

# **Israel and the Political Dead End: The Need for New Paradigms**

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The prevalent Israeli approach to the renewal of negotiations with the Palestinians, reflected in both official statements and in the public discourse, is that under current conditions in both the Israeli and Palestinian arenas, any attempt at a breakthrough toward a permanent settlement would be futile. After years of failure to advance a settlement, while the divides between the sides have only deepened and the mutual lack of trust has only grown, the political process has hit an obstacle in the form of rigid preconditions and firm disagreement regarding the basic agenda for discussions. The political freeze postpones the moment when Israel and the Palestinians, with their respective leaderships and publics, will have to take decisions with immediate social and electoral significance and long term security consequences. In tandem, however, the threats in Israel's immediate and more distant surroundings alike have intensified, and impede it from fashioning for itself a more comfortable strategic environment.

On a no less urgent level, the reality in the conflict arena distances Israel from realizing its vision of a Jewish and democratic state; hence the interest, if not the imperative, for an Israeli initiative that even in the absence of a dialogue toward a settlement will demonstrate commitment to the two-state solution, that is, the separation from most of the West Bank and its Palestinian population. Moves designed to improve management of the conflict in coordination with the Palestinian Authority, or alternatively, an initiative formulated and implemented unilaterally by Israel for redeployment in the West Bank could serve this purpose.

### **A Political Initiative: Not at this Time**

Both Israel and the Palestinian Authority have a plethora of reasons and excuses to avoid returning to the negotiating table. The gaps in positions on the core issues – refugees, Jerusalem, mutual recognition, borders that will enable the implementation of the two-state solution and meet Israel's security needs, and Palestinian agreement to the end of claims – are fundamental. Added to these issues in recent years has been the question of the future of the Gaza Strip. Due to the basic lack of trust between Israel and the PA, neither party sees in the other a reliable partner for dialogue or a party capable of taking the difficult decisions that will be required to advance any permanent agreement. The lack of confidence in the ability of an Israeli government to force an evacuation of settlements, even if such a decision is taken, underlay the demand by PA President Mahmoud Abbas for a complete freeze on Israeli construction in the West Bank and in East Jerusalem. For its part, the Israeli government does not trust the PA to rein in the radical opposition, headed by Hamas, that rejects a permanent agreement, and similarly questions the PA's ability to prevent military and terror activities against Israel. It is likewise difficult to convince the leadership and public in Israel of the sincerity of the PA's declared intention to promote a permanent settlement, given both the PA's refusal to recognize Israel officially as the state of the Jewish people, and its absence of any response, let alone a positive one, to the settlement outline proposed by former Prime Minister Ehud Olmert.<sup>1</sup> The campaign conducted by the PA in the international arena, with the goal of delegitimizing the State of Israel and promoting Palestinian independence within the 1967 borders without negotiations with Israel achieved an historic victory in November 2012, when the United Nations General Assembly recognized Palestine as a non-member observer state. This Palestinian achievement eroded what remained of Israeli trust in the commitment by the PA and President Mahmoud Abbas to the political process.

The lack of both internal and external pressure to advance a settlement enabled the prolonged political standoff. The US administration, under President Barack Obama, has not labored to coerce the parties to renew the dialogue and rescue the political process. The transfer of power in Egypt to the Muslim Brotherhood following the June 2012 elections quashed

the possibility that Egypt would pressure the PA into retreating from the rigid preconditions it presented to Israel. And while public opinion among both Israelis and Palestinians appears to favor a two-state solution, many believe that an agreement is not achievable, and hence the lack of interest in renewing the political process, reflected in a lack of pressure on the leaderships to break the dead end.<sup>2</sup>

Situational factors with inherent potential risk further weaken Israel's already limited readiness to work toward thawing the political freeze. The balance of power on the Palestinian scene raises doubts as to the ability of implementing understandings that are reached in negotiations; lessons learned in the wake of the Israeli disengagement from the Gaza Strip in 2005 limit the attractiveness of a unilateral redeployment in the West Bank; developments in the Middle East, including Iran's progress toward a nuclear bomb and the shockwaves in the region caused by the so-called "Arab Spring" discourage any move toward renewal of the dialogue or toward unilateral measures.

### ***The Split in the Palestinian Arena***

The political-institutional-geographical split among the Palestinians discourages adoption of a more moderate policy toward the PA, as the assessment is that Hamas would not allow the implementation of a compromise, should it ever be reached. A unification of the rival Palestinian factions likewise arouses concern, lest PA policy veer toward a more radical direction and reflect the strategic principles that underlie the Hamas platform, foremost among them rejection of the idea of a permanent agreement.

Following the intra-Palestinian split during the second intifada, the Israeli-Palestinian conflict evolved to include three arenas: Fatah-Hamas; Israel-PA (led by Fatah); and Israel-Hamas. The struggle against Israel, which has always been an instrument of inter-organizational contest for power in the fundamentally divided Palestinian sphere, has since the day Hamas was founded become the ultimate vehicle for garnering popular support and winning the national leadership. In light of Hamas' rise to power and its takeover of the Gaza Strip, claims that the PA has the ability to achieve and implement an agreement have become far less credible.

Even in periods when there was an active political process, there were strong concerns in Israel lest Hamas take over the Palestinian state that would be established, and not see itself as obligated by the agreements between Israel and the PLO and PA.

Testimony to this was the dynamic that prompted the Annapolis initiative and the role played by Hamas' military activity in the halting of the dialogue that progressed within the Annapolis framework.<sup>3</sup> The Hamas takeover of Gaza was considered an opportunity to renew talks, as there was now a clear line of distinction between the Palestinian camp committed to the political process – Mahmoud Abbas, PA, Fatah – and the opposition camp, led by Hamas. The US administration was determined to renew talks on the assumption that understandings on resolution of the conflict would be seen by the Palestinian public as an achievement for the PA, thereby strengthening its position and weakening Hamas' popular standing. For its part, the Israeli government saw the split as an opportunity to further a settlement with a PA no longer bound by commitment to Hamas policies.<sup>4</sup>

Even before the Hamas takeover of Gaza, after its victory in the PLC elections in January 2006, Israel endorsed a policy of differentiation between the West Bank and the Gaza Strip. The purpose of this distinction was to advance the West Bank economically and thus show the Palestinian public that calm holds more promise than resistance for everyday life of the individual. This approach, in the spirit of the "economic peace" policy promoted by Benjamin Netanyahu, suited the PA's desire to prove to West Bank and Gaza residents the advantages of life under its rule, and to demonstrate particularly to Gaza residents the price of their support of Hamas. In light of this, the Israeli effort to "strengthen Abu Mazen" expressed itself in massive support of the economic and security rehabilitation project in the West Bank.<sup>5</sup> However, Hamas proved once again how the political process remains hostage to the intra-Palestinian dynamic. The escalation of fire toward Israel from the Gaza Strip, which led Israel in December 2008 to embark on an extensive military operation against the Hamas infrastructure in the area, served as background for the cessation of the talks in the framework of the Annapolis initiative, and apparently provided Mahmoud Abbas an excuse for suspending the talks at

the same time that he sought to avoid responding to the settlement proposal presented by Ehud Olmert.<sup>6</sup>

The understandings formulated between Fatah and Hamas when they attempted to join forces blunted the Fatah-led PA's commitment to the political option. The inter-organizational reconciliation agreement, signed in May 2011 in Cairo under the auspices of the provisional military council that succeeded the Mubarak regime, aimed to coordinate positions in advance of the PA elections. The question of negotiations with Israel was not mentioned at all in the agreement, nor was the issue of Hamas' military infrastructure.<sup>7</sup> According to Mahmoud Abbas, he is the authority for political negotiations, while the government, including a unity government, was to be poised to focus on domestic issues. But this division of power, accepted also by Hamas, fails to explain by itself the absence of reference to Israel in the reconciliation agreement, which essentially pushed the negotiations with Israel to the margins of the Palestinian agenda. Rather, the political dead end prodded the PA, and enabled it, to attempt to heal the inter-factional rift without exerting itself over the dilemmas related to Israel, at the same time that it strove to bypass the bilateral track and draft international support for Palestinian independence within the 1967 borders. In the face of a public call to settle the inter-factional tensions, and out of concern that the unrest would slide into a widespread protest inspired by the unrest in neighboring countries, both the Hamas and PA leaderships chose to examine the reconciliation track. The promise by the Egyptian provisional military council that it would protect Hamas against an Israeli attack helped bring the organization's leaders to the agreement's signing ceremony (even if there was little to guarantee its implementation).<sup>8</sup> Another reason for Hamas' responsiveness to the Egyptian pressure was the threat to Bashar al-Assad's regime, which hosted the organization's political offices, and the awareness of a need to ease tensions with Egypt, an alternative host, in order to survive.<sup>9</sup>

Any thought of renewing the dialogue to advance a settlement must take into account the need to settle the intra-Palestinian conflict. At the same time, establishing an authorized central power on the Palestinian scene will not be enough to cultivate renewed interest and confidence in Israel for a political process. In order for the government of Israel to risk public

criticism and attempt to advance toward a settlement, which will inevitably involve security risks and require the evacuation of settlements from the West Bank, the PA must embrace a platform that includes a commitment to a permanent settlement and dismantlement of the Hamas military infrastructure. As expressed in talks held in the Annapolis framework, the PA position was that any peace agreement would be put to a national referendum. The PA was unable, however, to guarantee that an agreement would earn the overwhelming support that would make Hamas irrelevant such that it could no longer disrupt progress toward a workable agreement. Apparently the ability of the PA to ensure even this diminished, for Hamas' solidified position in Gaza further distanced the possibility of applying the principle of "one authority, one law, one weapon" in the Palestinian arena.

True, the odds of a renewal of concrete negotiations would increase significantly if the Hamas leadership responded positively to the demands by the Quartet as a condition for dialogue – abandonment of violent struggle, recognition of Israel, and recognition of the agreements between Israel and the PLO. Such a development in itself would express a coming to terms with the need for dialogue. Hamas reveals no readiness, neither official nor public, to make such a step. However, the PA and Hamas are not even close to reaching understandings regarding institution and power sharing,<sup>10</sup> nor a political consensus that would lay the groundwork for negotiations toward a true peace with Israel.

### ***The Withdrawal from Gaza***

The unilateral pullback and evacuation of settlements from the Gaza Strip represented a retreat from two principles that had traditionally governed Israeli decision makers and still represent guidelines that discourage a similar move in the West Bank, be it partial or comprehensive. In fact, the disengagement from Gaza lent greater support for these principles. The first is avoiding a withdrawal without a promise of security quiet; the second holds that a withdrawal would occur only with full coordination with the Palestinian side, which would guarantee quiet afterward. Against these traditional principles stood a complex Israeli interest, namely, the desire to be liberated from the burden entailed by a presence in Gaza – especially as this provided no security quiet, whether in Gaza itself or across its border,

in Israel proper – and from responsibility for what happens in Gaza. In addition, the Israeli government hoped to achieve political quiet – a relief from international pressure pushing it to take a step that would rescue the political process from a dead end, through a dramatic move enabling the PA to display governance in an area evacuated by Israel and implement plans for building the infrastructure for a state with functioning institutions within the territory under its control.

Among the Israeli public there is a noticeable feeling that the goals Israel sought to advance with the withdrawal from Gaza were not achieved.<sup>11</sup> While the evacuation of the settlements took place with relative ease, the event is seared in the national consciousness as a trauma, in part because the rehabilitation and resettlement of the evacuees met with delays and difficulties. The subsequent waves of escalation on the southern front added to the frustration. Not only was there no quiet on the Gaza border, but the challenge represented by the consolidation of the military infrastructure of Hamas and other factions in the Strip intensified and expanded geographically: the IDF no longer had to defend Israeli settlements within Gaza, but the burden entailed in defense of the communities in the Gaza Strip environs and beyond gradually grew heavier. In November 2012 Israel responded to the escalated rocket fire from Gaza with Operation Pillar of Defense; in the course of the operation, Tel Aviv and Jerusalem joined the urban areas targeted by the rocket fire. During the confrontation, the United States and European states exhibited much understanding for Israel's military response, mainly in light of the avoidance of a ground campaign. Yet restrictions leveled by Israel on the region remained an ongoing excuse for international criticism, despite the easing of civilian restrictions over the years. Moreover, sans a breakthrough toward an Israeli-Palestinian settlement, the international community continued to view Israel as responsible for the Strip, especially regarding the welfare of its residents.

Above all, the Gaza disengagement was helped by the ideological/emotional and strategic view that Gaza was fundamentally different from the West Bank – the region of Judea and Samaria to which Israeli citizens feel a much stronger connection. A unilateral decision to withdraw from the West Bank, and even more so, its implementation, would be difficult to

justify in light of the inevitable costs involved – security risks, international condemnation following military response to violent provocations, and the personal and collective cost involved with evacuation of settlements.<sup>12</sup> Furthermore the Hamas takeover of Gaza demonstrated the PA's weakness, and Hamas' aspiration for expanded influence in the West Bank would likely be accelerated following an Israeli military redeployment. Although even if Hamas becomes a leader of the PA it will likely not hurry to drag Israel into a full-fledged military confrontation, at the same time it would not be a partner for dialogue toward an end-state settlement. Thus the conflict is expected to remain a central article on the regional and international agenda, and to present Israel with continually renewed security and diplomatic challenges.

### ***Ramifications of the Regional Situation***

The assumption that regional circumstances are likely to deter Israel from advancing toward a political-territorial compromise focuses on two challenges. The first is immediate and specific, namely, the Iranian nuclear threat; the second is less specific but still holds significant threat potential, namely, undermined pro-Western regimes and the strengthened influence of the Islamic voice in the region's political systems.

The completion of Iran's nuclear program will expose Israel to military threats – if not immediate ones from Iran itself, then from the radical organizations supported by them, led by the Lebanese Hizbollah and Hamas, which have the wherewithal to reach the entire territorial area of Israel. Under the protection of an Iranian nuclear umbrella, these organizations will be able to challenge an Israel that enjoys significantly less deterrence. This concern increases in face of the possibility that a regional arms race will break out as a result of the Iranian nuclear program, led by Egypt, Saudi Arabia, and Turkey. Israel's political isolation in the Middle East would be all the more emphasized upon the loss of its status as the only country in the region with a solid image of powerful deterrence and response capabilities.

Moreover, the events of the "Arab Spring" have weakened the power centers in Israel's neighboring countries and eroded their ability to control border regions, thus lowering the chances of preventing a sliding of terror,



smuggling, and infiltrations into Israel. Developments of this sort would expose Israel to security threats from the Sinai Peninsula, Lebanon, Syria, the Gaza Strip, the West Bank, and perhaps even Jordan. The social-political volatility experienced by neighboring countries has also eroded their commitment to existing security agreements with Israel.<sup>13</sup>

These structural shockwaves are tightly linked to the growing popular antagonism vis-à-vis Israel, which reflects in part the growing influence of Islamist ideology in the regional political expanse. The rise of political Islam also threatens the value of relations with Western countries as a central consideration in decision making, which served especially as a factor to offset ideological and strategic tension with Israel. Veteran Arab forces that seek to slow the weakening of their status will do so by raising the profile of the conflict, and even countries that share economic, political, and strategic interests with Israel will be wary of tightening ties. Israel will find it difficult to find among its neighbors an authoritative partner that will guarantee the fulfillment of commitments by the PA and aid in mitigating military conflicts with radical/extremist Palestinian factions, should such break out. The rise of political Islam in the region likewise provides a tailwind to the ideological and strategic message of Hamas. Thus, the PA will face an uphill battle – should it resume trying to bolster its domestic position by way of a political breakthrough – implementing negotiated understandings with Israel.

### **Nonetheless...**

The arguments for waiting until it will be possible to assess with “a reasonable degree of certainty” (in itself an uncertain parameter) that conditions are “ripe” for a political initiative and the incurring of risks involved in such a step (what are the criteria for “ripe”?) hold much weight. Likewise the wide gaps between the Israeli government and the PA do not leave much hope for a political breakthrough. Nevertheless, arguments can be made to support an active Israeli approach with the purpose of attempting to make Israel’s environment more favorable. These arguments relate to: the gap between the current state of affairs in the conflict arena and Israel’s progress in realizing its essential national goals; the balance of power in the Palestinian arena as it has been institutionalized in recent years (mainly

the weakening of the PA, which is Israel's potential negotiating partner); the danger of escalation of the conflict; and the link between the political freeze and Israel's regional and international position.

### ***Essential National Goals***

An Israeli initiative to change the reality of the conflict arena is imperative in face of the growing gap between its national goals and the current situation. Although the political process is frozen, the status quo is not, and the dynamic taking shape is not auspicious for Israel. The demographic balance between the Jordan River and the Mediterranean is changing for the worse. With no progress toward separation from the Palestinians, the arena is transforming into a reality of one state, which defies the vision of a Jewish democratic state. The gap between Israel's self-image as bearing the banner of humanism and ethics, and its rule over another people, cannot be bridged. At the same time, on the Palestinian scene there are voices heard supporting a single bi-national state as a solution to the inability to progress to agreed-upon separation. It may be that the day is not far off when the international community will attempt to impose upon Israel and the Palestinians a solution reflecting the reality on the ground, notwithstanding the objections among both Israeli and Palestinian public opinion. In the meantime, the economic burden stemming from West Bank rule, and the military activity required to thwart security threats that emanate from the area, make it difficult for Israel to stop the deterioration of its international standing and deny it political and economic options in the region and beyond.

### ***The Intra-Palestinian Balance of Power***

The roots of the rivalry between Hamas and Fatah are inter-organizational and inter-party, and the question of Israel and the political process does not head the leaderships' concerns regarding the distribution of power and authority. Nevertheless, Israel's opposition to the very attempt at inter-organizational compromise, expressed through sanctions against the PA due to moves meant to lay a foundation for Palestinian "national reconciliation," does not strengthen the PA itself, and even contravenes Israel's clear and declared interest in forming a functional national Palestinian authority.

From here stems the need to reconsider the opposition to Hamas and the PA joining forces, and in this framework, the attitude toward Hamas as well.

The issue of recognition of Hamas is perhaps less problematic than it seems. Since the Hamas victory in elections for the Palestinian parliament in 2006, Israel's policy toward the organization has focused on a military struggle – meant to weaken its growing military capabilities – and a diplomatic struggle meant to isolate the organization as long as its leadership refuses to accept the Quartet's demands. In light of this refusal, and following the Hamas takeover of the Gaza Strip and the kidnapping of Israeli soldier Gilad Shalit, Israel imposed a policy of strict restrictions on traffic of people and goods to and from Gaza. A political boycott was levied on Hamas in the international arena by Israel's allies that define Hamas as a terror organization. Egypt too was partner to the limitations on the Gaza Strip and kept the Rafiah crossing closed, to avoid a situation where it incurs responsibility for developments in the Strip.

In practice, however, Israel has taken steps that attest to an acceptance of the Hamas regime and its recognition as the element responsible for Gaza. This policy matches the approach that assigns "state responsibility" to elected governments or ruling powers in neighboring countries. Israel held negotiations with Hamas to bring about the release of Gilad Shalit, and was forced to engage in a dialogue with Hamas, albeit through Egyptian mediation, in order to calm the escalation when it reached a level that violated basic conditions for a *tahadiya*, a period of calm. Egyptian mediation was also essential in bringing an end to the larger conflicts in the Gaza arena, in December 2008-January 2009 and in November 2012. In addition, the transfer of goods and transit of individuals between Israel and the Gaza Strip is under Israel's administration, in conjunction with officials and personnel essentially connected with Hamas. All of this points to a de facto recognition of the organization and its rule. To be sure, official recognition (de jure) of Hamas need not perforce be the next phase, certainly not as long as there is no positive response by Hamas to the Quartet conditions. Nevertheless, Israel's reassessment of the profit and loss balance of its Gaza Strip policy and the balance of power on the

Palestinian scene may well encourage an attempt to come to understandings with the organization, at least on the level of security.

The cracks in the international boycott of Hamas have expanded over time, against the background of the political stalemate and the plight of the Gaza population. Members of the EU in particular have pressured Israel to modify its restrictions on the commercial traffic between Israel and the Strip. After the Turkish flotilla incident, Israel was forced to significantly soften the rules of the closure in order to mitigate the severe international criticism.<sup>14</sup> In light of the prolonged freeze in the political process, it seems that the erosion of the Hamas boycott has intensified, and the demand that Israel lighten the burden of civilian distress in the Strip will not disappear from the agenda.

The PA itself is gradually losing its grip in its domestic arena. There is apparently little of substance behind the occasional threats by official Palestinian spokesman that in the absence of progress toward political independence and sovereignty the PA would be dismantled, and complete administrative, economic, and security responsibility for the West Bank would fall on Israel. However, in practice the PA is disintegrating in a process that may bring about its complete collapse.<sup>15</sup> Prime Minister Salam Fayyad's plan to lay the administrative and economic infrastructure for a state, launched in the summer of 2009 with much fanfare, scored some notable achievements, but seems to have exhausted whatever potential it had held.<sup>16</sup> The PA has difficulty raising the requisite financial support to pay salaries and provide employment, and thus its institutional authority and ability to govern have been impaired.<sup>17</sup> The fall of the Mubarak regime and the rise of the Muslim Brotherhood to power in Egypt lent Hamas added support and weakened Egyptian political support for the PA, which for years had been a central pillar of its regional and international standing. Hamas stature in the Palestinian arena strengthened, in part due to its military engagement with Israel and recognition of its authority in the Strip, confirmed once again upon the end of the military confrontation with Israel in November 2012.

The concern that the PA might disintegrate, coupled with the criticism of Israel regarding the political stagnation, helped the PA earn overwhelming international support, including from West European states, in the UN

General Assembly vote on November 29, 2012 to recognize Palestine as a non-member observer state. This achievement will help the PA in its legal offensive against Israel and may even gain it some advantage in negotiations, once the political process resumes. However, the PA will be hard pressed to propel Israel to soften its stance regarding renewal of the negotiations, particularly in light of the PA's diplomatic maneuvers in the international arena. And in the absence of a political breakthrough, the PA will gradually grow more distant from fulfillment of the idea at the base of its existence: to progress through negotiations with Israel toward the establishment of a Palestinian state on the basis of the 1967 borders, with Jerusalem as its capital. Even following its achievement in the United Nations, the reality on the ground for the PA will not change essentially without coordination with Israel. Moreover, this reality will only worsen should Israel impose sanctions on the already unstable PA for taking such unilateral steps.

### ***The Danger of Conflict Escalation***

Even among sectors in Palestinian society not labeled as “radical,” including academicians and independent professionals, there is dissatisfaction regarding the economic situation and the lack of personal opportunities, as well as the lack of progress toward realization of national aspirations. Growing difficulties for both the PA and Hamas, mainly due to budget shortfalls and corruption, intensify the feeling of frustration in both the West Bank and Gaza Strip. The Palestinians did not experience their share of upheaval and demonstrations when the Middle East uprisings erupted, beginning in late 2010. But it is possible that a yen for civil liberalization, inspired by the events of the “Arab Spring,” will encourage the Palestinian public to yield on maximal demands and abandon the all-or-nothing approach to negotiations with Israel, in order to give a chance to independence. Mahmoud Abbas contends that a violent confrontation does not serve Palestinian interests, but he supports a popular struggle similar to the uprisings that shocked the region. A sign of things to come may have been the riots that broke out in the West Bank in September 2012, protesting the worsened economic situation.<sup>18</sup> The line from here to an all-out, violent uprising that would lead to attacks on Israeli targets even across the Green

Line is short. Anti-democratic steps taken by the PA, including restricting freedom of the press, may also fan the flames of protest. And as always, the potential for escalation is high following any local incident that might quickly spiral out of both Palestinian and Israeli control.

### ***The Regional Environment***

The political stagnation, coupled with the Gaza border restrictions, has already soured Israel-Turkey relations, and the tension between Israel and the Arab states is also expected to rise due to the intensification of the Islamic voice in the Middle East. Israel's peace treaties with Egypt and Jordan are likely to be challenged by the local populations. Along with the ongoing objection to the occupation, military actions taken by Israel to ensure calm on its Gaza border will continue to be a focus of regional and international criticism. On the other hand, the pursuit of security understandings with Hamas may spare Israel at least some international criticism and pressure.

In August 2012, allegations that Hamas activists assisted Islamic Jihad forces in their attack on an Egyptian outpost in northern Sinai sparked sharp disagreement between Hamas and Egypt. Following the incident, the Rafiah border crossing was closed and Egypt even took steps to seal the tunnels between Sinai and the Gaza Strip.<sup>19</sup> However, Israel cannot rely on tension between Egypt and Hamas as an insurance policy against a Gaza escalation. The increased rocket fire in November 2012 demonstrated Hamas' low threshold for control, particularly against the challenge posed by Islamic Jihad attacks to its stature and leadership of the struggle against Israel. Egypt's support for Hamas was limited to the political level. Nonetheless, the possibility that Hamas and other factions in the Strip will continue their attacks in order to drag Israel into a military response and thereby complicate any security coordination between Israel and Egypt emphasizes the importance of understandings regarding calm between Israel and Hamas.

Moreover, the connection drawn in Israel between the Israeli-Palestinian conflict and the Iranian challenge, and Israel's principle of "Iran first," is not acceptable to Israel's neighbors. As stated explicitly in the Arab Peace Initiative, progress toward a negotiated Israeli-Palestinian settlement is a

condition for normalization of ties with Israel. The joint interest they have with Israel in halting Iran's regional aspirations in general, and its nuclear ones in particular, is not enough of a reason for them to thaw relations with Israel. As for Israel, blocking Iran's path to a nuclear weapon will not soften the sting of the dilemmas presented by the Palestinian issue. Even a significant delay in the Iranian nuclear program will not exempt the Israeli leadership from finding a permanent solution to the Israeli-Palestinian conflict, or at least to lightening its management. Rather, it will only underscore the vital nature of a breakthrough in the dead end – in order, *inter alia*, to stabilize Israel's regional standing.

### **Political Significance**

The diminished stature of the PA on the one hand, and the strengthened position of Hamas on the other (in part due to the strengthening of political Islam in the Middle East); the recognition of Palestine as a non-member state in the United Nations; the danger of a flare up in the Israeli-Palestinian conflict; and the threat that a violent escalation will sharpen the tension between Israel and its neighbors (mainly Egypt) and invite increased international pressure on Israel to move toward a settlement – all of these considerations intensify the urgency of the need by Israel's government to rethink how to break out of the impasse.

In order to reduce the chances of a renewed cycle of violence, Israel must re-examine its routine management of the conflict. This is an interest Israel shares with the PA, and therefore Israel should focus on gestures that it will make to the PA, even if unconditional. These can include the release of prisoners, removal of roadblocks, relaxed travel restrictions, expanded economic aid, encouragement of economic projects in Area C, and the transfer of additional territory to PA security control. All of these can assist in calming the situation in the West Bank, especially if they are accompanied by clear messages regarding Israel's commitment to a dialogue toward a negotiated settlement.<sup>20</sup> The estimated value of such gestures is not lost on the decision makers in Israel. The simmering atmosphere in the West Bank, registered in the September 2012 unrest, has already moved the Israeli government to form a plan to prevent the collapse of the PA. At the heart of this plan was the expansion of monetary

transfers, the number of permits for day laborers in Israel, and construction projects in the West Bank.<sup>21</sup> The PA's acceptance as an observer state in the UN, notwithstanding the political and legal difficulties this is likely to present Israel, does not theoretically negate this underlying logic.

In parallel to efforts to strengthen the PA economically (and perhaps thereby to stabilize it politically), options to establish a long term calm with Hamas should also be examined. As opposed to the PA, which strongly rejects the idea that has arisen periodically on the Israeli public and political agenda of an interim agreement, the Hamas leadership has expressed a readiness for a long term ceasefire (*hudna*).<sup>22</sup> True, a *hudna* was offered in return for an Israeli retreat to 1967 lines – a demand that would be unacceptable to Israel even in return for a permanent settlement with the PA. However, one can see in the offer a readiness not automatically dismissed by the Hamas leadership to reach an agreement, whose details would be worked out through negotiations.<sup>23</sup> In light of the danger of a renewed Gaza flare-up, and with continuing the understandings that enabled the ceasefire in November 2012, it would be possible to focus on the renewal of principles of the *tahadiya*.

An agreement on security quiet might prod the PA to seriously consider a return to the negotiating table as a possible way out of the dead end it has encountered on the bilateral track with Israel. Gestures by Israel toward the PA are likely to increase the chances this would occur. Moreover, it is not impossible that over time understandings between Hamas and Israel will be reached that will serve as a bridge between Israel and Islamic popular and governmental powers in the region. Security quiet on the Gaza front will help mainly in calming tensions between Israel and Egypt.

A softening of Israeli opposition to the formation of a Palestinian unity government should be part of an integrated policy aimed to further the calm both in Gaza and the West Bank, and halt the erosion of the status of the Palestinian camp that in principle is committed to negotiations, i.e., the PA. In order to orient processes in the Palestinian world toward unity, Israel can, in preparation for PA elections, already present graduated demands that would express an intention to lay the groundwork for the renewal of talks. First it would demand a joint, inter-organizational Palestinian commitment to cessation of the violent struggle and maintenance of existing agreements.



A demand for all-out Palestinian recognition of Israel as a Jewish state will be pushed off to a later stage of the negotiations, as a *sine qua non* of a permanent settlement. Until then, in order not to undermine the chances of the establishment of a unity government, and in order to maintain an opening for a future official acceptance by Hamas of Israel's existence, it will be enough to accept a *de facto* recognition of Israel by Hamas. Whether the Palestinian unity government will be involved in a political process, or whether the political freeze continues, it will serve as an address for Israel and the international community. If it opposes negotiations toward a permanent settlement, the accusations continually leveled against Israel that it alone is responsible for the freeze will prove untenable.

Efforts both to improve management of the conflict and to strengthen the Palestinian camp committed to negotiations will be left with limited meaning unless they are backed by steps that demonstrate Israeli intent to further Palestinian independence. In order to express faith in the two-state idea, Israel will need first and foremost to change its construction policy in the West Bank. The gap between principle and practice in this context is obvious. Such construction threatens to complicate political-territorial separation (which can be viewed as a derivative of the State of Israel's founding ethos), harms Israel's regional and international standing, and aids the PA in convincing the international community that Israel is responsible for the dead end. In order to translate the principle of separation into practical terms, Israel will need to significantly slow construction in West Bank settlements – even in the large settlement blocs, evacuate outposts defined as “illegal,” and prepare for the evacuation of residents who will voluntarily accept a compensation plan to be formulated.<sup>24</sup> It will need to do this even without resumption of the dialogue, or even in the absence of a breakthrough in negotiations, should they be renewed.

A change of policy regarding settlement in the West Bank should be part of an initiative comprising two alternatives, which can be presented to the PA and international community. One alternative will focus on the intent to further transitional agreements between Israel and the PA in preparation for the establishment of a Palestinian state. As opposed to the principle that guided previous rounds of talks, whereby “nothing is agreed until everything is agreed,” in this framework every understanding

reached will take effect and be implemented immediately. Together with the evacuation of isolated settlements and outposts in the West Bank, Israel will seek the declaration of a Palestinian state in temporary borders on the basis of an Israeli-Palestinian formula, and mutual commitment to advance to the joint goal through ongoing dialogue. The second alternative will be presented concomitantly, should the PA reject the option of negotiations. It will focus on unilateral Israeli action to determine Israel's borders based on the route of the security fence and evacuate settlements east of this line, while maintaining the IDF's freedom of action in the entire region – even in areas cleared of Israeli citizens.<sup>25</sup> This plan should be implemented independent of Palestinian consent, and as a response to Palestinian refusal to accept the principle of transitional agreements. In this framework Israel will advance toward political-territorial separation while examining the security consequences of each step before the next one is taken.<sup>26</sup>

Thought on unilateral steps toward separation from the West Bank needs to take into account international opposition to such steps due to their contradiction of the principle of a negotiated settlement. On the other hand, it is possible that over time, Israeli determination to move in the direction of separation will allay the international opposition expected in the first phase of implementation of the plan. It is also possible that steps toward separation may prod the PA itself to return to the negotiating table, as it is aware of the need for coordination with Israel in order to offer the sought-after Palestinian state viability. Moreover, the advantage of the unilateral alternative lies precisely in its independence of the Palestinian side. Its formulation will be a result of intra-Israeli discussions about the future of the state and the country's master plan, in light of the principles that are the foundation of its existence and are supposed to form the basis for a national narrative.

## **Conclusion**

The two-state vision has not lost its validity: the assessment that without separation from the Palestinian population in the West Bank Israel will be unable to ensure its future as a Jewish and democratic state has become stronger in recent years, leading even sectors in Israel that in the past did not attribute it much urgency, if any at all, to seek a solution in this spirit.

Likewise a large majority of the Palestinian public has not abandoned the idea of independence alongside the State of Israel. For its part, the PA is pursuing political independence, to be achieved, if not through negotiations, then through broad international recognition. The two-state solution that is to result from Israel-PA negotiations is at the heart of the American and European approach to the issue. However, the political conditions current on both the Israeli and Palestinian scenes have obstructed efforts in recent years to generate a breakthrough in the political process, and have brought it to a dead end.

A central component of the impasse is the fear among the Israeli leadership of regional changes and their negative ramifications for Israel, in particular the political and territorial reality in the West Bank that would be the setting for security risks and ideological-political domestic tensions. This fear has led Israel's government to consider this period an intermission, which explains its refusal to soften its threshold conditions such that it would leave the PA no choice but to return to the negotiating table, if it wanted to avoid being blamed for the political stagnation. While the waiting policy frees Israel of an immediate need to deal with historical decisions, developing trends in its immediate and regional environs are not to its advantage, and threaten to intensify over time the difficulty of advancing a negotiated settlement that would address Israel's fundamental strategic and ideological interests.

An Israeli proposal for graduated transitional agreements in preparation for the establishment of a Palestinian state will be rejected by the PA, mainly because there is no clear difference between such a proposal and the idea of an interim settlement, unless the parties agree on a formula that will determine in advance a framework for borders or the area of a Palestinian state that will be established through an end state agreement. It is also unlikely that in the current constellation in the Israeli political arena, the Israeli government will be able to act in a determined fashion to promote the idea of unilateral separation, even if such an initiative is officially adopted. An initiative to freeze construction in the West Bank will be the focus of an internal Israeli debate, whether as part of a unilateral move or as part of a process of transitional agreements. The difference between meeting the demand of the PA (and the US administration) for

a construction freeze, or to a gradual separation in the framework of unilateral evacuations, is not unequivocal. Leadership that presents one of these alternatives, or both, will be forced to deal with protests focusing on an interpretation of the moves as a concession to the Palestinian side with no return or security guarantees. Such opposition will emphasize the essential need for continued freedom of action for the IDF in the area, in order to limit security risks.

However, Israeli avoidance of formulating alternatives that will change the conflict's political-territorial reality, and especially a failure to form a unilateral alternative, will mean an acceptance of the dead end, which itself is fraught with risks. In other words, the story of expected threats that deter Israel from seriously pursuing a political breakthrough may well prove to be a self-fulfilling prophecy.

## Notes

- 1 See for example Nahum Barnea, and Shimon Shiffer, "Interview with Ehud Olmert," *Yediot Ahronot*, September 29, 2008; "Olmert Proposes that Israel Annex 7 Percent of the West Bank, for which the Palestinians would Receive 5.5 Percent in Compensation," *Haaretz*, August 12, 2008.
- 2 According to a public opinion survey conducted in the West Bank and Gaza Strip on September 13-15, 2012 (*PSR Poll* No. 45, <http://www.pcpsr.org/suevey/polls/2012/p45efull.html>), 52 percent of respondents expressed support for a two-state solution, and 46 percent were opposed. Sixty-nine percent opposed resuming negotiations with Israel as long as Israeli construction in the settlements continued. Seventy-three percent supported an appeal to the United Nations to recognize an independent Palestinian state, and 44 percent said that the supreme national objective is the establishment of a Palestinian state in the West Bank and Gaza Strip, with Jerusalem as its capital (30 percent stated that the return of refugees is the most important national goal). Sixty-eight percent objected to a one-state solution, and only 30 percent favored the idea. Regarding Israeli public opinion, a survey conducted in February-March 2012 in the framework of the National Security and Public Opinion Project at the Institute for National Security Studies (results were presented at the INSS annual conference "Security Challenges of the 21<sup>st</sup> Century" in May 2012, [www.youtube.com/watch?v=mfxm8LQOlKA](http://www.youtube.com/watch?v=mfxm8LQOlKA)), pointed to the continued support from the Jewish public in Israel for a two-state solution. Fifty-one percent of respondents said they would vote in favor of a permanent agreement with the Palestinians that would be based on "two states for two peoples," should it be put to a referendum. Fifty-

nine percent of respondents said that Israel should “definitely agree” or “agree” to the establishment of a Palestinian state in the West Bank and Gaza Strip in the framework of a permanent agreement; forty-one percent of respondents said that Israel should “definitely not agree” or “not agree” to the establishment of a Palestinian state in these borders. Prime Minister Benjamin Netanyahu has also at various opportunities expressed explicit support for a two-state solution. See for example Barak Ravid, “Netanyahu: A Bi-national State would be a Disaster; I Will Present a Political Plan Soon,” *Haaretz*, April 3, 2011. Netanyahu expressed similar sentiments at a speech given at the INSS conference cited above ([www.youtube.com/watch?v=lku7unqt.Iyq](http://www.youtube.com/watch?v=lku7unqt.Iyq)). However, the chances that it will indeed be possible to advance the idea of two states were perceived as weak. According to the *Peace Index* published in April 2012 by the Israel Democracy Institute/Gutman Survey Center, 58 percent of Jews interviewed and 61 percent of Arab respondents estimated that currently there is no chance to end the conflict along the lines of the “two states for two peoples” formula ([www.idi.org.il/.../peace\\_index/Pages/Main.aspx](http://www.idi.org.il/.../peace_index/Pages/Main.aspx)).

- 3 Aluf Benn, “The Israeli-Palestinian Negotiations: What has and What has not yet Been Achieved,” *INSS Insight* No. 56, May 19, 2008; Michael Herzog, *Minding the Gaps: Territorial Issues in Israeli-Palestinian Peacemaking*, Policy Focus #116, Washington Institute for Near East Policy, December 2011.
- 4 Ehud Olmert: “Annapolis’ greatest strength lies in the fact that ... it is taking place without Hamas...the international community understands that Hamas cannot be part of the process.” *Ynet*, November 27, 2007.
- 5 “Good News from the Middle East (Really),” *New York Times*, January 25, 2011; “Measures Taken by Israel in Support of Developing the Palestinian Economy and Socio-Economic Structure,” Report of the Government of Israel to the Ad Hoc Liaison Committee (AHLC), Brussels, April 13, 2011.
- 6 After four years of a frozen political process, Abbas claimed that understandings had been reached on the core issues, and that the sides were close to an agreement. See Barak Ravid, “Abbas: Had Olmert Remained in Power Two More Months, we would have Reached an Agreement,” *Haaretz*, October 15, 2012.
- 7 See the text of the agreement at: <http://middleeast.about.com/od/palestine/palestinians/qt/Fatah-Hamas-Reconciliation-Agreement.htm>.
- 8 Alex Fishman, “A New Law,” *Yediot Ahronot*, May 5, 2011.
- 9 In light of this focus on both inter-organizational relations and the domestic front, one can also understand the PA’s non-insistence on including recognition of Israel among the articles of the agreement it signed with Hamas in Mecca in March 2007. On the basis of this agreement, a short-lived unity government was established. Rather than ideological-strategic divisions related to Israel and the

political process, a lack of agreement regarding the division of power is what led to its collapse.

- 10 A. el-Saleh, "Doha Agreement Valid despite al-Zahar's Statements – Hamas," *a-Sharq al-Awsat*, February 13, 2012; Jodi Rudoren and Fares Akram, "Palestinians Sign Deal to Set Up Elections," *New York Times*, July 5, 2012; " Hamas Gov[ernment] Urges Reform of Elections Commission," *Ma'an News Agency*, July 5, 2012; "Abbas: Reconciliation in Deadlock," *Ma'an News Agency*, July 30, 2012.
- 11 The continued Israeli control of the West Bank undermined the argument that a withdrawal from Gaza was meant to provide a solution to the closing demographic gap between Jews and Palestinians in the area between the Mediterranean and Jordan River. If the withdrawal was meant to be a sign of things to come in the image of implementation of a "convergence" plan in the West Bank, this option was sidelined due to the frustration caused by developments in Gaza following the disengagement.
- 12 For an approach holding that the Israeli settlements in the West Bank should remain intact no matter what, see Dani Dayan, "Israel's Settlers Are Here to Stay," *New York Times*, July 25, 2012, <http://www.nytimes.com/2012/07/26/opinion/israels-settlers-are-here-to-stay.html>.
- 13 Regarding the worsening position of Israel, especially in relation to Egypt, see P. Salem, "The Regional Order," in S. Ulgen et al, "Emerging Order in the Middle East," *Carnegie Policy Outlook*, May 15, 2012, [carnegieendowment.org/files/middle\\_east\\_order1.pdf](http://carnegieendowment.org/files/middle_east_order1.pdf).
- 14 A. Birdstein, "The Cabinet Authorized the Prime Minister to Ease Restrictions on the Gaza Blockade," *Maariv NRG*, June 20, 2010. See also: "History of Israeli Blockade on Gaza," al-Jazeera, November 2, 2011, <http://www.aljazeera.com/indepth/features/2011/10/20111030172356990380.html>.
- 15 According to Saeb Erekat, "the PA is in any case dismantled, so we may as well make it official." See Ravid, Abbas: Had Olmert Remained in Power Two More Months, we would have Reached an Agreement."
- 16 For a critical view of Prime Minister Fayyad's plan, see R. M. Danin, "A Third Way to Palestine: Fayyadism and its Discontent," *Foreign Affairs* 90, no. 1 (2011): 94-111.
- 17 Bank Leumi Chairman David Brodet, "Under our Noses a Worrisome Economic Reality that Knows no Equal is Developing," Israel Business Conference, December 11, 2011, <http://www.leumi.co.il/articles/24475>; and "PA Fails to Pay Security Forces," *Middle East Newslite, Indepth Regional News Service* 14, no. 264, July 5, 2012. A report published by the World Bank in April 2012 determined that the economic infrastructure in the West Bank is not sufficient to support

independent statehood. See *WBGrowthstudy.presentation.pdf*, July 25, 2012. The previous report on the West Bank issued by the World Bank concluded that the PA's economic activity justified regarding it as a state authority.

- 18 See for example Avi Issacharoff, "The Death of the Economic Peace," *Haaretz*, September 18, 2012.
- 19 Mohamed Morsi, the Muslim Brotherhood candidate who won the Egyptian presidential elections in June 2012, promised to open the border crossing between Egypt and the Gaza Strip. See "Haniyeh: Rafah to Open 12hrs Daily," *Ma'an News Agency*, July 28, 2012.
- 20 Anat Kurz, "Israel and the Palestinian Authority: When Parallel Lines might Converge," *Strategic Assessment* 14, no. 4 (2012): 71-85.
- 21 Amos Harel and Avi Issacharoff, "Israel Preparing a Plan to Prevent Collapse of the PA," *Haaretz*, September 24, 2012.
- 22 " Hamas Offers Truce in Return for 1967 Borders, No Israeli Response, but U.S. Rejects as 'No Change'"; *AP*, April 21, 2008, [http://www.msnbc.msn.com/id/24235665/ns/world\\_news-mideast\\_n\\_africa/t/hamas-offers-truce-return-borders/](http://www.msnbc.msn.com/id/24235665/ns/world_news-mideast_n_africa/t/hamas-offers-truce-return-borders/).
- 23 There is a debate within the ranks of Hamas over two conflicting approaches. The first approach, led by the Hamas leadership in Gaza headed by Prime Minister Ismail Haniyeh and Mahmoud a-Zahar, holds that the time has not come to further a settlement with Israel, due to the strengthening of the Muslim Brotherhood in the region in the wake of the "Arab Spring." In this view, a regional pan-Arabic umbrella is forming, led by the Muslim Brotherhood, which will support Hamas and aid it in realizing its ideological-strategic goals. Therefore, there has also been little movement toward intra-Palestinian reconciliation. The second approach, represented by the head of the Hamas political wing, Khaled Mashal, holds that in light of the fact that Islamic factions that take positions of power and influence tend to stress their particular problems, and less the pan-Arabic vision, it can be expected that they will adopt pragmatic policies that will not necessarily focus on the maximal rights of the Palestinian people. This assessment prompted Mashal and his circle to express their readiness in principle to accept progress to a settlement with Israel should one be attained by President Abbas, without a requirement that Hamas recognize Israel and commit to an end-of-conflict and finality to end of Palestinian claims from Israel. Statements by Hamas spokesmen, which imply thinking in the direction of a permanent settlement (though on terms acceptable to the organization), have not aroused much interest in Israel, or have met with much skepticism. See for example "Hamas will Accept any Agreement that has a Majority [among the Palestinian Public]," *Ynet*, October 21, 2010. See also: "N. J. Brown, "Is Hamas Mellowing?" *Commentary*, Carnegie Endowment,

- January 17, 2012, [carnegieendowment.org/2012/01/17/is-hamas-mellowing.pdf](http://carnegieendowment.org/2012/01/17/is-hamas-mellowing.pdf). The pragmatic camp, led by Mashal, has lost some of its influence with the loss of its stronghold in Damascus, and in the wake of the strengthening of the leadership located in Gaza following the rise to power of the Muslim Brotherhood in Egypt, Khaled Meshaal announced his intention to resign. See “Head of Hamas, Khaled Mashaal, to Step Down,” *The Guardian*, September 25, 2012, <http://guardian.co.uk/world/2012/sep/25/hamas-khaled-mashaal-step-down>. However, Mashal’s standing was strengthened anew when he represented Hamas in the contacts with Egypt, during the attempt to reach an agreement on ending the November 2012 confrontation with Israel. Against this backdrop, Mashal reiterated hard line positions, including an unequivocal refusal to recognize Israel and an emphasis on the goal of liberating Palestine from the Mediterranean Sea to the Jordan River.
- 24 Gilead Sher, “From Vision to Reality: Tangible Steps toward a Two-State Solution,” *Strategic Assessment* 15, no. 2 (2012): 53-65.
  - 25 On a number of opportunities, Defense Minister Ehud Barak related to the option that in order to breach the political freeze, Israel would execute a unilateral withdrawal in the West Bank. See for example his lecture at the annual INSS conference “Security Challenges of the 21<sup>st</sup> Century,” May 2012. See also “Barak on the Political Process: A Unilateral Measure should be Considered,” [news.walla.co.il/?w=/9/2537377](http://news.walla.co.il/?w=/9/2537377); Shlomo Cesana and Yoav Limor, “Barak’s Disengagement,” *Yisrael Hayom Newsletter*, September 24, 2012, [http://www.israelhayom.co.il/site/newsletter\\_article.php?id=21632&hp=1&newsletter=24.09.2012](http://www.israelhayom.co.il/site/newsletter_article.php?id=21632&hp=1&newsletter=24.09.2012). These statements may reflect an intention to revive the disengagement plan in the West Bank that had been promoted by Ehud Olmert and was frozen due to developments in Gaza after the 2005 disengagement.
  - 26 Shlomo Brom, “Israel and the Palestinians: Policy Option Given the Infeasibility of Reaching a Final Status Agreement,” *Strategic Assessment* 15, no. 2 (2012) 75-82.