slides back into the Israeli-Palestinian conflict, and whether this was a one-time success rather than an illustration of new thinking, remains an open question.

The Military and Security Implications of Israel's Disengagement from the Gaza Strip

Moshe Sharvit

Israel's disengagement from the Gaza Strip created the first homogenous contiguous area entirely under Palestinian control, with no Israeli presence whatsoever. Despite the importance and precedence of this step, there is general agreement that the limited Israeli withdrawal has not changed the basic conditions underlying the Israeli-Palestinian conflict and that the security threat facing Israel will continue to exist in the future. Still, there is no doubt that the withdrawal did bring about certain changes in the nature of the threat. The question of if and how security and military risks have resulted from the evacuation of settlers and Israeli military forces from the Gaza Strip provides an insight into the changes in this threat.

First, however, the concepts "threat" and "security risk" must be clarified. Not intended here is damage caused to Israel on the strategic level by the disengagement itself. For instance, public debate in Israel prior to the disengagement stressed both the problems involved with reinforcing the Palestinian impression that "Israel only understands force" and the fact that unilateral disengagement is likely to encourage Palestinians to continue regarding violence as an effective means for advancing their national interests. What is assessed here are the changes in the military capability of each party involved in the conflict and the balance of power between them as a direct result of the Israeli withdrawal from the Gaza Strip.

Thus far the Palestinian Authority has not been able to gain hold over all the armed Palestinian organizations, and the underlying premise of this discussion is that this situation will not change significantly in the foreseeable future. Groups such as Hamas, Islamic Jihad, al-Aqsa Martyrs Brigades, and others will likely retain their operational capabilities and continue to constitute the major source of threat against Israel, as long as their capabilities are not diminished by Israel itself. This does not preclude the possibility of internal Palestinian "understandings," by which these groups accept various restrictions, based on the degree to which they advance their own interests. Nonetheless, the assumption here is that even if some progress is made on the political track, the basic motivation of continuing the violent confrontation with Israel will continue to exist, at least among these groups.

Types of Change in the Military and Security Threat

The structural asymmetry in the military balance of power between the parties prompts the Palestinians to guerilla warfare tactics, which on a tactical level assume the form of individual strikes against Israel. This includes actions such as dispatching suicide bombers to Israeli population centers, bombarding Israeli settlements with mortar shells, and firing rockets at Jewish localities close to the Green Line. For its part, Israel attempts both to defend itself against attack and to initiate offensive operations within Palestinian territory, including preventive operations and reprisals aimed at deterring the continuation of violent Palestinian activities.

In this state of affairs, assessing the balance of power with regard to military strength and the secu-

rity threat encompasses the following components:

■ Change in the Palestinians' capability of initiating offensive operations and harming Israeli soldiers and civilians. This results from a change in offensive Palestinian capabilities, as well as Israel's defensive capabilities.

■ Possible change in limitations on Israel's use of offensive force

■ Impact on the Palestinians' ability to build a military force in preparation for "the next round"

■ Changes in basic tactical capabilities, which dictate changes on operative levels and influence the use of military force as part of the overall strategy of all parties to the conflict.

The Change in Threat Caused by the Disengagement

Naturally, the threat to Israel from the Gaza Strip changes over time, and it would be a mistake to attribute all recent developments to the disengagement alone. Some stemmed from the learning and adaptation processes that are constantly underway within the Palestinian organizations. Other developments – especially the Palestinians' capability to recover, amass weapons, and regroup for continued confrontation – are results of breaks in IDF offensive activity, which also cannot be attributed unequivocally to the disengagement.

At the same time, a number of significant changes have indeed stemmed directly from the disengagement:

■ Rationalization of Israel's system of defense – the many weak points in Israel's defense system that the Palestinians were able to exploit to exact substantial Israeli casualties were eliminated by Israel's withdrawal from the Gaza Strip. Assuming no meaningful change in Palestinian ability to infiltrate through the barrier fence, the number of Israeli casualties can be expected to decrease in and around the Gaza region, even in the case of an increase

in the conflict's overall violence. The expected drop in multiple-casualty attacks will also likely lower Israel's motivation to carry out broad ground operations as retribution. The IDF will then be able to significantly reduce the number of troops permanently stationed across the border from the Gaza Strip.

■ Western countries appear to regard Israel's military withdrawal, and especially its evacuation of settlements, as substantially diminishing the legitimacy of continued Palestinian attacks against Israel from within the Gaza Strip. As a result, harsh Israeli military responses to Palestinian attacks originating from the Gaza Strip are deemed legitimate and understandable, as long as they do not exceed reasonable proportion. The experience of the first few weeks following the disengagement supports this claim. Still, the Palestinians will undoubtedly attempt to create linkage between operations in the Gaza Strip region and operations in Judea and Samaria, and to convince the international community that the continued Israeli presence in Judea and Samaria justifies the continuation of attacks on all fronts.

■ The removal of Israeli targets from the Gaza Strip decreases the Palestinians' ability to control escalation of the conflict. Prior to the disengagement, Palestinian attacks on Israeli settlements and the military were considered as indicating a low level of escalation, and Palestinian threats of attacks within the Green Line were seen as indicating a higher level of escalation. The Israelis, however, retain a wide variety of possibilities for using force on different levels of escalation.

■ Israel's relinquishment of control over the Gaza Strip border with Egypt may very well make the smuggling of weapons into Gaza and of Palestinian operatives into Sinai significantly easier than it was before the disengagement. The experience of the first few post-disengagement weeks is not encouraging, and Israel may need to accept this revised situation as a working assumption. How-

IDF soldiers lock the gates to the Gaza Strip, ending the withdrawal

ever, this may not necessarily be the case in the long term, especially with regard to more substantial types of weapons. Egypt, it should be remembered, has ways of dealing with this problem that Israel did not possess when it was responsible for sealing the border. In any event, it would be incorrect to assume

that there has been an unlimited influx of weapons into the Gaza Strip from the moment Egypt assumed responsibility for the border.

Not all weapons smuggling results in a significant change in the threat level. For example, the smuggling of small arms and light weapons, such as

Basic Elements of the Pre-Disengagement Security Threat

At the beginning of the conflict, the Gaza Strip was a major point of origin for cells dispatched for operations within the Green Line, as well as operations carried out against settlements and the military forces protecting them. Construction of the defense apparatus along the security fence limited the main Palestinian offensive effort in the region to within the Gaza Strip, and moved the center of gravity of activity against Israel to Judea and Samaria. At the same time, the Palestinians in Gaza developed the capability of firing artillery rockets at Israeli localities within the Green Line.

The supply of weapons to Palestinian forces relied primarily on arms smuggled across the Egyptian border, and to a much lesser degree via the Mediterranean Sea. Tunnels dug between the Palestinian and Egyptian portions of Rafiah constituted and continue to constitute the main entryway of arms into the Gaza Strip. The Palestinians also developed the capability of independent production of simple weapons, including Qassam rockets, mortars, mortar shells, and various types of explosive devices. Despite its investment of significant efforts, the IDF has failed to block completely the smuggling channel across the Egyptian border.

The Israeli deployment on the ground was determined first and foremost by the map of Israeli settlements both inside the Gaza Strip and outside, within the Green Line. Israeli settlements in the Gaza Strip comprised a number of enclaves of settlements surrounded by hostile Palestinian areas and relied on a small number of roads connecting them to the Israeli road system within the Green Line. The need

to defend the Egyptian border along the Philadelphi route, adjacent to a populated Palestinian area that offered no tactical depth, was also a major Israeli weak point.

Israel's deployment posed a serious challenge for itself and provided the Palestinians with a set of opportunities to strike at IDF forces and Israeli settlements in ways suiting the tactical capabilities of the Palestinians themselves. These included: striking at traffic on the roads, primarily by means of explosive devices and ambushes; striking at military camps and permanent, primarily isolated IDF posts; striking at settlements through mortar shelling or infiltrating assault cells; and firing rockets at Israeli settlements adjacent to the Green Line, such as Sderot and the agricultural settlements in the area. Most of the Israeli casualties were incurred on the roads, in the settlements, and in the military posts located within the Gaza Strip itself. Considering the formidable conditions they faced, the achievements of the IDF and the General Security Services in preventing casualties were most impressive. Nonetheless, the Palestinians were occasionally still able to launch attacks that claimed multiple Israeli casualties. These attacks prompted severe Israeli reprisals, which at times led to escalation and additional military and political entanglement.

The artillery rockets that the Palestinians fired and continue to fire at Israeli settlements became a major threat, in part because of the Palestinians' increasing difficulties employing other methods of operation. Not only are the rockets limited to a relatively short distance, but they also inflict relatively

rifles and even anti-tank grenade launchers, has no meaningful impact on the balance of power. However, weapons smuggling into Gaza may expand to include types of weapons not previously possessed by the Palestinians, like anti-helicopter and anti-aircraft weapons. Another possible outcome could be a

little damage and are extremely inaccurate. For this reason, the rockets threaten primarily only large, densely populated localities, such as urban localities short distances from the Green Line. Only one such target exists in the Gaza Strip area: the town of Sderot. While rocket fire, as expected, has resulted in only a small number of casualties, the psychological impact of such a continuous threat to the routine of everyday life has been significant. However, notwithstanding its central importance, the rocket-based threat is still considered less serious than the more classical terrorist threats posed by various types of suicide bombings and shooting attacks.

The IDF has devoted much effort to preventing the smuggling of rockets into Gaza, and has also bombed targets related to rocket production. However, aerial offensive efforts, no matter how successful and effective they may be, cannot disarm the enemy completely. Although the Palestinians' ability to launch rockets at Israeli targets has also been limited by the relatively low reserve stock of rockets at their disposal, they have still been able to present a continuous threat by firing one or two rockets at Sderot each day. Furthermore, because of the relative ease of firing rockets, the Palestinians began using them as a form of response or reprisal for offensive Israeli operations in Judea and Samaria. Yet the Palestinians' overall limited ability to launch rockets, in conjunction with the little damage such rockets can inflict, has meant that in the vast majority of cases, Israel was able to continue operating without the rocket-based threat presenting a significant obstacle.

significant increase in the quantity of different types of weapons already possessed by the Palestinians today. Most likely, though, is that heavy weaponry such as cannons, heavy mortars, and other such weapons will not be infiltrated into Gaza, due both to the difficulty of smuggling such weapons and their high visibility, which makes them easy targets for the Israeli air force. Heavy weaponry will most likely suffer a fate similar to that of the armored vehicles possessed by the Palestinian police force at the beginning of the second intifada. At the same time, Israel will have to turn more of its attention to the blocking of the Egyptian-Israeli border as it will probably become a significant route for Palestinian operatives attempting to infiltrate into Israel.

The threat presented by artillery rockets will likely increase. In light of the absence of Israeli targets within the Gaza Strip and the distancing of most Israeli settlements to outside the range of light mortars, rockets have become the primary means available for strikes against Israel targets. Palestinian groups, it can be assumed, will take advantage of the period of calm for replenishing weapons and stockpiling reserves, as well as developing or purchasing rockets with a range of 10-15 kilometers. Increased weapons reserves will enable Palestinians to fire larger rocket barrages and to maintain the threat for a longer period of time, and increased range will bring more settlements into the area under threat. Therefore, it should be assumed that Palestinians will attempt to devise different escalation levels based on the parameters of range and quantity. At the same time, here too the change in threat will be only partially attributable to the disengagement, as it can be assumed that the range and quantity of the rockets held by the Palestinians would have increased to some degree in any event, regardless of the Israeli withdrawal.

Some argue that the Palestinians will attempt to emulate Hizbollah and use their artillery rockets to reach a balance of deterrence with Israel similar to the one that exists along Israel's northern border with Lebanon. In Palestinian eyes, such a balance of deterrence would create a link between their ac-

tivity in the Gaza Strip and their activity in Judea and Samaria. Yet in fact, the difference in conditions between southern Lebanon and the Gaza Strip will likely prevent the emergence of such a balance of deterrence. First, the calm serves Israeli interests, not the interests of Hamas and other armed organizations. At the same time, the asymmetry between sides is such that the rocket-based threat does not provide the Palestinian organizations with a strong enough defensive umbrella for their operations if they desire to continue their attacks against Israel. When the threat of attack is substantial, Israel has a strong interest in carrying out preventive operations that, in the eyes of Israel's leadership, justifies a degree of infringement upon daily life in some areas. In other words, if the Palestinian groups are interested in calm, the rocket-based threat will not be the instrument that allows them to achieve it.

Second, the Palestinian rocket-based threat will remain limited. It is improbable that the Palestinians will be able to acquire large quantities of long-range (more than 15 km) rockets. Massive Palestinian use of rockets, especially types of rockets that they are unable to produce on their own, will put the Egyptians in an uncomfortable position, as Egypt, the power that enabled the rockets to be smuggled into the Gaza Strip, will be held partially responsible. Third, as a result of the Gaza Strip's small size, Israel's capability of operational measures to limit the launching of rockets – even if it is unable to prevent all launchings entirely – is very real, and much more effective than its ability to do so in southern Lebanon.

Palestinian success in the introduction of rockets into Judea and Samaria and firing them against Israeli towns and settlements (in the Sharon region, for example) would be much more significant than any reasonably foreseeable development in Palestinian capability in this realm in the Gaza Strip. In this case too, the emergence of such Palestinian operational capability will also not necessarily be a direct result of Israel's withdrawal from the Gaza Strip. Once again, it is probable that any prolonged lull in Israeli preventive operations in the West Bank would have provided the Palestinians with the opportunity of gaining this capability.

Conclusion

The primary strategic significance of the disengagement is not a function of the change in the security-military threat stemming from the disengagement itself. Rather, it lies in the diplomatic arena and the realm of internal Israeli politics, as well as in its reinforcement of the Palestinians' conceptions regarding the effectiveness of armed struggle as a means of advancing their strategic aims in general, and of compelling Israel to concede territory in particular. Similarly, it would be a mistake to attribute all developments in Palestinian operational capability to the disengagement. It is likely that most of the important developments would be the result of the lull in Israeli preventive operations rather than the withdrawal of Israeli forces and the evacuation of settlements from the Gaza Strip.

The change in the military-security threat facing Israel stemming directly from the disengagement will find expression in the following areas:

■ Reduction in the exposure of Israeli citizens and military forces to attacks by Palestinian organizations

■ Reduction in the operational flexibility of Palestinian groups, as well as an expansion in Israel's ability to respond fiercely to violent Palestinian operations (at least in the short term)

■ A significant possibility that the quantity of weapons entering the Gaza Strip will increase, including the appearance of types of weaponry that have previously not been seen there, such as anti-tank and anti-aircraft weapons

■ Increase in the threat posed to Israeli settlements by Palestinian artillery rockets

As military-security considerations constitute an important component of Israel's internal debate on the future of the territories, developments and changes in the security threat emanating from the post-disengagement Gaza Strip can be expected to serve as a model for assessing the implications of additional withdrawals that are possible in the future.

The Egyptians at Philadelphi: Regional Interests, Local Challenges

Ayellet Yehiav

Israel's announcement of the unilateral disengagement plan forced Egypt to reexamine its policy regarding the Palestinian issue. Critical to Egypt was the ability to prove that it remains a strategic asset to the United States and a key to implementation of American foreign policy in the Middle East, even in post-war Iraq and in face of Washington's determination that Egypt undertake far-reaching economic and political reforms. At the same time, the growing prospect for the establishment of a viable sovereign Palestinian entity confronts Egypt with challenges and dangers. Egypt is aware that its ongoing conduct along the border will be scrutinized in light of its past ideological declarations. Yet on the more tangible level, dissolution of the partition furnished by the Israeli presence in Gaza reconnects the Palestinian and Egyptian populations that were hitherto set apart by the Israel-Egypt peace accord, with a host of resulting economic and security implications.

Egypt's firm, unflagging tactical interest has been stability on the other side of its border, on the assumption that the lack of law and order in the Gaza Strip, in particular failure to monitor the terror organizations' activity, would likely overflow into Egypt – into Egyptian Rafah and onward to El Arish and its environs, and from there into the heart of the country. Moreover, Egypt worried that the chaos weighing down the civilian population in the Gaza Strip would realize its longstanding fear of Palestinian refugees knocking en masse at its door. Among Egyptian decision-makers, no doubt influenced by security elements that have designed Egypt's pos-

turing on the Palestinians and Israel, there has been increasing recognition of the many common or at least bordering Egyptian and Israeli interests. Chief among these was Egypt's desire to help the Palestinian Authority (PA) foster conditions that would allow the PA to establish a stable administrative grip within the Gaza Strip, and thus reduce the imminent dangers posed to Egypt by the spillover of Islamic violence into its territory.

The October 2004 terror attacks in Taba and Nuweiba were explained by Egypt as an extreme emotional reaction to the suffering inflicted on the Palestinians by Israel. This explanation was intended mainly for internal propaganda purposes, among others, in order to divert attention from the international media's focus on the resurrection of Islamic terror in Egypt, which the regime boasted as suppressed since the mid-1990s. Egyptian security elements understood, however, that the realities were more complex. After years of Israeli protests that Egypt was not doing enough to prevent smuggling over its border into the Gaza Strip, the attacks in Sinai were proof not only that the impetus to violence could easily cross the border, but also of the possibility that traffic within the tunnels between Gaza and Egypt was two-directional.

At the same time, Egypt embraced the Palestinian view that Israel must commit to a comprehensive and complete withdrawal from the Gaza Strip, including from the border line itself, the Philadelphi route. Nonetheless, the Egyptians appreciated the Israeli assertion full well that the Palestinians alone could not control the unrestricted traffic along the border and prevent terror elements from breaching it. This understanding revalidated Egypt's demand,

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* The Center for Political Research, Ministry of Foreign Affairs

voiced even before the disengagement plan was announced, to ease what it considered the draconian restrictions imposed by the military addendum to the peace accord with Israel, which limited Egyptian presence along the border with Israel to a police force only. Hence Egypt signaled its readiness for an immediate deployment of its forces along the Egyptian side of the Philadelphi route within days of signing the bilateral understandings with Israel. It was then that Egypt also began to train Palestinian security personnel in Cairo and in the Gaza Strip, with Egyptian security experts dispatched to the area especially for that purpose.

When Egyptian involvement first began in the form of the "Mubarak Initiative" (see box), Egypt rejected any attempt to impute to it a change of the government position adopted during Israel's Operation Defensive Shield, to freeze all intergovernmental relations with Israel with the exception of those channels serving Palestinian concerns. Gradually, due to Egypt's mounting economic difficulties, bilateral ties increased, first in December 2004, with the official signing at the ministerial level and under media spotlight of the Qualified Industrial Zones (QIZ) agreement. Half a year later, in June 2005, a deal was signed in Cairo, again in the presence of ministers, for the sale of Egyptian natural gas to Israel. In March 2005, Egypt returned an ambassador to head its delegation in Tel Aviv, four and a half years after Ambassdor Bassiouni was recalled to Cairo for consultations following the outbreak of the second intifada. The succession of Egyptian gestures, which signaled a de facto change in Egyptian policy, did not stop there; hence, for example, the release of Azam Azam eight years after being arrested on charges of spying for Israel.

As the disengagement grew imminent and the regional arena became more turbulent, Egypt's standing in the US continued to deteriorate. Unrelenting US pressure for extensive reforms and mounting hardships in the Egyptian economy joined Cairo's realization that there was no alternative in the near future to an Israeli government headed by Ariel Sharon. Against this backdrop, Egypt reformulated the

The Mubarak Initiative

In April 2004, President Mubarak visited the US and was received at President Bush's ranch in Crawford, Texas. At their meeting, Mubarak detailed his decided opposition to the disengagement, announced one month earlier by Prime Minister Sharon, explaining that the plan was a unilateral one, lacked any basis of negotiation with the Palestinians, ignored the needs of the Palestinians, and was destined to put an end to any chance for progress in the foreseeable future towards establishing a Palestinian state within the framework of the roadmap. While Mubarak continued his visit in Texas, President Bush met with Prime Minister Sharon in Washington, and to Egypt's utter surprise the president announced the US agreement to the disengagement plan, accompanied by a letter of understanding that touched in part on the question of a permanent settlement. A few weeks later, at the end of May 2004, the head of Egyptian General Intelligence, Omar Suleiman, arrived for a visit in Israel and met with senior officials. Shortly thereafter (on June 1, 2004), the official Egyptian daily *al-Ahram* published the main points of the messages relayed by Egypt to Israel and the Palestinians, coining them the "Mubarak Initiative."

The initiative was designed to improve the readiness of the Palestinians in general, and Arafat in particular, ahead of the implementation of the disengagement, in order to compel Israel to have the plan coordinated with the Palestinians, and to assist the Palestinians to prepare to assume responsibility in areas departed by Israel. From the start Egypt did not see its role as a mediator between Israel and the Palestinians, but rather as a facilitator, furthering the interests of the Palestinians by helping them to be ready for the Israeli withdrawal. This in turn would serve as a springboard for proving Palestinians' ability to manage themselves, i.e., a sort of "pilot" towards the establishment of a sovereign Palestinian state. In exchange for the Egyptian effort to reorganize the Palestinian arena by obtaining agreement between the various factions and the Palestinian leadership – and among the factions themselves – to

cease the "illegitimate violence," Israel was required to commit to halting its actions against the Palestinians even before withdrawing its forces from the Gaza Strip, as a preliminary step to a comprehensive withdrawal to the June 4, 1967 line and the gradual implementation the roadmap. Additionally, Israel was asked to activate the safe passage to the West Bank as a preventive measure against the isolation of the Gaza Strip. The Egyptians promised Arafat they would try to influence Israel in order to arrange his freedom of movement.

In practice the Mubarak Initiative, contrary to the initial Egyptian opposition to the disengagement, displayed a new model of Egypt's grappling with the plan, in an attempt to minimize the negative impact of a unilateral Israeli withdrawal. The essence of the initiative strove to establish parameters for Egypt's active involvement in the disengagement plan: Egypt would train and ready Palestinian security forces so they could assume full control over the Gaza Strip; Egyptian involvement would be launched only after the beginning of the Israeli withdrawal, since at that time Egypt did not consent to endangering its training teams (since then, Egypt changed its stance and dispatched security teams to the Gaza Strip prior to the Israeli withdrawal); the Egyptians would equip the Palestinians with light equipment, small arms, communication facilities and vehicles, and assist them in the construction of buildings and detention facilities in cooperation with the donor countries. Egypt continually made clear its determined and principled restriction that Egyptian forces would never enter the Gaza Strip in order to enforce order.

The timing of the Mubarak Initiative was not incidental. In June 2004 the G-8 summit convened in the US, with the focus of discussion on the American demand for extensive economic, political, and cultural reforms in Arab countries. In May, at the Arab Summit in Tunis, Egypt failed to formulate a response to the external challenge and reorganize the Arab League in such a way as to empower Egypt's leadership capability in the regional arena. Due to the Egyptian sense that it had reached an impasse in its relations with the US and had now to fashion a new strategy befitting changing realities, the Mubarak Initiative was intended, at the strategic level, to signal to the Americans that despite Egypt's poor performance in domestic reform and its deteriorating inter-Arab status, including regarding the political process, Egypt retained its unique role as the "go between" in the Middle East. Therefore, Egypt sought to demonstrate its active determination, in coordination with the US, to extricate the Palestinian issue from its deadlocked state, while hinting at its expectation that when conditions would be ripe and Israeli-Palestinian negotiations would be supported within the framework of consultations with the US, Egypt must be included as a full fledged member.

In the weeks following the proposal, an Egyptian pose took shape whereby the more the Palestinians faltered in meeting timetables set by the Egyptians and the more Arafat parried the Egyptian demand that he relinquish part of his authority, the more the Egyptians would send the ball into the Israeli court and increase their demands from Israel. Similarly, Egypt's attempt to convene a dialogue of Palestinian factions in Cairo in September 2004 was repeatedly rejected. In fact, despite the visits of the Omar Suleiman to Israel and Ramallah, no meaningful achievements were attained through Egypt's activity until Arafat's death in November 2004. Egypt's hosting of the funeral in Cairo and the high level escort granted to Arafat's coffin on its way to the Muqata'a were meant to signal to the post-Arafat Palestinian leadership that Egypt was intent on taking custodianship over the advancement of the Palestinian issue and that is was worth heeding Cairo's advice. And indeed in March 2005 Egypt managed to convene a special dialogue of the factions, which resulted in the Cairo Declaration (March 17, 2005) on the *tahdia*, the calm vis-à-vis terror activities.

linkage between the Palestinian issue and its relations with Israel.

Specifically, Egypt reasoned that its relations with Israel would be measured by the US according to its willingness to contribute to the success of the peace process in the Middle East and especially the disengagement (even though Egypt's involvement has not in fact granted it immunity to US demands for expanding domestic reforms). Therefore, Egypt adopted an instrumental approach motivated by genuine Egyptian political and security interests; yet as a result Egypt gradually found itself increasingly involved with the Palestinians – perhaps even more than it intended when the Mubarak Initiative was launched – before and during the disengagement. What is required of Egypt following the transfer of the Gaza Strip to Palestinian hands stands to be even greater, extending to the realm of its bilateral relations with Israel.

Prior to the disengagement, Egypt was credited with certain key achievements, including coordinating the move to a degree with the Palestinians. The Palestinian factions reached an understanding that was generally regarded as a conditional "calm" (*tahdia*). Yet the supreme efforts demanded of Egypt for each and every achievement and the fragile survivability of these achievements prove indeed that the Egyptian commitment to assuring the success of the disengagement presents Egypt with no small number of opportunities, but also burdens it with no small number of challenges and risks.

The Achievements of Egyptian Involvement

First and foremost, Egypt has in its own view breathed new life into the "Egyptian role" (*Dawr Misr*); this oft-repeated slogan embodies Egypt's self-image of its vitality and leadership within the Arab world. Within the changing circumstances of the decentralization of the Arab collective and the ebbing of Egyptian pretension of regional

hegemony, Egypt's involvement in preparations for the disengagement distinguished it from all other Arab states – including those whose financial contributions exceeded Egypt's. As long as Arab countries cling to their insistence on resolving the Palestinian issue, Egypt's regional prominence is assured, since as far as Egypt is concerned, it is the only one that has evidenced its willingness to "get its hands dirty" in order to promote Palestinian interests.

Egypt is certain that its active involvement in the disengagement will once again confirm its regional weight and importance as a strategic asset to the US. Egypt's commitment to the move, it presumes, will be credited with points in Washington's open notepad, which registers each instance of Egyptian willingness or refusal to cooperate with American regional policy. Hovering in the background over the past two years has been the threat of translating bad marks into a cutback in American aid, promised to Egypt since the peace agreements with Israel, as well as the prospects of any reward in the form of accelerating the Free Trade Agreement (FTA) with the US.

The deployment of quantitatively and qualitatively upgraded forces along the border with the Gaza Strip improves Egypt's security presence and military capability in Area C of the Sinai, and corrects what is seen by Egypt as an injustice imposed by the peace accord with Israel. This upgrading is significant to Egypt's image, as indeed the regime can present it as a reassertion of Egyptian sovereignty over the Sinai Peninsula and as improving its defense capabilities against any imminent threat from Israel. However, the more important implications are interceptive. The Taba and Nuweiba (October 2004) and Sharm el-Sheikh (July 2005) attacks demonstrated the powerlessness of Egyptian security control in desert areas and over the Bedouin population. In recent weeks, Egypt has been in persistent hot pursuit of members of the terror cell that perpetrated the recent attacks, which

L-r: Mahmoud Abbas, Ariel Sharon, Husni Mubarak, in Sharm el-Sheikh, February 2005

is suspected of connection with last year's attacks. Field commanders have explained more than once that they have failed to capture criminal elements turned terrorists in Sinai due to the quality of personnel and resources at their disposal. The deployment of Egyptian Border Guard forces would represent a first step in the Egyptian effort to channel better quality resources towards tightening security control in the Sinai desert.

Egypt's looming fear is that the disengagement will be the first and last move of its kind, and will not position Israel on the path of renewed dialogue.

Senior Egyptian officials, headed by President Mubarak, have repeatedly made it clear that it is impossible to block smuggling across – or under – the border with the Gaza Strip unless Egyptian forces are stationed there shoulder to shoulder. Indeed, the utter failure of the Egyptian police, charged with responsibility for the border ever since the peace treaty with Israel, to prevent its breach immediately after the withdrawal of IDF forces from Gaza and the subsequent inrush into Egypt of Palestinians, including members of Hamas and other armed organizations, supported the Egyptian claim that only by upgrading and fortifying their forces along the fourteen kilometers of the Gaza Strip could they dam the leakage of extremist Islamic elements, all the more so militant ones, into its territory. Egypt's efforts to restrain Hamas activities and contain the organization within the PA institutions were indeed meant to prevent the creation of a "Hamastan" at its border. However, if the situation becomes unbearable and Islamic organizations overpower the Palestinian Authority, Egypt is prepared to block their entry forcefully in order to prevent them from joining hands with Islamic elements active within Egypt. The issue is especially sensitive since historically, Hamas is the offspring of the Egyptian Muslim Brotherhood, and the Palestinian version of Islamic Jihad was inspired by the Egyptian organization bearing the same name.

According to Egyptian political thinking, Egypt's involvement in the disengagement provides proof of the effectiveness and advantages of negotiated agreements in the Middle East. Egypt portrays the disengagement as a direct continuation of the Camp David accords and the peace agreements with Israel. From this aspect, the ability to alter the application of the peace treaty, twenty-six years after its finalizing, justifies Egypt's measures and demonstrates that any settlement reached between Israel and the Palestinians is not necessarily the last word. From Egypt's standpoint, deploying 750 Egyptian border guards through the signing of a military protocol not in breach of the peace agreements is perceived as an achievement, especially since Egypt is not required to pay any price in return – for example in the form of an Israeli claim of breach of other bilateral agreements, or the implementation of existing but obsolete agreements in order to improve Israel's benefit from them.

Old and New Challenges at Egypt's Doorstep

Against these achievements lie a host of challenges and risks. Renewed coordination and cooperation with Israel constitutes a propaganda burden on the Egyptian regime, especially in an election year. The regime succeeded in avoiding the subject of thawed relations with Israel as well as the Palestinian issue in its propaganda before the September presidential elections, but when the new national council is elected (in November-December), it is doubtful that the opposition will remain silent regarding the rapprochement with Israel.

The reinforced presence of border guards along the Gaza border is likely to increase the level of imminent danger to Egyptian security forces from the Palestinian side, as long as the armed conflict between Israel and the Palestinians continues. The unintentional firing by Israel on three Egyptian police officers (in November 2004) is still fresh in the

memory of the Egyptian regime, which fears that a misguided Palestinian adventure, such as launching rockets or initiating attacks, would draw an Israeli military response that could hit Egyptian border forces or security and intelligence personnel instructing Palestinian security forces. Such a mishap would almost certainly inflame the passions of the Egyptian masses and give rise to a tide of opposition against relations with Israel, interpreting Egyptian involvement in the Gaza Strip and along its border as a pro-Israel gesture.

An obligatory step, then, is to strengthen security coordination between Egypt and Israel, and increase Egyptian influence over the heads of Palestinian security mechanisms on the one hand, and over armed organizations on the other. Thus far Egypt has avoided demanding the confiscation of arms in Palestinian organizations or the dismantling of their infrastructures, and has preferred the path of dialogue in an attempt to monitor their responses. In the Egyptian view, derived in no small measure from an analysis of the causes of terror within Egypt, it is preferable to reach an understanding with the leadership of organizations within the Palestinian Authority rather than attempt to reach an understanding with leaderships abroad, supervised and under the influence of intractable countries such as Syria. Still, Egypt backs up its efforts aimed at heads of Palestinian organizations in the Gaza Strip by lobbying the Syrians, in exchange for serving the latter's interests. Yet despite Syria's troubles in the international arena, Egypt places no high hopes on the goodwill of the Syrians to commit itself to easing tensions in the area.

Once the disengagement was already underway, Egypt exhibited demonstrable statesmanship towards the Palestinian Authority, for instance in opening an Egyptian embassy in Ramallah; in Abu Mazen's traversing the Rafah border crossing on his way for talks with President Mubarak, with Egypt's insistence that no Israeli presence be allowed at the passage; and in the support conveyed by General Omar Suleiman, on behalf of President Mubarak, in his speech before the Palestinian Legislative Council in Gaza. After years of voicing slogans over the cen-

trality of the Palestinian problem to the Arab world, Egypt is the first Arab country to share a common border with a Palestinian entity having the trappings of sovereignty and self-rule. In the past, Egypt avoided linking itself to the Gaza Strip through political tethers (contrasted with the Jordanian policy of annexing the West Bank). Now, Egypt understands that its openness or lack thereof to the Palestinians will be closely scrutinized by the rest of the Arab countries, and perhaps also Islamic countries, which are liable to demand that Egypt dedicate more input towards the Palestinian good than it had calculated in its original plan.

The true test for Egypt will be the extent of its ability over time to block smuggling – of goods, people, and weapons, under and over ground.

Egypt's looming fear is that the disengagement will be the first and last move of its kind, and will not position Israel on the path of renewed dialogue with the Palestinians towards implementation of the roadmap and establishment of a Palestinian state. In the Egyptian view, this amounts to severing the Gaza Strip from the bulk of Palestinian territory and the majority of the Palestinian population, depositing it into Egyptian hands as a ticking bomb. The resentment of the Palestinian population regarding the impotency of its leadership to provide for the needs of the people may spark a third intifada that, while surely injuring Israel if occurring in the West Bank, would translate into an Egyptian problem if it erupted in the Gaza Strip. Hence the urgency broadcast by Egypt to the Quartet to exert sustained pressure on Israel to create a "safe passage" between the Gaza Strip and the West Bank; to cease expanding the settlements and erecting the security/separation fence; and to rush to adopt additional positive measures for the Palestinians, such as accelerating the opening of the Rafah crossing without an Israeli

presence, in order to spur dialogue with them. At the same time Egypt is working with the Palestinians, both the leadership of the Palestinian Authority and heads of the organizations, to unite behind one single legitimate Palestinian leadership and to update the Palestinian political agenda and working plan for 2006, on the assumption that no significant progress can be expected in the political process over the coming months in light of the fluidity of the political situation in Israel.

Egypt fears that the crux of the isolation of the Gaza Strip is its transformation into a Palestinian enclave – or, as the Egyptians describe, a huge prison camp fenced in by Israel, with a population density among the highest in the world and oppressive hardship brought on by the lack of infrastructures and by unemployment. Accordingly, Egypt is obligated to mobilize the donor countries for rehabilitating Gaza's infrastructures and employment opportunities as well as for building its naval and air ports, which will widen Gaza's exposure to economic opportunities. The nightmare scenario, no doubt haunting senior Egyptian officials and which partly materialized in the first days following the Israeli withdrawal, is of multitudes of Palestinians beating down the gates of the Rafah crossing and begging to enter Egypt to find work. Egypt, it should be remembered, has an unemployment rate of approximately 20 percent and lags in its task of finding 600,000 jobs for Egyptian citizens per year. One-fifth of Egypt's population lives below the poverty line, which is less than two dollars a day.

If the threatening scenarios materialize, they are likely to cause monumental damage to Egypt's image. The failure to set into motion the political process within a reasonable period of time is liable to be perceived by domestic opposition and other elements in the Arab world – countries, shapers of public opinion, and the mass media – as assisting Israel in pushing aside the Palestinians as a player

with legitimate rights in the region. Moreover, a constant onrush of Palestinians towards the Rafah crossing is likely to compel Egypt to open its doors to the Palestinians; this after the long years ever since the creation of the Palestinian refugee problem, in which Egypt avoided granting them legal status within its borders, made sure their numbers did not exceed several tens of thousands, and denied them basic civil rights. Hovering above all is the specter of satellite TV station cameras, recording the images of Palestinian refugees and their outcries, this time with no option to blame it on the Israeli occupation.

At the end of the day, the true test for Egypt will be the extent of its ability over time to block smuggling – of goods, people, and weapons, under and over ground. The inclusion of a review mechanism for the validity of the deployment of Border Guard forces among the eighty-three articles of the military protocol, signed on September 1, 2005 by the Israeli and Egyptian chiefs of operations, submits Egypt to a continuous test of upholding its promise to "deliver the goods" – or, more precisely, to *prevent* their delivery. . . .

The spectacles from the first days following the disengagement, explained by the Egyptians as resulting from Israel's advancing the schedule so that the designated border security forces, along with their special equipment, weren't able to deploy in conformity with the military protocol, demonstrated just how sensitive and problematic the Egyptian-Palestinian border is destined to be if the Egyptians do not promptly establish strict criteria for its administration. Israel's withdrawal from the Philadelphi route, while viewed by parts of the Israeli public as a threat to Israel, is in Egyptian eyes an appendage of the threat of Palestinian terror to Egyptian territory – without the presence of a buffer to absorb bullet fire or the ricochets of a failure to seal off the unfettered accessibility of terrorist or criminal elements.

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