

The Palestine Strategic Report 2018 – 2019



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Chapter Five

The Israeli Scene

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Introduction

Perhaps the most prominent Israeli news in 2018–2019 concerned the internal political crisis that emerged out of the re-election of the Knesset with the failure to form a government, which pushed Israel towards a third election. The other major political development was the escalation of religious and nationalist extremism in the Zionist Jewish community, and the push for its legitimacy and legalization in the state system, which was clearly manifested in the “Jewish Nation-State Law.”

In 2018–2019, the Israeli leadership reaped the benefits of economic and technological progress and military superiority, the decline of military risks, and increased opportunities for normalization with new Arab countries. However, a number of risks remained for Israel, namely the escalation of specific combat resistance capabilities including their ability to penetrate Israel’s Iron Dome, with no stability in the strategic environment surrounding Israel.

First: The Internal Israeli Political Scene

The years 2018–2019 witnessed a series of internal developments in Israel, the most prominent of which was the legislative elections (of the Israeli Knesset) in 2019.

1. Corruption Cases and Netanyahu’s Political Future

There have been many corruption cases in recent years in Israel, especially among parties and politicians, but the most notable ones were the four main corruption cases involving investigations of Israeli Prime Minister Benjamin Netanyahu. Some of these cases go back many years, as the police and the Public Prosecution needed a long time to complete the elements of each case individually and submit a recommendation to the Attorney General to submit the case to the judiciary and competent courts.

Mostly, the Netanyahu cases involve receiving bribes; offering regulatory favors to businesspersons in exchange for gaining secret editorial control over some media outlets, with flattering coverage of Netanyahu and his family; and providing tax exemptions to Israeli businesspersons considered to be Netanyahu's friends. In Case 1,000, the police advised the Attorney General to bring Netanyahu to trial, after the Anti-Fraud Unit Lahav 433 completed its investigations.¹

As for Case 4,000,² it sparked outrage in political and media circles due to the quid pro quo between Netanyahu and businessperson Shaul Elovitch, owner of the Walla! website, ensuring positive coverage of Netanyahu's activities, statements and policies, and even of his wife Sara, who appears frequently at his side. In the past, she was accused of abusive and threatening behavior towards staff at the prime minister's official residence, even though she holds no official capacity. Indeed, the law in Israel does not grant the wife of the prime minister or the head of state any official status, unlike in other countries where she might be considered the "First Lady." Therefore, Sara's Netanyahu's involvement and its repercussions have an indirect effect on the general political landscape in Israel.³

The media coverage of the corruption cases was continuous, influencing politicians who are part of the coalition forming the Netanyahu-led government. Head of the Kulanu Party and Finance Minister, Moshe Kahlon, described the situation as in terms of black clouds hanging over politicians' heads that they could not ignore. This indicated that there was turmoil within the government coalition to the extent that there were threats made by some parties to withdraw from the coalition, and calls for early Knesset elections. However, it is interesting to note that despite the recommendations to take Netanyahu's cases to court, the parties that formed the government coalition maintained the coalition. In other words, as long as the cases did not reach court, it was considered that there was no need to dissolve the coalition, dissolve the Knesset, and head towards early elections.⁴

Netanyahu tried to use his power and influence to strengthen and extend the life of his government, reinforce the right-wing camp and enforce his control within his Likud party in order to avoid going to court.⁵

Moreover, there were numerous calls by the Likud demanding the enactment of a law that would provide immunity to the prime minister, so that no charges could be made against him, even after his mandate as prime minister ended, or

even if he did not hold another official position⁶—a law inspired by the French constitutional system. Nonetheless, this attempt to provide lifelong immunity to a prime minister in Israel is not framed by the constitutional law in force in the country (there is no constitution in Israel, but rather basic laws that make up a semblance of a constitution). However, many Knesset members, including the parties forming the government coalition and politicians outside the parliament, rallied together, possibly considering such a move could be the first step towards a dictatorial regime in a country that claims to be proud of its democratic system.

Despite the uproar caused by the attempt to legislate such a law, the reluctance of the attorney general, Avichai Mandelblit, to file indictments against Netanyahu raised many suspicions regarding the ties that link Netanyahu to the Attorney General. It is worth noting that Mandelblit served as Netanyahu's Cabinet Secretary (2013–2016), implying that there is some kind of understanding between the two, albeit not publicly declared.

Mandelblit came under political, media and public pressure and several protests were held in front of his private residence calling for Netanyahu to be brought to court following the recommendations of the police and the public prosecution.⁷

While the opposition in the Israeli Knesset, the press, and civil society institutions in Israel were seeking to overthrow Netanyahu by taking advantage of these corruption cases, his government ministers maintained full compliance with the coalition agreement and did not seek to break up the coalition. This position in the political arena helped Netanyahu maintain both his government and his position as its head.

According to many politicians, it is obvious that Netanyahu's political future is largely linked to these cases, of which one or more will lead to his ousting, because the evidence appears to clearly indicate that he was involved in financial corruption cases and receiving bribes, which are strictly prohibited by law.⁸

In a press conference held on 21/11/2019, Attorney General Mandelblit announced that Prime Minister Benjamin Netanyahu and several businesspersons would be charged with bribery, fraud and breach of trust. Mandelblit based his decision on the evidence gathered by the investigation unit, pointing out that Netanyahu was accused of a breach of trust, receiving bribes while assuming the posts of prime minister and Minister of Communications.⁹

Barely an hour after Mandelblit's statement, Netanyahu held a press conference in the prime minister's office where he attacked investigators and the police, calling for an investigation to be launched because they were not performing their duties according to the law, but rather according to their specific interests. He announced that he remained in office and that he would continue to manage the affairs of his government until a new government was formed. There was a political and judicial debate over whether Netanyahu could continue in this position, even though it was a "caretaker" government, since no government had been formed following the election. Could he run in the upcoming elections, with the indictment looming over his head? However, the government's legal advisor stated that doing so would not violate the law, unless a court ruling to the contrary was issued.

2. The Israeli Right is on the Rise

Right-wing parties and movements in Israel intensified their attacks against Arab parties, movements, and political figures, in the 1948 territories and in the Palestinian territories occupied in 1967. Every once in a while, right-wing Israeli politicians would accuse Arab representatives in the Knesset Joint List of being disloyal to Israel, of having sworn an oath of allegiance to the Israeli parliament outwardly, and of working against the state of Israel¹⁰ and seeking to destabilize it. This reached the point of accusing them of high treason, and some even accused these deputies of being a fifth column.¹¹

Forty members of the Israeli Knesset signed a petition to expel MP Haneen Zoabi from the National Democratic Assembly (Balad). This was due to her statements in support of the Palestinians' right to Jerusalem after President Trump announced that his administration recognized Jerusalem as the capital of Israel, and that his ordering of the transfer of his country's embassy there.¹² Additionally, it was because of Zoabi's statements that Israeli soldiers are murderers. However, their attempts were unsuccessful due to Zoabi's parliamentary immunity, and because she rejected all the allegations and statements made by right-wing Israelis both inside and outside the Knesset.¹³

Right wing parties worked to legislate hundreds of racist laws in the Israeli Knesset that were biased towards the Jewish community in the country. The Minister of Public Security, Gilad Erdan, announced his intention to instruct ministry employees to enforce laws that prevented Palestinians from entering Israel without an official permit.¹⁴

Added to this was the tendency of right wing parties, especially those that formed the coalition in the Netanyahu government, to press for a gradual takeover of WB.

The right in Israel also used its power and influence to direct accusations and suspicions against members of the National Democratic Assembly and its activists, by fabricating charges of financial irregularities and transgressions during the elections of the 21st Knesset. However, following arrests and investigations conducted by police special investigation units, it appeared that they were all political, not administrative nor financial cases.¹⁵

It seems that there is a growing tendency towards apartheid in Israel, manifested in several ways, including the increase in the number of bypass roads in WB, as a result of the pressure exerted by settlers and their representatives in the Knesset, in addition to some members in the coalition government, such as Minister of Construction and Housing Yoav Galant. Among the most recent bypass roads was the one in Qalqilya Governorate, officially declared that it is to be used only by Jews, never by Palestinians. This road is one of a series of roads that horizontally connect the east and west of WB, and do the same longitudinally between its north and south.¹⁶ Bypass road projects have received unrivaled support from Netanyahu himself, who has stated that such roads aim to provide protection to Israelis.¹⁷

It is necessary to refer here to the influence and power of the right in two areas: The first is Israeli society, where ideas and statements tend, year after year, to move towards the right. Indeed, according to opinion polls, more than half of Israeli society supports right wing parties and currents. The second is in the Knesset, where the number of right-wing members increased, enabling them to form a government headed by the Likud Party, without the need for a coalition with left or center left parties.¹⁸

Thus, the power of the right prevailed and this was strongly reflected every day through the positions taken by politicians, who stressed the importance of fortifying Israel against those who they saw as wanting to destroy it.¹⁹ Some attribute this phenomenon to the fear caused by developments in the Arab political landscape. This means that the weaker the Arab role in the region becomes, the stronger the Israel is, as a defensive and offensive force that is in control of the region. Vice versa, the stronger the Arab role and political position becomes, the weaker the power and influence of Israel is, both inside and outside its society. All

this is reflected in the course of public political life. The right in Israel controls the government and affects its decisions. Its core is preserved and expanded, and also invested in Knesset elections.

This influence prompted right-wing parties, whether they participated or not in the government coalitions, to put forward bills that increased restrictions on Palestinians in WB and GS, as well as those under direct rule of Israel carrying Israeli IDs.²⁰ Right-wingers, inside or outside the government coalition, left no room for flexibility for Netanyahu's government. Therefore, recent years, including 2018–2019, have been marked by the emergence of a strong right-wing, who have strongly influenced decision-making and the application of decisions, whether in Israel or the Palestinian territories occupied in 1967.

3. The Palestinians of 1948

The Palestinians of 1948 constitute 17% of the total population in Israel (excluding East Jerusalem). They are found in three central regions, namely Galilee in the north, the Triangle in the center, and the Negev in the south, in addition to mixed cities such as Haifa, Acre, Jaffa, Lod and Ramla. Palestinians are subjected to discriminatory policies that affect almost all aspects of daily life. There are also wide gaps between them and the Jewish community in the areas of education, social welfare, standard of living, income and other indicators of well-being. Successive Israeli governments, and especially the Netanyahu government, have adopted deliberate policies of neglect toward the Palestinians, as well as excessively monitoring them, considering them violators of laws who must be tried.²¹ In other words, Israeli governments in general have presented a negative image of their Palestinian "citizens" as a fifth column, and as opponents of the state who refuse to be loyal to it.²²

Palestinians have been made victims widespread violence in Arab villages and cities for more than two years. The reasons for this phenomenon has been attributed to the proliferation and spread of unlicensed weapons among gangs, as well as individuals and families who engage in violence. Palestinian villages and cities witnessed shootings, and a number of people were killed in plain sight of the police, who did not act to protect them. The failure of the police in Israel to assume their responsibility, whether in collecting unlicensed weapons or in arresting the perpetrators, is sufficient evidence of complacency and a policy of negligence. This approach on the part of Israel seeks to sow terror, panic and tension in Arab

Palestinian society, to dismantle and fragment it, thus putting it further under the state's control.

Creating a state of terror and fear is a strategy that indirectly contributes to pushing large segments of the Palestinian community at home, especially young people, to think about emigration and leaving the country. This phenomenon has spreading in a number of villages and towns that have been subjected to a series of shootings, killings and sabotage over the past two years.²³

Things have not stopped there, as Israeli politicians consider the policy of distributing and trafficking in arms a sensitive issue. Although Israel used to arrest and prosecute anyone who was seized with a weapon without a permit, it condoned the availability of arms in the hands of gangs, individuals and families who practiced violence for self-interest.

Arab leaders in the 1948 territories have tried to pressure the police to collect weapons, who in turn have claimed that they are carrying out their duties and are not able to cover all areas, an interpretation rejected by the Arab community leaders.

During the past two years, the Netanyahu government did not seek to allocate a single government session, or a part thereof, to tackle this phenomenon, until the matter became worse in the fourth quarter of 2019, after a terrible series of killings of Arab citizens in a number of villages. Thus, after demonstrations, protests and marches were organized condemning government policy, the government formed a committee to examine the situation. However, this was not enough to stop the violence in Palestinian society in the 1948 territories, as it appears that the government did not want this society to carry out other activities such as confronting its discriminatory policies in education, health and social services.²⁴

Another issue distressing the Palestinians of 1948 was the demolition of unlicensed homes in Arab towns. Construction and planning committees failed to grant new building permits, except on rare occasions, in addition to the failure of the Ministries of the Interior and Construction and Housing to expand building areas in Arab towns. At the same time, there has been a continuous increase in the number of young couples needing to build houses but faced with a limited number of permits being made available. As a result, Arab families have resorted to unlicensed construction to meet the urgent need of their young people.

Unlicensed construction was not a spontaneous decision by building owners, but was rather a result of the discriminatory Israeli policies taken against Palestinian society aimed at avoiding the expansion of construction spaces and indirectly pressuring young people to emigrate outside their villages.²⁵ As for the remaining lands owned by the 1948 Palestinian citizens, they have shrunk considerably over the decades, against the backdrop of the expropriation policies pursued by the successive Israeli governments.

Several years ago, the government of Israel enacted the Kaminitz Law, which stipulated the issuance of judicial decisions to demolish more than 70 thousand homes or housing facilities that were built without official authorization from the competent authorities, in addition to hefty fines. This prompted Arab local authorities and parties to strive to repeal this law, or limit its far-reaching implementation of demolition policies in Arab towns.

In fact, these policies created daily tension in Arab towns and have failed to provide a safe future to the families. Indeed, the licensing authorities did not evolve to cover the needs at the required speed. They also indirectly increased tensions between the state and its Palestinian citizens, thus perpetuating the feelings of victimization,²⁶ since such a situation did not exist in Jewish society. This confirmed that these were intentional policies of repression and pressure on the Palestinian community in the 1948 territories.

Moreover, the matter expanded to the Arab Druze segment, whose youth serve in the ranks of the Israeli army due to the obligatory military service law established in 1956. The problem of housing and licenses prevailed in the Druze villages and towns in Galilee and Carmel. The crisis remained unresolved, despite Druze military service in the Israeli army and the “blood ties” praised by Israeli politicians between the Druze and Israeli societies. As a result, the number of unlicensed apartments and residential units increased significantly, and many clashes between the Israeli security forces and Palestinian and Druze protestors occurred.²⁷

The members of Knesset (MKs) of the right wing parties sought to incite Arab MKs due to the latter’s opposition to Israeli policies of repression and aggressions carried out the military against the Palestinian people, particularly in WB and GS.²⁸

4. The Supreme Court and Racist Laws

In parallel with the increase in official and media incitement against Palestinian Arabs in Israel, the momentum of legislating racist laws has increased during the past two years.²⁹ The Israeli Knesset website indicated that 37 racial laws were passed, out of 220 bills, from late 2017 to the time of writing (late 2019). Right wing parties sought to legalize governmental political decisions that would impose greater Israeli hegemony over WB, and tighten repressive measures against the 1948 Palestinians, legally prosecuting them. In other words, the intensification of racist laws did not aim to regulate the relationship between the state and the Palestinian Arab minority, but rather to subject them to the laws. Indeed, the laws were a cover to impose more restrictions on the Arabs and push them to provide blind and complete loyalty to the “state,” rather than to Palestine, the people of Palestine, and the wider Arab nation.³⁰

The peak of such punitive laws was in the “Jewish Nation-State Law,”³¹ approved by the Knesset in July 2018, despite widespread protests against it by Arab citizens, including the Druze, and by some Israeli groups and individuals. They viewed the law as racist and biased, leaving no room for a future settlement between Israel and the Palestinians and Arabs generally, and failing to build any equality and justice in Israel’s relationship with its Palestinian citizens. Some considered it a colonial law in its orientations, akin to an apartheid law.³²

On the eve of the ratification of this racist law, and the events and protests that followed, there were intense efforts by political parties and movements, whether in the Arab communities, or among the Israeli left who strongly advocated against the law. The Druze also opposed it, as the law granted full citizenship rights and the right to self-determination to Jews in what the law called “the land of Israel.” The protests and demonstrations in Tel Aviv did not result in any abolition or even amendment of the law.³³

Nonetheless, despite the severe criticisms levelled against the law and Netanyahu’s government, no one in the Israeli establishment moved a finger to block it, which is indicative of the prevailing racist mentality in a country where, a few days later, life returned to “normal.” This applied to other simultaneous events as well, where Israeli society remained outside the circles of influence. Psychological and political analysts attribute this phenomenon to the nature of the Israeli society, and to the doses of tension, panic and intimidation that politicians

spread via the media. This is particularly true of Netanyahu, who—just before the leaks about the possible formation of a government by Benny Gantz—described his alarm at the security situation of Israel and pointed at the existential danger posed by Arabs there, i.e., the Palestinians.³⁴ These racist statements served the political agenda of Netanyahu, and reflected the condition of Israeli society, which lives in constant fear and anxiety about its present and future.³⁵ Add to this that the law in question and other similar racist laws do not aim to build a system of relationships based on equality and equal rights between the two peoples in Israel; on the contrary, they strengthen the apartheid system by failing to recognize the Palestinians as a people. Consequently, the law recognizes that they are sects, and this is in line with the Zionist vision expressed by the Balfour Declaration in 1917.³⁶ Hence, some analysts believe that the legislation of this law and the American recognition of Jerusalem as the capital of Israel on the centennial of this declaration was not a coincidence.

The racist Jewish Nation-State Law will allow Israeli governments to implement more expropriations of land in the Galilee (northern occupied Palestine) in favor of projects to Judaize this area, which still has a Palestinian majority.

Furthermore, this law is classified within the Basic Laws, which are constitutionally superior. Changing it requires a majority of two-thirds of the Knesset members. Consequently, it is not easy to file a legal petition with the Supreme Court to repeal it. Therefore, the Palestinians of 1948 sought the amendment of several provisions of the law through The Legal Center for Arab Minority Rights in Israel—Adalah, located in Haifa.

Among the powers of the Supreme Court in Israel is its ability to repeal laws enacted by the Knesset, and reject any laws that are believed to be incompatible with having balance in Israel or are far from the spirit of the Declaration of Independence, which Israelis praise as being the basis of their democracy. However, Minister of Justice Ayelet Shaked worked during her mandate to limit such powers, attacking it on public platforms. Such conduct is unfamiliar in Israel. The minister called for a law restricting the powers of the Supreme Court and preventing its judges from influencing the legislation process, claiming that the Knesset is the legislator, and that the power of the Supreme Court is to pronounce judgments according to these laws.³⁷ Shaked was attacked by former Supreme Court President Judge Aharon Barak as well as a group of former and current judges, while other politicians

defended her reformist approaches. Shaked's approach could be considered an attempt by the extreme right to rule alone and to determine the extent and ceiling of democracy, and the freedom of judicial work.³⁸ This is also consistent with Netanyahu's trend to rule alone and to restrict the freedom of political and judicial work, so that he and his government can seize state institutions using the legal pretext of judicial reform.

5. Israeli Legislative Elections

The second half of 2018 was marked by accusations against Netanyahu by his opponents, within and outside his government coalition. The accusations featured three central issues: First, Netanyahu's tendency towards appeasement with Hamas and other factions in GS. He has been accused of surrendering to Hamas in order to escape a peace settlement with the PA. This was in the context of undeclared Israeli recommendations to maintain the Palestinian internal schism, since it provides Israel with the opportunity "to make more achievements on the ground by weakening the Palestinian resistance in general."³⁹

Second, Netanyahu was accused of obstructing the enactment of a law to recruit ultra-Orthodox Jews to the army. This was what Avigdor Lieberman and his party, who are part of the coalition government, had called for, while it was opposed by their government partners, the religious parties. Naturally, this atmosphere led to tension between the Yisrael Beiteinu party led by Lieberman, a purely secular party, and the religious ultra-Orthodox parties (Haredi).⁴⁰

The third accusation was that Netanyahu's internal policy and involvement in corruption files and alleged receiving of bribes would lead to the collapse of Israel. Some people even believed that he was the most dangerous prime minister in the history of Israel.⁴¹

These public exchanges, in particular the issue of the recruitment of the ultra-Orthodox to the army, led to the resignation of Lieberman and his transfer to the opposition ranks.⁴² Consequently the Netanyahu government lost its Knesset majority, the Knesset was dissolved in December 2018, and on 9/4/2019, early elections were called.

The three months preceding the elections saw the formation and dismantling of the electoral lists, as is customary in the Knesset election contests. The Joint List, which mainly represents the Arab masses, was broken down into two lists due to

internal conflicts over the arrangement of the electoral list: Hadash (Democratic Front for Peace and Equality) led by Ayman Odeh, and Ta'al (Arab Movement for Change) led by Mansour 'Abbas. The calls for the re-unification of the Joint List by the 1948 Palestinian masses and independent political and cultural figures were not heard. Thus, the 1948 Palestinians headed to the elections with two lists, ultimately obtaining 10 seats combined, while they had won 13 seats in their previous formation in 2015. It is noteworthy that tens of thousands of 1948 Palestinians did not vote, and some of them announced their boycott of the Knesset, in principle, because it had been working against the Palestinian people and their issues.⁴³

But the dissolution of the 21st Knesset, less than two months after its formation, was an opportunity to restore unity and cohesion among the four components of the Joint List. This renewed the public's confidence in the List, which won 13 seats in the 22nd Knesset elections.

Out of 47 electoral lists that ran in the legislative elections of the 21st Knesset, only 11 lists won seats in the 120-seat Knesset. Each of Netanyahu's Likud party, and Gantz's Blue and White party (*Kachol Laven*) won 35 seats. Moreover, Shas (the Eastern Religious) won 8 seats; United Torah Judaism—*Yahadut HaTorah* 8 seats; the Arab Movement for Change (Ta'al) and the Democratic Front for Peace and Equality (Hadash) 6 seats; The United Arab List (Ra'am) and the National Democratic Alliance (Balad) 4 seats; the Labor Party 6 seats; Yisrael Beiteinu 5 seats; the United Right 5 seats; Meretz 4 seats, and Kulanu 4 seats.⁴⁴

The elections for the 21st Knesset were characterized by the following:⁴⁵

- The emergence of campaigns against Netanyahu, and the calls by several parties and lists to drop him permanently due to the corruption cases attributed to him. They believed that a prime minister accused of corruption cannot be allowed to continue to run the "state" and participate in a legislative election.
- The intensified competition between the far right and secular camp led by Netanyahu on the one hand, and the secular right led by Gantz and his party on the other.
- An intense emergence of right-wing parties and lists that participated in the legislative elections, where the extreme right led by Netanyahu dominated, thus giving the social and political life in Israel a right wing character.

- The Labor party's deterioration continued and the Israeli left has retreated and lost its status.
- Conflicts within the ranks of the Joint List have deepened the differences, and two competing lists were formed.

The elections did not produce conclusive results for the two major parties, Likud and the Blue and White party, as each of them emerged with the same number of seats. Consequently, it became exceedingly difficult to form a government based on a Knesset majority. This meant that Netanyahu's government would not continue under the principle of equal seats, and that Lieberman has put spokes in Netanyahu's wheels, especially after Netanyahu's failed attempt (through his aides) to pass the prime minister's immunity law for life. It became clear at this point in that Lieberman was the stumbling block to a new government formed by Netanyahu because the latter knew that he would not succeed in forming a new government and that the mandate would pass to his opponent Gantz, the leader of the Blue and White party. Lieberman refrained from agreeing with Netanyahu on a coalition and chose to push for early elections. Thus, the 21st Knesset did not witness a new government. It is the first time in the history of Israel that no new government was born after legislative elections. That is why the elected parties in the Knesset adopted a bill to dissolve itself and called for second elections in the same year on 17/9/2019.

The traditional parties competed in the elections in the second round, but it was an opportunity to reform the Joint List of Arab parties and lists. A list was also formed upon former Prime Minister Ehud Barak's initiative, uniting some left and center parties. The lists opposing Netanyahu raised the slogan of toppling him and forming a center-right government, instead of the extreme right. However, the results of these elections produced the same situation that existed in the aftermath of the previous elections. Netanyahu was unable to form a new government due to his failure to obtain the trust of 61 MKs, even though the right-wing bloc that pledged allegiance to him consisted of 55 members. Likewise, Gantz was unable to form a government either, even if it was a narrow government backed from outside the coalition by the Joint List. This is because the Yisrael Beiteinu party led by Lieberman rejected the alliance with Netanyahu because of his partnership with the religious parties and refused to partner with Gantz because of his intention to rely on the Joint List. Hence, the crisis was led by Lieberman who wanted to undertake

political blackmail for himself and his party, while Netanyahu wanted to show that his being the prime minister was the only solution to the crisis, otherwise, a third election would be held in the spring of 2020. Actually, Lieberman left no choice but the one reviled by the two major parties.⁴⁶

After Gantz failed to form a government, matters returned to the president, who summoned the Speaker of the Knesset under the rules of the constitutional system, asking him to announce if there were any Knesset member who could collect 61 MKs to form the next government within 21 days starting from 20/11/2019.

There was a legal, political and media controversy surrounding Netanyahu's possible prevention from running in the third elections, if a decision was taken to hold them. He was also pressured to step down because of the indictment against him. However, the government's attorney general issued his view permitting Netanyahu to continue his duties as head of a transitional government and authorizing him to run for the upcoming elections, as long as his case was still in court with no definitive judicial decision issued.

The leaders of the major parties in Israel made attempts to form a national unity government based on sharing the prime ministerial position between Netanyahu and Gantz and distributing ministerial portfolios between their two parties, and other parties allied with them. However, these attempts were unsuccessful due to the lack of trust between the two sides, the low credibility of Netanyahu, while the Blue and White party expected its popularity to increase if it rejected joining such a government. This happened as Netanyahu attempted to appear to be the strongest player, able to hold the reins of power in Israel, while insisting on become prime minister in order to strengthen his position when facing his trial and potential conviction.

Thus, the intractability and failure of the two parties to form a joint government, led Israel to hold a third round of elections in less than a year, on 2/3/2020.

As expected, the third round of elections did not lead to any decisive results. It basically maintained a state of division and an impossible political situation. Although it somehow strengthened the Likud party, which increased its number of seats from 32 to 36 seats. It did not provide the right-wing camp with the majority of the 61 seats, after it gathered just 58 seats. Moreover, the Yisrael Beiteinu party led by Lieberman, which won 7 seats, still refused to join this camp, despite its right wing tendency.

Table 1/5: Results of the 21st, 22nd and 23rd Knesset Elections⁴⁷

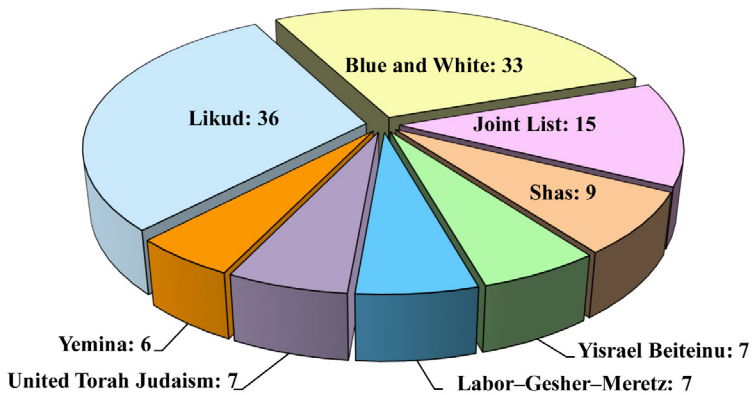
Name of List*	23rd Knesset (2/3/2020)		22nd Knesset (17/9/2019)		21st Knesset (9/4/2019)	
	No. of valid votes	No. of seats	No. of valid votes	No. of seats	No. of valid votes	No. of seats
Likud	1,352,449	36	1,113,617	32	1,140,370	35
Blue and White**	1,220,381	33	1,151,214	33	1,125,881	35
Joint List (United List, Hadash, Balad, Ta'al)	581,507	15	470,211	13	–	–
The Arab Movement for Change and the Democratic Front for Peace and Equality (Hadash)	–	–	–	–	193,442	6
The United List and the National Democratic Assembly (Balad)	–	–	–	–	143,666	4
Shas	352,853	9	330,199	9	258,275	8
Yisrael Beiteinu	263,365	7	310,154	8	173,004	5
United Torah Judaism	274,437	7	268,775	7	249,049	8
Labor–Gesher–Meretz	267,480	7	–	–	–	–
Labor–Gesher (Sept. 2019) (Labor: April 2019)	–	–	212,782	6	190,870	6
Democratic Union (Sept. 2019) (Meretz: April 2019)	–	–	192,495	5	156,473	4
Yemina (United Right: April 2019)	240,689	6	260,655	7	159,468	5
Kulanu***	–	–	–	–	152,756	4
Number of eligible voters	6,453,255		6,394,030		6,339,729	
Total valid votes	4,553,161		4,436,806		4,309,270	

* Some names of lists, parties and alliances have been shortened in an attempt to simplify the table.

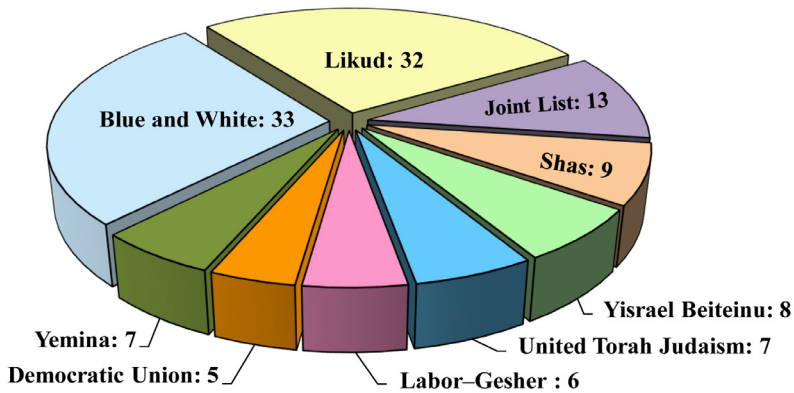
** Yesh Atid officially dissolved itself before the April 2019 elections and joined the Blue and White Party.

*** Kulanu officially dissolved itself before the September 2019 elections and joined the Likud Party.

Results of the 23rd Knesset Elections on 2/3/2020



Results of the 22nd Knesset Elections on 17/9/2019



Although the Blue and White party retained the same number of seats (33), its chances of forming the government did not improve, as it needed Lieberman’s support, which was not easy to obtain. It also needed the support of the Joint List (15 seats) in the Knesset (without its participation in the government), nevertheless, the List did not unanimously agree on that. Moreover, several officials from the Blue and White party and most Israelis reject the formation of a government whose survival depends on the “negative support” of the Arab list. However, what actually happened was that a government was formed based mainly on the partnership between the two major parties.

The Palestinian Arab minority participating in the elections, won 15 seats for the first time in their history, and collected around 582 thousand votes, which was considered a great achievement. However, it can be hardly considered a political accomplishment, since it is amidst an environment that wants to oppress both the land and the people. Nonetheless, it revealed the wish of the Palestinian community to unite and cooperate in order to face the escalating dangers that threaten it.

The governance crisis in Israel reflected negatively on the administrations of state institutions, for with the caretaker government there were no decision makers, thus leading to economic recession, which began to appear in a number of sectors.⁴⁸ Moreover, the ability to change national governance in Israel became linked to the outcome of the corruption cases against Netanyahu.

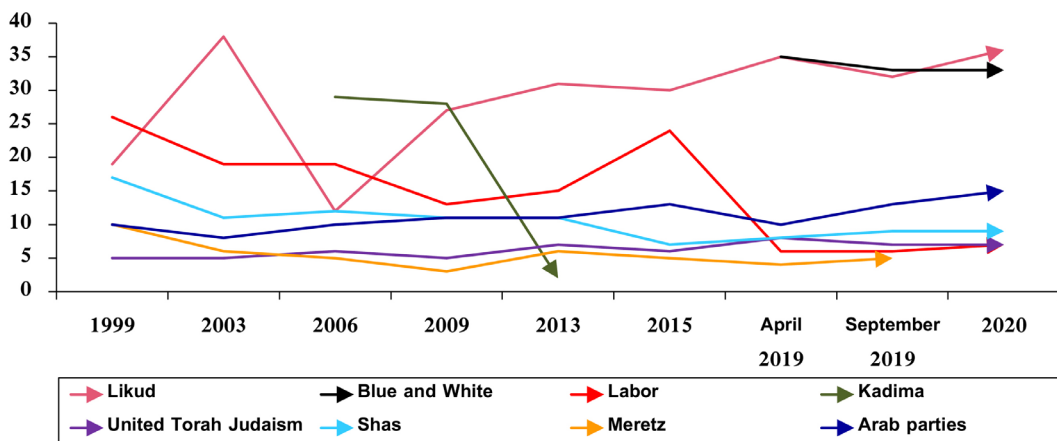
Despite the political impasse, some election campaigns called for the imposition of Israeli sovereignty on some WB areas, especially the Jordan Valley and near Jerusalem. The religious extreme right also called for the establishment of a state according to Jewish law, while others called for a new occupation of GS, and a massive displacement of its residents in agreement with other countries to absorb them.⁴⁹

The results of the Israeli elections indicated that the existing status quo would be maintained: an inability of any party to obtain a Knesset majority; the large number of party lists; fragmentation, division, and reshaping of parties; building alliances. Moreover, the last 20 years witnessed the emergence of new major parties (Kadima, Blue and White), and the tendency of Israeli voters towards the extreme right, as well as the continued decline and dissolution of the left parties as indicated in the following table:

Table 2/5: Israeli Election Knesset Results by Number of Seats 1999–2020⁵⁰

Knesset	15	16	17	18	19	20	21	22	23
Year	1999	2003	2006	2009	2013	2015	April 2019	September 2019	2020
Likud	19	38	12	27	31	30	35	32	36
Blue and White							35	33	33
Labor	26	19	19	13	15	24	6	6	7
Kadima			29	28	2				
Yisrael Beiteinu	4			15		6	5	8	7
United Torah Judaism	5	5	6	5	7	6	8	7	7
Shas	17	11	12	11	11	7	8	9	9
Meretz	10	6	5	3	6	5	4	5	
Arab parties	10	8	10	11	11	13	10	13	15

Israeli Election Knesset Results by Number of Seats 1999–2020



Second: Demographic Indicators

The Israeli Central Bureau of Statistics (CBS) estimated the population of Israel at the end of 2019 at 9.138 million, including 6.773 million Jews, i.e., 74.1% of the population. This was compared to 8.968 million people, including 6.664 million Jews, 74.3% of the population, at the end of 2018. As for the Arab population in Israel, including the residents of East Jerusalem and the Golan Heights, it was estimated at 1.918 million in 2019, i.e., 21% of the population, compared to 1.878 million in 2018, 20.9% of the population (see table 3/5). If we exclude the population of East Jerusalem (approximately 358 thousand⁵¹) and the Golan Heights (approximately 25 thousand), then the number of the 1948 Palestinians (i.e., the Palestinian territories occupied in 1948) was 1.535 million in 2019, about 16.8% of the population.

In 2019, CBS classified 447 thousand people as “others,” or 4.9%, compared to 425 thousand in 2018. These “others” are mostly immigrants from Russia, the former Soviet Union and Eastern Europe, who are not recognized as Jews, or who tend to deal with Judaism as a nationality rather than a religious affiliation, or who are non-Jews or non-Arab Christians.

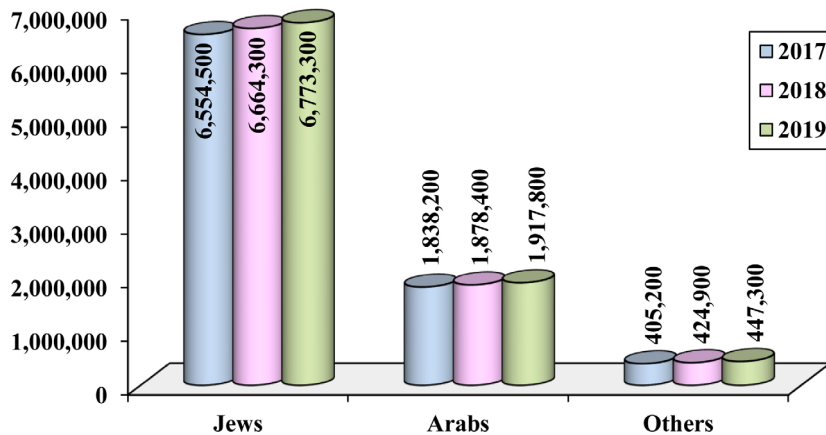
It is difficult to determine accurate numbers of Jewish settlers in WB, as Israeli statistics deliberately omit the numbers of settlers in East Jerusalem. Some discretion is also used regarding the rest of WB, perhaps to assuage Palestinian and international reactions to the settlement programs. According to a report issued by Ya‘akov Katz, the former head of the National Union party, the number of settlers in WB increased over the past five years by 20.6%. The total number of settlers in WB (excluding East Jerusalem) was 450 thousand in 2018, an increase of 3.3%, while their number in East Jerusalem was estimated at 320 thousand.⁵² However, according to the available data, a more accurate estimate of the number of settlers in the WB, including East Jerusalem, is at least 800 thousand.

In contrast, a CBS statement issued on the commemoration of the occupation of the eastern part of Jerusalem in 1967, affirmed that Jerusalem is the largest city in Palestine and that its population represents 10% of the total population. Indeed, the population of Jerusalem reached 883 thousand, including 550 thousand settlers and 333 thousand Palestinians, approximately 38%. It added that during 2017, the number of settlers in Jerusalem increased by 8,100, while the Palestinian population increased by 8,800.⁵³

Table 3/5: Population of Israel 2011–2019⁵⁴

Year	Total	Jews	Arabs (including the population of East Jerusalem and the Golan Heights)	Others
2011	7,836,600	5,898,400	1,609,800	328,400
2012	7,984,500	5,999,600	1,647,200	337,700
2013	8,134,500	6,104,500	1,683,200	346,800
2014	8,296,900	6,219,200	1,720,300	357,400
2015	8,463,400	6,334,500	1,757,800	371,100
2016	8,628,600	6,446,100	1,797,300	386,200
2017	8,797,900	6,554,500	1,838,200	405,200
2018	8,967,600	6,664,300	1,878,400	424,900
2019	9,138,400	6,773,300	1,917,800	447,300

Population of Israel 2017–2019



In 2017 and 2018, there was a 2% population growth rate in Israel, which is almost the same annual growth rate as has occurred since 2003, with 183,648 persons and 184,370 persons being born in Israel in 2017 and 2018, respectively,⁵⁵ according to the latest statistics at the time of writing.

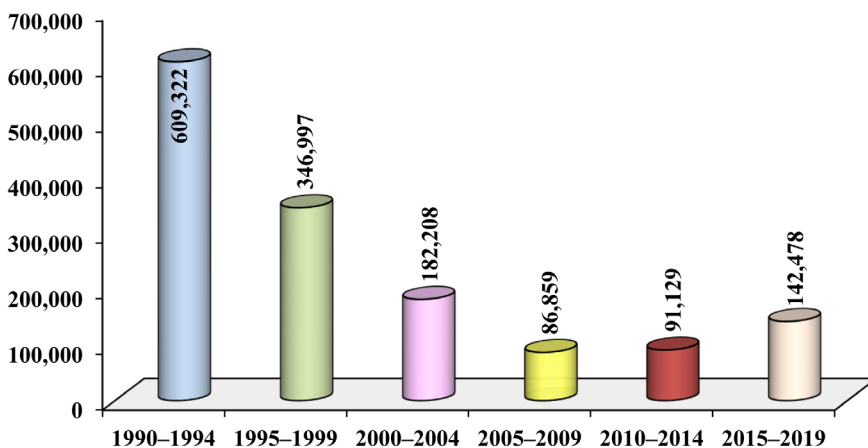
According to CBS, 33,085 immigrants came to Israel in 2019, compared to 28,099 and 26,357 in 2018 and 2017, respectively (see table 4/5). According to statistics, there have been 3.3 million immigrants arrive in Israel since its establishment in 1948, of whom 43.7% arrived in the wake of the collapse of the Soviet Union in 1990.⁵⁶ These figures show a limited increase in the rate of immigration in 2018 and 2019 compared to the preceding decade. However, they remain minimal compared to the 1990s. This comes after the diminution of the numbers of Jews willing to migrate, and after most Jews abroad went to developed countries in North America and Europe, so Jews do not have an incentive to migrate on a large scale.

Table 4/5: Numbers of Jewish Immigrants to Israel 1990–2019⁵⁷

Year	1990–1994	1995–1999	2000–2004	2005–2009	2010–2014	
No. of immigrants	609,322	346,997	182,208	86,859	91,129	
Year	2015	2016	2017	2018	2019	Total
No. of immigrants	27,908	27,029	26,357	28,099	33,085	1,458,993

The following chart shows the evolution of the number of Jewish immigrants to Israel every five years during 1990–2019.

Numbers of Jewish Immigrants to Israel 1990–2019



Although Israel treated these immigrants as Jews, there was a problem with their acceptance as Jews according to the religious definition, or according to the criteria of the Ministry of the Interior, controlled by the Orthodox movement, which insists that a Jew must have a Jewish mother. Therefore, based on data obtained by Hiddush about immigrants to Israel under the Israeli Law of Return in the 2012–2019 period, only 14% of these immigrants are “real” Jews. Moreover, 86% of them are registered as persons without religion, have converted to other religions, or they consider themselves Jews because they are descendants of a Jewish parent. However, the Ministry of the Interior rejected the figures published by Hiddush and said that there were a fallacy, and that the reason for the high proportion of non-Jews is due to the use of false definitions by the staff who prepared the statistics.⁵⁸

It should be noted that migration to Israel was accompanied by a continued counter-migration. According to CBS, about 14,300 persons holding Israeli passports exited Israel in 2017, while 8,400 came back in the same year. In other words, the rate of counter-migration reached 5,900 persons.⁵⁹ According to CBS estimates, between 560–596 thousand Israelis lived abroad at the end of 2016, not including the number of children born to them while they were outside the country.⁶⁰ An annual report issued by the National Union of Israeli Students stated that 59% of university students in Israel are thinking of immigration for various reasons, mostly personal and economic. According to the report, 35.5% of those polled attributed their intention to emigrate to the absence of any future professional development, while 31.5% attributed it to the high cost of living, 12.4% attributed it to the Israeli mentality, and 7.3% to security reasons.⁶¹

As for the religious and social tendencies of the Israeli society, a poll conducted by the *Haaretz* newspaper indicated that 54% of Israeli Jews said they believe in the existence of God and 21% believe that there is a supreme force, while 23% said they do not believe at all. Moreover, 60% confirmed that they do not keep the Sabbath holy, compared to only 25% who do. Likewise, 37% said they do not eat kosher food under Jewish law, compared to 45% who do.

The poll also showed that 78% of right-wing voters believe in the existence of God, and this percentage drops to 34% among center voters, and to 15% among left-wing voters. Moreover, 64% of these believers are between the ages of 18 and 24, while 22% of them are over the age of 65.

According to the poll, 56% consider that the Jews are the “chosen people” and that they have the right to this country as a result of a “divine promise.” Moreover, 79% of right-wing voters and 13% of left-wing voters believe that the Jews are “God’s chosen people,” while 74% of the right and 8% of the left believe that the Jews have the right to Palestine because of a “divine promise.” Regarding marriage, 45% said that they reject mixed marriage and 38% support it, while 61% support same-sex marriage and 28% oppose it. It also appeared that 44% believe in the theory of evolution and that humans evolved from apes, while 37% reject it. Moreover, 44% believe that there is life after death compared to 35% who do not.⁶²

Regarding the 1948 Palestinians, according to the official poverty report issued by the Israel National Insurance Institute, the poverty rate among Arabs was still the highest in Israel at 60.7% in 2017, compared to 61.7% in 2016. The report also pointed to the sharp decline in birth rates among Arabs, from about 4.8 births per mother in 1990 to about 3.4 births in 2017. The report added that the poverty rate reached 43.1% among Haredi families and 47.1% among Arab families. However, while allowances helped 24.5% of Haredi families to move above the poverty line, it helped only 9.7% of Arab families.⁶³

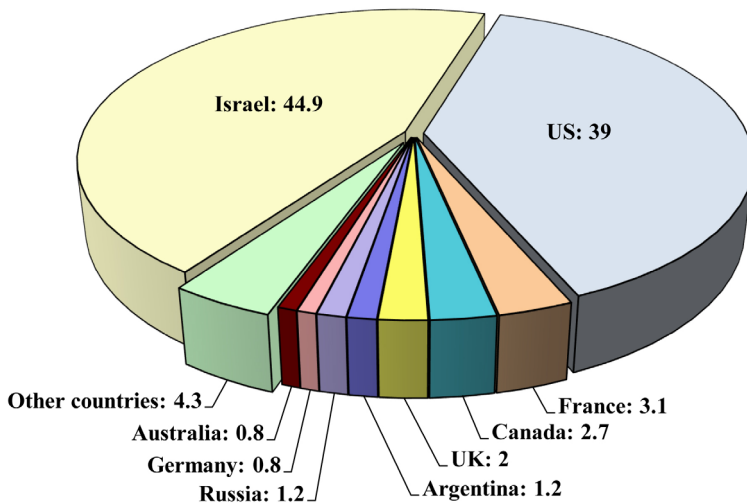
As noted above, Israeli statistics incorporate the Palestinians of East Jerusalem and the Syrians of the Golan Heights with the Palestinians of 1948; therefore, this observation should be taken into account when discussing the religious distribution and social conditions of these citizens. Accordingly, based on data at the end of 2018, there are 1.598 million Muslims (Sunni), 85%, 143 thousand Druze, 7.6%, and 135 thousand Christians, 7.2%. In terms of the population growth rate in 2018, it was 2.2% among Arabs compared to 1.7% among Jews.⁶⁴

As for the world Jewish population, Sergio DellaPergola, the renowned demographer and statistician, estimated it at 14.606 million at the end of 2018, an increase of 98 thousand from 2017 (a 0.7% increase), according to the latest statistics at the time of writing this report.⁶⁵ In the same context, there remain warnings against the “dissolving” of the followers of Judaism outside of Israel because of the high proportion of mixed marriages, which has an impact on the world Jewish population, especially in Western countries.

Table 5/5: World Jewish Population by Country 2018⁶⁶

Country	Estimates (thousands)	Percentage (%)
Israel	6,558.1	44.9
US	5,700	39
France	453	3.1
Canada	390.5	2.7
UK	290	2
Argentina	180.3	1.2
Russia	172	1.2
Germany	116	0.8
Australia	113.4	0.8
Other countries	632.7	4.3
Total	14,606	100

World Jewish Population by Country 2018 (%)



Third: Economic Indicators

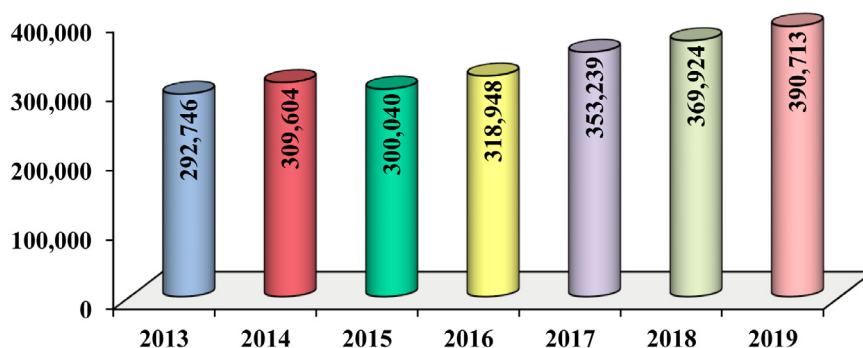
Israeli GDP in 2018 was 1,330.6 billion shekels (\$370 billion), compared to 1,271.6 billion shekels (\$353 billion) in 2017, a growth of 4.6%. As for 2019, and according to the figures available for the first three quarters of the year, GDP was estimated at 1,392.6 billion shekels (\$391 billion), with a growth rate of 4.7%. If we calculate the growth rate in dollars, and because of the volatility of the value of the shekel against the dollar, we find the growth rate increased by 5.6% in 2019, and by 4.7% in 2018 compared to the previous year (see table 6/5). It is worth noting that these results are contrary to the growth expectations of the Bank of Israel, which were 3.7% in 2018⁶⁷ and 3.1% in 2019.⁶⁸ Moreover, the statistics that we offer are drawn from official sources, which periodically update and adjust data.

Table 6/5: Israeli GDP 2013–2019 at Current Prices⁶⁹

Year	GDP (million shekels)	GDP (\$ million)	Shekel exchange rate (according to Bank of Israel)
2013	1,056,638	292,746	3.6094
2014	1,107,577	309,604	3.5774
2015	1,165,324	300,040	3.8839
2016	1,224,951	318,948	3.8406
2017	1,271,555	353,239	3.5997
2018	1,330,618	369,924	3.597
2019*	1,392,619	390,713	3.5643

* Estimated numbers are based on the figures of Q1, Q2 and Q3 of 2019.

Israeli GDP 2013–2019 at Current Prices (\$ million)



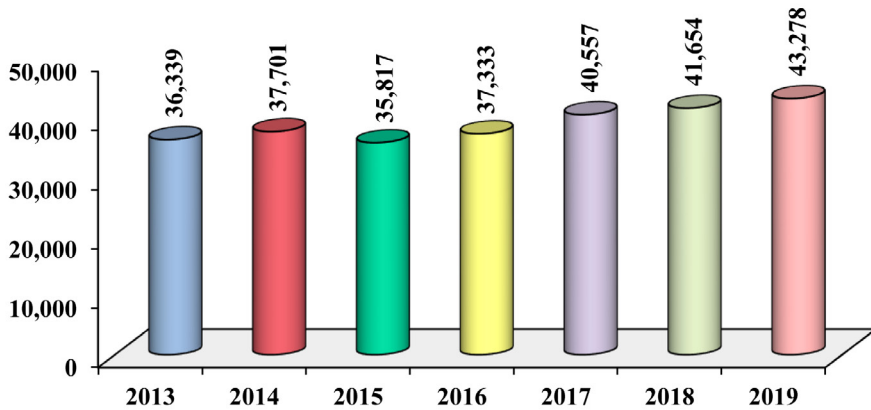
Israeli GDP per capita was 149,828 shekels (\$41,654) in 2018, compared to 145,993 shekels (\$40,557) in 2017, a 2.6% increase. As for 2019, Israeli GDP per capita, according to available statistics for the first three quarters of the year, was estimated at 154,257 shekels (\$43,278), a 3% increase. When calculating the growth rate in dollars, and because of the volatility of the value of the shekel against the dollar, we find that the growth rate increased 3.9% in 2019 and by 2.7% in 2018 compared to the previous year. Therefore, one should not rush to make inaccurate conclusions if the difference in local currency against the dollar is not taken into account (see table 7/5).

Table 7/5: Israeli GDP per Capita 2013–2019 at Current Prices⁷⁰

Year	GDP per capita (shekels)	GDP per capita (\$)
2013	131,162	36,339
2014	134,871	37,701
2015	139,108	35,817
2016	143,380	37,333
2017	145,993	40,557
2018	149,828	41,654
2019*	154,257	43,278

* Estimated numbers are based on the figures of Q1, Q2 and Q3 of 2019.

Israeli GDP per Capita 2013–2019 at Current Prices (\$)



As for the budget of the Israeli government, CBS stated that the grand total in the approved 2019 budget of government payments amounted to 503.129 billion shekels (\$141 billion) compared to 553.565 billion shekels (\$153.9 billion) of the adjusted budget in 2018. However, the budget performance of government payments was 506.87 billion shekels (\$140.9 billion) in 2018, compared to 511.818 billion shekels (\$142.2 billion) in 2017.⁷¹

The budget is divided into three axes, the first of which is the ordinary budget, which includes the expenses of the presidency, the prime minister and the ministries. The second includes the development budget and debt repayment, and the third includes the budget of business enterprises. We note that the ordinary budget performance of 2018 was 368.549 billion shekels (\$102.5 billion), including that of the Ministry of Defense 72.547 billion shekels (\$20 billion), and Ministry of Public Security 17.898 billion shekels (\$5 billion). This was in addition to 71.422 billion shekels (\$20 billion) spent by the Ministry of Education, and 53.922 billion shekels (\$15 billion) spent by the Ministry of Social Affairs. We also note that debt repayment has carved out a significant portion of the total expenditure, reaching 78.993 billion shekels (\$22 billion) in 2018 compared to 100.19 billion shekels (\$27.8 billion) in 2017.⁷²

The grand total of budget performance of government receipts in 2018 was 468.519 billion shekels (\$130.3 billion) compared to 469.085 billion shekels (\$130.3 billion) in 2017. A large proportion of the current receipts came from income tax (134.987 billion shekels equivalent to \$37.5 billion) and value added tax (VAT) (99.9 billion shekels equivalent to \$27.8 billion), as was apparent in the 2018 budget.⁷³

According to CBS, the grand total of budget performance of government receipts in 2019 was 503.129 billion shekels (\$141 billion), compared to 483.668 billion shekels (\$134.5 billion) in the 2018 adjusted budget.⁷⁴

It appears that the statistics obtained from the Israeli Ministry of Finance website focused on the ordinary budget primarily related to the government and its ministries, and the updated budget for 2019 showed total expenditure of 414.35 billion shekels (\$116.3 billion) without referring to debt repayment or business enterprises. Similarly, the updated budget for 2018 showed total expenditure of 401.412 billion shekels (\$111.6 billion).⁷⁵

Therefore, some inconsistency and confusion could happen to some researchers, for the statistics and figures issued by different official Israeli bodies did not specify if the intended budget was the grand total budget or the ordinary budget. It did not specify if it was the budget approved by the government or by the Knesset, and whether it was the updated budget for receipts and payments after the completion of the fiscal year.

The following table shows the receipts and payments of the Israeli government in 2017–2019:

Table 8/5: Budget Performance of Israeli Government Receipts and Payments 2017–2019⁷⁶

		2017		2018		2019	
		Million shekels	Million \$	Million shekels	Million \$	Million shekels	Million \$
Receipts	Current receipts	313,624	87,125	314,753	87,504	332,740	93,354
	Capital receipts	127,893	35,529	128,694	35,778	146,865	41,204
	Business enterprises	27,568	7,658	25,072	6,970	23,525	6,600
Receipts grand total		469,085	130,312	468,519	130,253	503,129	141,158
Payments	Ordinary budget	351,572	97,667	368,549	102,460	353,939	99,301
	Development budget and debt repayment	132,727	36,872	113,338	31,509	125,666	35,257
	Business enterprises	27,519	7,645	24,983	6,946	23,525	6,600
Payments grand total		511,818	142,184	506,870	140,915	503,129	141,158
Deficit (%)		-9.1		-8.2		0	

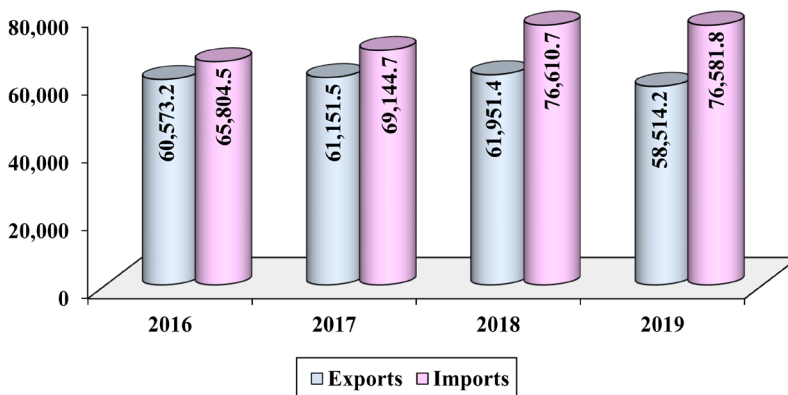
Note: The numbers of 2017 and 2018 are the actual receipts and payments, while for 2019, they are of the approved budget.

The Israeli exports for 2019 amounted to \$58.514 billion, compared with \$61.951 billion in 2018 and \$61.152 billion in 2017. Thus, exports fell by 5.5% in 2019 after increasing 1.3% in 2018. As for imports in 2019, they reached a total of \$76.582 billion, compared to \$76.611 billion in 2018 and \$69.145 billion in 2017. Thus, imports maintained their level in 2018–2019 (see table 9/5). It must be noted that these statistics do not include foreign trade services (import and export activities).

Table 9/5: Total Israeli Exports and Imports 2016–2019 at Current Prices⁷⁷

		Exports	Imports	Surplus/ deficit (%)
2016	Million shekels	232,757.6	252,668.3	-8.6
	\$ million	60,573.2	65,804.5	
2017	Million shekels	220,221.8	248,638.6	-12.9
	\$ million	61,151.5	69,144.7	
2018	Million shekels	222,432.6	275,436.5	-23.8
	\$ million	61,951.4	76,610.7	
2019	Million shekels	208,765.6	273,019.3	-30.8
	\$ million	58,514.2	76,581.8	

Total Israeli Exports and Imports 2016–2019 at Current Prices (\$ million)



The US still maintains its status as a primary trading partner of Israel. In 2019, Israeli exports to the US amounted to \$15.856 billion, representing 27.1% of total Israeli exports, compared to \$16.696 billion in 2018 (27% of the total Israeli exports). Israeli imports from the US reached \$12.273 billion in 2019 (16% of total Israeli imports), compared to \$9.755 billion in 2018 (12.7% of total Israeli imports). Israel offsets its trade deficit to a large extent with most of its trading partners through the trade surplus with the US, which was \$3.6 billion in 2019 and \$7 billion in 2018, representing a great support to the Israeli economy. It is noteworthy that the Israeli trade surplus with the US almost halved in 2019 compared to 2018 (see table 10/5).

China was ranked the second largest trading partner of Israel, with exports to China reaching \$4.714 billion in 2019 and \$4.779 billion in 2018. Israeli imports from China amounted to \$6.721 billion in 2019 and \$6.836 billion in 2018. Britain ranked third, with a trade volume reaching \$8.015 billion in 2019 after it reached \$10.493 billion in 2018.

Germany advanced from fifth to fourth position in 2019, with the trade volume reaching \$7.194 billion after reaching \$7.197 billion in 2018. Switzerland dropped from the fourth to fifth position with a trade volume of \$6.623 billion in 2019 after reaching \$9.109 billion in 2018, and \$6.984 billion in 2017 (see table 10/5).

Hong Kong went from seventh position in 2017 to the sixth position in 2018 with a trade volume of \$6.43 billion, then to ninth position in 2019 with a trade volume of \$4.86 billion (see table 10/5).

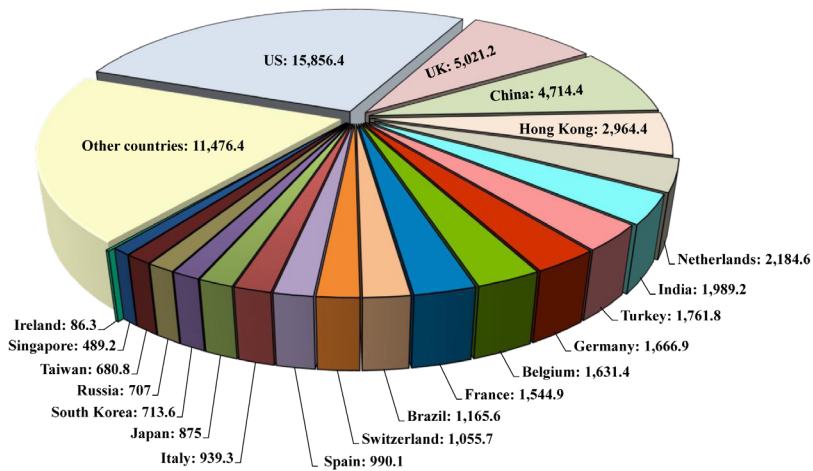
In addition to the countries above, the main countries to which Israel exported in 2019 were the Netherlands (\$2.185 billion), India (\$1.989 billion), Turkey (\$1.762 billion), Belgium (\$1.631 billion), France, Brazil, Spain, and Italy. The main countries that Israel imported from in 2019 were Belgium (\$3.57 billion), Turkey (\$3.174 billion), the Netherlands (\$2.857 billion), Italy (\$2.772 billion), France (\$2.043 billion), and India (\$1.847 billion) (see table 10/5).

In 2018, the main countries to which Israel exported were the Netherlands (\$2.28 billion), Belgium (\$2.19 billion), India (\$2.15 billion), Turkey (\$1.9 billion), France, Brazil and Japan. The main countries that Israel imported from in 2018 were Belgium (\$3.8 billion), the Netherlands (\$3.3 billion), Turkey (\$2.89 billion), Italy (\$2.84 billion), and France (\$2.198 billion) (see table 10/5).

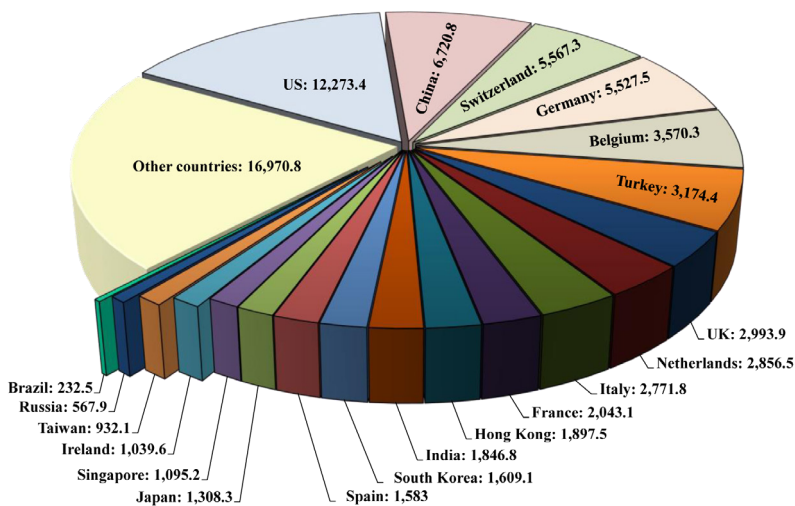
Table 10/5: Volume of Israeli Trade, Exports and Imports to/ from Selected Countries 2018–2019 at Current Prices (\$ million)⁷⁸

	Country	Trade volume		Israeli exports to:		Israeli imports from:	
		2019	2018	2019	2018	2019	2018
1	US	28,129.8	26,451.1	15,856.4	16,696	12,273.4	9,755.1
2	China	11,435.2	11,614.9	4,714.4	4,778.6	6,720.8	6,836.3
3	UK	8,015.1	10,492.6	5,021.2	4,341.2	2,993.9	6,151.4
4	Germany	7,194.4	7,197.2	1,666.9	1,777.2	5,527.5	5,420
5	Switzerland	6,623	9,109.1	1,055.7	1,351.9	5,567.3	7,757.2
6	Belgium	5,201.7	6,016.7	1,631.4	2,193.5	3,570.3	3,823.2
7	Netherlands	5,041.1	5,558.1	2,184.6	2,275.6	2,856.5	3,282.5
8	Turkey	4,936.2	4,797.9	1,761.8	1,912.4	3,174.4	2,885.5
9	Hong Kong	4,861.9	6,429.8	2,964.4	4,227.1	1,897.5	2,202.7
10	India	3,836	3,933	1,989.2	2,149.5	1,846.8	1,783.5
11	Italy	3,711.1	3,823.4	939.3	981.7	2,771.8	2,841.7
12	France	3,588	3,803.5	1,544.9	1,605.9	2,043.1	2,197.6
13	Spain	2,573.1	2,467	990.1	882.6	1,583	1,584.4
14	South Korea	2,322.7	2,485.6	713.6	970.1	1,609.1	1,515.5
15	Japan	2,183	3,087.4	875	1,031.6	1,308.3	2,055.8
16	Taiwan	1,612.9	1,490	680.8	546.4	932.1	943.6
17	Singapore	1,584.4	2,160.2	489.2	504.1	1,095.2	1,656.1
18	Brazil	1,398.1	1,356.5	1,165.6	1,169.1	232.5	187.4
19	Russia	1,274.9	1,440.6	707	664.2	567.9	776.4
20	Ireland	1,125.9	1,283.5	86.3	104.4	1,039.6	1,179.1
21	Other countries	28,447.5	23,564	11,476.4	11,788.3	16,970.8	11,775.7
	Total	135,096	138,562.1	58,514.2	61,951.4	76,581.8	76,610.7

Israeli Exports to Selected Countries 2019 at Current Prices (\$ million)



Israeli Imports from Selected Countries 2019 at Current Prices (\$ million)



Manufacturing, mining, and quarrying topped the list of Israeli exports for 2018 and 2019, totaling 85.6% and 89.1% respectively. Net Israeli diamond exports reached 12.6% in 2018 and 9.3% in 2019. Agricultural exports and those relating to forestry and fishing totaled to 2.1% in 2018 and 2019 (see table 11/5). The breakdown of industrial exports by technological intensity showed that high technology industries accounted for 43.1% of total industrial exports (excluding diamonds) in 2018, while medium-tech industries accounted for 49.9% and low-tech industries for 6.9%.⁷⁹

Table 11/5: Israeli Exports by Commodity Group 2017–2019 (\$ million)⁸⁰

Year	Agriculture, forestry and fishing	Manufacturing, mining & quarrying excl. working diamonds	Diamonds		Others	Returned exports	Total
			Working of diamonds	Wholesale of diamonds			
2017	1,217	45,231.1	4,493	2,232.6	9.1	-118.5	53,064.3
2018	1,145	46,347.3	4,559.4	2,263.3	3.1	-180	54,138.2
2019	1,127	46,076.8	3,358	1,440.1	8.4	-142	51,686.4

As for Israeli imports, raw materials topped the list in 2018 and 2019, reaching 40.8% and 42.2% respectively, while fuel imports reached 13% and 12.3%, import of consumer goods 19.5% and 20.3%, investment goods 16.7% and 15.7%, and diamond imports reached 7.5% and 5.1% in 2018 and 2019 respectively (see table 12/5).

Table 12/5: Israeli Imports by Commodity Group 2017–2019 (\$ million)⁸¹

Year	Consumer goods	Raw materials	Investment goods	Fuel	Diamonds rough and polished	Others	Total
2017	13,667.2	28,335.8	12,084.2	7,602.4	5,754.7	563.8	68,008.1
2018	14,716.1	30,872.4	12,621.6	9,838.4	5,684.4	1,912.1	75,645
2019	15,365.7	31,930.1	11,846.5	9,285.6	3,877.2	3,303.5	75,608.6

Although Israel is a rich and developed country, it still receives annual US aid, which has recently increased by 22.4%. Indeed, Israel received a total of \$3.8 billion in late 2019, including \$3.3 billion in military grants, and a total of \$3.8058 billion in 2018. The US military grant has remained stable since 2012, at \$3.1 billion. Thus, the amount of US support Israel received during the period 1949–2019 totaled about \$138.29 billion, according to the report submitted by the Congressional Research Services (CRS).⁸²

Table 13/5: US Bilateral Aid to Israel 1949–2019 (\$ million)⁸³

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

Period	2009	2010	2011	2012	2013	2014
Total	2,583.9	2,803.8	3,029.2	3,098	3,115	3,115

Period	2015	2016	2017	2018	2019	Total
Total	3,110	3,110	3,107.5	3,805.8	3,800	138,292.6

Fourth: Military Indicators

In 2018 and 2019, regional developments presented Israel with many challenges, some of which were of a novel nature. What increased Israeli anxiety was the volatile internal Israeli landscape, with the inability of the right and middle-left blocs to form a government, even though two Knesset elections were held. The Marches of Return that started on the GS borders on 30/3/2018, as well as intermittent military tensions, added a new explosive factor that almost tipped into a more serious confrontation more than once. Additionally, the US assassination of Iranian military commander Qasem Soleimani instigated Iranian reaction towards Israel.

1. Appointments and Structural Changes

In 2018 and 2019, several new appointments and promotions in the Israeli military took place, including many corps and command posts. Among the more notable appointments was Lieutenant-General Aviv Kochavi on 25/11/2018 as the chief of general staff of the army, succeeding Gadi Eisenkot, whose term ended on 31/12/2018. He started his new position on 1/1/2019.⁸⁴

Moreover, the Southern Command officially appointed Brigadier General Eliezer Toledano as the head of the Gaza Division on 24/10/2018, replacing Brigadier General Yehuda Fuchs.⁸⁵ The Northern Front chief Major-General Yoel Strick was appointed commander of the embattled Ground Forces, and Major-General Amir Baram replaced Strick as the commander of the Northern Front.⁸⁶ The former of the Golani Brigade commander, Brigadier General Ghassan Alian, was appointed head of the Civil Administration in the Palestinian Territories.⁸⁷ On 16/12/2019, Colonel Barak Hiram was appointed commander of the Golani Infantry Brigade.⁸⁸

2. Manpower

There are around 170 thousand active soldiers in the Israeli army while the reserve forces number approximately 445 thousand.⁸⁹ These forces are highly prepared, as they can be fully mobilized and can effectively enter service within four days.

On 10/1/2019, the Manpower Directorate in the Israeli army released its annual figures on the number of soldiers killed. In 2018, 43 Israeli soldiers were killed, including eight in combat, and eight suspected of committing suicide, while in 2017, 55 soldiers died.⁹⁰ This was the first time in years that the number of suicides has decreased, from 16 soldiers in 2017 and 15 soldiers in 2016.⁹¹

3. Military Plans and Directions

The strategic environment of Israel is in a state of uncertainty, especially with the increase of hostile military capabilities, in addition there is an active strategic concentration of some hostile forces, especially on the northern front. Adding to the pressure on this strategic environment is the instability and indecisiveness in the Arab Gulf region.

The new challenge facing Israel and its army lies in the attrition across several military combat fronts. A hostile military system surrounds Israel that includes the Iran and Hizbullah forces in Syria and Lebanon, and the Palestinian factions in GS and WB. Combined these forces constitute a military and combat attrition to Israel that it wants to contain. The Israeli army is now ready to launch wars and confrontations on several fronts simultaneously.

The 18th and 19th Herzliya Conferences were held in May 2018 and June 2019 respectively, analyzing the security and military challenges facing Israel in light of the political and military changes in the regional strategic environment, especially at its northern borders. Although Israeli security and military leaders who spoke at the two conferences emphasized continued Israeli military superiority in the Middle East, they pointed out that the “enemy” is now enjoying a better military strategic position. Indeed, Iran was establishing its military presence in Syria as Israel’s neighbor, and Hizbullah was building its missile arsenal and owned missiles and precision guided missiles as part of a long-term Iranian project, in addition to the combat experience it gained in Syria.⁹² Moreover, Hamas continues

to dig tunnels and develop its missile and combat capabilities in GS. Speakers at both conferences recognized that the next war will take a heavy toll on the Israeli home front. In this context, Giora Eiland, former President of the National Security Council (NSC), pointed, during his speech at the 19th Herzliya Conference, to the transformations in building Iranian power and Hizbullah forces, especially the development of precision guided missiles, which meant targeting strategically valuable Israeli facilities.⁹³

According to the Herzliya conferences, the Israeli strategy focuses on maintaining a state of deterrence on all fronts, and is based on the principle of “burning into the consciousness” of the “enemy” the prospect of Israel inflicting massive destruction of infrastructure, whether in Lebanon or GS, in the event of a new war, while still remaining keen on maintaining calm at all fronts. The former Deputy Chief of Staff of the Army, Major General Yair Golan, opined that the next war could not be won by Israel without land maneuvers and a ground invasion of Lebanon in order to hit Hizbullah’s forces, bases and infrastructure.⁹⁴ Nevertheless, in the 19th Herzliya Conference, former Air Force commander General Amir Eshel, declared that any talk of land maneuvers as a magic solution was too idealistic, because it cannot be relied on, especially in light of the lack of preparedness of ground forces.⁹⁵

In an article published in the Hebrew newspaper *Maariv*, Yossi Melman identified the most important characteristic of the Jewish year [On 29/9/2019, the Jewish year 5779 ended] for Israel was the state of uncertainty surrounding the country because every incident, no matter how small, has the potential to lead to a state of full confrontation.⁹⁶

According to the two Herzliya conferences, Israel faces difficulties in having influence on its strategic environment, and this was confirmed by the strategic assessment by the head of The Institute for National Security Studies (INSS) and the former head of the Intelligence Division, Major General Amos Yedlin, published in January 2020 looking at events that were anticipated in 2020. According to the assessment, Israel is a strong country but finds it difficult to translate its strength into strategic influence and its war achievements into political goals, thereby achieving central national security goals. Yedlin pointed out that the publishing of the summary of the strategic assessment coincided with the assassination of

Qasem Soleimani, which put the region in a new context that could mark a strategic turning point, with an extent that is hard to measure. The Israeli researcher predicted several events during 2020, including some related to the Iranian nuclear program, the “First Northern War,” the factions in GS, the regional system, enhancing the readiness of the army, increasing the defense budget, and preserving superiority.⁹⁷

On October 4/10/2019, INSS at Tel Aviv University and the Washington Institute for Near East Policy published a booklet entitled “Guidelines for Israel’s National Security Strategy.” It is a study drafted by former Chief of Staff Gadi Eisenkot, who developed the destructive “Dahiya doctrine” during the July 2006 war on Lebanon, and the INSS senior researcher Gabi Siboni, who is a colonel in the Israeli army reserve service.⁹⁸ However, this document does not offer anything new regarding the Israeli concept of security that has been in effect since the 1950s.

Although more than five years have passed since the Israeli aggression on GS in mid-2014, Israeli army leaders are still drawing lessons from it. An Israeli military document disclosed the failures of the Israeli army during that war. The document points to sharp criticism leveled at the army leadership, as Yair Golan, the deputy chief of staff at the time, revealed that the air force fired 1,200 rockets and precision guided missiles at empty targets without results due to the frustration of the army leadership about the war coming to an end. According to the document, the army was fearful of losses in the ranks of its ground forces, and at the same time was unable to find any way to stop the rocket fire coming from GS and to confront the tunnels other than a limited ground operation, despite its gravity.⁹⁹

As the Gideon multi-year plan (2016–2020), drawn up by former chief of staff Gadi Eisenkot, entered its final year, new chief of staff Aviv Kochavi began to formulate a new multi-year military action plan, dubbed “Tnufa” (momentum). It is a strategic plan intended to galvanize the army’s forces and replace Gideon’s plan. Based on the details of the “Tnufa” plan, which was published by military analyst Alex Fishman in the *Yedioth Ahronoth* newspaper, the plan talks about a “swift and massive use of force against enemy systems.”¹⁰⁰

But the weak point of Kochavi’s plan will emerge, according to Fishman, when presented to the government, “which will not only have to increase budgets, but also to absorb a military-political concept that is different from what it is also used to.” The Kochavi plan asks the government not to interfere in the course of the war after deciding to launch it.¹⁰¹

With increasing Israeli interest in international public opinion international legitimacy, the Israeli leadership was keen on adapting military operations to the rules of international law. To achieve this, at the beginning of 2018 the Israeli army created a circle to influence public opinion, called the “circle of awareness.” The idea is to concentrate the planning for all “flexible” activities with foreign armies, diplomats, foreign media and public opinion, under one military roof.¹⁰²

4. Military Maneuvers

With the continued security and military threats on its border and the fluid situation in its surrounding strategic environment, the Israeli army continued to implement its annual training plan of 2018 and 2019, conducting several large-scale military exercises. This was part of the military and security vision to be ready and alert in case security and military changes should happen along the borders, especially on the northern and southern fronts.

Over the past two years, the Israeli army launched several military exercises on the borders with Egypt and GS in the south, to examine the readiness of its southern military command units, the ground forces, and the southern logistics network in states of emergency.¹⁰³ These exercises also expanded throughout occupied Palestine, in preparation for a military confrontation on the GS and Syria fronts, and they included a simulation of the full occupation of GS.¹⁰⁴ They aimed to scrutinize the readiness of the ground forces, the armored corps, the air force, the artillery, the communications and military intelligence unit.¹⁰⁵

The Israeli army also launched a series of military exercises in the occupied Syrian Golan Heights, the Upper Galilee and Nahariya region, where thousands of reservists were involved. Most of these exercises simulate war in the northern and southern regions, with the participation of hundreds of squadrons and air combat units.¹⁰⁶ The training covered bumpy mountainous areas and street fighting in difficult weather conditions.¹⁰⁷

An Israeli navy drill aimed to raise the navy’s efficiency in providing protection to the natural gas platforms of the oil fields, discovered by Israel in the Mediterranean Sea. The drill, which was dubbed “Raging Sea,” took place in the last week of January 2019 in the Mediterranean, simulating a missile attack against enemy ships and boats.¹⁰⁸

As for the Israeli Air Force, its efficiency has increased by acquiring US Stealth F-35 aircraft, which were used in Israel's air strikes inside Syrian territory in the second half of 2019. This weapon was first introduced in Israeli army exercises on 16–19/6/2019, simulating war on several fronts and covering scenarios that included an enemy armed with advanced Russian S-300 and S-400 missile systems.¹⁰⁹

Concerning the joint Israeli maneuvers with its allies, a joint US-Israel ballistic missile defense exercise called Juniper Cobra 2018, which lasted until 15/3/2018, simulated a comprehensive attack on Israel from more than one front, including the northern border with Lebanon and the southern GS border. These exercises took place in Israel for the ninth time since 2001.¹¹⁰

As Israeli normalization with some Arab countries is developing, a number of Israeli planes participated on 20/3/2018 in INIOHOS 2018, which are exercises that are held annually, along with dozens of other air force planes. Egypt and the UAE took part in the exercises, as well as the US, Italy, United Kingdom (UK), Cyprus and Greece.¹¹¹ Emirati pilots also participated alongside Israeli pilots in the INIOHOS 2019, which ended on 12/4/2019.¹¹²

5. Arms and Arms Trade

On 27/8/2018, the Israeli Ministry of Defense announced the completion of a major arms deal with the Israel Military Industries—Ta'as, providing the army with advanced missile systems possessing a 30–150 km range, and the aim of developing others by 2020 that could cover the Middle East region. Israeli Defense Minister Avigdor Lieberman said, “We are purchasing and developing high-precision systems that bolster the IDF's offense capabilities,” adding that some of the systems were already in production and others nearing the end of the research and development stage. “The deal for the missile system, which within a few years will allow for coverage for every point in short and far ranges.”¹¹³

In early 2018, the Israeli army began to introduce new rifles, which would significantly increase their ability to hit the target precisely.¹¹⁴

On 22/4/2018, the Israeli navy announced the purchase of four new gas field-defending Sa'ar 6 warships from Germany. The Sa'ar 6 corvettes will be outfitted with both a modified version of the Iron Dome system, known as the Naval

Iron Dome, as well as the Barak 8 missile interceptor. The first corvette was scheduled to arrive in late 2019. The other three would be delivered by the beginning of 2021.¹¹⁵

The Israeli Ministry of Defense have been working hard to speed up the development of a laser system “Iron Beam”—nearly 20 years after it abandoned this idea. Such a system would fill a current capability gap within in the Iron Dome system, as it has difficulty intercepting projectiles at short range because of the shorter flight time.¹¹⁶ Yossi Melman, a security affairs analyst in the Hebrew newspaper *Maariv*, stated on 16/5/2019 that reconsidering such development began several months ago, in the wake of the escalation in GS, in early May 2019, where there were failures in the performance of the Iron Dome and the GS factions, notably Hamas and PIJ, had developed their capabilities.¹¹⁷

The Memorandum of Understanding (MoU) of US military aid to Israel, which was formally signed on 14/9/2016, came into effect on 1/10/2018. Under this 10-year MoU, Washington pledged to provide Israel \$38 billion as follows: \$33 billion in Foreign Military Financing (FMF) grants, plus \$5 billion in defense appropriations for missile defense programs.¹¹⁸

Contrary to the prevailing optimism on the Israeli side in regard to the previous MoU, the Israeli Ministry of Defense warned at a meeting of the Knesset Finance Committee that the country’s arms industry was expected to lose more than \$1 billion and approximately 22 thousand jobs when the MoU was applied. It may also lead to the closure of 130 factories, as the MoU changed the previous conditions for military aid. After it was possible to spend up to 26.3% of aid (\$815 million) in Israel annually, it became obligatory to spend all US military aid in the US, thus leading to losses to the local industry.¹¹⁹

Israel continued to receive the F-35 stealth fighters in compliance with the agreement concluded with the US administration in August 2017. Tel Aviv received 16 aircraft as of 14/7/2019, and it is expected that it will receive another 34 by 2024.¹²⁰ Some of these aircraft were used in Israeli air strikes against Syrian territories during 2019.

As for exports of Israeli weapons, on 17/4/2019, the Military Exports Department of the Israeli Ministry of Defense stated that Israeli arms sales exceeded \$7.5 billion in 2018, most of which were to the Asia Pacific region. The Ministry of Defense stated that this figure was lower than the \$9.2 billion that was

achieved in 2017, which was an exceptionally strong year. The Israeli government does not usually disclose details of arms sales deals, but the ministers' statement explained that sales of offensive missile and missile defense systems accounted for 24% of 2018 sales (down from 31% in 2017), unmanned aerial vehicles and their radar systems 15%, radar and electronic defense systems 14% (down from 17% in 2017), marine systems 2% compared to 1% in 2017, communications and space intelligence systems 6% (down from 9% in 2017), maintenance and upgrades of equipment previously sold 14%, and satellite and space systems 1%. The data indicated that the contracts were more widely distributed in the Asian market, especially India, which was showing special and growing interest in Israeli military technology. In 2018, exports to Asian Pacific countries reached 46% compared to 58% in 2017, followed by the European market with 15% compared to 21% in 2017, North America with 6% compared to 14% in 2017, Africa with 2% compared to 5% in 2017, and Latin America with 6% compared to 2% in 2017.¹²¹

According to a Stockholm International Peace Research Institute (SIPRI) report, Israel has strengthened its global position, becoming the seventh largest arms exporter. Moreover, the pace of this industry's growth has increased by 55% over the past five years, which is the largest increase among the top 10 countries in this category. It appears that India received 49% of Israeli weapons sold between 2013 and 2017, while Azerbaijan received 13% and Vietnam received 6.3%. Israel ranks 17th among the countries that import weapons and its arms imports have increased by 125% in the past five years, compared to the previous five years.¹²²

The Israeli newspaper *Maariv* reported that the budgets of the various Israeli intelligence forces, led by the Mossad and the Shabak, had risen significantly over the past two decades, particularly since 2012. The report added that the budgets of the Shabak and the Mossad were estimated at around 4 billion shekels each (\$1.1 billion),¹²³ with a clear increase in the influence and role of the Cyber and High-Tech Units, which had recently turned into a spearhead.¹²⁴

6. Military Budget

Prime Minister Benjamin Netanyahu and his military commanders talked often about the importance of providing huge budgets to the army under the pretext of the size of the danger that surrounds Israel. Excessive spending on the Israeli army continued despite internal warnings that this would reflect negatively on the economy and on the ability to maintain defense spending. In August 2018,

Netanyahu demanded an increase in the military budget of around 30 billion shekels (\$8.2 billion),¹²⁵ an increase of 0.2% to 0.3% of Israeli GDP. Indeed, the military budget of the Israeli army and security arms is equal to 8% of GDP.¹²⁶

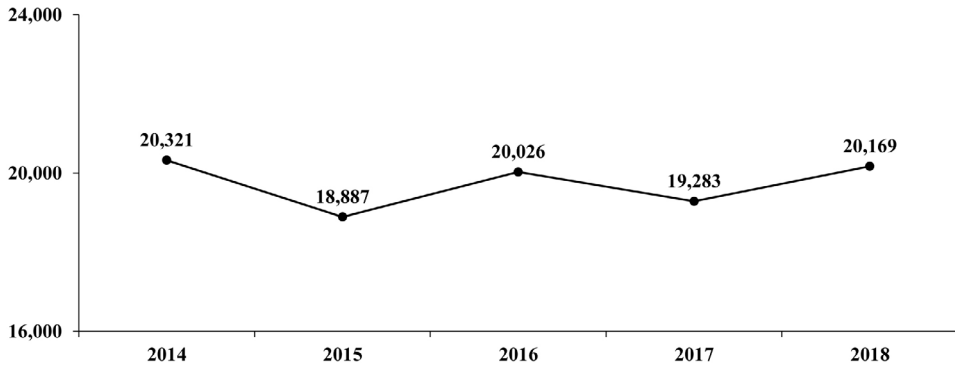
On 21/12/2016, the Knesset approved its 2017–2018 budget in marathon session, as the Ministry of Defense obtained 70 billion shekels (\$18.2 billion) for each year.¹²⁷ On 13/3/2018, it also approved the 2019 budget, with an increase of 4.3% from the 2017–2018 budget, as the Ministry of Defense obtained 72.8 billion shekels (\$21.2 billion).¹²⁸ It should be noted here that a large part of the annual Israeli military sales revenue has entered the defense budget for years without being declared.

According to former NSC Head Yaakov Amidror, the current budget of the Ministry of Defense, the army, and the Israeli security services is not sufficient to meet the challenges and threats facing Israel. In an interview with *Maariv*, on the 46th anniversary of the October 1973 war, Amidror said that Israel had witnessed a sharp debate within its military and political leadership about Egyptian intentions towards a war, and that, in light of Iranian threats and Israeli fears of being ambushed, Israel should have learned important lessons.¹²⁹

In the following table, CBS provided details of the actual Israeli military expenditures in 2014–2018:

**Table 14/5: Actual Israeli Military Expenditures 2014–2018
at Current Prices¹³⁰**

Year	Expenditures (million shekels)	Expenditures (\$ million)
2014	72,705	20,321
2015	73,356	18,887
2016	76,912	20,026
2017	69,414	19,283
2018	72,547	20,169

Actual Israeli Military Expenditures 2014–2018 at Current Prices (\$ million)***Fifth: The Israeli Position on the Internal Palestinian Situation***

In 2018 and 2019, Israel maintained its policies, or rather its strategy, in dealing with the internal Palestinian situation. It is the same strategy of previous years, in light of the continuing Palestinian political and geographical divide, reconciliation efforts that have stalled since 2007, and the absence of any active and influential Arab and Islamic role in Palestinian affairs, linked to Arab and regional developments.

Israel expressed its desire to maintain the Palestinian division and refused to take part in a bloody war in GS on behalf of Mahmud ‘Abbas and the PA, aimed at giving the PA governance across all of the 1967 occupied territories. In an interview with *Israel Hayom* on 5/4/2019, Netanyahu indicated that Israel was benefiting from the Palestinian division and that it would not give GS to ‘Abbas:

The connection between Gaza and Judea and Samaria has been broken. They are two separate entities, and I think that in the long term, that’s not something that’s bad for Israel. Abu Mazen brought that upon himself. He cut back the influx of PA funds. He thought that by doing so, he could send Gaza up in flames. We would pay for the occupation of Gaza with a heavy loss of life, and on Israel’s back he [Abbas] would get Gaza on a silver platter. That won’t happen.¹³¹

‘Abbas hinted at stopping payments that were linked to essential services in GS, after an explosion targeting the convoy of Palestinian Prime Minister Rami Hamdallah, who passed the Beit Hanoun crossing in the northern GS on 13/3/2018. Israeli Minister of Defense Avigdor Lieberman accused ‘Abbas of generating tension between Israel and the Palestinians, and seeking to provoke a conflict between Hamas in Gaza and Israel.¹³² Moreover, in an analytical article published in *Haaretz*, Israeli journalist Amira Hass also reflected that Hamas had no interest in what happened, while military analyst Amos Harel outlined in another article that the bombing affected only the chances of Palestinian reconciliation and nothing else.¹³³

In parallel, Israel continued to enforce its blockade on GS, trying to impose its conditions on the resistance factions there, periodically threatening an all-out war and at other times promising concessions and the partial dismantling of the blockade, while allowing the entry of foreign aid. On 4/4/2019, Israeli Prime Minister Benjamin Netanyahu stated that he had offered several Arab countries control of GS, in a plan that would see Israeli forces reoccupy the territory, and topple the Hamas movement, but “no one wanted to do this.”¹³⁴

According to the *Yedioth Ahronoth* website on 28/12/2019, Israel disregarded the PA request to hold legislative and presidential elections in occupied Jerusalem. The decision was taken not to respond positively or negatively to the PA, after a high-ranking Israeli team discussed the request.¹³⁵ According to the PA, this Israeli stance had prevented the holding of Palestinian elections up to the time of writing.

Despite Israeli interest in assessing the post-‘Abbas era, as seen in reports, articles, and security leaks in the Israeli media from time to time, Israel does not have a clear path in regard to this particular issue. However, Israel strives, with a high degree of caution, to provide a suitable environment for ‘Abbas’s successor to be able to comply with Israeli and US conditions, cooperate “reasonably” in managing the “functional” PA in WB, and even play a role in implementing the Trump deal, even if indirectly.

Former Minister Yossi Beilin quoted Brigadier General Dror Shalom, head of the Research Division in Aman saying that ‘Abbas “is key to the quiet that has been in effect since 2006. ... I find it hard to imagine anyone who would present more moderate or pragmatic positions than ‘Abbas. We need to take that into consideration.”¹³⁶

The Israeli side has considered several scenarios in the wake of ‘Abbas’s death, including that of a Palestinian war in which everyone fights against everyone else, the scenario of Hamas’s control of WB and a scenario of turmoil.¹³⁷

Israel’s Channel Two indicated in a report that Abu Mazen is unpopular, but that he manages to continue his rule of WB with his security forces and with Israeli security cover. Hence, the channel insinuated that the successor of ‘Abbas would only succeed if he adopts these two main factors.¹³⁸

Israeli press and media leaks stated that the Israeli security forces put three scenarios on the table: the old guard takes over power, such as Saeb Erekat, Majid Faraj, Jibril Rajoub, and Mahmud al-‘Aloul, who could be expected to continue security coordination with Israel. Muhammad Dahlan represents the second scenario, the third scenario includes turmoil, civil war and power inheritance struggles within the Fatah movement, including Hamas and other parties, which may be accompanied, perhaps weakly, by a third *Intifadah* (uprising). Israeli Brigadier General Eli Ben-Meir, former head of the Aman, spoke of a fourth scenario where there would be a transitional phase in which the PA is presided over by a unanimously approved weak figure until the next general elections.¹³⁹

Away from these scenarios, it seems that Israel has already begun to follow another path, by preempting the end of the ‘Abbas era and initiating relations with PA officials, especially in the security forces. The first such Israeli steps were through the Israeli Coordinator of Government Activities in the Territories, Major General Yoav Mordechai, whose office deals with Palestinian humanitarian issues related to travel, treatment and visits, through the PA Ministry of Civil Affairs. The two sides had been doing this for many years, until the situation changed after 2014, when Mordechai’s office started to make direct contact with the Palestinians, without going through the Palestinian Ministry, which sparked its anger and protest.¹⁴⁰

In addition, some Israelis came up with an old-new option in WB that would be more appropriate for Israel in the absence of ‘Abbas, including the restoration of the “village ties” scenario that Israel applied in some parts of WB in the 1970s, when some Palestinian officials responded to it, while a number of them were assassinated by Palestinian factions. The task of “village ties” is to manage society by communicating with the Israeli Civil Administration, or facilitating some of their living affairs, away from the PA and its president, both administratively and

politically.¹⁴¹ As for the major Palestinian cities, the Israelis would have the choice in the elected local councils, which manage Palestinian life, regardless of any political and sovereign significance, provided that Hamas did not win, as Israel fears it might.

There is also a third formula, which would allow each Palestinian security officer to manage the governorate that he controls, and to communicate with them through the Israeli liaison officer.¹⁴²

Conclusion

In 2018–2019, the Israeli landscape was marked by an escalation of religious and national extremism. The right-wing dominated the political scene with the fragmentation and collapse of the left forces. Even the core ideas of the rising powers facing the right-wing, such as the Blue and White party, adopt the positions of the right regarding the peace process, the annexation of Jerusalem, the settlements, the Jordan Valley, and the Trump deal. Zionist extremism was evident in the Israeli Knesset's approval of 37 racist laws from late 2017 until the end of 2019. The culmination of these racist laws was the ratification by the Knesset in July 2018 of the "Jewish Nation-State Law," that enshrines the Jewish-Zionist nature of Israel.

Notwithstanding the corruption charges that have been brought against Prime Minister Netanyahu and that were reinforced by the government's formal charges on 21/11/2019, Netanyahu continued to lead the Israeli landscape and the Right Camp, and to retain pole position for retaining the position of prime minister, thus making him escape, even temporarily, from trial and possible imprisonment.

Holding three elections in less than one year resulted in a political intractability and a stuttering government performance. This situation may eventually lead to the formation of a "national unity" government between the two major parties, i.e., the Likud and Blue and White party, or the formation of a right-wing government if the Yisrael Beiteinu party agrees to join it, or to a fourth election. This may raise questions about the future of the Israeli electoral system and the possibilities of making amendments to it.

In the face of Israeli extremism, the Palestinian Arab minority has endeavored to organize and arrange its ranks, managing to accomplish a historic achievement by winning 15 seats in the Knesset. This showed that it was able to mobilize large numbers of the 1948 Palestinians in its ranks, with a growing sense of being targeted. This relative success is difficult to translate into political achievements on the ground, but it is an important tool in confronting Israeli racism.

Israeli population statistics show a modest growth of 2% annually, with the number of Palestinian Arabs continuing to increase at a higher rate than Jews. Immigration data also showed a limited increase in the rate of Jewish immigration to Israel compared to the previous 10 years, but it still remained minimal compared to the 1990s. The general graph is also moving towards achieving a demographic majority of Palestinians on the land of historic Palestine in the near future.

Israel was able to achieve advanced economic results in the 2018–2019 period in the increase of the GDP and GDP per capita. It also maintained broad trade relations, and a large volume of exports, despite an ongoing state of trade deficit. Moreover, Israel continued to benefit from the enthusiastic US support, with \$3.8 billion annually, despite the high Israeli income levels, even compared to Western European countries.

Israel continued to take care of its military system and its development and to provide a huge military budget, in an effort to ensure its military superiority over the countries of the region, and to benefit from US and Western support. Its military industries, arms exports and security systems remained a priority, to maintain its advanced position among arms exporting countries.

As for Israeli society, it continued to suffer from its internal crises, an inability to impose its will on the Palestinian people, and from the development of resistance forces that constitute an increasing threat. This is in addition to the fact that its efforts to achieve normalization in the Arab environment have remained limited to the “fragile” class of the official Arab political environment, while the hostility remains deep and rooted in the Arab popular environment against the Zionist project.

Endnotes

- ¹ Arabs 48, 4/11/2019.
- ² Investigations involving Benjamin Netanyahu, case 4000, site of Wikipedia, https://en.wikipedia.org/wiki/Investigations_involving_Benjamin_Netanyahu#Case_4000
- ³ Arabs 48, 20/11/2019.
- ⁴ Arabs 48, 18/1/2019.
- ⁵ Hebrew newspapers agreed that Netanyahu wanted to protect himself and stay in power for as long as possible, see *Maariv* newspaper, 30/6/2019, <https://www.maariv.co.il>
- ⁶ *Haaretz*, 18/9/2019.
- ⁷ Arabs 48, 19/12/2018.
- ⁸ *Al-Quds al-Arabi*, 28/10/2019.
- ⁹ Arabs 48, 21/11/2019.
- ¹⁰ *Maariv*, 28/10/2019.
- ¹¹ *Haaretz*, 20/11/2019. This is not the first time Lieberman makes such a statement, for two decades ago he said it, and he keeps repeating it at every political event, in order to gain votes and supporters to his party.
- ¹² On the prospects of the US-Israeli relations, see Strategic Assessment (93): Prospects of US Policy on Palestine During Trump's Term: 2017–2021, al-Zaytouna Centre for Studies and Consultations, November 2016.
- ¹³ Aljazeera.net, 15/3/2018. (in Arabic)
- ¹⁴ *Haaretz*, 7/10/2019.
- ¹⁵ *Al-'Arabi al-Jadid*, 21/1/2018.
- ¹⁶ Arabs 48, 22/6/2018.
- ¹⁷ Mahmud Jarab'ah, "The Position of the West Bank in the Israeli Politics and Its Implications on the Two-State Solution," site of Aljazeera Centre for Studies, 28/10/2019, <https://studies.aljazeera.net/ar/reports/2019/10/191028095010896.html> (in Arabic)
- ¹⁸ The Times of Israel, 3/3/2019. (in Arabic)
- ¹⁹ The Arab Center, 25/11/2018.
- ²⁰ TRT, 25/4/2019. (in Arabic)
- ²¹ *Al-'Arabi al-Jadid*, 23/9/2019.
- ²² See Nafez Abu Hasna, The Palestinians of the Occupied Inside [Palestine]: The End of the Intrinsic Era, site of al-Adab, 18/9/2018. (in Arabic)
- ²³ *Al-'Arabi al-Jadid*, 17/6/2019.
- ²⁴ Site of Alkhaleej Online, 6/10/2019, <https://alkhaleejonline.net>
- ²⁵ Arabs 48, 2/7/2018.
- ²⁶ The Kaminitz Law stresses sanctions and actions against the Arab society in particular, in case of unlicensed building. It allows, after a court decision, to quickly carry out demolition and eviction orders. For more on this law and some comments about it, <https://law.acri.org.il/he/wp-content/uploads/2017/01/Kaminitz-bill-290117-1.pdf> (in Hebrew)
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This Report

Al-Zaytouna Centre is pleased to present to its readers the Palestine Strategic Report (PSR) 2018–2019, the 11th PSR to be published.

With an academic methodology and comprehensive, and objective approach, the report comprehensively details developments concerning the Palestine issue and provides the latest information and data available at the end of 2019, along with analyses and forecasts running into 2020–2021.

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Prof. Dr. Mohsen Mohammad Saleh

The Palestine Strategic Report 2018 – 2019



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