

Israel and the Jewish People: Geopolitics, 2012-2013

Introduction

The battle for votes ahead of the January 2013 Israeli elections focused on social and domestic issues. This focus allowed Yair Lapid (Yesh Atid) and Naftali Bennett (HaBayit HaYehudi) to come together in a united front during the negotiations to form a governing coalition, and even after the government took office (even though the former supports the two-state solution to the Israeli-Palestinian conflict and the latter vigorously opposes it). During the election campaign, the public and most of its leaders behaved as if Israel's immediate and more distant situation did not pose weighty challenges and dilemmas requiring decisive action. This curious phenomenon can be explained as symptomatic of denial, and deep pessimism over Israel's ability to affect, through its policies, the threatening processes taking place around it.

Some believe that Israel's strategic situation has improved, that Arab states are preoccupied with destabilizing domestic and economic problems, and it is highly unlikely that they would – any time soon – launch a conventional war against Israel. The Syrian army is busy with the civil war, the Iran-Damascus-Hezbollah axis is threatened, Hamas has lost its base in Syria, and the Arab world is largely focused on internal Sunni -Shiite conflict. Meanwhile, the peace treaties with Jordan and Egypt remain in place, and following Prime Minister Netanyahu's apology over the Mavi Marmara incident, relations with Turkey are no longer at a low ebb. The development of gas fields off the Haifa coast continues successfully, promising to turn Israel into an energy exporter, and Obama's visit to Israel sent a signal to the region of the American superpower's unequivocal support for the Jewish state.

Yet these developments, positive as they may be from Israel's perspective, do not alter the reality that Israel is located at the heart of a turbulent and violent region, which is undergoing dramatic changes and processes with the potential to cause serious harm, and faces a constellation of perilous scenarios:

- **Security deterioration** – A deterioration of the security situation at Israel's borders; terrorist actions against Israel and Jewish targets overseas, a missile attack against population centers in Israel; use of chemical weapons; and in an extreme case, the outbreak of comprehensive war in which Israel would have to face concerted attacks on several fronts, including the home front (for example, retaliation for Israeli attacks in Syria, following an Israeli or American action against Iran, or in the wake of a deterioration in relations with the Palestinians, etc.).
- **Damage to Israel's diplomatic standing** – The possibility of a widening perception that Israel is responsible for the lack of a solution to the Israeli-Palestinian conflict, the erosion of the standing of its American ally, the collapse of the Jerusalem-Cairo strategic axis, and the rise of political Islam in the Middle East.
- **Economic damage** – Sanctions that be imposed on Israeli products, tourism, investments, etc. resulting from a security deterioration and/or as part of the de-legitimization campaign being waged against Israel.

- **Damage to relations with the United States** – If the scenario of an Israeli attack on Iran against U.S. wishes becomes a reality; if the United States reaches an agreement with Iran unacceptable to Israel; or if Israel does not meet American expectations in making progress toward an Israel-Palestinian agreement. All these are liable to strengthen existing trends in the United States (though these, at this stage, are far from dominant) in which Israel is perceived as detrimental to U.S. interests.

This chapter aims to formulate the main dilemmas facing Israel in the geopolitical arena in light of the past year's developments. Formulating these dilemmas is important because it sharpens the distinction between international issues over which Israel has no real influence and those in which Israeli decisions can improve its situation and advance its interests. A fatalistic approach would likely push Israel into diplomatic paralysis and into a policy of 'do nothing', even though deciding not to decide carries a cost as well as a benefit.

The dilemmas are broad in scope and the consequences of not making a proactive choice between alternatives will likely have a paralyzing effect leading to a 'wait until the dust settles' policy. But the dust will probably not settle any time soon, so Israel will have to navigate and make decisions in an unpredictable and dangerous geopolitical arena. The number of 'moving parts' in the complex international system makes the task of managing a foreign policy enormously complicated. Weighty decisions are imperative given the geopolitical developments in the following four complexes:

- a) **The Global Complex:** The 'world order' in place throughout the Cold War and then characterized by years of American dominance after the collapse of the Soviet Union has made way for 'world dis-order' that has yet to crystallize into a stable and functioning structure. Along with the rise of Asia and the geopolitical challenge Russia continues to pose for Washington, the power and international standing of the United States – the superpower whose friendship and assistance to Israel are so critical and which is home to almost half the Jewish people who live in unprecedented prosperity – continues to erode. President Obama's approach, to date, not to show forceful leadership in the face of North Korean provocations, Iran's persistence in pursuing its nuclear project, and the blood-letting in Syria that includes the use of chemical weapons, strengthens the emerging image of a superpower focused on a burdensome economic crisis and on difficult internal problems, which prefers to 'lead from behind,' if at all.
- b) **The Middle East Complex:** The term 'Arab Spring' has revealed itself to be a vision of the distant future at best. The overthrow of autocratic rulers has not brought about democratic rule and liberal governance. Along with the release of popular sentiments seeking freedom, economic opportunity, respect and governability, the regional earthquake also unleashed fundamentally anti-democratic and anti-Western forces that have become dominant. Thus, the way was paved for the rise of political Islam, but the manner in which it has functioned and its accomplishments at the helm of power have been disappointing and

sobering. Anchors that long provided relative strategic stability are weakening. Inter-communal and other tensions have been stirred up and undermine state frameworks such that it impossible to envision how the situation will calm down and stabilize in the near future: the civil war in Syria and the danger that the country will break apart, the economic and political crisis in Egypt, the threat to the stability of Jordan and Lebanon, the failure to achieve stability and internal agreement in Iraq – all this is occurring while Iran continues to progress toward achieving a nuclear weapon and steps up its subversive efforts to exploit the upheaval and to deepen its regional influence. This picture reduces state military threats against Israel but strengthens hostile non-state forces and turns Israel's operating environment into an even more sensitive and complex space.

- c) **The Israeli-Palestinian Conflict Complex:** The lack of a solution to the conflict continues to pose a threat to Israel's security and its Jewish-democratic character, and helps to fan the de-legitimization phenomena against it. If the current U.S. effort to restart negotiations between Israel and the Palestinians fails as previous efforts have, the Palestinian side can be expected to move to change the 'direct talks under American mediation' model in preference of an alternative course – a quasi-imposed solution under multinational sponsorship or, in the extreme case, adopt policy that 'gives back the keys' and the responsibility for the West Bank to Israel and calls for a 'one state for two peoples' paradigm. These developments could easily worsen the security situation to the point that a third intifada breaks out. On the other hand, progress toward a permanent Israeli-Palestinian solution is likely to have the potential for systemic change in Israel's strategic situation and even to offer an answer, albeit a partial one, to the new challenges that result from the Arab revolts.
- d) **The Jerusalem-Washington-U.S. Jewish Community Triangle Complex:** This relationship is a critical strategic asset to Israel's and the Jewish people's power. During his Israel visit, President Obama gave powerful expression to America's support of the Jewish state, but he did not cover up differences on Iran and the Palestinians, which could grow into problematic disagreements.

The United States' Standing in the World and the Region

Developments that support the claim of diminishing American interest in the Middle East relate to the continuing economic crisis in the United States, sharp cuts in the Pentagon's budget, Washington's focus on Asia – particularly the rise of China, and predictions that the United States in short order will no longer be dependent on Middle Eastern oil or on imported energy resources of any kind. The continuing disengagement from Afghanistan (following the Iraq withdrawal), and the avoidance, so far, of direct military involvement in Syria point to an American desire to close the chapter of its active military intervention in the region.

This sharpens Israel's dilemma: a significant American-led peace process is likely to require painful concessions and pressure from Washington to reach a settlement. On the other hand, American disengagement would likely encourage less friendly elements to vie for control of the peace process and to change the format from direct

negotiations between the parties to one less comfortable for Israel (international, United Nations framework, etc.). No less importantly, regional players are wondering how far the United States is prepared to go to stop Iran's nuclear program, or if it will adopt a less passive policy in Syria. America's non-aggressive response to North Korean belligerence – in the eyes of Middle Eastern countries – is another test case that casts a shadow on U.S. standing. At the same time, many commentators believe that the United States cannot disengage from the region because of its potential to undermine global security, to spark a nuclear war, and to cause a global energy/economic crisis. The terror attack at the finish line of the Boston Marathon (April 15, 2013) strengthened claims that even if the United States abandons the Middle East, the Middle East will not release the United States.

Open issue:

- In light of the American tendency to reduce its involvement in the Middle East and assuming that this, from Israel's perspective, is a negative trend: Should Israel persuade the United States to remain involved in the region, and how could it do so?

Iran's Progress toward Achieving a Nuclear Weapon.

Even though sanctions are severely damaging its economy, Iran continues to steadily move ahead with development of a nuclear weapon. A February 21, 2013 International Atomic Energy Agency report found that Iran had begun to install some 180 advanced centrifuges at its uranium enrichment facility at Natanz, significantly increasing its capacity to accelerate production of the fissile material required to produce an atomic bomb. The former head of military intelligence, Amos Yadlin, estimated that "By the summer [2013], the Iranians will definitely cross the red line that Prime Minister Binyamin Netanyahu laid down in his UN speech."¹

Netanyahu himself said that, "Iran has not yet crossed the red line that I laid down at the UN but is moving toward it systematically."² Western intelligence sources are divided in their assessment of how long it will take Iran to produce a nuclear weapon once it makes the political decision to do so. President Obama made clear that U.S. intelligence estimates that it will take a year, perhaps longer, from the political decision to create a weapon to the point at which the first bomb is produced.³ Nothing in the differences between these assessments detracts from the single conclusion: Iran is getting very close to acquiring a nuclear bomb, and that it is advancing toward that goal along all necessary development tracks: production of fissile material, development of the weapon system itself, and preparing the delivery missile. This ensures that the period between an eventual political decision and the point at which an operational system is in place will be as short as possible. In the meantime, the rhetoric between Israel and Iran is intensifying. Netanyahu repeatedly promises that Israel will not accept a nuclear Iran, and Israeli Chief of Staff Ganz, when asked in an interview (April 16, 2013) whether the IDF possesses the capability to attack Iran's nuclear facilities on its own, replied: "Unequivocally, yes."⁴ The Iranian side

¹ General (Res.) Amos Yadlin, at the conference of the Institute for National Security Studies, 23.4.2013

² *Haaretz*, 29 April, 2013.

³ President Obama in an interview with Channel 2, 14.3.2013

⁴ Interview with Kol Yisrael, 16.4.2013

continues to threaten and Khamenei vows (23 March, 2013) that if Israel attacks his country's nuclear facilities, "The Islamic Republic will wipe out Tel Aviv and Haifa."⁵ Nevertheless, it is interesting that some of the candidates in Iran's presidential election campaign are critical of Ahmadinejad's foreign policy and avoid using wild rhetoric vis-à-vis Israel.

Nuclear talks between Iran and the P5+1 Group (the United States, Russia, China, Britain, Germany, and France) have not, so far, led to a breakthrough. Even if the stalled talks re-start, it is entirely unclear whether they will yield results (and if there are results, that they will satisfy Israel). Iran's policy of advancing to the nuclear capability threshold will allow for the rapid production of a nuclear weapon. Combined with empty diplomatic initiatives, this will leave Jerusalem, in the coming year, with the dilemma of whether to launch a military attack against Iran (a decision that is likely to contradict the U.S. position), or to risk waiting for an American military strike. The Israeli decision will mainly depend on developments in Iran's nuclear program, along with an assessment of the Obama administration's readiness to use force to halt the project (and, of course, on whether Israel has the military capability to achieve the goal itself).

The nuclear test that North Korea carried out and the provocative steps it took afterwards are a test of American determination in the struggle against nuclear proliferation. Iran is testing the extent of Washington's decisiveness, and indeed Secretary of State John Kerry stated the need "to show resolve toward North Korea, otherwise Iran will be emboldened by it."⁶

Obama stated, in an interview reported by the *Jerusalem Post* on March 14, 2013: "When I say all options are on the table, all options are on the table and the U.S. has significant capabilities. Our goal is that Iran will not have weapons that threaten Israel or lead to an arms race in the region." But skeptics maintain that we cannot attach operational significance to the president's rhetoric since he has yet to enact a militarily response to the crossing of the red line he drew for Assad – the use of chemical weapons. It is reasonable to expect that the practical expression Obama gives to this warning will affect the credibility Iran's rulers attach to his declared commitment to prevent a nuclear Iran and not to suffice with containing it.

Open Issue:

- Should Israel attack Iran by itself if it concludes that Iran has crossed the red line?

The 'Arab Spring' and the Middle East Storm

Recent months have shown that the 'Arab Spring' does not guarantee a rapid and calm transition to democratic regimes that protect human rights and are guided by liberal principles. The optimism that prevailed among many at the start of the revolt has given way to alarm. There is growing doubt that the revolts, which succeeded in

⁵ *Haaretz*, 21.3.2013

⁶ *Haaretz*, 14.2.2013

toppling dictators will be able liberalize societies replete with poverty, illiteracy, tribalism, social divisions, radical Islam, repression of women, government corruption, discrimination against minorities, unemployment, inadequate education systems, underdeveloped economies, and a weak middle class.

From Israel's perspective, anchors that long provided relative strategic stability have weakened considerably. Israel faces an unstable Middle East with a growing dominance of political Islam, which is fundamentally hostile to Israel and the West. Extremist Salafi and Jihadist elements are flourishing, Sunni-Shiite tensions are increasing, and state institutions are weakening. It is becoming increasingly difficult to deal with weakened governments that are not a real "address" for what is happening in their sovereign territory, and in which, in any case, the region's rulers must pay greater attention than they have in the past to 'the Arab street,' which is very hostile to Israel.

The shockwaves in the Arab world illustrate how difficult it is to craft a single elegant, coherent doctrine from which clear answers to any arising dilemma can be derived. Some argue that in a situation so dynamic, unpredictable, and laden with internal contradictions, it would be a mistake to apply a single rule to all possible scenarios, that each challenge should be dealt with independently.

The Danger of Syria's Disintegration

The Syrian civil war, which intensified over the past year, has claimed at least 93,000 lives, and made refugees of more than a million Syrian civilians. Russia and China are blocking binding Security Council resolutions that would mean Assad's ouster. Alongside the strategic advantages inherent in the erosion of the Syrian army's power and the damaged Iran-Damascus-Hezbollah axis, Israel is concerned about the break-up of the central government in Syria and about the country's becoming a haven for Islamic terrorist groups that will work to undermine the quiet on the Golan border.

In recent months, for the first time since the Yom Kippur War, there have been a number of shooting incidents in the Golan Heights (the first took place on November 12, 2012). Israel responded by firing at Syrian targets, making it clear that it will not refrain from responding such developments. Tensions between Israel and Syria intensified following Syria's announcement that Israel had staged an air attack on a military research institute near Damascus (January 30, 2013). Foreign sources reported that the attack destroyed advanced surface-to-air missiles en route to Hezbollah in Lebanon. A second Israeli attack took place in two waves on May 2 and May 5, 2013, and targeted Iranian missiles and weapons systems also en route to Hezbollah.

President Obama made clear (May 4, 2013): "I continue to believe that the Israelis justifiably have to guard against the transfer of advanced weaponry to terrorist organizations like Hezbollah."⁷ Uncertainty over what would happen in Syria in the wake of Assad's departure and existing divisions between opposition forces are currently deterring the United States from supplying arms to the rebels. The concern is that such weapons would fall into the hands of extremist Islamic elements and

⁷ JTA, May 4, 2013

might ultimately be used against American and Israeli targets. Despite these concerns, the United States has recently increased financial and humanitarian aid to some rebel organizations it believes will not later act against American interests. In Israel, concern is growing over the 'leakage' of chemical and other strategic weapons from Syria to Hezbollah and to Jihadist terror groups that find in Syria a convenient base for their activity.

The head of the Research Division of Military Intelligence, Brig. Gen. Itai Baron, confirmed in a public speech that the Syrian regime has used chemical weapons: "To the best of my professional understanding, the regime used lethal chemical combat materials on a series of occasions, including the incident on March 19" (in which the Syrian regime blamed the use of chemical weapons on the rebels). This announcement presented the United States with a difficult dilemma as President Obama had publicly warned Assad that the use of chemical weapons would be a game changer and cross a 'red line.' After a day of hesitant American reactions about the information itself, the United States confirmed (April 25, 2013) that the Syrian army had indeed used Sarin, a deadly nerve gas.

President Obama is now under pressure to keep his word and take military action against Assad. But as of this writing, Obama is proceeding with caution and has said that additional checks are necessary for final confirmation of the intelligence. He is also reluctant to disclose the nature of the American response to Assad's red line crossing and does not specify how "the game will change" from Washington's perspective. A poll published in late April showed that 62% of Americans are opposed to military entanglement in Syria, while only 24% support it.⁸ Various commentators believe that, in light of Obama's reluctance to send American troops into another Middle East war, his reaction is likely to be limited to approving the transfer of weaponry to certain rebel groups, and to declaring, to some degree, a no-fly zone.

Various intelligence sources who, early in the revolt, rushed to predict Assad's imminent downfall are now wary of such sweeping statements. In early May 2013, Assad's army even had some successes and welcomed the active military support of Iran and Hezbollah, along with – from Russia – a political-diplomatic umbrella and a supply of advanced weapons meant to deter outside military intervention. China, too, is not enthusiastic about the use of military force against the Assad regime. Moreover, we cannot ignore the support Assad receives inside Syria itself: the Alawite minority – some 12% of Syria's population of 22 million, which has ruled the country since 1970 – fears for its very survival should power pass to the Sunni majority (some 70% of Syrians). Syria's Christian minority (around 10% percent), on the whole, favors Assad's regime or is sitting on the fence (the pro-Assad camp also includes secular Sunni businessmen who are afraid that Assad's ouster would collapse the Syrian economy).

The joint plan of John Kerry and his Russian counterpart Lavrov (published on May 7, 2013) to convene an international conference to resolve the crisis in Syria has given rise, at this stage, to only limited hope, but the need to wait for the conference to take place is likely to provide Obama with an additional argument against immediate military action against Assad.

⁸ CBS News/ April 30, 2013

Prime Minister Netanyahu stated (April 29, 2013) that "Syria is splitting apart, new forces have positioned themselves there and they present two possible dangers – of attack from the line of the Golan Heights, and of lethal arms falling into the hands of Hezbollah and terrorist organizations."⁹ Israel is therefore maneuvering along a fine line: it is determined to respond to any firing on its territory, to halt forcibly the transfer of advanced weaponry to Hezbollah and, of course, to act in the event that it detects preparations for a chemical attack against an Israeli target – any of which, clearly, could lead to a violent deterioration. Such a deterioration would likely occur in the wake of a Syrian retaliation. Its efforts to acquire Russian S-300 surface-to-air missiles do not help. For this reason, Netanyahu went to Moscow for an urgent meeting with President Putin to try and block the deal (May 14, 2013), without success. At the same time, the *New York Times* published the proactive warning of a 'top Israeli official': "If Syrian President Assad reacts by attacking Israel, or tries to strike Israel through his terrorist proxies," the official said, "he will risk forfeiting his regime, for Israel will retaliate."¹⁰

Open Issues:

- How to continue to block the transfer of advanced weaponry to Hezbollah without being drawn into the Syrian morass and without sparking an escalation on the Golan border or a general war in the north.
- How to prevent the use of chemical weapons against Israeli targets and such weapons falling into the hands of terrorist organizations.
- How to prepare for the possible breakup of Syria and its becoming a failed state.
- Can communication channels with the Syrian opposition be opened and how.

Hezbollah and the Danger of Undermining Lebanon's Stability

The civil war in Syria is undermining Lebanon's stability. Some 400,000 Syrian refugees have fled to Lebanon creating a significant humanitarian problem. Prime Minister Najib Mikati resigned on March 23, 2013 after severe disagreements with members of his government over their opposition to the creation of an oversight body for upcoming parliamentary elections, and their refusal to extend the term of Ashraf Rifi as director general of Lebanon's national internal security service. President Suleiman assigned (April 7, 2013) the task of forming a new government to a veteran member of parliament, Tammam Salam, who will need to build consensus on the controversial new election law, the 'Orthodox Proposal,' limiting voters to casting ballots only for candidates from their specific sect. Parliamentary elections were scheduled to take place in July, 2013, but have been put off until November 2014. Salam will have to deal simultaneously with increasing economic and security threats arising from the fighting in Syria, and with resurgent ethnic divisions resulting from

⁹ *Haaretz*, 29 April

¹⁰ *New York Times*, 15 May 2013

Hezbollah's active support of Assad. Hezbollah's allegiance to Assad undermines its standing in the Arab world in general, and particularly in Lebanon. Hezbollah fighters are deployed side by side with Assad's forces in Syria. Dozens of them have been killed and brought back to Lebanon for burial. This situation exposes as a lie the organization's claim that its military capacity is only intended to defend Lebanon against Israel. Its taking up position beside the despised Assad is seen as joining the Shiite front against the Sunnis, and pulls the rug out from under the image that Nasrallah has cultivated over the years, of an organization that works for the good of all the people of Lebanon.

Tensions between Assad's supporters and opponents have already boiled over in Tripoli, and there has been unprecedented Sunni criticism of Hezbollah. The final collapse of Assad's regime would isolate Hezbollah strategically. Not only would it lose its Syrian ally, but its link with Iran would also be severely damaged. Hezbollah's efforts to gain international legitimacy have been damaged by the publication of evidence of its involvement in international terrorism, this following Bulgaria's announcement (February 5, 2013) that its investigation found Hezbollah responsible for the July 2012 attack in Burgas, which left five Israelis and one Bulgarian dead. As a result of this announcement, the EU was forced – under U.S. and Israeli pressure – to reconsider whether to blacklist Hezbollah as a terrorist organization.

In light of its attempt to help save the Assad regime, Hezbollah has been discouraged from opening a front against Israel and, so far, has not retaliated for Israeli attacks on arms convoys destined for it from Syria and on stockpiles of advanced Iranian missiles stored near Damascus. Nevertheless, we cannot assume that Hezbollah and its Iranian patron will restrain themselves in the future. Hezbollah's continued efforts to secure Iranian arms and to get its hands on stockpiles of strategic weapons in Syria, in combination with Israel's determination to foil these efforts, could well lead to an escalation that could result in revenge attacks against Israeli and Jewish targets abroad and a slide into war.

Open Issue:

- How to continue to foil Hezbollah's efforts to arm itself with high-quality weaponry without sliding into a war.

Egypt

Since Morsi's inauguration as president (June 30, 2012), the Muslim Brotherhood has worked aggressively to bring its political power to bear throughout the Egyptian government. Morsi fired the heads of the army and the intelligence services (August 12, 2012), and granted himself powers that free him from judicial oversight (November 22, 2012) until a new constitution (reflecting the Islamist world view) takes effect. These steps by Morsi, along with Egypt's desperate economic situation, led to huge, violent demonstrations and to a more substantial coalescence of the opposition. Morsi stuck to the already-cold character of the peace treaty with Israel, and is interested in calm along the Egypt-Israel-Gaza border. Thus, he provided effective help in bringing about a ceasefire between Israel and Hamas following

Operation Pillar of Defense. He continues to press Hamas to maintain it, and to restrain terrorist elements in Sinai.

Tensions developed between Cairo and Hamas following the Kerem Shalom attack in which Islamic extremists killed 16 Egyptian police (August 5, 2012), (Egypt suspected that Hamas knew about the planning of the attack), and Cairo declared a broad operation to destroy the terrorist infrastructure in Sinai. Despite Egyptian efforts, extremist terrorist elements that launched a number of attacks against Israel (including Eilat) over the past year continue to find refuge in Sinai. The flow of smuggled weaponry through the peninsula to Gaza continues, albeit at a lower level due to the growing Egyptian presence. It is clear that Egypt's economic and military dependence on American aid enhances Egyptian interest in security coordination with Israel to prevent a deterioration endangering the peace treaty with Israel and Cairo's relations with Washington.

For the first time in its history, the Muslim Brotherhood isn't limited to the opposition, but actually faces the test of governing. It is a high-stakes test given Egypt's desperate economic situation. Its foreign currency reserves, which stood at \$40 billion at the end of Mubarak's rule, dropped to \$13.5 billion by February 2013 – only enough to cover basic commodities desperately needed by the Egyptian economy for three months (Egypt must import 40 % of its food and 70% of its energy requirements). Shortages of raw materials required for Egyptian industry have already become apparent. The value of the Egyptian currency is falling; tourism, which makes up 12% of the Egyptian economy and is an important source of foreign currency, is paralyzed by security fears and the clerical atmosphere Muslim Brotherhood rule inspires. Foreign investors are reluctant to risk their money, and local investors prefer to transfer their capital out of Egypt. The International Monetary Fund has demanded reforms in exchange for loans that would give the economy some breathing room and would allow Egypt to obtain credit elsewhere (the cost of every dollar the Egyptian government borrows is relatively expensive because of low confidence in Egypt's ability to pay its debts). President Morsi is concerned that cutting subsidies (which comprise 25% of the Egyptian government's budget), as the IMF demands, would bring the enraged masses back onto the streets. Emergency aid from Qatar (\$8 billion) gave Morsi some breathing room and allowed him to put off, though not escape, making difficult decisions. The official unemployment rate for 2012 was 12.7% (42.7% among the 20-24 age cohort), which translates to 3.4 million unemployed Egyptians. The impact of these statistics is magnified by the lack of supportive social services or of significant savings among the unemployed. The Muslim Brotherhood government has yet to demonstrate its ability to deal with this challenge, especially since the political crisis makes it difficult to enlist the support of the parliamentary opposition for the necessary economic reforms.

The frustration of many Egyptians has increased in the past two years. The economy continues to worsen and there is disquiet in the political arena as a result of conflict between the Islamic bloc and the opposition (a rivalry has also erupted between the Muslim Brotherhood and the Salafist camp). Demonstrators are especially outraged by the continuing heavy-handed behavior of the security services, and claim that almost nothing has changed since Mubarak's overthrow. Many accuse Morsi and the Muslim Brotherhood of attempting to impose an autocracy on the country while ignoring the demands of the secular organizations that formed the backbone of the

anti-Mubarak uprising. Dozens were killed during demonstrations commemorating the second anniversary of the revolution (January 25, 2013) and Morsi was forced to declare a state of emergency in the cities of Suez, Port Said, and Ismailia.

The role the Egyptian army is playing in the current political environment, and the role it is likely to play in the event of a severe political crisis, creates a complicated dilemma for both Israel and the United States. It seems that both countries prefer to continue to cultivate their ties to this Western-oriented institution which has the ability to safeguard the peace treaty with Israel and perhaps, in the event of a crisis, to seize power. This preference lies behind the shipments of advanced weaponry with which the United States is equipping the Egyptian army and behind Israel's refraining from any diplomatic effort to block them.

From Israel's perspective, it is significant that the Israeli-Egyptian peace treaty survived the first year of Muslim Brotherhood rule. Egypt hosted the Islamic Summit conference (February 2013) at which support for the Arab Peace Initiative and the 'Road Map' were renewed, and the Egyptian foreign minister participated in the Arab League delegation that in Washington declared its support for an Israeli-Palestinian agreement that includes ("small scale") land swaps. IDF Chief of Staff Maj. Gen. Benny Gantz even stated that, "The security coordination between Israel and Egypt has improved in certain respects following the change in government in Cairo... The results of Pillar of Defense – both in terms of the quiet in the south and of the cooperation with Egypt – have surprised me favorably."¹¹

Against this background, we also need to consider that in certain circumstances, such as a crisis in relations between Israel and the Palestinians (the Muslim Brotherhood is ideologically closer to Hamas than Fatah), an escalation between Israel and Gaza, or on the Israel-Sinai border, Egypt could curtail relations with Israel, narrow Israel's freedom to operate in foiling terrorism from Sinai and Gaza and perhaps even seek to reopen and amend the military addendum to its peace treaty with Israel.

Open Issues:

- How to continue safeguarding the peace treaty with Egypt.
- How to strengthen security cooperation in curbing terror emanating from Sinai.
- How to continue to benefit from Egypt's assistance in maintaining the cease-fire with Hamas and curbing terror emanating from Sinai.
- How to constructively engage Egypt in the peace process.

¹¹ Interview with Israel Army Radio, April 16, 2013

The Threat to Jordan's Stability

While the Arab Spring sparked protests in Jordan, they were not on the scale of those in other Arab countries. They focused on corruption, calls for political reform, and expressions of anger over the worsening economic situation and the rising unemployment rate (30%). The cut-off of supplies of relatively cheap Egyptian gas created a significant deficit in Jordan's budget (Jordan imports 97% of its fuel needs, at a cost of about a quarter of its GDP). King Abdullah II was forced to cut subsidies to meet IMF conditions for approving Jordan's request for credit, and this caused fuel price increases that enraged many. The opposition in Jordan has in the past avoided criticizing the king himself: the fact that he is a scion of the Prophet Muhammad's family is a significant source of his legitimacy. But since the outbreak of the Arab Spring, this taboo has eroded and the king and his family are being publicly attacked (particularly his wife, who is portrayed as an out of touch spendthrift).

The January 2013 parliamentary elections did not reflect significant political reform, and at this stage the king has preserved his dominant power. The opposition, which is demanding reforms that would erode his power and lead Jordan to become a parliamentary monarchy, is not limited to the Muslim Brotherhood. There is also unrest and dissatisfaction among King Abdullah's traditional powerbase – the Bedouin tribes (who regard the monarchy as a hedge against the growth of Palestinian power). The civil war in Syria has aggravated Jordan's domestic situation and wreaked additional damage on its economy (some 60% of Jordan's foreign trade passes through Syria). Intense additional pressure has been caused by the 400,000 Syrian refugees who have sought a haven in their neighbor to the south. Moreover, quite a few Jihadist elements have moved from Jordan to Syria to fight against Assad, a development that has led to concern over the destabilizing effect they will have when they return to Jordan. In recent months, Jordan has increased its support for Assad's opponents, as well as its coordination on the issue with the United States and the Sunni Arab countries, so much so that Assad himself explicitly threatened Jordan (April 17, 2013): "We would wish that our Jordanian neighbors realize that... the fire will not stop at our borders; all the world knows Jordan is just as exposed [to the crisis] as Syria."¹²

The danger that Jordan might collapse has raised serious concerns in the West and, of course, in Israel. The kingdom's importance is illustrated by reports of American military advisers who are in Jordan to help prepare for the possibility that Assad falls, and the need to safeguard the chemical weapons stockpiles in Syria. A stable Jordan provides Israel with considerable strategic depth. The kingdom's security forces demonstrate professionalism and are effective in curtailing efforts by terrorist groups to use Jordanian territory as a base for attacks against Israeli targets. Israel is attempting to support its neighbor to the east, both in terms of security and economically. Discussions over the supply of Israeli gas to Jordan are well advanced. *Atlantic Monthly* journalist, Jeffrey Goldberg, who conducted an extensive interview with King Abdullah (March 19, 2012), described vigorous intelligence cooperation between Jerusalem and Amman that includes, according to various sources, Israeli UAV flights along the border between Jordan and Syria. The Jordanian king confirmed that Netanyahu is contributing to Jordan's stability, that his relationship

¹² Al Arabiya, April 18, 2013

with him is "very strong," and that "our discussions have really improved." In the interview, Abdullah stressed that abrogating the peace treaty with Israel is a "red line" from his perspective, and that he would not allow any future government in Jordan to do so: "I don't want a government to come in and say, 'We repudiate the peace treaty with Israel.'"¹³

Open Issue:

- How to continue supporting the survivability of the Hashemite government and to preserve Jordan's security and economic stability.

Is the Crisis with Turkey Over?

The intense crisis between Israel and Turkey, which broke out following the Turkish flotilla to Gaza in 2010, took a significant turn when Netanyahu apologized to the Turkish prime minister in a telephone call made at President Obama's side shortly before his departure from Israel (March 22, 2013). Netanyahu expressed, in principle, a willingness to compensate the families of those killed on the Mavi Marmara (negotiations over the nature of the compensation began in April). In response to another Turkish demand – "the removal of the siege on Gaza" – he clarified that restrictions on the movement of people and goods into Gaza are already being eased. The United States pressed for reconciliation between its two allies, which in its view represent an anchor of stability in a stormy and unpredictable region. The Syrian civil war deepened Jerusalem's and Ankara's interest in achieving a thaw in the crisis between them and in creating a framework for cooperation in light of the implications of a continued deterioration in Syria, their mutual neighbor. (The tension between Ankara and Damascus reached a highpoint after the Turks claimed that Syria was responsible for a terrorist attack in the border town of Reyhanli that killed some 50 Turks on May 12, 2013).

Most commentators do not anticipate a return to the same depth of strategic cooperation that characterized the relationship between the two countries in the past. A month before Netanyahu's apology, Prime Minister Erdogan, who discovered just how much his blatant hostility toward Israel won him approval in the Arab world, declared, "Just as with Zionism, anti-Semitism, and fascism, there is no escape from calling Islamophobia a crime against humanity."¹⁴ Under U.S. pressure, which expressed public disapproval of his statement, Erdogan corrected himself in an interview with the Danish newspaper, *Politiken*, and said that "his words were misunderstood."

In a dramatic move, Erdogan reached a cease-fire agreement with the imprisoned leader of the Kurdish underground, Abdulla Ocalan (March 21, 2013). According to the agreement, the Kurdish fighters from the PKK movement are to withdraw from Turkish territory, and the Kurdish population in Turkey (18 million) will receive political and cultural rights. If the agreement is in fact carried out, it will put an end to a bloody struggle that broke out in 1984 and has claimed some 40,000 lives. Along

¹³ *Atlantic Monthly*, March 19, 2013

¹⁴ *Haaretz*, 28.2.2013

with this move, Turkey is strengthening its ties with the Kurdish region of northern Iraq, which is enjoying stability and economic development (11% annual growth). A new oil pipeline to Turkey will allow for an increase in oil exports to a million barrels a day and is expected to further strengthen the common interests of Ankara and Irbil. These developments reflect a sea change in the fate of the Kurdish people, which numbers 38 million but which is spread out over Iraq (5 million), Turkey (18 million), Iran (6 million), and Syria (2.5 million).

The Kurdish people – who have been the victims of ongoing deprivation, were attacked with chemical weapons by Saddam Hussein and spilled their blood in a guerilla war against the Turkish army – now enjoy growing autonomy (the pressure on Assad's forces allows the 2.5 million Kurds living in northern Syria to run their own affairs as a quasi-independent entity). An open question remains: Will the Kurds be satisfied with this or will they strive for unification in a completely independent state? The Kurds are moderate from a religious point of view, and pro-Western in their outlook. Israel's policy toward them will likely be a source of renewed tension with Turkey, as are its Mediterranean gas fields. Ankara has expressed displeasure over the agreements Cyprus has signed with Israel, Egypt, and Lebanon, which, the Turks claim, impinge on the rights of Turkish northern Cyprus. This background is at the heart of the Israeli dilemma over whether to sell gas to Europe via Turkey's existing pipelines.

Throughout the intense crisis between the states, trade between them actually increased (even though the number of Israeli tourists dropped from around 500,000 a year to around 50,000). Even before Netanyahu's apology, Israel allowed Turkish goods to be trucked from Turkey to Jordan via the road between the Haifa port and the Jordanian border, from where they went on to Gulf markets. This solution was necessary because the Syrian civil war has made the traditional passage of Turkish exports to the Gulf (through Syrian territory) dangerous and unreliable. The potential transport of Turkish goods is estimated at around 500 trucks a week. Thus, trade between Israel and Turkey and its potential to expand presents a point of light and significant leverage in efforts to rebuild the relations between the two countries. Nevertheless, one cannot ignore Turkey's consistent support for Islamic elements, including Hamas (Erdogan is due to visit Gaza shortly), and that it is highly critical of Israel vis-à-vis the Palestinians (Turkey recently upgraded the status of its Jerusalem consul general to “ambassador to the State of Palestine”). And even though Ankara does not want to see a nuclear Iran, it is opposed to an Israeli attack on Iranian facilities. So despite a confluence of interests over Syria, there are quite a few differences in orientation and policy that will likely cast a shadow on the reconciliation and future Ankara-Jerusalem relations.

Open Issue:

- How to continue to foster relations with Turkey following Netanyahu's apology.

The Israeli-Palestinian Conflict

Against the backdrop of the paralyzed peace process, frustration over Hamas's increasing strength, and the Palestinian Authority's severe economic recession, Abu Mazen petitioned the UN General Assembly to grant Palestine "non-member observer state" status (November 29, 2012). The Palestinians won decisively: 138 in favor, 9 opposed, and 41 abstentions. Abu Mazen took this step despite Israeli warnings and personal pleas from President Obama. Jerusalem is concerned that their new status will enable the Palestinians to sue Israel and its citizens in the International Criminal Court. Israel retaliated by announcing plans for additional West Bank construction, including development plans for Area E1 (a step, according to the Palestinians, that would deny them territorial contiguity between north and south in the West Bank), and by stopping the transfer of indirect taxes it collects on behalf of the Palestinians. The United States also stopped its economic aid (and the Arab states have not rushed to send the funds they had publicly committed). Cutting off these funds accelerated the Palestinian Authority's economic decline. This, along with the absence of any diplomatic breakthrough on the horizon, the growing weakness of the Palestinian Authority, and, of course, the events of the Arab Spring, caused an intensification of protests and violent incidents in the West Bank, including the demonstrations that erupted over hunger striking Palestinian prisoners. According to Shin Bet data,¹⁵ the month of February 2013 saw a 70% increase in terror attacks against Israelis in the West Bank and Gaza Strip.

Skepticism over the possibility of a successful renewal of peace negotiations has, however, lifted slightly in light of a number of developments: Obama's reelection, John Kerry's appointment as secretary of state (and the priority he has placed on advancing an Israeli-Palestinian settlement), election results in Israel (which signaled the possible formation of a government more centrist than its predecessor), and the announcement of President Obama's visit to Israel and Ramallah. But it remains unclear how willing Obama will be to personally invest in the practical aspects of moving the diplomatic process forward.

At a press conference held in Ramallah (March 21, 2013), Obama unveiled his preferred way of proceeding. „Dismissing incremental, confidence building steps that ‘serve to delay and put off some of the more fundamental issues,’ he said, "If you have a situation where it looks like the incremental steps replace the broader vision, as opposed to incremental steps in pursuit of the broader vision, then I think that what you end up with is four more years, 10 more years, 20 more years of conflict and tension..." Obama favors working toward a permanent settlement over conflict management, interim steps, or unilateral moves. He clarified how permanent settlement negotiations should be handled: "The core issue right now is how do we get sovereignty for the Palestinian people, and how do we assure security for the Israeli people? And that's the essence of this negotiation. And that's not to say settlements are not important. It is to say that if we solve those two problems, the settlement problem will be solved."

Obama outlines the familiar approach of focusing first on the question of borders ("sovereignty," in his words) and on the question of security. This approach causes

¹⁵ Haaretz, 4.3.2013

discomfort on the Israeli side, among other reasons because it means that Israel will be asked to give up its main card at the opening stage and be left without any significant bargaining power when other issues, particularly the fate of the refugees and Jerusalem, come up for discussion.

At the end of his visit, Obama made it clear that Secretary of State Kerry would be working on his behalf with the two sides to explore restarting negotiations. Kerry did in fact meet with Netanyahu and Abu Mazen and even announced (April 9, 2013) that he had agreed on moving forward with a series of economic projects in the West Bank aimed at aiding the Palestinian economy. However, he also made it clear that they are not a substitute for diplomatic talks but rather help set an atmosphere conducive to negotiations. On his return to the United States, Kerry appeared before the House Foreign Affairs Committee (April 17, 2013) and warned that the window of opportunity for achieving a two-state solution is liable to close over the next two years, and direct U.S. involvement is therefore required. Kerry is also exploring ways to involve additional Arab states in the process, based on the 2002 Arab Peace Plan. We should mention here that despite growing calls in the Arab world to take the Arab peace initiative off the table, the most recent Islamic Nations Summit in Cairo (February 6-7, 2013) reaffirmed its support for this initiative and for the Road Map. The Arab League itself also affirmed its support for the initiative at its last meeting (March 26, 2012) and even resolved to send a delegation to Washington to present ideas for renewing the peace process. Indeed, the delegation appeared together with Secretary of State Kerry at a press conference (April 29, 2013) in which the Qatari prime minister, Sheikh Hamad bin Jassim Al Thani, declared – on behalf of the delegation – that peace with Israel is a "strategic choice" for the Arab countries, and that the League supports Abu Mazen's peace policy and is committed to providing economic aid to the Palestinian Authority. The Qatari prime minister added land swaps – not mentioned in the 2002 Arab initiative – to the basic principles on which a settlement could be based.

Secretary of State Kerry told reporters, "The Arab League delegation affirmed that agreement should be based on the two-state solution on the basis of the 4th of June, 1967, line, with the possibility of a comparable and mutually agreed minor swap of land."

The Prime Minister's Office was restrained in its response, but Tzipi Livni, the minister responsible for peace negotiations, was more positive. Nevertheless, Netanyahu stated shortly after the Arab League announcement (May 1, 2013) that we have to reach a settlement with the Palestinians "that will prevent Israel from becoming a bi-national state, but will provide stability and security."

Secretary of State Kerry asked the sides for a two-month "time out" to allow him to formulate a memorandum of principles that would serve as the basis for a renewal of talks. The Palestinians are adamant that Israel accept the principle of the '67 borders as the basis for renewing the negotiations and that it commit to present a map of the borders representing its position, but the Israelis insist that the negotiations should begin "without preconditions." The Palestinian Authority is preparing for the possibility that Kerry's efforts will be declared another failure; according to their calculations, the time out that they committed to runs out on June 7, 2013.

Both sides are contemplating how to win the propaganda battle in which each will attempt to blame the other for obstructing the renewal of the peace talks. In this context, the Palestinians are threatening to change the goal and method of the Oslo process: direct negotiations will be replaced by an international diktat imposed on Israel, and the two-state vision will be replaced with a demand for equal rights for all within a single state. Furthermore, the Palestinians are considering a demonstrative step in which they would "give back the keys" to Netanyahu and hand over responsibility for the fate of the Palestinian people to him as the "occupying power." The diplomatic stalemate provides context to a letter to the European Union's High Representative for Foreign Affairs, Catherine Ashton, (April 2013) signed by 19 senior Europeans who had formerly held top foreign policy positions. Their letter claimed that the Oslo process no longer has anything to offer, and that Europe's waiting for a sterile U.S.-led process to yield results essentially supports the continued entrenchment of the Israeli occupation.

The resignation of Palestinian Prime Minister Salaam Fayyad (April 13, 2013) after long months of tensions with Abu Mazen and the Fatah elite will likely complicate efforts to extricate the Palestinian Authority from its current economic crisis. The West and Israel considered Fayyad a reliable and professional interlocutor who dedicated himself to building the Palestinian economy and government institutions. Without him, there are growing fears of economic collapse and rampant corruption. At the same time, Fayyad's resignation gives a degree of momentum to reconciliation efforts between Fatah and Hamas as it allows for implementation of a key element of the reconciliation plan: the establishment of a technocratic government headed by Abu Mazen or another agreed-upon figure until general elections can be held. Despite a longing for reconciliation among the Palestinian public, each side seeks to blame the other for the continuing rift. Egypt (with assistance from Qatar) is leading the reconciliation effort but there are significant obstacles in the way and the vision of a single address for the Palestinian side remains distant. Nevertheless, we cannot take the challenge a Hamas-Fatah reconciliation would present to Israel (and the United States) lightly. Khaled Meshaal's reappointment to the Hamas leadership (April 1, 2013) sends a signal to the international community that the organization has opted for a relatively moderate line and that it is worth exploring a way to include it in the diplomatic process with Israel. Meshaal enjoys support from Egypt, Qatar, and Turkey and the coming period will show whether he can succeed in imposing his authority on the Hamas leadership in Gaza, which leans toward a more radical line. Hamas's high degree of self-confidence is the result of its analysis of the outcome of the violent clash with Israel of November 2012 (Operation Pillar of Defense). Following shooting incidents and rocket fire on Israel, Israel responded by killing the commander of Hamas's military wing, Ahmed Jabari (November 14, 2012) and by destroying most of its Fajr 5 long-range missiles. Hamas retaliated by firing missiles on Israel cities, including Tel Aviv. A cease-fire agreement was reached with U.S. and Egyptian assistance (November 21, 2013). Israel refrained from a ground invasion of Gaza and to halt targeted assassinations there. For its part, Hamas undertook to halt attacks toward Israel – including rocket fire and border attacks – by all the organizations. Measures to ease restrictions on the movement of people and goods through the border crossings into Gaza were also agreed upon.

The confrontation allowed for the successful demonstration of the Iron Dome system, which intercepted 85% of the rockets launched at populated targets in Israel. Hamas,

despite absorbing painful blows in the operation, portrayed the confrontation as their victory. According to its leaders, Hamas fighters deterred an IDF ground invasion and forced Tel Aviv residents into bomb shelters. As noted, this claim is consistent with the Hamas view that its regional and intra-Palestinian standing is on the rise. This is chiefly due to the Muslim Brotherhood's political victory in Egypt. In addition, Hamas succeeded in breaking out of the economic-diplomatic isolation imposed upon it under a diplomatic-economic "umbrella" held by leading Sunni states – Egypt, Qatar, and Turkey. All the same, Hamas is also taking care to maintain the cease-fire in place since the end of 'Pillar of Defense.' Evidence of Hamas's improved standing can be found in the visit by the Emir of Qatar, during which he announced that he would fund – at a cost of \$400 million – the reconstruction of Gaza (October 23, 2012), as well as in the announcement of Turkish Prime Minister Erdogan's plans to visit Gaza.

Open Issues:

- What is the best and most correct way to revive the peace process and make it effective?
- What are Israel's preferred parameters in a permanent settlement with the Palestinians?
- Assuming that it is not possible to move forward on a final-status agreement, what is the preferred alternative: Conflict management? Interim agreements? Unilateral steps?
- What is the most appropriate way to deal with Hamas while continuing to deter it?

Israeli-U.S. Relations

In recent months, this relationship, a critical strategic asset to the strength of Israel and the Jewish people, has seen clear expressions of American support for Israel, but also of friction between the countries and their leaders. The highlight, of course, was Obama's visit to Israel (March 20-22, 2013) in which he made a special effort to demonstrate his friendship and commitment to Israel. Even before the visit, the president spared no effort in proving his commitment to Israel's security. For example, he signed a new law (July 27, 2012) that commits the American administration to providing Israel with the military aid necessary to confront military threats in a changing strategic environment. According to the law, the United States will supply Israel with, among other items, aerial refueling planes, anti-missile defense systems and "special armaments."

At the AIPAC Policy Conference (March 4, 2012), Obama re-stated his policy vis-à-vis Iran : "I do not have a policy of containment; I have a policy to prevent Iran from obtaining a nuclear weapon." He also reiterated his commitment to preserve Israel's qualitative advantage. Washington, with the small group of countries, stood with Israel in opposing the Palestinian UN move, and continues to provide substantial assistance in the struggle against the international phenomenon of de-legitimization. But at the same time, it was leaked that the United States does not intend to use

military force against Iran, and that the Obama was furious over Netanyahu's support for his Republican rival, Mitt Romney. It was also reported the he had claimed, in a closed meeting, that Netanyahu doesn't understand Israel's interests, and that his conduct would lead Israel into severe international isolation.

Claims about Israeli interference in American domestic politics continued to crop up after the elections, particularly during the nomination process of Chuck Hagel as defense secretary. Right-wing Jewish groups in the United States accused Hagel of holding defeatist positions on Iran, Syria, and Hezbollah. Some, pointing to his past statements against the "Jewish lobby," alleged anti-Semitism (AIPAC, for its part, took care to stay out of the campaign against Hagel's appointment). Once confirmed, Hagel made a special effort to prove his commitment to Israel. In a meeting with then-defense minister, Ehud Barak (March 5, 2013), he expressed his commitment to ensuring Israel's qualitative advantage and promised that, despite Pentagon budget cuts, military aid to Israel would not diminish.

Obama's speech at the Jerusalem Convention Center (March 21, 2013) allowed him to present his main positions on Israel and clarify the emotions and values behind them:

- "When I consider Israel's security, I also think about a people who have a living memory of the Holocaust, faced with the prospect of a nuclear-armed Iranian government that has called for Israel's destruction. It's no wonder Israelis view this as an existential threat. But this is not simply a challenge for Israel – it is a danger for the entire world, including the United States."
- "So long as there is a United States, *atem lo levad*" (Hebrew: "you are not alone").
- "Given the demographics west of the Jordan River, the only way for Israel to endure and thrive as a Jewish and democratic state is through the realization of an independent and viable Palestine."
- "Given the frustration in the international community, Israel must reverse an undertow of isolation. And given the march of technology, the only way to truly protect the Israeli people is through the absence of war – because no wall is high enough, and no Iron Dome is strong enough, to stop every enemy from inflicting harm."
- "I recognize that with the uncertainty in the region – people in the streets, changes in leadership, the rise of non-secular parties in politics – it is tempting to turn inward. But this is precisely the time to respond to the wave of revolution with a resolve for peace."
- "But the Palestinian people's right to self-determination and justice must also be recognized.... Just as Israelis built a state in their homeland, Palestinians have a right to be a free people in their own land."
- "Palestinians must recognize that Israel will be a Jewish state, and that Israelis have the right to insist upon their security."
- "Israelis must recognize that continued settlement activity is counterproductive to the cause of peace, and that an independent Palestine must be viable – that real borders will have to be drawn."

- "I've suggested principles on territory and security that I believe can be the basis for talks."

We cannot ignore the ambivalence that characterizes the triangular Israel-Washington-U.S. Jewish community relationship. On one hand, there is acknowledgement of the deepest sort of friendship, which is manifest in the massive U.S. practical support of Israel. On the other hand, there is evidence of frustration, anger, and discomfort over Israel's conduct. This year, too, various commentators have warned that support for Israel in the United States is eroding because of Israel's policies, the demographic shifts that are slowly changing the face of America, and the growing concentration on domestic affairs. Yet, this claim is not generally supported by polling data. According to a poll taken in February 2013, support for Israel is actually on the rise among all sectors of the American population, though the most significant increase is found among Republicans, conservatives, and older age cohorts. The lowest rates of support – though even these exceed 50% – are found among the young, liberals, and Democrats.¹⁶

The coming months will show the extent to which these two issues – Iran and the peace process – will be the source of fruitful cooperation or of problematic friction in U.S.-Israel relations. During Obama's Israel visit, Netanyahu stated that he has confidence in Obama and that he "is convinced that President Obama is serious about his intention to prevent Iran from achieving a nuclear weapon." Netanyahu would no doubt be pleased if this wish were to come true in its entirety. In actuality, there is uncertainty over the form an American response will take. Significant disagreements are likely to arise between Israel and the United States in the event that an agreement is reached with the Iranians that is unsatisfactory to Israel, or if the criteria (red line) that would justify a military attack is put to a practical test. For example: if Iran were to progress to the point of the "final turn of the screw" and then stop so that it could technically claim it does not have a bomb, and this was acceptable to the United States but not to Israel.

There could also be bitter disputes over the Palestinian issue. For example, if the United States insists on receiving Israel's precise opening positions on final-status issues and Israel refuses to lay them out, or if it fails to veto a future Security Council resolution that establishes the terms of an Israeli-Palestinian peace agreement. It is unclear to what extent the United States will be prepared to provide Israel an umbrella of support in the regional and international arenas if it considers Israel the main cause of the diplomatic stalemate. A scenario in which disagreements develop between Jerusalem and Washington over the Iranian or the Palestinian issues could, of course, leave the American Jewish community between a rock and a hard place.

¹⁶ *Haaretz*, 19.4.2013

Open Issues:

- How to continue to safeguard the United States' friendship without compromising Israel's essential interests?
- How to convince the United States to maintain its presence and involvement in the Middle East.
- How to benefit from the assistance of American Jewry without pushing them into an untenable corner.

Israel's International Standing

The UN General Assembly vote to accept Palestine as a non-member observer state revealed Israel's isolation on this issue. The eight countries that supported Israel and voted against the Palestinian move were: Canada, the Czech Republic, the Marshall Islands, Micronesia, Nauru, Palau, Panama, and the United States. *Haaretz* reported (February 7, 2013) that in a closed meeting in the Prime Minister's Office, Israel's national security adviser, Yaakov Amidror, expressed the view that settlement construction "is also causing Israel to lose the support of its greatest friends in the West." There is concern that a deterioration in Israel's international standing would likely cause a strengthening of the de-legitimization efforts against it, and to Europe's imposition of economic sanctions. Thus, in a strongly-worded report by a commission of enquiry of the UN Human Rights Council on the subject of the settlements (January 31, 2013), governments and private corporations around the world are urged to consider imposing diplomatic and economic sanctions on Israel because of its continued construction in the settlements. European support for labeling goods manufactured in the settlements is growing. Half of Europe's foreign ministers (including those of Britain, France, the Netherlands, Austria, Spain, Denmark, Belgium, Portugal and Ireland) expressed their support for such a measure to the EU's high representative for foreign affairs, Catherine Ashton (April 12, 2013) and asked her to publish detailed implementation guidelines. There is no mistaking that anti-Israel sentiment on the settlements issue is gathering momentum throughout Europe. The diplomatic stalemate provides a supportive backdrop to the embargo efforts against Israel. Thus, the Nobel Prize-winning physicist, Stephen Hawking, cancelled his participation in Israel's Presidential Conference, explaining his actions in a letter (May 3, 2013) saying that he had been asked by Palestinian academics to "honor the embargo". These phenomena, which testify to the erosion of Israel's international standing, join ongoing and more serious processes of severe de-legitimization of Israel's very existence and of Diaspora Jewry's ties to it. Even though there has been greater awareness of the de-legitimization phenomenon in recent years in Israel and among the Jewish people and these have begun to mobilize to combat it, with Israel succeeding in curbing on responding to several "de-legitimization campaigns", it seems that the de-legitimization challenge on the level of international consciousness has not been halted and it remains a major challenge to Israel and to Diaspora Jewry. It is important to emphasize that there is understanding for Israel when it is forced to take military action to defend itself as happened, for example, in Operation Pillar of

Defense" Its forceful actions, whether against Hamas or out a need to block the transfer of advanced weaponry to Hezbollah, are generally viewed with relative understanding in European capitals. This is not the case when Israel is perceived as continuing to hold the Palestinian people under occupation and as not being interested in an agreement with the Palestinians.

Open Issue:

- Is it possible to improve Israel's international standing in the absence of progress toward an Israel-Palestinian agreement, and if so how?

Israel as an Energy Power

Israel continues progress toward becoming an energy producer and exporter. In early December 2012, it was announced that the Australian firm, Woodside, would pay \$2.5 billion for a 30% stake in Israel's Leviathan gas field in the Mediterranean. On March 30, 2013, gas began flowing from the Tamar field, ushering in a new era that will lead to Israel's energy independence. Progress in gas field development will likely enrich Israel with considerable income, and, provide it with the opportunity to reap strategic dividends from gas exports. But it also raises social, economic, and strategic issues, including where to sell the gas (Europe? Turkey? Asia?), and the challenge of defending the drilling platforms and other infrastructure in a region whose countries have problematic relations with one another – Israel, Egypt, Lebanon (Hezbollah), Syria, Turkey, and Cyprus.

Open Issues:

- How can a diplomatic and security apparatus be built to provide protection in the areas of the gas drilling rigs and delivery lines?
- From Israel's overall strategic perspective, who are the ideal customers for Israeli gas from the of?
- What, from Israel's perspective, are the optimal natural gas delivery channels?

Conclusion:

The prosperity and security of the Jewish people as a whole are substantially affected by trends taking place in the geopolitical arena. Israel's actions in this arena sometimes affect the interests of Diaspora Jews. For example, if Israel, in the coming year, resumes negotiations with the Palestinians, sensitive questions will arise over issues dear to Jews everywhere. The future of Jerusalem is at their heart. Similarly, in another – mysterious – area, the suicide of Mossad agent, Ben Zygier, which became public in February 2012, shocked the Australian Jewish community and aroused fears that they might be accused of dual loyalty because he held an Australian passport. While the scope and legitimacy of Diaspora Jews' involvement in Israeli decisions close to their hearts remains an open question, there is no question that the major decisions must be made by Israel, and that this year it faces an unpredictable and danger-laden geopolitical arena. The number of 'moving parts' the Israeli decision maker must take into account makes the job of managing a foreign and defense policy

extremely complex. This is likely to staunch the appeal of a proactive approach that seeks to identify opportunities and take the initiative, and instead leans toward an approach of digging in and waiting ‘until the dust settles.’

The 21 dilemmas below, arranged according to their intensity, arise from the issues discussed in this review. All await decisions by the Government of Israel:

Security Threats and Strategic Issues:

1. Should Israel strike Iran alone if it concludes that the Iranians have crossed the red line?
2. How can Israel continue to block the transfer of advanced weaponry to Hezbollah without being drawn into the Syrian morass or being pulled into a war in the north?
3. How can we prevent the use of Syrian chemical weapons against Israeli targets and their falling into the hands of terrorist organizations?
4. How is it possible to curb the terrorist threat from Sinai?
5. How should Israel deal with Hamas in order to deter it and maintain the Gaza cease-fire?
6. How can Israel build a diplomatic and security apparatus that will ensure the protection of gas drilling areas and delivery channels?
7. Who is the ideal customer for Israeli gas and what are the preferable supply channels?

Israel and its Neighbors:

8. What preparations should be made for the possible break-up of Syria and its becoming a failed state?
9. How can Israel continue to maintain its peace treaty with Egypt and strengthen security cooperation between the two countries?
10. How can we continue to support the survivability of the Kingdom of Jordan – its security, economy, and stability?
11. How can we foster Israel's relations with Turkey following Netanyahu's apology?
12. How should Israel relate to the ‘Arab Spring’ and to the rise of political Islam so as to serve Israeli interests?
13. Do Israel and the Jewish people have the ability to moderate the hatred of the ‘Arab street’ whose influence is growing?

The Israeli-Palestinian Conflict:

14. What is the best and most advisable way to revive the peace process and make it effective?
15. What are Israel’s preferred parameters for a permanent agreement with the Palestinians?
16. Does Israel prefer an alternative to a permanent agreement: Conflict management? Interim agreements? Unilateral steps?
17. How can we include Egypt (and other Arab states) in a beneficial role in the peace process?

The Relationship Triangle: Jerusalem-Washington-U.S. Jewish Community:

18. How can Israel continue to maintain its friendship with the United States without relinquishing essential Israeli interests?
19. How can Israel persuade the United States to remain a present and dominant force in the Middle East?
20. How can Israel take advantage of American Jewish support without pushing them into an untenable corner?

Israel's Standing in the International Arena:

21. Is it possible to improve Israel's international standing without progress on an Israeli-Palestinian settlement, and if so, how?

Some of the necessary decisions deal with questions of extreme political sensitivity. The most critical and sensitive of all involves the form Israel would like to see a future agreement with the Palestinians take. A fundamental effort to clarify Israel's policy goals vis-à-vis this issue would provide a clear and useful compass for dealing with other difficult issues. Considering these many weighty issues, it is difficult to overstate the importance of decisions that will be made in Jerusalem in the near future. They have the potential to substantially impact the future of Israel and the Jewish people.