

Special Publication, May 12, 2020

**Updated Strategic Assessment for Israel for 2020 and
Recommendations for the New Government**

Itai Brun and Amos Yadlin

The global, regional, and internal implications of the coronavirus are still not fully clear, but Israel's 35th government will have no 100-day grace period. It must quickly restore the economy to full activity, despite the presence of the virus and the possibility of a renewed outbreak. On the security level, all the regimes in the Middle East are busy with the pandemic and internal affairs, and will most likely seek to avoid escalation in conflicts with Israel. At the same time, the risk of unplanned escalation (in Syria, Lebanon, and the Gaza Strip) still exists, and compels Israel to exercise judgment in the use of force. Iran continues to be the main threat to Israel, and this requires close coordination with the United States, construction of independent capabilities, and the continued use of force against Iran's efforts to entrench itself in Syria. The idea of unilateral annexation of territories in the West Bank, while supported by President Trump, is likely to spark a series of negative consequences, and should therefore be avoided. The growing rivalry between the United States and China is also liable to have a negative impact on Israel. On the other hand, the current situation enables the government to take advantage of opportunities in various areas resulting from the crisis.

The coronavirus crisis has generated much upheaval in the world at large, the Middle East, and Israel itself. In addition, the crisis has underscored the already existing need for an overall Israeli strategy to deal effectively with the burden of national security challenges on a number of fronts. The coronavirus crisis has intensified some of these challenges and created significant new challenges, but has also created new opportunities and enabled previously impossible measures. The lengthy political crisis in Israel over the past 18 months has made it difficult to devise a comprehensive political-security strategy, and the formation of the new government provides an opportunity to address this lapse.

The coronavirus crisis began at the end of a decade that featured growing strategic competition between the major powers, ongoing upheaval in the Middle East, globalization that blurred physical borders, and an information revolution that changed the prevailing world order. The pandemic has affected the situation in four principal

ways: (1) It has exposed and deepened existing trends, which it can either accelerate or delay; (2) it has required the rival global and regional actors to take measures that are likely to change and upset the already shaky world and regional order; (3) it has disrupted routine global conduct and created developments that would otherwise have not arisen; and (4) it is a deadly and destructive phenomenon that causes ongoing damage to public health, economies, and social interactions.

Israel's 35th government will be sworn in during an unprecedented multidimensional economic, social, and medical crisis, whose global, regional, and internal implications continue to unfold. In assessing the situation and evaluating relevant action, the new government should consider two different time frameworks. One looks at the coming months, where the main task is to restore the Israeli economy to full activity. The other concerns the period that follows, when the more profound effects of the crisis will come to the fore. This paper contains an update of the strategic assessment for Israel (*Strategic Survey for Israel 2019-2020*, published by INSS), taking into account the ramifications of the coronavirus crisis, and proposes a series of recommendations for the new government.

The International System: A Multidimensional Crisis, Growing Competition,, and Functional Difficulties

Even before the outbreak of the coronavirus pandemic, the international system featured multidimensional strategic competition between the major powers, polarization, and major functional difficulties. These features have likewise been evident during the crisis, and are likely to be exacerbated in the short term. East Asian countries, headed by China, appear to be quicker in recovering from the crisis and better able to take advantage of the opportunities that it presents. The United States and Europe will also recover from the crisis, but at a slower pace. The severe damage that they have sustained will continue to erode the image of American power and undermine the cohesion of the European Union. The international organizations have played a limited role in the crisis, and will likely be weakened further. Weak international players, including countries in Africa and Latin America, will be harder pressed than ever to assume new strengths.

The competition between the major powers will increase, including over the issue of the narrative and responsibility for the pandemic, and the most effective way of dealing with the ensuing crisis. China has already mounted a broad influence campaign designed to portray itself as a global leader in the struggle against the coronavirus, including practical assistance to countries in Europe, Africa, and the Middle East. Until late 2020, the United States will be focused on the presidential election campaign, which may well be tainted again with foreign involvement, and may also have unusual features because of the pandemic, which could call the legitimacy of the results into question. The campaign

itself stands to exacerbate the tension between the United States and China (and to a lesser extent, possibly Russia as well). In certain circumstances, it could also accelerate the withdrawal of American and other forces from active theaters in the Middle East. Russia, which has likewise been hit hard by the pandemic, will continue its effort to exploit opportunities, including in the Middle East. At the same time, the general level of international attention to the Middle East is expected to be low, except in the event of crises of exceptional nature and extent.

The difficulties experienced by the United States and Europe, Israel's political and economic partners, will have an effect on Israel, and could damage cooperation and even the defense aid it receives. In these conditions, Israel's economic need for resources is likely to give China a growing advantage over it. The new government should strengthen the mechanisms facilitating balanced and judicious risk management in Israel's triangular relations with the United States and China. It should conduct an intimate dialogue with the US administration, especially on matters where there is a risk of clashing interests (China, the Iranian question, and the annexation of territory in the West Bank). It should develop profound expertise in the Israeli decision making system on all aspects of relations with China. A strong effort to restore bipartisan American support for Israel is needed, particularly in view of the possibility that a Democratic administration will assume power in 2020.

The deep crisis in the Jewish communities around the world underscores both Israel's commitment to them and the government's opportunity to strengthen relations with them through aid, cooperation, and the struggle against antisemitism. At the same time, preparations should be made for a wave of Jewish immigration to Israel.

The Regional System: Continued Struggle over the Shape of the Middle East

The coronavirus pandemic has also afflicted the Middle East. The region is densely populated, has poor infrastructure, and has suffered for years from wars, identity disputes, social and political unrest, and severe economic distress. According to official data, which are only partially reliable, 320,000 people in the region have been infected with the virus, one third of whom are in Iran and one third in Turkey. As of now, however, it appears that the economic consequences of the pandemic rival if not exceed the public health consequences. So far, the extent of infection has not created a crisis in the countries bordering Israel, and mortality rates there have not had a major impact. Economic effects, however, have included a dramatic fall in oil prices, which has hit the oil exporters hard and lowered expectations of external aid from Europe, the United States, and the Gulf states – aid that is critical for some of Israel's neighbors.

The coronavirus crisis is, therefore, a kind of aftershock following the regional upheaval that has pervaded the region over the past decade. Antedating the coronavirus crisis, this upheaval still underway, and has been accompanied by instability, uncertainty, and volatility. There is a broad consensus among researchers and observers that the region is in a deep crisis, and is in the midst of a process with historical consequences involving a turbulent struggle over its identity. This struggle continues in two areas, and extends to diverse points of dispute. One, which is about the regional order, is waged between hostile camps contesting over ideas, power, influence, and survival. The other is between the rulers and the public within the countries themselves, where people have suffered from multiple problems that were aggravated during the years of upheaval. The coronavirus crisis has exacerbated the fundamental problems of unemployment, inequality, low productivity, governance, corruption, and dependence on oil and external aid, and has added a debilitating dimension of uncertainty to all of them.

The coronavirus has galvanized all of the regimes in the region to address the crisis. Thus far, all of the regimes have managed to cope with the pandemic without a collapse of their governmental systems. Each regime has dealt with the economic situation in its own way, but all of the solutions adopted are short term. The regimes will have trouble contending with the deeper consequences (for example, unemployment rates were high in some of the countries before the crisis). The leading events in 2019 were the widespread protests in Sudan, Algeria (the long-standing rulers were overthrown in both of these countries), Egypt, Iraq, Lebanon, and Iran. These protests, which came to a halt early in the crisis, are likely to be renewed when the crisis ends (as is indeed occurring in Lebanon), and will challenge the stability of the regimes in these countries.

The danger of regime destabilization and collapse of governmental systems has subsided but not disappeared, and is liable to require Israel to make preparations on its borders. At the same time, it appears that in the regional context, the coronavirus crisis offers the new Israeli government a number of opportunities. Israel can make progress in cooperation with the countries with which it has stable peace agreements – Egypt and Jordan – including the exchange of medical know-how, supply of medical equipment and means, and coordination of traffic arrangements at border crossings. Relations with Jordan have deteriorated in recent years. Restoring them with a dialogue at the highest political level, taking into account Jordanian needs and interests, including those in the Palestinian arena, is urgent. The option of direct Israeli aid and ways to encourage international aid to relieve Jordan's financial distress should be considered in this dialogue.

At the same time, cooperation with other pragmatic Sunni Muslim countries should be cultivated, while mindful of existing constraints. In view of the negative effects of the

coronavirus on the Gulf states with whom Israel has formed unofficial relations in recent years, some may cease their involvement in countering Iranian influence in the region.

Iran: Continued Defiance and More Trouble at Home

Iran still poses the most severe threat to Israel's security, with both its nuclear and ballistic missiles programs and its regional activity. The threat is palpable, even though Iran is suffering one of its worst situations under its current regime, resulting from a combination of the coronavirus; the difficult economic plight caused by continued American sanctions, the fall in oil prices, and failed attempts to obtain aid from international institutions; and growing lack of confidence in the regime among the Iranian public. Despite its dire straits, Iran continues its efforts to promote its regional interests in Iraq, Syria, and Lebanon, mainly through its proxies, while building military, political, economic, and social infrastructure in order to ensure its long term influence in those countries. Some of this infrastructure is aimed directly against Israel.

At the same time, the conflict between Iran and the United States has escalated. Iran apparently continues its orchestration of attacks by the Shiite militias against American bases in Iraq, and takes provocative action against US warships in the Gulf. If such actions result in the loss of American lives, they are liable to lead to military escalation between the United States and Iran in the coming year. Israeli-American coordination is therefore needed in this context. In addition, Washington has recently taken action to postpone the expiration of the arms embargo against Iran in October 2020, with the threat of activating the automatic snapback mechanism for the sanctions that were removed with the signing of the nuclear agreement. In response, Iran has threatened to take measures in the nuclear sphere, including a possible withdrawal from the Non-Proliferation Treaty (NPT).

Meanwhile, Iran continues to advance its nuclear program. According to the February 2020 report by the International Atomic Energy Agency (IAEA), Iran has already accumulated more than a ton of uranium with 4.5% enrichment, while hinting that it intends to increase the level of enrichment. Iran operates about a thousand centrifuges in Fordow, and has made progress in the development of advanced centrifuges. The main significance of these steps is a reduction of the time needed to break out to a nuclear capability, should Iran decide to move in this direction.

Israel's new government should formulate a comprehensive long term strategy for dealing with Iran's regional activity. This strategy should not be based solely on the use of military force. On the nuclear question, the most important aspect is liable to attract little attention in the United States in the coming months. Nonetheless, an effort should be made to reach understandings with the Trump administration about possible features

of an improved nuclear agreement (JCPOA 2.0), and to draw red lines (not for publication) concerning possible progress in Iran's nuclear program and shortening the time it needs to obtain nuclear capability. At the same time, talks with the leaders of the Democratic Party should be held in order to promote bipartisan understandings on this matter, which will become very important if the Democrats win the November 2020 elections.

The new government should also make sure that Israel has a credible option to conduct an independent attack in Iran.

The Northern Front: Lower Escalation Risks, Remaining Challenges

The coronavirus crisis has not materially changed the nature or extent of the challenges facing Israel on the northern front. The main challenge in this theater is the activity of the radical Shiite axis, with an emphasis on Iran's multidimensional consolidation through its proxies in Syria and the establishment of Hezbollah strongholds in the Golan Heights. This consolidation is proceeding more slowly than Tehran envisioned and planned but is still continuing, despite the burdensome economic constraints on Iran. Israel continues operations against consolidation by Iran and Hezbollah, and has disrupted and delayed it, but will probably be unable to eliminate it.

The challenges on the northern front, therefore, will not disappear, but will likely not develop into large scale escalation, because all of the actors are currently focused on combating the coronavirus crisis and have no interest in war. At the same time, the risks at this time of unplanned escalation, which is liable to lead to war on the Lebanese, Syrian, and Iraqi fronts, are evident. This scenario of a multi-front war ("the northern war") should be the main reference scenario for a war and the new government should prepare for it, ensuring that the public is aware of its possible nature and results. At the same time, political and military efforts should be launched to prevent war and utilize alternative means of promoting Israel's goals on the northern front.

Hezbollah continues its military buildup, with aid from Iran, including the precision-guided missile project ("the precision project") and development of its ability to penetrate Israel with ground forces. Lebanon is in the throes of an economic, political, governmental, and medical crisis that is one of the worst the country has ever experienced. This crisis also affects Hezbollah, which maintains its standing in the Lebanese system, although events in Iran have also had a negative impact on the organization.

The risk of escalation requires the new government to debate the overall benefit and risks incurred in the effort to prevent the enemy's conventional arms buildup (in contrast to

efforts to obtain nuclear weapons, about which there is a broad consensus that there is a stage at which it is correct to use force to prevent this in the framework of the so-called Begin Doctrine). Regarding the precision project, the discussion should weigh the damage expected from an attack aimed at thwarting the project in the short term against the possible damage resulting from the use of precision-guided weapons on a large scale in a future war, with the related defensive and offensive options for actions. In this context, a thorough discussion should be held about the idea of a preemptive attack against Hezbollah and the conditions and timing for such an attack, given the progress in the precision project, versus the alternatives.

Another discussion involves the question of bringing about the overthrow of Bashar al-Assad. This is an important matter, because it is clear that he is unable to remove Iranian capabilities and influence from Syria, and because of his responsibility for the deaths of hundreds of thousands of civilians. Such a measure can be feasible in the current circumstances, in which al-Assad no longer enjoys Moscow's favor. It is possible that the situation is ripe for a Russian-Turkish-American move, backed by the European countries to replace him and put Syria on the road to political reforms that will result in international aid for reconstruction in Syria.

The new government should make a renewed effort to enlist Russia in an effort to scale back Iranian influence and military intervention in Syria. Through Moscow, an attempt should also be made to influence the Syrian army's force buildup, and prevent its acquisition of advanced weapons. In addition, Israel should try to induce Russia to use its influence to disarm the pro-Iranian militias in the Syrian defense organs. At the same time, coordination with the Russian army should be maintained in order to preserve Israel's operational freedom of action, avoid friction, and form a common intelligence picture of Iranian subversion (as this too runs counter to Russian interests).

The Palestinian Arena: The Negative Chain Reaction of Annexation

The lack of desire and ability on the part of the two Palestinian leaderships (the Palestinian Authority (PA) in the West Bank and Hamas in the Gaza Strip) to put relations between them on a reasonable footing, even with the coronavirus afflicting them, have deepened the split between the two entities. They have apparently succeeded, however, in responding effectively to the outbreak of the coronavirus, and it appears that their actions have enhanced public confidence in them. At the same time, the Palestinian arena has become increasingly aware that coordination with Israel is essential. Its dependence on Israeli aid is clear, and a degree of legitimacy has been extended to cooperation with Israel. The crisis has also generated an opportunity to achieve a long term ceasefire arrangement between Israel and Hamas.

The main issue facing the new government in the Palestinian arena is the application of Israeli sovereignty to territories in the West Bank, i.e., annexation, which is included in the coalition agreement of the incoming government. Progress toward annexation is expected to propel a series of significant events with negative consequences for Israel, led by the termination of security cooperation with the PA, the collapse of the PA (or its repudiation of responsibility), the assumption of responsibility for 2.5 million Palestinians by Israel if annexation is on a large scale, the allocation of national resources to annexation at the expense of Israeli economic recovery, and more generally, support of the "path of resistance" identified with Hamas and weakening of the "path of negotiation" identified with PA President Mahmoud Abbas. Annexation measures are liable to create a very long defense border, prevent future negotiations, and could also lead to increased international recognition of Palestinian claims.

Another significant risk involves Israel's relations with Egypt and Jordan. The Jordanian response to annexation is liable to have a negative impact on cooperation toward safeguarding Israel's longest border and even on the peace treaty, and similar consequences for relations with Egypt are possible. Other than the current United States President, who supports the measure, it appears that no other party in the world or the Middle East will recognize the annexed territory as part of Israel, while some parties may recognize Palestinian rights to a state in all of the West Bank.

In these circumstances, the unequivocal recommendation to the new government is to refrain from unilateral annexation measures in the West Bank. Israel should upgrade its actions in two aspects, while perpetuating the separation between the PA in the West Bank and Hamas in the Gaza Strip.

- a. On the political level, Israel should strengthen the PA as the sole legitimate party for a future settlement and tighten relations with it, recognizing its responsible and successful actions in dealing with the pandemic. In the immediate term, the PA should be helped to meet the economic and social challenges that the coronavirus crisis has aggravated. Israel should release deferred payments, supply electricity and water, and expand employment of laborers from the PA. If the PA persists in its refusal to return to the negotiating table and discuss a settlement that also considers the Trump plan – not as a unilateral measure – it is recommended to take measures to separate Israel from the Palestinians in the West Bank in accordance with the plan published by INSS, *A Political Security Framework for the Israeli-Palestinian Arena*.
- b. An effort should be made to agree on a prolonged ceasefire with Hamas in the Gaza Strip, following but separate from a release of security prisoners held in Israel in exchange for the return of Israeli civilians and bodies of Israeli soldiers held by Hamas. Such an arrangement should also include a mechanism for

restricting Hamas's military buildup. In the event of a conflict with Hamas, the IDF campaign should focus on inflicting very serious damage to the organization's military arm.

Israel: The Challenge of Emerging from the Coronavirus Crisis

The coronavirus pandemic compounded the prolonged political crisis in Israel with a new health, economic, and social crisis. As such, it constitutes a profound shock to the foundations of national security in the broadest sense. The crisis is liable to have harsh consequences in the internal sphere, including the widening of socioeconomic gaps, aggravation of social rifts, and damage to national resilience. The new government was formed to play an extremely important role in the continued management of the crisis and the exit strategy. Public confidence in the government, the level of social solidarity, and the extent of public compliance with the rules set by the authorities will all affect the pace of Israel's emergence from the crisis.

The country's preparedness for managing the crisis should be studied thoroughly in order to draw lessons for the future (including for dealing with life in the presence of the coronavirus and a potential new outbreak).

The crisis indicates the need for a special national crisis management system, which should include the existing mechanisms, outline the connections between these mechanisms, and be anchored in legislation. The national agenda, including the state budget, should give clear priority to the civilian sphere in the coming year: health, employment, education, and welfare. The heart of the new government's mission consists of dealing with the economic and social crisis, while giving priority to growth engines and helping disadvantaged groups and the middle class. Opportunities for drawing the Arab and ultra-Orthodox sectors closer to the population's majority groups should be pursued. More generally, action should be taken to heal the deepening rifts and fissures within the Israeli public.

A multi-year plan for the IDF should be drafted and budgeted, and should be adapted to the anticipated budgetary constraints. In addition, the procurement program using US aid money in foreign currency (which has been delayed for two years) should be set in motion. The current circumstances reinforce the need – as part of the multiyear plan and from an overall national perspective – to continue upgrading the discourse about the concepts of success and victory in the current era.

Conclusion: The World and the Middle East following the Coronavirus

In recent weeks, intellectuals, journalists, and decision makers have pondered the effects of the coronavirus crisis on the world. Most observers regard the crisis as a seminal historic event that will substantially change the world in which we live, similar to previous large scale pandemics, world wars, global economic crises, and other historic events that exerted great influence and had additional consequences.

An analysis of these comments suggests that nation states will emerge stronger as a result of the effective way that most have handled the pandemic, at the expense of international organizations. The deep global recession will feature mounting government intervention, protection of local economies (and reopening of trade agreements), and more intense competition. Together with sectors that collapsed during the crisis (such as civil aviation and tourism) and those that have been shaken (the oil industry), some sectors will grow (especially online services and medical, biological, and agricultural technologies). The world will not change completely, but it will be less free – the emergency measures and operations of supervisory mechanisms will continue. There will be less prosperity, more unemployment, and more poverty. The world will become less global – people will fly less, they will work more from home, and there will be less crowding in cities. Countries will take care to maintain strategic inventories and the self-sufficiency of their essential industries.

The strategic decisions taken by the Israeli government during the crisis were correct at the time, and have made it possible to gradually and differentially bring the economy back to full, regular activity. People will go on living in the presence of the coronavirus for quite some time. This challenge will require courageous decision making in the coming months, based on expert professional analysis, reliable data, and ongoing learning. The current situation facilitates identification and consideration of potential opportunities generated by the crisis in many areas and ways to take advantage of them.

There must be sufficient attention paid and responses directed to the security challenges, along with the management of the coronavirus crisis. All of the regional powers will seek to avoid escalation, but such escalation can certainly be set off in the coming year (in Syria, Lebanon, and the Gaza Strip) by Israeli attacks aimed at countering existing and emerging threats, or by the actions of intransigent groups. The new government should prepare for security challenges, including enemy force buildup under cover of the coronavirus crisis. Specific attention should be paid to the precision-guided weapons project and the possibility of progress in the Iranian nuclear program.

Recommendations to the New Government

- a. Reach (covert) understandings with the Trump administration (and Democratic Party leaders) on red lines concerning possible developments in the Iranian nuclear program, the contents of an improved nuclear agreement with Iran, and Iran's regional activity.
- b. Ensure the existence of a credible independent attack option against Iran.
- c. Maintain continued action against Iranian consolidation in Syria, and obtain Russian assistance in this matter.
- d. Create a blueprint for a multi-front war (a "northern war") as the main reference threat for war, make an effort to prevent it, and ensure that the public is aware of and prepared for such a war and its possible consequences.
- e. Assess the need for a preemptive strike against Hezbollah and the conditions for such an attack, assuming progress in the precision weapons project. This option should be weighed against the alternatives (defense, deterrence, and the continued war between wars).
- f. Refrain from large scale unilateral annexation measures in the West Bank, and adopt the plan presented in *A Strategic Framework for the Israeli-Palestinian Arena*, published by INSS, including a call for renewal of negotiations.
- g. Promote a long term ceasefire with Hamas with parameters that will prevent it from increasing its military strength.
- h. Restore bipartisan American support for Israel.
- i. Prevent a severe crisis with the United States over Israel's relations with China through a strategic dialogue, revise trade policy with China, and reinforce risk management mechanisms in the Israel-China-United States triangle.
- j. Restore good relations with Jordan, preserve the peace treaty with Egypt, and improve relations with other pragmatic Middle East states.
- k. Conduct an inquiry into the strategy adopted against the coronavirus, and use the results to prepare for a second wave of the pandemic that coincides with an influenza outbreak next winter.
- l. Give clear priority to civilian affairs over the next year (health, employment, education, and welfare), with an emphasis on growth engines, disadvantaged groups, and the middle class. Pursue opportunities to draw the Arab and ultra-Orthodox sectors closer to the country's majority groups.
- m. Formulate and budget a multiyear plan for the IDF, and adapt it to the anticipated budgetary constraints. Set in motion the military buildup using US aid money in foreign currency.
- n. Strengthen relations with the Jewish communities around the world through aid, cooperation, and the struggle against anti-Semitism. At the same time, prepare for a new wave of Jewish immigration to Israel.