

# Israel vis-à-vis the Palestinians: Four Strategic Options

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## Introduction

In a recent interview with journalist Jeffrey Goldberg, President Barack Obama stated that the window for a peace agreement that would be acceptable to Israel and the Palestinians is closing and that the alternative to an agreement would be very bad for Israel. He added that he has not yet been presented with “a credible scenario” to a peace agreement that can preserve the character of the State of Israel.<sup>1</sup> The following article, however, contends that Israel’s choice is not between two options – a peace agreement or the status quo – but rather that Israel faces four alternatives: a peace agreement according to the Clinton parameters, which would be acceptable to Israel; a peace agreement on Palestinian terms; and two variations of “the political status quo,” i.e., the situation in the event of no peace agreement, even though the term is something of a misnomer, since at issue is not a static situation but potential changes in the situation in accordance with Palestinian and Israeli conduct.<sup>2</sup>

Accordingly, the article presents the need for a change in Israeli policy. Israel must view the failure to reach an agreement with the Palestinians as a potential threat, but also as an opportunity to minimize the damage and even improve its position while shaping the country’s borders and future by itself, which interestingly could also enhance the prospects of promoting a final agreement with the Palestinians.<sup>3</sup> The recommended policy also neutralizes the Palestinians’ veto power over the two-state solution. Israel needs a political program that on the one hand provides a solution for its national goals – its continuation as a democratic Jewish state that is secure and just – and on the other hand, provides it with the

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ability to cope with the Palestinian strategy of not reaching an agreement (the Palestinian “Plan B”), a strategy that involves a diplomatic, legal, and PR offensive against Israel.<sup>4</sup>

### **The National Objectives of the State of Israel**

There are times in the life of a nation when it is appropriate to freeze a situation, wait until strategic uncertainty is clarified, and not initiate dramatic moves. There are also times when a proactive policy is required to deal with challenges and to shape the future of the state. In order to examine the type of period in which Israel finds itself in 2014 and assess what challenges it is likely to face in the near future, we must distance ourselves from daily developments, examine the situation from a long term strategic perspective, and ask, “What are the strategic objectives of the State of Israel and what options does Israel have that can help it realize these objectives?”

The following analysis is based on the assumption that the State of Israel’s national objectives encompass three principal dimensions:

- a. Israel must be a democratic Jewish state: a state with a clear Jewish majority that upholds the principles of equality, democracy, and the rights of the country’s minorities. Israel was founded to be the national home of the Jewish people, and such it must remain. Israel must serve as an example and a “light unto the nations” as a democratic state whose residents can all be active partners with equal rights and obligations in public and democratic life.
- b. Israel must be a secure country that aspires to live in peace with its neighbors. The Jewish people returned to its national homeland and formed an independent state after being persecuted all over the world throughout history. The destruction of one third of the Jewish people in the Holocaust represents the height of the Jewish people’s insecurity and inability to ensure its physical survival. In the 66 years of its existence, Israel has confronted security threats and the use of military force intended to harm it and even to wipe it off the map. The element of effective security arrangements is not a tactical demand by the negotiators, but a necessary condition for Israeli society’s support for any future agreement. Israelis are not prepared to return to a routine marked by buses blowing up on city streets, as occurred after Yasir Arafat rejected Prime Minister Ehud Barak’s offer at Camp David in 2000, or intense rocket fire at Israeli citizens, such as what occurred

after the evacuation of the Gaza Strip in 2005. Any arrangement must ensure that Israel can defend its population, even if the responsibility for handling terrorism is given to Palestinian forces.

- c. Israel must improve its image as a just state with a leading international position and a moral component. Israel faces various movements and organizations that seek to undermine its international standing. Some of the criticism is directed at Israeli policy in the territories, but some of the efforts aim to undermine Israel's right to exist as a Jewish state. Israel must reduce international pressure by minimizing the reasons to criticize its policy, especially among Western allies, and in particular, the United States. This will not only enable Israel to improve its international status, but also expose those organizations that challenge Israel's very existence, irrespective of Israeli policy.

## Potential Options for Israel

### *A Peace Agreement Based on the Clinton Parameters*

The option preferred by most Israelis is to reach a "two states for two peoples" agreement that more or less matches President Clinton's parameters from 2000 and Prime Minister Ehud Olmert's offer to Abu Mazen in 2008. In Israel's interpretation of these parameters, the Palestinians would agree to an end to the conflict, an end to their claims, and long term, performance-based security arrangements. In such an agreement, the Palestinians would give up both the right of Palestinian refugees and their descendants to return to Israel, and their demand to divide Jerusalem according to the 1967 lines.

However, there is little likelihood of realizing such an agreement, which would provide Israel with significant guarantees in exchange for difficult concessions (the 1967 borders as the basis for negotiations, two states, and a Palestinian presence in Jerusalem). Israelis are skeptical that the Palestinians are truly willing to agree to an end of conflict and an end of claims. Even if the Palestinians say that the agreement would mean the end of the conflict, their unwillingness to forego the "right of return" and their non-recognition of Israel as the nation-state of the Jewish people render meaningless the concepts of end of conflict and end of claims. In Israel, there is a lack of confidence in the ability of Mahmoud Abbas (Abu Mazen) to agree to compromises on four key subjects: a Jewish

The argument that any alternative to an agreement with the Palestinians is worse for Israel, no matter what the parameters of this agreement may be, is fallacious.

state, the refugees, security, and Jerusalem. This skepticism is supported by statements from the Palestinian President after his return from his meeting with President Obama in Washington in March 2014, to the effect that he would not agree to compromise on the rights of the Palestinians on these four issues.<sup>5</sup> Even if Abu Mazen softens his stance because of pressure from President Obama and accepts a US document in principle – which currently seems more unlikely than ever – the assessment in Israel is that his decision will encounter broad opposition throughout Palestinian society, particularly the Palestinian diaspora and the Palestinian society that is under Hamas rule in Gaza. A Hamas spokesman even stated that Abu Mazen has no authority to make decisions in the name of the Palestinian people and that his organization would consider any international force to be an “occupier.”<sup>6</sup>

The immense difficulty in bridging the positions of the parties can be illustrated by the attempt to solve a relatively simple core issue: security arrangements. The United States tried to mediate between the two sides by formulating a compromise proposal on security that would be acceptable to both parties, on the assumption that agreement on this issue would lead to a breakthrough and progress on other disputed issues as well, and in particular, borders. The Americans appear to have believed that if its security

Given the assessment that there is little chance of an agreement between Israel and the Palestinians and that the status quo is problematic, Israel should formulate an alternative that will promote its strategic objectives.

demands were met, Israel would be prepared to be flexible in other areas. On this basis, General John Allen and his team formulated a proposal on security, but both the Israelis and the Palestinians rejected it – the Palestinians in a particularly vehement way.<sup>7</sup>

The US effort to mediate on security only revealed the depth of the gaps between the parties. If the Palestinians were not flexible on security arrangements, which seem to be the least problematic of the issues in dispute, it is difficult to believe that they will be flexible on the issue of terminating the conflict and ending their claims or on the subject of refugees and the demand for the right of return.

Therefore, Secretary of State Kerry watered down his own goals, from the original “permanent status agreement” to a “framework agreement,” from a framework agreement to a “framework of principles for an agreement,” and finally, from a framework of principles for an agreement to a US “document of principles” that is not signed by the parties and on

whose fundamental components they can disagree, but which will allow a longer period for the negotiations. Yet even this document was rejected by the Palestinians, which strengthens the assessment that they will not be prepared to accept a peace treaty according to the Clinton parameters.

### *A Peace Agreement on “Palestinian Terms”*

The Palestinian leadership would like to force Israel to agree to the establishment of a Palestinian state on the basis of the 1967 borders, with East Jerusalem as its capital. It would like to do so without giving up the right of return, without accepting security arrangements that leave Israeli forces on the borders of the Palestinian state, and in particular, without agreeing to an end to the conflict and an end to Palestinian claims and without recognizing Israel as the nation-state of the Jewish people. The Palestinian leadership does not believe that Prime Minister Netanyahu truly intends to agree to a Palestinian state, and that he will agree to demarcate the borders of Israel on the basis of the 1967 lines with territorial exchanges and divide Jerusalem, accepting East Jerusalem as the capital of the Palestinian state. In addition, despite their unequivocal demands for a comprehensive evacuation of settlements, they understand that the Prime Minister will not engage in a course of action involving massive evacuation of the settlements. Indeed, it is clear that no Israeli prime minister would agree to a settlement without the necessary Palestinian concessions because in such a situation, Israel would pay a heavy price but would not gain anything in return – the conflict would continue, the Palestinians would receive many of their demands, and Israel would remain without peace and without security. Therefore, Israel would prefer the dangers of not reaching an agreement to an agreement on Palestinian terms.

### *Failure to Reach an Agreement (the Status Quo): The Palestinian Variation*

The unlikelihood of reaching an agreement means that the current situation (the status quo) will continue. However, the status quo is not a stable and permanent situation, but one that evolves on the basis of developments on the ground and processes rooted in the past and the present. There is no doubt that both sides will attempt to apply changes to the status quo that will improve their positions and that they will try to promote their objectives. Accordingly, there are two future situations that could develop from the status quo.

The first is the Palestinian option, which involves changes detrimental to Israel. Israel must take into account that continuation of the formal status quo could lead to a situation in which there is one state, which endangers Israel's Jewish and democratic identity and realization of the Zionist vision. Other possible developments that could result from the failure of the negotiations are the weakening of the Palestinian Authority (PA) until it is in danger of collapse, inter alia, as a result of a decision by international players, mainly the European Union, that there is no point in continuing to invest money in the PA "enterprise." Termination of international aid to the Palestinians or a serious reduction in this aid would leave maintenance of the PA, including the ensuing political and economic problems, solely in Israel's hands, since in the eyes of the international community, as long as there is no agreement between the parties, Israel is responsible for the welfare of the population under its control. There are also signs that the atmosphere on the Palestinian "street" is moving toward support for renewed violence against Israel, albeit different in type and scope from the riots that took place in the Palestinian territories in the late 1980s and in the years following the turn of the century. These developments could exacerbate the process of Israel's delegitimization in the Western world.

This process could be accelerated further by Palestinian moves in a "diplomatic intifada," which is the declared part of a planned Palestinian response to the failure of the negotiations. President Obama and Secretary of State Kerry have cautioned Israel about this possibility. This alternative Palestinian plan focuses in the short term on a vigorous and comprehensive diplomatic campaign against Israel in the United Nations and other international institutions, with a goal to obtain recognition of a Palestinian state within the 1967 borders and bolster the delegitimization of Israel.

Nevertheless, this variation of the status quo, as damaging as it is to Israel, is not an intolerable option or an existential threat to Israel. The option should be weighed against the option of an agreement on Palestinian terms, which most Israelis see as much

more problematic than the status quo. The argument that any alternative to an agreement with the Palestinians is worse for Israel, no matter what the parameters of this agreement, is fallacious. Those who make this argument,

If the West does not support Israel's independent actions, it is not clear that the price Israel would pay domestically, economically, and in terms of security would justify moving from the current lines.

including very senior officials in the United States,<sup>8</sup> contend that the status quo option is suicidal for Israel, which in effect encourages the Palestinians not to agree to compromises. All the pressure is directed against Israel, which is asked to choose between an agreement on Palestinian terms (since according to the logic proposed, the Palestinians have no reason to compromise) and the “Palestinian version” of continuation of the status quo, which is described as the end of the Jewish state and the Zionist vision.

Continuation of the current situation would indeed be a challenge to these foundations, but the formal status quo is much more sustainable than many people believe. The claims that the status quo is not sustainable are based on three arguments: (a) demographics: since the birthrate of the Arab population is higher than the Jewish birthrate, in not too many years the number of Arabs between the Jordan River and the Mediterranean Sea will be higher than the number of Jews; (b) technology: the technology gap between Israel and its adversaries is narrowing, in particular with regard to the rocket and missile threat from Israel’s enemies. The narrowing of the gap hurts Israel’s qualitative advantage and its deterrent power; and (c) international legitimacy: Israel is perceived as holding the key to an agreement, and as long as no peace agreement is signed, Israel’s political and economic isolation will increase.

In practice, the situation is more complex. First, the demographic threat is exaggerated. The Palestinians living in the Gaza Strip, from which Israel disengaged in 2005, should not be included in the calculation of Palestinians under Israeli rule. In addition, examining the birthrate in a linear fashion is problematic. The demographic growth in Arab society is declining, while that of the Jewish population is rising. There are also large Jewish communities in Europe and America that could be part of a future wave of immigration to Israel.

Second, while the technology gap between Israel and its enemies is narrowing, it is nonetheless expected to remain significant in the foreseeable future. Israel is a technology superpower, and still has a sizable lead over its enemies in science, research and development, creativity, and hi-tech. Innovative developments in the fields of anti-missile and anti-rocket defense, cyberspace, and nanotechnology ensure that the gap in operational capabilities between Israel and its enemies cannot be expected to close so easily.

Third, the threat to Israel’s international legitimacy, even though it is a serious challenge, does not make the status quo unsustainable. For the

first forty years of its existence, Israel faced an international arena that included a large number of countries, including China, India, and the Muslim states, that did not recognize it and did not have diplomatic or commercial relations with it. The critical trend for Israel is the one developing among its Western allies. Nevertheless, the threats of an international wave of boycotts if there is no peace treaty are not a new development. In fact, they have accompanied Israeli-Palestinian negotiations for decades, and to this day have proven highly exaggerated. Washington has declared publicly that it opposes a policy of boycotting Israel. The speaker of the European Union parliament also stated during a visit to Israel that “first of all, there is no boycott . . . Sanctions to block economic cooperation between Israel and the European Union is a far-reaching step. So my answer is really that we should do the utmost and everything to avoid [having] to discuss the subject.”<sup>9</sup> These comments indicate the need for caution in presuming the extent of the boycott threat as it is presented today should no agreement be reached between Israel and the Palestinians. This conclusion is also supported by an analysis of the scope of trade between Israel and the European Union, which has grown in spite of the efforts of the BDS (Boycott, Divestment, and Sanctions) efforts.<sup>10</sup>

To be sure, international pressure is no small matter, particularly as it is likely to increase, even if in a limited manner. Israel will in fact be asked to show its willingness to reach a peace agreement with the Palestinians and avoid making moves seen as provocative, and there may also be attempts at diplomatic pressure. However, if Israel adopts a forthcoming posture and deals harshly with those carrying out the “price tag” attacks, it can greatly reduce the influence of those seeking to boycott Israel and deepen its international isolation. Such a policy would also make it possible to strengthen those who are interested in research and economic cooperation with Israel.

In conclusion, the Palestinian version of failure to reach a peace agreement is not good for Israel and is certainly not as good as an agreement on Israeli terms, which is currently desirable but unattainable. Nevertheless, it is certainly sustainable and it is preferable to an agreement on Palestinian terms, which is a much worse alternative. Even though there must be a response to the three threats mentioned, their importance should not be overestimated. They do not mean that it would be appropriate to replace the status quo with a bad agreement that does not end the conflict, does



not end the demand for the right of return, and does not provide a solution for security arrangements.

***Failure to Reach an Agreement (the Status Quo): The Israeli Variation***

The second situation that could evolve from the status quo is the “Israeli option,” which would bring with it changes beneficial for Israel. Indeed, Israel is strong enough to create for itself a more attractive option than the Palestinian version of failure to reach an agreement. Given the assessment that there is little chance of an agreement between Israel and the Palestinians and that the status quo is problematic for advancing Israel’s interests, Israel should formulate an alternative that will promote its strategic objectives. Currently the only viable alternatives to a reasonable permanent status agreement between the parties that are presented – an agreement on Palestinian terms or the Palestinian version of continuation of the status quo – are both bad for Israel. Israel must prepare to cope with these possibilities and offer an alternative plan of its own in the absence of negotiations.

The “Israeli option” must promote Israel’s objectives to the extent possible and ensure a Jewish, democratic, secure, and just state. Such an option could not only change the situation, but also the dynamic in the negotiations, by strengthening Israel’s position and increasing the chances of an agreement. This is because today, the Palestinians believe that Israel’s choice is between continuation of the status quo, which is bad for Israel, and a permanent status agreement of the sort they insist on, which is even worse for Israel.<sup>11</sup> Adding an option that is better for Israel and problematic for the Palestinians would change the Palestinian calculus and encourage them to agree to compromises they reject today, in order to avoid this option. It will be possible to increase the chances of mutual assent on the compromises necessary for a comprehensive agreement only if the two parties to the negotiations are forced to make their positions more flexible.

The current conditions in the region, together with the ambition of Secretary Kerry and the involvement of President Obama, make this an historic opportunity for Israel to take the future in its hands, promote its national objectives, and leave open the preferred possibility of reaching peace through an agreement with the Palestinians.

To this end, Israel should formulate an alternative plan with independent measures to shape the country’s borders. This plan is a strategy for advancing toward a two-state solution, even in the absence of a complete agreement

between the two parties, while denying the Palestinians veto power over the process. There is no need for Palestinian approval of these measures. However, there can be tactical coordination with the Palestinians, which would make the process of having the PA take responsibility over the territories evacuated by Israel more efficient and reduce the concern of a takeover by hostile elements. It is clear that coordinated steps are preferable, but the Palestinian leadership is known to vehemently oppose partial agreements, and therefore Israeli policy should not be dependent on the wishes or the consent of the Palestinians.

For Israel too it will be difficult to adopt an approach of independent moves because of the Israeli public's view of the results of unilateral moves carried out in the past in southern Lebanon and the Gaza Strip. Yet while there will be those who see such moves as retreat, these measures are actually progress toward a reality that is better for Israel. They are designed to improve Israel's position, both by changing the situation and in the negotiations, if they continue. In spite of the bad associations with unilateral measures, the strategic decisions on which they were based were correct: most of the Israeli public did not want to continue to remain in the security zone in Lebanon or to retain control of the Gaza Strip.<sup>12</sup> Rather than a problem with the decisions themselves, the problem was with the planning and implementation of the unilateral strategy. Therefore, it is essential to study the reasons for the successes and failures in implementing the unilateral moves in 2000 (the withdrawal from Lebanon) and 2005 (the withdrawal from the Gaza Strip) to ensure that implementation is better if Israel decides to unilaterally shape its borders regarding a Palestinian entity in Judea and Samaria.

The main lessons from unilateral moves in the past are:

- a. The move should be carried out only after a peace agreement is proposed that is perceived by Israel's allies in the West as generous.
- b. The independent Israeli move should be made in coordination with the international community and thereby be acknowledged as a legitimate measure.
- c. IDF forces must be left in the Jordan Valley to prevent the smuggling of weapons and terrorists into the West Bank.
- d. An area should be left that will serve as a bargaining chip for future negotiations on a permanent status agreement with the Palestinians.
- e. Citizens who are evacuated from areas in the West Bank should be treated and compensated properly.

A unilateral option is not ideal. However, for several reasons it is preferable to the Palestinian version of failure of the negotiations, and certainly to an agreement on Palestinian terms (without an end to the conflict, without concession of the right of return, and without sufficient security arrangements). First, it promotes Israel's strategic objectives in a better way: a state with a clearer Jewish majority; reduced control over Palestinian territories; fewer restrictions on Palestinian life; strengthened Jewish-democratic foundations of the state; rejection of the return of Palestinian refugees to Israel; and security arrangements determined by Israel alone. If these measures are coordinated with Israel's Western allies, then Israel's border will enjoy greater international legitimacy and international criticism will decline. Therefore, the test of this option will be international support for Israel's measures, in particular, among Israel's allies in the West, since legitimacy is one of the main elements eroding by the continued unresolved conflict. If the West does not support Israel's independent actions, it is not clear that the price Israel would pay domestically, economically, and in terms of security would justify moving from the current lines. Thus, Israel's allies in the United States and Europe have a key role to play in the success of such a move.

Second, the Israeli move is secondary to the negotiations on a comprehensive and final agreement, and is designed to support and advance the negotiations. Third, any Israeli compromise will be forced to contend with domestic opposition in Israeli society and Israeli politics. Polls show that two thirds of the Israeli public still support the two-state solution if Israel's security is guaranteed and if it is a real peace.<sup>13</sup> If there is no chance for such an agreement, it will be possible to form a majority among the people to promote a two-state solution even without an agreement. The chances that an Israeli prime minister, regardless of his position, would succeed in persuading Israeli citizens and their elected representatives to agree to painful compromises without ensuring their security and the end of the conflict is nil. Therefore, in the absence of agreement between the parties, the greatest political feasibility on the Israeli side would be independent measures that do not exact the full price of a peace agreement with the Palestinians but allow progress toward a two-state situation irrespective of the Palestinians.

## Conclusion

Most Israelis are willing to accept a two-state arrangement in which they give up a significant portion of the land of Israel in their control for the past forty-five years. But this willingness is dependent on obtaining an agreement that will ensure security and an end to the conflict. At this time, it appears that such a solution is unattainable and that Israel's leaders must choose between surrender to Palestinian terms and continuation of the status quo, when the Palestinians have an alternative plan for a diplomatic intifada against Israel. If the choice is between an agreement that is desirable but unattainable and two bad options, then the continuation of the status quo with the Palestinian version is the least bad option. However, Israel's leaders must formulate another option, an Israeli one, for a situation in which there is no agreement: to take independent steps to shape the borders of the State of Israel and to improve Israel's position in the negotiations for a comprehensive agreement with the Palestinians. It is important to learn from the mistakes of the past so that this independent shaping of Israel's borders will meet most of Israel's strategic goals.

The coming period could be an appropriate time for Israel to promote its strategic objectives, and not only because of the failure of the current round of negotiations or the likely failure of any forthcoming round. At a time when there is no Palestinian terrorism in Judea and Samaria, it is appropriate to initiate an independent move that will not be perceived as running away or surrendering to terrorism – as Israel's actions in Lebanon in 2000 and in Gaza in 2005 were perceived – but as a move undertaken from a position of strength after victory over terror. The conditions in the region, and in particular, the weakening of Israel's enemies – Syria, Hizbollah, and Hamas – together with the ambition and energy of Secretary of State Kerry and the involvement of President Obama, also make this an historic opportunity for Israel to take the future in its hands, to promote the country's national objectives, and to leave open the preferred possibility of reaching peace through an agreement with the Palestinians.

## Notes

- 1 Jeffrey Goldberg, "Obama to Israel – Time Is Running Out," *Bloomberg*, March 2, 2014.
- 2 Various initiatives to annex territories from the West Bank and apply Israeli law to them are not analyzed in detail in this article. This is an extreme

- scenario of continuing the status quo in which the threats to Israel would increase dramatically.
- 3 A working group at the Institute for National Security Studies is also formulating an alternative plan, not only as a contingency plan, but also as a leading and preferred strategy for Israel.
  - 4 Although the talks between Israel and the Palestinians have been suspended, the fundamental dynamic of the relations between the parties has not changed and the range of possibilities remains what it was. Therefore, the need for systematic thinking on these possibilities remains the same.
  - 5 Khaled Abu Toameh, "Abbas: No Compromise on East Jerusalem as the Capital of Palestinian State," *Jerusalem Post*, March 22, 2014; "Israel Sabotaging So-Called Peace Talks: Abbas," *Press TV*, March 26, 2014.
  - 6 Elior Levy, " Hamas: We'll Treat Any International Force as an Occupier," *Ynet*, February 15, 2014.
  - 7 "Is a Crisis Brewing? Palestinians Reject Kerry's Security Arrangements," *Walla News*, December 5, 2013, <http://news.walla.co.il/?w=/550/2700904>.
  - 8 Goldberg, "Obama to Israel – Time Is Running Out."
  - 9 Arad Nir, "We Must Prevent a Discussion of Sanctions," *Channel 2 News*, February 13, 2014, <http://www.mako.co.il/news-military/israel/Article-eebc6c008692441004.htm>.
  - 10 A report by the Israel International Cooperation Institute states that "in 2013, trade with European Union countries was some 36.8 billion dollars (an increase of about 1 percent over 2012)."
  - 11 For example, Noah Browning, "Top Palestinians: Two-State Solution Endangered," *Reuters*, March 21, 2012; Attila Somfalvi, "Palestinian Chief Negotiator: If Talks Fail, PA Will Collapse," *Ynet*, February 16, 2014.
  - 12 "The Peace Process, Settlements, National Priorities: Molad Survey 2013, Part II" Molad, December 30, 2013, <http://www.molad.org/researches/researchPrint.php?id=10>.
  - 13 Yehuda Ben Meir and Gilead Sher, "Israeli Public Opinion and Separation from the Palestinians," in *Strategic Survey for Israel 2013-2014*, eds. Shlomo Brom and Anat Kurz (Tel Aviv: Institute for National Security Studies, 2014), pp. 159-74, <http://www.inss.org.il/index.aspx?id=4538&articleid=6464>.