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Edited By

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# Chapter Two

## *The Israeli-Palestinian Scene*

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# The Israeli-Palestinian Scene

## *Introduction*

The Israeli political arena did not see any crucial developments during 2011. With a tendency toward more right-wing and religious extremism, Israel pursued economic development with an emphasis on military matters. In spite of Israel's obstinate approach toward the peace process, it continued living in a state of anxiety and confusion caused by the changes and revolutions taking place across the Arab world, with so many potential repercussions for Israel.

This chapter discusses Israeli internal, demographic, economic and military conditions; it also considers Israeli aggression, Palestinian resistance, the Israeli position toward the internal Palestinian situation and the peace process.

## *First: The Internal Israeli Political Scene*

The internal Israeli political scene during 2011 was marked by a high density of events; although none brought about radical changes or transformations. The most prominent feature of this year was the political parties' activities, in particular the disintegration of the Labor Party and subsequent attempts to re-form it; in addition, the prospect of parliamentary elections began to loom on the agenda. The year was also characterized by conflicts between and within the parties forming the Israeli government coalition. There was also criticism voiced by opposition parties against the policies of Prime Minister Benjamin Netanyahu.

### **1. Opposition Parties Criticize the Netanyahu Government**

With the words of its leader, Tzipi Livni, the Kadima Party directed harsh criticism at Netanyahu policies that caused deadlock in negotiations with the Palestinians.<sup>1</sup> Livni said that, by adopting certain policies, Netanyahu was causing great harm to Israel's security interests. She added that Netanyahu lacked both a plan and a coherent political agenda. Kadima tends to accuse Netanyahu of succumbing to the dictates of his Foreign Minister Avigdor Lieberman, leader of the Yisrael Beitenu Party, particularly of submitting to Lieberman's attempts to





muzzle him. The Kadima Party tried to propose holding early elections for the Knesset, under the pretext that the Netanyahu government had failed to achieve progress in the negotiating process with the Palestinians, in addition to its failure to resolve the country's economic and social crises. The proposal failed when right-wing and religious parties sided with the government.<sup>2</sup>

Livni continued to accuse Netanyahu of causing Israel's isolation,<sup>3</sup> with his adoption of the deadlock policy and his submission to Lieberman, who is globally unpopular and viewed as extreme. In return for the steps taken by Livni to diminish Netanyahu's popularity and depict him as a failure, the latter sought to break Kadima's unity by offering Kadima a place in the government coalition. There were voices within Kadima that supported this step; however, Livni and a number of Kadima's leaders put an end to this attempt by refusing to join the coalition. As a result tension increased inside Kadima between Livni and her second in command in the party Shaul Mofaz (who previously served as the Israeli army chief of staff). Charges of financial corruption were subsequently leveled against Livni by a number of her party's senior figures.<sup>4</sup>

## **2. The Disintegration of the Labor Party and the Rebuilding of What Remained of Its Fragments<sup>5</sup>**

A conflict occurred inside the corridors of the Labor Party between those who supported staying in the coalition government headed by Netanyahu and those who opposed it and wanted to withdraw. Those who opposed staying claimed that the deadlock in the negotiation process with the Palestinians is not in Israel's interest, accusing Netanyahu of seeking to entrench it. Moreover, those who called for leaving the coalition were motivated by the fear that staying in government would inevitably lead to the erosion of the party's political capital among Israelis, and thus to its disintegration. To resolve this situation, Ehud Barak, the Israeli defense minister and Labor Party leader, indifferent to his party's collapse, took the initiative of deciding to split from the party and form a new faction under the name Atzmaut (Independence). Barak was hoping that Labor Party dissenters (those who would not join his initiative) would form their own independent faction, and thus cause the break-up of the Labor Party for good.<sup>6</sup> With this move, Barak lost his leadership of the Labor Party but kept his position in the government within the framework of an independent breakaway faction. In the meantime, Labor Party ministers, who demanded withdrawal from the government, found themselves outside the coalition, without having taken the decision to leave.

It should be noted here that it was obvious to Barak that his new party could not survive in the next elections; so his joining the Likud Party was merely a matter of time. It is also worth noting that this method of thinking and planning on the part of Barak has not, up to the time of writing, received a positive or a negative response from Netanyahu, who has continued to keep silent about this step in order to maintain the stability of his coalition government.

In response to Barak's departure, the Labor Party launched a restoration and rebuilding process, holding preliminary internal elections that officially added several thousand new members to its ranks. A member of the Knesset, Shelly Yachimovich, was elected leader of the party, as she understood how to capitalize on the wave of social protests that swept Israel in the summer of 2011 to give her party a new look. Yachimovich has succeeded in attracting thousands of young people who see a chance for renewed hope in the Labor Party.<sup>7</sup> There was speculation that if the Kadima and Labor parties contested the upcoming elections on one ticket, they would defeat Likud and the right, and the centrist parties would return to power in Israel. However, this is unlikely, according to the polls conducted in early 2012, the right would maintain its superiority over both the center and the left, as Israeli society continues to lean increasingly to the right. The Labor Party's new leadership was able, according to opinion polls, to at least halt the party's deterioration and maintain its position among the four biggest parties in Israel.

### **3. The Yisrael Beitenu Party Dominates the Coalition**

The actions of Yisrael Beitenu's leaders revealed that the party was able to dominate the coalition government and exert great influence over the Israeli political scene. This was done through a number of steps; among them: proposing a set of laws to curb democracy and freedom of expression and association, and laws to make Israel look "more Jewish." Netanyahu and his party approved some of these proposals. Among the other proposed laws were: monitoring the funding of non-governmental organizations (NGOs), revoking the citizenship of those accused of security offenses, passing legislation giving Jerusalem the highest national priority status, which meant more Judaization operations in the city, expelling more Jerusalemites from their city,<sup>8</sup> placing more restrictions on journalists and the media,<sup>9</sup> confiscating hundreds of thousands of donums from Bedouin Palestinian Arabs in the Negev for the benefit of settlement projects planned by Israel<sup>10</sup> and a law banning Palestinian family reunification.



Because of this extreme approach, the Yisrael Beitenu Party was targeted with a wave of criticisms from the Labor Party, which accused it of dragging Israel in to dead ends in its negotiation tracks with the Palestinians. Despite of its being a member of the government coalition, this party did not escape confrontations, of various severity, with Netanyahu and his Likud Party. For example: there were conflicts between Netanyahu and Lieberman over the appointment of Israeli ambassadors to a number of countries; there was the issue of appointing a new chief of staff to succeed Gabi Ashkenazi, and Netanyahu blocked the bill proposed by Yisrael Beitenu to investigate the funding of NGOs.

Many charges were leveled against Lieberman, among them fraud, breach of trust and witness tampering. The media circulated news about his alleged tax evasion and money laundering through companies registered in the name of his daughter.<sup>11</sup> His financial and administrative corruption file has become huge, without him being prosecuted, possibly for fear of the government disintegrating. Faced with these allegations and files, Lieberman did not resign, despite the demands of legal authorities and political parties in Israel. Israeli civil society seemed unwilling to come out and demand the fall of Lieberman, preferring to maintain the Netanyahu government.<sup>12</sup> Consequently, the prospect is of Netanyahu and Lieberman continuing to maneuver to prevent the toppling of the former's government, and to preserve the complex coalition of which he is the head.

#### **4. Moves to Develop a New Party Map of Israel, in Preparation for the Coming Elections**

During 2011, a series of opinion polls were published regarding the future of the party map in Israel. Most opinion polls indicated that, even if new parties and lists ran for the coming parliamentary elections, it would not be easy to defeat the right-wing parties, which would retain control of the situation on the domestic political scene in Israel.

A new leadership replaced Ehud Barak in the Labor Party and new elections were held on 27/3/2012 to find a leader for the Kadima Party, won by Shaul Mofaz. For his part, Yair Lapid,<sup>13</sup> a presenter on Israeli Television (son of Yosef (Tommy) Lapid who founded the Shinui Party, and who completely disappeared from the political arena during the last elections), sought to establish a new party under his leadership, hoping to rise with it and join the list of major parties. As for Aryeh Deri (a former minister and past leader of the Shas Party, who distanced himself from the

political scene, after having served a jail sentence because of financial corruption), he started formation of a new party, with the hope of winning 6 seats. Opinion polls conducted in the period between December 2011 and April 2012 indicated that the Likud Party would win 30 seats, while the Labor Party could hope for 16–19 seats. After electing Mofaz as its leader, the Kadima Party's expected number of seats dropped from 17 to 13; and the Yisrael Beiteinu Party is expected to win 13–17 seats; Yair Lapid Party, 10–14 seats; the Shas Party, 8–9 seats; and Meretz Party about 5 seats.<sup>14</sup> According to this picture, the center and leftist parties in Israel would not be able to form a new government; which means that new elections would not bring about change in the Israeli domestic political scene, as some hope.

There is no doubt that the complex Israeli party map, especially the large number of political parties and lists are the root of the Israeli governments' instability. Moreover, they are the reason for the perennial threat of early elections for the Knesset before the end of its term (this has been ongoing for over a quarter of a century).

Facts on the ground indicate that the Israeli right is gaining strength, and that racial and religious extremism have become the daily bread of large sectors of Israeli society. Racial extremism is directed against Palestinian Arabs in Israel, who hold Israeli citizenship and ID; this is done by imposing restrictive laws, flagrant funding discrimination in budgets, and more routine daily exchanges that are discriminatory and racist. Religious extremism has been growing within Israeli society. In the second half of 2011, such extremism intensified the rift in Israeli society; the issue that really ignited the situation was the exclusion of women from the religious Haredi communities (ultra-Orthodox and puritanical). Despite the widening rift, the Netanyahu government did not attempt to halt it or find a solution, in spite of Netanyahu's public opposition to excluding Jewish women from the public sphere.<sup>15</sup> Fear of a breakdown of the fragile coalition is again the reason for the situation being allowed to deteriorate.<sup>16</sup>

### **5. Social Justice Protests, a Tempest in a Teacup<sup>17</sup>**

2011 revealed the inability of the Israelis to bring the government down politically, although the judiciary did succeed in punishing the former Israeli head of state Moshe Katsav, charging him with rape and sexual harassment; he was sentenced to seven years in prison.



Protests started in Tel Aviv among segments of the middle class, young couples and intellectuals. The main concerns of these were their inability to pay the high rent rates of their homes and the exaggerated fees charged by daycare centers and nursery schools, while their salaries were static. These social protests did not go beyond the limits of the Tel Aviv squares, some major Israeli cities, and development towns, particularly those in the periphery that suffer from shortages in their budgets, including development budgets. Protest tents and bowers were set up; however, the Eilat Operation, which the resistance executed on 18/8/2011, killing eight Israelis and injuring 29 others, was sufficient to divert thousands of protesters back to their fear for Israel's security.<sup>18</sup> So, these protests did not rise to the prospects of bringing about real change in the Israeli political domestic scene, as many had predicted in light of the revolutions in the Arab world. They also failed to engender chaos in Israeli political life. Instead they were merely a tempest in a teacup. Netanyahu's government has succeeded in passing this test; it seemed destined to survive for a long period to come.

## **6. Netanyahu's Reading of the Internal Political Scene and Its Connection to Events in the Region**

Despite the deadlock in negotiations with the Palestinians, and the fact that the Palestinian issue had been relegated to a lower rung on the ladder of the Middle East's daily news agendas, it seems that Netanyahu understood the political scene and what could affect his government's future first and foremost, and his Likud Party secondly. In light of this reading, he surprised his party's members by calling for early Likud primaries to select the party's candidates and to form its list for the coming elections. This step of his opened the door to intense competition inside the party. Subsequently, the domestic political arena, which was somewhat stagnant in the final quarter of 2011, began seeing a flurry of activity in preparation for the possible fall of the government or for early elections.<sup>19</sup>

Several factors influence decisions on bringing forward or delaying elections. One of these factors that could extend the life of the Netanyahu government is if the leadership of the PLO went ahead with its bid to the UN Security Council,<sup>20</sup> the UNGA and other international institutions to recognize Palestine as a full member of the UN.<sup>21</sup>

## ***Second: The Most Prominent Demographic, Economic and Military Indicators***

### **1. Demographic Indicators**

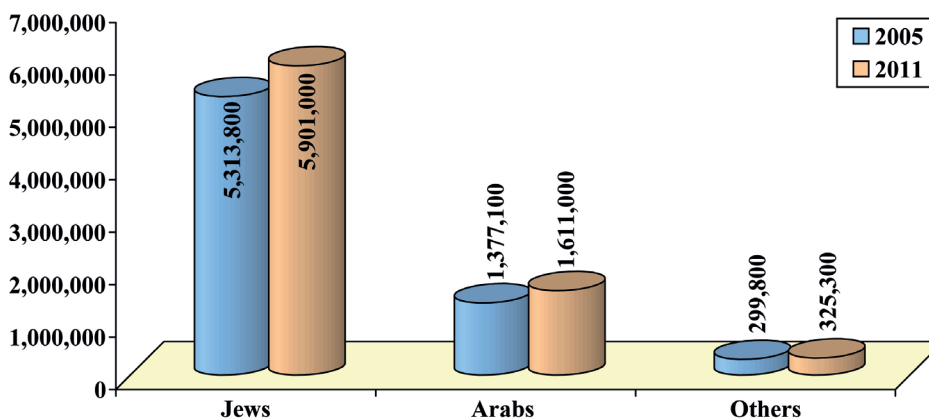
According to the Central Bureau of Statistics (CBS), Israel's population at the end of 2011 stood at 7.837 million; of these, 5.901 million are Jews, 75.3%. The CBS classified about 325 thousand as "others," 4.1% of the population; these are mostly immigrants from Russia, the former Soviet Union and Eastern Europe, who are not recognized as Jews, who tend to deal with Judaism as a nationality rather than a religious affiliation and are non-Jews or non-Arab Christians. The number of Arab citizens, including the inhabitants of occupied East Jerusalem and the occupied Golan Heights was estimated at 1.611 million, 20.6% of the population.<sup>22</sup> If we subtract the number of East Jerusalem residents (about 292 thousand)<sup>23</sup> and Golan Heights residents (about 25 thousand), the number of what are known as the 1948 Palestinians (those Palestinians who remained in the Palestinian territories occupied in 1948) becomes 1.294 million, 16.5% of the population.

It is hard to obtain updated official statistics on the number of Jewish settlers in the WB. However, Ya'akov Katz, a member of the Knesset and the head of a parliamentary bloc representing the settlers, mentioned in early 2011 that the number of settlers in the WB, excluding Jerusalem, had reached 328 thousand;<sup>24</sup> The Israeli Population Registry Department stated in July 2011 that their number came to 334 thousand having increased during a 12 month period by approximately 14 thousand settlers, a growth rate of 4.3%. According to these estimates, the number of Jewish settlers in the WB, at the end of 2011 and the beginning of 2012, had reached 342 thousand,<sup>25</sup> excluding East Jerusalem where the number of settlers has reached approximately 200 thousand.<sup>26</sup> This puts the total number of Jewish settlers in the WB at 542 thousand.



**Table 1/2: Population of Israel 2005–2011<sup>27</sup>**

Year	Total population	Jews	Arabs (including the population of East Jerusalem and the Golan Heights)	Others
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
2011	7,837,300	5,901,000	1,611,000	325,300

**Population of Israel 2005 & 2011**

In 2011, the population growth rate in Israel was 1.8%, which is almost the same rate it has been since 2003. According to CBS, 16,892 immigrants came to Israel during 2011 compared with 16,633 in 2010 (see table 2/2). The average reverse migration continues to be between 10–15 thousand annually.<sup>28</sup>

It is worth mentioning that, according to the Jordanian *Addustour* newspaper, Israeli statistics indicate that, at the beginning of 2011, about 150 thousand foreigners were residing in Israel without permits or visas; among them, 33 thousand were illegal infiltrators from Eritrea and Sudan and approximately 100 thousand others were tourists without valid visas, most of whom had come from the former Soviet Union.<sup>29</sup> Additionally, according to the Quds Press International News



Agency, Israeli statistics indicate that, during 2011, there were 45 thousand infiltration incidents,<sup>30</sup> compared with 14 thousand in 2010 and five thousand in 2009.<sup>31</sup>

Table 2/2, below, reveals the extent of the decline in Jewish migration to Israel during the period 1990–2011. We can deduce from this table that the number of immigrants had declined during the last five years (2007–2011) to about 13.1% of the total number of immigrants in the period 1990–1994. The reason for this decline lies in the fact that the nineties witnessed a large wave of immigration to Israel following the collapse of the Soviet Union and the socialist system in Eastern Europe. With the depletion of this source of people, and the stable and improving conditions in former Soviet states, the rate of immigration declined to less than 20 thousand annually.

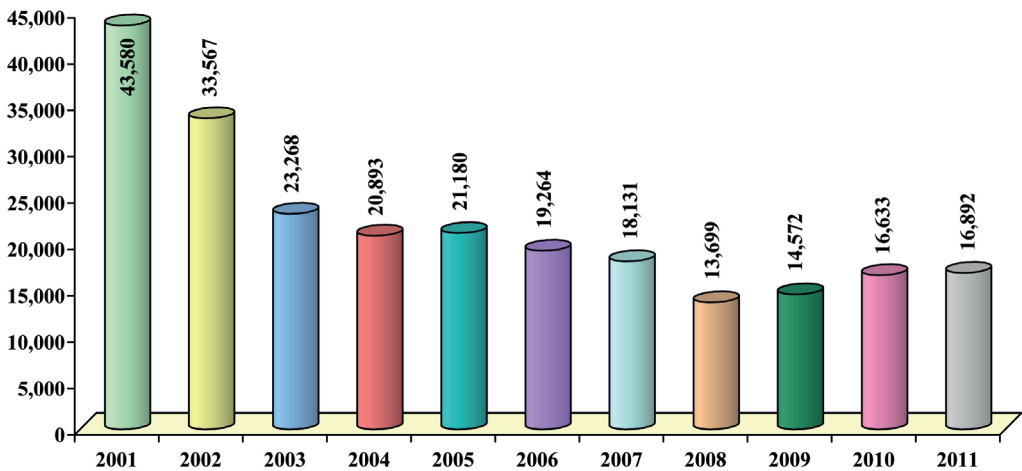
**Table 2/2: Numbers of Jewish Immigrants to Israel 1990–2011<sup>32</sup>**

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	2011	Total
No. of immigrants	21,180	19,264	18,131	13,699	14,572	16,633	16,892	1,262,997

**Numbers of Jewish Immigrants to Israel 2001–2011**

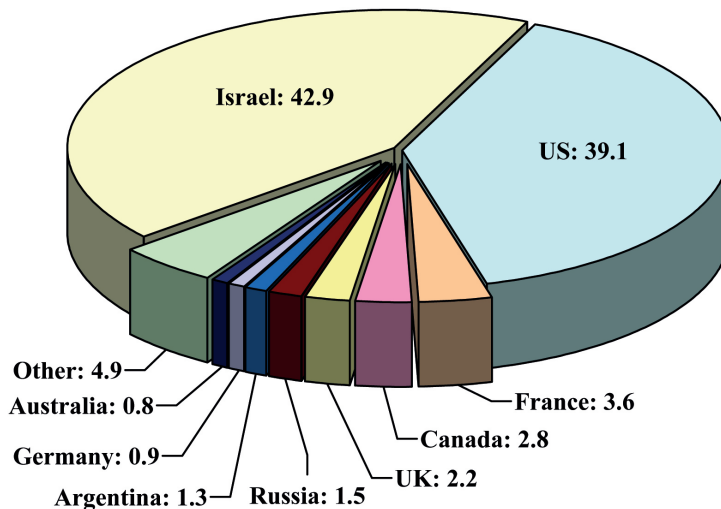


As for the world Jewish population, the 2010 CBS figures show a total of 13.508 million. Jews in the US number about 5.275 million, 482 thousand in France, 375 thousand in Canada, 291 thousand in the United Kingdom (UK), 199 thousand in Russia, 182 thousand in Argentina, 119 thousand in Germany, and 108 thousand in Australia. The Jewish population sees very slow population growth; the world Jewish population in 1970 was 12.63 million; meaning that, over a period of 40 years, the population grew by only 6.95%, with an average annual growth rate of 0.17%. This is due to the rise in the number of intermarriages, low birth rate, and assimilation into other societies. Therefore, no significant increase in the Jewish population was expected during 2011 and 2012.

**Table 3/2: World Jewish Population by Country 2010<sup>33</sup>**

Country	Israel	US	France	Canada	UK	Russia	Argentina	Germany	Australia	Other	Total
<b>Estimate (thousands)</b>	5,803	5,275	482	375	291	199	182	119	108	674	<b>13,508</b>
<b>Percentage (%)</b>	42.9	39.1	3.6	2.8	2.2	1.5	1.3	0.9	0.8	4.9	<b>100</b>

**World Jewish Population by Country 2010 (%)**



The 1948 Palestinians continue to suffer as a result of living under Israeli policies of racial discrimination. A report on discrimination in Israel indicated that, during 2011, the Israeli Knesset continued its discussion of 24 drafts of discriminatory laws.<sup>34</sup> A poll conducted in 2009 by the Guttman Center for Surveys

of the Israel Democracy Institute for the AVI CHAI-Israel Foundation, with its results published in early 2012, indicated that 70% of Israelis believe that the Jews are the “chosen people.” Fully 61% of respondents said that public life should be conducted according to Jewish religious traditions. Ironically 65% of Israeli Jews, according to the same poll, believe that the Torah and precepts are “God-given.” This meant that those Jews who believe that they are the “chosen people” exceed the number who believed in the Jewish religion itself!!<sup>35</sup>

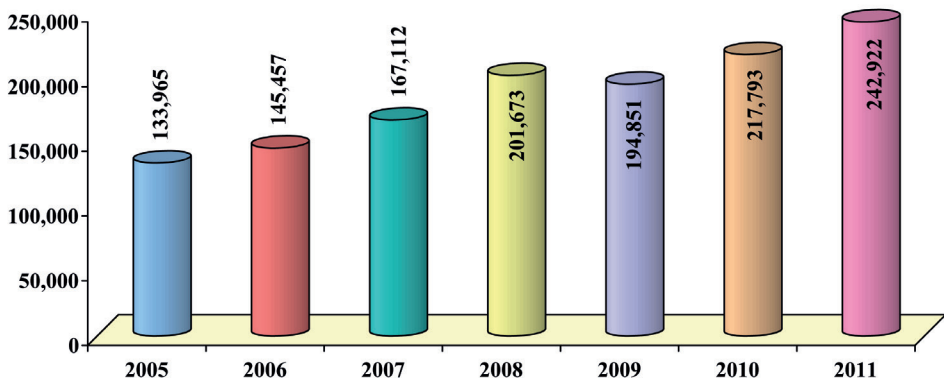
## 2. Economic Indicators

In 2011, Israeli Gross Domestic Product (GDP) amounted to \$242.92 billion, compared with \$217.79 billion in 2010.<sup>36</sup> It should be noted that the shekel’s exchange rate against the US dollar increased 20% between 2005 and 2011 according to reports by the Bank of Israel; which identified economic growth and an improving performance in the Israeli economy.<sup>37</sup>

**Table 4/2: Israeli GDP 2005–2011 at Current Prices<sup>38</sup>**

Year	GDP (million shekels)	GDP (\$ million)	Shekel exchange rate (according to Bank of Israel)
2005	601,208	133,965	4.4878
2006	648,228	145,457	4.4565
2007	686,512	167,112	4.1081
2008	723,562	201,673	3.5878
2009	766,273	194,851	3.9326
2010	813,021	217,793	3.733
2011	869,199	242,922	3.5781

**Israeli GDP 2005–2011 (\$ million)**

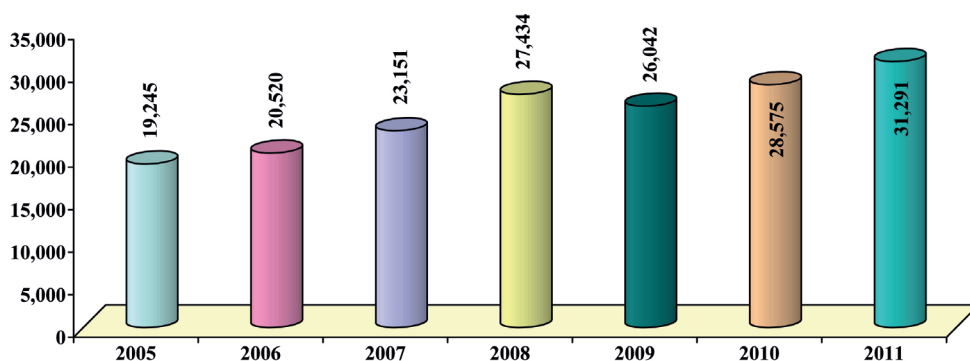


According to the CBS, Israeli per capita income (the average per capita GDP) rose from 106,669 shekels (\$28,575) in 2010 to 111,963 shekels (\$31,291) in 2011.

**Table 5/2: Israeli GDP per Capita 2005–2011 at Current Prices<sup>39</sup>**

Year	GDP per capita (shekels)	GDP per capita (\$)
2005	86,366	19,245
2006	91,449	20,520
2007	95,105	23,151
2008	98,429	27,434
2009	102,414	26,042
2010	106,669	28,575
2011	111,963	31,291

**Israeli GDP per Capita 2005–2011 (\$)**



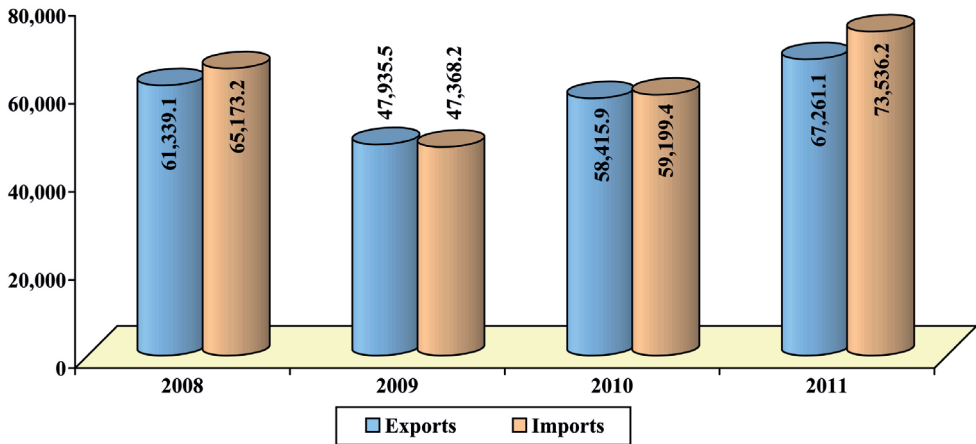
The Israeli government's public expenditure for 2011 amounted to 271.191 billion shekels (\$75.792 billion), while its public revenues for the same year totaled 251.314 billion shekels (\$70.237 billion), a budget deficit of 7.9%, or 2.3% of the GDP.<sup>40</sup>

In 2011, Israeli exports totaled \$67.26 billion, compared with \$58.42 billion in 2010, an increase of 15.1%. In 2011, imports totaled \$73.54 billion, compared with \$59.2 billion in 2010, an increase of 24.2%; these figures do not include foreign trade exports and imports services. This performance reflects a significant expansion in Israeli economic activity, although Israel had not yet managed to overcome its trade deficit.

**Table 6/2: Total Israeli Exports and Imports 2008–2011 at Current Prices**  
(\$ million)<sup>41</sup>

Year	2008	2009	2010	2011
<b>Exports</b>	61,339.1	47,935.5	58,415.9	67,261.1
<b>Imports</b>	65,173.2	47,368.2	59,199.4	73,536.2

**Total Israeli Exports and Imports 2008–2011 (\$ million)**



Manufactured goods topped the list of Israeli exports in 2011, accounting for 78.5% of all exports, a slight decline from 79.8% in 2010. Diamonds accounted for 19.1% of all exports in 2011 and agricultural commodities 2.3%. When classifying manufacturing exports by technological intensity, we find that, in 2011, high technology industries constituted 47.2% of such exports, compared to 49.5% in 2010. Regarding imports, we see that raw materials topped the list in 2011, with 36.3% of all imports; while investment and consumer goods made up 16.9% and 13.8% respectively.<sup>42</sup>

**Table 7/2: Israeli Exports by Commodity Group 2010–2011 (\$ million)<sup>43</sup>**

Year	Agricultural	Manufacturing	Diamonds		Others	Total
			Polished	Rough		
<b>2010</b>	1,326.8	40,607.1	5,871.9	3,063.8	9	<b>50,878.6</b>
<b>2011</b>	1,352.7	45,206.9	7,488.6	3,534.7	8.1	<b>57,591</b>



**Table 8/2: Israeli Imports by Commodity Group 2010–2011 (\$ million)<sup>44</sup>**

Year	Consumer goods	Raw materials	Investment goods	Fuels	Diamond rough and polished	Others	Total
<b>2010</b>	8,689.9	22,687.2	8,525.8	10,447.9	7,999.3	354.4	<b>58,704.5</b>
<b>2011</b>	10,039.8	26,405.6	12,313	13,638.2	10,156.5	193.7	<b>72,746.8</b>

The US continued to enjoy its standing as Israel's leading trade partner; Israeli exports to the US totaled \$19.36 billion in 2011, 28.8% of total Israeli exports. Israeli imports from the US in 2011 totaled \$8.71 billion, 11.8% of total Israeli imports. Israel offsets its trade deficit with most of its trading partners with its trade surplus of \$10.66 billion with the US, a vital support to the Israeli economy.<sup>45</sup>

Belgium regained its status as Israel's second largest trading partner. Israel's exports to Belgium in 2011 amounted to \$3.75 billion while imports from Belgium were \$4.47 billion. As usual, trade in diamonds and precious metals helped place Belgium in this advanced position. China dropped to third place, narrowly below Belgium, as Israeli exports to China were valued at \$2.71 billion, while its imports were \$5.45 billion. Hong Kong came next, with the Israeli exports totaling \$5.33 billion, and imports \$1.86 billion. It seems that the high volume of Israeli exports to Hong Kong is due to the latter being a center for re-exporting Israeli goods to various parts of the world. Nevertheless, mentioning Hong Kong in Israeli statistics as a destination for Israeli goods does not mean that all these goods get re-exported, for they may merely pass through in transit, as they do through Cyprus or any other transit point. Germany retreated to fifth place in the list of Israel's major trade partners, as Israel's exports to the country amounted to \$1.94 billion, and its imports \$4.57 billion.<sup>46</sup>

In addition to the above-mentioned, there were other prominent countries in 2011 to which Israel exported namely the UK (\$3.38 billion), India (\$3 billion), the Netherlands (\$2.13 billion), Turkey, France and Switzerland. As for the most prominent countries from which Israel imported in 2011, these were Switzerland (\$3.97 billion), Italy (\$3.06 billion), the UK (\$2.78 billion), the Netherlands, Japan, Turkey and India.<sup>47</sup>

The following table shows the Israeli trade exchange volume, exports and imports, with selected countries during the period 2010–2011, not including trade with the territories under the PA, to where Israeli exports totaled \$3,093 million, and Israeli imports from them totaled \$491 million, according to Israeli figures for 2010.<sup>48</sup>

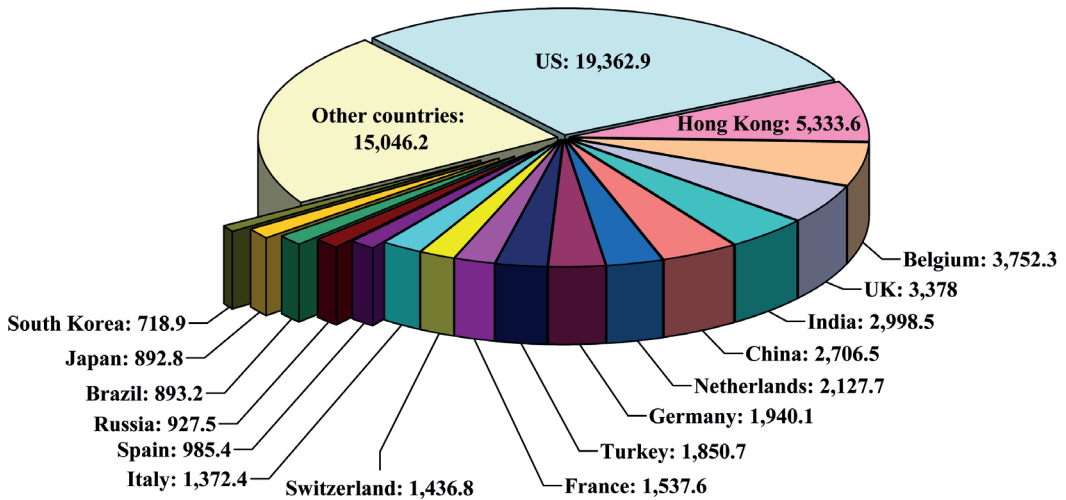
**Table 9/2: Volume of Israeli Trade, Exports and Imports to/ from Selected Countries 2010–2011 at Current Prices (\$ million)<sup>49</sup>**

Country	Trade volume		Israeli exports to:		Israeli imports from:	
	2011	2010	2011	2010	2011	2010
<b>US</b>	28,069.6	25,189.2	19,362.9	18,488.2	8,706.7	6,701
<b>Belgium</b>	8,217.3	6,693.2	3,752.3	3,116.8	4,465	3,576.4
<b>China</b>	8,157	6,783.6	2,706.5	2,046.8	5,450.5	4,736.8
<b>Hong Kong</b>	7,189.8	5,313.8	5,333.6	3,915.2	1,856.2	1,398.6
<b>Germany</b>	6,506.6	5,380.2	1,940.1	1,701.4	4,566.5	3,678.8
<b>UK</b>	6,154.7	4,514.5	3,378	2,268.1	2,776.7	2,246.4
<b>Switzerland</b>	5,407	4,267.7	1,436.8	1,047.5	3,970.2	3,220.2
<b>India</b>	5,153	4,736	2,998.5	2,890.4	2,154.5	1,845.6
<b>Netherlands</b>	4,889.2	3,920.1	2,127.7	1,818	2,761.5	2,102.1
<b>Italy</b>	4,428.3	3,679	1,372.4	1,253.2	3,055.9	2,425.8
<b>Turkey</b>	4,021.8	3,110.8	1,850.7	1,310.7	2,171.1	1,800.1
<b>Japan</b>	3,294.9	2,436.8	892.8	657.2	2,402.1	1,779.6
<b>France</b>	3,163.1	2,783.7	1,537.6	1,266.5	1,625.5	1,517.2
<b>South Korea</b>	2,326.6	1,951	718.9	850.3	1,607.7	1,100.7
<b>Spain</b>	2,168.8	2,007.2	985.4	1,031.8	1,183.4	975.4
<b>Russia</b>	1,980.4	1,602.8	927.5	818.2	1,052.9	784.6
<b>Brazil</b>	1,123.3	1,193.6	893.2	934.8	230.1	258.8
<b>Other countries</b>	38,545.9	32,052.1	15,046.2	13,000.8	23,499.7	19,051.3
<b>Total</b>	<b>140,797.3</b>	<b>117,615.3</b>	<b>67,261.1</b>	<b>58,415.9</b>	<b>73,536.2</b>	<b>59,199.4</b>

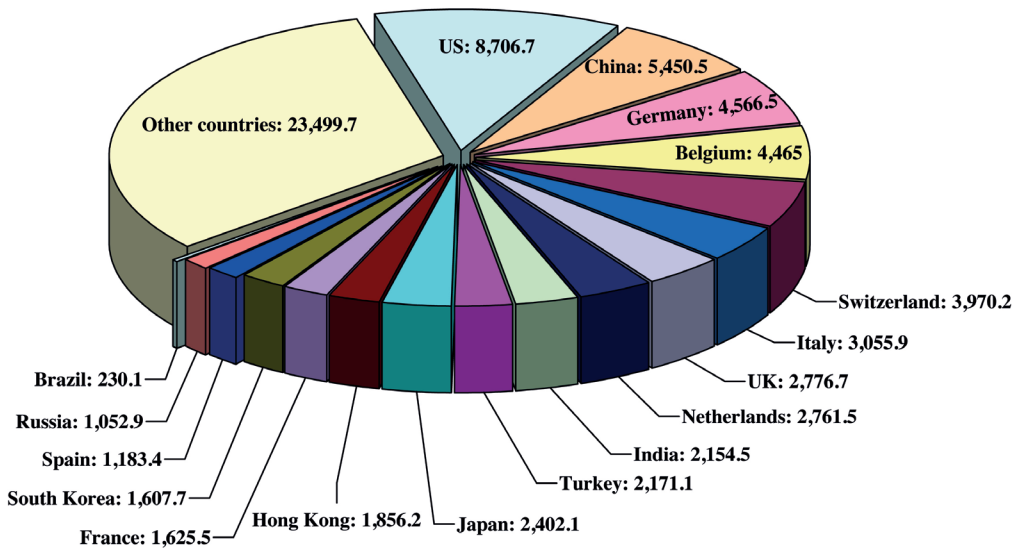




### Israeli Exports to Selected Countries 2011 (\$ million)



### Israeli Imports from Selected Countries 2011 (\$ million)



Although Israel is considered one of the world's rich and developed countries, it still receives annual financial aid from the US. In 2011 this aid totaled \$3.029 billion, of which \$3 billion was in the form of military assistance; compared to \$2.804 billion in 2010, of which military aid accounted for \$2.775 billion. Thus the total amount of assistance that Israel received from the

US during the period 1949–2011 was \$112.031 billion, according to the final outcome calculated in a report by the Congressional Research Service (CRS) (see table 10/2).

During 2011, the US Congress appropriated additional assistance to Israel worth \$415.115 million to help it build its missile defense system bringing total US aid to Israel in 2011 to \$3.444 billion.<sup>50</sup>

In 2012 the US Congress has approved assistance to Israel of \$3.095 billion, of which \$3.075 billion is military aid. This is in addition to another \$235.7 million to support its missile defense system; meaning that US aid to Israel in 2012 is \$3.331 billion.<sup>51</sup>

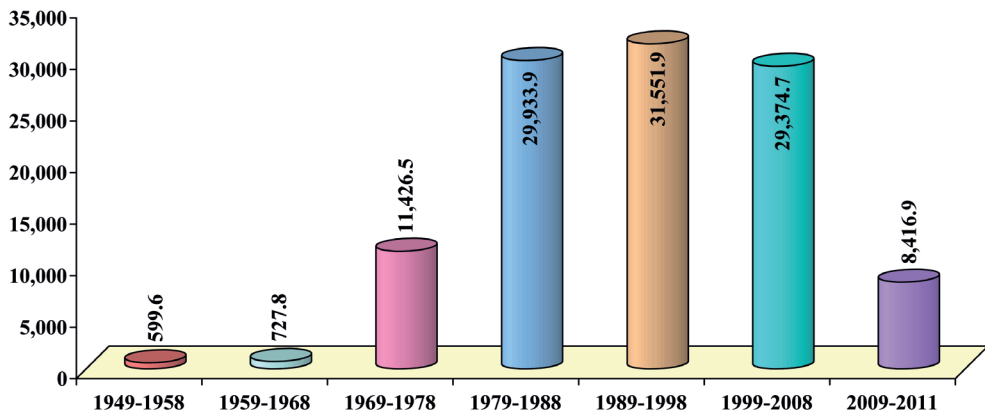
**Table 10/2: US Bilateral Aid to Israel 1949–2011 (\$ million)<sup>52</sup>**

Period	1949–1958	1959–1968	1969–1978	1979–1988	1989–1998
<b>Total</b>	599.6	727.8	11,426.5	29,933.9	31,551.9

Period	1999–2008	2009	2010	2011	<b>Total</b>
<b>Total</b>	29,374.7	2,583.9	2,803.8	3,029.2	<b>112,031.3</b>

**US Bilateral Aid to Israel 1949–2011 (\$ million)**



Despite the generally improved performance of the Israeli economy, it suffered a number of imbalances and problems during 2011; among these were the disruption of the supply of cheap gas to Israel from Egypt after the revolution and after Egyptian gas pipelines were subjected to more than 10 acts of sabotage. This came as Egyptians demanded the halting of the pumping of gas to Israel and called for a review of their agreement with Israel in order to reach “fair” commercial contracts.



The Chief Executive Officer of Israel Electric Corporation, Eli Glickman, stated that Egypt's failure to provide Israel with the quantities of gas agreed upon in 2011 would raise the ceiling of Israeli payments by about 4.3 billion shekels (about \$1 billion) and will lead to the price of electricity rising by about 15–30%.<sup>53</sup> The company Oil Refineries Ltd. (Bazan) was compelled to sign a contract to buy natural gas at higher prices than they would for Egyptian gas, in order to compensate for the shortfall in the market.<sup>54</sup>

Moreover, the imbalances in the Israeli economy had a bearing on the erosion of the middle class, sending thousands of Israelis to the streets in 2011, protesting high prices and exorbitant taxes and demanding improvement in their socio-economic conditions. At the same time the number of rich people in Israel grew. For according to the 15th annual World Wealth Report, released by Merrill Lynch Global Wealth Management and Capgemini, the number of Israeli millionaires in 2010 reached 10,153.<sup>55</sup> Furthermore, a report by the National Insurance Institute of Israel revealed that, in 2010, around 20% of Israeli families were living below the poverty line.<sup>56</sup>

On the other hand, the discovery of gas fields off the Israel's north coast will, to a great extent, meet Israel's energy needs; as production in the Tamar gas field will start in 2013, in quantities that will meet Israel's needs for the next 15 to 20 years.<sup>57</sup>

### **3. Military Indicators**

The events, changes and revolutions taking place in the Arab world since early 2011 have cast a shadow over Israeli military and security behavior. If these changes continue to proceed in a positive direction that reflects the will of the people, establishes free democratic systems, and allows Islamic movements to lead or participate in governing countries, then, from a strategic angle, an environment will be created that fosters resistance and allows a more robust response in the face of Israeli aggression. In the long run, such an environment may have an impact on the equation which allowed Israel to come into being and continue to exist, namely the weakness, fragmentation and backwardness of those surrounding it. This would mean the emergence of a new equation based on the ability of the strategic space surrounding Israel to evolve and possess elements of power, and to enter into integration and unity projects that may lead to tipping the scales of the conflict in favor of the Arabs and Muslims.

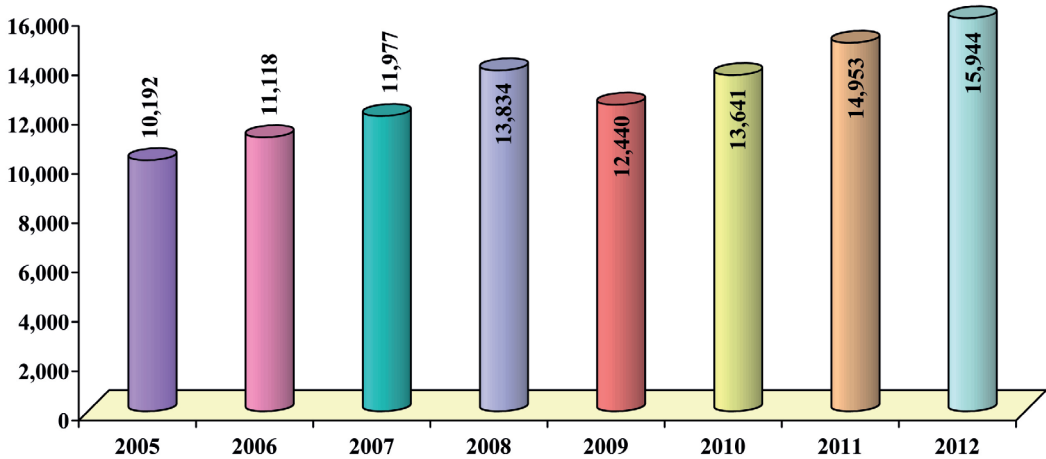
When the Arab revolutions started, Israeli conduct was characterized by worry and confusion. Shaul Mofaz, chairman of the Knesset Foreign Affairs and Defense Committee, described what is happening as “a strategic warning for Israel”,<sup>58</sup> while Minister Moshe Ya’alon described it as “a historic earthquake.”<sup>59</sup> Hence, some Israeli army commanders said that the army would carry out changes on its military doctrine to begin preparing for possible engagement in an all-out war with more than one Arab country. The Israeli army conducted military operations to assess the situation, especially in light of the changes in countries with common borders with Israel, most notably Egypt, in which real prospects for the establishment of an authority hostile to Israel have emerged.<sup>60</sup>

This prompted Ehud Barak to say that, over the next few years, Israel may ask for additional military and security aid of \$20 billion from the US, to deal with successive events in the Arab world.<sup>61</sup> It should be noted that the Israeli military budget approved for 2011 was originally 53.5 billion shekels (about \$14.95 billion),<sup>62</sup> while the military budget originally approved for 2012 was 60 billion shekels (about \$15.9 billion).<sup>63</sup>

**Table 11/2: Israeli Military Consumption 2005–2012 at Current Prices<sup>64</sup>**

Year	Military consumption (million shekels)	Military consumption (\$ million)
2005	45,739	10,192
2006	49,546	11,118
2007	49,202	11,977
2008	49,632	13,834
2009	48,921	12,440
2010	50,921	13,641
2011	53,502	14,953
2012	60,000	15,944



**Israeli Military Consumption 2005–2012 (\$ million)**

Knowing the real Israeli military budget is a problem that often faces researchers. For in addition to the approved annual budget, estimated at around \$15 billion, an increase may take place during the year on budget line items for various reasons. Furthermore, there are military items scattered in the budgets of the state's ministries and institutions, such as those related to the occupation and settlements. As noted earlier, Israel received US military aid worth \$3.415 billion in 2011; and it expects to receive US military aid worth \$3.311 billion during 2012.<sup>65</sup>

During 2011, the Israeli government reactivated a plan to transfer Israeli army bases to the Negev, which had been delayed since 2005. And on 17/4/2011, it approved a budget of 19 billion shekels (about \$5.6 billion) to carry this out. A giant training base city will be built in the Negev, in which 11 thousand soldiers will serve, starting in late 2013. In addition, major military training bases will be evacuated, especially from the center of Israel. Most important among them are those of Zerifin, Tel Hashomer, and Ramat Gan; with work expected to be completed by 2018. The total cost of building the training city was estimated at 10 billion shekels (about \$2.9 billion).<sup>66</sup>

Israeli military officials have revealed details of the Israeli army's new five-year plan, named "Halamish," which will replace the Tefen 2012 Plan. The plan talks about the development of the Israeli army in light of the threats facing Israel. It takes into account the changes taking place in the region, particularly in Egypt, and their impact on the Israeli army and its structure. It also considers that Israel

will face threats from Iran, Syria, Hamas and Hizbullah. The plan seems to focus on air defense and anti-missile systems, developing the capabilities of the infantry battalions. The army will also finalize a new multi-year plan aimed at setting up defense for critical military infrastructure that could be exposed to potential cyber attacks.<sup>67</sup>

In the period 19–23/6/2011, Israel carried out the biggest civil defense drills in its history, named “Turning Point 5”; these were comprehensive home front drills based on the premise of Israel being subjected to an all-out war with Iran, Syria, Hamas in GS and Hizbullah in Lebanon. Their aim is to train “the people” to deal with the direst of circumstances. There was talk among politicians and the military that Israel faces grave dangers, even if not existential ones. In spite of the fact that the Minister of Home Front Defense Matan Vilnai, described these drills as a “resounding success,” the military affairs analyst on Israeli TV Channel 1 spoke of the disappointment of those in charge of the drills with the indifference of the Israeli public; no more than 15% of them responded when the sirens went off by going to the shelters, not the 50% they had hoped for.<sup>68</sup>

Israeli leaders were keen to reassure the Israeli public, to allay any apprehension about the changes taking place around them in Arab countries; Netanyahu was keen to tell the population that Israel was now stronger than ever. Israeli army Home Front Command Major General Yair Golan said that Israel, throughout its July 2006 war with Lebanon, was targeted with 90 tons of explosives; while, during World War two, the UK was subjected to bombings of 206 tons daily, for nine weeks. He added that, in case of an all-out war with Iran, Syria, Hizbullah and Hamas, Israel would suffer damage but would not be destroyed; explaining that, over a period of one month, with 1,000–2,000 tons of explosives (about 33–66 tons daily)<sup>69</sup> Defense Minister Ehud Barak said, “On an average day of warfare around 50 tons of explosives are expected to fall on Israel from scattered weapons.” He also said, “We in turn are capable of firing 1,500 tons but in a very precise way.”<sup>70</sup>

It has become clear that Israel is focusing on the deployment of missile defense systems, hoping that, by 2015, it will have completed the biggest network of such systems in the world, able to protect Israeli airspace from rocket and missile attacks, at a cost of \$2–2.3 billion. The Israeli plan includes deploying Arrow 3 which will intercept long-range missiles such as the Shihab 3 in the exoatmosphere. A “second level of defense is based on Arrow 2, which targets missiles that have already



entered the atmosphere.” Israel is also planning deployment of an interception system called Magic Wand, designed to thwart artillery and long-range missiles such as Syrian-made surface-to-surface missiles called M-600s, the Iranian designed Fajr, as well as cruise missiles. The plan includes the development of the Iron Dome rocket interception batteries, which are able to intercept short-range rockets. The systems described in Israeli plans rely on various radars, which will be united and linked to US and Israeli satellites as part of the layout.<sup>71</sup>

In addition to its usual annual military assistance, in 2011 the US approved an additional \$205 million to support the Iron Dome project, about \$58.955 million to support the Arrow 3 system, \$66.427 million to the Arrow 2 system, and \$84.722 million to support the David’s Sling system, sometimes referred to as Magic Wand, which brings the total to \$415.115 million. The 2012 defense budget appropriations for US-Israeli Missile Defense rose to \$235.7 million, distributed as follows: \$66.22 million for Arrow 3, \$58.955 million for Arrow 2, and \$110.525 million for David’s Sling.<sup>72</sup> The US has essentially gone in as a strategic partner in the development of the biggest missile defense system in the world.

On 27/3/2011 Israel deployed a unit of the Iron Dome System near its borders with GS.<sup>73</sup> It placed another unit in the same area in early June 2011;<sup>74</sup> and a third unit was deployed near Haifa late in the same month.<sup>75</sup> Israel needs 15 units of the Iron Dome system to complete its defense installations on its borders with GS and on its northern borders with Lebanon.<sup>76</sup>

The Iron Dome’s performance during 2011 was not promising, despite Ehud Barak saying that it would change the face of future wars. He described it as an “exceptional Israeli technological achievement.”<sup>77</sup> However, Israeli army Home Front Command Major General Yair Golan and Tzvi Fogel, former head of Israel’s Southern Command, sought to play down hopes pinned on the Iron Dome.<sup>78</sup> There were conflicting Israeli statements on its performance. Some military circles stated that the Iron Dome was successful 75% of the time during the three escalation periods with GS in 2011 when Tamir missiles were used, succeeding in 33 interception operations out of 44.<sup>79</sup> However, Israeli sources acknowledged the difficulty of dealing with mortar shells and Palestinian homemade rockets. According to a report published by the Israeli Foreign Ministry, during the period 7–10/4/2011, the Palestinian resistance launched 65 rockets and 67 mortar shells



and the Iron Dome system succeeded in intercepting only eight of them. The same report stated that the Iron Dome succeeded in intercepting one Grad rocket out of a total of 18 rockets and 11 mortar shells fired during the period 8–10/12/2011.<sup>80</sup> The Israeli army acknowledged the existence of technical difficulties that led to the failure of the Iron Dome system to perform all the tasks expected of it in full.<sup>81</sup>

The Iron Dome's problems do not stop at its lack of efficiency; there is also its high cost when compared to the resistance's rockets. For while a single system costs about \$60 million, and a guided missile fired to intercept a rocket costs \$40 thousand, the resistance's rocket costs only few hundred dollars; or in the case of the Grad rocket, a few thousand dollars.<sup>82</sup>

At the time of writing, no specific statistics were yet available regarding Israeli arms sales in 2011. However, a report issued in June 2011 by Israeli industries said that the total military sales in 2010 totaled \$9.6 billion; \$7.2 billion of them military exports; the rest were sold to the Israeli army. In 2009, military exports amounted to \$6.9 billion. The top four Israeli military companies announced that, in 2010, they had signed contracts worth \$19 billion to be implemented over the next few years.<sup>83</sup>

### ***Third: Aggression and Resistance***

Israel proceeded with its aggression on the Palestinian people throughout 2011. Despite the unofficial truce on the borders with GS which was represented in only a limited number of missiles being launched from the Strip towards Israeli cities and towns, mostly in retaliation to Israeli attacks, Israel continued its military operations through attacking targets within the GS. These attacks almost led to the end of the truce. In the WB, Israel enjoyed a similar truce thanks to the continued coordination between the PA security apparatuses and the Israeli army. Israel also continued with its closure of most GS crossings and tightening the blockade in addition to frequent incursions and arrests in the WB.

#### **1. The Killed and Wounded**

According to the statistics of the Shabak, the number of rockets and mortars launched from the GS during 2011 towards Israeli towns and cities amounted to 676, compared to 365 in 2010 and 858 in 2009. In the WB,



including East Jerusalem, the Shabak recorded 562 operations in 2011 compared to 455 in 2010. It is worth mentioning that most of these operations consisted only of stone throwing and firebombing.<sup>84</sup>

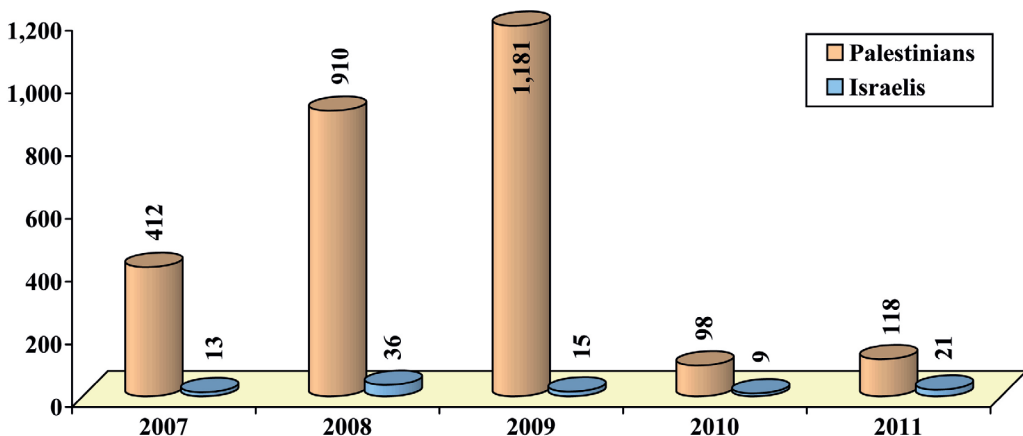
During 2011, the Israeli military and Jewish settlers shot dead a total of 118 Palestinians, 100 of whom were in the GS and the other 18 in the WB. In addition, around 554 Palestinians were wounded, including 41 children and 45 foreign solidarity activists.<sup>85</sup> During its offensive on GS, Israel targeted residential areas with artillery and aerial bombardment 60 times.<sup>86</sup> In 2011 the Shabak recorded the killing of 21 Israelis and the injuries to 122 others as a result of operations executed by Palestinians.<sup>87</sup>

**Table 12/2: The Killed and Wounded Among Palestinians and Israelis in the WB and GS 2007–2011<sup>88</sup>**

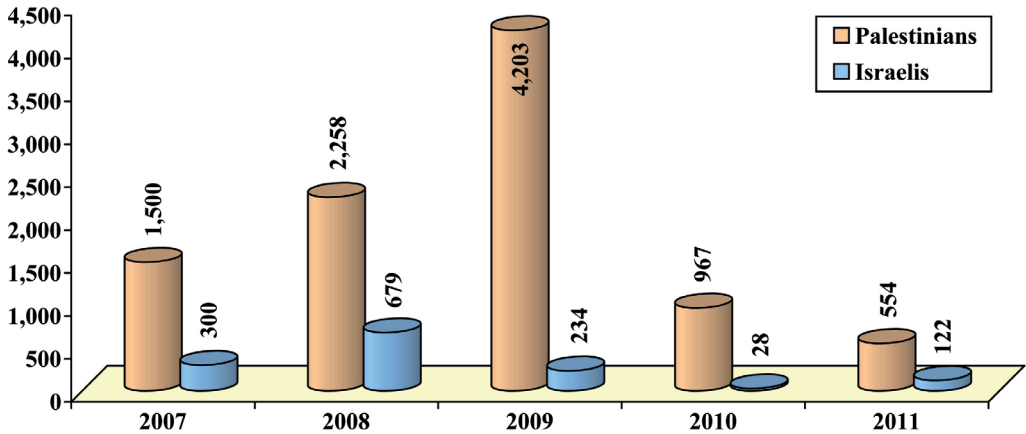
Year	Killed		Wounded	
	Palestinians	Israelis	Palestinians	Israelis
2007	412	13	1,500	300
2008	910	36	2,258	679
2009	1,181	15	4,203	234
2010	98	9	967*	28
2011	118	21	554*	122

\* Including international supporters.

**Palestinians and Israelis Killed in the WB and GS 2007–2011**



### Palestinians and Israelis Wounded in the WB and GS 2007–2011



The 63rd *Nakbah* anniversary witnessed an uprising by Palestinian refugees along borders with Israel, the largest scale protests being those on the Lebanese and Syrian borders. In the WB, hundreds of thousands of Palestinians participated in the anniversary on 15/5/2011 and there were violent clashes with the Israeli occupation forces which led to hundreds being wounded, especially at the Qalandiya military checkpoint. In the GS, a Palestinian was killed and more than 70 others were wounded as result of clashes with the Israeli forces stationed to the north and east of the Strip. In Lebanon, around 45 thousand participated in the Return to Palestine March and dozens tried to break through the border fence. Israeli forces opened fire on the marchers, killing 11 Palestinians and wounding 112 others. In Syria, dozens of marchers succeeded in penetrating the borders and Israeli forces killed four, injuring 170 others.<sup>89</sup> Marchers headed towards the occupied Golan anew on the anniversary of the *Naksah* (setback) where the Israeli forces confronted them with live ammunition, killing 23 and injuring 447.<sup>90</sup>

These marches conveyed a strong message from the Palestinian people at home and abroad that they are one people that still holds on to the refugees' right to return to the land that they have been forced out of since 1948. Regardless of the inevitable political exploitation of the issue by some sides, the marches conveyed a message stressing the Palestinians' keenness on restoring their rights and their willingness to sacrifice to restore them.



## 2. The Prisoners and Detainees

The year 2011 witnessed relative ease regarding the issue of the Palestinian prisoners in the Israeli prisons. This ease was primarily due to the prisoners' swap deal, "Devotion of the Free," that saw the release of 1,027 prisoners in return for the release of the Israeli Corporal Gilad Shalit who was captured by the Palestinian resistance in GS on 25/6/2006. The prisoners were released in two stages, the first of which was completed on 18/10/2011 and included 450 men and 27 women. Among these were six prisoners from the territories occupied in 1948, 318 from the WB including 45 from East Jerusalem, 125 prisoners from GS and one prisoner from the occupied Golan. According to the deal, 40 prisoners were exiled to Turkey, Qatar, Syria, and Jordan for varying periods of time, while 163 prisoners were exiled from the WB to GS, 17 of whom would be allowed to return home after three years. 315 men and five women of the released had been serving life sentences, amounting to around 37% of total prisoners sentenced to life in Israeli prisons (see section 4 in chapter 1).<sup>91</sup>

For the second phase, the Israeli authorities released 550 prisoners on 18/12/2011. Among those released were 507 prisoners from the WB including two from East Jerusalem, 41 from the GS and two prisoners from Jordan, yet no prisoner was exiled during this phase.<sup>92</sup> The released prisoners included 55 prisoners aged under 18 and six women, as well as Salah Hamouri who holds French citizenship. The released included 113 prisoners detained in 2011, 109 prisoners arrested in 2010, 172 detained in 2008–2009, 99 prisoners in 2006–2007, 19 in 2004–2005, 26 in 2002–2003, seven prisoners held since 2001 and two from 1999.<sup>93</sup>

Speaking about the deal, Khalid Mish'al declared it a major achievement, saluting the unique outcome that was achieved since it included the release of prisoners from the GS, WB, Jerusalem, the 1948 lands, the Golan and the Diaspora. In addition, it was a manifestation of the unity of the Palestinian people through its inclusion of all factions.<sup>94</sup>

Those kept in Israeli prisons had been suffering repressive measures and restraints imposed by the Israeli authorities in 2010 and 2011.<sup>95</sup> To protest these punitive measures, they declared a hunger strike in late September 2011, suspending the strike until the completion of the first phase of the prisoner swap deal. This step came after the Israeli authorities approved some of the prisoners' demands such as accepting that they meet their families without handcuffs and leg

irons, prisoners of different sections and rooms would be able to visit each other and allowing the satellite channel Palestinian Broadcasting Corporation and some other Arab channels to re-broadcast.<sup>96</sup>

By the end of 2011, there were 4,315 prisoners in Israeli prisons including six women and 132 children. Among the prisoners were 3,856 from the WB, amongst whom 198 were from East Jerusalem, and 459 from the GS,<sup>97</sup> in addition to dozens of prisoners from different Arab countries. There are still 532 prisoners serving one or more life sentences in addition to 122 prisoners held since before the establishment of the PA in 1994. The Israeli authorities continued their arrest campaign in 2011, with total arrests amounting to 3,312.<sup>98</sup>

The number of administrative detainees held by Israel without any charge or trial reached 307 by the end of 2011, compared to 219 by the end of 2010.<sup>99</sup>

**Table 13/2: Prisoners and Detainees in Israeli Prisons 2011**

No. of detainees on 1/1/2011	No. of detainees on 31/12/2011	No. of detainees during 2011	No. of women by the end of 2011	No. of children by the end of 2011
7,000	4,315	3,312	6	132

The prisoners gave unique examples of patience and sacrifice in pursuit of their rights while attempting to expose the oppression they have been subjected to. The most notable example was the prisoner Khader ‘Adnan, the leader in the PIJ,<sup>100</sup> whom Israel held in administrative detention in ‘Arraba in the WB on 17/12/2011.<sup>101</sup> ‘Adnan’s strike started on the day of his arrest,<sup>102</sup> and lasted 66 days until 21/2/2012 when Israel agreed to release him on 17/4/2012.<sup>103</sup> Another notable example was Hana Yahya al-Shalabi, also of the PIJ, and whom Israel arrested in Burqin in the WB on 16/2/2012 after she had been freed in the prisoner swap deal.<sup>104</sup> Hana ended her 44-day hunger strike when the occupation authorities agreed to release her on condition of deportation to the GS for three years starting on 1/4/2012.<sup>105</sup>

In March 2011, Israel kidnapped engineer Dirar Abu Sisi, the operating manager of GS’s sole electrical plant, during his visit to Ukraine. The Israeli authorities accused Abu Sisi of involvement with Hamas-affiliated Ezzedeen Al-Qassam Brigades and having a key role in the development of “deadly missiles” with a range of 6–22 km and other anti-tank missiles. However, Abu Sisi denied all accusations.<sup>106</sup>



### 3. The Israeli Siege of the Palestinian People

Israel proceeded with its siege of the GS, Defense Minister Ehud Barak claiming there was “no humanitarian crisis in Gaza.”<sup>107</sup> It tried to enhance its credibility through the findings of the Turkel Commission (officially titled The Public Commission to Examine the Maritime Incident of 31 May 2010) which was formed in the aftermath of the attack on the Freedom Flotilla. The Commission concluded that the siege of GS and the attack on Mavi Marmara “were completely in accordance with international law,” and it considered that Israeli army “personnel acted professionally in the faces of extensive and unanticipated violence.”<sup>108</sup> For his part, Israel’s Ambassador to the US Michael Oren said that the siege of GS was a “matter of life and death.”<sup>109</sup>

In March 2011, the Israeli authorities closed al-Mintar (Karni) crossing and adopted Karm Abu Salim as the only crossing open for allowing goods into GS in coordination with the Ramallah-based PA.<sup>110</sup>

In addition, intensive Israeli pressure succeeded in preventing Freedom Flotilla 2 from reaching GS after lobbying Turkish, Cypriot and Greek authorities to prevent the flotilla from sailing from their ports.<sup>111</sup> While most ships were disrupted, Israel intercepted Dignity, the only ship which succeeded in moving towards the Palestinian coasts, and dragged it towards Ashdod Port.<sup>112</sup>

Moreover, Israel deported around 400 foreign activists who arrived into Lod Airport (Ben Gurion International Airport) in July 2011 to express solidarity with the Palestinian people.<sup>113</sup> On 4/11/2011, the Israeli navy intercepted a Canadian ship and an Irish yacht transporting activists trying to break the siege of GS.<sup>114</sup>

While Israel succeeded in tightening its naval siege of GS, it failed on the level of the land siege which was slightly mitigated after the collapse of Husni Mubarak’s regime. Indeed, Israel was concerned that Rafah crossing would be opened without any restrictions and Israeli officials warned that this would bring about new problems for Israel.<sup>115</sup>

On 15/3/2011, the Israeli navy took control of Victoria, a German ship bearing a Liberian flag, 320 km (200 miles) off the Israeli coast and dragged it to Ashdod Port. The Israeli authorities claimed that the ship was carrying weapons from Iran and Syria to GS, including Chinese C-704 anti-ship missiles, in addition to around 50 tons of ammunition.<sup>116</sup>

The tightened siege meant that Gazans had to resort to tunnels connecting GS with Egypt to smuggle goods into the Strip. These tunnels, which are estimated to be in their hundreds, mitigated the Gazans' suffering but they were targeted by the Israeli and Egyptian authorities as well as being vulnerable to collapse. These factors led to the death of around 36 Palestinians and injury to around 54 others throughout 2011.<sup>117</sup> The Egyptian authorities positions are contradictory; on one hand Egypt shows relative tolerance regarding the tunnels but on the other it rejects the opening of the crossings. The tunnels also raise concern as they have been transformed into a kind of parallel economy; a source of wealth for some and of death for others. They also trigger questions regarding their political and social dimensions. Thus, fulfilling the needs of the Gazans through the tunnels should not be a pretext for the continuation of the blockade and it is the duty of all sides to take part in helping the GS restore its right to normal trade above, not under, ground.

#### ***Fourth: The Israeli Position Towards the Domestic Palestinian Situation***

Notwithstanding Israel's contentment with its security coordination with the Ramallah-based PA, it was troubled by Palestinian national reconciliation which was conducted at a time when Israel was seeking to impose further pressure on Hamas to thwart or at least tame it.

Israel continued to view the PA in Ramallah as a key component in ensuring the security and stability the occupation has enjoyed in the WB for years.<sup>118</sup> The head of Civil Administration in the WB, Moti Almoz, lauded the ongoing civil and security coordination with PA institutions, claiming that such coordination has served Palestinian interests.<sup>119</sup> Ehud Barak praised the role of the security apparatuses in the WB in protecting the settlers and providing unprecedented levels of security for them through joint security coordination. He also called for providing the PA with more money, despite the reconciliation agreement between Fatah and Hamas, still convinced that the security apparatuses will work in Israel's favor.<sup>120</sup>

The Israeli leadership relentlessly sought to worsen the internal Palestinian conflict while seeking to transform the PA into a functional body that would primarily serve Israeli interests. Thus, Foreign Minister Avigdor Lieberman





claimed that “both Abbas and Salam Fayyad know that the great threat is not Israel and Zionism, but rather Hamas and Jihad.”<sup>121</sup> Minister for Home Front Defense Matan Vilnai attested that “those blocking the creation of a Palestinian state are Hamas members,” and thus he said that the Palestinian leadership’s job “is to fight Hamas and to win that fight.”<sup>122</sup>

In Israel, some sides demanded supporting ‘Abbas and the PA and providing them with incentives to proceed with security coordination and the peace process. Other sides, however, called for punishing ‘Abbas and the PA for signing the reconciliation agreement with Hamas and seeking recognition of the state from the UN. The government’s inclination, reflecting its extreme right make-up, was generally in favor of exercising more pressure on the PA. In this context, Prime Minister Benjamin Netanyahu expressed his discontent with the reconciliation between Fatah and Hamas and said that the “The Palestinian Authority must choose either peace with Israel or peace with Hamas. There is no possibility for peace with both.”<sup>123</sup> Netanyahu called on ‘Abbas to cancel the agreement with Hamas a day before it was due to be signed.<sup>124</sup> President Shimon Peres asserted that the agreement between Fatah and Hamas was “a fatal mistake which will prevent the establishment of a Palestinian state, and destroy the chances of achieving peace and stability in the region.”<sup>125</sup> In addition, Avigdor Lieberman stressed that “this agreement crosses a red line,” and he warned that “an array of measures could be taken against the Palestinian Authority.”<sup>126</sup>

Prior to the official signing of the reconciliation agreement, the Israeli authorities suspended a routine handover of 300 million shekels (around \$88 million) in tax revenues collected on behalf of the PA.<sup>127</sup> Yet, it soon backed away from this punitive measure under American pressure, and maybe after it had realized that the reconciliation was not serious.<sup>128</sup> Again, Israel threatened the same measure in late November 2011 if ‘Abbas activated the agreement with Hamas and there were claims by Israeli Finance Minister Yuval Steinitz that ‘Abbas was betraying the peace process.<sup>129</sup> Moreover, Deputy Foreign Minister Danny Ayalon threatened to cut water and power supplies to GS if Fatah and Hamas agreed on the formation of a national unity government.<sup>130</sup>

In the same vein, eminent Israeli experts publicly questioned the possibility of achieving genuine Palestinian reconciliation, including Israel’s Defense Ministry Diplomatic-Security Bureau Director Amos Gilad, who wondered how

the agreement would be translated in the security field.<sup>131</sup> Also, former Security Shabak Head Yuval Diskin said that “the reconciliation agreement signed in Cairo between Fatah and Hamas will not last, and there will not be genuine Palestinian unity for years to come.”<sup>132</sup>

The extreme right wing Minister Avigdor Lieberman went as far as attempting to blackmail Mahmud ‘Abbas when he said that ‘Abbas was the “greatest obstacle” to regional order, and it would be a “blessing” if he were to resign. Lieberman added that “anyone who succeeds him would be better for Israel.”<sup>133</sup> This declaration by Lieberman constituted a rather frustrating and humiliating message for ‘Abbas and his government, given the level of their collaboration with Israel, despite the latter’s attempts to humiliate its partners in the peace process. Ultimately, when the Israeli military leadership suggested making “a series of gestures” to the PA to counter-balance the benefits achieved by Hamas after the prisoner swap deal and to enhance the PA’s declining reputation, Netanyahu’s advisers and his inner government opposed such initiatives arguing that ‘Abbas “should be punished” for his unilateral bid for UN recognition of a Palestinian state.”<sup>134</sup>

This hard-line Israeli policy towards the PA was opposed by some Israeli figures. In his statements to The Telegraph website and *The Independent* newspaper, Dov Weisglass, Ariel Sharon’s former political advisor, predicted that the determination of Netanyahu’s cabinet to punish the PA for seeking membership of the UN would harm Israel’s security. “I believe the policy of the present government of weakening the PA, if adopted, is both stupid and dangerous,” he said.<sup>135</sup> Yossi Beilin, one of the chief architects of the Oslo Accords and former foreign minister, criticized Netanyahu’s stance on Palestinian reconciliation. He said, “Israel often claims that Abu Mazen [‘Abbas] does not represent the entire Palestinian people, but once there is a unity government, that claim is invalid.” He added, “This gives Israel an advantage because it gives Abbas a new hold in Gaza. But anyone unwilling to promote the peace process will see this as an opportunity to do nothing. I assume that is what Netanyahu will do.”<sup>136</sup>

The prospect of the reconciliation agreement being signed triggered Israeli concerns regarding Hamas’ possible win in the elections and its subsequent control over the WB, as was expressed by the Israeli President Peres,<sup>137</sup> and Foreign Minister Lieberman.<sup>138</sup> Talking to Meet the Press on Israeli Channel 10, Israeli Education Minister Gideon Sa’ar criticized the signing of the agreement. He also stressed



that Hamas constitutes a serious and imminent danger to Israel, particularly in light of the Arab Spring which provided an opportunity for victories for a number of Islamic movements. The well-known media personality Akiva Eldar said on the same show that Israel was paying for the blunder of Netanyahu's government which was responsible for the collapse of the negotiations and the peace process. Eldar warned that Hamas' victory in the coming elections would undermine the rule of 'Abbas and the PA in the same way that Islamists had undermined the rule of Israel's preferred leaders in other Arab countries.<sup>139</sup>

Israeli leaders have acknowledged the intricacy of dealing with Hamas. Netanyahu described it as a "brutal enemy,"<sup>140</sup> while Chairman of the Knesset Foreign Affairs and Defense Committee Shaul Mofaz said in interview with Israeli Army Radio that Hamas was one of the toughest "terrorist" movements Israel had to face and there remained an account to settle with the movement because of the operations it has conducted against Israel.<sup>141</sup>

Tzipi Livni, the then head of the Kadima Party and leader of the opposition, called for undermining Hamas, and even destroying it, while starting negotiations with 'Abbas before it was too late and before there was shift in the balance of power in the Arab world.<sup>142</sup> Livni also warned against the dangerous political situation in Israel, stressing that "Hamas is gaining global legitimacy. The Gaza blockade is lifting slowly and Israel is getting weaker."<sup>143</sup>

### ***Fifth: The Peace Process***

The year 2011 was par excellence the year of stalemate regarding direct, bilateral negotiations. After the collapse of negotiations one month after their resumption in Washington in early September 2010, and after three meetings between President 'Abbas and Prime Minister Netanyahu, Arab, American, European and international efforts aimed to revive the political track. Yet, these efforts faced with Israeli intransigence and an insistence on resuming negotiations without any Palestinian preconditions. In other words, Israel sought to proceed with establishing facts on the ground whether negotiations continued or not.

In this situation, it was difficult to resume negotiations as this would affect the credibility of the Palestinian leadership, who had declared that it would not be

possible to return to the negotiation table without a prior commitment by Israel to stop settlement expansion and recognize a Palestinian state on the 1967 borders. A third demand by the Palestinian leadership required the release of senior prisoners held in Israeli prisons since before the Oslo Accords.

These conditions reinforced the popular conviction that the peace process, which began with the signing of the Oslo Accords, had come to an end. A similar conclusion was reached in the findings of a study prepared by Zaki Shalom, a member of the research staff at INSS and the Ben-Gurion Research Institute at Ben-Gurion University.<sup>144</sup>

This outcome could not be changed by diplomatic delegations or European and international initiatives carried forward by the Quartet. These efforts aimed to avoid having to declare the death of the peace settlement and prevent the emergence of a vacuum that might be filled by other political forces who may promote alternatives that would change the rules of political engagement in the region, steering matters away from the American-sponsored peace process. The most prominent proof in this respect is the existence of the Quartet itself, designed to circumvent the international community and thwart international law and UN resolutions while providing a cover for the practice of the successive Israeli governments of establishing facts on the ground to foil any future negotiations.

The deterioration of the peace process in 2011 was encouraged by the decline of American interest in the Arab-Israeli conflict after President Barack Obama had reneged on his promise to solve the conflict within two years of his election. Indeed, he gave up on his calls to stop settlement building and pursued his predecessor's policy of conflict management rather than resolution. The American retreat was clear in President Obama's State of Union Address which lacked any mention of the Middle East.<sup>145</sup>

Waning American interest also appeared with the transferring of the file of the conflict in the region from the President and his Secretary of State to US Envoy George Mitchell, who in turn reduced his visits drastically until he resigned in May 2011, declaring the failure of his mission. Entrusting the file to Dennis Ross, who is known for his belief in the impossibility of resolving the conflict and his bias for Israel, and his later resignation, were further indicators of the deterioration of the peace process. Ultimately, transferring the file to US Envoy David Hill and Tony Blair implied that it was no longer a priority.



Concern with the Palestinian issue deteriorated further as a result of the Arab uprisings and the ouster of Hosni Mubarak, who had been a major pillar of the peace process in the region. Mubarak's expulsion also relieved the PA of the continuous pressure he had exercised on the Palestinians to persist with negotiations regardless of the losses suffered and the absence of any outcome.

### **The Course of Palestinian Negotiations**

The year 2011 started badly for the Palestinian leadership when, on 23/1/2011, Al Jazeera television revealed previously-hidden facts related to the negotiations with Israel by publishing what was known as The Palestine Papers.<sup>146</sup> The leaked documents disclosed the Palestinian position and the extent of the concessions presented to Israel by the Palestinian negotiator concerning final status issues.

The published documents embarrassed the Palestinian leadership. However, they could have had even more serious consequences were negotiations still in process or had agreements been reached within the context agreed on by the Palestinian side in the negotiations held in 2008 during Ehud Olmert's tenure.

Although *The Palestinian Strategic Report 2010/11* tackled The Palestine Papers thoroughly, it remains important to address these documents in this report as the 2011 developments of the peace process would not be appropriately addressed without mention of the revelations in the documents. The documents shook the Palestinian leadership and Sa'ib 'Uraiqat, head of the PLO Negotiations Affairs Department (NAD), offered his resignation to President 'Abbas who refused his offer despite the magnitude of the mistakes committed.

The Palestine Papers showed that the PA had given up on demanding the removal of the settlements in East Jerusalem and expressed readiness to offer unprecedented concessions in *al-Aqsa* Mosque, the Armenian Quarter and the Sheikh Jarrah neighborhood. It also made huge concessions regarding the refugees issue by accepting a symbolic return of the refugees. In addition, it gave up on the 1967 lines through accepting the principle of land exchange even before Israel recognizes the state of Palestine and despite Israel's insistence that the lands occupied since 1967 were "disputed" rather than "occupied." Moreover, the PA agreed on various security arrangements including its consent for a demilitarized Palestinian state with international or foreign forces on its territories, and for settlers to remain under Palestinian sovereignty.<sup>147</sup>

The PLO commented that the documents revealed on Al Jazeera were partial and were employed to distort facts and provoke anger against the Palestinian leadership. It also displayed what it called the “original” documents that demanded Palestinian rights, including achieving justice for the refugees.<sup>148</sup>

In fact, The Palestine Papers have exposed the weakness of the official Palestinian establishment. They also triggered questions regarding transparency, monitoring and auditing measures as these concessions were presented without the knowledge of the PLO Executive Committee, and without its approval, without punishing the perpetrators, or learning the subsequent lessons.

It should be noted, however, that 2011 signaled the beginning of transformation in official Palestinian policy vis-à-vis negotiations. This manifested itself in a shake up of the rules of the negotiation process. There was the rejection by the Palestinian leadership of resuming negotiations before Palestinian demands were fulfilled and also its pursuit of other alternatives, such as: recourse to the UN, showing more, albeit limited, interest in achieving Palestinian reconciliation, adopting popular resistance, boycotting goods from the settlements and persistence with the building of institutions to end the occupation.

While it is true that the changes outlined above did not lead to the adoption of a new strategy to replace bilateral negotiations; however, there were at least threats by the PA to use alternative choices to apply tactical pressure that may improve the conditions for the resumption of negotiations.

Notwithstanding President ‘Abbas’s appeal to the UN, it seems likely that there will be a return to negotiations as, for him, the first, second and third option is always negotiations with Israel. Indeed, ‘Abbas conducted meetings with Israeli officials throughout 2011 including four with President Peres, two with Defense Minister Ehud Barak and one with Tzipi Livni.<sup>149</sup> In addition, he responded positively to all initiatives, including the Jordanian initiative presented by King ‘Abdullah during his visit to Ramallah on 22/11/2011.

Official Palestinian policy did not seek a comprehensive alternative strategy but instead the PA initiated a “state of rebellion” against the rules which have governed negotiations since they were launched at the Madrid Conference in 1991, and were cemented with the Oslo Accords in 1993, reinforced by the Annapolis Summit in 2007. The “rebellion” was demonstrated through raising the issue of settlement building in the UN Security Council despite the threats made and incentives offered



by the US which used its veto to nullify the 14 votes which endorsed the draft resolution.<sup>150</sup> It was also demonstrated in going to the UN and attempting to gain recognition of a Palestinian state in the Security Council as well from the highest possible number of states in addition to gaining full membership in the UNESCO. Another sign of a policy shift was the signing of the reconciliation agreement and the initial steps taken to fulfill its promise, including holding the first meeting of the PLO Committee to reactivate, develop and maintain the structures of the PLO, known as the interim leadership framework on 22/12/2011.<sup>151</sup> This transformation would not have happened without the developments and uprisings at the Arab, regional and international levels which opened the door for strategic leeway for the Palestinian issue.

Arab countries and peoples have entered a transitional phase which could extend over a long period, parallel to their preoccupation with internal issues. This is a phase that could witness a conflict between revolutionary and counter-revolutionary powers; between the remnants of the old regimes and the emerging regimes. It might also witness regional and international interventions and covert interference, aiming to re-divide the region and contain the revolutions. It may plunge the region into sectarian strife and transform authoritarian regimes into ones that appear democratic while shifting their aims from seeking democracy and fighting Israel into a conflict between Iran and the Arabs, Shiites and Sunnis, Muslims and Christians and between the Arab majorities and minorities.

The Palestinian leadership's refusal to re-launch negotiations despite Israel's withholding of tax revenues and the US's temporary halt of aid is interesting, but should not be interpreted in isolation from the Arab uprisings, the Palestine Papers or the "Goldstone curse," which followed the Palestinian leadership's decision to delay a UN vote on the Goldstone Report and the bitter criticism it had to face as a result. Consequently, the PA could not pursue any action without taking into account the popular reaction that might be triggered.

The most remarkable development in the peace process was the Palestinian recourse to the UN in early 2011. Notable also was the Palestinian rejection of a deal presented by the American administration which would have entailed the issuance of a presidential statement from the UN Security Council including the elements of the draft resolution regarding settlement. The deal also proposed the formation of a fact finding mission from the Security Council members that would

visit the occupied territories and present its findings to the Security Council. In return, the PA would not present the settlements issue in the Security Council. According to *The Jerusalem Post* President Obama “made it clear to Abbas that the US would veto such a resolution so as not to jeopardize efforts to resume peace talks between Israel and the Palestinians.”<sup>152</sup>

Nonetheless, the resolution was presented to the UN Security Council and won the support of 14 members but not the US, who used their veto power to block Palestinian statehood.

In fact, President ‘Abbas had been keen, since early 2011, to reiterate that recourse to the UN was not an alternative to negotiations and that he would waive this option if presented with the chance of credible negotiations with Israel. He also declared that he would return to negotiations regardless the outcome in the UN, stressing that reconciliation with Hamas did not conflict with the attempts at resuming talks with Israel, but rather enhanced them and the prospects of peace.<sup>153</sup>

It is worth mentioning here that Israel and the US used to view the geographic and political Palestinian division as a tool with which to exercise pressure on the PA and urge it to accept an agreement that would not have been possible if Palestinian decision makers were unified and strong. When this strategy failed, the division was used as an excuse to justify the American failure to mediate an agreement as well as to exempt Israel from its responsibilities to negotiate in good faith. In fact, the Israeli authorities were very much concerned about the implications of the Palestinian bid. Defense Minister Ehud Barak claimed that the international community’s recognition of a Palestinian state on the 1967 borders a “tsunami.”<sup>154</sup>

The Palestinian schism was also used by the US and other countries to justify their abstention or negative votes. Thus, they questioned whether the applicant had met the requirements of membership particularly in light of the division and the lack of a representative of the whole Palestinian people. Ending the division and restoring national unity was considered a priority and not a mere choice among others.

There were discussions on the Arab, Palestinian and international levels regarding the feasibility and form of the recourse to the UN and the damage that would befall the Palestinian state if it gained state recognition. In addition, there was much debate about the impact of such a step on the status of the PLO, which retains Palestine’s seat in the UN, refugees’ rights and the right of the Palestinian people to self-determination.





The Palestinian, and later the Arab, decision was to seek full membership through the UN Security Council despite prior knowledge that the bid would most possibly fail to win the nine required votes. It was also known that the bid would be met with an American veto based on threats by the US president, secretary of state and the US administration to the Palestinian leadership throughout 2011, even during the meeting between Obama and ‘Abbas on the eve of presenting the bid to the Security Council.

However, the debate never determined whether it was more feasible to go to the UN Security Council or the UNGA to get observer status, or both. Although the Arab Follow-up Committee and the Arab League recognized the need to resort to the Security Council, as was decided in the meeting of the Arab League,<sup>155</sup> Arab pressure was exercised on President ‘Abbas warning him against going to the Security Council to prevent any American-Palestinian, and accordingly American-Arab, confrontation. In addition, the EU presented the Palestinians with a proposal to resort to the UNGA instead of the UN Security Council. In return, the EU would vote in favor of the resolution while the Palestinians would return to the negotiation table and refrain from presenting any application to the Security Council or any other UN body, including the International Criminal Court (ICC). However, the Palestinian leadership rejected the European offer and did not respond to the demands of some Arab countries. Nor did it succumb to American and Israeli threats to cancel the Oslo Accords, annex territories to Israel, expand settlements and withdraw VIP cards from Palestinian officials.

Although the bid was presented to the UN Security Council, it was not put to a vote for fear that it would not win nine votes, and to avoid confrontation between the Palestinian leadership and the US administration which was concerned about the repercussions of having to use its veto. The veto step would contradict previously declared US commitments, where Obama said that the establishment of the Palestinian state is “a personal priority,”<sup>156</sup> while US Chairman of the Joint Chiefs of Staff Admiral Mike Mullen considered it “a cardinal interest.”<sup>157</sup> In addition, the US was afraid of the veto’s consequences on relations with Arabs and Muslims as the region witnessed change and the rise of forces that need to be contained rather than antagonized.

The bid was eventually presented to the UN Security Council and the expected confrontation did not take place. Rather, there was a minor confrontation as the

Palestinian leadership decided not to ask to put the bid to vote and did not present another application to the UNGA.

The decision on the Palestinian bid to join UNESCO, which had been presented earlier, changed the scene. Thus, President ‘Abbas did not consider deferment of the bid, fearing a reaction similar to that triggered by the postponement of the Goldstone Report. Accordingly, he ordered his team to proceed with the issue thus allowing the Palestinians to get full membership in UNESCO. This angered the American administration and Israel, both of whom imposed the sanctions they had threatened.

Yet, there was a Palestinian-American agreement to freeze the Palestinian bid in the UN Security Council and to not present any new bid to join other UN organizations while the Quartet was allowed until 26/1/2012 to present its initiative. Simultaneously, Israel and the Palestinian leadership would present their perception of borders and security, parallel to the releasing of tax revenues held by Israel and resumption of American aid.

Indeed, the Palestinian side presented a document to the Quartet in November 2011 disclosing its position on borders and security. This was the same document that had been presented to Olmert’s government during the negotiations held in 2008, which failed to reach any agreement despite the talks about tangible development being achieved. This document contained Palestinian consent to the principle of land exchange at 1.9% and a disarmed Palestinian state with international forces to be stationed on its soil.<sup>158</sup>

Nonetheless, the Israeli government declined to present its vision on the borders and security, refusing to do so except through direct negotiations with the Palestinians. It also refused to receive the Palestinian document.

When the “exploratory talks” were held in Amman in January 2012, the Israeli delegate, Isaac Molho, refused to present any official document on the grounds that the borders are related to the level of security that could be provided by the PA, as well as its agreement to postpone the issue of Jerusalem and to practically give up on the return of the refugees.

### **‘Abbas’s Speech in the UN**

The speech delivered by President ‘Abbas in the UN<sup>159</sup> presented a historical narrative that reflected the suffering of the Palestinians while stressing their rights



in a way not used since the signing of the Oslo Accords. As such, it would have been feasible to build on the speech to announce that a new phase of negotiations, with an unclear framework, was about to start. It would also have been possible to build on the speech to crystallize a comprehensive and strategic Palestinian alternative and to depart from the verbal threats that had included the dismantling of the PA, the resignation of the president and pursuing limited steps regarding reconciliation which all tend to be turned into empty gestures. However, ‘Abbas’s speech soon lost its rigor as the Palestinian leadership chose to limit its resort to the UN to presenting the bid to the Security Council without putting it to vote, and to abstain from going to any UN affiliated organization or reactivating former resolutions, including the authoritative edicts of the International Court of Justice (ICJ) and the Goldstone Report.

The same outcome was repeated with the approach to popular resistance with all factions, including Fatah and Hamas, adopting it as a motto without outlining a comprehensive plan that could incorporate the capacities of the Palestinian people in popular resistance with its endless forms in which everyone can participate.

### **Israel and the Peace Process**

The Arab Spring and the uprisings in Tunisia and Egypt, followed by their expansion to Yemen, Libya and Syria, and their repercussions on other Arab countries amounted to an earthquake for Israel. This is because the Arab scene, generally characterized by weakness and fragmentation for decades, started to collapse after long years of rule during which Israel was given wide interests and allowed to maintain military superiority while persisting with its occupations of Palestine and the Golan. It was also allowed to sign two peace agreements with Jordan and Egypt and maintain relations with seven other Arab countries. Despite the general concern in Israel regarding the changes sweeping the Arab world, the positions towards these changes in Israel were divided into two major tracks:

**First Track:** The prevailing track which is supported by the prime minister and the foreign minister and believes that the changes in the Arab world enhance the need for Israeli policies which rely on power and more power. This policy is what allows Israel to keep the Arab and Palestinian lands under its occupation, giving it strategic and geographic dimensions in addition to political, security and economic advantages. It also allows Israel to exercise Judaization measures and confiscate more land in order to annex them when conditions are ripe.<sup>160</sup>

In fact, Israeli concerns were so intense that Netanyahu talked about renewed eastern front, especially after the American withdrawal from Iraq and the talk about an alliance including Iran, Iraq and Syria and which might extend to Jordan, in addition to the intensified risks after the collapse of the Mubarak regime, the trusted ally of Israel.

**Second Track:** Represented by the Israeli President Shimon Peres and the remaining left as well as some former military and security leaders, this track believes in the necessity of speeding up the peace settlement with the Palestinians based on the establishment of a Palestinian state. The second track believes that this would undermine the repercussions of the Arab Spring and allow the US, Europe and Israel to form international alliance that would be joined by Arab countries, particularly Gulf countries, to face Iran and to prepare for a comprehensive attack against it to prevent it from developing a nuclear bomb, and to curb its influence in the region.<sup>161</sup>

### **The Prospects of Peace Process**

The factors that contributed to the failure of all efforts aimed at resuming negotiations throughout recent years are still intact. To these reasons should be added the fact that 2012 is the year of presidential elections in the US. Consequently, the American administration was busy with internal matters and showed more bias to Israel in order to secure Jewish and pro-Israeli votes and funding. In addition, Molho's offer to 'Uraiqat during the "exploratory meetings" in Amman showed that the Israeli conditions have not altered. Rather, they became more radical as demonstrated in the Israeli insistence on recognition of Israel as a "state for the Jewish people," absolving the occupation state from any responsibility regarding the refugees' plight and rejection of their return in compliance with the right of return. At the same time, Netanyahu's government kept hold of Jerusalem while stressing the need to impose security and settlement arrangements that go beyond the Separation Wall and annex settlement posts and maintain the Jordan Valley for unspecified period of time. Moreover, it would retain safe zones on the Jordan River and the Green Line while establishing security and military regions and roads linking the settlements. It would be impossible for any Palestinian leadership, no matter how supine it was, to accept such humiliating conditions.<sup>162</sup>

The declarations on the Palestinian side, however, fell short of countering Israeli rhetoric. Thus, it was not enough to talk about taking decisions that would



change the face of the Middle East, as expressed by Nabil Abu Rudaina,<sup>163</sup> or that the PA could not remain an authority that has no real authority, as declared by President ‘Abbas.<sup>164</sup> Nor was it sufficient to say that the current situation of the PA would be seriously addressed next year, including making strategic decisions, as Sa’ib ‘Uraiqtat had promised.<sup>165</sup> And while ‘Uraiqtat did not reveal the nature of these “strategic decisions” which the PA would make, it is likely that they could include the following:

- Continued Palestinian attempts to achieve full UN membership.
- Recourse to the UN Security Council, UNGA and international institutions to convict Israel and seek to impose measures against it on the basis of its persistence with land confiscation, settlement building and expansion and its continued occupation, especially in Jerusalem.
- Calling on Switzerland, the founder and sponsor of the Fourth Geneva Convention 1949, to urge signatories to implement this convention and provide protection for the Palestinian people.
- Activating popular resistance especially after it had become a consensual issue after the agreement between President ‘Abbas and Khalid Mish‘al in their meeting in Cairo on 24/11/2011 and after Mish‘al had said that popular resistance was as strong as a tsunami, especially with the backdrop of the Arab Spring.

However, what was not officially said by the Palestinian leadership was implied in individual and dispersed declarations. Thus, Hanan ‘Ashrawi, a member of the PLO Executive Committee, said that withdrawal of the recognition of Israel might be considered if all other options were exhausted, although such withdrawal was never promoted for discussion in the PLO.<sup>166</sup> Mohammad Shtayyeh, a member of Fatah’s Central Committee, pointed to the possibility of cancelling the agreements signed with Israel including mutual recognition between Israel and the PLO. He also added that the PA would not then differentiate between Ramallah and Jaffa.<sup>167</sup> For his part, Mohammad Mustafa, the chairman and chief executive officer of the Palestine Investment Fund (PIF) and economic advisor to President ‘Abbas, and once a candidate for premiership, repeatedly demanded the cancellation of the Paris Protocol.<sup>168</sup> President ‘Abbas declared that he would not run in the next election or remain a president for an authority that had no authority, serving as a mayor while Israel has undermined the two-state solution. For his part, Sa’ib ‘Uraiqtat threatened the adoption of one-state solution.

The indicators above reveal the end of the phase of the Oslo Accords and bilateral negotiations, in addition to the unilateral American sponsorship of the “peace process” in light of the decline of the role of the “false witness” played by the Quartet. They also show that a new phase is imminent and there is need to prepare for it.

The continued talk about alternative options without their adoption has led, and would later lead, to the return to negotiations, under even worse conditions, referred to as proximity, exploratory or indirect talks. The Palestinian position and its credibility would be undermined as external pressure would increase, especially from the US and Israel. Hence, it is essential to work on raising the Palestinian ceiling and to focus on ending the state of division and restoring unity in addition to the reform of the PLO on a national and democratic basis and through genuine partnership with all political factions. Equally important is the need to reconsider the form, role and commitments of the PA which has to manage services and administrative tasks while leaving the political role to the PLO itself.

However, if Israel tried to foil the PA’s role after it changed its form and function, it would have to bear the consequences. The PA should demonstrate resilience and work from its position as an interim body within the context of ending the occupation, establishing the Palestinian state and serving the Palestinian people rather than being subject to Israeli conditions that effectively make it a security and economic agent of the occupation. In addition, it is not acceptable for national reconciliation to reproduce futile options, especially bilateral negotiations; the importance of national unity is that it makes choosing new alternatives a feasible process. The Palestinian people do not need reconciliation to be a pretext for resumption of bilateral negotiations and the return to this vicious circle that has been exploited by consecutive Israeli governments to establish new facts of occupation that make the Israeli solution the only internationally acceptable and possible solution.

The aforementioned does not mean that the available options are limited to the persistence of the status quo or the resumption of negotiations. Rather, there are other options which were posed by current Israeli officials demanding a long-term, multi-stage transitional solution entailing the establishment of a state with provisional borders. Moreover, Israeli security and military officials have previously called for a unilateral step from both sides that would pave the way for



agreement when the time is suitable and foil possible reverberations in case the stalemate continued to govern the Middle East region. There are voices in Israel calling for exchange of land and population and the establishment of alternative home in Jordan or the establishment of “the Palestinian state of Jordan.”

Mahmud ‘Abbas has shown great flexibility when faced with Israel’s intransigence. He unilaterally agreed on the Road Map for peace despite Israel presenting 14 reservations, effectively rejecting it. He also accepted security coordination with Israel and reestablished the security apparatuses in the WB to fulfill this role. ‘Abbas also accepted to participate in Annapolis Summit and entered unconditioned, direct negotiations with the Olmert government in 2008. Then, in 2010, he resumed proximity talks that were transformed to direct negotiations launched in Washington which lasted for one month. Additionally, he agreed on the French initiative, Obama’s speech on 9/5/2011, and the Quartet’s initiatives including the initiative it presented after ‘Abbas UN speech. Yet, Israel’s position remained an obstacle to any genuine move towards fulfilling the peace process, even within the framework of international legitimacy.

## *Conclusion*

No major developments were seen on the Palestinian-Israeli scene in 2011. Still, it is possible to say that it was affected by the following factors:

- The inclination of Israeli society towards right-wing radicalism and religious extremism.
- The state of fragmentation and reconstruction of the Labor Party.
- The middle-class demonstrations protesting high prices and the increasing cost of living.
- The state of Israeli confusion as a result of the Arab uprisings and the likeliness of the emergence of environments hostile to Israel due to the rise of Islamist and nationalist movements.
- Israeli persistence with the continuation of the policy of settlement and Judaization in the WB and the siege of the GS, the foiled peace process and the PLO leadership’s resort to the UN Security Council to attain full membership in the UN.

- The Israeli inclination towards increased militarization and security measures to face the changes in the region and the entitlements that might ensue upon reaching a dead end on the peace process.

It does not seem that any core changes are likely to be witnessed regarding Israel in the foreseeable future. It is more probable that Israeli society will head towards more right-wing and religious extremism while the current rightist Israeli government's chances of winning the coming elections are high and it may even increase the size of its parties in the Knesset. As Israelis anxiously follow developments in the Arab region, they will try to enhance their military and security power and steer the events in a way that serves their interests. They will also continue with their Judaization and settlement policies, establishing facts on the ground with little concern over the failure of the peace process.





## Endnotes

- <sup>1</sup> See *Haaretz*, 5/1/2012.
- <sup>2</sup> *Almustaqbal*, 18/1/2011.
- <sup>3</sup> *Yedioth Ahronoth*, 12/9/2011.
- <sup>4</sup> In an interview with the Israeli Channel 1, Itzik Hadad, Kadima ex-treasurer said that Kadima has begun to resemble an organized crime ring, see site of Global-Report, 9/12/2011, <http://www.global-report.com/disillusion/a1626>
- <sup>5</sup> See Summary of 2011, site of Nana10, 30/12/2011, [www.nana10.co.il](http://www.nana10.co.il) (in Hebrew)
- <sup>6</sup> Some Israeli leaders considered Barak's move an opportunistic one, see *al-Hayat*, 19/1/2011.
- <sup>7</sup> Israeli analysts said that there was a very tough competition between the Labor Party's veteran leaders—Amram Mitzna, Amir Peretz and Isaac Herzog—and Shelly Yachimovich. The social protests in Israel in the summer of 2011, supported Yachimovich's economic and social positions that call for the end of the monopolies of the rich people who control the Israeli economy. She calls for the protection of workers' rights. Her election meant the return of the social-democratic trend and the return of the Labor Party to the center left, see Avi Dabush, "Primaries Here: How Social Protests Affect the Labor Party," site of Mako, 12/9/2011, [www.mako.co.il](http://www.mako.co.il) (in Hebrew)
- <sup>8</sup> *Arabs* 48, 29/7/2011.
- <sup>9</sup> *Al-Hayat*, 23/11/2011.
- <sup>10</sup> A Bedouin Sheikh in Negev, stated that Prawer Plan is disastrous for them, see *Haaretz*, 4/10/2011, <http://www.haaretz.co.il/news/education/1.1488724>; and Ben Youngster wrote an interesting article on the same subject under the title "Prawer Plan: An Additional Plan for Looting, Stealing and Segregation," site of Socialist Struggle Movement, <http://maavak.org.il/maavak/?article=832> (in Hebrew)
- <sup>11</sup> *Maariv* mentioned the names of those involved with Lieberman, see *Maariv*, 14/4/2011. See also *Asharq Alawsat*, 15/4/2011.
- <sup>12</sup> Haim Baram indicates that Lieberman controls the Israeli society through a transparent figure called Benjamin Netanyahu, and realizes his dreams through more oppression even if that would lead to diplomatic isolation of Israel on the international level just like what happened in the wake of the Israeli attack on Mavi Marmara which was sailing in a convoy with other ships towards GS in 2010, see site of Haggada, [www.haggada.org/2011/09/09](http://www.haggada.org/2011/09/09)
- <sup>13</sup> A war of opinion polls started since Netanyahu declared his intention to advance his party's primaries. Thus, Lapid presented himself as a candidate, and so did Deri and Noam Shalit, the father of Corporal Gilad Shalit (he will join Labor Party list as a party member), see *The Marker*, 9/1/2012, <http://www.themarker.com/news/1.1612476> (in Hebrew)
- <sup>14</sup> See site of Jeremy's Knesset Insider, <http://knessetjeremy.com/category/knesset/polls>
- <sup>15</sup> In a speech delivered in the Knesset in retaliation to the opposition's accusations against his policies, Netanyahu said: "We will not accept women being spit on in the street." His remarks came after the spread of women isolation within the ultra-orthodox society (Haredim) whose influence within the Israeli society is on the increase, see PM Netanyahu's Speech at the Knesset 40 Signatures Session, site of Prime Minister's Office, 28/12/2011, <http://www.pmo.gov.il/MediaCenter/Speeches/Documents/40SIGNeng281211.doc>
- <sup>16</sup> *The Marker*, 26/12/2011, <http://www.themarker.com/news/1.1601122> (in Hebrew)

- <sup>17</sup> See al-Zaytouna Centre for Studies & Consultations, *The Protests in Israel and Their Implications, Strategic Assessment* (38), Beirut, October 2011, <http://www.alzaytouna.net/en/publications/books/strategic-assessment/151266-strategic-assessment-38-the-protests-in-israel-and-their-implications.html#.T98K9VIZQ9A>; Saleh al-Naami, "Tents Revolution in Israel: Reasons, Implications and Repercussions," site of Al Jazeera Center for Studies, 24/8/2011 (in Arabic); and Emtanis Shehada, "Regarding the Israeli Protest: We are a People, not Labor Union...", Arabs 48, 10/8/2011 (in Arabic).
- <sup>18</sup> See Johnny Mansour, "Strategic Reading of the Eilat Operation," *Middle Eastern Studies Journal*, Amman, vol. 15, issue 57, Autumn 2011; and Israel Security Agency—ISA (Shabak), *Monthly Summary—August 2011*, <http://www.shabak.gov.il/SiteCollectionImages/english/TerrorInfo/reports/aug11report-en.pdf>
- <sup>19</sup> Netanyahu examined the possibility of holding early Knesset elections. However, deliberations among the parties of governmental coalition agreed to maintain a political and partisan stability until the official date of the elections, see *Yedioth Ahronoth*, 6/12/2011, <http://www.ynet.co.il/articles/0,7340,L-4158043,00>
- <sup>20</sup> See al-Zaytouna Centre for Studies & Consultations, *Declaration of the Palestinian State: The Scenarios and Implications, Strategic Assessment* (35), Beirut, August 2011, <http://www.alzaytouna.net/en/publications/books/strategic-assessment/149855-declaration-of-the-palestinian-state-the-scenarios-and-implications.html#.T98U1FIZQ9A>; and see al-Zaytouna Centre for Studies & Consultations, *The Future of the Bid for a UN Membership for a Palestinian State in the UN Security Council, Strategic Assessment* (40), Beirut, December 2011, <http://www.alzaytouna.net/en/publications/books/strategic-assessment/151304-strategic-assessment-40-the-future-of-the-bid-for-a-un-membership-for-a-palestinian-state-in-the-un-security-council.html#.T98VMIIQ9A>
- <sup>21</sup> In reference to the Palestinian bid seeking full membership in the United Nations (UN), Israeli websites said that the step did take place, or in other words, it faded and disappeared fast, see Nana10, 30/12/2011.
- <sup>22</sup> See Central Bureau of Statistics (CBS), [http://www1.cbs.gov.il/www/yarhon/b1\\_e.htm](http://www1.cbs.gov.il/www/yarhon/b1_e.htm)
- <sup>23</sup> Official Israeli statistics show that Arab citizens in East Jerusalem amounted to 284 thousand at the end of 2010. Based on population growth rate estimated at 2.9% they will amount to 292 thousand at the end of 2011, see CBS, *Statistical Abstract of Israel 2011*, no. 62, table 2.5, p. 95, [http://www1.cbs.gov.il/shnaton62/shnaton62\\_all\\_e.pdf](http://www1.cbs.gov.il/shnaton62/shnaton62_all_e.pdf)
- <sup>24</sup> *Alghad*, 18/1/2011.
- <sup>25</sup> See *The Jerusalem Post*, 7/7/2011, <http://www.jpost.com/Headlines/Article.aspx?id=228277>; and Agence France-Presse (AFP), 15/1/2012.
- <sup>26</sup> Jerusalem Institute for Israel Studies (JIIS) figures show that the number of Jewish settlers in East Jerusalem reached 193,700 at the end of 2009. Based on the Jewish population growth rate which estimated at 1.7%, they will reach 200,000 at the end of 2011, see CBS, *Statistical Abstract of Israel 2011*, no. 62, table 2.5, p. 95; and Maya Choshen and Michal Korach, *Jerusalem: Facts and Trends 2011* (Jerusalem: JIIS, 2011), p. 9, <http://jiis.org/upload/facts-2011-eng-internet.pdf>
- <sup>27</sup> CBS, [http://www1.cbs.gov.il/www/yarhon/b1\\_e.htm](http://www1.cbs.gov.il/www/yarhon/b1_e.htm)
- <sup>28</sup> See Sergio DellaPergola, *Jewish Demographic Policies: Population Trends and Options in Israel and in the Diaspora* (Jerusalem: The Jewish People Policy Institute (JPPI), 2011), p. 132, [http://jppi.org.il/uploads/Jewish\\_Demographic\\_Policies.pdf](http://jppi.org.il/uploads/Jewish_Demographic_Policies.pdf); and CBS, Press Release: Departures and Returns in 2009 of Israelis Staying Abroad Continuously for More than a Year, 16/8/2011, [www.cbs.gov.il/hodaot2011n/01\\_11\\_198e.pdf](http://www.cbs.gov.il/hodaot2011n/01_11_198e.pdf)
- <sup>29</sup> *Addustour*, 2/2/2011.
- <sup>30</sup> Quds Press, 11/1/2012.
- <sup>31</sup> *Addustour*, 2/2/2011.

- <sup>32</sup> For 1990–2010, see CBS, [http://www.cbs.gov.il/hodaot2011n/21\\_11\\_045e.pdf](http://www.cbs.gov.il/hodaot2011n/21_11_045e.pdf)  
For 2011, see CBS, [http://www1.cbs.gov.il/hodaot2012n/21\\_12\\_053t1.pdf](http://www1.cbs.gov.il/hodaot2012n/21_12_053t1.pdf)
- <sup>33</sup> See CBS, *Statistical Abstract of Israel 2011*, no. 62, table 2.2, p. 88 and table 2.27, p. 163.  
A study by Sergio DellaPergola showed that Jews amounted for 13.43 million in early 2010, see Sergio DellaPergola et al., *World Jewish Population, 2010* (The North American Jewish Data Bank, 2010), [http://www.jewishdatabank.org/Reports/World\\_Jewish\\_Population\\_2010.pdf](http://www.jewishdatabank.org/Reports/World_Jewish_Population_2010.pdf)
- <sup>34</sup> “The Main Findings of the 2012 Racism in Israel Report,” site of The Coalition Against Racism in Israel, 30/4/2012, <http://www.fightracism.org/en/Article.asp?aid=241>
- <sup>35</sup> Guttman Center for Surveys, *A Portrait of Israeli Jews: Beliefs, Observance, and Values of Israeli Jews, 2009* (Jerusalem: The Israel Democracy Institute and the AVI CHAI–Israel Foundation, 2012), [http://www.idi.org.il/sites/english/events/Other\\_Events/Documents/GuttmanAviChaiReport2012\\_EngFinal.pdf](http://www.idi.org.il/sites/english/events/Other_Events/Documents/GuttmanAviChaiReport2012_EngFinal.pdf)
- <sup>36</sup> See CBS, [http://www1.cbs.gov.il/hodaot2012n/08\\_12\\_056t11.pdf](http://www1.cbs.gov.il/hodaot2012n/08_12_056t11.pdf)
- <sup>37</sup> See site of Bank of Israel, <http://www.bankisrael.gov.il/deptdata/mth/average/average.htm>
- <sup>38</sup> See CBS, [http://www1.cbs.gov.il/hodaot2012n/08\\_12\\_056t11.pdf](http://www1.cbs.gov.il/hodaot2012n/08_12_056t11.pdf)
- <sup>39</sup> See CBS, [http://www1.cbs.gov.il/hodaot2012n/08\\_12\\_056t11.pdf](http://www1.cbs.gov.il/hodaot2012n/08_12_056t11.pdf)
- <sup>40</sup> These percentages were calculated based on figures available in the Ministry of Finance of Israel, Government Revenue and Expenditures, 2011, <http://www.ag.mof.gov.il/AccountantGeneral/BudgetExecution/BudgetExecutionTopNavEng>
- <sup>41</sup> See Helen Brusilovsky, Summary of Israel’s Foreign Trade by Country-2011, CBS, 18/1/2012, [http://www.cbs.gov.il/hodaot2012n/16\\_12\\_012e.pdf](http://www.cbs.gov.il/hodaot2012n/16_12_012e.pdf)
- <sup>42</sup> See Ibid.
- <sup>43</sup> See Helen Brusilovsky, Summary of Israel’s Foreign Trade-2011, CBS, 12/1/2012, [http://www.cbs.gov.il/hodaot2012n/16\\_12\\_007e.pdf](http://www.cbs.gov.il/hodaot2012n/16_12_007e.pdf)
- <sup>44</sup> See Ibid.
- <sup>45</sup> See Helen Brusilovsky, Summary of Israel’s Foreign Trade by Country-2011.
- <sup>46</sup> Ibid.
- <sup>47</sup> Ibid.
- <sup>48</sup> CBS, *Statistical Abstract of Israel 2011*, no. 62, table 16.2, p. 714.  
See on the same topic the PA statistics in Chapter 7 of this book.
- <sup>49</sup> See Helen Brusilovsky, Summary of Israel’s Foreign Trade by Country-2011.
- <sup>50</sup> See Jeremy M. Sharp, U.S. Foreign Aid to Israel, Congressional Research Service (CRS), Report for Congress, 12/3/2012, <http://www.fas.org/sgp/crs/mideast/RL33222.pdf>
- <sup>51</sup> See Ibid.
- <sup>52</sup> See Ibid.
- <sup>53</sup> Site of Akka Online for Israeli Studies, 31/5/2011, <http://www.akka.ps/ar/>
- <sup>54</sup> Oil Refineries Ltd. (Bazan), Financial Statements as at March 31, 2011, 23/5/2011, [http://www.orl.co.il/financialReports/FinRep23May11\\_En.pdf](http://www.orl.co.il/financialReports/FinRep23May11_En.pdf)
- <sup>55</sup> See Yedioth Ahronoth, 24/6/2011, <http://www.ynetnews.com/articles/0,7340,L-4086250,00.html>
- <sup>56</sup> 2010 Poverty and Social Gaps: Annual Report, Research and Planning Administration, National Insurance Institute, Jerusalem, November 2011, [http://www.btl.gov.il/English%20Homepage/Publications/Poverty\\_Report/Documents/Poverty%20report%202010.pdf](http://www.btl.gov.il/English%20Homepage/Publications/Poverty_Report/Documents/Poverty%20report%202010.pdf)
- <sup>57</sup> See Yedioth Ahronoth, 17/12/2011, <http://www.ynetnews.com/articles/0,7340,L-4162708,00.html>; and *Globes* newspaper, 25/3/2012, <http://www.globes.co.il/serveen/globes/docview.asp?did=1000735955&fid=1725>

- <sup>58</sup> *The Jerusalem Post*, 1/2/2011, <http://www.jpost.com/DiplomacyAndPolitics/Article.aspx?id=206131>
- <sup>59</sup> The Arabic site of Israel Broadcasting Authority — IBA (Arabil), 21/2/2011, <http://www.iba.org.il/arabil/?entity=713896&type=1&topic=189>
- <sup>60</sup> See *al-Quds al-Arabi*, 16/6/2011.
- <sup>61</sup> See *The Wall Street Journal* newspaper, 8/3/2011, <http://online.wsj.com/article/SB10001424052748703386704576186861325527354.html?KEYWORDS=barakKEYWORDS%253Dbarak>
- <sup>62</sup> See CBS, [http://www1.cbs.gov.il/hodaot2012n/08\\_12\\_056t6.pdf](http://www1.cbs.gov.il/hodaot2012n/08_12_056t6.pdf)
- <sup>63</sup> *Globes*, 25/3/2012, <http://www.globes.co.il/serveen/globes/docview.asp?did=1000736283&fid=1725>
- <sup>64</sup> See *Ibid.*; and CBS, [http://www1.cbs.gov.il/hodaot2012n/08\\_12\\_056t6.pdf](http://www1.cbs.gov.il/hodaot2012n/08_12_056t6.pdf)
- <sup>65</sup> See Jeremy M. Sharp, op. cit.
- <sup>66</sup> See Israel Ministry of Foreign Affairs, 17/4/2011, [http://www.mfa.gov.il/MFA/Government/Communiques/2011/Cabinet\\_communique\\_17-Apr-2011.htm](http://www.mfa.gov.il/MFA/Government/Communiques/2011/Cabinet_communique_17-Apr-2011.htm); and *Globes*, 4/5/2011, <http://www.globes.co.il/serveen/globes/docview.asp?did=1000642852&fid=1725>  
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- <sup>67</sup> *The Jerusalem Post*, 13/4/2011, <http://www.jpost.com/Defense/Article.aspx?id=216358>
- <sup>68</sup> See *Asharq Alawsat*, 20/6/2011; *Safa*, 23/6/2011; and *al-Quds al-Arabi*, 24/6/2011.  
See also *The Jerusalem Post*, 19/6/2011, <http://www.jpost.com/Defense/Article.aspx?ID=225614&R=R1>; and *Israel Hayom* newspaper, 23/6/2011, [http://www.israelhayom.com/site/newsletter\\_article.php?id=138](http://www.israelhayom.com/site/newsletter_article.php?id=138)
- <sup>69</sup> See *Asharq Alawsat*, 20/6/2011.
- <sup>70</sup> *Yedioth Ahronoth*, 11/7/2011, <http://www.ynetnews.com/articles/0,7340,L-4093936,00.html>
- <sup>71</sup> *Yedioth Ahronoth*, 13/7/2011, <http://www.ynetnews.com/articles/0,7340,L-4094829,00.html>
- <sup>72</sup> See Jeremy M. Sharp, op. cit.
- <sup>73</sup> *Haaretz*, 27/3/2011, <http://www.haaretz.com/news/diplomacy-defense/israel-deploys-iron-dome-missile-defense-system-for-first-time-1.352100>
- <sup>74</sup> Reuters, 2/6/2011, <http://af.reuters.com/article/worldNews/idAFTRE75111820110602>
- <sup>75</sup> *The Jerusalem Post*, 28/6/2011, <http://www.jpost.com/Defense/Article.aspx?id=226977>
- <sup>76</sup> See site of British Broadcasting Corporation (BBC), 25/8/2011. (in Arabic) (BBC site is cited in English, unless mentioned otherwise); and *Globes*, 5/4/2012, <http://www.globes.co.il/serveen/globes/docview.asp?did=1000739598&fid=4597>
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- <sup>78</sup> *Al-Hayat*, 26/3/2011.
- <sup>79</sup> *Assafir*, 12/1/2012.
- <sup>80</sup> Israel Ministry of Foreign Affairs, 2/5/2012, [http://www.mfa.gov.il/MFA/Terrorism-+Obstacle+to+Peace/Hamas+war+against+Israel/Palestinian\\_ceasefire\\_violations\\_since\\_end\\_Operation\\_Cast\\_Lead.htm](http://www.mfa.gov.il/MFA/Terrorism-+Obstacle+to+Peace/Hamas+war+against+Israel/Palestinian_ceasefire_violations_since_end_Operation_Cast_Lead.htm)
- <sup>81</sup> See *The Jerusalem Post*, 30/10/2011, <http://www.jpost.com/Defense/Article.aspx?id=243663>; and *Haaretz*, 11/3/2012, <http://www.haaretz.com/news/diplomacy-defense/gaza-rockets-penetrate-israeli-defense-system-due-to-iron-dome-malfunction-1.417864>
- <sup>82</sup> Sama, 11/4/2011; and BBC, 25/8/2011 (in Arabic).
- <sup>83</sup> See *The Jerusalem Post*, 16/6/2011, <http://www.jpost.com/Defense/Article.aspx?id=225183>; and *Alghad*, 17/6/2011.



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- <sup>85</sup> *Al-Quds al-Arabi*, 28/12/2011.
- <sup>86</sup> Field Work Unit, From the Field: A Report that Monitors and Documents the Israeli Violations of Human Rights from 1/1/2011 to 31/12/2011, site of Al Mezan Center for Human Rights, 31/1/2012, <http://www.mezan.org/upload/13576.pdf> (in Arabic)
- <sup>87</sup> See Shabak, <http://www.shabak.gov.il/English/EnTerrorData/Reports/Pages/default.aspx>
- <sup>88</sup> For the number of Palestinians and Israelis killed and wounded 2007–2010, see Mohsen M. Saleh (ed.), *The Palestinian Strategic Report 2010/11* (Beirut: al-Zaytouna Centre for Studies & Consultations, 2012), p. 101.  
As for the number of Palestinians killed and wounded in 2011, see *al-Quds al-Arabi*, 28/12/2011. And as for the number of Israelis killed and wounded in 2011, see Shabak, <http://www.shabak.gov.il/English/EnTerrorData/Reports/Pages/default.aspx>
- <sup>89</sup> See *al-Quds al-Arabi*, 16/5/2011; and *al-Hayat*, 17/5/2011.
- <sup>90</sup> *Alwatan* newspaper, Syria and *al-Hayat*, 6/6/2011.
- <sup>91</sup> Regarding the first phase of the swap deal, see Ezzedeen AL-Qassam Brigades, 11–18/10/2011; Israel Ministry of Foreign Affairs, 11/10/2011; IDF, 13/10/2011; Israel Prison Service, 15/10/2011; PIC, 18/10/2011; *Assafir*, 19/10/2011; and *al-Hayat*, 20/10/2011.
- <sup>92</sup> *Haaretz*, 18/12/2011, <http://www.haaretz.com/news/diplomacy-defense/second-stage-of-shalit-swap-complete-as-550-palestinian-prisoners-released-1.402168>
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- <sup>94</sup> Felesteen Online, 11/10/2011.
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- <sup>97</sup> See site of Palestine News Network (PNN), 21/1/2012, <http://pnn.ps/index.php/prisoner/2051-4315-63-5-525-892-15>
- <sup>98</sup> See With the Advent of the New Year: 4,500 Prisoners in the Occupation Prisons, Including Six Women, site of The Prisoners' Centre for Studies, 2/1/2012, <http://www.alasra.ps/news.php?maa=View&id=1618> (in Arabic)
- <sup>99</sup> See B'Tselem—The Israeli Information Center for Human Rights in the Occupied Territories, Statistics on Administrative Detention, last updated on 10/7/2012, [http://www.btselem.org/administrative\\_detention/statistics](http://www.btselem.org/administrative_detention/statistics)
- <sup>100</sup> The Israeli authorities released him on 11/10/2010 after holding him for 12 days during which he went on hunger strike, see Aljazeera.net, 12/10/2010, <http://www.aljazeera.net/NR/exeres/D9B9DA1F-FBDC-4F60-A372-B9833A4C01EF.htm>
- <sup>101</sup> *Al-Hayat*, 18/12/2011.
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- <sup>104</sup> *Assabeel*, 17/2/2012.
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- <sup>107</sup> *The Jerusalem Post*, 28/6/2011, <http://www.jpost.com/DiplomacyAndPolitics/Article.aspx?id=226999>
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- <sup>110</sup> See OPT: Gaza Food Situation Tight as Karni Crossing Closed, site of Integrated Regional Information Networks (IRIN), 7/3/2011, <http://www.irinnews.org/Report/92114/OPT-Gaza-food-situation-tight-as-Karni-crossing-closed>
- <sup>111</sup> See *Yedioth Ahronoth*, 12/4/2011, <http://www.ynetnews.com/articles/0,7340,L-4056098,00.html>; *Haaretz*, 3/7/2011, <http://www.haaretz.com/news/diplomacy-defense/lieberman-gaza-flotilla-activists-blaming-israel-for-their-own-failure-1.371062>; *The Jerusalem Post*, 10/7/2011, <http://www.jpost.com/DiplomacyAndPolitics/Article.aspx?id=228641>; and *Haaretz*, 11/7/2011, <http://www.haaretz.com/news/diplomacy-defense/peres-thanks-greece-for-thwarting-gaza-bound-flotilla-1.372671>
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- <sup>113</sup> See *Asharq Alawsat*, 9/7/2011; and *al-Khaleej*, 17/7/2011.
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- <sup>117</sup> United Nations Office for the Coordination of Humanitarian Affairs-occupied Palestinian territory (OCHA-oPt), Protection of Civilians Weekly Report, 25–31 January 2012, [http://www.ochaopt.org/documents/ocha\\_opt\\_protection\\_of\\_civilians\\_weekly\\_report\\_2012\\_02\\_03\\_english.pdf](http://www.ochaopt.org/documents/ocha_opt_protection_of_civilians_weekly_report_2012_02_03_english.pdf)
- <sup>118</sup> See declarations by Amos Gilad, director of Policy and Political-Military Affairs at the Israeli Ministry of Defense, *Addustour*, 15/3/2011; and *Alrai* newspaper, Kuwait, 11/4/2011.
- <sup>119</sup> *Arabil*, 4/11/2011, <http://www.iba.org.il/arabil/?entity=798021&type=1&topic=188&page=>; and *PIC*, 4/11/2011.
- <sup>120</sup> See *Felesteen Online*, 23/12/2011; and site of *al-Mashhad al-Suhyuni*, 23/12/2011, <http://www.mshhad.net/article/2063.html>
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- <sup>122</sup> *The Jerusalem Post*, 24/4/2011, <http://www.jpost.com/MiddleEast/Article.aspx?id=217680>
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- <sup>161</sup> This position was expressed by Yossi Beilin, who cosigned Geneva Accords with Yasir 'Abd Rabbo, and President Shimon Peres.
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## This Report

The Palestinian Strategic Report 2011/12 is the seventh in a series of annual resourceful academic studies. It 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 near future. This Report has become a basic reference on Palestinian studies, it is a must read for all those concerned.

An outstanding team of 12 academics and experts contributed to this Report in seven chapters. They covered the internal Palestinian situation, the Israeli scene and the Israeli-Palestinian relations, the Arab, Muslim and international stances towards the Palestinian issue. This Report focuses also on the issue of Jerusalem and the holy sites, and the suffering of man and land under the Israeli occupation. Besides, the demographic, economic and education indicators are also studied and analyzed.

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