

**Executive Summary**  
*of*  
**The Palestinian  
Strategic Report  
2009**



Edited by  
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Al-Zaytouna Centre For Studies & Consultations



مركز الزيتونة للدراسات والاستشارات

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## ***Introduction***

The Palestinian Strategic Report is issued annually by al-Zaytouna Centre for Studies and Consultations in Beirut. It is an independent think tank that focuses on strategic and futuristic studies, with special emphasis on the Palestinian issue. The Centre has a Board of Consultants of eminent scholars, thinkers and researchers

Edited by Dr. Mohsen Moh'd Saleh, an associate professor of Palestinian studies and the general manager of the Centre, the Palestinian Strategic Report 2009 records, studies and analyzes various aspects of the Palestinian issue during the year 2009. It discusses the internal Palestinian scene, the Palestinian demographic indicators, Land and the holy sites, and the Palestinian Arab, Islamic and international relations. Moreover, it explores the Israeli scene, the resistance operations and the peace process. The report is scientifically documented, and supported by numerous tables, statistics and illustrations.

Several experts participated in writing this report: Mr. Abdul Hameed al-Kayyali, Mr. 'Abdullah Najjar, Mr. Hani al-Misri, Dr. Hassan Abu Taleb, Dr. Jad Issac, Dr. Johnny Mansour, Prof. Dr. Moein Rajab, Dr. Mohamed Nouredine, Dr. Mohsen Moh'd Saleh, Mr. Suhail Khalilieh, Prof. Dr. Talal 'Atrissi, Mr. Wa'el Sa'd, Prof. Dr. Walid 'Abd al-Hay and Mr. Ziad al-Hasan.

## ***First: The Internal Palestinian Scene***

1. The Palestinian internal scene is still characterized by schisms and divisiveness that negatively affect the national project and the Palestinian struggle on the local, Arab and international levels. The internal situation still suffers from "brothers' misery," "defective legitimacies," and contradictions in the Palestinian performance that leads to a "zero sum."
2. The sharp differences between Fatah and Hamas and the governments of Ramallah and Gaza should not be naively viewed as just a struggle for power. Rather, it is essentially a reflection of deep political differences. It is a conflict between two visions that have thus far been unable to reconcile on issues related to ideologies, priorities of the national struggle, the way of managing the conflict with the occupation, resistance and peace settlement track, and the ways of adjusting to the Arab regimes and the international

community. Moreover, the external intervention in the Palestinian political decision making process has its impact and repercussions on the Palestinian schism, which complicates the internal reconciliation process.

3. The steadfastness of the Palestinian resistance during the Israeli aggression on GS (27/12/2008–18/1/2009), and its ability to abort it have increased the popularity of Hamas, its government and the resistance trend in general along both the political and media levels. But, on the other side, it demoralized the enemies and opponents of Hamas to such an extent that they seriously questioned the possibility of uprooting the organization by force, which, in turn, gave an impetus for the continuation of the national dialogue. Meanwhile, the performance of the Palestinian Liberation Organization (PLO) and the leadership of the Palestinian Authority (PA) in Ramallah were hesitant and weak, and by no means in tandem with the extensive aggression on Gaza Strip (GS) and its wide repercussions. However, the glory of “steadfastness” was absorbed into a Palestinian, Arabic and international environment that was incapable of investing in it; while the catastrophic siege was resumed, and was coupled with the destruction caused by the war, this led to unprecedented misery and hardship among the people of GS. As for the capital allocated by the donors for the reconstruction of GS, over five billion dollars, it was not allowed to enter the GS; in fact it was used as a means to exert political pressure on Hamas’ dismissed government and blackmailing it.
4. Following the war on GS, the detention and mutual media campaigns subsidized, and the environment had some how become more conducive for reconciliation. Patronized by Egypt, the national dialogue, particularly between Fatah and Hamas, achieved tangible progress along its five tracks —the elections, security, PLO, the transitional government and national reconciliation—and the elections were scheduled to take place on 28/6/2010. However, Hamas objected to several items of the final Egyptian version of the reconciliation document because, it maintained, they were unilaterally changed or amended in such a way that would lead to the imposition of President Abbas’ administrative and security hegemony, and the weakness of the role of Hamas and Haniyyah’s government. But Egypt and Fatah, who had already signed the document, refused to reconsider amendments to the document, while Hamas continued to argue that

the document should have a verbatim reflect of what had actually been agreed upon. Hence, the reconciliation process was shelved.

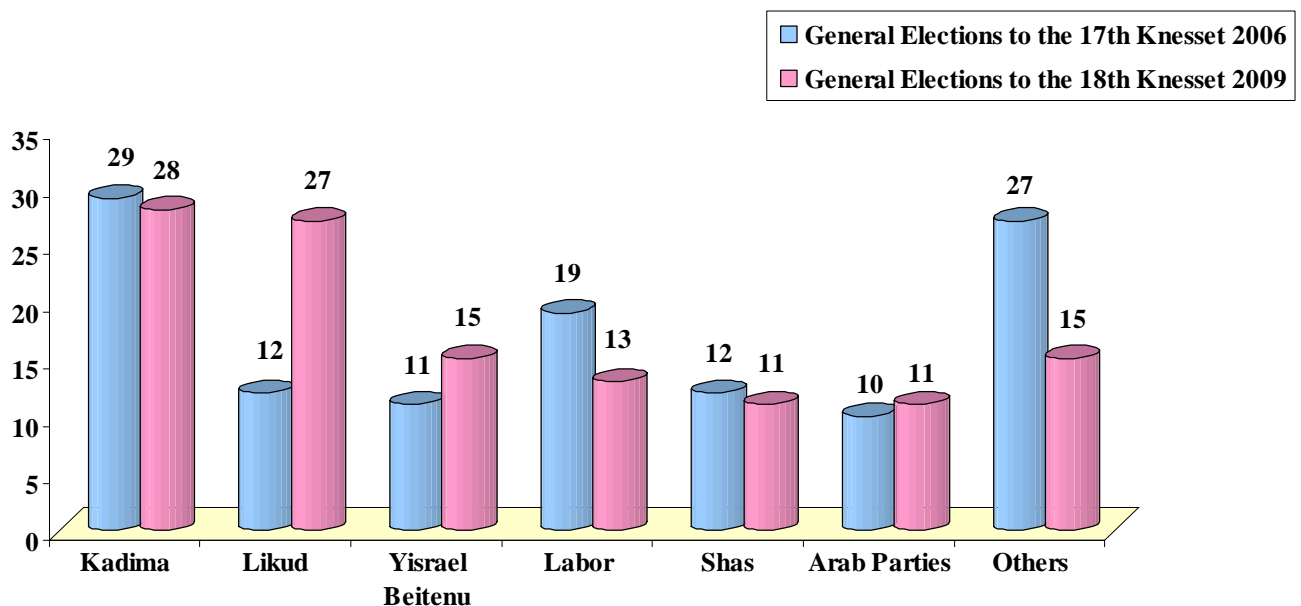
5. The PA leadership and the government of Ramallah managed to be in control because of three main factors: stable security, relative economic progress in the West Bank (WB) and the support of the Arab regimes and the American community, besides the Israeli blessing. On the other hand, five factors were negative elements in the performance of the PA: the weak performance during the GS war, Goldstone Report Scandal, the security coordination with the Israelis and the pursuit and detention of resistance members, the settlement track reaching a dead end, and the Israeli continuation of Judaization and settlement process.
6. For the GS government, there were three factors that played a sustaining role: the steadfastness and victory in the Israeli war on GS, the ability to steadfast in spite of the suffocating siege, and being able to achieve a relative stable security. While three other factors had negatively affected the position of the GS government. First, the practical stoppage on their part of the resistance operations and the launching of rockets; second, their inability to lift the siege and resume the construction in GS which had aggravated the hardship of its people, and, finally, their swimming against the Arab and international tide and failure to achieve a real political breakthrough.
7. The problem of defective and absent legitimacies continued to cast its shadow on the Palestinian scene. The official terms of the Palestinian National Council (PNC), the Central Council and the Executive Committee of the PLO had all ended years ago, and they no longer truly represent the effective forces of the Palestinian street. Moreover, the official tenures of President 'Abbas and the Palestinian Legislative Council (PLC) also expired, and neither the emergency government in Ramallah nor the caretaker government in GS functioned according to their terms of reference. If the constitution empowers the PLC to continue until the formation of a new one, the partially legitimate Central Council had surprisingly fixed the agenda of the PLC whose legitimacy had been suspended by some measures taken by the PA in Ramallah whose term has expired!! This riddle becomes more glaringly visible when we remember that the Hamas dominated PLC could in its first meeting overthrow the government of 'Abbas and Fayyad. These and other complexities demonstrate, at least technically, that any reform

- plan requires a comprehensive reorganization of the Palestinian political system, and not just the conduction of elections or formation of a temporary government.
8. After a procrastination of twenty years, Fatah finally convened its long awaited sixth congress. With great difficulty, it managed to reorganize its internal affairs, whereby President 'Abbas and his supporters emerged victorious, while several icons of the historical leadership, led by Faruq Qaddumi, were sidelined, and the internal wing of the movement superseded its external counterpart. Moreover, the security wing of the movement and the pro-peace settlement faction won considerable gains. However, there is a lot that Fatah should do along four levels: its organizational structure, war against internal corruption, setting its strategic options and to upgrade fresh young blood to the top leadership.
  9. The stance of the PA in Ramallah on Goldstone report had greatly embarrassed it. For, under Israeli–American pressure, the PA demanded the withdrawal of the report and the postponement of voting on it, which infuriated wide Palestinian, Arab and Islamic sectors. This report, which was submitted to the Human Rights Council of the United Nations (HRC), condemned Israel, and, for the first time, provided a mechanism to prosecute its leaders as war criminals. However, after confusion and mutual accusations, the PA was compelled to return the report for voting, which demonstrated the importance of public awareness, and the effectiveness of media campaigns in the service of the national goals.
  10. While nothing tangible was achieved in 2009 with regard to the reorganization of the Palestinian political system, the options of 2010 for the success of the national reconciliation, the conduct of free and fair elections and the reorganization of the PLO and its institutions are ambiguous. However, while the options towards the peace process and the resistance drive remain unsettled, and the external influence continues to have an impact on the Palestinian decision making process, doubt would remain in place on the possibility of achieving viable reconciliation, which is crucial for the promotion of the Palestinian national project.

## *Second: The Israeli–Palestinian Scene*

1. With regard to the Israeli domestic affairs, elections were held in 2009, and amidst the war on GS, to choose the 18<sup>th</sup> session of the Knesset. The right-wing parties, particularly the Likud and Yisrael Beiteinu, achieved resounding success in these elections, while the leftist parties, especially the Labor Party, retreated. With a comfortable majority in the Knesset, Netanyahu formed one of the most extremist governments in the history of Israel. The failure to call upon Tzipi Livni, the leader of Kadima Party, to form the government had its repercussions on the party's institutions and organizations, and the party had experienced during the year 2009 serious rifts and schisms within its ranks. Likewise was the Labor Party.

**Comparing the 17th (2006) and 18th (2009) Knesset Elections**

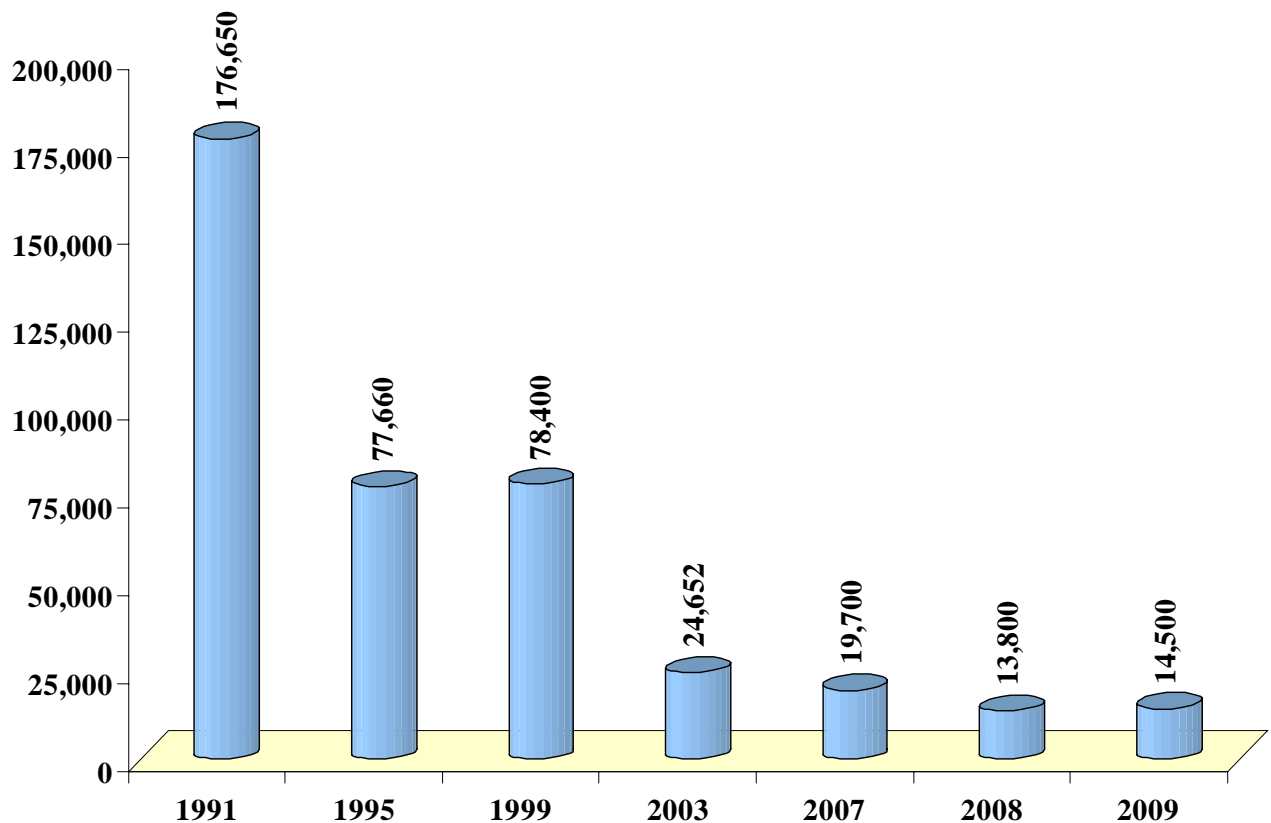


2. According to the figures of the Israeli Central Statistics Bureau, the population of Israel by the end of 2009 totaled approximately 7.5 million, amongst whom 5.664 million were Jews, and 1.526 were Arabs, i.e., correspondingly 75.4% and 20.3% of the total population. If we subtract the inhabitants of Jerusalem and the Golan, estimated 270 thousand, then the number of what are known as the 1948 Palestinians are about 1.256

million, i.e., 17.5% of the total population. The number of the Jewish settlers in the WB, including East Jerusalem, was estimated to be about 520 thousand persons, while the average population growth rate in Israel was 1.8%, exactly the same rate for 2003.

The number of immigrants to Israel in 2009 was 14,564, compared to 13,699 in 2008. Notwithstanding this slight increase in immigration, the figures for 2009 are compatible with the general trend of decrease in the numbers of immigrants to Israel since 2000, as the sources of huge potential Jewish immigrants had already been utilized. It is worth noting that this retrogression of immigration to Israel corresponded with continuous emigration from Israel, an average of 10 thousand persons annually, and stagnation in the growth of Jewish population worldwide, except in Israel, as a result of the decrease in natural growth, increasing desertion of Judaism, and the spread of mixed marriages.

**Numbers of Jewish Immigrants to Israel (selected years)**



3. The preliminary statistics indicated that the rate of growth of the Israeli economy was 0.5% only; hence the Gross Domestic Product (GDP) for the year 2009 remained almost at its previous level, approximately \$200 billion, compared with \$199.5 billion in 2008. The GDP per capita in 2009 had almost maintained its usual level, i.e., \$27 thousand in 2009, compared to \$27.3 thousand in 2008. However, we should bear in mind that the adoption of the dollar in these statistics may not give an accurate picture of the economic situation because of the fluctuations from one year to the other of the value of the dollar versus the Israeli shekel. In fact, according to the current accounts, the value of the Shekel had in 2009 dropped by 9 %, compared to the previous year.

Both the Israeli exports and imports had decreased during the year 2009, the former by the 27% and the latter by 22%. The United States remained the first trading partner with Israel. The Israeli exports to USA totaled \$17 billion (i.e., 35% of the total exports), followed by Belgium and Germany.

Despite the global economic recession, the Israeli economy started to cautiously and slightly flourish by the second quarter of 2009, though exports, imports and the fixed investments lagged well behind the pre-crisis figures. The rate of unemployment reached 8%, and the hard currency reserves in banks dropped throughout the year. During the year 2010, the GDP is expected to grow by 2%.

4. Five obsessions had preoccupied the Israeli military establishment during the year 2009: the deteriorating Palestinian situation, Iran and its nuclear program, the security dimensions of the new American administration's foreign policy in the Middle East, and the armament of what Israel calls the "radical groups" in the region, in an obvious reference to Hamas and Hizbullah, and, finally, the issue of stability in the neighboring Arab Fronts. Within its drive to draw lessons from the summer of 2006 Israeli war on Lebanon, the military establishment continued to implement the Tefen 2012 procurement plan, which was endorsed in 2007. The plan included substantial increase in the strength of all the army units, improvement of the capabilities of training, ammunition reserves, arms purchase, combat means, and armament. The declared military budget for 2009 totaled about \$12.4 billion, and it is scheduled to jump to \$13.5 billion in 2010, let alone

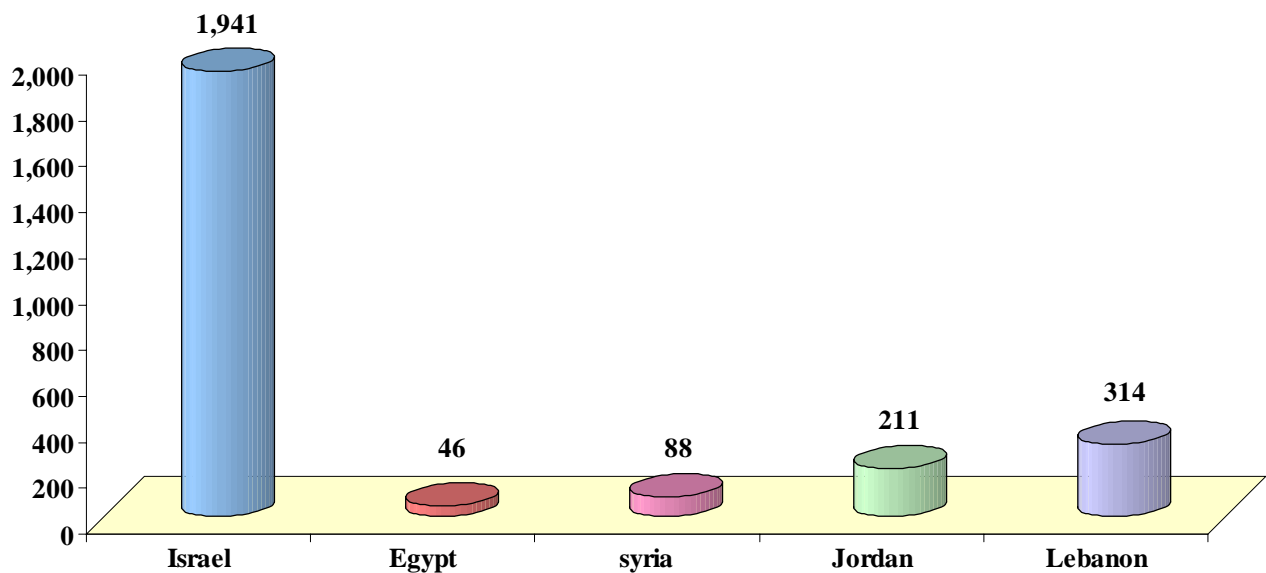


the confidential items that are usually excluded from the annual budget, including the revenues of the armament sales which are not less than two billion dollars.

**Israeli Military Expenditure Compared to that of Neighboring Arab Countries  
(2008 estimates)**

	<b>Israel</b>	<b>Egypt</b>	<b>Syria</b>	<b>Jordan</b>	<b>Lebanon</b>
<b>% of Military Expenditure per GDP</b>	7.2	2.29	3.38	6.24	4.54
<b>GDP(\$billion)</b>	199.5	162.82	55.2	20.01	28.66
<b>Population Estimate (in millions)</b>	7.37	81.53	21.23	5.91	4.14
<b>Military Expenditure per Capita (\$)</b>	1,941	46	88	211	314

**Israeli Military Expenditure Per Capita Compared to That of Some Arab Neighboring Countries  
(in dollars)**



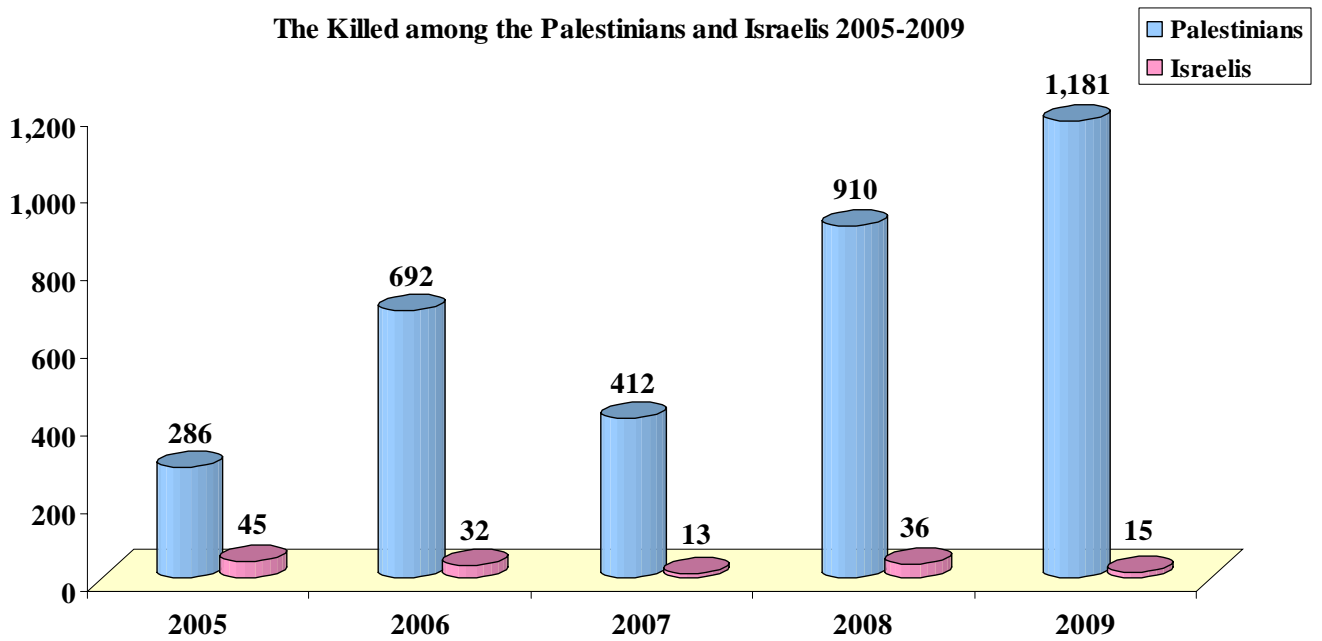
5. Israel continued during the year 2009 its aggression against the Palestinian people, whereby in the first month of the year a total war was inflicted on GS. Its casualties were

hundreds of killed and wounded, coupled with extensive destruction of thousands of houses and the infrastructure. The aggression took added form in 2009, namely, closure of GS's crossings, tightening the siege and prohibition of the reconstruction in the GS. In the WB, Israel's army of occupation was lucky, since its security coordination with the PA's security agencies have increased, and it also continued its policy of infiltration and arrests in the WB.

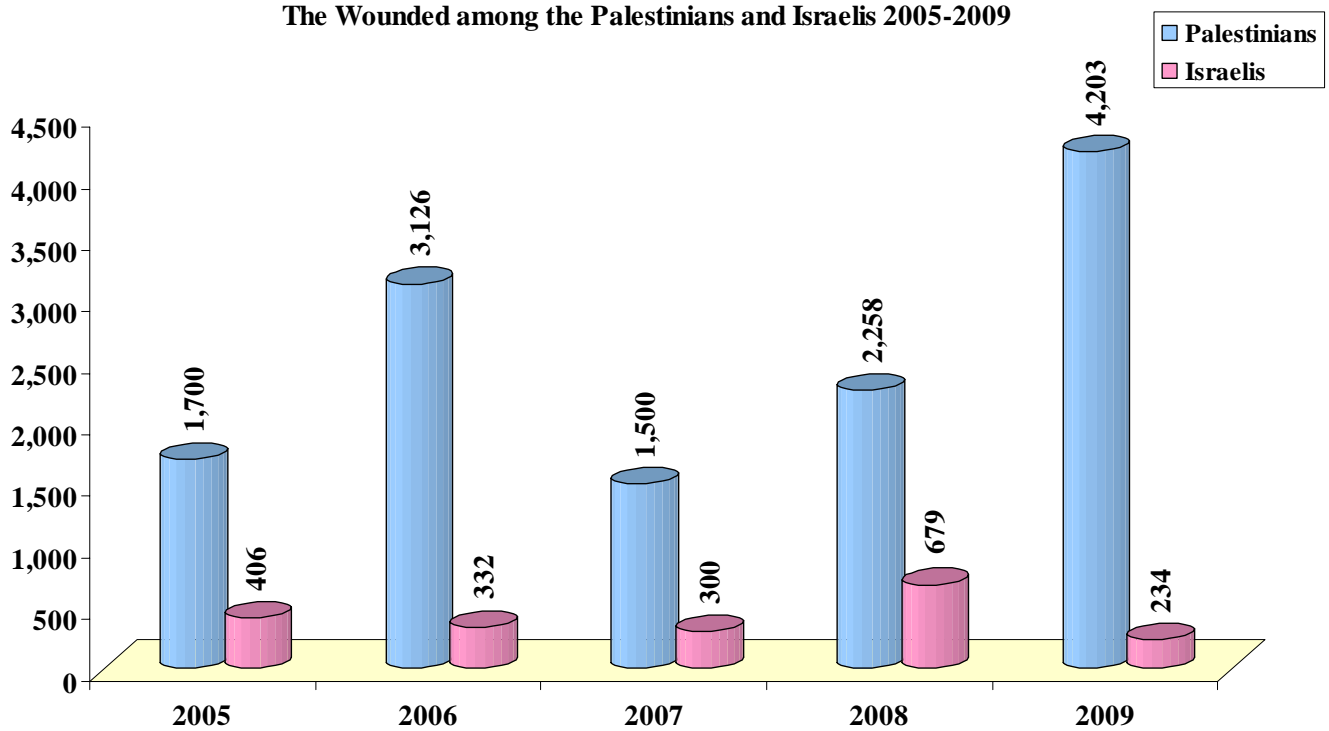
According to Israeli sources, the launching of rockets and missiles from GS at the surrounding Jewish settlements and towns had substantially decreased during the year 2009. Only 566 rockets and missiles were reportedly launched, of which 406 were launched during the war on Gaza, January 2009, compared to 2,048 rockets and missiles were launched in 2008. In the WB and Jerusalem, the Israeli Security Agency recorded 636 attacks in 2009, compared to 893 attacks in 2008. It is worth noting that over 90% of attacks recorded in the WB and Jerusalem during 2009 were in the form of Molotov cocktail throwing.

The Palestinian fatalities during 2009 were 1,181, of whom 1,148 were in GS and 33 in the WB, including Jerusalem. Amongst the killed, there were 473 under the age of eighteen and 126 women. The wounded Palestinians totaled 4,203 amongst whom 3,521 were from GS alone, and 682 from the WB. Correspondingly, according to the Israeli Security Agency, the Israeli fatalities due to resistance operations were 15, while 234 were injured, of whom 185 were wounded during the war on Gaza.

**The Killed among the Palestinians and Israelis 2005-2009**



**The Wounded among the Palestinians and Israelis 2005-2009**



6. Like its predecessor, the year 2009 was the worst for the Palestinian prisoners in Israeli jails. Their number by the end of 2009 was 7,500, amongst whom there were 34 women, 310 children, 17 members of parliament, two ministers and several political leaders. Those from the West Bank totaled 6,330; 750 from GS, 300 from Jerusalem and 120 from the 1948 occupied Palestine, in addition to tens of prisoners from various Arab countries.
7. Israel strove to aggravate the Palestinian schism politically and geographically. It adopted a dubious strategy based on having the door always open for the peace settlement track, but without any concrete outcome. While, at the same time, it actively pursued the policy of Judaization of the Land and the human being, particularly in Jerusalem area. Moreover, it actively tried to uproot, or at least weaken, the control of Hamas on GS through military action and embargo.

The peace settlement track was largely frozen and blocked during the year 2009, and the American administration failed to compel Israel to stop building settlements. The insistence of the PA not to indulge in negotiations without a complete halt of settlements and without a clear reference for negotiations seemed to have dwindled. If the Israelis managed to resume the negotiations without these two conditions, the ploy of suspension, procrastination and imposition of facts on the ground will continue to be Israel's most favored line during the year 2010, which it had, in fact, pursued in one way or another for the last 17 years.

### ***Third: The Palestinian Issue and the Arab World***

1. The continuous impotence of the Arab official regime towards the Palestinian issue was glaringly visible during the year 2009. The regime's numerous internal and external predicaments and problems were reflected directly and indirectly on the Palestinian issue. Moreover, its ability to extend support was, no doubt, affected by the Palestinian schism. But all this should not be an excuse for this paralysis, as it has already been in action well before this schism.

The Israeli aggression on GS (27/12/2008–18/1/2009) had revealed the extent of the impotence of the Arab regime and its divisions, as well as its failure to defend the

Palestinian people in Gaza. Some Arab regimes had even given priority to the American influence, the fulfilling of their undertakings to Israel and their enmity towards Hamas and the Islamists over and above their own responsibilities towards Palestine and the requirements of the Arab national security. The Arab regime was neither able to lift the siege off the Palestinian people nor to implement its undertakings to reconstruct the GS, and the unprecedented misery of the Gazans remains to be a glaring evidence of the helplessness of this regime.

However, despite its meager resources, the resistance steadfastness and its exceptional performance in GS electrified the Arab masses who were instrumental in their extensive donations, demonstrations and other means. Despite the boycott of some Arab states, the emergency Arab summit, held in Doha on 15/1/2009, was a reflection of this mass interaction of the Arab masses with the resistance. Moreover, the hosting of Khalid Mish'al to speak in this summit on behalf of the resistance and Palestine was a major political breakthrough for Hamas, in which Qatar played a major role, especially after the refusal of President 'Abbas to attend,. But this success was temporary and limited, as the Arab regime had soon resumed contacts with President 'Abbas and his government in Ramallah, and once more Hamas and its government were isolated and marginalized.

2. Unlike the previous two years, when Saudi Arabia, Qatar, Yemen and Sudan played a noticeable role in the Palestinian affairs, Egypt took the lead and was the dominant player on the Palestinian issue during the year 2009. It took advantage of its size, common borders with GS and relations with both Israel and the USA to consolidate this role. Hence the reconciliation efforts were masterminded and lead by Egypt. Several dialogue sessions were held in Cairo, which culminated in a reconciliation paper presented by Egypt and signed by Fatah. But Hamas expressed reservations on certain clauses of this document, which, it maintained, do not reflect what has been agreed upon, a development that had infuriated the Egyptian regime. Meanwhile, the three-year Egyptian effort to strike a deal to swap the Israeli detained soldier Shalit for many Palestinian prisoners had also stumbled. However, a German mediator achieved an important breakthrough on this issue, though no final deal was agreed upon.

It was clear that the Egyptian government viewed Hamas and its government in the GS as a burden and a problem. Hamas viewed Egypt's closure of the Rafah crossing, the

restrictions that it imposed on the donations and supplies to GS and, above all, the steel wall that it built to block the tunnels which provided the GS with 50% of its human needs, as indicators of the inclination of the Egyptian regime towards Fatah and the PA in Ramallah, even a de facto participation in the effort to overthrow Hamas. Though aware of the importance of preserving its independence, Hamas knew the importance of Egypt and its role; hence it avoided animosities or to open rift with the Egyptian regime.

3. The relatively relaxed Jordan-Hamas relations during the second half of 2008 had changed in 2009, particularly after the dismissal of the Jordanian Director of the General Intelligence Department Muhammad Al Dhahabi. The Jordanian authorities had given due attention to the close relationship between Hamas and the Muslim Brothers in Jordan, which was also subjected to great internal controversy within the Muslim Brotherhood institutions. Due to the probable repercussions of this relationship on the Jordanian scene, Jordan was keen to abort it. In another vein, Jordan excused itself from hosting Fatah's Sixth Congress, which was an important factor for the organization's decision to hold it in the WB.

By the end of 2009, the Jordanian King 'Abdullah II dissolved parliament and formed a new government to conduct fair elections. According to some analysts, several factors were behind this move, including the King's desire for a better incorporation of the Muslim Brotherhood and the Jordanians of Palestinian origin in the political system.

4. Syria continued to lead the Arab "Refusal" Front, and it hosted the Diaspora leadership of Hamas and other resistance factions, though it cautiously kept an equal distance between them, and on the issue of ending the Palestinian schism and to achieve unity. Syria called for the review of the Arab peace initiative if Israel continued its aggression on GS and siege of the Palestinian people. The formation of an ultra-rightist government in Israel under Netanyahu was instrumental in the suspension of the 2009 Israeli-Syrian negotiations, which had been indirectly conducted via Turkish mediation.
5. The Palestinian refugees in Lebanon continued to suffer great hardships, including the denial of their civil rights of employment and possession of property. The phobia of their nationalization in Lebanon was well exploited by some quarters to deprive them from their basic human rights, though there is a consensus among both the Lebanese and the Palestinians to reject the nationalization of those refugees in Lebanon. Though the plans

and the funds for the reconstruction of Nahr al-Bared Refugee Camp, which was destroyed in the summer of 2007 because it was caught in the middle of a bloody confrontation between the Lebanese army and Fatah al-Islam movement, were made available, the reconstruction had considerably stumbled, and it was resumed as late as 26/10/2009. The Palestinian arms in the camps were a source of heated political controversy; some called for handing over the arms especially outside the refugee camps, others connected this with the ability of the state to protect the refugee camps from Israeli aggression, and with the granting of the Palestinian refugees their basic civil rights.

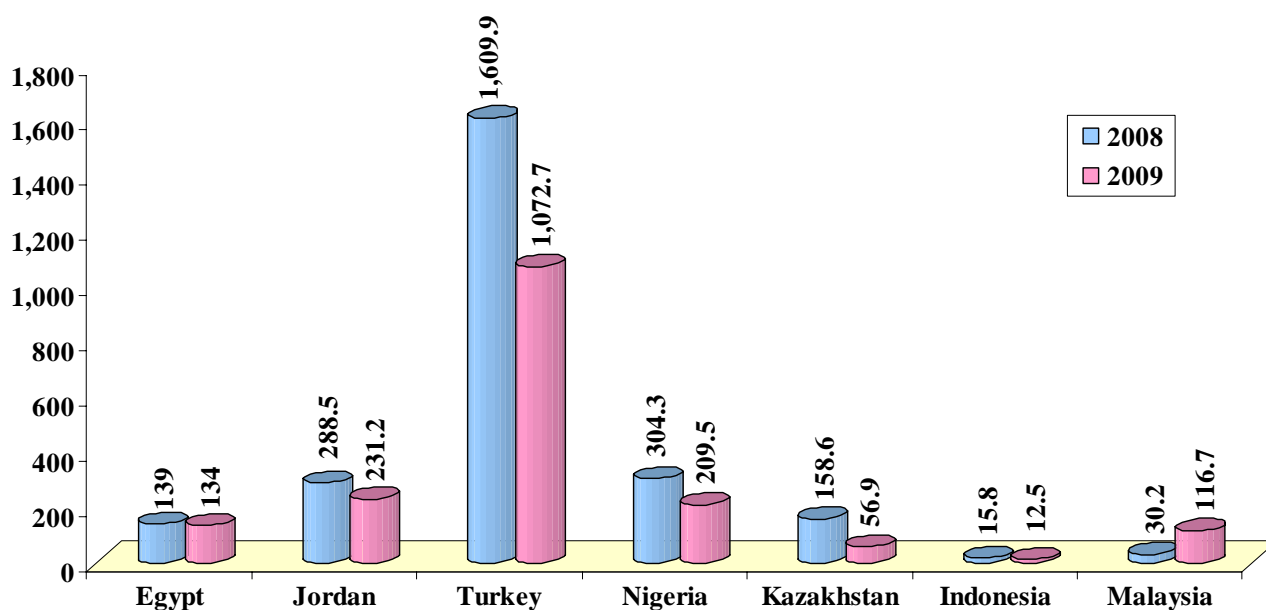
6. During the year 2009, the Kingdom of Saudi Arabia refrained from directly engaging itself with mediation to end the Palestinian schism, and left this endeavor to Egypt. The Kingdom remained part of the “moderate” Arab camp, thus it did not participate in the Doha summit. But it remained the major supplier, both officially and publicly, of the Arab funds to the Palestinians. The Kingdom’s relations with Hamas remained chilled until the end of 2009, but they improved early in 2010 when the Saudi government agreed to receive Khalid Mish‘al. Likewise was the situation with many of the Gulf states which seem to have held Hamas largely responsible for the Palestinian schism, and blamed it for declining to endorse the Egyptian reconciliation proposal. But following his successful trip to Saudi Arabia, Mish‘al visited a number of the Gulf states, including the United Arab Emirates, Bahrain, Qatar and Kuwait, which had somehow helped in the understanding of these states of Hamas position and intentions.
7. The normalization of relations with Israel remained limited, and confined only to the states that concluded peace treaties with the Israel, specifically Egypt and Jordan. The profound and bitter hatred of the masses in all Arab countries, including Egypt and Jordan, was an important factor for confining the normalization to the official level only. The Israeli war and siege of Gaza had further aggravated Arab animosity and despise of Israel.

The size of the Israeli exports to Egypt during 2009 was almost at the same level of that of the year 2008, i.e., \$139 million in 2008 and \$134 million in 2009. As for the Israeli imports from Egypt, they were substantially increased, from \$132 million in 2008 to \$271 million in 2009, while those from Jordan had decreased from \$106 million in 2008 to \$70 million in 2009.

**Israeli Foreign Trade with Some Arab and Islamic Countries 2008-2009 (\$million)**

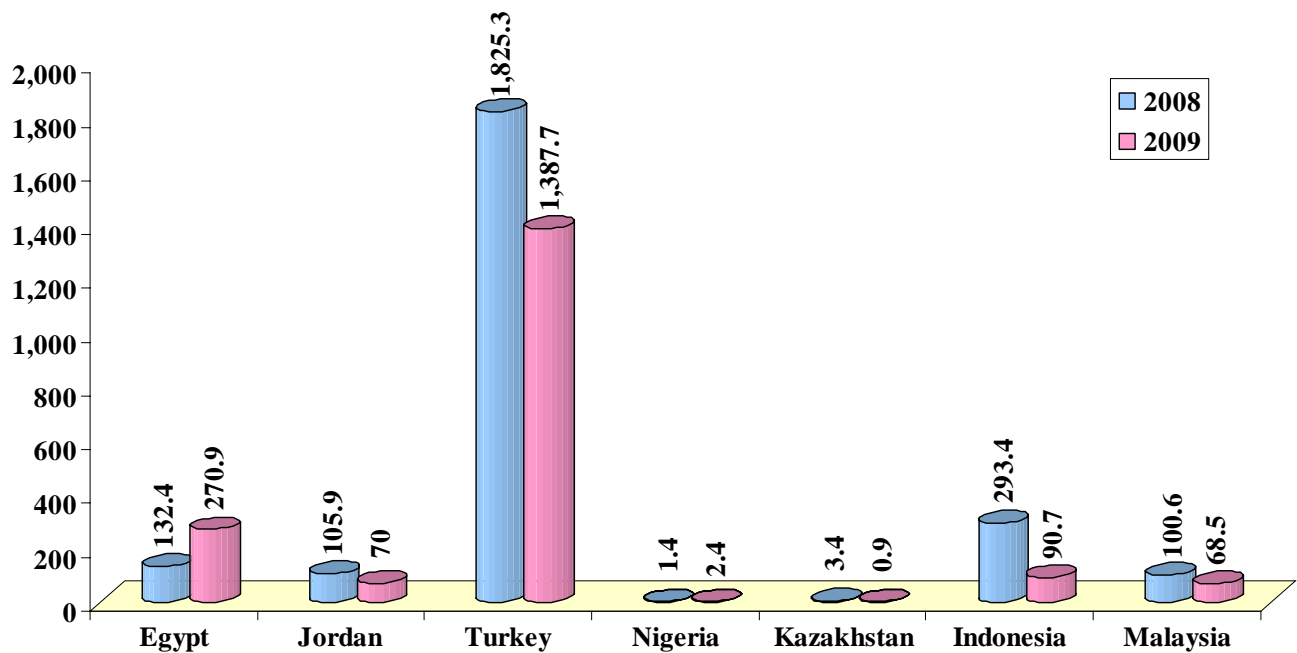
Countries	Israeli exports to:			Israeli imports from:	
	2008	2009		2008	2009
<b>Egypt</b>	139	134		132.4	270.9
<b>Jordan</b>	288.5	231.2		105.9	70
<b>Turkey</b>	1,609.9	1,072.7		1,825.3	1,387.7
<b>Nigeria</b>	304.3	209.5		1.4	2.4
<b>Kazakhstan</b>	158.6	56.9		3.4	0.9
<b>Indonesia</b>	15.8	12.5		293.4	90.7
<b>Malaysia</b>	30.2	116.7		100.6	68.5

**Israeli Exports to Some Arab and Islamic Countries 2008-2009 (\$million)**





**Israeli Imports from Some Arab and Islamic Countries 2008-2009 (\$million)**



8. No substantial changes in the Arab position towards the Palestinian issue are expected during the course of 2010. For the problems and predicaments that the Arab regime has been exposed to, are expected to continue in 2010, which makes its role far less than its potentials. The special agendas and the local preoccupations of each state are expected to dominate at the expense of the joint Arab effort to serve the Palestinian cause.

#### ***Fourth: The Palestinian Issue and the Muslim World***

1. The Muslim World had increasingly sympathized and interacted with the Palestinian cause, particularly after the Israeli aggression on GS. The public sectors played a major role in this respect. They organized media and political campaigns in support of the Palestinian rights, and launched an active drive to collect donations for the Palestinians, especially in Turkey, Indonesia, Pakistan and Malaysia, which indicates the centrality of the Palestinian issue in the hearts and minds of the Muslim masses. However, the Palestinian schism has negatively affected the overall Muslim interactions with the cause.

2. The Organization of Islamic Conference (OIC) had not taken any viable action in support of the Palestinian cause. It kept issuing declarations of condemnations of the Israeli aggressions on the Land and the holy sites, and demanding the lift of the siege. Being composed of about 56 states that have different, sometimes contradictory, ideological, political and economic orientations, the OIC is unlikely to find a common ground for a unified action in support of any issue, including the Palestinian cause.
3. The Palestinian Strategic Report 2009 studies the stances of two Muslim countries on the Palestinian issue, namely Turkey and Iran. There has been a profound positive development in the position of Turkey, both at the official and public levels, in the support of the Palestinians, and in the gradual disengagement from Israel. Turkish politicians, particularly Premier Recep Tayyip Erdoğan and President Abdullah Gül, had bitterly criticized the Israeli grave and inhuman atrocities in the Gaza war and their strangling siege of the Palestinian people. Their positions were widely supported by the Turkish masses, particularly that of Erdoğan during The World Economic Forum in Davos, when he ridiculed on 29/1/2009 the Israeli President Shimon Peres and the administration of the forum, and defiantly walked out of the forum venue. The Israeli arm-twisting and impudence back lashed, and the Turks considered such behavior an affront to their national dignity and the secular-oriented military establishment was compelled to criticize the Israeli behavior, and to cancel in protest the scheduled joint military maneuvers with the Israel. With the official blessing of the government, the Turkish public organized extensive campaigns to support the Palestinian cause financially, politically and via the media, which, inter alia, strained the historical relations between Turkey and Israel.

Under the leadership of the Justice and Development Party, Turkey had evidently and increasingly pursued independent policy from that of America and the West, and to seek for itself a greater role in the Arab and Islamic region. The Turkish leadership no longer felt to be in much need for Israel, particularly so after it organized its regional relationship, especially with Syria and Iran. But this disengagement is bound to be gradual because of the deeply rooted military and commercial ties between the two sides, Turkey and Israel. The Israeli exports to Turkey in 2009 had notably decreased to one third of that in 2008, from \$1,610 million to \$1.073 million. Similarly, the Israeli

imports from Turkey decreased during the same period from \$1,825 million to \$1,388 million, i.e., by 24%.

4. Iran continued its usual support, and by various means, to Hamas and the Palestinian resistance. It persistently demanded the lift of the siege on GS and extended financial support to help the needy and pay the salaries of the employees especially in GS. The re-election of Ahmadinejad to the Iranian presidency emphasized and strengthened this trend. However, the internal confusion resulting from the election crisis had triggered some Iranian reformist quarters to focus on the internal affairs, and to water down support to the controversial and heated issues of Palestine and others. Nonetheless, the Iranian support to Hamas and the resistance factions is expected to continue in the short run, though this will ultimately be affected by Iran's economic conditions, or by the extent of its preoccupation with the internal affairs, in addition, of course, to the actual developments in Palestine itself.

#### ***Fifth: The Palestinian Issue and the International Situation***

1. International diplomacy was unable to achieve in 2009 a breakthrough on the Palestinian issue and the peace track. Similarly, the international community failed to ease the strangling siege imposed on GS, and to meet its undertakings to reconstruct the GS that had been destroyed by the Israeli aggression of late 2008 and early 2009.
2. President Obama took office as the aggression on GS was ending. Right from the beginning, the Middle East was one of his prime concerns, whereby he appointed, only two days after assuming office, George Mitchell as his Special Envoy for Middle East Peace, and issued successive statements on the importance of the Israeli settlement freeze in the WB and the establishment of a Palestinian state. However, since the Americans felt that the Palestinians are more lenient than the Israelis, the new American administration focused its efforts on pressuring the Palestinian side to resume the negotiations with Israel without any prior conditions, except for Netanyahu's announcement of a partial and temporary freeze for ten months that does not include the settlements in East Jerusalem.

The United States has for sometime been in a state of unprecedented weakness compared to previous decades. Nonetheless, it is worth noting that the Palestinian side in particular and the Arab regime in general had “failed” to take advantage of this American weakness to achieve a breakthrough in the Palestinians issue.

3. On the whole, the European stand during the year was inclined to be compatible with that of the USA. Hence were the continuous declarations that demanded the stoppage of the settlement activity and the establishment of a Palestinian state, while European powers stance on Hamas and on the siege of GS has remained unchanged. However, there were discrepancies in the stand of the European countries towards the aggression on GS, and on the decision of the HRC decided to dispatch an urgent independent international fact-finding mission to investigate all violations of international human rights law and international humanitarian law by Israel. Though the European Union (EU) had supported the Security Council resolution 1860 on the cease fire, some European countries took hasty measures to tighten the siege on GS. A week after the declaration of the cease fire, the French frigate *Germinal* started conducting surveillance in international waters off GS, while seven European countries—Germany, France, Italy, United Kingdom (UK), Netherland, Norway and Denmark—were involved with the USA and Canada in the Gaza Counter-Arms Smuggling Initiative (GCASI).
4. As for the Quartet, it maintained its previous positions with regard to the establishment of the Palestinian state, stoppage of the settlement, and the call upon the Arab states to normalize their relations with Israel. Moreover, the Quartet insisted that the legitimacy of any Palestinian movement is dependent on its recognition of Israel and refusal to engage in any dialogue with Hamas.
5. The Chinese, Russian and Japanese position vis-à-vis the Palestinian issue has increasingly become governed by the policies of self-interest, pragmatism and mercantilism. The underlying factors for the Russian and Chinese contacts with Hamas were not very different from those of the Western states, particularly the EU, namely to persuade Hamas movement to join the train of a peaceful settlement.
6. The most prominent activities of the United Nations (UN) during 2009 were the 1860 resolution on the cease fire in GS, and in the consent of the HRC decision to dispatch an urgent independent international fact-finding mission to GS. The report of this

mission—Goldstone Report—accused Israel of violating the international law, and pointed to its committal of “war crimes,” besides lodging, in one way or another, similar accusations against Hamas.

7. Notwithstanding the public support of the international community to the Palestinian cause, it is not expected to be translated in the short run into any effective action. The likelihood is that 2010 will be an extension to previous years, whereby the international effort will focus on “convincing” Israel through dialogue to accept freezing the settlement, partition of Jerusalem and the establishment of a Palestinian state, without, however, implementing practical measures to effectively pressure Israel. Hence, the Israeli side is not expected to change in 2010 its intransigent position and uncompromising strategy.

In return, the international community will continue its attempts to trigger the Arab states towards further normalization with Israel, and to direct their efforts towards other issues such as Iran or the so-called “terrorist” organizations, besides guaranteeing the Arab silence on a possible new Israeli aggression on Lebanon or GS.

We have sufficient evidence to forecast that, for several internal and external factors, the Arab side will be inclined to yield to international pressure, specifically to continue restrictions on the Arab refusal front, including the Palestinian resistance. Thus, the international siege on GS is likely to continue during 2010, unless and until Hamas drastically changes its strategic orientations, even if it signs the Egyptian reconciliation document. Moreover, international and regional pressure will continue on the PA to guarantee its return to the negotiation table with the Israeli side.

### ***Sixth: The Land and the Holy Sites***

1. During 2009 the Israeli authorities had actively accelerated their strife of Judaization of Jerusalem and to control *al-Aqsa* Mosque. Within this drive, Jerusalem District Planning and Construction Committee agreed on 7/3/2009 that a new Israeli police station be established near the entrance of the Western Wall tunnels and north of *al-Buraq* Yard (Wailing Yard), which is the fourth of its kind in *al-Aqsa* Mosque and its surroundings. Of late, there were real concerns that the occupation has been harboring plans to divide

*al-Aqsa* Mosque between the Muslims and the Jews. The occupation forces stormed the mosque eight times, of which two were experimental maneuvers to close the mosque yards with worshipers inside for long hours, and to quickly interfere in case the Muslims close its gates.

An opinion poll conducted in 30/7/2009 by the Jewish newspaper *Yedioth Ahronoth* suggested that 64% of the Israeli public supports the construction of “Solomon's Temple.” Moreover, Jewish extremists, official personalities and the Israeli security forces have increased their storming *al-Aqsa* Mosque, which totaled 43 during the period 21/8/2008–21/8/2009, almost double those of the previous two years, i.e., 21 stormings per year.

During 2009 the Jewish excavations beneath *al-Aqsa* Mosque had also sharply increased to reach 25 sites by August 2009, of which 13 were completed and 12 are in progress.

2. In pursuit of the policy of demolition of houses to expel the Jerusalemites, 82 houses were demolished during 2009; making their total during the last decade (2000-2009) about 662. It should also be noted that, within a plan to expel 1,500 Jerusalemites to provide space to build the ancient “City of David,” eight thousand other houses in Jerusalem were marked for demolition, including hundreds in *al-Bustan* neighborhood of the Jerusalem.
3. The pace of building Jewish settlements in Jerusalem had particularly accelerated since the ultra-rightist Netanyahu assumed the premiership in March 2009. For he approved the construction of more than 19,100 housing units, of which 81% are in Jerusalem's settlements and the rest in the settlements of the WB. In 7/9/2009, Israel held a ceremony inaugurating a new residential neighborhood in E1, east of Jerusalem, and shortly afterwards it actually started the building, despite the objection of the US and the international community to this project during the last decade. The project includes 3,900 new housing units are to be constructed on 12,500 dunums of lands that belong to the villages of Tur, 'Isawiya, 'Anata and 'Eizariya to accommodate over 15 thousand Jewish settlers.

The Israeli settlements in the WB totaled 199, including 34 in East Jerusalem, in addition to 232 unauthorized settlement outposts in different parts of the WB. It must be noted that the area of the settlements had sharply increased since the launching of the peace

process in 1993 and until 2009, from 69 km<sup>2</sup> in 1993 to 1891 km<sup>2</sup> in 2009, i.e., 1.2% and 3.3% respectively of the total area of the WB.

4. Besides those demolished in Jerusalem, the Israeli occupation forces destroyed 48 Palestinian houses in the West Bank during 2009. Those forces and the settlers had also uprooted, bulldozed and burned 14 thousand productive trees.

In their war on Gaza late 2008 and early 2009, the occupation forces destroyed 5,356 Palestinian buildings and inflicted serious damage on 16 thousand others. This led to the expulsion of tens of thousands of Palestinians from their residences, and the destruction of nearly 57 thousand km<sup>2</sup> of agricultural lands, which constituted 29% of the total agricultural lands in the GS.

4. Though the occupation army had declared, in 16/9/2009, that it started to remove 100 staffed checkpoints, but those, in fact, had actually remained on the ground. All the Israelis did was re-classifying them into temporary checkpoints. The Israeli barriers of all kinds totaled 617, of which 78 were main checkpoints, 17 temporary checkpoints, 71 observation tower, 113 barrier gates, 155 roadblocks and road gates and 183 earthmounds.

### ***Seventh: The Palestinian Demographic Indicators***

1. The Palestinian Central Bureau of Statistics estimated the total number of Palestinians, at the end of 2009, to be around 10.9 million Palestinians; of whom more than half i.e., 5.63 million (51.8%) live in the Diaspora, and the rest (48.2%) are in historical Palestine. The latter are distributed as follows: about 1.25 million in the territories occupied in 1948, about 3.99 million in the territories occupied in 1967, of whom 2.48 million (62.1%) are in the WB and 1.51 million (37.9%) in GS.

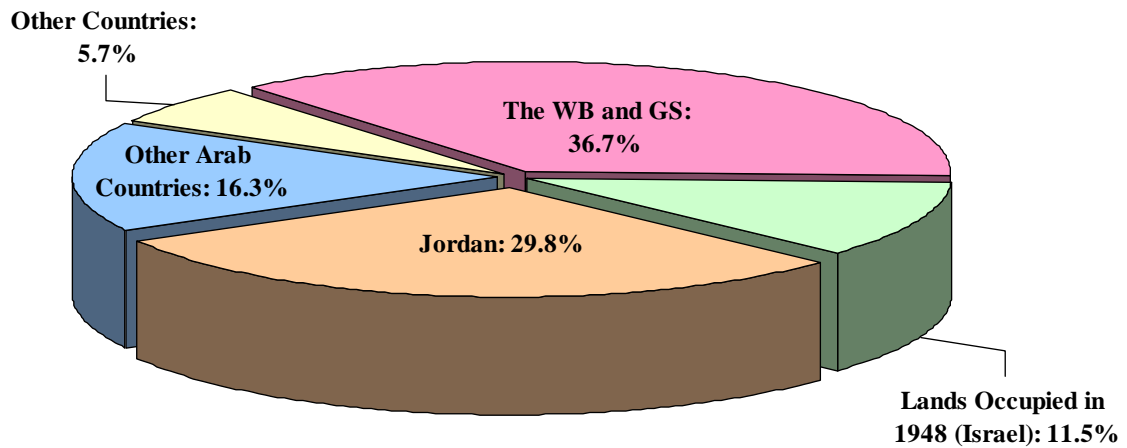
By the end of 2009 the Palestinians in Jordan were estimated to be 3.24 million, i.e., about 29.8% of the total Palestinian population, and 57.4% of the Palestinians in Diaspora, of whom the overwhelming majority carry the Jordanian nationality. The Palestinians in the rest of the Arab countries were estimated to be 1.78 million, i.e., 16.3% of the total Palestinians in the world, who are mainly concentrated in neighboring Arab countries, i.e., Lebanon, Syria, Egypt and the Gulf States. As for the Palestinians in

foreign countries, their number was estimated to be about 618 thousand (about 5.7% of the Palestinians in the world), most of whom live in the USA, Latin America, Canada, UK, and other EU countries.

**Palestinian Population Estimate According  
to their Place of Residence at the End of the Year 2009**

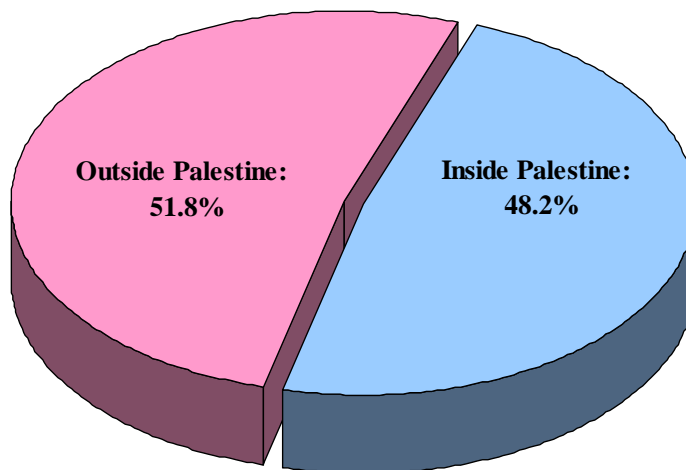
<b>Place of Residence</b>	<b>Population Estimate (thousands)</b>	<b>% of Palestinian Population</b>
<b>The WB and GS</b>	3,992	36.7
<b>Palestinian Territories Occupied in 1948 (Israel)</b>	1,247	11.5
<b>Jordan</b>	3,240	29.8
<b>Other Arab Countries</b>	1,776	16.3
<b>Other Countries</b>	618	5.7
<b>Total</b>	<b>10,873</b>	<b>100</b>

**Palestinian Population Distribution in Percentages According to Their Place of Residence  
at the End of the Year 2009**





**Palestinian Population Distribution in Percentages Inside and Outside Palestine  
at the End of the Year 2009**

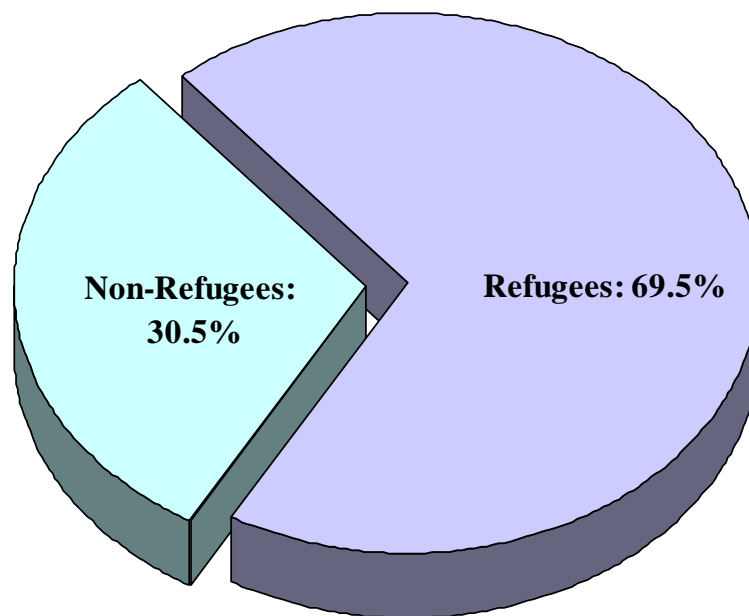


2. The issue of the Palestinian refugees still represents one of the most tragic catastrophes of refuge in modern history. In addition to about 5.63 million Palestinians living in the Diaspora, about 1.78 million Palestinians of the 1948 occupied lands live in the WB and GS, and approximately 140 thousand additional Palestinian refugees living inside Israel, who all in all represents 70% of the Palestinian people. The number of the Palestinian refugees registered with the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) was by 30/9/2009 estimated by 4.74 million Palestinian refugees. However, many others did not register with this Agency, either because they do not need its services, or because they are not residing in places where it operates, such as the Gulf States, EU and the USA.
3. As for the Palestinian demographic indicators in the WB and the GS, statistics indicate that at the end of 2009, 41.5% of the population is less than 15 years of age; this was not the same in both territories, where in the WB it is 39.7% and in GS 44.6%. The elderly (above 65 years of age) are estimated to be 3% of the WB and GS population; 3.4% of the WB population and 2.4% of the GS population.  
The average natural population growth in the WB and GS has decreased from 3% in 2007 to 2.9% in 2009. Similarly, there is a decrease in the total fertility rate from 6 births per woman in 1997 to 4.6 births in 2007. Despite all mentioned, these numbers are still considered high if compared with other countries.

#### **Estimates of Palestinian Refugees and Non-Refugees 2009**

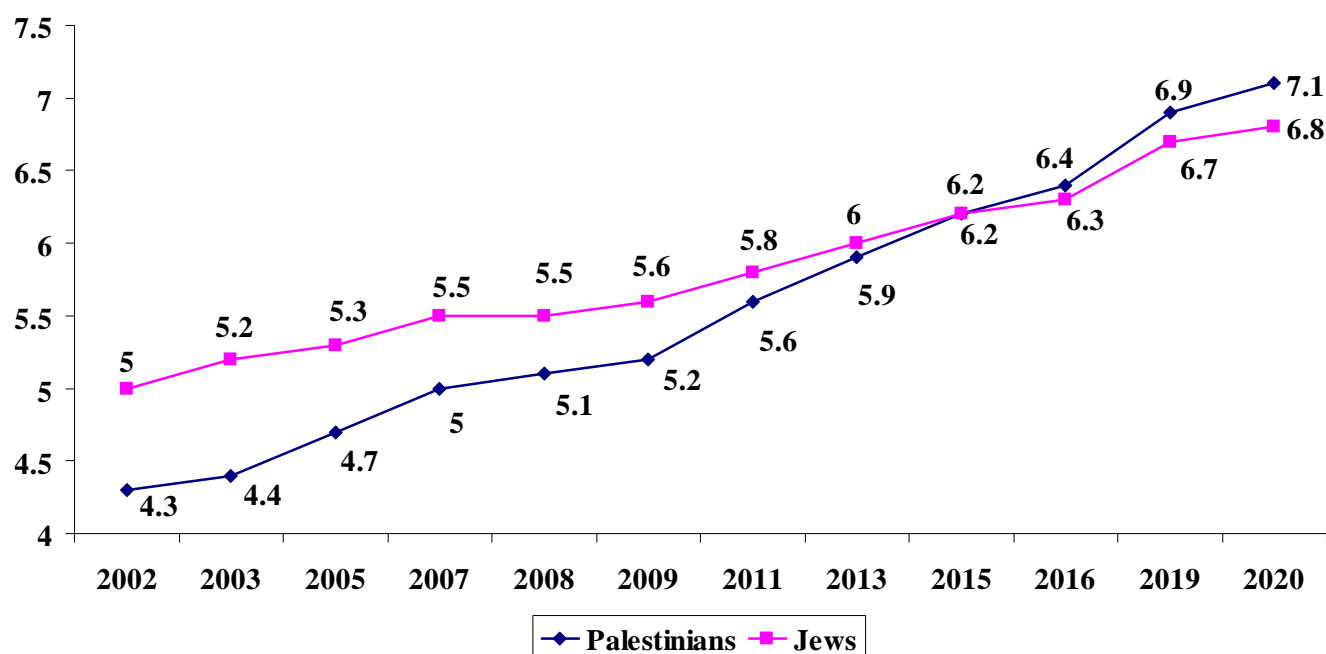
	No. of (millions)	% percentage
<b>Refugees</b>	7.550	69.5
<b>Non-Refugees</b>	3.32	30.5
<b>Total Palestinian Population</b>	10.87	100

#### **Estimates of Palestinian Refugees and Non-Refugees 2009**



4. If the present rate of population growth is maintained, the numbers of Palestinians and Jews in historical Palestine will be the same by the end of 2015; each group will be approximately 6.2 millions. By 2020, the percentage of the Jews in Palestine is expected to be 48.8% only, about 6.8 million Jews, compared to the forecasted 7.1 million Palestinians.

**Estimates of Palestinians and Jews in Historical Palestine—Selected Years  
(in millions)**



### ***Eighth: The Economic Situation in the WB and GS***

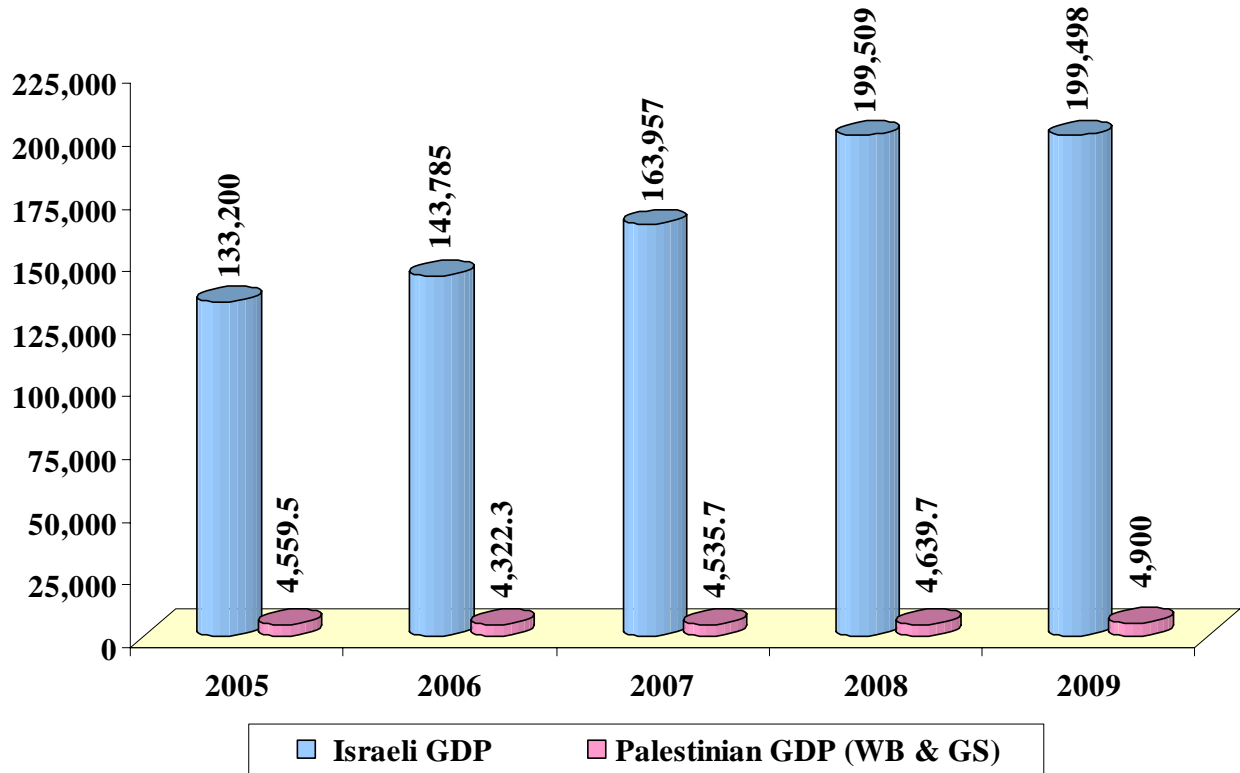
1. The Palestinian economy in the WB and GS still suffers from the cruel policies and practices of the Israeli occupation, through which it strives to place this economy under its direct grip in order to continue enjoying various privileges and gains that result from these practices. This well planned exploitation has been attained through the almost total isolation of the Palestinian economy from the outside world, both at the Arab and international levels, except, however, for some extremely limited transactions. Hence, the one and only option left for the Palestinian economy was to be directly and slavishly dependent on the Israeli economy. During the last years, for example, about 80% of the PA's imports came from Israel, while two thirds of its exports were sent to the Israel.

Moreover, the Palestinian economy continues to suffer from the closure of the crossings, the siege imposed on GS for more than two years, and from the socio-political and economic separation of the GS from the WB on one hand, and GS from the outside world

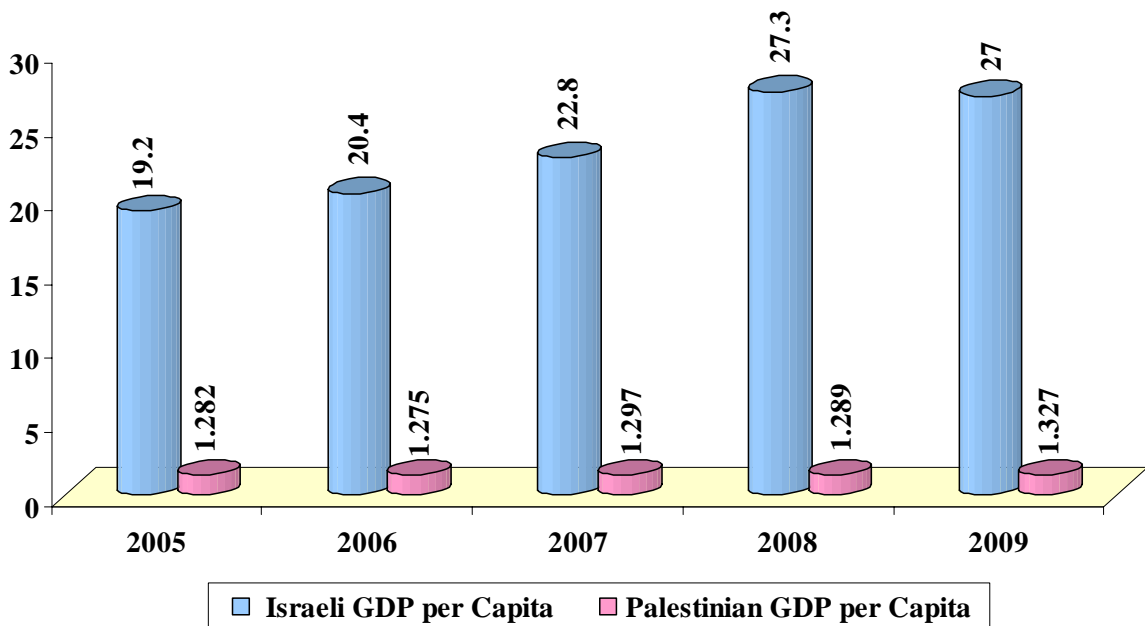
on the other hand. This led to gigantic negative economic impacts, amongst which was contraction of trade, deterioration of living standards, inflation, poverty and rise in the unemployment rate.

2. The national PA experienced a strangling economic crisis in 2009, due to the failure of the donors to transfer their pledged financial aids which constitutes the PA's most important source of revenue, and on which it depends to run its affairs, including payment of the salaries of government personnel. This deliberate failure was largely because of the alarming developments on the Palestinian scene, and the tendency of the state donors to use these funds as a means of pressure on the Palestinian factions to reach a national reconciliation.
3. The GDP of the WB and the GS grew from approximately \$4.64 billion in 2008 to about \$4.9 billion in 2009, i.e., an increase of 5%. The GDP per capita in 2009 was about \$1,327, compared to \$1,290 in 2008, achieving a growth of 2.9%. Though generally a positive symptom, its association with the continuation of the external funding and high unemployment rates, 26% in 2008 and 24.5% in 2009, does not necessarily indicate a meaningful growth. Notably, the unemployment rate in GS, 42.3%, was more than twice its counterpart in the WB, 17.8%. The two below diagrams on the GDP and GDP per capita reveal the injustice and exploitation that an ordinary Palestinian person suffers under occupation, notwithstanding his exceptional potentials.

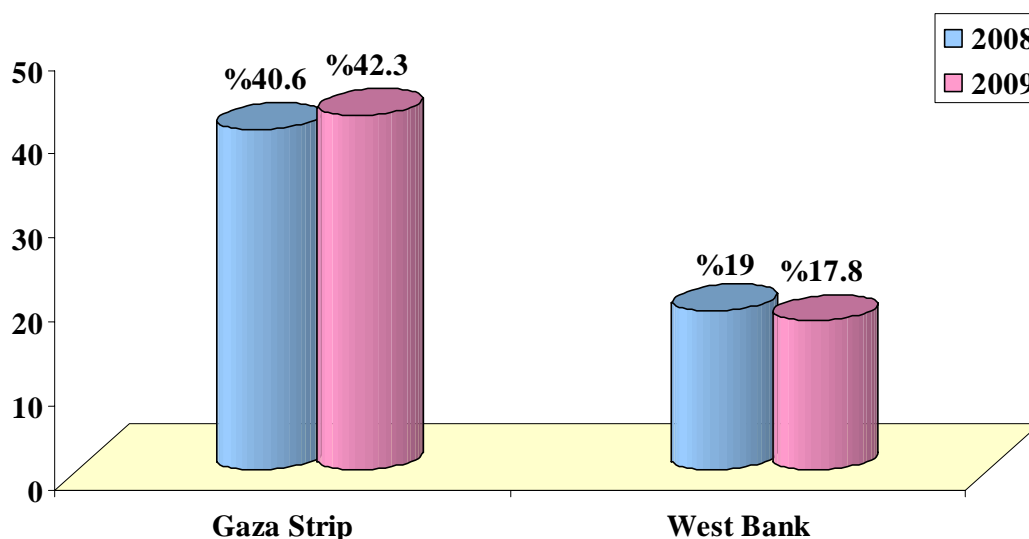
**The Israeli GDP vs. the Palestinian GDP 2005-2009 (\$million)**



**The Israeli GDP per Capita vs. the Palestinian GDP per Capita 2005-2009 (\$thousand)**



### Unemployment Rates in the WB and GS 2008-2009



4. The total revenues of the PA decreased in 2009 by 22.4% compared to that of 2008, i.e., from about \$1.38 billion in 2009 to \$1.78 billion in 2008. However, domestic revenues didn't exceeded \$417 million, of which \$264 million were tax revenues and \$153 million non-tax revenues, i.e., an alarming decrease of 45% compared to 2008, in which the total domestic revenues were \$759 million. Most of the revenues were from the clearance revenues (resulting from the Palestinian import and export transactions), which has been collected by the Israeli government. However, this source dwindled by 10.9% in 2009, i.e., from \$1.14 million in 2008 to one billion dollars in 2009.
5. The PA's total expenditure in 2009 was \$2.68 billion compared to \$3.27 billion in 2008, a decrease of 18.2%. Wages and salaries in 2009 totaled \$1.32 billion, i.e., 49.4% of the total expenditure, compared to \$1.77 billion in 2008, which represents 54.1% of the 2008 budget. Thus, wages and salaries have decreased by 25.4% from 2008 to 2009. This reveals the drive of the PA to cut down the expenses in order to contain the financial crisis.
6. After including foreign budgetary support, the budget deficit of 2009 totaled \$481 million, while there was a budget surplus of about \$270 million in 2008. A major reason for this decline is the shrinking of donations and foreign aid extended to augment the budget, from \$1.76 billion in 2008 to \$878.6 million in 2009.

Generally, the contribution of the industrial and agricultural sectors in the GDP had declined since 1999. The contribution of the industrial sector in the GDP dropped from 14.5% in 1999 to 13.7% in 2009. Interestingly, during this decade, the industrial sector grew by a small and insignificant rate of just 2.5%, while the contribution of the agricultural sector in the GDP had dropped from 10.4% to just 3.6% respectively in 1999 and 2009.

7. Since a political breakthrough is farfetched, and the Israeli practices that shrink the Palestinian economic performance are expected to continue, it is unlikely that there will be a tangible economic growth, or even a meaningful reform, of the Palestinian economy in the year 2010. This gloomy picture is particularly due to the continuation of the imposed restrictions on the free movement of commodities and individuals in all the Palestinian territories, and the ongoing brutal economic embargo on GS. Thus, at best, the Palestinian economy is likely to remain static without any core change.

## ***Conclusions***

During 2009, the tracks of the peace process, resistance, reconciliation and siege have experienced stagnation and impasse, and this status is expected to continue in 2010. Various centers of power seem to bet that time will be on their side, thus they, so to speak, continued to play the game of “mutual finger biting.” Until one of them “yells,” the year 2010 will somehow be obscure and liable for surprises. All parties are to varying degrees suffering from crises, on the Palestinian, Arab, Israeli and international levels. However, these profound obstacles are of a nature that may compel some of these political groups to try to change the equation in their favor if they felt that the sequence of events is adverse to their interests and ambitions.

The possibility of another Israeli war on GS is quite viable, and there are repeated news of an Israeli attack on Hizbullah and strikes against Syria and Iran. Israel employs war as a vehicle of political blackmailing, or as a means of deterrence. But it could gamble by launching a war, particularly on what it considers the “weak circle,” i.e., GS, if it becomes ready for this, and have prepared “the theatre of operations” or the local, regional and international environment for such an aggression. But the region may be dragged into war in case of sudden embarrassing

developments, such as a quality strike against Israel, Hamas in GS, Hizbullah in Lebanon or Iran; when nobody will be able to control the expected far-reaching reactions.

The environment is not yet conducive for a meaningful Palestinian reconciliation, particularly if it is to be governed by the dictates of the Quartet or by the undertakings given by the PLO to the Israelis and the Americans. A true reconciliation will be farfetched unless and until it is associated with three pre-requisites. First, is to put the Palestinian political system in order and to be based on a genuine national agenda; without any external interference, and according to the priorities of the national concern. Second, any resulting agreement should be comprehensive, deals with all the pending issues and be implemented along parallel lines. Third, a program of confidence building should be implemented on the ground well before the elections e.g., the release of the detainees on both sides, secure all kinds of freedom, reopen the closed institutions and to open the ministries and institutions of the PA and the PLO to all Palestinians in accordance with their qualifications and commitment to the national causes.

The most that the Israelis could offer for the sake of peace is still less than what is acceptable to the most “moderates” among the Palestinians, and there is no visible and real American desire to exercise pressure on Israel. Hence, the project of peace faces a profound and prospective deadlock, which may open the way in future for the eruption of a new resistance drive, increasing awareness that the self-governing Authority has lost its *raison d'être*, or even the demise of the notion of two states and the call for a single state with dual nationalities. Such possible developments will certainly affect the sequence of events in the coming years.