

Conclusion

Israel's National Security Challenges 2012-2013: The Need for Proactive Policy

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The five principal national security challenges that confronted Israel in 2012 were: Iran's nuclear weapons program; preservation of the peace agreements with Egypt and Jordan in the face of the changes in the Arab world; the civil war in Syria and the danger that it may ignite the northern border; relations with the Palestinians, and in particular, efforts to renew negotiations and the military challenge from Gaza; and finally, maintenance of Israel's international standing.

The 2012 Mixed Balance Sheet: Positive Aspects May Outweigh the Negative

Israel's government, which chose a passive stance in the form of a waiting game that minimized risks, survived the year without any dramatic security events altering Israel's geopolitical situation. Israeli national security decision makers chose to focus on the Iranian nuclear issue and present it as the chief priority over all other issues.

Israel's strong deterrence afforded another year of relative quiet on Israel's borders and against its potential enemies. This quiet enabled Israel to continue to stabilize its economy and deal with internal affairs, which

appeared to engage the public and the government more than external security issues.

Israel did not attack the Iranian nuclear program, even though to the Israeli public and the world as a whole the government insisted that there could be a need for such an attack as early as the fall of 2012. Israel argued that none of the strategies for stopping the Iranian nuclear program had succeeded in halting Iran's progress toward obtaining a nuclear bomb. Negotiations in Baghdad, Istanbul, and Moscow were unsuccessful; sanctions appeared ineffective; the covert campaign for which no one took responsibility was not sufficiently powerful; and the Iranian regime appears to be stable. For those who do not accept the idea of "deterrence and containment" of a nuclear Iran, the only remaining strategy seemed to be a military attack on the Iranian nuclear program.

A change in the Israeli strategy emerged in late 2012, when the Israeli red line moved from Iran's entry into the "zone of immunity," which the Iranians apparently already reached in the fall of 2012 when they stationed thousands of centrifuges in the protected site near Qom, to the red line presented by Prime Minister Netanyahu at the UN General Assembly – Iran's accumulation of enough 20 percent enriched material for one nuclear bomb. The international community, which at least in the first half of the year took the Israeli intention of attacking Iran seriously, tightened the sanctions. For the first time in a decade the sanctions targeted significant sectors in Iran, namely, the energy and finance sectors, and seemed to have a substantive impact on the Iranian economy.

The peace agreements with Egypt and Jordan remained in effect, despite the establishment of the new government in Egypt, led by the Muslim Brotherhood. The peace agreements even withstood Operation Pillar of Defense, the military operation launched by Israel against Hamas in Gaza in November 2012. The rhetoric from Cairo was not pleasant, the Egyptian President did not utter the word "Israel," and contacts with Israel were limited to intelligence and military channels. Nevertheless, Egypt played a constructive role in the conflict between Israel and Hamas, and it appears that it is well aware that a military confrontation with Israel is not in its interests.

Syria, the country with the strongest armed forces among all of Israel's enemies, is in the midst of a tiring civil war that is depleting its military's strength, readiness, and morale. The Syrian military has hundreds of long range missiles and thousands of rockets capable of reaching Israel's heartland, a modern air defense, high quality anti-tank weapons, a trained commando force, and chemical weapons. These military capabilities posed less of a threat to Israel at the end of 2012 than at the beginning, and concern that fighting in Syria would spill over into Israel has proved unfounded. Other than some isolated shells that strayed into Israel, the Golan Heights and Lebanon fronts remained quiet.

The impasse in the political process with the Palestinians continued. Facing a politically and economically weak Palestinian Authority (PA) that chose to challenge Israel by way of the international arena and reconciliation with Hamas, Israel, given international constraints and the desire to avoid overthrow of the PA, adopted a passive position of punishing the PA with moderate measures. Unquestionably the worst diplomatic setback for Israel was the crushing majority of nations in favor of upgrading the status of Palestine in the UN, and the inability to muster a "moral majority" (i.e., a majority of free, democratic states) against it.

In contrast with its satisfaction with the stable security situation and relative quiet on its borders (Operation Pillar of Defense restored tranquility to the only border that was not peaceful over the year) and the strengthened sanctions against Iran, Israel was conspicuously unsuccessful in making progress toward a resolution of the two main long term challenges to its security and its regional standing: Iran, particularly its nuclear program, and relations with the Palestinians. Iran continues to progress steadily toward a stage in which a breakout to military nuclear capability depends solely on its own decision. For this purpose, Iran is accumulating large quantities of low level and 20 percent enriched uranium. Even though the sanctions have become far more painful and socially and economically costly than in the past, it is still not clear whether they will prove effective enough to make the Iranian regime abandon its nuclear ambitions and consent to an arrangement that would deny it a military nuclear capability.

In tandem with the upheaval in the Arab world, the Israeli-Palestinian political stalemate is getting worse. Efforts to jumpstart effective

negotiations on a permanent settlement appear to be fruitless. In the absence of alternatives to a permanent settlement, signs of instability and uncertainty among the Palestinians are increasing. President Mahmoud Abbas' government in Ramallah has grown weaker, and his attempt to buttress his standing by obtaining UN observer status for a Palestinian state will yield a short lived impact only, because with time, the Palestinian public can be expected to realize that nothing of substance has changed. All that UN recognition has achieved for the PA is a limited ability to irritate Israel in international forums. The result will probably be more frustration among the Palestinian public. This development is liable to quash any future chance of implementing a two-state solution, especially if it leads to replacement of the current regime in Ramallah – Israel's recognized partner in dialogue, which advocates a political solution to the conflict and cooperates with Israel on security matters – by a regime that will be much less comfortable for Israel. A concomitant threat, of which there are already initial signs, is a renewed outbreak of violence between Israel and the Palestinians. In contrast, and somewhat paradoxically, it appears that some stability has been achieved on Israel's border with the Gaza Strip, as a result of Operation Pillar of Defense, the change in the Egyptian regime, and the restraining role Egypt plays in the Gaza-Sinai arena.

An extremely problematic parameter in the year's balance sheet is the continued erosion of both Israel's international status and legitimacy and international tolerance for its settlement policy. The United States, Israel's principal and most important ally, continued to provide Israel with impressive diplomatic support. The administration demonstrated its extremely strong commitment to Israel's security, and many countries backed Israel in its conflict with Hamas in Gaza by recognizing Israel's right to defend its citizens. The ongoing erosion in Israel's standing in Europe, and even among its traditional supporters in the US, however, cannot be ignored. The condemnations of Israel's construction in the West Bank and even in East Jerusalem have for the first time led to the possibility that concrete punishment measures will be taken against Israel as a result of settlement construction in the territories.

The Upheaval in the Arab World

Although two years have passed since the upheaval known as the “Arab Spring” began in the Arab world, it is still not clear what political directions the regimes in the main Arab countries will take, what regional and global postures they will assume, and what their policies toward Israel will be. Assessments that the Islamic movements could become the leading political element were borne out in most states that experienced a change of regime. Not only were these groups the only political parties in Arab countries with a solid organizational structure; they also enjoy a broad base of popular support given the conservative and religious character of Arab societies, particularly in the agricultural countryside, which still accounts for a large proportion of the population. This electoral development, however, is in itself not sufficient to provide a complete answer to questions about the character of the regimes that these movements will establish and the policies they will pursue.

Indeed, the world of Islamic movements comprises a broad spectrum, and whether in the long term an Islamic party in the Arab world can possibly govern in the framework of a democratic regime remains an open question. The Egyptian and Tunisian examples do not provide definitive answers. On the one hand, the Islamic parties have adopted democratic rhetoric for themselves; on the other hand, their tendency to use nondemocratic methods and measures designed to buttress their power, e.g., repressing freedom of expression, is also evident. In both these countries, the more secular and liberal public, which is usually urban, has demonstrated its ability to remain vigilant and respond with strong protests to the actions of the Islamic governments that appeared to undermine democratic norms. In more than a few cases, the protestors have succeeded in blocking dictatorial tendencies. Yet just how this unstable balance will affect the situation in the long term is unclear. In any case, it appears that as long as democratic rules of the game exist, the Islamic parties recognize that in order to retain their new-found power, they must fulfill the aspirations of the public that granted them that power. These aspirations are mostly socioeconomic, although they also concern foreign and defense policy, because popular opinion, which is mostly nationalistic, recoils from foreign influences.

In addition to the Islamic parties and their constituencies, a third factor plays an important role, namely, the existing governmental agencies and establishments, especially the military and the judiciary. Each has its own agenda, and like the public, also exerts a restraining effect on an Islamist-controlled government. Here, too, an unsteady balance prevails, together with power struggles between the various players. For this reason, it is unclear whether the existing institutions will lose their power vis-à-vis the Islamist-controlled governments gradually, or perhaps in a rapid revolutionary process – if at all. The main question is whether the struggle between these forces will result in a focus on socioeconomic policy or a proactive foreign policy. The key problems facing these governments are rooted in the social and economic spheres, but it is possible that the new regimes will think it easier to achieve success and win public support by presenting accomplishments in foreign policy. For example, Egyptian President Mohamed Morsi, a member of the Muslim Brotherhood, claimed some foreign policy achievements shortly after assuming the presidency, mainly benefits from Western countries – earned while he pursued an independent Egyptian policy and to some degree rehabilitated Egypt's status as the leader of the Arab world – and the ability to wield more influence in the Israeli-Palestinian arena than any other external player. On the other hand, when Morsi tried to institute changes in internal policy, he encountered huge obstacles, primarily from the Egyptian public.

The dilemmas posed by regional instability will continue in 2013, both because various regimes are still under threat and because the direction of events is unclear. A broadly-based mass protest in Syria has deteriorated into a bloody civil war that smacks of a sectarian power struggle. The Sunnis are fighting against the regime and the minorities that support it, principally the Alawites and Christians. For their part, the Kurds are hoping that the struggle in Syria will enable them to obtain autonomy similar to that enjoyed by the Kurds in Iraq. There is no way of knowing what scenario will prevail – a prolonged civil war, or the fall of the regime, possibly accompanied by the rise of an Islamic regime. Syria could become a failed state defined by ongoing instability, or it could split into political entities along ethnic lines. All of these scenarios would have significant consequences for the region as a whole, and for Israel in particular. A

destabilized regime in Jordan would also be highly significant, although as yet there is not a concrete threat to the survival of the Hashemite regime, despite the many difficulties and the rising pressure it has encountered.

In certain cases, first assessments of the effect of the upheaval on the regional balance of power have proven erroneous. For example, the Iranian regime initially assumed that the region-wide disturbances were in its interest. It posited that the regimes linked to the West and hostile to Iran would fall, to be replaced by Islamic parties that would upgrade their relations with the Islamic regime in Tehran. These assessments, however, were not realized. Rather, it became clear that the basic conflict of interests between Sunni Arab countries and Iran has not subsided, and may have even intensified. The Sunni Arab public perceived the Iran-supported revolt against the regime in Bahrain and Iran's support for Assad's beleaguered regime in Syria as an Iranian threat to Sunni dominance in the Arab world, and as an attempt to strengthen the Shiites in the region. Furthermore, its support for Assad's government exposed the hypocrisy of the Iranian regime, which for years had portrayed itself as allied with the Arab peoples in their struggles against corrupt and oppressive autocratic rulers. The civil war in Syria has become a contest between the proxies of Iran and the Sunni Arab countries.

This new regional fault line requires each sovereign and sub-sovereign player in the Arab world to choose sides. Neutrality is out of the question. Qatar, which maneuvered between Iran and its rivals for many years, has joined and taken a leading role in the camp hostile to Iran. Hamas, a Sunni organization and a branch of the Egyptian Muslim Brotherhood, found itself in a difficult position. On the one hand, its leadership wished to distance itself from Iran and the Lebanese Hizbollah in order to avoid being perceived by Arab public opinion as allied with "the bad guys." On the other hand, it has found no alternative source of armaments, and has therefore been obliged to preserve its ties with Iran.

The Transition from 2012 to 2013

Six recent or forthcoming elections – in the US, Israel, the PA, Iran, Egypt, and perhaps even in Syria – are important by the very fact of their occurrence, and their results carry much weight. These elections determine

which decision makers and leaders Israel will encounter as it confronts the challenges of 2013. The US President has already been elected, and begins his second term on January 20, 2013. The Israeli Prime Minister will be sworn in at the Knesset in February or March 2013. No elections are on the horizon in the PA: to date, the reconciliation efforts between Hamas and Fatah have not progressed enough to facilitate such elections. While elections in Iran will see the replacement of the President, Supreme Leader Khamenei is the one who sets policy and makes decisions in Iran, and he will continue ruling, regardless of the elections results. Owing to the cumulative economic pressure, however, there is a chance that the elections and their aftermath could lead to renewed public protest and upheaval in the internal Iranian arena. While another round of parliamentary elections will be held in Egypt, President Morsi will remain in office and attend primarily to internal and economic challenges. Specifically, he will have to try to meet the aspirations of the Egyptian people and obtain large scale financial aid from the world, while being unable to satisfy the latter's demands to reduce subsidies and rein in the public sector. Elections in Syria appear a remote possibility, and even if the Assad regime does not survive and elections are held, Syria, like Egypt, will need substantial economic aid to rehabilitate and rebuild the country.

It therefore appears that the main players involved in Israel's two leading national security challenges, the Iranian nuclear program and the Palestinian issue/renewal of the political process, are the United States President and the Israeli Prime Minister. Mutual trust and the willingness of American and Israeli leaders to deal with these challenges, while continually evaluating the threats and opportunities and formulating a coordinated proactive policy – be it through joint explicit efforts or through mutual recognition by the two countries of each other's constraints and red lines – will make it possible to find a better solution to the threats, and to promote common interests.

Before any policy recommendations can be proposed, a broader perspective that includes the balance of the main threats and opportunities in 2013 is in order. It is also important to assess which principal challenges invite a proactive policy to change the course of development and provide a better solution for Israel's national security needs.

The Threats

1. ***An Iranian nuclear breakout or an Israeli/American decision to attack Iran.*** Although the election campaigns in the US and Israel removed talk about an attack against Iran from the public and media agendas, it is clear that Iran's progress toward nuclear weapons capability is the main challenge facing Israel in 2013. As a result of the severe sanctions, or as insurance against an attack, the Iranians can decide to abandon the Non-Proliferation Treaty and break out to a bomb. Even if they do not take this drastic step, however, between the spring and the summer of 2013 Iran will cross the new red line presented at the UN by Prime Minister Netanyahu, if it continues the current pace of enrichment to 20 percent. Clearly Iran could choose to slow the enrichment rate or convert its enriched uranium into fuel rods, as it did in late 2012. Nevertheless, a situation in which the Iranians stop short of the red line but greatly increase the number of centrifuges and the volume of enriched material facilitates a breakout to a bomb within a very short time, and is a highly dangerous situation for Israel.
2. ***A military conflict with Iran and its proxies Hizbollah and Palestinian Islamic Jihad, and less likely, with Hamas, as a result of an attack against Iran.*** There are reasons to think that such a conflict will not necessarily be as broad, difficult, and extensive as is often projected. Iran's response capabilities are limited, it fears escalation, and action by Hizbollah and the Palestinian organizations is subject to the local considerations of these particular organizations, primarily concern regarding the political price and Israel's military response. Israel's deterrence, strengthened by Operation Pillar of Defense, heightens these constraints. Nevertheless, Israel must prepare for the possibility of a response against it on at least some of these fronts.
3. ***Erosion of the peace treaties.*** Thus far predictions that the peace treaties with Egypt and Jordan would be significantly affected by the shocks in the Arab world have not been borne out. Public opinion in these countries also shows an understanding that improving the economic situation runs counter to friction and direct confrontation with Israel. While in Egypt the need to change the military appendix to the peace treaty in order to strengthen Egyptian control in Sinai

has been discussed, no one seriously questions the agreement itself. The question is what will happen if the economic situation in Egypt does not improve, the Muslim Brotherhood government cannot deliver on its promises, and public frustration grows. Protest might then be channeled against Israel and Egypt-Israel bilateral relations. The peace treaty with Jordan also suffers from cold relations between the two countries and King Abdullah's dissatisfaction with Israeli policy on the peace process. Unrest in Jordan that undermines its stability and the stability of the regime would pose an extremely significant threat to the quiet on Israel's eastern border, and would require a significant change in the IDF's order of battle, security doctrine, and deployment along the border with Jordan.

4. ***Israel's diplomatic isolation.*** Israel's policy toward the Palestinians, combined with the perception that Israel is about to take action against Iran that may have dire consequences for the region and the global system, has had a harsh impact on Israel's international political standing. There is an emerging assessment that the Israeli government is trying to foil any chance of implementing a two-state solution, and is unwilling to contribute to Middle East stability or help prevent developments that would severely damage Western interests in the region. Joining this assessment is anxiety about escalation in regional instability and ensuing international implications following a unilateral Israeli attack against Iran or an attack that the US has been dragged into. Israel's diplomatic isolation was manifested in the General Assembly resolution recognizing Palestine's non-member observer status, which received broad support from Israel's traditional friends, and in the across-the-board condemnation of the Israeli government's response to the PA's unilateral measure, namely the decision on large scale construction in the West Bank, including in sensitive areas such as E-1. The impression is that the EU is on the verge of imposing concrete sanctions against Israel, principally by distinguishing between products originating in Israel proper and products from Jewish settlements in the West Bank. Particularly grave is the possibility of deteriorating relations between Israel and a second term Obama administration. Already in late 2012, after the US election, the fact that the administration refrained from

taking effective action to prevent the General Assembly resolution on the status of the Palestinian state and affect the European positions on the PA's UN initiative contrasted starkly with its policy of 2011, when the Palestinians requested recognition of Palestine in the Security Council vote; the American threat to cast a veto foiled that Palestinian venture. Considerable potential for confrontation in 2013 between Israel and the US administration over a renewal of the peace process is emerging. Another danger consists of the pressures in Europe for boycott, divestment, and sanctions (BDS), which are liable to damage Israel's economy.

5. ***Expansion of uncontrolled regions on Israel's borders.*** A weakening of the central government, as reflected in the governmental vacuum in Sinai, for example, attracts terrorist groups, Muslim extremists, and crime. This phenomenon is liable to spread to Syria along the Golan Heights border. Syria's stocks of nonconventional weapons and long range missiles and rockets are a source of concern, and require both close monitoring to prevent their falling into the hands of terrorist organizations and the formation of a balance of deterrence with the new players on the various fronts. If the regime in Jordan becomes unstable, the Jordan Valley, the Dead Sea, and the Arava area could also become an active security border.
6. ***The collapse of the PA and the rise of Hamas.*** It appears that concerns about a Hamas takeover on the West Bank, similar to what happened in Gaza, are exaggerated. The IDF controls the West Bank, and operations by the IDF and the PA have prevented Hamas from consolidating a military infrastructure built on its terrorist cells in the West Bank and from there constructing a military force such as the force it had in Gaza before the 2007 takeover. Hamas could theoretically take political control of the West Bank should there be a reconciliation between Fatah and Hamas and a renewed political union of the two geographical areas, but there is little likelihood that this will occur. A more likely scenario is the onset of chaos, followed by a collapse of the PA resulting from its loss of legitimacy, a difficult economic situation, and a renewed outbreak of violence.

7. ***Restrictions on Israel's freedom of action due to the power of the Arab street.*** The increasing sensitivity to public opinion on the part of Arab governments imposes severe restrictions on Israel's freedom of action. In any confrontation on the Sinai border and the Gaza front, Israel must weigh the effects of its actions on its relations with Egypt. It was clear at the time of Operation Pillar of Defense that public opinion in Arab countries, especially Egypt, constituted a heavy constraint in Israel's decision whether to use ground troops in the operation, or more accurately, to refrain from a ground incursion into the Gaza Strip. Indeed, this factor detracted from Israel's threat to expand its operation by sending ground forces into the Gaza Strip.
8. ***Restrictions on Israel's freedom of action due to concern about further delegitimization of Israel.*** The impasse on the Palestinian track, combined with severe international criticism of Israel following Operation Cast Lead (particularly the Goldstone Report), compounds the restrictions on Israel's military freedom of action. The effect of these restrictions was highlighted during Operation Pillar of Defense. A large number of targets, perhaps more than necessary, were ruled out because of concern about a flagrant international response and acceleration of the delegitimization process.
9. ***Heightened security problems.*** The result of many of these developments is liable to be more security problems along the various borders. Sinai continues to be a focus for potential terrorism: jihadist, Palestinian, and a combination of the two. The Egyptian government does not appear determined to take forceful action to address the problem of governmental weakness in Sinai, and initial signs of the development of a similar problem can be seen on Israel's border with Syria. Until now, projectiles fired into Israeli territory have been a byproduct of the fighting between the rebels and the regime, but jihadist elements among the rebels are liable to deliberately divert some of their attention to Israel, especially given the rising chaos in Syria. In addition, it is not clear to what extent the relative quiet prevailing on the Gaza front since the recent round of fighting ended will prove stable and sustainable. It is possible, rather, that the familiar pattern of erosion of restraining factors will prevail in 2013, with armed extremist groups resuming

their activity against Israel from beyond the border with Gaza, and with Hamas, choosing to avoid an all-out confrontation with these groups, either unable or unwilling to suppress them. The likelihood of a third intifada in the West Bank in early 2013 is low, due to both the PA's efforts to contain such belligerent tendencies and preserve calm in the area and because the Palestinian public mood does not favor another round of violence and chaos. Nonetheless the frustration in the West Bank is palpable, and is joined by a rise in violent Palestinian activity and a large number of "price tag" actions by Jewish extremist settlers. An increase in events of both types might evolve into more widespread violence. The mutual deterrence between Israel and Hizbollah on the border with Lebanon is still stable, although developments concerning Iran could undermine this stability.

The Opportunities

Together with the threats, the current situation also presents several opportunities.

1. ***A possible change of regime in Syria.*** The fall of the Assad regime in Syria would severely damage the resistance axis led by Iran. Although Iran would likely find partial substitutes for Syria as a channel to deliver logistical aid to Hizbollah and Palestinian groups, Tehran would find it difficult to maintain some of its ties with these organizations. Hizbollah would be particularly affected, because Syria has been its main source of materiel. Furthermore, the civil war in Syria has also had a strong negative impact on the Syrian army, and it is doubtful if it would be able to take part in a significant military conflict with Israel in the foreseeable future.
2. ***Aggravation of the conflict between Iran and the Sunni Arab countries.*** The two camps are essentially conducting a war on Syrian territory through proxies. The Sunni countries, especially Saudi Arabia and Qatar, are supplying military aid to the rebels, while Iran and Hizbollah are aiding the regime in its battle for survival. This division of roles reflects and reinforces the common interests of Israel and the Sunni countries, which could be reflected in their willingness to cooperate with Israel in an attack against the Iranian nuclear weapons

program. Some of the Sunni world has become more radical, with the strengthening of extremist Salafi Islamic and al-Qaeda elements, but parts are moderate and pro-Western. The challenge of cooperation with more moderate Sunni Islam, which is supported by the Western countries, should prompt the search for opportunities and the promotion of new alliances.

3. ***Common interests with Turkey.*** The Turkish government's "zero problems with neighbors" policy, under which it developed its relations with Syria and Iran, collapsed with the events of the "Arab Spring." As a result of Turkish support for the opposition to the Syrian regime, a conflict has developed between the Assad administration and Turkey, while the competition between Ankara and Tehran for regional dominance has also resurfaced. Turkey thus finds itself in a position in which it must revise its policy toward the regional balance of power and the individual states. The common interests of Turkey and Israel are therefore emerging once again, namely, the replacement of the Assad regime, the stabilization of Syria, and the obstruction of Iran's progress toward nuclear weapons capability.
4. ***Common interests with Egypt.*** The constraints felt by the Muslim Brotherhood regime in Egypt provide for several shared interests with Israel. First, President Morsi is driven by the vital need to improve Egypt's economic situation, and therefore he is in desperate need of Western aid. Cooperation with Israel in stabilizing the situation in the Palestinian arena will make it easier for Egypt to obtain the necessary assistance. On the other hand, the ideological affinity between the Muslim Brotherhood and Hamas, combined with the need to rehabilitate Egypt's status in the Arab world, bolsters Egypt's ability to influence events in the Gaza Strip and restrain parties seeking to escalate the conflict with Israel. From Egypt's perspective, its ability to influence Israel through dialogue and cooperation is an asset that reinforces its status in the Arab world and the global arena. Furthermore, the two countries share an interest in strengthening Egyptian control of Sinai and preventing the activity of armed groups there. All these factors generate an array of considerations that can enable the Egyptian

leadership to overcome its ideological and religious objections to Israel, and engage in pragmatic bilateral relations.

5. ***International recognition and understanding for Israel's security problems.*** During Operations Cast Lead and Pillar of Defense in the Gaza Strip, it emerged that when Israel takes measured action against organizations like Hamas and Islamic Jihad, i.e., minimizes harm to civilians, keeps to a short timetable, and refrains from using ground forces, it receives significant support and freedom of action from Western governments. It also emerged that organizations like Hamas may win Arab public sympathy in such conflicts, but receive little practical support from Arab governments.
6. ***Potential for renewing the political process with the Palestinians.*** Some of the developments in the region may facilitate renewal of the political process with the Palestinians. Recognition of Palestine as an unofficial UN member state constitutes an achievement for the PA, which is likely to enable President Abbas to renew negotiations with Israel without preconditions, as demanded by Israel, or under less hard line terms than those presented and rejected by Israel. Egypt's stronger regional standing is likely to enable it to back the PA's return to the negotiating table. From Israel's standpoint, the mandate to pursue political initiatives earned by a new government following the January elections presents an opportunity to turn over a new leaf in relations with the Palestinians and renew the dialogue with the PA. A resumption of negotiations will also make it possible to improve relations with the US and Europe, and buttress Israel's international standing.
7. ***Energy independence.*** Israel will enjoy more energy independence in 2013. The discoveries of natural gas and its expedited production in 2013 will reduce dependence on unreliable energy sources, support economic growth, and provide the government and the public with additional financial resources. In addition, the gradual freeing of the US from its dependence on Middle East oil as a result of increased production of its own natural gas and oil through the use of new technologies will lessen its dependence on Middle East energy resources.

Engaging with the Threats, Opportunities, and Uncertainties

In a state of uncertainty like that which prevailed in 2011-2012, the tendency is to adopt a policy of entrenchment and passivity aimed at minimizing risks, because any initiative involves some degree of risk. Since the upheaval in the Arab world began, the Israeli government has elected to wait until the dust settles, respond to events when they arise, and upgrade its defense against the various potential threats. This policy has scored certain achievements, particularly because it dictated extreme caution in managing crises and in military responses to violent flare-ups that occurred over the past two years. The potential in the incidents on Israel's border with Sinai and on the Gaza front for a sharp deterioration in relations between Israel and Egypt was resisted. The only relatively large scale military conflict since the fall of Mubarak's government, Operation Pillar of Defense, was limited in scope and reflected this caution. Another factor behind the passivity and caution was that faced with the need to determine its strategy for dealing with the Iranian threat, it would not have been wise for Israel to adopt initiatives and open new political and military fronts in areas that would distract attention from the most important issue – Iran.

At the same time, given the dynamic and risky situation, a passive policy does not halt negative processes, and does not facilitate the creation of opportunities or the realization of existing ones. A passive policy does not counter the negative influence of the increased importance of Arab public opinion in relations between Israel and the Arab world. This policy is likewise of no help in dealing effectively with Israel's growing diplomatic isolation and the delegitimization of Israeli policy, and does not halt Israel's slide into a bi-national state. Nor does a passive stance make it possible to exploit the opportunities for cooperation with the Arab world and Turkey generated by the regional turbulence.

It is therefore necessary to introduce a strong proactive element into Israeli policy that will enable it to minimize risks and take advantage of the opportunities available in the regional and international theaters. The key issues in which initiatives would serve Israel's interests are as follows:

1. ***Broadening the strategic dialogue with the United States, in order to reach clear understandings concerning the Iranian challenge.*** It is vital for the two countries to clarify together the answer as to when the non-military alternatives will be considered exhausted, and when preventing Iran from achieving a military nuclear capability requires a military attack. Consideration should be given to how common intelligence information, similar strategic understandings, and an identical strategic purpose (to prevent Iran from obtaining nuclear weapons) can be turned into agreement regarding the appropriate way that serves the interests of both countries to stop the Iranian nuclear weapons program. Mutual trust between the leaders is essential in order to reach a plan of action that will be acceptable to both sides, and perhaps even coordinated between them.
2. ***Support for a diplomatic solution to the Iranian nuclear crisis.*** It is an Israeli interest that the US and/or the P5+1 reach an agreement with Iran that will define the terms for preventing a breakout by Iran to nuclear weapons capability. Israel should conduct an intensive dialogue with the US and the other countries negotiating with Iran that will include ideas about the various elements of an agreement with a positive attitude toward such an agreement, not in order to foil it. Israel must set criteria for a “reasonable agreement” with Iran – a solution that will both keep Iran several years away from a nuclear breakout and strengthen verification measures. Such a solution is preferable to a strategy with two exclusive alternatives of “an Iranian bomb” or “the bombing of Iran.”
3. ***Renewal of the Israeli-Palestinian diplomatic process.*** It will be difficult for Israel to improve relations with the Arab world and muster effective cooperation to deal with challenges such as Iran’s nuclear program without restarting the political process with the Palestinians. A renewal of the political dialogue is also important in order to block the weakening of the PA and the strengthening of Hamas at its expense, and to stop the slide toward a bi-national state, particularly if Israel develops a parallel interest in regulating its relations with the Hamas government in the Gaza Strip. Willingness to pay a price for restarting the political process with the Palestinians could change the current

dynamics in Israel's immediate and more remote environment. The purpose of jumpstarting the political process is to effect a genuine change in the situation in the Israeli-Palestinian arena. Given the current political reality on both sides, the likelihood of changing the situation through a focus on negotiations for a permanent settlement is low, and it is therefore important to also consider unilateral measures coordinated between Israel, the US, Europe, and even the PA, and partial arrangements in order to maintain the relevance of the political process and the two-state solution. Even Palestinian unwillingness to proceed in negotiations can be leveraged in a way that will serve Israel's goal of realizing the vision of a secure and legitimate Jewish democratic state.

4. ***Building a stable relationship with the new Egypt.*** Israel and Egypt have a common interest in maintaining quiet in Sinai and the Gaza Strip, which can constitute a basis for relations with room for initiatives concerning both new security arrangements in Sinai and the ceasefire with Hamas and the other Palestinian groups active in the Gaza Strip. Amending the military appendix to the peace agreement with Egypt can also constitute ratification of the peace agreement as a whole by the Muslim Brotherhood government – an extremely important issue. It will be difficult for Israel to continue to coordinate policy with the Egyptian military alone; it is important to expand contacts with the new Egyptian government and attempt to conduct a dialogue with the Egyptian public through social media networks.
5. ***Extending cooperation with the Sunni Arab countries.*** In addition to the focus on Egypt, it is worthwhile focusing on other important countries. In Israel's immediate vicinity, this means Jordan. Israel can help Jordan grapple with its economic problems, and obtain aid from Western countries. Agreeing to a Jordanian role in the Israeli-Palestinian arena in the context of the effort to renew the political process could expand cooperation between Israel and Jordan. Where more distant countries are concerned, cooperation with the Gulf countries should receive preference in order to facilitate the building of a coalition against Iran and its nuclear program. In this context, it is important to renew the dialogue on the Arab Peace Initiative. The initiative can

be promoted as a basis for negotiations, not as a document that will determine the parameters of peace before the negotiations themselves.

6. ***Improving relations with Turkey.*** Even if it is doubtful whether the warm relations that prevailed between Israel and Turkey before the rise of the Justice and Development Party can be recovered, better relations with Turkey will help Israel field the negative consequences of the upheaval in the Arab world and assist in the formation of a regional coalition against Iran that includes Israel. In order to promote this goal, the Israeli government should propose an initiative to end the crisis caused by the *Mavi Marmara* incident. The price that Israel will have to pay to settle the dispute was made clear in many contacts with Turkey, and there are reasons to pay it. It is important not to miss an opportunity to use negotiations for arrangements that will facilitate a lull on the Gaza Strip front – negotiations that would be held with Egyptian mediation – to promote understandings with the Turkish government, whose sensitivity to Israel's relations with Hamas is well known.

Conclusion

Israel successfully weathered the Arab upheavals in 2011-2012, and remained an island of stability in the stormy Middle East. Israel's military power, the care it took to avoid being dragged into unnecessary conflicts, and its strong defense and political alliance with the US prevented large scale military clashes. The threat of a third intifada or a wave of non-violent marches on its borders in the style of "Arab Spring" protests did not materialize. Israel displays strong deterrence against both nations and sub-national organizations that control neighboring territories.

At the same time, Israel has not eliminated the existential threat of a nuclear Iran, and has not found a comprehensive solution to the increasing power of terrorist organizations in Lebanon and the Gaza Strip. The erosion in Israel's international status and the challenge to its legitimacy have been the Achilles' heel of Israel's national security in recent years.

The concept of a "year of decision" has become a cliché, and should not be used to describe 2013. Nevertheless, a very challenging spring and summer await Israel in 2013: important and fateful processes have reached

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a stage in which courageous decisions are needed to change negative trends. The Iranian nuclear weapons program, the stability of the peace treaties, the internal struggle in Syria, and renewal of the political process with the Palestinians require a precise and measured combination of a cautious policy that balances a degree of passivity and waiting for events to happen with a creative, proactive policy that will enable Israel to deal optimally with the challenges it confronts in the Middle East and the international sphere.