

## Conclusion

### **A Time for Decisions: Toward Agreements and Alternative Plans**

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In 2013, Israel's national security balance sheet was largely positive. In contrast, in the second half of 2014, complex and problematic processes underway in the region – including the efforts to contend with the Iranian nuclear program, the effort to resolve the Israeli-Palestinian conflict, the upheaval in the Arab world, and stature of the United States in the Middle East – can be expected to pose significant challenges to Israel's security. The positive components of the balance sheet should make it easier for Israel to formulate a solution to various challenges through agreements, or, if agreements cannot be reached, to devise suitable alternatives. In any case, this is a time for Israel to make decisions and take political and security initiatives in order to arrest adverse trends and prevent the negative items in the balance sheet from developing into clear and immediate threats and dangers.

#### **The National Security Balance: Principal Positive Components**

- a. Israel enjoyed almost complete tranquility on its borders. Israel's deterrence is very strong and is patently effective against neighboring countries and terrorist organizations with strongholds in Lebanon and the Gaza Strip.

- b. Despite the upheaval in the Arab world, Israel's peace treaties with Egypt and Jordan have been maintained.
- c. President Barack Obama's visit to Israel in March 2013 and the unequivocal US support for Israel in the security sphere, which includes preservation of Israel's qualitative edge and the development of its missile defense capabilities, have upgraded the IDF's powers and continue to constitute an important element in Israeli deterrence.
- d. The Syrian military, which is preoccupied by the civil war, has been drastically weakened. It has lost many soldiers and a great deal of equipment, and its chemical weapons are in the process of being dismantled.
- e. Hizbollah is engaged in the fighting in Syria, and is thereby losing legitimacy in the Arab world in general and in Lebanon in particular. There has been no response to air strikes, attributed to Israel, against high quality weapons en route to Hizbollah from Syria.
- f. The standing of Fatah and the Palestinian Authority (PA), headquartered in Ramallah, improved, while the stature and power of Hamas, which controls the Gaza Strip, has been greatly weakened. This balance of power in the Palestinian arena facilitated the renewal of negotiations between Israel and the PA on a permanent agreement – a development that to some extent has relieved the international pressure on Israel and slowed the delegitimization campaign waged against it in recent years.
- g. Iran's economy was significantly damaged both by the international sanctions and by poor economic management under former President Mahmoud Ahmadinejad. For the first time in a decade, Iran came to the negotiating table in a position of weakness, compared to the major powers leading the effort – the P5+1, and foremost among them the US – to block Iran's march toward nuclear weapons capability. The talks concluded with an interim agreement designed to slow the progress of Iran's nuclear program and even roll it back slightly.
- h. The Muslim Brotherhood regime was overthrown in a military coup with civilian support. The Egyptian military, which of all the elements active on the Egyptian political scene is the most positive for Israel, is back in the driver's seat. The Egyptian military is fighting the terrorist

groups operating in Sinai with great determination, and is hostile toward Hamas.

- i. A broad confluence of interests between Israel and Arab countries belonging to the moderate Sunni world, especially the Gulf states, has emerged. This meeting of the minds is based on a similar perception of the developments involving Iran, Syria, and Egypt, and on similar preferences regarding the changes underway in the Arab world.
- j. Threats of a major wave of terrorism by global jihad from the areas in the Syrian Golan Heights and Sinai not under centralized control did not materialize over the past year.
- k. A preliminary agreement to end the crisis between Israel and Turkey was achieved. From Israel's perspective, the weakening of Turkish Prime Minister Recep Tayyip Erdogan is also a positive development.
- l. Natural gas from the Mediterranean is again flowing into Israel – this time from the richer fields in Israel's northern economic waters. This development makes it easier for Israel to bear the cost of energy, and upgrades its geopolitical standing.

### **Upsetting the Balance**

Looking ahead, there is cause for concern about negative long term strategic processes that pose significant potential challenges and risks to Israel's national security. At the heart of these processes are four key issues that confront Israel's strategic thinking and demand proactive policies that depart from the status quo and convert the negative trends into a strategic situation that is more favorable to Israel. These four issues appear to be independent of one another, but in fact the linkage between them will become more significant in 2014.

The first of these issues is the Iranian nuclear program. The risks of the coming year include the possibility of Iran reaching the nuclear threshold, and the possibility of an agreement between Iran and the major powers that will leave Iran the capacity for continued progress on its nuclear program, while weakening the principal US leverage for pressure on Iran: the sanctions regime and the credibility of the military option.

The second challenge is the Israeli-Palestinian political process. Among the potential political and security consequences of failed negotiations are

a diplomatic and legal campaign against Israel in the international arena and intensified boycott efforts, as well as the (less likely) development of another round of violence in the West Bank and the Gaza Strip.

A third threat may emerge from the upheaval in the Arab world and its effect on Israel's neighbors, i.e., Syria, Egypt, Jordan, and Lebanon. Instability in these countries, and especially weakened central governments, will have consequences that threaten Israel's national security.

The fourth challenge concerns US policy in the Middle East. At issue here is a possible change in emphasis in American foreign policy, given the growing interest of the US administration in Asia and the weakening of American influence in the Middle East. US reluctance to use military force in regional crises and a focus on diplomatic measures, some problematic, are liable to pose a strategic challenge to Israel.

In the second half of 2013, following election campaigns of previous months and the formation of new governments in the US, Israel, and Iran, several diplomatic processes began that will have a significant effect on developments in 2014: the interim agreement signed by Iran and the major powers in Geneva in November 2013 as a step toward a comprehensive resolution of the Iranian nuclear issue; the nine-month period allotted to negotiations between Israel and the Palestinians, which will expire in April 2014; and the process of dismantling Syria's chemical weapons, which is slated for completion in 2014, along with a possible process toward some settlement between the warring parties in the civil war.

These processes will all converge in the late spring-early summer of 2014. Their progress and results will directly affect Israel's core security issues and require the government to take difficult decisions. Postponing decisions is always an option, but responsible leadership must be particularly sensitive to timing. It must recognize when postponing a decision exacts a heavy price, such as the diplomatic price that will accompany Israel's being held responsible for failure of the negotiations with the Palestinians. It must identify when it is right to await the result of diplomatic processes in the international arena and to delay decisions about Israeli action, for example, if the Western powers promote a solution to the crisis with Iran that meets Israel's security interests. And it must determine what does not require decisions, but does require careful monitoring and readiness for

negative developments, such as an outbreak of fighting on the northern front (on the border with Syria or Lebanon) or a change of regime in Egypt and/or Jordan. Furthermore, responsible leadership will be able to take advantage of opportunities for cooperation with pragmatic Sunni countries to promote joint interests.

### **Iran's Nuclear Program**

Iran's progress in uranium enrichment, along with the construction of a heavy water reactor at Arak – a key element in obtaining nuclear weapons on the plutonium track – meant that in 2013 Iran drew closer to an ability to break out to nuclear weapons within a short time. A few months will suffice to build the first device, and it will take one year to obtain an operational weapon. Once the Arak reactor becomes hot, no military attack will be able to stop Iran from obtaining a nuclear weapon, primarily because of the extensive environmental damage that such an attack would cause. This development, combined with the fear of an Israeli attack against Iran, confronted the US and the world powers with the urgent need to decide between three alternatives: to continue the current policy of intensifying sanctions in order to translate the growing economic pressure on Iran into an agreement and arrest Iran's progress toward a short breakout capability, and even roll back its progress by a few years; to use the military option if there is no progress toward an agreement; or to accept a reality of Iranian breakout capability and its achievement of nuclear military capability.

The increased effectiveness of the sanctions and Iran's aggravated economic situation provided the background for mounting pressure in Iran's internal arena for change. Hassan Rouhani, the more "moderate" candidate, was elected president in June 2013. In his election campaign, he spoke in favor of a more flexible position by Iran on the nuclear question and improved relations with the West. Rouhani won by an overwhelming majority in the first round of the elections. Many reasons were given for the acceptance of the election results by Iranian Supreme Leader Ali Khamenei, the real decision maker in Iran, in contrast to his decision to tamper with the results of the preceding elections. Perhaps this decision reflected the realization that the nuclear project, for many years considered an asset that contributed to the regime's stature and stability, had to some

extent become a burdensome threat. If so, the Iranian leadership must decide between continuing the nuclear program in its current format, perhaps while making do with the civilian program, or, if the economic pressure cannot be relieved, completing the program and breaking out to a bomb.

Against this background, negotiations resumed between Iran and the major powers, reflecting the desire of both sides to refrain from choosing between alternatives that would incur overly high costs. Tehran seeks to ease the economic pressure and distance the threat of military action, while the US and its allies seek to avoid the price of military action against the nuclear program, whether by the US or by Israel, or the price of Iran with a nuclear military capability. All parties therefore began the negotiations with the feeling that failure was not an option, and all displayed willingness to soften their traditional positions.

After the adoption of the Iranian proposal to conclude an interim agreement quickly that would enable the parties to negotiate a final agreement during a limited period of 6-12 months, the parties negotiated intensively in Geneva and agreed on a Joint Plan of Action. Its thrust is a halt in the progress of the Iranian enrichment program and its partial rollback in exchange for a partial removal of sanctions. The agreement was criticized on both sides; conservative parties in Iran objected strongly to the deal. Of those opposing the Iranian nuclear program, Israeli criticism was particularly vocal, reflecting the idea that to a large degree the interim agreement indicates Western willingness to ultimately accept an agreement that will leave Iran with complete control over an active nuclear fuel cycle and the ability to break out to a nuclear weapon. Furthermore, if no further agreement is concluded, the interim agreement will de facto become a permanent situation, at least indefinitely, i.e., Iran will retain the ability to break out to a nuclear weapon within a short time. Once the agreement was signed, it appeared to fulfill its original purpose and give the parties breathing room for negotiations on a comprehensive agreement. Under the likely assumption that the parties reach agreement on the technical aspects of the interim agreement, following which the negotiations on a full settlement will begin, each party will have to decide how to take advantage

of the allotted time in order to maximize the chances of achieving results that will serve its strategic aims, and what it will do if the negotiations fail.

Iran will have to choose one of two possibilities. It can act on the belief that through limited and non-substantive concessions it can preserve most elements of its nuclear program, including the ability to break out to a nuclear weapon within what it regards as a reasonable timetable, while achieving its goal of removing the sanctions and removing the military threat. It can attempt to promote an agreement with the major powers and create momentum toward easing of the sanctions, by creating a positive atmosphere of negotiations and cooperation. Iran could also decide in principle to settle for a civilian program through concessions that will make a breakout to a nuclear weapon impossible, but maintain its national honor and give the impression that the regime has adopted a firm stand. It is fairly clear that the Iranian negotiators will pursue the first possibility. The key question is what Iran will do if it does not make more substantial concessions and the negotiations are on the brink of failure, at which point it will have to analyze the consequences of failure for Iran's economy and regime stability and decide what path to take.

The P5+1 will also have to make several decisions, although a decision on some issues has apparently already been taken. The first is whether the only subject for discussion is the nuclear program, or whether it is worthwhile broadening the dialogue to other areas of Iranian behavior (such as support for terrorism). It appears that this question has already been decided, and the talks will be limited strictly to the nuclear program. This is a reasonable choice, because introducing other elements into the negotiations will only complicate them and interfere with their chances for success. Solving the nuclear issue will make the rest of Iranian wrongdoing easier to deal with. Regarding the economic pressure on Iran, sanctions against the nuclear program will need to be separated from sanctions against other elements of Iran's behavior in the international arena.

Another issue that has already been decided is whether under a full agreement Iran will be allowed to enrich uranium. The realistic assessment is that no agreement is possible that does not give Iran some enrichment capability. The critical question, therefore, is what combination of parameters in the agreement – the number and type of centrifuges, level of

enrichment, amount of enriched material that Iran will retain in its raw state, neutralization of the plutonium reactor, closure of the Fordow enrichment site, and strict inspection of Iran's nuclear activities – will in fact roll back the program and lengthen the time required for breakout and increase the chances of early detection. What if, however, an agreement with Iran is not reached? Will the time allotted to negotiations and the interim agreement be extended? Will failure be declared, and if so, what will follow? Without doubt, the six parties negotiating with Iran, each with its own different interests, will find it difficult to agree among themselves on these questions, not to mention reach agreement with Iran. The US has already begun to address the dilemma of maintaining the sanctions regime (except for the sanctions whose removal is stipulated by the interim agreement) and preventing their erosion. Later, the administration will have to decide whether and how to preserve the credibility of the military option, which has already been undermined. The administration will also have to address the specific problem of a Congress with a fairly confrontational attitude on these issues, which will attempt to take measures that the administration sees as detrimental to the negotiations.

Israel, which is particularly threatened by the Iranian nuclear project, will also have to make several decisions. Clearly Israel has no possibility of exercising a military option during the current negotiating period. The Israeli government will therefore have to decide whether continued negotiations beyond the allotted period will make it necessary to revive the military option. If the negotiations fail, Israel will have to decide whether to realize the military option, or whether to first consider the possibility of additional sanctions. The key question that Israel must address, however, is how to keep the US, and the other major powers, from conceding the important elements of an acceptable agreement with Iran that will deny Iran effective breakout capability. This goal can only be achieved through intensive dialogue with the major powers, headed by the US.

Other questions that Israel must face involve military force buildup. The most important of them is whether to preserve only military capabilities that are important generic capabilities in theaters beyond Iran (an option with a reasonable price), or whether to continue development of additional capabilities in order to make sure that the Israeli military option vis-à-vis



Iran is maintained, despite the significant cost entailed by development of military capabilities for the long term. Given the socioeconomic situation in Israel, the second possibility appears more problematic.

Accordingly, Israel should strive to reach agreement with the US administration on the definition of a reasonable deal, the parameters of such a deal, and the alternative plan for stopping Iran if no agreement between Iran and the major powers is reached. Israel must also maintain a credible military option in case the alternatives fail.

The area of agreement between Israel and the US, combined with the major powers' ability to maintain the sanctions regime, a credible military threat coming from the US and Israel, and the power of Iranian President Rouhani in the internal power struggles in Iran, are variables that will determine the outcome of the Iranian crisis.

### **The Israeli-Palestinian Political Process**

Defying predictions that President Obama, who failed to restart Israeli-Palestinian negotiations during his first term, would assign a low priority to the Israeli-Palestinian political process in his second term, US Secretary of State John Kerry has made the renewal of negotiations between the parties a high priority. His determination and persistence succeeded in making the Israelis and Palestinians forego the conditions they had set for renewing negotiations.

The nine months allotted to these negotiations will expire in April 2014, and the chances that this round of talks will succeed are slim. The gaps between the respective positions are wide, and the mutual distrust complicates any efforts to narrow the gaps. Each of the parties believes that the other will be unwilling to make the minimum concessions necessary to formulate an agreement. The Israeli side does not believe that the Palestinians will accept an agreement that guarantees Israel adequate security, agree to an end of the conflict and all claims, and concede the so-called right of return. For their part, the Palestinians do not believe that the Israeli side is willing to return to the 1967 borders and allow the Palestinians to make East Jerusalem their capital. From the Palestinian perspective, Israel wants to continue controlling the West Bank through other means, and is therefore making "excessive" security demands.

The US has attempted to bridge the differences between the parties by formulating a compromise proposal on security, under the assumption that agreement on this issue will lead to a breakthrough and progress on other disputed issues. The American mediators apparently feel that once Israel's security demands are met, Jerusalem will be more flexible in other areas. For this reason, General (ret.) John R. Allen and his staff, who drafted the American proposal on security, have spoken mainly with the Israeli side. The Palestinians, who judged the proposal as biased in favor of Israel, rejected it. This American effort to mediate on the security issue only revealed how wide the gaps between the parties are. If the Palestinians have shown no flexibility on the security arrangements between the parties, which appear to be less of a problem, it is hard to believe they will be more flexible on the end to the conflict or on refugees demanding the right of return.

Nonetheless, Israel and the Palestinians will likely fulfill their promises to continue negotiating until April 2014, despite the difficulties and pitfalls. At the same time, they will both have to contemplate what to do if the negotiations over a final settlement are unsuccessful.

Israel must take into account that this may be the last opportunity to reach a two-state solution. Processes on the ground are underway that can make the trend toward a one-state situation irreversible, with all the risks that this development presents to Israel's Jewish and democratic identity and the Zionist vision. Possible additional results of a failure to reach an agreement include the weakening of the PA to the point of collapse and a decision by international players – especially the European Union – that there is no point in continuing to invest in the unsuccessful project called the PA. A halt or a serious reduction in the international aid to the Palestinians would leave maintenance of the Palestinian territories, with all concomitant political and economic problems, solely in the hands of Israel, because as long as there is no agreement between the parties, the international community regards Israel as responsible for the welfare of the population in the territory under its control.

There are also signs that the sentiment on the Palestinian “street” is moving toward support for a renewal of violence against Israel. In recent years it was reasonably certain that the Palestinians had no desire to return

to the chaos and suffering of the second intifada and that the prevailing atmosphere was therefore opposed to violence, but it appears that there are incipient signs of change. The passage of time has had an effect; the children of the intifada are now young adults for whom past memories of 10-12 years ago exert no restraint. When growing frustration among the Palestinian public about the lack of a political process is added to the equation, a change in trend appears more plausible. The relative increase in “populist” terrorist attacks – not initiated by the organizations – may signal this change of atmosphere, and it may be only a question of time until the outbreak of a third intifada. Such an outbreak would differ in nature and scope from the riots in the Palestinian territories in the late 1980s and early in the twenty-first century. These developments are also liable to accelerate the existing efforts at delegitimization of Israel in the Western world. It therefore follows that the status quo does not serve Israel’s strategic interests, and that an alternative plan is required.

As of now, the only other evident plan is the Palestinian “alternative plan.” In the short term, this plan focuses on a vigorous comprehensive diplomatic campaign against Israel in the UN and international institutions in order to obtain recognition of a Palestinian state within the 1967 borders and heighten the delegitimization of Israel. In the long term, the Palestinians are likely to seek a one-state solution. Israel should prepare for these possibilities by offering its own alternative plan. It cannot leave the status quo and the Palestinian alternative plan as the only games in town.

Israel’s policy should ensure that it will not be saddled with the blame for failure of the negotiations. This is an essential condition for successful handling of the Palestinian alternative strategies. It therefore follows that Israel should find room for maneuvering in the negotiations that will make it possible to demonstrate enough flexibility and readiness to bridge the gaps in positions, which will motivate the Palestinian side to continue negotiations after April 2014. If the United States submits a proposal for a framework agreement or principles for a final settlement, Israel should make every effort to respond positively to most of the principles, demonstrating, at the very least to the United States, that it cannot be blamed for failure of the negotiations. This issue will also have consequences in the internal

Israeli arena – it will reinforce the sense of justice and the lack of other choices, especially if a violent conflict develops.

A recommended strategic alternative for Israel is to advance toward a two-state situation, even if there is no full agreement between the two parties. These measures can be taken either through agreement between the two sides or unilaterally. Negotiated measures are clearly preferable, because they involve commitments by both sides. The Palestinian leadership, however, strongly opposes partial agreements, which it regards as a means for Israel to perpetuate its control over the West Bank and dictate a one-sided Israeli solution. At the same time, the Palestinians may change their attitude toward this idea when they face a concrete risk of failure of the talks.

There are various ways to encourage the Palestinians to accept such interim agreements. One is to give up the principle of “nothing is agreed until everything is agreed,” which will enable negotiations for a permanent settlement in tandem with partial agreements. The two sides will be able to identify areas in which agreement can be reached and implemented while the negotiations continue. A second way is to portray the partial agreements as a continuation of the 1995 interim agreement. Indeed, the third stage of IDF redeployment stipulated in this agreement has not yet been carried out. If the parties manage to agree on principles for a permanent settlement, even without details, it will be easier to begin implementing partial agreements.

Unilateral measures, whether coordinated (ideally) or uncoordinated (less preferred) with the Palestinian side are the last option, but likely the only one to remain that depends solely on Israel if the Palestinians reject partial solutions. It will also be difficult for Israel to embrace the idea of unilateral measures, given the Israeli public’s view of the outcome of the unilateral measures in southern Lebanon and the Gaza Strip. However, notwithstanding the poor outcome of those measures, the strategic decision underlying them was sound: most of the Israeli public did not want to retain control of the security zone in Lebanon or to retain control of the Gaza Strip. Rather, the problem lay in the implementation of the decisions. Lessons drawn from the 2000 withdrawal from Lebanon and the 2005 withdrawal from Gaza can help ensure correct implementation if Israel decides to outline its borders unilaterally. In this framework, any unilateral

measure must be preceded by a proposal that is considered generous by Israel's Western allies and would be implemented in coordination with them, which will earn legitimacy for Israel's policy. IDF forces should remain in the Jordan Valley in order to prevent the smuggling of weapons and terrorists into the West Bank, with territory retained as a bargaining chip in future negotiations on a permanent settlement. Jewish residents of the evacuated areas must be relocated and appropriately compensated.

The Palestinians will also have to consider what to do if the talks fail. At the strategic level, they will have to decide whether to abandon the two-state solution and adopt a strategy that opts for one state. More than a few Palestinians see advantages in this strategy, due to their confidence that they will win the demographic race. At this stage, the leadership in Ramallah is still inclined toward a two-state strategy, but through means other than negotiations. One way under consideration is to obtain UN recognition of a Palestinian state; another way is through "popular resistance."

These two methods have many weaknesses. By appealing to the international community and international institutions, such as the International Criminal Court, the Palestinians would alienate Israel and accelerate the process of its delegitimization, but these two solutions can yield only slow and limited fruit, and it is doubtful whether they will prompt any significant change in the Israeli government's position. "Popular resistance," which is fundamentally non-violent or violent to a limited extent (e.g., stone throwing) also involves an internal contradiction. If it is conducted carefully and controlled by the Palestinian leadership in order to avoid escalation to full scale violence, it will not have any substantial effect on Israeli policy. On the other hand, if it takes place on a large scale with little control, escalation to massive violence by both sides becomes more likely. It is doubtful whether the Palestinian leadership, which itself has a problem with internal legitimacy, will be able to stand at the head of widespread "popular resistance," and it is not at all clear that such a popular uprising would not be aimed first and foremost at the PA leadership itself. Recognition of the weaknesses of these options is likely to lead the Palestinian leadership to consider continuing the negotiations in 2014.

The US must also make important decisions. First, the American team must consider the right way to present the framework agreement to the two

parties, and what degree of pressure is best applied to encourage them to accept this format. Another question is at what stage of the nine months allotted to this round of negotiations, and according to which criteria, will it become necessary to announce the impending failure of the talks, and how to proceed if this occurs. One alternative is a dramatic lessening of American involvement on the Israeli-Palestinian channel, meaning a return to the administration's policy of Obama's first term. It is doubtful, however, whether Kerry will recommend this, given his wholehearted commitment to the issue. The United States can also consider promoting the idea of gradual progress toward a two-state reality through various means, and try to extend the period of time allotted for negotiations.

In the context of this discussion, the dilemmas relating to the Gaza Strip under Hamas should also be addressed. At this point, it appears that Israel, the PA, and the US have adopted an approach in which agreements will apply solely to the West Bank, and even then only gradually. This does not, however, free those involved in the negotiations from the need to decide on a policy for the Gaza Strip.

There are three possible alternative policies regarding the Gaza Strip. The first is to continue the current policy of containing Hamas. This policy is becoming more complicated because of the pressure that the Egyptian regime is exerting on Hamas, which it regards as an extension of the Muslim Brotherhood. This pressure is reflected in the closing of the border crossings between Egypt and the Gaza Strip, as well as Egyptian action against the terrorist infrastructure in Sinai and weapons smuggling into the Gaza Strip. These measures, combined with the distancing of Hamas from its Iranian patron as a result of Iran's support for the Bashar al-Assad regime, have impacted negatively on Hamas, particularly its economic and political situation. They have also increased the Gaza Strip's dependence on Israel and undermined the main objective of the Israeli withdrawal, namely, separation from the Gaza Strip. The pressure on Hamas is liable to cast it into dire straits and propel it back into confrontation with Israel – especially given its efforts to rebuild its terrorist infrastructure in the West Bank and launch terrorist attacks from the area – even though this is clearly a risky course for the organization. Operations against Israel originating from the Gaza Strip itself, such as rocket fire, terrorist attacks

that use tunnels in order to penetrate into Israeli territory, and so on, will draw a severe response from Israel that Hamas will have trouble absorbing, given its lack of support in Egypt and its isolation from weapons supplies. Containing Hamas is therefore the desired alternative, but at the same time, action should be taken to reduce the Gaza Strip's strategic dependence on Israel as much as possible.

The second alternative is to join Egypt in the effort to overthrow Hamas in the Gaza Strip through a combination of political means (pressure to hold elections in the PA), continued economic pressure, and even military means. This alternative prompts the question regarding a replacement for the Hamas government. It is unclear whether there is a real alternative to Hamas rule in the Gaza Strip, and if there is, what it will consist of. It is also difficult to see how Mahmoud Abbas can regain control of the Gaza Strip without general elections, not to mention the fact that there is little chance that Hamas, now at its lowest point, will agree to hold elections. As long as it is unclear whether there is a united and strong enough pragmatic force that can replace Hamas rule without external military intervention, this strategy is not recommended for Israel.

The third alternative for the Gaza Strip is to exploit Hamas's distress in order to cause a dramatic change in its policy that will force it to become a (silent) partner in the political process. To implement this policy, a dialogue with the organization is necessary that will clarify whether pushing Hamas in this direction is possible. While exploring this possibility is worthwhile, at the moment it appears that conditions are not yet ripe for a scenario whereby Hamas abandons its ideological position that opposes recognition of Israel and advocates violent resistance.

### **The Upheaval in the Arab World**

The biggest change in the Arab world in 2013 was reversal of the trend regarding the rising strength of political Islam, specifically, the Muslim Brotherhood and movements with similar views on the role of religion in society and the state. The most significant development in this context was the overthrow of President Mohamed Morsi in Egypt by a mass protest movement and the military. This coup had major repercussions throughout the Arab world. It encouraged opposition to the Muslim Brotherhood in

other countries and weakened its popular support and overall standing in many places. This development will make it easier to contain the threat posed by the Muslim Brotherhood to other regimes in the region, including Jordan. Indeed, the Muslim Brotherhood government in Tunisia was forced to resign and was replaced by a government of technocrats.

The question is what will succeed the Muslim Brotherhood, once deemed the rising star of the regional upheaval. One possibility is a return to military dictatorship, which is what occurred in Egypt. In an era in which the public is aware of its power and has largely lost its fear of rulers, however, it is unclear whether a military dictatorship is sustainable. Another possibility is a weakening of the state and a loss of governance, along with the risk of the collapse of states and/or their becoming failed states. Still another possibility is the rise of more extreme Islamist groups, including al-Qaeda, Salafi, and jihad elements. In Syria, for example, a process is underway that combines these two possibilities. In any case, these developments are exerting a major effect on the regional balance of power, reflected mainly in the intensified struggle between the Sunni axis led by Saudi Arabia and the Iran-led Shiite axis.

These developments contain both risks and opportunities for Israel. The instability and governmental weakness in nearby states increase the likelihood that armed non-state groups will penetrate into the border areas and make the problem of regular security more acute. This trend is already evident in Sinai, and is beginning to take hold in Syria in areas close to the border with Israel. At the same time, the challenge posed by an increase in terrorist activity on Israel's borders by terrorist groups such as al-Qaeda, which is not new, has thus far not materialized into a strategic threat, and Israel has handled it well. It is right to continue preparing to deal with this threat and to formulate a suitable doctrine – but it should not be described as a tsunami that poses an existential threat to Israel.

At this stage, it appears that from Israel's perspective, the opportunities presented by the upheavals in the Arab world outweigh the risks they incur. First, the worsening of relations between the Sunni and Shiite axes and the weakening of the Shiite axis, primarily as a result of the civil war in Syria, has broadened Israel's room to maneuver in the Middle East and created an opportunity to expand its cooperation with the Sunni axis countries. The



possibility that the Assad regime will survive the civil war exists and has even become more likely, given the stalemate in Syria between the regime and the rebels, but the regime will in any case be much weaker. Hizbollah, allied with the Assad regime, has suffered political damage as a result of its involvement in the Syrian civil war.

The Muslim Brotherhood's reversal of fortune also expands the potential for cooperation between Israel and the moderate Sunni countries, some of which were formerly defined as the pro-Western camp in the Arab world. On the concrete level, anxiety about deterioration in relations between Israel and Egypt has been removed. Coordination between Israel and Egypt on terrorism in Sinai and against the Hamas government in the Gaza Strip has been upgraded. There is still a degree of long term risk, because it is hard to predict the response of the Muslim Brotherhood, which maintains a strong grip on large sections of the Arab societies, to suppression by military force or to the pressure of the liberal public. The possibility of a decline into civil war in Egypt remains, and this would have severe consequences for Israel due to the geographic proximity and Egypt's central role in the Arab world, but this scenario is unlikely.

Furthermore, the weakening of the central governments in countries near Israel and their focus on internal problems greatly weakens the conventional threat to Israel posed by their armies – even if the relative weight of irregular and asymmetric military threats in the region has increased as a result. As long as Iran does not obtain nuclear weapons capability, the threat of weapons of mass destruction in the Middle East is now reduced. Following the threat of American military action, Syria, the country with the greatest capability in chemical weapons, has agreed to dismantle its chemical arsenal and apparently its biological arsenal as well.

Some have argued that events in the Middle East have proven that there is no link between the leading strategic issues facing Israel: for example, there is no connection between the Iranian nuclear program and the Israeli-Palestinian issue. The Persian Gulf states are more worried about the Iranian threat than the Palestinian issue, and there is therefore no connection between their willingness to act against Iran and developments on the Israeli-Palestinian track. A reasonable argument can also be made that underlying motivation for Iran's nuclear program is unrelated to Israel

and the Arab-Israeli conflict. Even if true, however, it is equally true that the ability to take advantage of the potential for cooperation between Israel and Middle East states highly depends on what happens on the Israeli-Palestinian track, given Arab public opinion on the Palestinian issue. Furthermore, if Iran is exploiting hostility to Israel in the Arab world to enhance its influence, lessening the hostility toward Israel on the Arab street should therefore be an important tool in the struggle against the Iranian axis.

When Israel makes decisions about its policy on the Iranian nuclear issue and on weapons of mass destruction in general, as well as on the Israeli-Palestinian issue, and weighs developments in the neighboring countries affected by the upheaval in the Arab world, it should take this linkage into account. If Israel has an interest in the creation of a regional security regime in the Middle East based on cooperation with at least some of the countries in the region, it should therefore recognize that crises or successes on the Israeli-Palestinian track or developments vis-à-vis Iran will have an enormous effect on the ability to make progress toward this objective.

### **The Status of the US in the Middle East**

The strategic partnership with the US is one of the cornerstones of Israel's strategic position and its deterrent power. Any weakening in the status of the US in the Middle East therefore has a direct and negative effect on Israel's strategic position. The image of American power and its ability to exert influence in the region and elsewhere in the world has declined greatly in recent years. Some assert that the weakness is real, due to US failures in Iraq and Afghanistan and the withdrawal of American forces from those countries without achievement of the objectives for which they were sent in the first place. Another factor noted for weakening America's status in the Middle East is the US response to the "Arab Spring," which led its allies to sense that they would be abandoned in time of need. Others argue that the weakness in question is mainly a matter of image, and that in reality the US has merely accepted the limits of its power that have always existed. Regardless, image is also significant, and a weak image

undermines US influence on its allies in the Middle East. Unquestionably, the US has shown reluctance to use the force at its disposal.

Furthermore, the Obama administration itself has declared that the importance of the East Asian and Pacific region has risen in comparison with the Middle East, and is accordingly adjusting its strategic emphasis and pivoting toward East Asia. In addition, the US is approaching energy independence, following dramatic developments in the cultivation of its own oil and gas resources. These trends have aroused concern that the US has not only become weaker, but is even planning to abandon the Middle East.

However, it does not appear that this extreme claim is grounded in strong evidence. The US will continue to regard the Middle East as an important region in every strategic respect – energy, the home of Islamic terrorism, the Suez Canal, Israel's security, potential proliferation of nonconventional weapons, and Iran's hegemonic aspirations. Given China's increased importance, Chinese dependence on energy from the Middle East will also require the US to maintain significant means of exerting influence in the region. Moreover, any analysis regarding a major power alternative to the US in the Middle East reveals that no country can in fact replace the US and invest the necessary resources to address the region's problems. The argument heard in certain circles in Israel, namely, that Israel needs to search for other allies to replace the US as its strategic backer, has no basis in reality. No other power has supported Israel in the international diplomatic arena over the past 57 years, or has consistently vetoed anti-Israel resolutions in the UN. No other power has granted Israel over \$3 billion annually in military aid, and there is no comparison to the strong and influential pro-Israel lobby (in particular, AIPAC).

It appears that the US is well aware that failure to deal with Middle East problems would be self-damaging. This could invite shocks to the global energy market that would harm US allies and in turn the US itself (despite its energy independence); violence originating in the Middle East (the memory of September 11, 2001 is still fresh); and proliferation of weapons of mass destruction. It can therefore be assumed that announcements that the US is abandoning the Middle East are premature.

Israel's actions also greatly affect the standing of the US in the Middle East. Undercutting important US diplomatic efforts, or activity that highlights the inability of the US to influence close allies dependent on its aid in many areas will not strengthen American standing in the Middle East. Israel should therefore consider how to help strengthen the American position in the Middle East – even if this incurs significant costs.

### **Recommendations for a Proactive Policy**

Israel faces important decisions involving the Iranian nuclear program, Israeli-Palestinian relations, its relations with Arab countries, and its relations with the US. In many cases, there is strong linkage between the different decisions. Sometimes, when the price of decisions and the level of uncertainty concerning the policies derived from them are high, there are good reasons for postponing the decisions. It appears, however, that in 2013, Israel neared the point at which the time for postponing decisions has run out. The price of avoiding decisions is greater than the risk of making them, while the regional conditions, which are favorable for Israel's balance of power with its neighbors, make it possible for Israel to take risks that were previously untenable.

According to a popular refrain sounded in Israel in the initial period following the “Arab Spring,” times of uncertainty are bad for taking decisions, and decision making should be avoided while awaiting times of greater stability. This maxim is no longer valid. It reflects a passive approach that assumes that Israel is unable to influence developments in the Middle East. It is true that Israel does not have much influence over internal developments in regional states, but it does wield influence on how these developments will affect it and its relations with regional actors. Israel is an important player, although not the only one, and both the actions it takes and the actions it does not take are significant. For this reason, Israel should cultivate initiative and pursue a proactive policy, taking advantage of opportunities and addressing risks while considering the linkage between various channels and challenges. The Israeli government should recognize the fact that the collapse of the Israeli-Palestinian political process will have consequences far beyond the Israeli-Palestinian arena itself, while

the same is true for decisions on Iran, the Arab states, and relations with the US.

Above all, a proactive Israeli policy should include an alternative program (Plan B) in case the diplomatic efforts fail on the two leading issues for its national security: the talks between the major powers and Iran, and the talks between Israel and the Palestinians.

Talks in Geneva with Iran may prove unsuccessful, if there is a failure to reach a final agreement, there is a gross Iranian violation of the interim agreement signed in November, or an agreement is reached that Israel considers bad, i.e., one that puts Iran only a few months away from obtaining a bomb. Israel should maintain its ability to take independent action to prevent Iran from attaining nuclear weapons capability. An attack is a bad option, but it is still better than a situation in which Iran attains nuclear weapons capability. Preserving Israel's capability will also maintain the credibility of the military option during the talks with Tehran. This threat was a key factor in the imposition of effective sanctions on Iran and in persuading the regime in Tehran to agree to serious talks with the major powers, and it will be essential in persuading the Iranian regime to agree to significant concessions on the nuclear issue.

Devising an alternative plan in coordination with Israel in the event that the talks with Iran fail will help the US promote its dual objectives on the Iranian question: prevent Iran from becoming a nuclear power and prevent a military attack. The US administration will be mindful of a situation in which Iran drags its feet in the negotiations, or commits a gross violation of the signed agreements. The US has two main tools for exerting pressure, which helped it persuade Tehran to negotiate over its nuclear program. The first is the economic lever – sanctions against the Iranian economy, including its energy industry and in the financial sphere. The US will have to apply stronger economic pressure against Iran if Tehran refuses to moderate its positions, including additional sanctions by Congress and measures against imports of Iranian oil by Russia, China, and India, whose trade with Iran has been less significantly affected until now. The US will also have to bolster the credibility of the military threat by means of a clearer commitment by President Obama that if Iran thwarts the diplomatic efforts to solve the crisis, the US will be willing to take military action in

order to prevent Iran from completing its nuclear program. Underscoring American determination and reinforcing its commitment to denying Iran nuclear weapons will improve trust and coordination between the American administration and Israel, and enable Jerusalem to make its stand more flexible, thereby giving Washington more room to maneuver in the negotiations with Iran.

In addition, Israel needs to devise an alternative plan on the Palestinian question. The choice Prime Minister Netanyahu faces today is between maintaining the status quo and being dragged into a situation in which the Palestinian alternative to negotiations gains recognition and support in the international arena, with Israel suffering growing delegitimatization and diplomatic isolation. In order to stop the momentum toward these two alternatives, both of which are clearly problematic for Israel, the Israeli government will have to take steps, in tandem with diplomatic measures, to preserve Israel as a Jewish and democratic state that enjoys international legitimacy, especially among the Western countries, and promote optimal security arrangements. This can be done in part by promoting independent measures toward separation from the Palestinians, while making an effort to coordinate them with the American administration and preserving the linkage between them and a future consensual settlement. The main point is to create an Israeli alternative to failure in the negotiations that will offer an appropriate response to the Palestinian alternative, change the cost/benefit calculations of the Palestinians, and generate a new dynamic in which Israel regains the initiative and is not perceived as responsible for the failure to promote a settlement through negotiations.

In both the Palestinian and the Iranian contexts, Israel should maintain an ongoing close dialogue with the American administration in order to enhance the chances of successfully implementing the alternatives that it proposes. A proactive policy coordinated with the American administration will help fortify Israel's standing in the Middle East and may help pave the way to dialogue with the pragmatic Arab countries, which would join the advantages that Israel derives from the expected improvement in its relations with the United States.