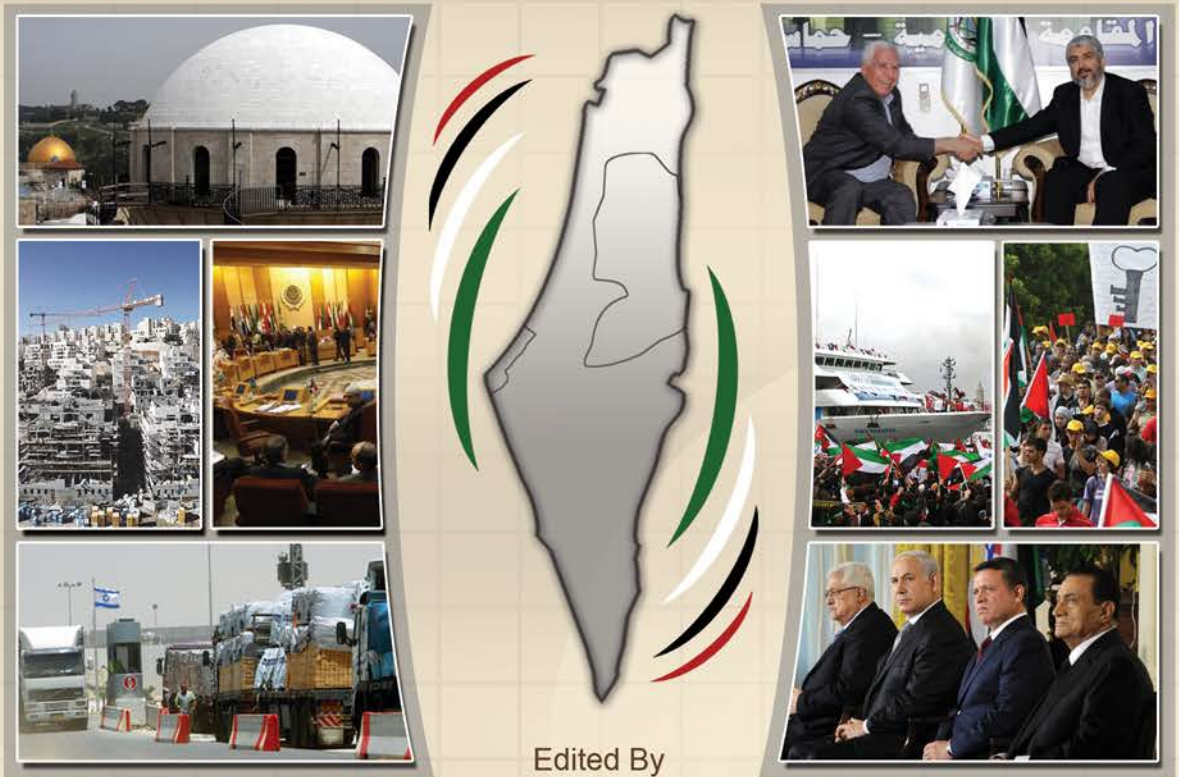


The Palestinian Strategic Report 2010/11



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Chapter Two

The Israeli-Palestinian Scene

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The Israeli-Palestinian Scene

Introduction

The Israeli scene of 2010 was not dissimilar to that of the previous year. The fragile governing coalition, led by the Likud, continued, and rightist tendencies ascended, while their leftist counterparts waned, and the Labor Party disintegrated. Though the Israeli economy improved and the resistance operations and security hazards decreased, Israel has become increasingly isolated because of its siege of GS, assault on the Freedom Flotilla and steadfast insistence on Jewish settlement building in the WB, even the cost of delaying the peace process.

It seems that the changes in the Arab world, and the signing of the reconciliation agreement between Fatah and Hamas, on 3/5/2011 will only increase the isolation and confusion of Israel in 2011.

This chapter discusses the internal Israeli political scene, and explores the economic and military aspects of Israel, as well as the interactions between the Israel, the peace process and the Palestinian resistance.

First: The Israeli Internal Political Scene

The internal Israeli scene for the year 2010 was characterized by a series of events that had their impact on the totality of the country's public life. The path of Israeli-Palestinian peace negotiations remained almost entirely deadlocked, which had negative repercussions on Israeli internal political relations. The precariously weak governing coalition demonstrated that political instability is likely to gain momentum in Israel. Moreover, the increase in the cases of corruption, bribery, and sex abuse have troubled politicians and other public figures, while the rising discriminatory tendencies among politicians and within Israeli society at large, and the Israeli attack on the Freedom Flotilla had all profoundly embarrassed Israel internally and externally. Additionally, the burning of the Carmel forests, the leaking of some sensitive military documents and the in-fighting among Israeli leaders, as well as the continuation of some pending issues from 2009, also reflected weakness within the Israeli internal front.



1. The Fragility of the Israeli Governing Coalition

The composition of the governing coalition under the premiership of Benjamin Netanyahu reflected the dominance of the extreme right and fundamentalist religious groups over the internal political decision making process, in particular in foreign policy. The heterogeneity of the cabinet had been instrumental in creating a number of internal conflicts within the government, and in projecting a negative image of Israel to the international arena. Admittedly, the government had a significant majority in the Knesset, but the fundamental differences between the coalition parties over several issues were bound to weaken it.

While Yisrael Beitenu, under the leadership of Avigdor Lieberman, adhered to secularism, its counterpart the fundamentalist Shas insisted on applying Jewish religious doctrine on the ground, which had serious impact on Netanyahu's ability to manage the administration of his government. Moreover, the Likud party itself suffered from schisms, as it had "two rights," so to speak; a so-called moderate right and an extreme right, whose contradictory positions were reflected within the party's institutions, in the cabinet and among the ministers in the Knesset. This governing coalition demonstrated an important transfer in Israeli internal politics; namely from a governing coalition of two major parties only into a coalition of several heterogeneous groups that are difficult to reconcile. Thus, the Likud, Yisrael Beitenu and Shas had no option but to work together despite the wide gulf between their approaches.¹ However, though politically waning and with a limited number of seats in the Knesset, the Labor Party did maintain a fragile peace within this heterogeneous coalition, which, according to declarations by its leaders, supported Netanyahu's attempts to promote the peace process with the Palestinians.²

Israel's governing coalition has evidently, and inevitably, continued in power until the present day, as its disintegration is not yet in the interest of any of the coalition parties; in fact, they would all lose out if the coalition collapsed. Put another way, the current governing coalition is based on differences and contradictions. If Yisrael Beitenu withdraws from the coalition, the party will lose all its bargaining power to influence the form and content of Israeli policies, as well as the financial resources that it gets in lieu of its participation in the coalition. Similarly, this is also the position of the rightist religious party Shas, as withdrawal from the coalition would mean loss of financial resources and privileges on which its societies and institutions largely depend. Hence, while not as important as the political agenda, the financial aspect has also played an important role in maintaining the coalition.

Our close study of the Labor Party throughout 2010 reveals heightening conflicts within its ranks, particularly on the leadership issue. All opinion polls conducted throughout the year suggest that the party will lose one third of its seats if the 19th Knesset elections were to be held immediately. There are increasing calls for the replacement of the party's current leader Ehud Barak by a more acceptable leader who is willing and able to rebuild the party, namely Amram Mitzna, who led the party during the 17th Knesset elections but later relinquished the leadership position as well as membership of the Knesset to serve as mayor of Yeroham in the Negev. Though Mitzna had accepted the proposed leadership role, wide ranging conflicts within the Labor Party demonstrated its inability to restore its leading role. In fact, there are increasing calls for its dissolution and incorporation in to the Kadima and Meretz parties; to contest the next parliamentary elections together as one party.³

Meanwhile, Labor's official registers recorded a great decline in its membership during the last two decades. This revelation, which infuriated a number of the party's leaders, was seen as a result of the party's almost total stagnation during this period.⁴

As for Barak himself, he did his utmost through extensive political manipulation to maintain his leadership of the Labor Party and defense portfolio in the governing coalition.⁵ Despite the opposition of some members of his party, including ministers and Members of the Knesset (MKs), Barak supported some racist laws initiated by Netanyahu, such as the loyalty oath law to Israel, which helped the prime minister to consolidate his grip on the government.

Meanwhile, the Labor Party never executed its threats to withdraw from the coalition if it is bypassed in certain central and key issues, particularly so if the negotiations with the Palestinians remained stagnant or suspended. This hesitation enabled Netanyahu to go ahead with his plan to stop negotiations, and to pursue settlement building in an undeclared, informal way, or through other means. Many of the Labor party's leaders turned a blind eye to these and other policies because they felt that the withdrawal from the coalition would be the final nail in the party's coffin. However, by the end of 2010, a new trend emerged within the Labor Party, advocating withdrawal from the coalition government if the leftist and centrist parties refused the formation of a national government that would arguably relieve Israel of the fiasco of the stagnation of the negotiations.⁶



Ehud Barak's Defection from the Labor Party and the Formation of the Atzmaut (Independence) Faction

On 17/1/2011, Ehud Barak and four other Knesset members announced their exit from the Labor Party, and the formation of a new party named the Atzmaut (Independence). With this step, Barak put an end to his long conflict with the Labor Party, which had worsened during the second half of 2010. Opponents of Barak in the Labor Party, led by the party's ministers in Netanyahu's government, resigned on the same day. As for the party's members who did not join the Atzmaut Faction, they formed two groups: one, under the leadership of Benyamin Ben-Eliezer, was inclined towards a split from the Labor Party and the formation of a completely new party, and the other was under the leadership of Isaac Herzog. However, the former group eventually accepted the position of the latter to maintain the framework of the Labor Party with just eight MKs. All reports and opinion polls conducted in 2010 suggested that if the 19th Knesset elections were to be held during 2011, the Labor Party would get no more than eight seats. In practical terms, Barak's defection left the once-powerful Labor Party with a mere eight seats in the Knesset.⁷

Barak's defection from the Labor Party triggered many questions and forecasts. Some attributed Barak's move to his collusion with Netanyahu to dispose of the opposition of the ministers of the Labor Party, who called for the rescue of the peace process from the stagnation that had been caused by the policies of Netanyahu's government. Others suggested that there had been an advance agreement between Netanyahu and Barak to get rid of the Labor Party and to form a homogeneous government that agrees on a common platform, particularly a stronger position towards the Palestinian and Iranian issues. Barak seems to have been primarily driven into this position by purely personal reasons, i.e., he could never tolerate being in opposition, outside government. Besides, Barak knew very well that the Labor Party was in decline, hence, his move was seemingly a calculated preparatory step to join the Likud Party in the next general elections, and consequently keeps the defense portfolio for himself.

Some political analysts felt that this development marked the de facto end of the Labor Party that had founded and led Israel for a long period. But others argue that the split of the party provides an opportunity for the reformulation of the Israeli left, which has almost disappeared from the country's political arena.

A third group of political observers consider the development an opportunity to reorganize the peace camp, composed of the Labor, Kadima and Meretz parties as well as the Arab parties, to advance the peace process with the Palestinians or with Syria and other Arab countries. Moreover, the new peace camp would hopefully hoist the banner of “social justice” that had no place on the agenda of the Likud and Netanyahu’s government, and save “Israeli democracy” from the imminent threat of the extreme right,⁸ particularly its leader Lieberman who, according to declarations of the opposition parties in the Knesset, had dragged Israel into deep maze.

However, there were seemingly no prospects, even at a low level, for the reorganization and reactivation of the Israeli left. The key players in the Israeli political scene will continue to be the centrist versus rightist trends, while the left will be marginalized with extremely limited or no representation in future Knessets.

It may yet be premature to write off the Labor Party, as Barak’s split appears to have saved the party from total demise, at least for a short period. Those who remain in the party will certainly try to urgently reform the party in an attempt to improve its prospects. Against this, some voices in the Labor, Meretz and Kadima parties call for a united front of the three parties to contest the next general elections in one list, considering it a move that will shift Israeli politics toward the center. Moreover, both the Labor and Meretz parties are extremely concerned that they would lose their current seats if early elections of the Knesset were to be conducted.

According to some polls, Yisrael Beitenu can be expected to do well in the next general elections, and to gain more seats in the Knesset. An opinion poll, conducted on 5–6/10/2010 by the Maagar Mochot institute for Channel 2 of Israel Radio, had 17% of the respondents recording their support for this party if elections were conducted by the end of 2010, translating to 21 seats in the Israeli Knesset.⁹ Consolidating the party’s popularity among the electorate is its success in implementing all its election promises, most significantly those related to the issue of citizenship and the loyalty oath law. The growing influence of Yisrael Beitenu reflects the increasing rightward tendency in Israeli society.

As for the relationship between Netanyahu and his foreign minister, Lieberman, it had been characterized by a sort of pre-planned tension, as the former had been personally, but informally, in charge of the foreign policy, or had delegated this



task to the Israeli president Shimon Peres. The question naturally arises as to what kind of role did Lieberman play. This exchange of roles did not guarantee success for Israeli foreign policy. In fact, analysts attributed the regression of Israel's acceptability in international forums, and the distortion of its image worldwide to Lieberman's extreme and uncompromising utterances and positions. They held him squarely responsible for many of the political crises that Israel experienced, and argue that Israel will need a long time to restore its reputation. Netanyahu was aware of his helplessness when up against Lieberman, for the latter threatened, on several occasions during 2010, that if Netanyahu refused to accede to his demands he would quit the government and drag the Knesset to a new election, in which he confidently anticipated being the major winner.¹⁰

Netanyahu usually allowed Lieberman to take the initiative on specific issues, but later corrected what was destroyed or damaged. Netanyahu was particularly concerned that Lieberman's withdrawal or behavior that would lead to the disintegration of the coalition would leave him with no option but to ally with the religious parties. This development would undermine his position within the inner circle of the Likud party, which preferred to keep Yisrael Beitenu within the coalition, and was reluctant to see their party form a government only with Shas and the religious parties. Moreover, the Likud was anxious not to have early elections, as this would lead to the loss of its credibility among the Israeli public. Thus, it chose to exhaust the duration of the parliament, or at least two thirds of it.

Shas was able to tighten its grip on governmental institutions that serve its own interests. Chief among those interests were securing financing of its religious and educational institutions, and to exempt the party's young members from compulsory military service, replacing it with religious courses offered by the party's own educational institutions. Shas insisted on the latter demand, though there were many calls for the transfer of all allocations of religious institutions to go to the welfare funds of university students, who were protesting against the increase in tuition fees.

Yisrael Beitenu and Shas led the opposition within the coalition government to the peace process, where they also strongly rejected a settlement freeze in the WB and East Jerusalem.

Thus Netanyahu was hamstrung by these two parties and by the right wing of his own party, the Likud, vis-à-vis any step that he may have wished to take to achieve progress in the peace process, however illusionary and unrealistic the process is.

These formidable predicaments triggered Netanyahu to try to elicit the support of Kadima to the governing coalition, and thus mitigate internal opposition to his policies, and to expel the religious parties from the cabinet. But the leader of Kadima, Tzipi Livni, had brutally criticized Netanyahu and his policies, and accused him of destroying Israel through his total submission to Lieberman and the extreme rightist parties.¹¹ Despite this seemingly principled stance, she expressed her willingness to join the ruling coalition on condition of sharing a rotating premiership with Netanyahu, which he rejected. Nonetheless, to demonstrate her party's openness to the option of negotiations with the Palestinians through the peace process, Livni declared that she would support any step that Netanyahu's government might take towards achieving peace with the Palestinians, if his attempts at progress were confronted by opposition from his coalition partners.

In a real dilemma because of Livni's impossible conditions and the opposition that he confronted from within his own party and by some of the coalition parties, Netanyahu desperately needed to maintain the coalition government. Thus, he strove to divide Kadima party by enlisting the support of Livni's rival, Shaul Mofaz, to the ruling coalition by offering him several ministerial posts. But Mofaz, who had unsuccessfully tried several times to remove Livni from the leadership of Kadima, turned down the offer, and decided to remain in the party. Mofaz probably concluded that his leadership of a schism in Kadima at that time would practically mean the end of his political career during the forthcoming Knesset elections.

The political dilemma in which Netanyahu was cornered in during 2010 had also triggered him to request Shimon Peres, a founder of Kadima, to use his good offices to convince Tzipi Livni to join the governing coalition. But she refused to provide salvation for Netanyahu's government in its current form. Thus, in the light of the formidable internal and external problems that the governing coalition has been facing, the stalled negotiations with the Palestinians, pressure from within the Likud and the coalition parties and from the extreme right wing nationalist camp (which is formed mainly of the Israeli settlers), and the emerging challenges of the Arab revolts, the government of Netanyahu looked sure to have to confront a multitude of political predicaments and a difficult path during 2011.¹²



2. Corruption, Criminality and Sexual Harassment

The cases of corruption and bribes continued to be a hot issue during 2010. Some of them were still under investigation by the police, and awaiting probable formal charges to be filed by the attorney-general, others were closed down because of lack of evidence, while judicial verdicts had already been issued on a third group of cases.¹³

One of the pending corruption files is that of Ehud Barak, the Israeli defense minister. While occupying an official office, he was accused of continuing to administer a private company, and of receiving commissions on deals conducted through it or directly in his name, which contradicts the dictates of the Israeli law that prohibits all holders of public offices from engaging in any other position or business.¹⁴

Another file was that of the Minister of Foreign Affairs Avigdor Lieberman, the leader of the Yisrael Beitenu, who had been accused of administering an illusory company that paid financial stipends to him personally and to his party. The police investigations on this case were revealed by the Israeli ambassador in Belarus. Additionally, he was accused of illegally acquiring funds, and of obstructing justice.¹⁵

There was also the case of the former Israeli PM Ehud Olmert, who had been charged by the public prosecutor with receiving bribes of hundreds of thousands of dollars while occupying, just before his premiership, the position of the mayor of Jerusalem. These bribes were allegedly extended to him through the manager of his office Shula Zaken, who received similar bribes, to change the status of a landed property, namely the Holyland Project, in such a manner that increased its market value, and, consequently, the rate of profit acquired from it.¹⁶

Another corruption case was of a prominent member of Kadima party, MK Tzachi Hanegbi. A three-judge panel ruled that Hanegbi's perjury conviction consists of moral turpitude and sentenced him to pay a fine. The ruling bars Hanegbi from continuing to serve in the 18th Knesset, yet will enable him to run for the next Knesset.¹⁷

While occupying the post of minister of tourism, the former Israeli President Moshe Katsav, was accused of raping and committing other scandalous acts with a female official. He allegedly sexually harassed two other government officials

in the official headquarter of the Israeli president and obstructed justice. Finally, on 30/12/2010, he was officially found guilty and imprisoned; the first Israeli president charged in a court.¹⁸

During 2010, the office of the attorney-general filed against several rabbis in cases of embezzlement of funds from large religious institutions, and forging documents of several youngsters to exempt them from compulsory military service, allowing them to instead join religious institutions. Moreover, other Jewish religious leaders were accused of sexual harassment and exploitation.¹⁹

Several opinion polls conducted in Israel demonstrated that the Israeli population considers their state to be suffering from the epidemic of corruption, criminality and sexual harassment, and their political parties to be the most corrupt of all institutions, particularly so after the scandalous court conviction of the Knesset member MK Hanegbi.²⁰

Israel has been listed amongst the top 10 countries involved in corruption and criminality in many fields, of which the most prominent are faked drugs and money laundering.²¹

3. The Impact of the Stalled Negotiations with the Palestinians on Israeli Politics

Netanyahu involved himself in the “peace process” with the Palestinians, which is supposed to achieve a permanent peace settlement and to end the conflict. The Israeli prime minister involved himself showed no flexibility on the issues of the occupied territories and Jerusalem. However, he reluctantly agreed to the establishment of a Palestinian state, hoping to avoid the alternative of a one-state solution which would end once and for all the Zionist project of establishing a national homeland for the Jews in Palestine. The Israeli negotiating strategy continued to be based on conflict management and not conflict resolution.²² It is important to note that all Israeli governments, be them Likud or Labor, had since 1977 supported the establishment of a Palestinian state, but without specifying its form, content, orientation, location, or frontiers. This is exactly what Netanyahu continued in his government; knowing very well that the one-state solution would ultimately lead to Palestinian demographic dominance in Palestine, which would abort the “Jewish state.”²³ Another obstacle that Netanyahu’s government experienced was the issue of freezing the building of settlements in the WB,



as a condition for the continuation of negotiations with the Palestinians. He faced strong opposition to this proposed freezing from within his cabinet, the Knesset and the settlement building movement in the WB. Notwithstanding American and international pressure, the extreme right of the Likud party insisted on the continuation of settlement building and on the Judaization of extensive areas of the WB from which they were determined to cleanse all Palestinian inhabitants. To weaken Netanyahu's position in the Likud, his party's rightist camp launched a campaign against the continuation of a WB settlement building moratorium, and some Likud members added their names to a petition which called on Netanyahu not to renew the moratorium. With this development in place, Netanyahu was extremely worried that he could lose his leadership of the Likud in the elections to party rivals.²⁴

Another major constraint that Netanyahu faced was the adamant opposition of Yisrael Beiteinu and Shas to the settlement freeze, and their call instead for a settlement building intensification as part of their drive to Judaize Palestine. These two parties wanted the negotiations with the Palestinians to be confined to particular issues like security and the economy, but never on the refugees, borders and the future of Jerusalem.²⁵ Thus, Netanyahu kept silent on the settlement freeze issue in the WB, aware that its implementation would lead to the disintegration of his government. His courtship of Kadima failed, but what temporarily saved his neck was the abandonment by the American administration of the settlement freeze condition for the continuation of the peace negotiations.

By then, Netanyahu was facing another crisis, namely the refusal of the Arab states and the PA to continue negotiations as long as the building of Israeli settlements was ongoing. However, the building had never stopped or been frozen, as, according to official statistics, more than 15 thousand housing units were actually built during this short period of coalition government alone. Netanyahu evaded a conclusive peace settlement with the Palestinians that would probably lead to the fall of his government, and this ended any hope of achieving a peace settlement. Hence, through manipulation and delaying tactics that continued for a whole year, Netanyahu had exhibited himself as a man of peace, while all indications demonstrate that he was discreetly supporting settlement building.

During 2010, Israeli society appeared to have strongly moved towards the extremist right, with large numbers of the population supporting the continuation of settlement building. Those who opposed the building were so few that the Israeli peace movement (primarily the group Peace Now) had only hesitantly and without conviction expressed its position on this issue. As a result, the way was clear for right wing expansionist policies to prevail and rejection of any serious moves towards peace with the Palestinians to continue throughout the year.

The stagnation of the peace process had aggravated tension within and between the Israeli political parties and movements. In particular, it placed the Labor Party in a dilemma. Having joined the ruling coalition under pretext of achieving progress in the negotiations, the party had tried throughout the year 2010 to persuade Kadima Party to join the government, but it failed, and found itself increasingly isolated and marginalized.

4. The Israeli Assault on the Freedom Flotilla and Its Repercussions

The Israeli assault of 31/5/2010 on the Gaza-bound Freedom Flotilla in the high seas triggered extensive problems and grave repercussions for Israel at both international and domestic levels.²⁶ While many quarters within Israel demanded the formation of an investigation committee, others refused to allow any committee to summon the soldiers involved in the attack. In fact, the Israeli army, viewed as the “sacred cow” that should not be touched under any circumstances, won wide support among many civilian sectors of the Israeli society. Nonetheless, the repercussions of the incident had their tangible negative impact on Israel. Due to extensive pressure from the Turkish government and other world powers, the Israeli government was compelled to form a formal investigation committee, the Turkel Committee, composed of elderly retired judges, and guided by the principle of maintaining Israeli soldiers’ free hand and protecting the independence and credibility of the army’s operational probing body.²⁷

In retaliation to the Turkey’s firm stand, tens of thousands of Israeli tourists stopped visiting the country, particularly its southern resorts. Instead, on the urging of the Israeli government, they spent their holidays in Israeli resorts. Another domestic repercussion of the aggression was an exchange of barrage of accusations between the Israeli PM Netanyahu and the Defense Minister Barak on the Freedom Flotilla attack. While the former held the latter personally responsible for the failure, Barak placed the responsibility squarely on the army, reflecting



disharmony between Israeli military commanders and the politicians. None of the two sides accepted responsibility for the failure, and the incident passed without voluntary or mandatory resignations from office, aggravating further confusion within the Israeli public opinion. In spite of this aggression and the international condemnation it caused, Israel did not end or relax its GS blockade, and the Israeli left never dared publicly to demand its end, a further demonstration that Israeli society has been increasingly drifting towards the right. Meanwhile, during and after the aggression, Turkish-Israeli relations have progressively and bitterly deteriorated.²⁸

5. Discriminatory Manifestations in Israel

The year 2010 witnessed glaring and unprecedented discriminatory measures against the Palestinian citizens of Israel, who are also known as the 1948 Palestinians or the “Palestinians of the interior.” Many laws were enacted to dilute their citizenship and restrict their nationality, movement and property.²⁹ This discriminatory campaign, part and parcel of the policies of Netanyahu’s government and most of the coalition parties, was not limited to enactment of laws, but, as will be outlined below, extended to issues related to day to day life.

Amongst the laws and manifestations of discrimination against the Palestinians of the interior were the following:

- a. Refusal of the Israeli government to allocate lands to Arabs in Israel, which left them with no option but to pursue unlicensed buildings in their residential units. Evidently, this deliberate and consistent policy of acute restriction of land allocated to Palestinians aims at pushing them into informal migration from their country.
- b. Refusal of the Israeli authorities to absorb the Arabs and to allow them to live in Jewish towns, as this will obstruct the continuity and development of the Zionist project.
- c. The loyalty oath law was submitted to the Knesset by Avigodr Lieberman, the leader of Yisrael Beitenu. It aimed at consolidating the “Jewishness of the state,” and prohibited family reunion of thousands of Palestinian families living on both sides of the green line, in cases where a spouse living in the 1967 occupied territories married a partner from amongst the 1948 Palestinians. This law obliges every Palestinian living in Israel to declare his loyalty to Israel as a “Jewish state” in lieu of gaining nationality. It also obliges all civil servants of

- the public sector to declare their loyalty too. Netanyahu asserted that this is a democratic law as it addresses all Israel citizens, but in reality it directly targets the 1948 Palestinians, and infringes on their distinctness and national identity.³⁰
- d. The *Nakbah* law, submitted by Yisrael Beitenu MK Alex Miller, prohibits state funds from being used to commemorate the *Nakbah*. This is also in line with the directives of the Israeli minister of education, Gideon Sa'ar, that prohibit the commemoration of the the *Nakbah*, or even mentioning the word, in any of the educational or learning institutions, which should instead focus on celebrating the independence day of Israel.
 - e. The amendment of Citizenship Law which enables courts to revoke citizenship, in addition to issuing prison sentences, against people who are convicted of treason, serious treason, aiding the enemy in a time of war or having committed an act of “terror” against the state. The law was enacted after the participation of the Knesset member Hanin Zoabi in the Freedom Flotilla. It aimed at penalizing and giving a lesson to the Palestinians of the interior and the Knesset easily passed the bill.
 - f. The approval of the ‘Azmi Bishara Law which withholds salary and pensions from MKs suspected or convicted of “terror.” The bill is named after MK ‘Azmi Bishara who was under investigation, suspected of aiding the enemies of Israel. However, this law was not enacted for the public interest, but was a vindictive legislation that targeted Bishara in person.
 - g. By the end of 2010, a bill was proposed by Knesset member Moshe Matalon to require that every citizen granted an exemption from military service be required to do community service.³¹ This draft law was part and parcel of the series of discriminatory laws that aimed at squeezing, alienating and neutralizing the Palestinians, and to constantly place them under the supervision of the security forces. By this move, the Israeli government wanted to appear to be indiscriminately applying the law to all citizens, including the Arabs in Israel. But, at the same time, it was reluctant to recruit the latter en masse in the Israeli army. Thus, to facilitate their “Israeliness” and to subject them to the Israeli equation, the Israel government enacted the alternative of the civil service, another form of institutionalization.
 - h. The decision of the Israeli government to consider both the Ibrahimi Mosque (Cave of the Patriarchs in Hebron) and the historic Rachel’s Tomb (Bilal Bin Rabah Mosque in Bethlehem) within Israel’s heritage sites list.



- i. Some Rabbis issued advisory opinions that prohibited selling real estate, houses or flats to Arabs, or leasing flats to them. Moreover, the mixing of Arab men with Jewish women and the entrance of Arabs to Jewish towns was also prohibited. These decrees also ordered, inter alia, the removal of all Arabic sign boards and the prohibition of speaking in Arabic in public places.
- j. The expulsion of illegal workers infiltrating from Africa into Israel via the Egyptian border under different pretexts, such as their contamination with dangerous diseases and epidemics, or that they undermine the Jewish and democratic character of the state of Israel.
- k. Entertaining the idea of prohibiting Arab students in Jewish or mixed schools to speak in Arabic,³² though this has not yet been officially executed. However, some institutions and companies, even in the private sector, prohibited their Arab staff from speaking in their mother tongue.

These examples of discriminatory laws indicate that the Israeli government has been striving to implement the policy of Judaizing Palestine and obliterating its Arab and Islamic symbols. Besides, this was part of the continuous and persistent campaign against the Palestinians of the interior, which aimed at restricting their land, civil and political rights, and obliged them to recognize Israel as a “Jewish state.” Moreover, the Israeli government called upon the PA to endorse this policy, but the latter disavowed from this by saying that it is an internal matter; which, repudiating its relationship with a sizable sector of the Palestinian people.

These laws explicitly and unequivocally show that Israeli society has been accelerating towards more extremism and xenophobia.³³ To add insult to injury, it is even driving towards the imposition of more discriminatory laws and regulations that would further uproot the Palestinians and expel them from their own land, or besiege them in ghettos under the strict observation and control of Israel. It is abundantly clear that Israeli society is inclined towards fascism, and manifestations similar to those imposed upon Jews in Europe in the 1930s.

Most of these explicitly and implicitly racist laws and regulations were officially approved without inciting noticeable opposition from the Israeli public. However, some Israeli intellectuals and human rights activists categorically rejected the subsequent injunctions issued by the Rabbis of Safed and a 100 Israeli settlements and towns that urged Jews to refrain from renting or selling apartments to non-Jews.

Nonetheless, opinion polls reflected a negative perception in Israel towards Arabs. A high percentage of the respondents expressed their rejection of the existence of the Arabs amongst them, opposing their living or staying with them in the same neighborhoods.³⁴

Practically, however, Netanyahu's government had increasingly pursued its policy of destroying houses in the Arab villages and towns on the pretext that their building was not licensed or altogether illegal. The Arab village al-Araqib in Negev had been demolished eight times during 2010, as its residents and their supporters, be they individuals or legal and societal institutions, insisted on rebuilding it in defiance of the policies of the Israeli government. Moreover, Israel had demolished houses of entire families in the city of Lod, whose members became homeless refugees. Besides, houses in the Arab quarter of Jerusalem were consistently demolished and in their space Jewish settlers or investors from within or outside Israel built houses and established settlements.

Consequently, confrontations between the Palestinians of the interior and the Israeli security forces will inevitably increase. The battle will shift and be concerned with residence, since Israel had already confiscated almost all the lands of the Palestinians of the interior, whose ownership was transferred to the state and for the benefit of Jewish society.

Professor Galia Golan, the academic director of the Government Program at the Raphael Recanati International School at the Interdisciplinary Center (IDC) Herzliya, summarized the racist manifestations in the Knesset and the Israeli public where she said, "I'm not sure that all elements associated with fascism are present here, but one element that is emerging—and should perhaps concern us more than anything else—is racism." She explained:

I'm talking about ethnic or national intolerance entrenched through racist legislation. The definition of 'loyalty' is being linked to ethnicity, religion, or creed. None of it is supposed to be valid within a democracy, yet it is certainly vital for the various versions of fascism, and above all to Nazi fascism, of course.

After that she added, "The second element is radical nationalism, which started to grow in 1967, mostly within the religious-Zionist camp. Today, the forces of this radical nationalism are at the helm, and the combination of racism and nationalism is present in our political culture."³⁵



6. The Rampant Carmel Blaze and Its Repercussions

The rampant Carmel forest blaze of December 2010 revealed the weakness and fragility of Israel's governing institution as well as its internal front. Notwithstanding its militarization to the teeth, Israel utterly failed to control the Carmel blaze, and was compelled to appeal for logistic support from several countries. Moreover, the blaze reminded the Israelis of the shocks of the 2006 war, including the missiles of the Lebanese resistance that fell on Israeli cities and towns, and the consequential mandatory migration of tens of thousands of Israelis towards the south. The blaze had, furthermore, revealed the failure of the Israeli government in general and the Ministry of Interior in particular to equip the stations of the civil defense and the fire brigade with the necessary equipments and personnel. Despite this, to score media and political gains and to exhibit his presumed leadership skills, Netanyahu had personally taken up the leadership of the fire brigade. Throughout the days of the blaze, he availed himself in the emergency room that was established near to the blaze location in Haifa. Nonetheless, some Israeli politicians accused the prime minister and his Minister of Interior Eliyahu "Eli" Yishai of Shas Party of being preoccupied with promoting their partisan and personal interests at the expense of those of the "state of Israel" and its citizens. The weakness of the internal front and the inability to extinguish the blaze had practically—or at least symbolically—reflected the unpreparedness of Israel to confront dangers or external attacks.

In the wake of the blaze, increasing calls were voiced within Israel for an urgent and quick peace deal with the Arabs, as Israel was not ready for war and confrontation. Indeed, the very existence of Israel has become a hostage of foreign aid extended by some big powers that had originally supported its creation in 1948.³⁶ These voices were essentially from the remnants of the left, as well as some individuals who belong to the center of Israeli politics, who realized that the Israeli inability to quickly overcome this internal catastrophe demonstrates lack of readiness to deal with one that may come from outside. However, as appears from the sequence of events, the Carmel wildfire did not give the Israelis in general such a wake up call.

7. Boycott of the Settlements

In protest against settlement building activity, some Israeli artists and intellectuals, particularly in Tel Aviv, boycotted the performances in an Israeli theatre in the Ariel settlement in the WB. Through this move, they also wanted

to express their discontent at the holding of such cultural and social activities at a time when the Palestinians remain subjected to occupation, oppression, misery and forced migration. To counter this, settler leaders and their supporters in the government warned that government aid and funds would be withheld from all artists and their institutions who refrained from participation in these activities. This incident triggered heated controversy between the Israeli leftist elite and the governing institution on the current situation and direction and future relations between Israeli society and the settlers, who have defied world opinion and international law, yet were supported by the Israeli government. In another vein, this incident exposed a reserved opposition among the Israeli intellectual elite to the stagnation of the peace process. However, this limited elitist opposition did not provoke a storm of protest against the illegal activities of the settlers. Nonetheless, there were occasional calls for the condemnation of all kinds of cooperation and participation between mainstream Israeli cultural institutions and those in the settlements, though they remained limited to petitions, messages and media interviews.

8. Leakage of Confidential Military Documents

The confidentiality of Israeli military institutions suffered a serious blow during 2010. Israeli journalist Anat Kam³⁷ leaked hundreds of confidential military documents to another Israeli journalist based outside Israel. This huge scandal provoked violent controversy and a barrage of accusations exchanged between Israeli politicians. There were many calls for the formation of a domestic investigative committee to scrutinize the background of these leaks, and identify those responsible. But the Israeli military felt it more appropriate to contain the controversy, quietly attempting to restore the leaked documents, and trying to return to the traditional policy of confidentiality and reservation. However, in the light of these leaks and Wikileaks' publication of hundreds of thousands of documents, Israeli sources assume, perhaps rightly, underground cooperation between some Israelis on one side and the director and officials of Wikileaks on the other. Nonetheless, the Israeli government downplayed the importance of these leaks in an attempt to divert attention away from their content. Israeli security forces did however arrest the journalist behind these leaks, but remained tight lipped on the course of their investigations.



Second: The Most Prominent Demographic, Economic and Military Indicators

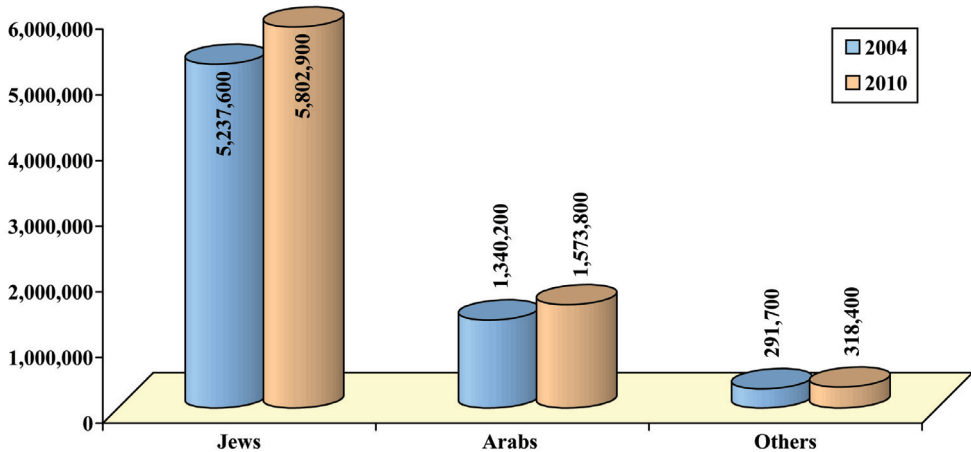
1. Demographic Indicators

The Israeli Central Bureau of Statistics (CBS) stated that the total population of Israel by the end of 2010 was 7.695 million, of whom about 5.803 million or 75.4% are Jews. While about 318 thousand, i.e., 4.1%, are tabled by the CBS as “others,” mostly immigrants from Russia, countries of the former Soviet Union and Eastern Europe, whose Judaism is not recognized, or non-Arab Christians. As for the Arab population, including those in East Jerusalem and the Golan Heights, they were about 1.574 millions, i.e., 20.5% of the total population (see table 1/2). If we subtract the inhabitants of East Jerusalem (about 270 thousand) and the Golan Heights (approximately 25 thousand), then the number of those identified as 1948 Palestinian is 1.279 million, approximately 16.6% of the total population. Israeli civil administration estimated the number of Jewish settlers in the WB at 313 thousand persons, excluding those in East Jerusalem,³⁸ who were estimated at 200 thousand.³⁹

Table 1/2: Population of Israel 2004–2010⁴⁰

Year	Total population number	Jews	Arabs (including the population of East Jerusalem and in the Golan Heights)	Others
2004	6,869,500	5,237,600	1,340,200	291,700
2005	6,990,700	5,313,800	1,377,100	299,800
2006	7,116,700	5,393,400	1,413,300	310,000
2007	7,243,600	5,478,200	1,450,000	315,400
2008	7,412,200	5,603,000	1,498,600	310,600
2009	7,552,000	5,703,700	1,535,600	312,700
2010	7,695,100	5,802,900	1,573,800	318,400

Population of Israel 2004 & 2010



By 2010, the average rate of population growth in Israel was 1.9%, almost the same rate of growth experienced each year since 2003. Israeli population growth is 88% natural, as during 2009 there were 165 thousand births, while 40 thousand died.⁴¹

According to the CBS, 16,633 immigrants came to Israel in 2010, compared to 14,572 in 2009 (see table 2/2). But these statistics were different from those given by the Jewish Agency for Israel, which estimated the numbers of the immigrants in 2010 as 19,130.⁴² This discrepancy in the statistics on immigration may be due to the caliber of those registered, i.e., one source may register the actual migrants, another the probable ones, and a third may add the tourists who had at one time opted to be immigrants. However, an overall analysis shows the 2010 figures confirming the decreasing level of Jewish immigration to Israel that began in 2000 and is a reflection of the exhaustion of traditional sources of immigrants. It further reflects that many Diaspora Jews are no longer tempted to move to Israel because they are able to prosper in the United States and Europe. It is interesting to note that this steady decline of immigration to Israel coincides with a rising tendency of counter immigration from it, on average 10 thousand persons annually, and a stagnation in the growth of Jewish population worldwide, with the exception of Israel. The latter development is not associated with immigration to Israel, as may be assumed, but is primarily due to a natural decline in Jewish population growth and increasing desertion of the Jewish religion.⁴³



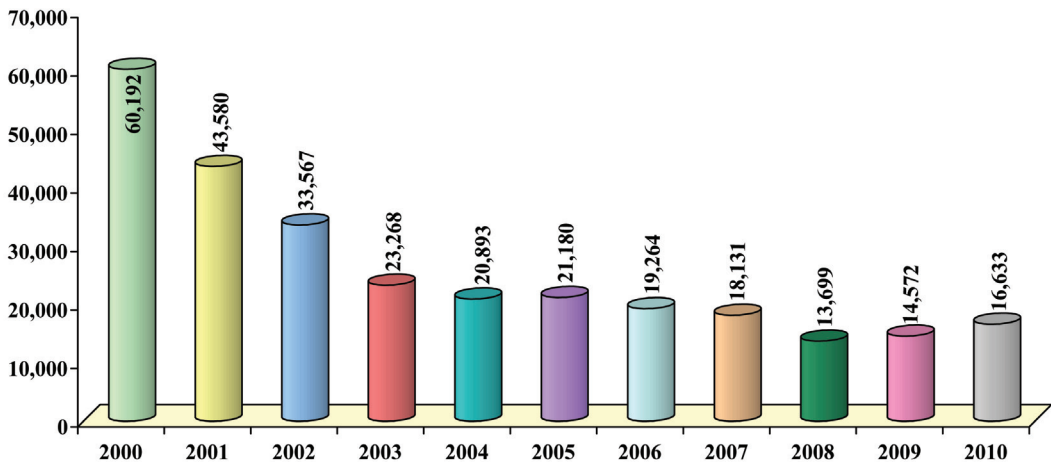
The Jewish Agency report Tentative Final Immigration Figures for 2010 demonstrated that 40% of the total 2010 immigrants to Israel came from the former Soviet Union, Eastern Europe and Germany, while the rest arrived mainly from North America, Latin America, France, the United Kingdom (UK), Belgium, Australia, New Zealand, Ethiopia, and India. The report added that the statistics of the Absorption Ministry and the Jewish Agency show that 52.3% of new immigrants are male and 47.7% female, Jerusalem is the leading city of absorption, and the average age of the immigrants stands at 29.75.⁴⁴

Table 2/2: Numbers of Jewish Immigrants to Israel 1990–2010⁴⁵

Year	1990–1994	1995–1999	2000	2001	2002	2003	2004
No. of immigrants	609,322	346,997	60,192	43,580	33,567	23,268	20,893

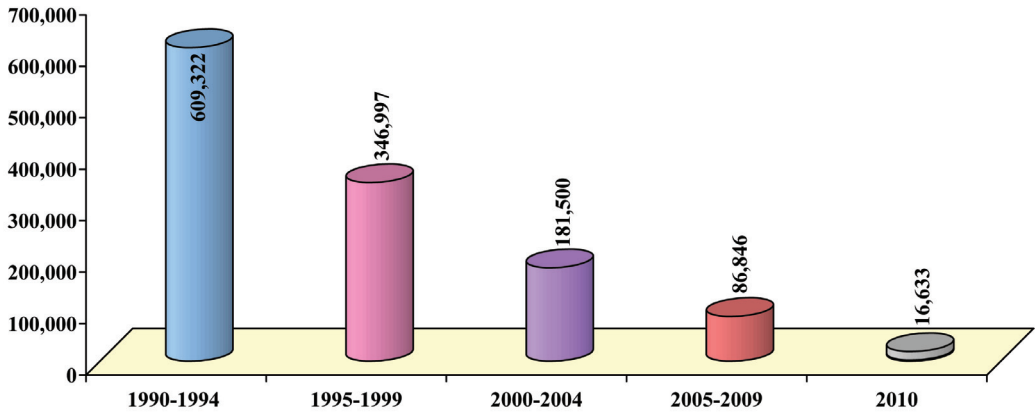
Year	2005	2006	2007	2008	2009	2010	Total
No. of immigrants	21,180	19,264	18,131	13,699	14,572	16,633	1,241,298

Numbers of Jewish Immigrants to Israel 2000–2010



The following graph reveals the decline in the number of Jewish immigrants in the period 1990–2010. The graph is divided into five years periods and it shows that Jewish immigration declined during the last five years to 14% of the levels reached during the first five years.

Numbers of Jewish Immigrants to Israel 1990–2010

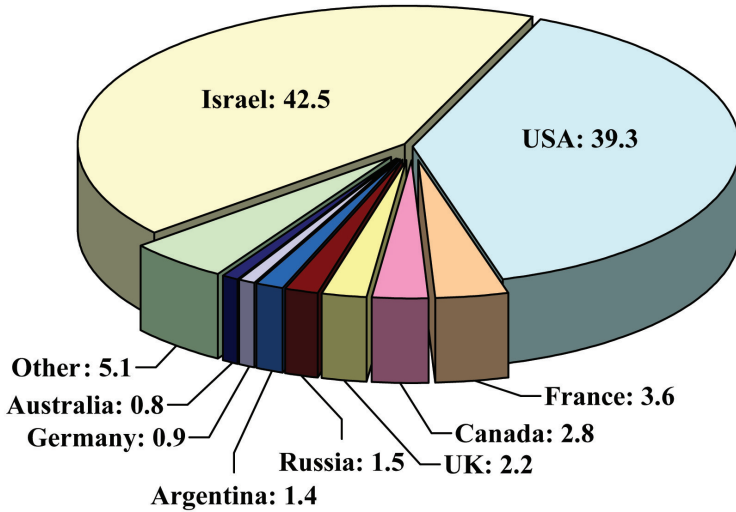


Sergio Della Pergola, a specialist on the demography of world Jewry and an activist in the Jewish Agency, estimated the number of Jews in the world by early 2010 as 13.43 million persons, an increase of 80,300 (0.6%) from the 2009 revised estimate. The core Jewish population in the United States was assessed at 5.28 million, about 1.12 million in the countries of the EU, 375 thousand in Canada, 335 thousands in Latin America, 330 thousand in the republics of the former Soviet Union, 115 thousand in Oceania, 76 thousand in Africa, approximately 55 thousand in Central America and about 21 thousand in the Balkan countries. As for the Arab world, there are 4,100 Jews, residing in Morocco, Tunisia, Egypt, Yemen and Syria (see table 3/2). In the same vein, Pergola warned against “Jewish population erosion” which is far less significant in Israel than elsewhere and in which intermarriage plays a major factor. The increasing rates of intermarriage reached 75% in the former Soviet Union, 55% in the US, more than 40% in the UK and France, 35% in Canada and 25% in Australia.⁴⁶

Table 3/2: World Jewish Population by Country at the Beginning of 2010

Country	Israel	USA	France	Canada	UK	Russia	Argentina	Germany	Australia	Other	Total
Estimate (thousands)	5,703.7	5,275	483.5	375	292	205	182.3	119	107.5	685.3	13,428.3
Percentage (%)	42.5	39.3	3.6	2.8	2.2	1.5	1.4	0.9	0.8	5.1	100

World Jewish Population by Country at the Beginning of 2010 (%)



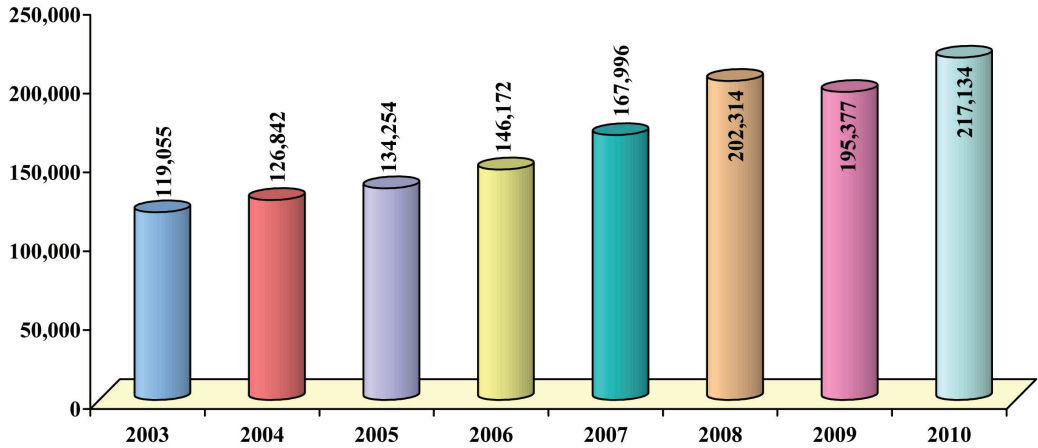
2. Economic Indicators

Israeli Gross Domestic Product (GDP) for 2010 totaled \$217.13 billion, compared to \$195.38 billion in 2009 (see table 4/2), which, according to the figures of the Bank of Israel, constitutes a growth of 4.6%.⁴⁷ (5.5% if counted in shekels). Note that most of the statistics in this study are derived from official sources that regularly update and revise their records.

Table 4/2: Israeli Gross Domestic Product 2003–2010⁴⁸

Year	GDP (million shekels)	GDP (\$ million)	Shekel exchange rate (according to Bank of Israel)
2003	541,500	119,055	4.5483
2004	568,505	126,842	4.482
2005	602,507	134,254	4.4878
2006	651,416	146,172	4.4565
2007	690,144	167,996	4.1081
2008	725,861	202,314	3.5878
2009	768,339	195,377	3.9326
2010	810,561	217,134	3.733

Israeli Gross Domestic Product 2003–2010 (\$ million)

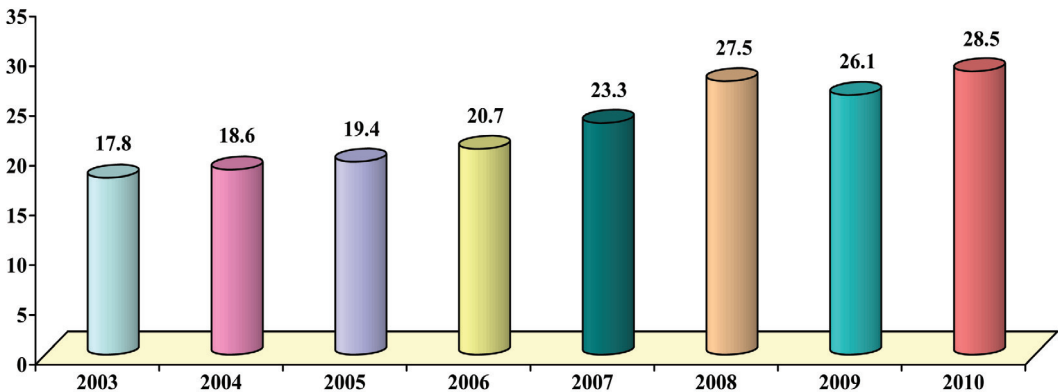


According to the official statistics, per capita income in Israel increased from 102,671 shekels (\$26,108) in 2009 to 106,369 shekels (\$28,494) in 2010 (see table 5/2).

Table 5/2: Israeli GDP per Capita 2003–2010 at Current Prices (\$ thousand)⁴⁹

Year	2003	2004	2005	2006	2007	2008	2009	2010
GDP per capita	17.8	18.6	19.4	20.7	23.3	27.5	26.1	28.5

Israeli GDP per Capita 2003–2010 (\$ thousand)



The 2010 Israeli economy had not been greatly influenced by the global economic crisis largely because of its strong infrastructure and diversity, and the government austerity policy that maintained minimum deficit and large surplus of foreign currencies. This economic development, coupled with the increase of per capita income and the reduction in the unemployment rate, made 2010 a time of political calm for the rightist government of Netanyahu. It was also demonstrated that the incorporation of Israel into the global economy was no longer associated with the peace process, a reality that was reflected in sizeable foreign investments and Israeli exports, as well the admission of Israel in the Organisation for Economic Co-operation and Development (OECD).⁵⁰

The International Monetary Fund (IMF) reported in January 2010 that “Israel was mildly affected by the global recession: following a slowdown in 2009,” and that unemployment rate had decreased from 7.7% in 2009 to 6.6% in 2010. The IMF had, furthermore, expected the Israeli GDP to grow by 3.5% in 2011 and unemployment rate to decrease by 5.5%.⁵¹

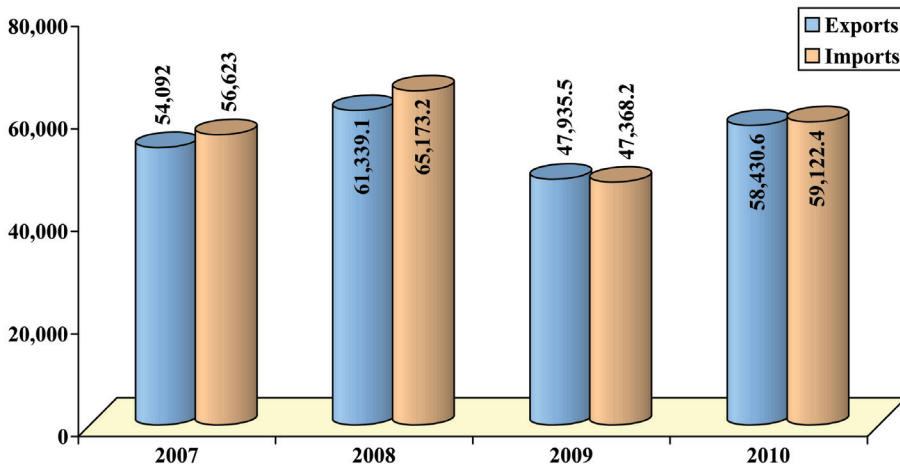
Expenditure for 2010 totaled around 256.037 billion shekels (\$68.587 billion), while revenue for the same year was about 217.241 billion shekels (\$58.195 billion), a budgetary deficit of 17.9%, i.e., 4.8% of the domestic product.⁵² Meanwhile the budget approved by the Knesset for 2011 totaled 348.1 billion shekels (around \$97 billion).⁵³

The value of Israeli exports for 2010 totaled \$58.43 billion, compared to a total of \$47.94 billion in 2009, i.e., an increase of 21.9%. Imports totaled \$59.12 billion in 2010, compared to \$47.37 billion in 2009, an increase of 24.8%. These figures show that the Israeli economy had to a large extent recovered from the repercussions of the global economic crisis (see table 6/2).

Table 6/2: Total Israeli Exports and Imports 2007–2010 at Current Prices (\$ million)⁵⁴

Year	2007	2008	2009	2010
Exports	54,092	61,339.1	47,935.5	58,430.6
Imports	56,623	65,173.2	47,368.2	59,122.4

Total Israeli Exports and Imports 2007–2010 (\$ million)



In 2010, manufacturing exports (excluding diamonds) constituted 79.8% of all export of goods, lower than that of 2009 (82.8% in 2009, 79% in 2008, and 74.1% in 2007). Export of diamonds constituted 17.5%, and 2.7% was agricultural. Distribution of manufacturing exports by technological intensity indicates that high technology industries constituted 49.6% in 2010 compared to 51.2% in 2009. A breakdown of the data of import by use indicates that in 2010, 38.7% of total imports were of raw materials (excluding diamonds and fuels); 14.7% consumer goods; 14.5% machinery, equipment and land vehicles for investment; and the remainder diamonds, fuels and ships and aircraft.⁵⁵

Table 7/2: Israeli Exports by Commodity Group 2009–2010 (\$ million)⁵⁶

Year	Agricultural	Manufacturing	Diamonds		Others	Total
			Polished	Rough		
2009	1,229.9	34,838.7	3,948.9	1,909.1	138.8	42,065.4
2010	1,359.5	40,593.1	5,867.9	3,063.8	9	50,893.3

Table 8/2: Israeli Imports by Commodity Group 2009–2010 (\$ million)⁵⁷

Year	Consumer goods	Raw materials	Investment goods	Fuels	Diamond rough and polished	Others	Total
2009	7,600.8	18,383.5	7,555.2	8,072.7	5,024.6	291.6	46,928.4
2010	8,624.6	22,682.1	8,523.3	10,445.5	7,997.5	354.5	58,627.5

The US continued to be Israel's primary trade partner, as Israeli exports to the US totaled \$18.53 billion in 2010 and constituted 31.7% of the total Israeli exports, while Israeli imports from the US totaled in the same year about \$6.7 billion, i.e., almost 11.3% of total Israeli imports. Israel compensates its trade deficit with most of its trading partners with the trade surplus with the US, which amounts to about \$12 billion. Indeed, this is a massive support to the Israeli economy (see table 9/2).

China grew to be Israel's second largest trade partner in 2010, with Israeli exports and imports to and from the country totaling \$2.05 and \$4.74 billion respectively. Interestingly, compared to 2009, both Israeli exports to China and the Chinese exports to Israel increased in 2010, by 96.4% and 34.5% respectively.

Meanwhile, Belgium was third largest trade partner, though with a smaller change than China. Israeli exports to Belgium and imports from it totaled around \$3.11 and \$3.58 billion respectively, due to the trade in diamond and other expensive minerals, which usually gives Belgium this edge. Next came Germany, where Israeli exports and imports to and from the country were \$1.7 and \$3.68 billion respectively. Hong Kong declined to fifth position, as Israeli exports and imports to and from the city-state totaled \$3.91 and \$1.4 billion respectively. The rise of Israeli exports to Hong Kong can be attributed to it constituting a center for re-exporting Israeli goods to different parts of the world. However, official Israeli statistics recording Hong Kong as the destination of Israeli goods does not mean that they always go there to be re-exported later, and many go to Cyprus or other transit points.

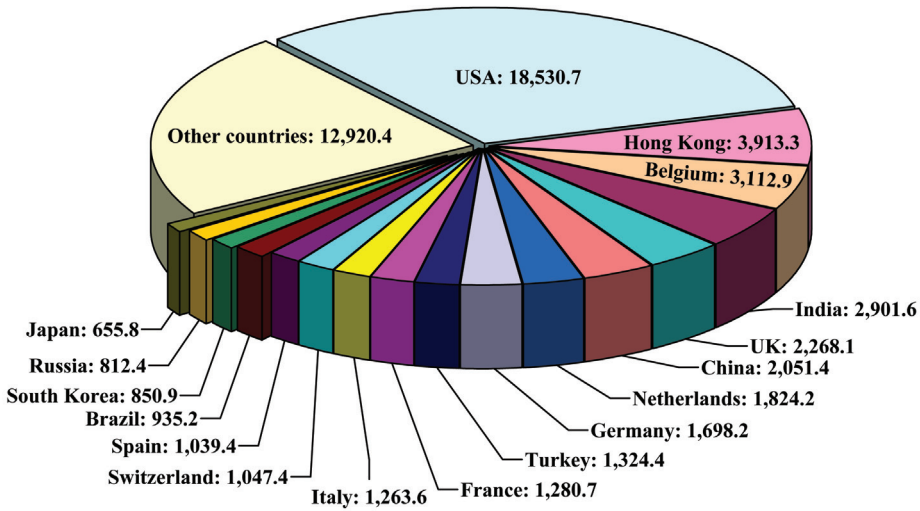
Besides the US, Hong Kong and Belgium, there were other prominent destinations for Israeli exports: India (\$2.9 billion), the UK (\$2.27 billion), China (\$2.05 billion) and Netherlands (\$1.82 billion), in addition to Germany, Turkey, France and Italy. The noticeable rise in Israeli exports to India appears to be associated with trade in armament. Besides the US and China, the most prominent importing countries to Israel in 2010 were Germany (\$3.68 billion), Belgium (\$3.58), Switzerland (\$3.22 billion), Italy (\$2.43 billion), and UK (\$2.24 billion), in addition to Netherlands, India, Turkey and Japan (see table 9/2).

Table 9/2: Israeli Exports and Imports with Selected Countries 2007–2010
(\$ million)⁵⁸

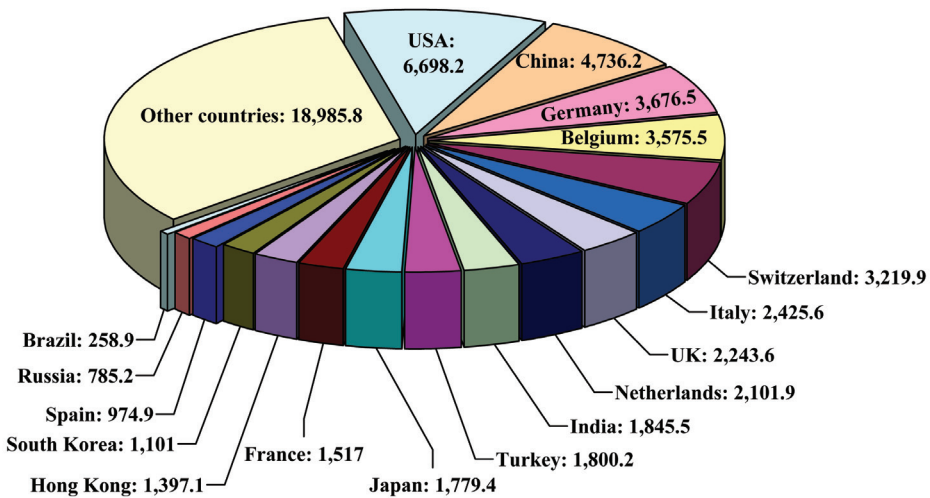
Countries	Israeli exports to:				Israeli imports from:			
	2010	2009	2008	2007	2010	2009	2008	2007
USA	18,530.7	16,774.1	19,972.5	18,906.8	6,698.2	5,849.1	8,034.4	7,848.9
Hong Kong	3,913.3	2,874.2	4,140.8	3,118.4	1,397.1	1,111.5	1,813.7	1,747.5
Belgium	3,112.9	2,371.8	4,618.7	4,070.8	3,575.5	2,567.8	4,250.3	4,454.9
India	2,901.6	1,810.9	2,361.3	1,613.7	1,845.5	1,157.4	1,648.8	1,689.6
UK	2,268.1	1,423.5	1,892.7	1,938.1	2,243.6	1,907.2	2,519.9	2,681.4
China	2,051.4	1,044.6	1,293.5	1,040.6	4,736.2	3,521.1	4,244	3,476.9
Netherlands	1,824.2	1,550.8	2,035	1,609.3	2,101.9	1,885.4	2,465.3	2,090.3
Germany	1,698.2	1,440.3	1,950.6	1,913	3,676.5	3,361.8	3,940.5	3,484.3
Turkey	1,324.4	1,086	1,609.9	1,195.8	1,800.2	1,387.7	1,825.3	1,606.9
France	1,280.7	1,110.6	1,298	1,313.2	1,517	1,428.7	1,889.2	1,480.9
Italy	1,263.6	1,103	1,668.8	1,284.4	2,425.6	2,126	2,553.7	2,302.1
Switzerland	1,047.4	942.3	1,210.4	1,036.1	3,219.9	3,290	3,973.6	2,882.3
Spain	1,039.4	940.5	1,108	1,106	974.9	880.1	959.1	811.9
Brazil	935.2	716.5	1,172	671.6	258.9	207.8	297.2	270.7
South Korea	850.9	841	818.5	746.1	1,101	871.1	1,103.2	945.4
Russia	812.4	656.1	777	611.5	785.2	488.6	1,047.1	1,398.8
Japan	655.8	527.6	883	769.6	1,779.4	1,523.7	2,226.7	1,882.1
Other countries	12,920.4	10,721.7	12,528.4	11,147	18,985.8	13,803.2	20,381.2	15,568.1
Total	58,430.6	47,935.5	61,339.1	54,092	59,122.4	47,368.2	65,173.2	56,623



Israeli Exports to Selected Countries 2010 (\$ million)



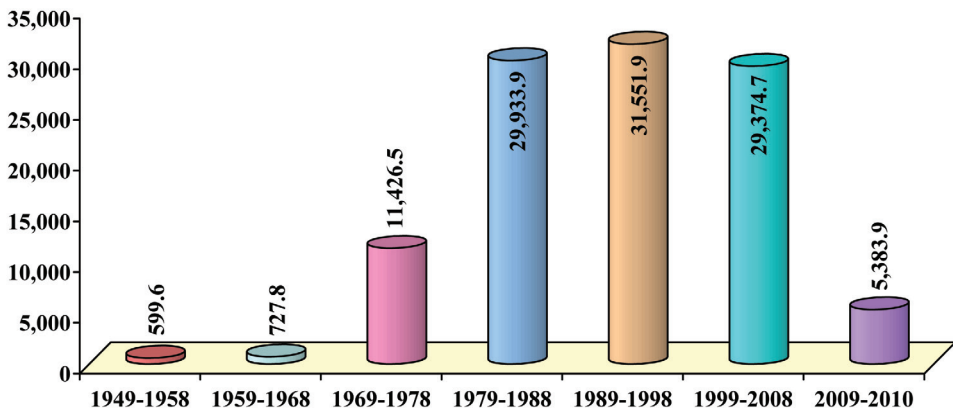
Israeli Imports from Selected Countries 2010 (\$ million)



Though Israel is considered a rich and developed country, it still receives huge annual assistance in the form of military assistance from the US. This amounted in 2010 to \$2.775 billion, compared to \$2.55 billion in 2009. Hence, the aid that America extended to Israel during the period 1949–2010 reached, according to the report of Congressional Research Service (CRS), \$108.998 billion (see table 10/2).

Table 10/2: American Aid to Israel 1949–2010 (\$ million)⁵⁹

Period	1949–1958	1959–1968	1969–1978	1979–1988	1989–1998	1999–2008	2009–2010
Total	599.6	727.8	11,426.5	29,933.9	31,551.9	29,374.7	5,383.9

American Aid to Israel 1949–2010 (\$ million)

Israel received American aid of \$1.22 billion during the period 1949–1967, which jumped to \$11.53 billion during the period 1968–1978. Since the conclusion of the Camp David Accords with Egypt in 1979 and up to the Oslo Accords of 1993, American aid to Israel totaled \$45.93 billion, which increased to \$50.31 billion during the period 1994–2010.⁶⁰

However, with the significant improvement of the performance of the Israeli economy in the mid 1990s, the American financial aid to Israel has become less convincing to many sectors of American society and to the world at large. Hence, in 1998, Israeli, and US congressional, and Administration officials agreed to reduce the \$1.2 billion in Economic Support Fund (ESF) to zero over 10 years, by an annual rate of \$120 million, while increasing Foreign Military Financing (FMF) from \$1.8 billion to \$2.4 billion, starting the year 2000 and by an annual rate of \$60 million.⁶¹ Moreover, in:

August 2007, the Bush Administration announced that it would increase US military assistance to Israel by \$6 billion over the next decade. The agreement calls for incremental annual increases in Foreign Military Financing (FMF) to Israel, reaching \$3 billion a year by [Fiscal Year] FY 2018.⁶²



3. Military Indicators

During 2010, the Israeli military establishment experienced “obsessions” similar to those of the preceding year. It focused on the Palestinian situation in general, Iran and its nuclear program, and the armament of what it called radical forces in the region, in reference to Syria, Hamas and Hizbullah; in addition to stability in neighboring Arab states. Israel’s northern front with Lebanon was on the whole calm, though Israel continued its violation of the Lebanese airspace, and recruitment of agents and spy rings inside Lebanon. Similar calm prevailed along Israel’s southern front with GS, while Israel continued its siege and occasional air strikes on the Gazans. However, the peoples revolutions and democratic transformations that erupted in the Arab world towards the end of 2010 constitute a source of extreme worry and apprehension to Israel. Particularly so is the spectacular development along its southern frontiers, namely the Egyptian revolution which toppled President Husni Mubarak and which could have profound impacts on the overall situation in the region.

The Israeli military and security establishment experienced during 2010 several changes in its top brass personnel. Major-General Yoav Galant was scheduled to succeed Lieutenant-General Gabi Ashkenazi as the Chief of the General Staff of the Israeli army. But the former was sidelined because he seized public lands near his Moshav Amikam home in northern Israel. Instead, the Deputy Chief of Staff Major-General Benny Gantz was promoted to the position in February 2011; while the retired Major-General Yair Naveh was appointed to replace Gantz, to be the first religious officer to be appointed to such a position.⁶³ Other prominent appointees in the military and security establishments were Major-General Tal Russo, who succeeded Major-General Yoav Galant as the General Officer Commanding (GOC) Southern Command. Moreover, Major-General Aviv Kochavi succeeded Major-General Amos Yadlin as the head of Directorate of Military Intelligence (Aman). The government also appointed Tamir Pardo as the head of the Mossad in succession to Meir Dagan who retired from this post in early 2011 after eight years service in this position.⁶⁴

In a matter related to the structure of the Israeli army and the ideological orientations of its employees, the monthly Israeli army journal *Ma’arachot*, published a study on 13/9/2010 which identified a steep rise in the number of religious officers in the army, particularly in combat units. This indicates that the

army is increasingly dominated by religious extremism. The research shows the proportion of religious infantry officers jumping from 2.5% in 1990 to 31.4% in 2007. Only 26% of those who graduated infantry officer courses in 2008 were religious. But throughout the last decade, the proportion of religious officers graduating from such courses has ranged from 22.5% to 31.4%. Thus, the rise in the number of religious officers remains clearly visible.⁶⁵ In the same vein, an analysis conducted by the Israeli military magazine *Bamahane* reported that 13% of all combat company commanders on active service in the Israeli army come from WB settlements, a five-fold over-representation based on their proportion of the general population of Israel. The record-holder among settlements for numbers of commanders is settlement of Eli, in Nablus.⁶⁶

Meanwhile the Israeli military establishment continued during 2010 to actively implement the Tefen 2012 plan that was submitted in 2007 after the summer 2006 war on Lebanon. It concentrated on steps to be taken to strengthen the army and to improve the capabilities of training, ammunition reserves, arms purchase, combat means, and armament. The plan had particularly addressed the issues of human resources, land forces, and reserve forces.⁶⁷

Within its drive to draw lessons from the wars on Lebanon and GS, Israel conducted during 2010 a military drill to test the readiness of the internal front to confront what it called “Total War” that Israel might be exposed to. Like drills conducted under the same name and for the same purpose during the last three years, “Turning Point 4” took place during the period 23–27/5/2010 to test the country’s responses to a scenario of hundreds of rockets being fired on Israel.⁶⁸ Moreover, on 13–14/1/2010, an exercise, code named Orange Flame 4, simulating a response to a biological warfare attack was carried out in the Dan region. The exercise was carried out in Tel Aviv, Ramat Gan, and Holon and aimed to evaluate the ability of the Home Front, medical services, rescue teams and the municipal authorities to respond in the conditions created by a biological catastrophe caused either by attacks or by accident.⁶⁹

To further strengthen the Israeli missile deterrence power versus the “Iranian threat,” Israel Aerospace Industries Ltd. (IAI), in a joint project with the United States developed advanced interceptor systems Arrow 3. This system, also known as “Super Arrow,” is an upper tier interceptor in Israel’s multilayer defense concept is designed to intercept ballistic missiles carrying unconventional warheads in the



exoatmosphere. The technological idea at the core of the new interceptor is the two-stage engine: the first engine lifts the missile into the exoatmosphere, separates, and the missile remains with the second engine, the maneuvering missile. The interceptor's uniqueness lies in its light weight and absence of dynamite. Instead, it employs a sophisticated, electro-optical homing warhead that "sees" a wide spectrum while in flight, and allows for very high maneuverability that gives the missile a high degree of freedom for defensive purposes. Thus, the time needed for interception is also shortened. On 27/7/2011, Israel has field-tested the Arrow 3 interceptor, which shot down a mock enemy ballistic missile in a trial flight.⁷⁰ It is noteworthy that the US House appropriators have pushed funding for Israeli missile defense programs to its highest level ever, with \$422.7 million slated for 2011. The lion's share—\$108.8 million—will go to the Arrow 3 system.⁷¹

In a related development, on 19/7/2010, the final testing of the Iron Dome missile defense system proved its success in encountering and intercepting a number of missiles fired simultaneously from different directions.⁷² According to Ynetnews, each Iron Dome battery, including the accompanying radar systems and interception rocket stockpiles, is estimated to cost \$15.5–20 million, while the cost of one intercepting missile for the Iron Dome system stands at some \$50 thousand, compared to Qassam and Grad rockets that range from \$100 to \$1,000.⁷³ In May 2010, the US House of Representatives approved \$205 million in new funding for Israel's Iron Dome missile defense project.⁷⁴

The Israeli military deployed the first mobile battery of a new antirocket missile defense system on 27/3/2011 on the outskirts of Beersheba city. PM Benjamin Netanyahu of Israel said that he did not want to "foster the illusion" that Iron Dome would "provide a complete or comprehensive answer" to the rocket threat. "Iron Dome is still in the experimental stage, and we do not have the possibility of deploying batteries to protect every home, school, base and installation," he said. Moreover, Israeli officials warned that the system was still experimental and could not provide the country with full protection from approaching rockets.⁷⁵

The effectiveness of the Iron Dome system in protecting the inhabitants of the Israeli towns that surround GS provoked a heated debate in Israel. In this respect, at a lecture at Haifa University on 30/11/2010, Major-General Gadi Eizenkot, GOC Northern Command, said that the Iron Dome and Arrow missile defense systems are meant to protect Israeli army bases and the army's ability to attack, not

necessarily to protect citizens. He added, “The systems are meant to protect Air Force bases, Navy bases and enlistment bases.”⁷⁶ Conversely, Major-General Yair Golan, GOC Homefront Command, said that the Iron Dome system constituted an essential element in defending the internal front, and that their deterrent capability are good and beyond the expectations of their architects. Similarly, Eshkol Regional Council head Haim Yalin, expressed his resentment to the remarks of Major-General Gadi Eizenkot, saying that he would like to remind everybody of the decision of the government to develop the Iron Dome system through investing a billion shekels (around \$267.88 million) of the public’s resources to protect the settlements around GS, and that since they are in a democratic government, the army is obliged to work in accordance with the government decisions.⁷⁷

The Israeli army also tested the Trophy (ASPRO-A) anti-tank missile defense system, also known as the “Windbreaker” ahead of the planned deployment of Merkava Mk 4 tanks along the GS border. The Trophy system creates a hemispheric protected-zone around armored vehicles such as the Merkava tank and by using advanced radar. The system is designed to detect and track a threat and counters it with a projectile that intercepts the anti-tank missile. The Israeli army decided to deploy Battalion 9 of the 401st Armored Brigade (the “Tracks of Iron” Brigade) along the Gaza border since its tanks are equipped with the Trophy active protection anti-tank-missile defense system. According to sources in the Israeli army, this experiment was successful.⁷⁸ It is worth mentioning that the military had developed this defensive system after The Second Lebanon War in 2006 during which many Israeli Merkava tanks were destroyed.

A joint Greek-Israeli Air Exercise, Minoas 2010, in late May and on 11–14/10/2010, was held above the Aegean Sea. The exercises included training for aerial combat, attacks on terrestrial targets, long-range missions and mid-air refueling. The exercise also included search and rescue missions.⁷⁹ Following the Israeli attack on the Freedom Flotilla, Greece stopped these maneuvers, but the relations between the two countries soon improved after an official visit that Netanyahu paid to Athens in August 2010; the first of its kind for an Israeli prime minister. Interestingly, these joint maneuvers took place after the stoppage of the ones that the Israeli air force used to undertake over Turkey, and which were terminated by the Turkish government in protest at the Israeli war on GS in 2008, and the Israeli aggression of 31/5/2010 on the Turkish ship the Mavi Marmara of the Freedom Flotilla.



On 26/7/2010, during joint training in Romania, an Israeli military helicopter, Yas'ur, crashed in mountainous terrain near Brasov, in central Romania. The Israelis on board all died and they included four pilots and two airborne mechanics.⁸⁰ Due to the physical similarity between the area in which these maneuvers took place and mountainous Iran, it is possible that Israeli preparations are ongoing to launch a probable military strike on Iranian nuclear facilities. Moreover, on 24/10/2010, *The Jerusalem Post* revealed that the Israeli and American armies had just concluded a four-day-long simulation exercise called Juniper Falcon which tested the level of coordination between the two countries in the event of future conflicts.⁸¹

Within the Israeli military armament program, the Knesset Finance Committee and the Committee for the Defense Budget approved on 20/9/2010 a deal to acquire 20 American F-35 fighter planes at a cost of \$2.75 billion,⁸² which was officially signed in New York on 17/10/2010. According to the terms of this agreement, Israel should have these planes during the period 2015–2017.⁸³ The cost of this deal will be deducted from American aid to Israel.

On 17/11/2010, *The Jerusalem Post* reported that the Israel Air Force has significantly boosted its precision strike capabilities with the recent arrival of the first batch of GBU-39 Small Diameter Bombs (SDB) from the United States, and added that Israel is the first country outside of the US to receive the weapon.⁸⁴ Moreover, American documents provided by Wikileaks in December 2010 revealed that the American administration had agreed to supply Israel with GBU-28 bombs that could be used in an attack on the Iranian nuclear facilities. In the same vein, *Haaretz* newspaper reported on 8/6/2010 that Israel requested to increase the amount of gear held by the American army in their emergency stores in Israel by 50%, from \$800 million to \$1.2 billion.⁸⁵

On 22/6/2010 Israel launched a spy satellite, Ofek 9, which has the same characteristics as previous ones of the same family (Ofek 5 and Ofek 7) that were placed in space.⁸⁶

Israeli military consumption in 2010 totaled 50.92 billion shekels (\$13.64 billion),⁸⁷ while the expected consumption for 2011 is 54.2 billion shekels (\$15.12 billion). However, *Haaretz* newspaper reported that the 2010 budget actually provided for 53.2 billion shekels in defense outlays, as the discrepancy between official budget figures and the real budgets are the product of a special privilege accorded the Defense Ministry.⁸⁸

In 2011, the Defense Ministry was allocated \$16 billion for its annual budget. The government has also agreed to provide the ministry with another \$1.45 billion to complete classified programs, and thus, bring the budget up to about \$18 billion. Undoubtedly, advocates of increased Israeli military spending have been given the boost of the uprisings in the Arab world.⁸⁹

In an interview with *The Wall Street Journal*, Defense Minister Ehud Barak stated that Israel will need to boost military spending and may seek an additional \$20 billion in US security assistance to help it manage potential threats stemming from popular upheavals in the Arab world.⁹⁰ As demonstrated in tables 4/2 and 11/2 the military budget (in Shekels) for 2003 constituted 8.6% of domestic product while that for 2010 was 6.3%. However, if the figures reported by *Haaretz* newspaper are confirmed, the 2010 percentage will increase to 6.6%. The point to be emphasized here is that the military burden on resources is decreasing, though the figures of the military budget are increasing. The same conclusion stands if we calculate the percentage in dollars.

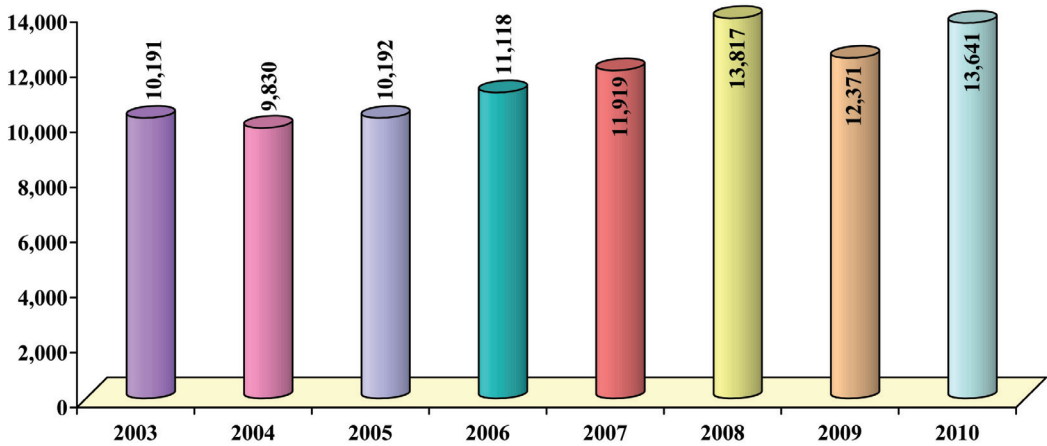
Table 11/2: Israeli Military Consumption 2003–2010⁹¹

Year	Military consumption (million shekels)	Military consumption at current prices (\$ million)	GDP* (million shekels)	% of military consumption compared to GDP (shekels)
2003	46,351	10,191	541,500	8.6
2004	44,060	9,830	568,505	7.8
2005	45,739	10,192	602,507	7.6
2006	49,546	11,118	651,416	7.6
2007	48,965	11,919	690,144	7.1
2008	49,574	13,817	725,861	6.8
2009	48,649	12,371	768,339	6.3
2010	50,922	13,641	810,561	6.3

* Review table 4/2.



Israeli Military Consumption 2003–2010 (\$ million)



Though enjoying a central position in Israeli state and society, the Israeli army experienced in 2010, as in previous years, problems recruiting suitable soldiers.⁹² *The Jerusalem Post* newspaper reported that Major-General Avi Zamir, head of the army's Manpower Division, told reporters that 50% of Israeli men between the ages of 18 and 40 already do not serve in the Israeli army, either in their mandatory service or in the reserves corps, and that 60% of 18-year-olds will dodge the draft by 2020. The main cause for the increase in draft-dodging numbers, Zamir said, was the increasing number of haredi men who received an exemption from military service due to their ultra-Orthodox beliefs.⁹³

Israel continued to be, during the year 2010, the one of the world's top four exporters of arms. The Israeli Defense Ministry announced that Israeli industries noted a record in 2010 in defense exports, reaching an unprecedented \$7.2 billion in comparison to \$6.9 billion in 2009.⁹⁴ Israel seems to be planning to diversify its markets, increasing arms sales to countries which have not significantly curbed their defense spending, including in Eastern Europe, Asia, Africa and Russia.⁹⁵

Third: Aggression and Resistance

Though Israel had in one way or another continued during 2010 its aggression on the Palestinian people, the year had on the whole witnessed what is best described as an undeclared ceasefire. While the Palestinian missiles fired from GS towards the Israeli towns and cities had substantially decreased, Israel had correspondingly refrained from launching major military operations against GS. Similar calm prevailed in the WB, particularly so because of the increasing security cooperation between the security forces of the PA and the Israeli army. However, Israel continued the closure of GS, intensified its blockade, and maintained the campaigns of incursions and arrests in the WB.

According to the statistics of the Shabak, 2010 has displayed a decline in the number of rocket launches from GS towards Israel: 150 launches as opposed to 569 in 2009. Moreover, the number of mortar shell attacks dropped from 289 in 2009 to 215 launches in 2010. As for the WB and Jerusalem, 455 attacks were executed in 2010, as opposed to 636 attacks in 2009. It should be noted that 402 of the 455 attacks, were in the form of firebomb throwing.⁹⁶

1. The Killed and Wounded

During 2010, 107 Palestinians were killed in GS and the WB, including Jerusalem, amongst whom were 10 children, four women, two political detainees in Israeli jails, and 9 Turkish nationals. On the other hand, 967 Palestinians and international supporters were wounded by Israeli gunfire.⁹⁷

Throughout 2010, 9 Israelis were killed, as opposed to 15 in 2009. One attack, carried out in August near Kiryat Arba, resulted in the deaths of 4 Israelis driving through the area. Throughout 2010, 28 people were injured.⁹⁸

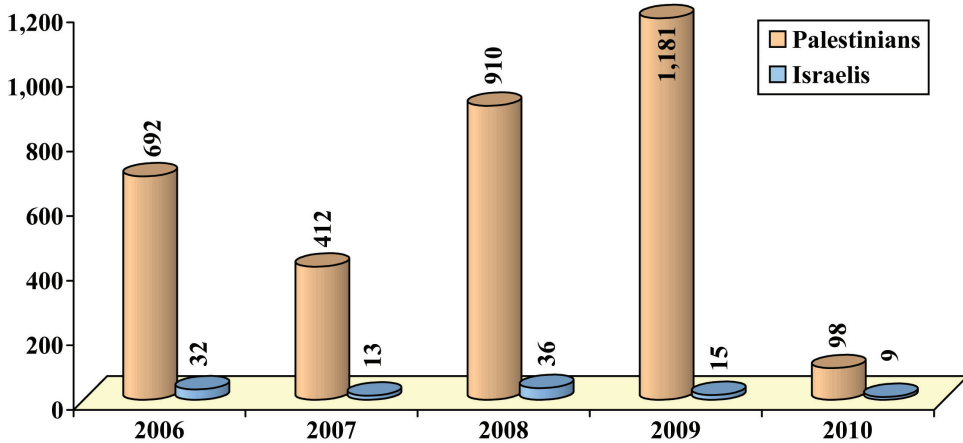
**Table 12/2: The Killed and Wounded Among Palestinians and Israelis
2006–2010⁹⁹**

Year	Killed		Wounded	
	Palestinians	Israelis	Palestinians	Israelis
2006	692	32	3,126	332
2007	412	13	1,500	300
2008	910	36	2,258	679
2009	1,181	15	4,203	234
2010	98	9	967*	28

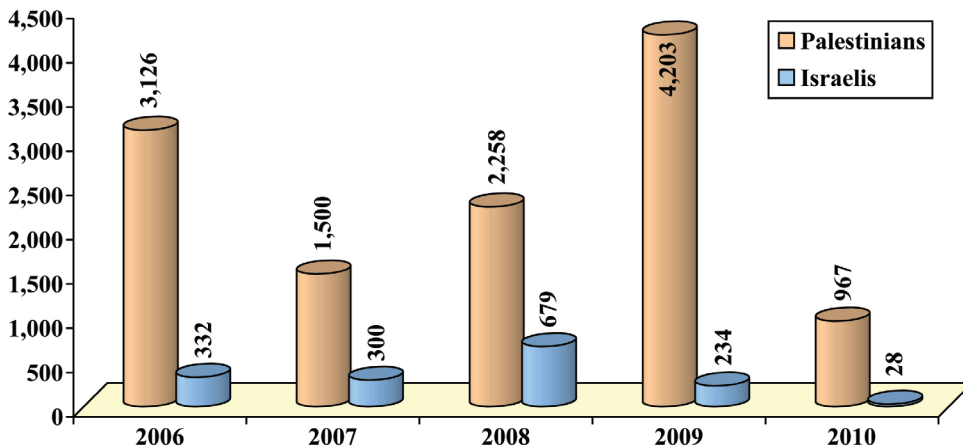
*Including international supporters.



Palestinians and Israelis Killed 2006–2010



Palestinians and Israelis Wounded 2006–2010



2. Prisoners and Detainees

Like 2009, 2010 was catastrophic for the Palestinians detained in Israeli prisons. A report by the Head of the Statistics Department in the PA’s Ministry of Detainees and Ex-Detainees Affairs Abdul Nasser Farawaneh said that in June 2011 the number of prisoners totaled approximately six thousand, amongst whom were 37 women, 245 children and 18 MPs.¹⁰⁰ In 2010 prisoners from the WB totaled 5,840¹⁰¹ (excluding East Jerusalem), 714 from GS, and

approximately 390 from East Jerusalem and from the Arab population inside Israel. Additionally, many were from different Arab nationalities.¹⁰² Among the detainees were 200 awaiting trial, those classified as administrative detainees, and others presumed by Israel to be “unlawful combatants.”¹⁰³

During 2010, Israel arrested 4,168 Palestinians, an average of 11 per day, down from 14 in 2009. Most of those arrested during 2010 were in the WB, including Jerusalem, while a significant number were in GS, including fishermen arrested in the high seas. As articulated in a report by Abdul Nasser Farawaneh, the overall numbers of the detainees has gradually decreased during the last four years (2007–2011), but the real danger is that detention has become daily practice, and an established tradition and culture of whoever works in the Israel’s security establishment. No day passes without an arrest of some kind, and, contrary to the claim of the Israelis, most of these arrests are not necessarily for security reasons, or justified by the Israeli law itself, but had been undertaken arbitrarily or in revenge. The arrests of 2010 included all sectors of Palestinian society: children, women, mothers, wives, the disabled and the sick, in addition to tens of MPs, political leaders and former ministers.¹⁰⁴

According to a report by the Ministry of Detainees and Ex-Detainees Affairs, Israel arrested during 2010 about one thousand children aged 15–17, and that the highest number of detainees was in the Jerusalem area (500 cases), followed by Hebron. Most of these children were accused of throwing stones at the settlers. The report also indicated that the number of children arrested in 2010 was more than in all previous years, totaling about 700 cases, and that most of the arrested children were imprisoned for a duration of 2–6 months, with heavy fines imposed on their families.¹⁰⁵

Table 13/2: Prisoners and Detainees in Israeli Jails 2010–2011¹⁰⁶

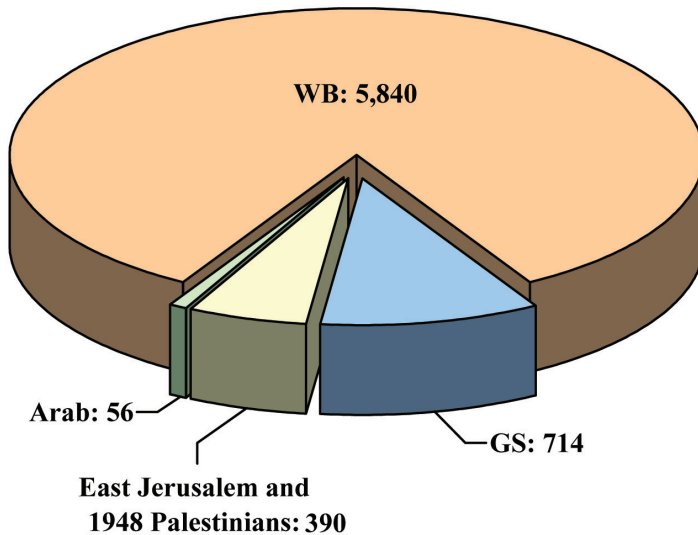
No. of detainees on 1/1/2010	No. of detainees on 28/6/2011	Detainees during 2010		No. of women by 28/6/2011	No. of children by 28/6/2011
		WB	GS		
7,500	6,000	4,068	100*	37	245

*Estimates of detainees in GS were based on a report issued by the Ministry of Detainees and Ex-Detainees Affairs.

Table 14/2: Prisoners and Detainees in Israeli Jails According to Geographic Locations by the End of 2010¹⁰⁷

WB (excluding East Jerusalem)	GS	East Jerusalem and 1948 Palestinians	Arab	Total
5,840	714	390	56	7,000

Prisoners and Detainees in Israeli Jails According to Geographic Locations by the End of 2010



During 2010, Hamas continued to detain the Israeli soldier Gilad Shalit in GS. Since his detention in June 2006, Hamas conditioned his release on a deal by which approximately one thousand Palestinian prisoners in Israeli jails should be freed. Though the German mediation had activated this issue during 2010, the year, like its predecessors, passed without a deal on the issue.

2010 did not witness improvements in the treatment of the Palestinian detainees; on the contrary their conditions deteriorated. Medical negligence, torture, denial of visits, either individually under the pretext of “security prohibition,” or collectively as was the case with Gazans, in addition to poor food, insufficient blankets and clothes, and confiscation of the detainees’ money had all continued. A report by Abdul Nasser Farawaneh on the conditions of the detainees during the 2010

emphasized that they were indiscriminately exposed to psychological or physical torture as well as to insults in public or in front of their own families. Moreover, torture has become a permanent policy, and most of the detainees experienced more than one form of it.¹⁰⁸

Many racist bills were also issued during 2010, legalizing the policies of oppression and violation of the rights of Palestinian prisoners. The first reading of “Shalit Law” was endorsed, which deprives a detainee of family visits, watching television, reading books and newspapers and the option to pursue academic studies, along with increasing the duration of solitary confinement.¹⁰⁹ The Knesset passed a new law that prohibited Palestinian prisoners from seeing their solicitors for six months instead of the previous practice of three weeks, while the Israel Prison Service abrogated the principle of subtraction from the imprisonment duration, thus depriving the prisoners from their right to reduce their jail prison according to the years they stay in prison: 21 days for a one year stay, 35 days for two, 45 for more than two and 75 days for five years stay in prison.¹¹⁰ In 2010 two prisoners died inside Israeli jails because of deliberate medical negligence, namely Ra’id Mahmud Ahmed Abu Hammad (31 years) of al-‘Eizariya in Jerusalem, and Muhammad ‘Abd al-Salam Musa ‘Abidin (39 years) from Jerusalem.¹¹¹

Fourth: The Israeli Position Towards the Domestic Palestinian Situation

During the year 2010, Israel maintained the same strategy that it had pursued towards the domestic Palestinian situation since the political and geographical schism and the stumbling of the reconciliation efforts in 2007. Some Israeli studies maintain that Israel had adopted a dual policy that distinguished between the WB and GS. Certainly, the core of the Israeli strategy works within some fixed objectives, of which three objectives are particularly prominent. First, to maintain the occupation by keeping the Israeli settlements and confiscating land, as is the case in the WB; or through the control of land, sea and air exits, as is the case in GS. Secondly, to restructure the social fabric of Palestinian society in a way that ensures the continuation of the occupation. Thirdly, to abort economic development in WB and GS.



In dealing with the PA in Ramallah, Israel continued its occupation of lands in the WB. Notwithstanding the temporary and partial 10-month moratorium during 2010, Israel had, on the other hand, continued its settlement drive and confiscation of land in WB, with particular focus on Jerusalem being the presumed “permanent and united capital” of Israel. With regards developmental issues, Human Rights Watch (HRW) released at the end of 2010, a report entitled *Separate and Unequal*, explaining how Israeli policies in the WB discriminate against Palestinian residents, depriving them of basic necessities while providing lavish amenities for Jewish settlements. Moreover, lands were unlawfully confiscated from Palestinians without compensation for the benefit of settlers.¹¹² Ultimately, the unavoidable fact is that the Palestinians of the WB live in ghettos that are subjected to constant Israeli maneuvers to disintegrate, impoverish, and obstruct their development. Simultaneously, security coordination in the WB between the security forces of the PA and the Israeli army continued at a sizable scale during 2010.

Though Israeli propaganda asserts that the Israel relaxed its siege of GS and allowed the import of many products previously prohibited after the attack on the freedom flotilla on 31/5/2010, Israel had, in fact, effectively maintained throughout 2010 its blockade of GS, which was based on the policy slogan “no prosperity, no development, no humanitarian crisis.” An American diplomatic cable leaked by Wikileaks reported that Israel told US officials in 2008 it would keep Gaza’s economy “on the brink of collapse” while avoiding a humanitarian crisis, according to the cable published by the Norwegian daily *Aftenposten* newspaper on 5/1/2011.¹¹³

In the military arena, 2010 witnessed noticeable calm on the frontiers of GS. While only 150 missiles were fired from GS towards the surrounding Israeli towns, Israel had correspondingly waged limited military strikes in different parts of the Strip, particularly on the tunnels’ region along the Egyptian frontiers.

Despite the Israeli blockade and the comprehensive military strike, codenamed “Cast Lead,” on GS towards the end of 2008, Israel failed to dislodge Hamas from ruling GS. Nevertheless, the deteriorating economic conditions resulting from the blockade have deprived Hamas of the opportunity to freely govern GS. Moreover, the security conditions that followed operation “Cast Lead” crippled Hamas’ capability to fight or effectively resist the occupation.

Towards the end of 2010 there was a rumor of an imminent large scale Israeli military strike on GS. The military option, though, places Israel in a predicament, as it would need to remain in GS for several months in order to destroy Hamas' infrastructure. This will come at a high price for Israel on multiple levels. Crucially, President Mahmud 'Abbas would be the big political loser in this eventuality as he will appear, or be exhibited, to be supporting military confrontation with Hamas. Moreover, Israel has always been keen to exploit the Palestinian political schism to evade their responsibilities under peace agreements, and to exert more pressure and blackmail on the Palestinian leadership in Ramallah.

Responding to news that rival Palestinian factions Fatah and Hamas reached a reconciliation agreement in Cairo, PM Benjamin Netanyahu said, "The PA must choose either peace with Israel or peace with Hamas. There is no possibility for peace with both." Despite such statements, the agreement was signed on 3/5/2011, in a ceremony that included Khalid Mish'al and Mahmud 'Abbas.¹¹⁴ This reconciliation agreement, if implemented, is a major challenge for the Israelis, and it can be presumed that the latter will try to abort efforts at reconciliation and other attempts to put the Palestinian house in order.

Fifth: The Path of the Political Settlement

2010 was extremely disappointing to the advocates of the peace process. Though the efforts to resume the negotiations had initially achieved some success by an agreement on indirect, and subsequently direct, negotiations, these negotiations collapsed by the end of the year, and the Americans declared the failure of their efforts to revive them.¹¹⁵

Barack Obama's administration failed to convince Netanyahu's government to accept even a partial and temporary freeze on settlement construction in WB in return for strategic, political, security and military gains to Israel. Subsequently, the American administration declared its commitment to reviving the "peace process," and determination to reach to a peace settlement through parallel negotiations in which the American envoy will shuttle between Palestinian and Israeli sides in an attempt to bridge the deep gulf between their positions on the core issues under discussion, particularly borders and security.



The failure of the negotiations had placed the Palestinian leadership in a difficult position, triggering them to suggest some isolated and contradictory alternatives,¹¹⁶ an attempt to marry the option of negotiations, their major and most preferable course, and other available options. These options include either betting on American recognition of the Palestinian state, or asking the UN Security Council and the United Nations General Assembly (UNGA) to do likewise, or alternatively to ask the UNGA to place the Palestinian state under an international mandate (contradicting any request for recognition). This last option would open the door for the “resignation for the sake of peace,” whereby the PA and the PLO halt their commitments to Israel, the President resigns and the PA is dissolved.

Indeed, the peace process remains, in its essence, hollow and void of substance: all process, no peace. Amongst its objectives is to regularly imply that a peace deal is in the making, in order to neutralize world opinion and buy time. Furthermore, negotiations are exploited and used as a cover to impose facts on the ground, liquidate the Palestinian issue, and to make the Israeli version of a peace settlement appear the only possible and pragmatic solution. A further objective of the peace process is to avoid a stalemate and political vacuum that may lead to the emergence of other Palestinian, Arab or international options or projects that are not favored by Israel.

For negotiations to be successful, they must be based on clear and fundamental terms of reference that are binding to both parties. Moreover, they must be backed by willing and able powers to impose a solution if necessary. Hence, the current “peace process” lacked the ingredients of success, and, instead, it has become a facade glossing over the gradual, long term plan, implemented in phases, of liquidating the Palestinian issue. A succinct description would be of a five star occupation, whereby Israel receives rewards, privileges and prestige but offers practically nothing in return.

Since at least 1988, Palestinian policy has been based on the illusion that peace is imminent and the formation of the state is around the corner. The Palestinian leadership appeared to be so convinced by this presumption that when Israel did not adhere to its obligations during the transitional post-Oslo period, the Palestinian leadership called for bypassing this phase on the basis that “what we cannot get retail during the transitional period, we will get wholesale in the final agreement.”

The fallacy that a peace settlement is imminent had been, and still is, the fundamental defect of Palestinian policy. When ‘Arafat was finally convinced that he had been deceived, it was too late to retreat, revise or amend the policy. Several developments took place after ‘Arafat’s assassination. The most prominent among them was the assumption by some individuals among the Palestinian leadership that faulty Palestinian performance was the key factor in Oslo’s failure, and that the armed *Intifadah* had destroyed everything.¹¹⁷ Furthermore, they criticized the Palestinian policy of not prioritizing the implementation of the Palestinians’ obligations in the Road Map. In their view, these steps would achieve Palestinian interests, and demonstrate to the whole world, particularly the US, that the Palestinians are firmly committed to peace and to the obligations that they undertook. Thus, after the demise of ‘Arafat, the Palestinian leadership implemented their obligations in the first phase of the Road Map, though Israel did not. To prove their merit, they established state institutions over which the PA exercised total control, excluding Jerusalem, GS and Area C, which constitutes 60% of the WB. This action served to reduce the whole conflict to the issues of merit and institutions, rather than a struggle for justice and truth, and a conflict between an oppressed people and a brutal occupier.

The above Palestinian policy failed to realize that Israel experienced its most difficult period during the second *Intifadah*, which, irrespective of its mistakes and shortcomings, had projected to the world the true nature of the Palestinian issue, namely a movement of national liberation. However, Israel viewed it as, in the words of Ariel Sharon, “a continuation of our War of Independence.” Admittedly, both the US and Israel declared their recognition of the right of the Palestinian people to establish their own state, but emphasized Israeli conditions and dictates. Resolving the demographic issue, obstructing the way towards a one state solution and establishing an Authority that cooperates with Israel were made priorities at the expense of the real issues that underpin the conflict.

Official Palestinian policy did not encourage the American administration to exercise pressure on Israel. It even relieved the US and the international community of their responsibilities as everything was viewed to be in order whether negotiations took place or not. Negotiations resumed after Annapolis Summit of 2008, although the parties can be seen to have been negotiating for the sake of negotiations, with no terms of reference and not conditioned on the halting of settlement building. There have been significant periods when there were no negotiations at all,



as was the case in 2009 and in most of 2010.¹¹⁸ As long as Israeli-Palestinian security and economic cooperation is in place, the political path could be delayed. This was bluntly reiterated by Israeli Foreign Minister Avigdor Lieberman, who said that peace is not possible, not now, nor in the coming decades. He recommended that “we should focus on coming up with a long-term intermediate agreement, something that could take a few decades.”¹¹⁹

The Documents Published by Al Jazeera¹²⁰

On Sunday 23/1/2011, Al Jazeera television took the world by surprise by airing a program called The Palestine Papers. Al Jazeera had been given unhindered access to the largest-ever leak of confidential documents related to the Israeli-Palestinian conflict. The trove of documents constitutes 1,700 files, thousands of pages of diplomatic correspondence detailing the inner workings of the Israeli-Palestinian peace process. These documents date from 1999 to 2010. Internal investigations by the PA showed that 1,120 out of 43 thousand documents were leaked.¹²¹

The leaked files contained information about the known and documented Palestinian-Israeli negotiations, particularly The Middle East Peace Summit at Camp David 2000 and Taba negotiations of 2001. It also presented new information which showed that previous concessions, which were given before the collapse of the peace process and the bypassing of Oslo Accords, were not enough for the Palestinian negotiator. He went far beyond this. In effect, the Palestinian negotiator had once more placed the Palestinian issue within the framework of a political process that will eliminate it, not resolve it. PLO leaders privately suggested swapping part of the Jerusalem’s Sheikh Jarrah neighborhood for land elsewhere, in addition to concessions made on refugees and holy sites.¹²² Within this framework, we should note the following:

First: It is the right and duty of Al Jazeera to air whatever documents it acquires, provided that it establishes their credibility, and not to support one Palestinian partner at the expense of another. We should note that the documents were released at a time when the negotiations were at a halt, and that the concessions mentioned in the documents were not formalized in a signed deal. Thus, they are not binding, though this does not negate the danger inherent in them. We should distinguish between a signed agreement that cannot be reversed, and concessions offered in a personal manner by some negotiators, which could be withdrawn. Those who chose to offer such concessions should be held accountable.

Second: The originality and authenticity of these documents has been established. Moreover, they had been in the main leaked from the PLO Negotiations Affairs Department (NAD) that is headed by Sa'ib 'Uraiqtat, a member of the Executive Committee of the PLO. What further testifies their authenticity is that the reputed British newspaper *The Guardian* agreed to publish them simultaneously with Al Jazeera certain of their credibility. The confused and spasmodic response of Sa'ib 'Uraiqtat and other Palestinian leaders to the leak only strengthens the claim of their authenticity.

Before exploring the content of the Al Jazeera documents, it is important to again state that the option of negotiations, with the conditions they bring, evidently cannot lead to a solution that attains the minimum national Palestinian rights as embodied in the legitimate resolutions of the international community. Thus, negotiations led and will lead to further concessions.

With regard to Jerusalem and the settlements, the documents maintained that the Palestinian negotiator proposed a geographical division of Jerusalem's Old City, with control of the Jewish Quarter and "part of the Armenian Quarter" going to the Israelis.¹²³ Moreover, 'Uraiqtat suggested "creative ways" to control the Haram al-Sharif (Noble Sanctuary), and was willing to concede control over it, to the oversight of an international committee.¹²⁴

Ahmad Qurei' and other Palestinian negotiators agreed to concede some settlements inside and outside Jerusalem, though Qurei' had rejected to cede others to the Israelis. He demanded that those "remain under Palestinian sovereignty, and...could be a model for cooperation and coexistence."¹²⁵ But this is another instance of a cost-free concession to the Israelis that may open the door to the retention of other settlements within the Palestinian state.

It is worth mentioning that the Geneva Document, signed in 2003 by PLO Executive Committee Secretary Yasir 'Abed Rabbo along with other leaders of the PA and Fatah, contains the annexation of Ma'ale Adumim settlement to Israel in return for the evacuation of Ariel settlement.¹²⁶ The Palestinian negotiators emphasized Hillary Clinton's criteria, and submitted proposals for the return of fewer of the diaspora Palestinians than they had asked for at Camp David and Taba.

What is new in the Al Jazeera documents on the return issue is that the proposed return to the Palestinian state had been restricted to a fixed, symbolic number of returnees that would not be revised or changed except with the agreement of both



sides. The Palestinians asked for the annual return of 10 thousand refugees for a period of 10 years, while the Israelis offered at one stage of the negotiations the return of one thousand refugees for 10 years and in another stage the same number but for five years only.¹²⁷

The documents also revealed that security coordination between the PA's security forces and the Israeli army had become much more extensive than previously publicly known, to the extent of having joint military operations.

After the publication of Al Jazeera's documents, Ami Ayalon, the former head of the ISA, said that: "without such coordination we couldn't have thwarted major terrorist operations." And he explained also, "We have gone beyond security coordination with the Palestinian side; in some cases the stage of intelligence cooperation has reached bilateral collaboration in the field operations."¹²⁸

The Palestinian side denied the accuracy of many of the Al Jazeera documents, though it admitted the authenticity of some. However, it protested that they were distorted, presented out of context and had confused the Palestinian and Israeli positions. For example, on the issue of the assassination of Hassan al-Madhoun by Israel shortly after a meeting between Palestinian Interior Minister Nasr Yusuf and Israeli Defense Minister Shaul Mofaz, the relevant leaked document records that the latter demanded during this meeting that al-Madhoun should be "killed." But Yusuf maintained in an interview with Al Jazeera that "Mofaz's request to have al-Madhoun killed has been taken out of context. Israel did not ask to kill him but only to arrest him,"¹²⁹ and that al-Madhoun was hidden in the President's office in GS to save his life, and was killed only after he left this building. Thus, Yusuf confirmed the incident, but the difference between the two versions was concerned with the language used, i.e., to "kill" or "arrest."

Utter Failure

The year 2010 started with optimism that negotiations would be re-launched and that the miracle of a peace settlement would be finally feasible. The American administration was presumably determined to avail new conditions for the resumption of the negotiations based on a genuine settlement building moratorium, and to work for achieving a peace settlement within two years, as assumed at the beginning, and subsequently within one year only as decided by the Quartet (the US, the EU, Russia and the UN). The Palestinians were urged not to hesitate and

not to insist on any conditions for the resumption of the negotiations, to avoid incitement, and to ask the Arabs to take practical steps towards normalization with Israel, which would in turn encourage the Israelis to cooperate. After strenuous efforts and several rounds of meetings, particularly on 2/3/2010 and 1/5/2010, the Arab ministers of foreign affairs agreed to participation with the Palestinians in indirect negotiations “proximity talks” for a specific period—four months—after which they could be promoted to direct negotiations if progress were achieved in the initial period.

On 8/5/2010, the PLO Executive Committee agreed to participate in indirect negotiations, and the first session convened the next day only to be faced with a stubborn Israeli refusal to engage in meaningful negotiations that would address the fundamental issues, “Peace cannot be made from a distance or by remote control, ... it is inconceivable that we will make decisions and agreements on critical issues such as security and our national interests, and theirs as well, without sitting together in the same room.” Netanyahu explained.¹³⁰ However, the glaring fact remains that Israel wants direct one-to-one talks with the Palestinians in which the Americans would perform a dual role as facilitator and a guardian. With this determination in the background, the government of Israel accepted the indirect negotiations as a phase and a precursor to direct negotiations, while refusing any Palestinian conditions and demands.

Indirect negotiations revolved in a vicious circle. After a meeting with Netanyahu on 6/7/2010, US President Barack Obama pointedly did not push Netanyahu to extend the existing moratorium, which ended on 26/9/2010. Instead, he said that moving from American-brokered “proximity talks” to direct talks would give Netanyahu the incentive and domestic political leeway to act on his own. “My hope is, that once direct talks have begun, well before the moratorium has expired, that that will create a climate in which everybody feels a greater investment in success,” Obama said, adding, “There ends up being more room created by more trust.”¹³¹

The last round of the indirect negotiations was held on 17/7/2010, and, after a short lull, direct negotiations were launched in Washington in early September 2010, but without a reference binding to either parties, or an Israeli commitment to stop settlement building. However, the opening session was attended by the leaders of Egypt and Jordan, while representatives from Europe and international bodies were conspicuously absent.¹³²

It is worth mentioning that the PLO Executive Committee held a meeting on 20/8/2010 and accepted to re-launch the direct negotiations to solve all the final status issues. Since only nine members out of eighteen attended this meeting, some questioned its legality as the bylaw requires at least two thirds of the membership for a meeting to be quorum. Nonetheless, the meeting went ahead and accepted the American invitation to attend the meeting in Washington at the beginning of September without any conditions—in effect accepting Israeli conditions. The Executive Committee explained that the acceptance is based on the Middle East Quartet statement that called for re-launching the direct talks.¹³³

The sequence of events in 2010, particularly after the resumption of the negotiations, conclusively proved once again that Israeli agreement to the negotiations—be them direct or indirect—was based on its conviction that no final agreement could possibly be concluded in a year or two. All that may be achieved in an interim deal could be applied over tens of years by which time the desperate Palestinians were expected to agree to a peace settlement based on Israeli conditions and dictates. According to this projection, the transitional agreement will be a final agreement that entails the elimination of all aspects and dimensions of the Palestinian issue.

Foreign Minister Lieberman declared that he had submitted to Netanyahu just before the formation of the current Israeli government his understanding of the interim agreement.¹³⁴ By then Netanyahu had not spelt out his position towards the resolution of the Palestinian-Israeli conflict, but he later did, saying that he would try to reach to a framework agreement that addresses the fundamental issues in a general way, but if this proved impossible then he would work for a provisional agreement.

A thorough look at mainstream Israeli trends, within and outside government, shows that it is of the opinion that a final peace settlement is not feasible. Even if the Israeli government and public preferred to reach such a settlement, they know it is impossible. This is because the most that they are willing to offer is less than the minimum that the current Palestinian leadership, or any other leadership, can possibly accept, particularly so during the disunity among Palestinian factions that prevailed in 2010.

However, Israel gives a number of alternative excuses for its evasive attitude and policy. Among them, that the Palestinian leadership does not represent all

the Palestinians, and that conflicts prevail within Fatah and between Fatah and PA's Prime Minister Fayyad. Additionally, historical changes in the Middle East, especially the failure of Israel's Second Lebanon War in 2006, and its inability to achieve all its objectives in the war on GS 2008–2009. There is also the rise of Iran and Turkey, the implications and repercussions of the Israeli attack on the Freedom Flotilla, and the increasing international campaign to boycott Israel and impose sanctions on it. Further complicating the Israeli position, there were the Arab awakenings represented by the success of the Tunisian and Egyptian revolutions, as well as events in Lebanon and elsewhere. These factors demonstrate that the period of apathy and indifference in the Arab world is ending and a new era has already begun.

Whenever Israel has accepted the need to negotiate, it has also insisted that the focus should be first and foremost on security. When the Palestinian side agrees to all the security measures that Israel asks for and shows sufficient power to maintain security in cooperation with Israel, only then will Israel progress talks on the borders.

To highlight the complexity that the negotiations face, we should note that Netanyahu's government demands that the Jordan Rift Valley, the frontiers of the Separation Wall and 10–15 km of settlements on the frontiers between Israel and the WB must all be under Israel's control. Added to this, the Palestinian state should be disarmed and have no military alliances with other parties. Moreover, Israel should keep certain bypass roads and streets as well as security stations in some strategic positions even after the establishment of the Palestinian state. Over and above all this Israel reserves the right to penetrate the territories of the Palestinian state whenever it considers its security is in danger, and to retain its control of the borders, sea ports and air space.

Such conditions do not allow establishing a proper Palestinian state, but at best a mini entity that is effectively an Israeli protectorate installed on 50% of the territories of the WB according to Lieberman's plan, or 66% according to the plan of Shaul Mofaz, the deputy leader of the opposition party Kadima. Or in the result of the failure of the political process, it could be unilaterally imposed as Yuval Diskin, the head of the ISA, asserted that "Israel needs to create a situation in which there is a border, border crossings and Border Police between us and the Palestinians, even if it is a temporary and unrecognized border." He warned



that “if we do not take care to do so, we will find ourselves in a situation that will not allow us to make that separation.”¹³⁵ Other Israeli projects are those of Giora Eiland and former Minister of Defense Moshe Arens, a close associate of Netanyahu. The latter’s project is based on the option of all Israel, by which the WB will be annexed to Israel, and its people given Israeli nationality.¹³⁶

Other Israelis advocate the resolution of the Palestinian issue at the expense of Jordan, the presumed state of the Palestinians, to which all Palestinians should be expelled.

The American Role: Resolving or Administering the Crisis?

On Barak Obama’s assumption of the American presidency, illusions of an imminent peace were revived, particularly after his early focus to the Middle East crisis, specifically his Cairo speech in which he said, “The United States does not accept the legitimacy of continued Israeli settlements. This construction violates previous agreements and undermines efforts to achieve peace. It is time for these settlements to stop.”¹³⁷ Moreover, his administration pledged to achieve a peace treaty within two years, which he further reduced to one year in his 23/9/2010 speech to the UNGA when he said, “When we come back here next year, we can have an agreement that will lead to a new member of the United Nations -- an independent, sovereign state of Palestine, living in peace with Israel.”¹³⁸

However, it was soon clear to the world community that a huge gap existed between Obama’s wishful thinking of having peace and his willingness or ability to achieve it. The record of Obama’s administration has so far been dominated by failure, hesitation and contradiction, despite its seemingly genuine willingness for change in the Palestinian-Israeli relations, which is probably triggered by an increasing feeling in the US that it is in the country’s strategic interest to have a peace settlement.

Like its predecessors, Obama’s administration is perplexed between focusing on the administration of the conflict, and striving to conclude an agreement that would either settle the major issues first, or start with a preliminary agreement on the minor issues. The Obama administration had been, and still is, unclear on its exact role in the negotiations, a facilitator and a patron, or an effective broker who submits suggestions and applies pressure to see them through.

It can be said that the Obama administration did not conclusively decide which direction to pursue. However, when it seemingly started to provide the appropriate conditions for the resumption of the negotiations, i.e., to freeze settlement building, it soon and on more than one occasion, backtracked, further encouraging Israel to continue its obstinacy and extremism.

Rather than continuing its initial demand of a real freeze of settlement building, as stipulated in George Mitchell's report of 2001 and in the Road Map, it hailed the temporary and partial 10-month freeze that was announced unilaterally by Netanyahu's government and that excluded East Jerusalem. After that, the Obama administration exerted strenuous effort to convince Israel to accept a 90-day settlement moratorium extension in exchange for a package of incentives from Washington. But it failed because of the extensive blackmailing practiced by Netanyahu's government, which wanted to secure major gains without offering anything in return, considering these and others as rights of Israel that should not be yielded.¹³⁹ This synchronizes with the nature of the strategic and common interests that associates the United States with Israel. Put another way, Israel did not feel the need to engage in a strategy that would create a precedent that makes American support to Israel conditional. Some warned against this very development; American Ambassador Dan Kurtzer said, "For the first time in memory, the United States is poised to reward Israel for its bad behavior." And then he added, "This bargaining exercise has been unseemly all along. If it proceeds, both sides will probably regret it."¹⁴⁰

By late 2010 the American administration announced that it was "ending the contacts to try to achieve another moratorium" after months of heavy negotiations to offer Israel a series of US guarantees in exchange for the freeze. Then, it declared its intention to call for parallel negotiations, whereby Mitchell and other American envoys will shuttle between the two sides. On knowing their positions towards the major issues, particularly on security and borders, they will, without informing either of the two parties of the suggestions of the other side, crystallize a text that will bridge the huge gap between the Palestinian and Israeli sides.¹⁴¹ Through this course Obama's administration hoped to conclude a framework agreement by December 2010, and requested a grace period until this date.

It was always highly unlikely that the Americans would succeed in concluding a framework agreement that settles the major issues. Since the US had failed to



convince Israel to renew a freeze on settlement construction, one must question how it could possibly convince Netanyahu's government to accept an agreement that provides for withdrawal from the 1967 occupied territories as demanded by the Palestinians, or from most of the territories, as suggested by the Americans. The American position on the withdrawal had been reiterated more than once. On 14/4/2004, Former George W. Bush explained the issue in a letter to Ariel Sharon, "In light of new realities on the ground, including already existing major Israeli populations centers, it is unrealistic to expect that the outcome of final status negotiations will be a full and complete return to the armistice lines of 1949," then he added, "It is realistic to expect that any final status agreement will only be achieved on the basis of mutually agreed changes that reflect these realities," he continued.¹⁴² Then, during Obama's Administration, United States Middle East Envoy George Mitchell assured the Israelis of the continuing US commitment to the 2004 Bush letter.¹⁴³

How could it be that the present Israeli government, which has consistently insisted that united Jerusalem is the permanent capital of Israel, will agree to withdraw from Jerusalem? Equally, how could it agree to withdraw from the WB at a time when it continues to build settlements there, and while it insists that any future Palestinian state should not include the Jordan Rift Valley and the eastern and western borders up to 15 km, as well as the sources of water and other vital security, military and strategic areas, where the stationing of Israeli forces, in its view, is not negotiable even after the establishment of the Palestinian state?

Interestingly, Netanyahu had previously claimed that the development of a system of long-range missiles and control of extensive parts of the WB was not enough to protect its borders. When that claim proved unconvincing, he developed and repeated new arguments to justify the necessity of the stationing of Israeli forces in the WB. Amongst those were protection of the Jordanian and Egyptian regimes against internal dangers and the Iranian threat, and the grave instability in the entire region that may lead to extensive changes that could jeopardize the chances of reaching a peace settlement, or, if concluded, its application and continuity.

To understand the extent of the illusion of a viable and concluded peace settlement in the foreseeable future, and to further highlight that what has been submitted is actually an elimination, and not a peace settlement, of the Palestinian

issue, a record of some of what the Israeli press and some Palestinian leaders, who participated in the early September 2010 Washington negotiations, said may be useful. A senior Israeli analyst, Ben Caspit, wrote in *Maariv* newspaper that Netanyahu and his assistants refused to accept Palestinian documents that explain the Palestinian view on the major issues lest the Israeli government collapses. Caspit mentioned two incidents that support his claim.¹⁴⁴

The first incident took place when a meeting between Yitzhak Molcho, an advisor of Netanyahu and Sa'ib 'Uraiqat took place in Washington, in the presence of American mediators. 'Uraiqat took an official booklet out of his briefcase bearing the logo of the PA and tried to hand it to Molcho. When the Israeli inquired as to the content of the booklet, 'Uraiqat said that this was, in effect, the detailed, updated Palestinian peace plan, covering all the core issues. Molcho refused to take the booklet or examine it. According to sources who are informed about what took place there, he said to 'Uraiqat, and to the Americans, that he could not touch the Palestinian booklet, read it or take it, because as soon as he would do so, "the government will fall."

The second case took place in a meeting that was held between PM Benjamin Netanyahu and Abu Mazin, in the prime minister's official residence in Jerusalem. It has now become apparent that in this meeting, Abu Mazin brought an official Palestinian document for Netanyahu, consisting of two printed pages, with the proposed Palestinian solution on the two issues that the sides were supposed to discuss at the first stage: Security arrangements and borders. Netanyahu refused to read or discuss the document. Abu Mazin is said to have left the document at the Prime Minister's Residence.

If Netanyahu emphatically refused to merely take Palestinian documents lest his government falls, how credible is his claim that he and his government are ready to negotiate the fundamental issues?

What is submitted to the Palestinians is not a peace settlement or a negotiated deal, but in essence they are required to verbatim submit to the Israeli vision which aims to liquidate the Palestinian issue once and for all. Contrary to assumption in some quarters, what had been offered to the Palestinians—now and before—is not a state in return for their surrender of the rights of the refugees, but to relinquish all their rights and the de facto elimination of every aspect of the Palestinian issue. The maximum that they may receive would be a long term and multi-phased



transitional solution that may or may not lead to a framework agreement that speaks of a final peace settlement to would be implemented at a later date.

Within its present set up and circumstances, likely to continue during 2011 and in subsequent years, Israel will at most accept a Palestinian state on a part of the occupied territories, including parts of East Jerusalem. Such a state will be a de facto Israeli protectorate that has nothing of the credentials aside from in name. Thus, Israel will avoid the dangers of the demographic time bomb, the difficult options of creating one single united state and resumption of direct occupation.

We have suggested that the “maximum” that Israel may accept in the present circumstances is a Palestinian state tailored to Israeli conditions and interests, though the establishment of such a state is not yet unanimously accepted and conclusively settled in Israel. There are some Israelis who adamantly insist that Israel should not yield such a concession.

Within this context, the Israeli options and alternatives, of which one will certainly be imposed upon the Palestinians, are:

First: To maintain the status quo for as long as possible, allowing Israel to complete its expansionist plans. However, this option may be time-limited as negotiations have been dragging on for over 20 years since the Madrid conference, and there are increasing American and international calls to resolve the conflict. Moreover, there are increasing indications that the Palestinians and the Arabs will drop the option of negotiations, which would lead to the collapse of the PA and the withdrawal of the Arab Peace Initiative.

Second: Return to the option of Israeli unilateralism, because Israel will not indefinitely await Palestinian acceptance of what it offers them, which will, anyhow, be less than the minimum expectation of the Palestinian leadership, however flexible and moderate it may be. Israel is even considering the redeployment of the occupation forces to the lines of the 28/9/2000, or to swap people and territories as it may see fit. Moreover, it is also may remove some small settlements and settlement outposts, thus imposing on the ground a state composed of pieces, a “Mickey Mouse” state. In this case, the Palestinians would be obliged to accept and live with this reality as is the case in GS and, in a disguised form, in the WB.

The likelihood of this second option has increased since the Tunisian and Egyptian revolutions. These sweeping regional changes could end what remains of

the probability to conclude a framework agreement or any signed deal. Moreover, the publication of the Al Jazeera documents will ensure that any Palestinian negotiator will be extremely hesitant to engage in a negotiations, and if negotiations do resume, a negotiator will always have to consider that whatever they propose could be leaked to the population sooner or later. Attention will increasingly focus on developments in Egypt, and developments there will significantly impact the Palestinian issue.

Third: Reviving the regional solution, in cooperation with Jordan and Egypt. This may appear in different forms, of which the most important is the “Jordanian option” along with its different forms, such as to annex the territories that Israel does not occupy in the WB to Jordan in the context of a federation or a confederation. The same scenario may be applied to GS, or alternatively it could be pushed once more to an Egyptian mandate.

Fourth: The option of a state with temporary borders via a Palestinian-Israeli agreement under American and international patronage. Apparently, this is the best option for Israel, as it makes the Palestinians alone responsible for the elimination of their cause. But this option is far fetched, particularly so if it is not associated with a framework agreement that deals with the fundamental issues. Israel may also unilaterally impose a phased solution under the title of a state with temporary borders, which would block Palestinian efforts to secure international recognition of their state in September 2011.

The imminent danger for the Palestinians would be brought about by declaring the functionality of the state’s institutions, and to secure its recognition by most countries of the world as well as the UNGA. The proposed state would be established on part of the occupied territories—more or less 50% of the lands of the WB—and without Jerusalem and GS. Moreover, this option is compatible with the phased solution that Israel is trying to impose. However, if no real alternative is crystallized, this option, which is practically ongoing, will appear to be tacitly agreed upon, although lacking a formal signed agreement.

Obama’s administration is currently performing like a “lame duck” when it comes to the Middle East, displaying more bias to Israel than it had been in the beginning of its term, particularly so since the mid-term elections to Congress in which the Republican Party won a majority. Obama is striving to appease the Israelis by advocating a long term and multi-phase transitional agreement of a



state with temporary borders that ignores the issues of borders, Jerusalem and the refugees under the guise that they will be addressed in a subsequent phase. Obama arrival at this juncture was demonstrated by the stoppage of his administration's attempt to freeze settlement building, and its declaration of parallel negotiations to conclude a framework agreement, which poses a great challenge to the Palestinians that they have to be ready to confront and defeat.

This probability of a framework agreement that acts as a cover for a new transitional solution was feasible before the ongoing Arab awakening. For the Arabs had then been in such weak and miserable conditions that they could not possibly transform to a position of strength in a year's time. Arab states had not developed, after the deadlocked negotiations, any new options and the sum total of the Arab League Follow-up Committee's impact in 2010 was to give the American administration one grace period after the other in the illusionary hope that it will convince the Israelis to freeze settlement building or accept a reference that makes the resumption of the negotiations possible.

Initially, the committee gave the American administration a four-month grace period during which indirect negotiations were allowed on condition that they develop into direct negotiations. Then they agreed that the Palestinians should participate in direct negotiations though no progress was achieved in the indirect negotiations. Though the direct negotiations had also failed after less than a month, the Arab summit convened in Sirte gave another one month grace period which was eventually unofficially renewed. Subsequently, the Arab League Follow-up Committee gave the American administration another grace period till September 2011 in the hope that the Americans will meanwhile come with a serious offer to resume negotiations.

Palestinian leaders had increasingly looked to the Arabs, specifically the Arab League Follow-up Committee, to endorse and sell their decisions to the Palestinians, and, sometimes, to the Palestinian establishment itself. For example, a decision on the negotiations had been submitted to the Arab committee well before its presentation to the PLO Executive Committee, which had found itself more than once facing a *fait accompli*. The Palestinians' options were scattered and contradictory, and they were apparently inclined to await the success of the American efforts, or to strive to press for their success, but not to look for a real other option.

The Arab awakening, particularly in Egypt, seems to suggest positive elements to reactivate the pan Arab pro-Palestinian movement that helps to strengthen the Palestinian position, and would exert more pressure on Israel and the US administration. In the future, it can be reasonably hoped that revolutionary changes within Arab states will restructure the balance of power in the region and create the space for strategic opportunities that support the Palestinian struggle, facilitating the participation other factions in the leadership of the PLO. This will certainly influence the form of future Palestinian strategy.

Of the options available to the PA; awaiting for a change in the American-Israeli position, awaiting condemnation of settlement building by the UN Security Council, gaining recognition of a Palestinian state at the UN or calling upon the international community to submit a new road map, none would present a credible alternative that would trigger a breakthrough in the deadlock. Therefore a logical step would be for the Palestinians to crystallize a new national charter that explains their objectives, rights and fundamental needs, as well as the “red lines” that should not be bypassed. Further, based on this new charter, they would also be able to formulate a new strategy that focuses on uniting Palestinian-Arab elements of strength and pressure, concentrating on strengthening Palestinian steadfastness in their country and building the necessary institutions for this. Moreover, the charter would need to spell out that the exclusive function of the PA is to serve the national program, and give priority to the end of the schism and promote national unity. Palestinian efforts and assets should re-focus on one primary objective, namely resistance of the occupation by all available means in order to uproot it, achieve freedom and independence and the return of the Palestinian diaspora.

This strategy requires that the national program be restored to center stage, with its goals to establish the state, achieve self-determination, ensure the return of the refugees, and the restructuring of the PLO in a national and democratic manner that achieves sound partnership and accommodates all factions of the resistance. Moreover, it should guarantee the revival of the Arab and international dimension of the Palestinian issue, and initiate a multi-dimensional political drive to end the American monopoly of the political process, and demand an effective international role and guarantees. In addition, it should do all that is needed to hold Israel accountable for its occupation and the crimes that it committed in Palestine. Inevitably this would mean imposing on Israel isolation, sanctions and punishments that makes it realize that the occupation of Palestine will not succeed. Only by then



could a peace settlement be achieved on the basis of the minimum conditions fixed by the PLO. However, though modest against the aspirations of the Palestinian people, this goal is difficult and requires serious concerted efforts, not a symbolic resistance. Admittedly, international support and recognition of the Palestinian state is essential, but these elements alone constitute a viable strategy capable of ending the occupation and establishing a truly independent Palestinian state.

Conclusion

The domestic Israeli scene during 2010 had been characterized by the ascendancy of the right and dwindling of leftist groups. This was reflected in the ruling coalition led by the Likud, and in which the extremist party Yisrael Beitenu, led by Lieberman, and fundamentalist religious parties played an important role. Other manifestations of this phenomenon were expressed through the continuation of settlement projects, the Judaization of Jerusalem and the stumbling of the peace process that reached deadlock. Furthermore, 2010 saw increasing manifestation of racism in Israeli society against the 1948 Palestinians. Laws were enacted to emphasize the “Jewishness of the state,” and to make loyalty to Israel as a “Jewish state” a condition for citizenship, in addition to other laws and practices that restricted the civil rights of the Palestinians and their rights to residence, free movement, possession of property and access to services.

The real crisis that the Israeli left experienced was the rapid decline and disintegration of the Labor Party, which reached its climax with the resignation of its President Ehud Barak and four Knesset members, who formed a new party called Atzmaut. With this move Barak managed to keep for himself the defense portfolio in the governing coalition, and henceforth increasingly pursued rightist policies, while the other representatives of the Labor Party in the government resigned.

By the end of 2010, the population of Israel totaled 7.695 million persons, of whom about 5.803 million were Jews. Security and political stability improved, and the economy prospered, achieving in 2010 a 4.6% rate of growth. Despite the global economic crisis, Israel increased its industrial output, particularly in advanced technology, where the prevailing relative calm in WB and GS played an important role. Nevertheless, Israel continued to suffer from decreasing members of Jewish immigrants, and a rising counter migration.

Several developments during 2010 strengthened the strategic position of Israel. Amongst them were security cooperation with the PA in Ramallah, relative calm in the southern borders with GS, the Palestinian schism, weakness and inability in the Arab world and international community, and the American unwillingness to apply any effective form of pressure on Israel to yield the requirements of peace. Thus Israel opted to continue the settlement building rather than to engage in meaningful negotiations, which ultimately led to the collapse of a futile peace process.

Though the dragging on of the status quo is seemingly beneficial to Israel in the short run, the opposite is probably the case in the long run. Palestinian disillusionment and increasing despair with the peace process, as well as the likelihood of a change in the domestic Palestinian equation, may entail a troubled future for Israel.

The historic changes in the Arab world since the beginning of 2011, which call for new political regimes in Egypt, Tunisia and elsewhere, may ultimately lead to dramatic changes in the position and orientation of the Arab countries surrounding Israel. Democratic transformations could lead to the emergence of new political regimes that uproot oppressive and corrupt leaders and their cronies. This may dramatically alter down the rules of the game on which Israel had depended to prolong its occupation and oppression of the Palestinian people, and to secure its prosperity, strength and the continuity of its very existence.

The immediate problem for Israel lies in its accelerating shift towards right wing extremist parties, which distances it from seizing the window of opportunity provided by the current excessive weakness of the Palestinian-Arab camp to achieve a peace settlement. It is quite likely that it may have in the future a serious shock when a stronger Palestinian-Arab-Islamic front emerges that refuses to accept the status quo. One can even envisage a day when such a united Arab world may even dictate and impose its conditions on Israel.

History may not repeat itself, but it certainly feeds itself, and sometimes provides quieting answers for complex problems. Within this context, the Palestinian people may be advised to reflect on and learn lessons from the not too distant (1994) triumph of the South African people against Pretoria's "Grand apartheid," racist, oppressive regime, which, ironically, was established in the same year (1948) in which Israel was founded in the land of Palestine.



Endnotes

- ¹ The Israel Democracy Institute (IDI) did a critical and analytical study on major parties in Israel. It shows that the large ideological parties are on their way to vanish. Thus, the formation of any government in Israel won't happen unless an alliance of opposites is forged. See http://www.idi.org.il/Parliament/2009/Pages/2009_63/D/d_63.aspx (in Hebrew)
- ² See for example the interview of *Haaretz* with Isaac Herzog of the Labor Party. He said that his decision to join the coalition because he was convinced that Netanyahu "wants to, and is ready to, reach a significant breakthrough with the Palestinians." *Haaretz*, 22/3/2010, <http://www.haaretz.com/hasen/spages/1158074.html>
- ³ See Ofer Shelah, *Maariv* newspaper, 4/1/2011, <http://www.nrg.co.il/online/1/ART2/196/580.html> (in Hebrew)
- ⁴ See site of Israel Radio, Channel 2, 29/12/2010, <http://www.iba.org.il/bet/?type=1&entity=700736> (in Hebrew)
- ⁵ See *Haaretz*, 29/4/2010, <http://www.haaretz.com/weekend/magazine/contemplative-observation-of-ehud-barak-during-a-tv-interview-1.287434>
- ⁶ This movement is led by the Chairman of the Histadrut, Ofer Eini. See *Globes* newspaper, 29/12/2010, <http://www.globes.co.il/news/article.aspx?did=1000606994> (in Hebrew)
- ⁷ See *Haaretz*, 18/1/2011, <http://www.haaretz.com/print-edition/news/ehud-barak-announces-defection-from-labor-formation-of-new-party-1.337627>
- ⁸ A Separation and an Opportunity, Haaretz Editorial, *Haaretz*, 18/1/2011, <http://www.haaretz.com/print-edition/opinion/a-separation-and-an-opportunity-1.337660>
- ⁹ Israel Radio, Channel 2, 6/10/2010, <http://www.iba.org.il/bet/Doc/DOC587243.pdf> (in Hebrew)
- ¹⁰ See *Yedioth Ahronoth*, 3/10/2010, <http://www.ynetnews.com/articles/0,7340,L-3963064,00.html>
- ¹¹ *Yedioth Ahronoth*, 15/12/2010, <http://www.ynetnews.com/articles/0,7340,L-3999398,00.html>
- ¹² See *Yedioth Ahronoth*, 12/9/2010, <http://www.ynetnews.com/articles/0,7340,L-3952886,00.html>
- ¹³ See *Yedioth Ahronoth*, 21/9/2010, <http://www.ynetnews.com/articles/0,7340,L-3957173,00.html>
- ¹⁴ *Haaretz*, 8/10/2009, <http://www.haaretz.com/hasen/spages/1119757.html>; and *Haaretz*, 11/8/2010, <http://www.haaretz.com/print-edition/news/barak-grilled-on-money-funneled-to-his-daughters-1.307233>
- ¹⁵ *Globes*, 2/3/2010, <http://www.globes.co.il/serveen/globes/docview.asp?did=1000543524&fid=1725>; and *Globes*, 3/3/2010, <http://www.globes.co.il/news/article.aspx?did=1000543668&fid=829> (in Hebrew)
- ¹⁶ See *Haaretz*, 15/4/2010, <http://www.haaretz.com/news/olmert-holyland-probe-is-unprecedented-character-assassination-1.284325>; *Haaretz*, 24/5/2010, <http://www.haaretz.com/news/national/police-to-question-ehud-olmert-in-holyland-probe-on-tuesday-1.292018?localLinksEnabled=false>; and site of Nakim, 5/4/2010, <http://www.nakim.org/israel-forums/viewtopic.php?p=273187> (in Hebrew)
- ¹⁷ *Haaretz*, 9/11/2010, <http://www.haaretz.com/news/national/mk-hanegbi-suspended-from-knesset-over-moral-turpitude-conviction-1.323772>
- ¹⁸ See *Haaretz*, 4/1/2011, <http://www.haaretz.co.il/hasite/spages/1206824.html> (in Hebrew)
- ¹⁹ See *Yedioth Ahronoth*, 18/2/2010, <http://www.ynetnews.com/articles/0,7340,L-3851404,00.html>
- ²⁰ See *The Jerusalem Post*, 9/12/2010, <http://www.jpost.com/NationalNews/Article.aspx?id=198676>

- ²¹ IDI publishes annual reports concerning the cases of administrative and financial corruption in Israel. For further information about these cases, see <http://www.idi.org.il/sites/english/Pages/homepage.aspx>
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This Report

The Palestinian Strategic Report 2010/11 is the sixth in a series of annual resourceful scientific studies. The Report discusses the developments of the Palestinian issue of this period, in an objective and comprehensive manner. The meticulous analytical reading of events tries also to foresee the future. This Report has become a basic reference in Palestinian studies, it is a must read for all those concerned.

An outstanding team of 14 academics and experts contributed to this Report. It is divided into eight chapters, that cover the internal Palestinian situation, the Israeli scene and the Israeli-Palestinian relations, the Arab, Muslim and international stances toward the Palestinian issue. This Report focuses also on the issue of Jerusalem and the holy sites; whereas, the demographic and economic indicators are studied and analyzed in two separate chapters.

As a serious addition to Palestinian studies, those interested in this field, including specialists, experts, libraries of universities and research centers, should have their copies of this Report.

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