

2014 – A Strategically Decisive Year

A Geopolitical Review

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Introduction

2014 is likely to be a decisive year for the issue of Iran's nuclear program and for the fate of the Israeli-Palestinian negotiations. These two subjects pose challenges for the triangular relationship: Israel, the United States, and the American Jewish community. The interim agreement with Iran, and the Vienna talks on a permanent settlement that followed, provoked extremely harsh responses from Israel. At the same time, diplomatic negotiations with the Palestinians are nearing their April 2014 deadline and Israel faces mounting pressure and weighty decisions as the presentation of the American framework approaches. The coming months, therefore, have the potential to bring new tensions between Washington and Jerusalem that may trouble American Jewry and could strain the "triangle," a cornerstone of Israel's and the Jewish people's power. The main issues – efforts to halt Iran's acquisition of a nuclear weapon, and to achieve a breakthrough in an Israeli-Palestinian agreement – arise within stormy global and regional contexts. Replete with uncertainties and dilemmas highly relevant to Israel's standing, both issues test Jerusalem's decision makers and the triangle's strength.

The Global Context

The prevailing “world order” during the Cold War and the years of American dominance that followed the Soviet Union’s collapse have been supplanted by a “world dis-order” that has yet to coalesce into a stable and functioning system. Alongside the rise of China and the geopolitical challenge Moscow still poses to Washington, an erosion of the international standing of the United States continues. Home to almost half the Jewish people who live there in unprecedented prosperity, U.S. friendship and aid to Israel are critically important. The complex geopolitical arena familiar to us in the past has been further complicated by more recent trends that draw their force and direction from the various incarnations of the “Arab Spring,” the American withdrawal from Iraq and Afghanistan, the economic crisis in the United States and Europe, and the continued rise of Asia. Professor Kishore Mahbubani of Singapore has stated that we are only five years away from a historic milestone: for the first time in 200 years, a non-Western country – China – will become the world’s largest economy in purchasing-power parity (PPP) terms. In this context, Mahbubani claims that: “The big question for our time... is this: is America ready to become number two?”¹ Accompanying these trends is another development that seriously threatens basic Israeli interests – the United States’ growing reluctance to be involved or present in the Middle East. Israel will be greatly affected not only by changes in the quality of its relationship with Washington, but also by a change in the United States’ global standing. The perception taking root, that the United States – Israel’s ally – is in the process of decline and of abandoning the Middle East, erodes Israel’s deterrence capacity and the power associated with it.

Developments supporting the perception of diminishing American interest in the Middle East include the continuing economic crisis in the United States, drastic cuts in the Pentagon budget, Washington’s pivot toward Asia and the rise of China, and the forecast that the United States will soon no longer be dependent on imported energy. The continuing disengagement from Afghanistan (following the disengagement from Iraq) and its avoidance of military action in Syria, even though the “red line” set by President Obama himself was crossed, testify to an American desire to close the chapter of its active military involvement in the region. Many in the United States feel that this involvement, which exacted a heavy price – in blood and treasure – was a disappointment and failed to achieve its primary goals.

This bitter feeling was reinforced by recent developments in Iraq, where Fallujah and parts of Ramadi fell to radical Islamic forces at the beginning of January 2014. Many American soldiers' lives were lost conquering these cities, and now it seems all for naught. Polls show that 52% of Americans prefer that America focus on domestic affairs and stop bothering with global affairs (this is the highest figure recorded on this issue in the 50 years since this question has been asked).²

This waning appetite for involvement in the Middle East is apparent just as the region is in the midst of a storm that requires the stabilizing influence of American superpower. While many commentators reject the notion of "American decline," some also believe that the United States will not be able to disengage from the Middle East because of its potential to undermine global security, possibly igniting a nuclear war, and cause a global energy-economic crisis (even if America did not depend on Middle Eastern oil, disruptions in its supply would likely undermine the global economy, which would, in turn, damage its own).

A storm system has been over the Middle East since the outbreak of the Arab Spring. The civil war in Syria and the crisis with Teheran test the implications of reduced U.S. involvement in the region. Messages coming out of Washington are perceived in the region as contradictory, and its grand pronouncements are disregarded because they lack credible concomitant practical actions. President Obama made clear in his 2014 State of the Union address that he would not send his forces to dangerous combat zones unless absolutely necessary: "But I will not send our troops into harm's way unless it is truly necessary; nor will I allow our sons and daughters to be mired in open-ended conflicts."³ National Security Advisor Susan Rice has explained that President Obama, in his second term, will follow a more modest policy in the Middle East and will not allow the region to dominate his foreign policy as it did those of his predecessors.⁴ Secretary of State John Kerry presented the opposite approach at the World Economic Forum in Davos, he labeled claims that the United States is disengaging from the Middle East "a myth": "We are entering an era of American diplomatic engagement that is as broad and as deep as at any time in history... The most bewildering version of this disengagement myth is about a supposed retreat by the United States from the Middle East."⁵ Which of the two is describing U.S. Middle East policy more accurately?

The Regional Context

The term "Arab Spring" has turned out to be premature. Perhaps it holds a vision for the distant future, but it certainly does not describe the situation in the region more than three years after Muhammed Bouazizi immolated himself in Tunisia (December 17, 2010) and provided the initial impetus for the outbreak of the popular uprisings that swept the entire region. The optimism many expressed at the beginning of the upheaval has largely given way to disappointment and concern. Increasingly, it is doubted that the movement that succeeded in toppling autocratic rulers is capable of providing political cohesion and liberal reform to societies laden with poverty, unemployment, illiteracy, tribalism, social divides, radical Islam, the oppression of women, corrupt regimes, discrimination against minorities, poor education systems, backward economies, and a weakened middle class.

From Israel's perspective, anchors that had provided relative strategic stability over the years have been weakened: Mubarak's overthrow and the undermining of Egypt's stability in general and in Sinai in particular; the deep crisis in relations with Turkey that, despite Israel's apology, seem unlikely to return to their previous levels; Syria's de facto breakup; threats to the monarchy in Jordan – Israel's neighbor, which has high strategic importance to Israel and the West; the anticipated changing of the guard in the Saudi leadership; Iraq's difficulty in maintaining its unity and stifling internal terror; the shock-waves in Turkey; and so on. It is becoming increasingly difficult to deal with weakened governments that are no longer the real "address" for what is taking place in their sovereign territory where problematic non-state actors are strengthening at their expense. Alongside the release of popular forces and energies seeking freedom and economic well-being, progress, respect, and governability, the regional earthquake unleashed anti-democratic and anti-Western forces and energies that have become dominant. Thus, the way was paved for the rise of political Islam, though its performance and achievements at the helm of power brought disappointment and disillusionment, which even led to a military coup in Egypt. In addition to all this, Iran has yet to abandon its efforts to possess nuclear weapons, despite the negotiations being conducted with it.

Some of the threats facing Israel are camouflaged by stormy events that would seem to indicate an improvement in its strategic position: the Arab countries are preoccupied with problematic internal and economic challenges that jeopardize their stability; a conventional war against Israel does not appear a likely scenario; the Syrian

army is busy fighting a civil war; the Iran-Damascus-Hezbollah axis is in peril; political Islam has lost its standing and the luster has been removed from the seat of power in Egypt; Hamas has lost its base in Syria and after the ouster of the Muslim Brotherhood government is now regarded as an enemy by Egypt's rulers; Hezbollah's standing has been hit as a result of its active fighting in Syria on the side of the hated Assad; and the Arab world, on the whole, is bedeviled by internal Sunni-Shiite conflict. At the same time, the peace treaties with Jordan and Egypt remain in place; relations with Turkey are no longer at a low ebb; the development of the natural gas fields that will turn Israel into an energy exporter continues successfully; and President Obama's last visit to Israel signaled to the region America's unequivocal support for Israel.

Yet these facts, encouraging as they may be, cannot stifle deeper negative trends or change the reality that Israel is located in the heart of a violent and unstable region. The shockwaves and central governments' lack of effective control open the door to a deepening Al Qaeda and World Jihad presence closer to Israel's borders. They are strengthening their presence and activity in Syria (including in the Golan Heights) and in Sinai, and have even made a number of attempts to attack Israeli targets.

Even though the shockwaves in the Arab world are likely to reverberate for years, it is already possible to make a number of diagnoses that should inform Israeli strategic thinking: political Islam has become a very significant factor in the regional arena – in government and outside it; the growing power of the Arab street; the worsening economic crisis; the outbreak of ethnic and religious disputes, and particularly the escalating Sunni-Shiite rift; central governments are weakening in the face of strengthening terrorist organizations and sectarian militias; and the growing sense that borders laid down almost 100 years ago by Sykes and Picot (1916) do not reflect ethnic and geopolitical realities. These shockwaves demonstrate the difficulty in shaping a single coherent doctrine that provides answers for every dilemma that arises. Some claim that in such a dynamic and unpredictable reality so rife with internal contradictions, it would be a mistake to apply a single rule to every situation that develops, that it is better to respond to each challenge separately:

The Egyptian Challenge: From Morsi's coronation as president (June 30, 2012), claims that the regime was failing grew, that it favored the Muslim Brotherhood's sectarian interests and that it allowed the economy to deteriorate. Barely a year passed before Morsi was overthrown in a military coup (July 1, 2013), imprisoned and made to stand trial, which may place him in front of a firing squad. Hundreds were killed in

the riots throughout Egypt. General Sisi became the de facto ruler. Many of the heads of the Muslim Brotherhood, whose movement was declared a terrorist organization and outlawed, were imprisoned.

Egyptian society is divided between forces that are bitterly hostile to one another: on the one hand, the army and its supporters, and on the other, the Muslim Brotherhood. Some of the young liberals who led the protests in Tahrir Square have also been imprisoned. The new Egyptian constitution was ratified by a 98.1% majority in a referendum (January 14-15, 2014). However, only 38.6% of the electorate voted in the referendum, so it hardly represents a broad national consensus. The constitution grants the army immunity from serious criticism and allows for its continued dominance in Egypt. The February 14, 2014 resignation of Egypt's interim government paved the way for Sisi to announce his candidacy for the presidency.

In a relatively short period, the United States has been forced to shape a policy to deal with three different Egyptian regimes: those of Mubarak, Morsi, and Sisi. This reality makes it difficult to establish a stable unequivocal strategy free of internal contradictions. And, in fact, the United States finds itself the object of criticism from all sides. Thus, for example, it does not define Morsi's overthrow as a "military coup" since such a recognition would require, under American law, the cessation of aid it provides Egypt at a time when this aid is considered essential to maintaining some kind of leverage with Cairo. Secretary Kerry encountered raised eyebrows when he stated that Sisi acted to "restore democracy." At the same time, the Americans are also voicing criticism over the infringement of human rights and limiting joint military exercises and suspending some Egyptian military purchases. Moscow, having spotted an opportunity, is offering Egypt a weapons deal and has rushed to host Sisi and his foreign minister.

The interruption of the Muslim Brotherhood regime caused satisfaction in Israel. Instead of facing an extremely hostile regime allied with Hamas, Israel now faces a military regime whose modus operandi is familiar, and with which it is possible to cooperate. And indeed, the quiet security cooperation between the two countries has been tightened, a result of fulfilling common interests in the border area and beyond. Sisi's regime understands the danger involved in allowing Jihadist elements to become established in Sinai and is making an effort to combat them. It considers Hamas a threat, is stemming the trafficking of weapons into Gaza, and is making efficient strikes against the network of smuggling tunnels that have been dug between

Sinai and the Gaza Strip. Israel is trying to convince the American administration and Congress of the importance of supporting Sisi's regime to the region's stability and to the war against terrorism. It is even allowing Egypt to send forces into Sinai at levels above those stipulated in the military provisions of the peace treaty. Yet recent experience shows that stability in Egypt is far off and that alongside efforts to cultivate relations with Sisi's regime, Israel's eyes must remain open to the possibility that less comfortable scenarios may arise. Furthermore, it must pay attention to the gap between its own positive approach to Sisi's regime and the Americans' dualistic position.

The Syrian Challenge: The civil war in Syria, which has intensified in the past year, has so far claimed more than 130,000 lives and has made refugees or displaced persons of more than six million Syrians (2.3 million in neighboring countries, and the remainder within Syria itself). During 2013, Assad's army registered some achievements: it enjoys the active military support of Iran and Hezbollah, and benefits from a Russian political-diplomatic umbrella and supplies of advanced weaponry intended to deter external military intervention. China is also not enthusiastic about applying military force against his regime. The revelation that Assad used chemical weapons against civilians brought the United States to the brink of attack on Assad's military, which would have fulfilled its threat that it would not tolerate the use of chemical weapons. Obama announced (September 1, 2013) that he would seek the approval of Congress prior to a military strike against Syria, but his request was not brought to a vote. Avoidance of U.S. military operation came as a result of Kerry's comments (September 9, 2013) that a military operation would not occur if Assad would agree to the destruction of his chemical weapon stockpile. Moscow hurried to take advantage of the opportunity to save its ally from an American military attack and gained Assad's agreement to give up all the chemical weapons in his possession as well as his manufacturing capability (which he had previously denied existed). This surprising development – even though its implementation is lagging behind the timetable to which Damascus committed – provided Israel with a significant strategic achievement (assuming it is fully implemented) in that it removes the substantial threat these unconventional weapons posed to the Jewish state.

The war in Syria brings together in a single geographic arena different types of "actors" and different kinds of responses: the internal forces battling each other against an ethnic, tribal religious, and political background, the neighboring countries that fear the spillover of negative influences into their territory, the

regional forces, especially Iran and Saudi Arabia, which are transposing their competition for regional hegemony onto Syrian soil, the radical Islamic forces that see an opportunity to advance their pan-Islamic ideology, the superpowers (the United States and Russia) that are vying for influence in the area and pushing for conflicting solutions, and, of course, the factions that have been motivated by the historic conflict (Sunni versus Shiite) since the dawn of Islam. Despite the terrible human tragedy and the waves of refugees from Syria that are weighing down the economies of neighboring states (800,000 in Lebanon, some 600,000 each in Jordan and Turkey), the international community has not succeeded in stemming the crisis. Russia and China prevent the adoption of binding UN Security Council resolutions that would mean Assad's ouster or would at least impose humanitarian restraints on him. The United States has avoided supplying weapons to the rebels given the uncertainty about what will happen in Syria after Assad departs, the existing split within the opposition forces, and the fact that among the groups fighting Assad there is an increasing dominance of Al-Qaida and Islamic Jihad elements for which Syrian has become a magnet (according to Israeli intelligence estimates, they number approximately 30,000!). The fear is that the weapons would fall into the hands of radical Islamic elements and would ultimately be used against American and Israeli targets. Furthermore, the arrival of thousands of foreign Jihadists in Syria raises the concern that they will become a destabilizing factor when they return to their homelands – just as the "graduates" of Afghanistan did in their day.

The Geneva II talks of January 2014 ended in failure. The talks, in which representatives of the government and the opposition participated, were intended in theory to implement the agenda decided upon in the Geneva I talks (June 2012): political transformation, meaning Assad's ouster. However, Iran does not accept this principle (and thus its invitation to the talks was cancelled), and Russia, which was not interested in having the talks deal with Assad's future, pressed to have them deal with secondary matters. Israel is following the breakup of its northern neighbor while strengthening its deployment along the border and preparing for the possibility that the collapse of the central Damascus government will turn Syria into a beachhead for Islamic terrorist elements that will work to undermine the quiet along the Golan border with no central address that can be efficiently deterred.

The Lebanese Challenge (Hezbollah): The civil war in Syria undermines the stability of Lebanon. Some 800,000 Syrian refugees who have fled to Lebanon are

creating a significant humanitarian and economic crisis. Hezbollah's support for Assad undermines its position in the Arab world generally, but particularly in Lebanon. Several thousand of the organization's fighters are operating alongside Assad's forces in Syria. Hundreds of them who were killed in battle have been returned to Lebanon for burial. This reality refutes the organization's claim that its military capacity is exclusively intended to defend Lebanon against Israel. Its standing beside the hated Assad is portrayed as a Shiite affront against the Sunnis, and pulls the rug out from under the image Nasrallah has cultivated over many years: that Hezbollah works in the interests of all Lebanese citizens. Hezbollah's involvement in Syria has made Lebanon part of the battlefield and has brought with it bloodshed and deteriorating internal stability. The Sunni rebels fighting Assad exact revenge on Hezbollah and Iran with attacks carried out on Lebanese soil. Hezbollah has avoided opening a front with Israel, and, so far, has not responded to attacks ascribed to Israel against convoys of strategic weapons from Syria intended for its use, and against the stockpiles of advanced Iranian missiles stored near Damascus. Hezbollah's continued efforts to arm itself with advanced Syrian and Iranian weaponry, and Israel's determination to thwart this, has the potential to lead to an escalation, possibly to revenge attacks against Israeli and Jewish targets worldwide, and even a slide into war. Under certain conditions, Hezbollah may decide that only a violent confrontation with Israel can restore the support it has lost in Lebanon and the Arab world.

The Jordanian Challenge: Although the "Arab Spring" sparked demonstrations in Jordan, they were not as widespread as in other Arab countries. The protests focused on issues of corruption, calls for political reform, and expressions of anger at the worsening economic situation, rising prices, and the increasing unemployment rate (30%). In the past, the opposition in Jordan has avoided criticizing the king himself, whose being a scion of the Prophet Mohammed's family is a considerable source of legitimacy. But since the outbreak of the "Arab Spring," this taboo has been challenged and King Abdullah II and his family have been attacked publicly (with the emphasis on his wife, Queen Rania, who is portrayed as a disconnected spendthrift), even though there have been few calls for regime change, which have come only from the margins of the political arena. Demands for reforms that will erode the Abdullah's power and result in Jordan becoming parliamentary monarchy are not limited to the Muslim Brotherhood. There is also dissent and discomfort within the king's traditional base of support, the Bedouin tribes, who regard

him as a bulwark against the increased power of the Palestinians. The civil war in Syria has intensified the internal situation in Jordan and has dealt serious blows to its economy, infrastructure, and its social fabric (approximately 60% of Jordan's foreign trade is conducted through Syria). More than 600,000 Syrian refugees (which amounts to 10% of Jordan's population) are putting heavy pressure on the Kingdom (in addition to the hundreds of thousands of Iraqis who have remained in the country after fleeing their own war). Jordan is forced to pay exorbitant amounts for imported energy as Jihadists in Sinai have blown up the gas pipeline from Egypt innumerable times. Moreover, Jihadist elements have moved from Jordan to Syria to fight against Assad, which raises concerns about their destabilizing influence once they return to Jordan.

The danger of Jordan's collapse worries the West and, of course, Israel. President Obama, who hosted the King Abdullah II in the United States (February 14, 2014), expressed his sympathy and promised to provide credit guarantees of \$1 billion and to renew the five-year agreement that will ensure the continuation of the joint civilian and military aid the United States provides Amman. A stable, pro-Western and friendly Jordan provides Israel with significant strategic depth. Its security forces demonstrate professionalism and efficiently prevent terrorist elements from using Jordanian territory as a base for attacks against Israeli targets. The possibility of a breakthrough in the Israeli-Palestinian negotiations also causes concern on the Jordanian side: about how to safeguard Jordan's status vis-à-vis the Jerusalem holy sites, how to preserve the security of the Jordan River border after the establishment of a Palestinian state, and how to ensure that a solution to the problem of the Palestinian refugees will not ignore the fate of those who have found refuge there. It hopes that a solution will allocate appropriate compensation to the Jordanian government for the costs it has incurred over the years as a result of absorbing Palestinian refugees. The implication for Israel, of course, is that it should work to economically and militarily strengthen the Kingdom and assuage any doubts it might have that Israel regards Jordan as the solution to the Palestinian problem.

The Turkish Challenge: The severe crisis between Israel and Turkey that broke out following the 2010 Turkish flotilla to Gaza incident took a significant turn when Netanyahu apologized to the Turkish prime minister in a telephone conversation that was held at President Obama's side just as he was about to leave Israel (March 22, 2013). Netanyahu expressed his readiness in principle to pay compensation to the families of those killed aboard the Mavi Marmara and made clear in response

to another Turkish demand – "to remove the blockade from Gaza" – that many steps had been taken to ease the passage of people and goods into the Gaza Strip. The United States pressed for reconciliation between its two allies, whom it regards as anchors of stability at the heart of a stormy and unpredictable region. The civil war in Syria increased Jerusalem's and Ankara's interest in easing the crisis between them and to create the basis for the cooperation that might be necessary in light of the implications of a continued deterioration in their common neighbor, Syria. Most commentators do not anticipate a return to the former close strategic partnership that characterized relations between the countries in the past (even though the level of mutual civilian trade actually increased during crisis). Turkey, which consistently supports Islamist elements, including Hamas, is extremely critical of Israel, and is headed by a leader who is hostile to Israel and does not hesitate to improve his popularity at home and in the Arab world with harsh anti-Israel rhetoric. This impulse may erupt given the internal problems threatening Erdogan's administration: the slowing of the economy, social protests, revelations of government corruption, and the stance of Fethullah Gülen – the popular religious leader in exile in the United States – and his movement against Erdogan. Thus, despite common interests with regard to Syria – and the common concern over instability there and over the growth of terrorist and Jihadist elements – there are quite a few differences in orientation and policy that may cast a shadow over the reconciliation and future relations between Ankara and Jerusalem.

As of this writing, the Turkish foreign minister had stated that the two countries were close to finalizing a reconciliation agreement. Media reports abound that Israel has agreed to raise the flotilla compensation to \$20 million, and that Jerusalem and Ankara are close to an agreement that would re-normalize relations with the respective ambassadors resuming their posts. At the same time, since the agreement with Israel is likely to have internal political ramifications in Turkey (the agreement is supposed to be submitted for ratification by parliament), it is likely that the reconciliation process and subsequent normalization will be delayed until after local Turkish elections scheduled for March 30, 2014 (and indeed, to Jerusalem's chagrin, Ankara is now demanding that along with compensation and an apology, Israel must lift the Gaza blockade). Even if the reconciliation agreement is finalized, Israel will find it difficult to depend on Turkey as the supportive regional anchor it was in past decades.

The Iranian Challenge

Hassan Rouhani's victory in Iran's presidential elections (June 15, 2013) raised expectations of a possible shift in Iran's policy. Even though Rouhani was part of the conservative establishment for many years, he was perceived as a reformist and won broad popular support thanks to the change he promised, including repairing relations with the United States and the West in order to lift the burdensome sanctions (since they were imposed in 2012, the Iranian currency has plummeted by 60%, and its oil exports by the same amount). In a series of well-planned steps, Rouhani signaled to the West his desire for a thaw and his readiness to reach a deal on the nuclear issue. The Iranian "charm offensive" found clear expression in Rouhani's 2013 appearance before the UN General Assembly. The Iranian president avoided the wild attacks against Israel the world had become accustomed to hearing from his predecessor, Ahmadinejad. Rouhani called the Holocaust reprehensible, and reiterated his promise that Iran would never strive for a nuclear weapon because it is prohibited under Islamic law. Before leaving the United States, Rouhani spoke with President Obama by phone, and in so doing broke the communications silence that had existed between successive leaders of the two nations for 34 years.

Prime Minister Netanyahu called Rouhani "a wolf in sheep's clothing"⁶ and warned that Israel would not be deterred from standing alone against the Iranian threat. The nuclear talks that were restarted did indeed produce an interim agreement (November 24, 2013) that is valid for six months while negotiations for a permanent settlement continue. Iran agreed that during the interim period it would limit its enrichment of uranium to 5% (which is not sufficient for nuclear weapons), reduce or convert its stockpile of 20% enriched uranium in a way that would make it difficult to re-enable it for military use, install no new centrifuges, and build no new enrichment sites. It also agreed to allow UN inspectors to conduct daily inspections of its enrichment facilities at Natanz and Fordo, its heavy water plant in Arak, its centrifuge production facilities, and its uranium mines. In exchange, Iran received a partial easing of the sanctions including the release of \$4 billion in frozen Iranian assets held in the West, and limited resumption of petrochemical exports, trade in gold and other precious metals, and spare parts imports for aircraft. The agreement came into effect on January 20, 2014 and the six months allocated to reaching a permanent settlement on the nuclear issue began then (the possibility of a six-month extension exists).

Netanyahu pronounced the agreement a “historic mistake.” Critics of the agreement claimed that it did not slow Iran's progress toward possessing a nuclear weapon, as all of the steps Iran is taking under the agreement are reversible, and because the agreement allows it to continue to progress toward its nuclear goal on all necessary development tracks: the production of fissile material, the development of new generations of centrifuges, the development of the weapons themselves, and the preparation of their delivery missiles. According to the critics, the agreement does not impose any restriction on the continuation of Teheran's regional subversion (see Syria) or its involvement in terrorism, and in essence grants it legitimacy for continuing nuclear enrichment within Iran in contravention of UN resolutions and previous demands that it stop doing so, while also leaving its existing nuclear capabilities in place: approximately 19,000 centrifuges, some of them of high quality (in 2003, Iran had only 200), sufficient enriched uranium for 5-6 atomic bombs, a heavy-water plant under construction that is inefficient for electricity generation but has the potential to produce weapons grade plutonium, enrichment sites, and long-range missiles. It is further claimed that the easing of sanctions removes the pressure that had been effectively applied and sends a message to the Western business world to begin a race to win “winking deals” with Iran (and, in fact, European and Russian delegations are already streaming to Teheran).

Permanent settlement negotiations, which began on February 18, 2014, are supposed to achieve “a mutually-agreed long-term comprehensive solution that would ensure that Iran’s nuclear program be exclusively peaceful.”⁷ The United States will strive for a settlement that will limit Iran's nuclear capacity to civilian purposes, and that will cause its breakout capability toward a nuclear weapon to require more time. The following topics are therefore expected to be the focus of the talks:

- Limiting uranium enrichment to 5%.
- Removal of most of the stocks of fissile material from Iranian soil.
- The dismantling of thousands of centrifuges.
- Limiting the quality of the centrifuges to their current level.
- Closing enrichment sites (especially the one constructed deep under the mountain at Fordo).
- Closing the heavy-water facility at Arak in order to close off the plutogenic route, or at least to convert it to a light-water reactor consistent with a civilian nuclear

program (once completed, the facility at Arak will have a production capacity of approximately nine kilograms of plutonium a year, enough for one nuclear bomb).

- Tightening the inspection arrangements, including access to the facilities suspected of being nuclear weapon construction sites (for example, the military base at Parchin).
- Obtaining an Iranian answer to evidence the West possesses that points to previous nuclear-weapons tests.
- Restricting Iran's ballistic missile program.
- Removal of the sanctions and the release of the \$100 billion currently frozen in Western banks.

Most commentators believe that, in complete opposition to Israel's position, the United States and the West will reach a settlement that will leave Iran with a nuclear capacity, including allowing uranium enrichment on its soil. While the United States seeks to ensure that Iran will not have a rapid nuclear-weapons breakout capability, the Iranians will seek to achieve a status identical to that of other NPT members without nuclear weapons (such as Argentina and Brazil, which enrich uranium and are subject to relatively loose inspections). The interim agreement does indeed state, "The Iranian program will be treated in the same manner as that of any non-nuclear weapon state party to the NPT."⁸ In this spirit, Iranian leaders declare that they have not agreed, and will not agree, to dismantle any centrifuges, nor will it agree to close the facility at Arak.

Failure to reach a permanent agreement within the set time frame would not necessarily mean an end to the efforts to reach a diplomatic settlement with Iran. Israel will likely find itself faced with a reality in which the interim agreement with Iran is extended again and again (or, alternatively, may find itself with a permanent agreement that does not satisfy its demands). Such a reality could leave Jerusalem with a dilemma – over whether to launch a military strike against Iran's nuclear facilities. Opinions are divided among the various commenters. Some claim that Israel cannot, under any circumstances, permit a situation in which Iran can relatively quickly break out to construct a nuclear weapon, and that it will, therefore, be forced to take military action against the threat. Others claim that such a scenario is implausible because Israel will not attack Iran so long as the United States is negotiating with

Teheran, and all the more so if the United States reaches a permanent agreement with Iran. This approach posits that Israel essentially forfeited the military option against Iran by not striking on the eve of the 2012 U.S. elections (a point at which it could have assumed that the United States would support such a move).

The negotiations with Iran expose the significant disagreement between the United States and Israel over their goal. Former National Security Advisor Stephen Hadley describes this bitter reality as follows: "Israelis do not want Iran to be a nuclear threshold state. But Iran is in fact already a threshold state and will likely remain one – that line has been crossed."⁹ The so-far unsuccessful attempts to pass legislation in Congress calling for a tightening of sanctions against Iran highlight differences on the Iran issue between Israel (and its supporters in the United States) and the Obama administration – more on this below.

Beyond the nuclear issue, the talks with Iran have raised speculation over a possible broader thaw between Washington and Tehran. Middle Eastern states such as Israel and Saudi Arabia find themselves in one camp, which fears not only that a nuclear deal will leave the Iranian threat in place, but that it will also a signal that the West grants legitimacy to Iran's ambition for regional hegemony (for example, if it regards Iran as an ally in the effort to vanquish the radical Sunni movements that threaten Western interests in the Middle East). In addition to these harsh scenarios, there are also those who raise the possibility of a more positive picture, which might even represent an opportunity for Israel: an Iran whose relations with the West are improving and which is embarking on the road to economic reconstruction will be forced to reduce its subversion and its support for anti-Israel elements like Hezbollah. Such a scenario, even if its probability is not considered high, points to the possibility that Iran might change its policy toward Israel and recognize it.

During the presidency of Mohammad Khatami (1997-2005), Iran left the question of recognizing Israel to the Palestinians. In 2003, a resolution was even passed at the Islamic Summit held in Teheran that supported the Arab Peace Initiative. Since then, though, the Iranian position has hardened and acceptance of Israel's existence has been negated entirely. There are now some who see the possibility of change. Evidence of this possibility of change in Teheran's attitude can be found in the invitation of Abu Mazen's confidant, Jibril Rajoub, to diplomatic talks in Teheran (January 28, 2014). During Ahmadinejad's tenure, Iran stood firmly on the side of Hamas and opposed Fatah positions, which accept Israel's existence and which support a two-

state solution. Progress in the nuclear talks may, therefore, simultaneously reveal a greater Iranian willingness to come to terms, even if only de facto, with a process that envisions a two-state solution. This would make it even more difficult for Israel to convince the world of the need to attack Iran militarily, but it would also open a window to new diplomatic possibilities.

The Palestinian Challenge

Under pressure from Secretary of State Kerry, Israel and the Palestinians restarted peace negotiations on July 30, 2013, with the goal of reaching an agreement within nine months. As part of the process leading to the renewal of talks, Israel agreed to a four-phase release of Palestinian prisoners who had been held since before the Oslo Accords. Israel acceded to this Palestinian condition in order to avoid alternative conditions the Palestinians laid down: acceptance of the principle that the border will be based on the 1967 lines with territorial swaps, or an announcement of a construction freeze in the territories. The goal of the talks was redefined as they progressed in response to constraints and difficulties that emerged. Instead of the framework agreement the two sides were originally supposed to reach, the effort now is for them to agree to an American document of principles that reflects Washington's understanding of the desired meeting point between the parties on the appropriate principles for a permanent agreement. The two sides are supposed to accept this document as the basis for continued talks at least through the end of 2014. Given the difficulties, in order to convince the sides to agree on these principles, the United States allowed them to propose "certain objections" to be dealt with in detail during the final status negotiations. In the time remaining before the April expiration of the nine-month period, the United States is trying to bring the sides to common ground in three main problematic categories: the way the final status principles will be phrased in the American document, the manner in which the sides will be allowed to express their reservations, and "rules of conduct" that will bind the two sides if they in fact agree to extend the timeframe for negotiations.

The task facing Secretary Kerry and his envoy, Amb. Martin Indyk, is not at all simple. Israeli demands, such as Palestinian recognition of Israel as a Jewish state, the very long-term presence of the Israeli army along the Jordanian border, renunciation of the Palestinian right of return inside Israel, etc., have provoked fierce Palestinian opposition. Similarly intense Israeli opposition has been provoked in response to

Palestinian demands, such as the recognition of East Jerusalem as their capital, that the Israeli army withdraw from the West Bank within 3-5 years, that a certain number of Palestinian refugees be absorbed by Israel, etc. The more the United States insists on expressing the principles in clear and precise language, the more it will encounter opposition from both sides, threats that they cannot continue with the talks, and demands to articulate more sweeping opposition to the principles they oppose. The more the United States allows the sides to express sweeping reservations, the less significant the document it presents will be. The coming period will demonstrate whether American diplomacy can succeed in squaring this circle.

If the talks fail, the Palestinian side is expected to unleash a diplomatic-legal campaign against Israel in the international arena, and to strive to replace the "direct talks under American mediation" model with an alternative – that of "a quasi-imposed settlement under multinational sponsorship." Such a campaign, already prepared in sealed files, will concentrate on petitions to UN and other international institutions to advance Palestinian statehood status, while at the same time increasing political and legal pressure on Israel. In an extreme attempt to increase pressure on Israel, the Palestinians may even try to hand back responsibility for the West Bank to Israel and demand a "one state for two peoples" solution. Such developments would likely destabilize the security situation and perhaps even lead to a third intifada that would not necessarily take the same approach as those of the previous two. Experts believe that this time Israel would likely encounter a civilian uprising and popular violence that is not centrally organized. A troubling indication can be found in the Shin Bet summary of the scope of terrorist incidents in 2013, which reveals a sharp increase in terrorism in the West Bank and of attacks directed from Gaza.¹⁰

In the event the talks fail, Israel is liable to find itself facing an intensifying campaign of de-legitimization, sanctions and boycotts. Such a reality rose significantly on the Israeli public agenda when the European Commission published directives on the subject of transferring money and credits from official EU funds to bodies with ties to the settlements. According to these directives, EU agencies and funds will be prohibited from supporting or giving loans, grants, or awards to activities of Israeli entities in the settlements, and, in some cases, such as loans to Israeli bodies that operate beyond the Green Line either directly or indirectly. Against the background of these directives, the Horizon 2020 scientific cooperation agreement became the focus of tension between Israel and the EU. Without the semantic solution that was reached in the end, it would have meant the loss of 300 million euros in funding

for Israeli research and development bodies, and additionally would have caused damage to Israeli science that is incalculable in monetary terms.

Recent months have seen an increase in boycott initiatives against Israel. The American Studies Association (ASA) decided in December 2013 to impose an academic boycott on Israel. A large Dutch pension fund (PGGM) decided to withdraw its investments in Israeli banks since they have branches over the green line and are involved in financing construction in the settlements. The Netherlands' largest public water supplier, Vitens, announced on December 10, 2013 that it was severing its ties with the Israeli water company, Mekorot, because it drills for water in the West Bank and is part of a water-supply apparatus that discriminates against the Palestinians. In September 2013, another Dutch company announced that it was cancelling its contract with the Gichon Company to build a sewage purification plant because it was to be located beyond the green line. Denmark's largest bank, Danske Bank, decided not to invest in Bank Hapoalim in light of its involvement in financing settlement construction. The Norwegian Finance Ministry announced on November 1, 2013, that it had instructed the country's largest pension fund not to invest in the Africa-Israel Corporation or in Danya-Cebus because of their involvement in construction in East Jerusalem. In light of the accumulation of these and other boycott initiatives, the Israeli government held a special discussion on the issue (February 9, 2014) during which the minister of strategic affairs, Yuval Steinitz, presented a 100-million-shekel plan for an aggressive comprehensive struggle against the phenomenon.

Along with the threat of boycotts, senior EU officials warned (December 3, 2013) that the failure of the peace talks between Israel and the Palestinians is liable to have implications for the continuation of aid funds EU countries give to the Palestinian Authority. In their words, the EU finds itself "funding the Israeli occupation" and is bearing costs that are supposed to be borne by the occupying power under international law. In light of these revelations, Secretary Kerry saw fit to warn Israel of "a strengthening de-legitimization campaign" against it, adding, "There is talk of boycotts and other kinds of things. Today's status quo absolutely, to a certainty, I promise you 100 percent, cannot be maintained. It's not sustainable. It's illusory."¹¹ Official Israeli spokespeople were outraged by these warnings and Minister of Strategic Affairs Steinitz responded: "Kerry's comments about a boycott of Israel are insulting and intolerable... We cannot be forced to conduct negotiations with a gun to our head."¹² Finance Minister Yair Lapid, though, actually followed Kerry's lead and

warned too: "Europe is our main trading market. If there is no diplomatic settlement and we go into a reasonable scenario – and there are much worse ones – in which there is damage of only 20% in exports to the EU and direct foreign investment from the EU stops – our exports will be harmed in 2013 terms by about 20 billion shekels a year. The damage to GDP will be about 11 billion shekels a year and 9,800 workers will immediately be laid off."¹³ A similar warning came from the outgoing head of Israel's National Security Council, Yaakov Amidror: "The failure of the negotiations with the Palestinians will only increase the trend of boycotts and of Israel's international isolation."¹⁴ Simultaneous with other warnings heard from Europe, the EU's Council of Ministers passed a resolution to grant Israel and Palestine special and unprecedented status in the event that a permanent settlement is reached.

The alternative scenario of an agreement to extend the negotiations on the basis of the American principles document is likely to cause political shockwaves in Israel and tensions among Diaspora Jews as a result of the sharpened focus on the sensitive final status issues, the need to present positions, and also, presumably, the necessity of reaching compromises and making painful concessions. The continuation of the talks, therefore, will involve dealing with issues of significant importance to the Jewish people:

Jerusalem: There is no Palestinian or Arab party today prepared to sign a peace agreement with Israel that preserves its sovereignty over the Arab neighborhoods of East Jerusalem and over Islamic holy sites. The very fact of reaching an agreement based on any compromise over Jerusalem means the possibility of ceding some of the existing Israeli sovereignty over various parts of Jerusalem including the "Holy Basin." According to this scenario, Israel will be taking a historic decision that touches the core of the identity of the entire Jewish people. The internal debate may be extremely bitter.

The settlements in Judea and Samaria: An Israeli-Palestinian peace agreement based on the two-state principle will transfer most of the territory of the West Bank to Palestinian sovereignty. Beyond the security significance of an Israeli withdrawal, there could also be substantial Jewish significance, be it in disconnecting from lands the heroes of the Bible walked and where the Jewish people's roots can be found (The Cave of Machpelah, Rachel's Tomb, Joseph's Tomb, and many other sites) or in the necessity to evacuate tens of thousands of Jewish settlers (some of whom are expected to forcefully resist the evacuation). The argument over the future of

Judea and Samaria and the settlement enterprise is about to create a highly sensitive political, security, national and religious controversy, and the evacuation – when it is carried out – is expected to be traumatic and will likely deepen rifts within the Jewish people, both in Israel and in the Diaspora.

Arab recognition of the Jewish people's right to its own state (and capital): Prime Minister Netanyahu stressed in his Bar-Ilan speech (June 14, 2009) that "A basic condition for the end of the conflict is a binding and candid public recognition by the Palestinians of Israel as the nation-state of the Jewish people." Even though the Palestinian leadership has responded negatively, the Israeli demand is likely to be accepted in one form or another, especially if those handling the negotiations on the Israeli side are willing to "pay a price" for this achievement. There are those, of course, who will ask how essential it is – from the Jewish people's perspective – to insist on paying a significant price to secure this demand.

Can a peace agreement be a turning point in Jewish-Islamic relations? The Arab Peace Initiative (Beirut, 2002), which was born as a result of a Saudi move, shows an Arab readiness for a comprehensive peace with Israel, for the end of the conflict, normalization and good neighborly relations – on the condition that Israel withdraw completely to the 1967 lines and that a "just and agreed upon" solution to the refugee problem is found. Since 2003, the Arab Peace Initiative has been endorsed by the Organization of the Islamic Conference, which numbers 57 member states. Recently, this position was ratified again at the Islamic summit in Cairo (February 7, 2013). Opinions in Israel are divided as to the value of the Arab Peace Initiative and the degree to which it is wise to rely on it in advancing toward an Israeli-Arab final status agreement. Given the history of relations between Islam and Judaism, is a diplomatic peace agreement powerful enough to mark a turning point in the Islamic world's attitude toward Judaism?

Jewish refugees from Arab lands: Progress in the negotiations is likely to provide an opportunity to place on the agenda a human tragedy that has not received world attention – the fate of the 850,000 Jews who until 1948 lived in Arab countries and who were uprooted from their homes following the creation of the State of Israel. The injustice caused these Jewish refugees has not gained Arab or international recognition, nor have they been compensated for their suffering or for their confiscated property.

Diaspora involvement in the process of making decisions on final status issues – that is, on issues that emotionally affect Jews everywhere. Should Diaspora Jews take any part in the process of deciding these issues, and if so, how should this be accomplished? The dilemma will be a practical test of the theoretical "New Paradigm" of greater equality in Israel-Diaspora relations.

Implications for the Triangular Relationship – Jerusalem, Washington, and the American Jewish Community

We cannot ignore the duality that characterizes the relations in the triangle of Jerusalem, Washington, and the American Jewish community. On one hand, there is a deepest sense of friendship that is evident in the United States' massive practical support for Israel. On the other hand, there is evidence of mutual anger and frustration. A scenario in which the differences between Washington and Jerusalem over the Iranian and Palestinian issues intensify may put the American Jewish community between a rock and a hard place. Public expressions of the pent up tensions that currently exist erupt from time to time in different ways. Thus, for example, the incident that forced Defense Minister Moshe Yaalon to apologize for his harsh comments ("Messianic," "Obsessive") in attacking Secretary Kerry. The potential for tension on the other side of the Atlantic was evident in the case of AIPAC's involvement in an effort to pass congressional legislation to tighten the sanctions against Iran while negotiations with it were taking place. AIPAC and Israel were portrayed as trying to work against the president's policy, and as those who were eager to involve the United States in a new war in the Middle East. While advocates of the legislation claimed that the talks' success demanded keeping pressure on Iran, the administration explained that the enactment of additional sanctions would weaken Rouhani and the moderates in Iran, and would break up the Western coalition on Iran. AIPAC backed off the effort and thereby enabled its opponents to claim that it had lost some of its power.

The possibility of further strains in U.S.-Israeli relations is growing because the decision points of two strategic issues that have great implications for Israel's future are nearing. The first involves the scenario of an Israeli strike on Iran against the wishes of the American administration (or of U.S. support for an agreement with Teheran that is unacceptable to Israel), and the second involves a scenario in which Israel does not meet Washington's expectations with regard to progress toward an

Israeli-Palestinian agreement – whether the current effort fails (who is responsible?) or whether the negotiations progress another stage or two toward a final agreement (at which point is reasonable to expect that the United States will apply pressure on Israel to agree to a series of concessions in order to enable the sides to sign a final accord). Any of these are likely to strengthen the emerging – though as yet far from dominant – point of view in the United States that regards Israel as being harmful to American national interests, and believes that friendship with it is increasingly costly. Advocates of this line in the United States claim that their country is liable to be dragged against its will into another war in the Middle East, that its image in the Muslim world is being damaged, that it is being pushed into isolation in international forums, and that it is being subjected to harmful criticism because of its support for Israel.

Both issues – Iranian nuclear weapons and the peace talks with the Palestinians – are each serious in their own right. Yet there are also various linkages between the two that intensify their complexity. Thus, for example, a bad deal that is perceived as enabling Iran to consolidate its position as a threshold nuclear state will adversely affect Israel's readiness to incur security risks in a settlement with the Palestinians, particularly if questions arise in Israel as to the extent to which it is possible to depend on the friendship of the United States.

U.S. Jewry is likely to be challenged: the wider the gaps between the Israeli and American positions become, the more Israel presses to "mobilize" American Jews behind the effort, and the more Israel operates in the administration's political backyard. Such a reality could place the American Jewish community in an uncomfortable position and make intra-Jewish divisions on the issue highly conspicuous, especially given the claims that American foreign policy in the Middle East is influenced by Israel and the Jewish lobby in a way that is contrary to the United States' own interests.

Conclusion

At the last UN General Assembly, President Obama made American foreign policy priorities clear: "In the near term, America's diplomatic efforts will focus on two particular issues: Iran's pursuit of nuclear weapons and the Arab-Israeli conflict. While these issues are not the cause of all the region's problems, they have been a major source of instability for far too long, and resolving them can serve as a foundation for a broader peace."¹⁵ But along with the importance Obama places on these issues, he also lowered expectations as to the prospect of achieving the goals. In an interview he gave to the *New Yorker*, he estimated the prospects of reaching final treaties with Iran and between Israel and the Palestinians as "less than 50-50."¹⁶ The president's sober assessment shows the severe uncertainty integral to both issues that are so critical to Israel and to the resilience of the triangular relationship between Jerusalem, Washington and the American Jewish community. Yet, the severe uncertainty, which unfortunately characterizes the entirety of Israel's strategic situation, does not relieve Jerusalem of the need to take fateful decisions.

Endnotes

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