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INSS

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Institute for National Security Studies

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Introduction

Strategic Survey for Israel 2011 is the most recent volume in the *Strategic Survey for Israel* series, published annually by the Institute for National Security Studies (INSS). The articles compiled here review principal events and developments in the Middle East over the past year, emphasizing the ramifications of regional and international trends for Israel's national security.

The articles in this volume were written during a particularly tumultuous period in the Middle East. Since late 2010, several countries in the Middle East have experienced political shockwaves originating in the outbreak of popular protests against the regime. To be sure, the Bush administration's pursuit of democratization in the greater Middle East, as well as the support for popular forces crying out for liberalization in Arab countries that was expressed by President Barack Obama early in his presidency, raised awareness in the region of the need for change. Nevertheless, the momentum of the protests that spread through the Middle East showed actual potential for change in the region's countries. The intensity of the demonstrations challenged longstanding assumptions on the strength of the regimes in the Middle East, which underestimated the importance of popular forces and their ability to come together spontaneously, with the aid of social networking websites, in revolutionary challenges to the regime.

This volume goes to press in the midst of the storm, when it is still not possible to ascertain whether the revolutionary trend has peaked, or whether the turmoil will evolve and spill over to states that have thus far maintained relative stability, such as Jordan, Saudi Arabia, and Iran. Nor is it possible to envision what the nature of the new regimes will be in states where the regime has collapsed, or how regimes that have been forced to regroup in

the face of a sweeping popular uprising will change, if at all. Even in Egypt and Tunisia, where the government collapsed within a number of weeks after the protests began, manifestations and characteristics of the old order have not been entirely erased, and hopes for democratization may not be realized, certainly not in a rapid, direct process. As in Iran in the summer of 2009, regimes in Syria, Bahrain, Libya, and Yemen mobilized their resources fully in a determined struggle for survival and a stronger hold on the political system, and a violent confrontation – in many places still ongoing – erupted between government forces and protesters. All of these states, whether or not they have seen the rise of new regimes, will likely face an indefinite period of instability with uncertain outcomes.

Yet against the background of upheavals and instability, it is already possible to assess that the prospects for fundamental changes in inter-state relations in the Middle East and a thaw in regional tensions and hostilities are limited. Of course domestic matters – the form of government and the economic system – and not matters of foreign policy led the demonstrators' agenda of change. At the same time, the upheaval underscored the importance of the public mood, and in this context, the need to avoid steps that challenge nationalist and Islamic sentiments. Therefore, most of the regimes will likely hesitate to adopt a policy of compromise, which would help curb traditional rivalries in the region. This is true for acting leaderships and for those hoping to supplant them, as well as for states seeking greater stability, such as Egypt and Syria, states that for years have rested on unsteady foundations, such as Iraq and Lebanon, and states that for the most part enjoy a large measure of stability, including Jordan and Saudi Arabia.

In fact, in several instances internal upheaval has already come to exacerbate existing tensions or create new areas of conflict. Saudi Arabia, together with forces of the UAE, intervened militarily to protect the regime in Bahrain in the wake of the Shiite revolt that erupted there, largely out of fear that the fall of the regime would help Iran expand its influence in the Gulf. The Arab League, demonstrating Qaddafi's isolation in the Arab world, supported the Security Council's approval for NATO forces to attack Qaddafi's strongholds in an effort to topple the regime and thereby end the war between the Libyan army and the rebels. Members of the Arab

League, led by Saudi Arabia and Egypt, sharply criticized the Asad regime for its violent response to the demonstrations in Syria, albeit only several months after armed clashes began between demonstrators and the military. The suppression of the uprising in Syria, which prompted masses of Syrian refugees to flee to Turkey, and the fear that the turmoil would spill over into Turkish territory muddied the close relations formed between Ankara and Damascus in recent years.

The potential for continued instability in the Middle East impelled Turkey to reconsider its regional role and its relations with the regimes and populations of the region. One of the results was that Turkey extended feelers about a rapprochement with Israel. However, the stalemate in the Israeli-Palestinian diplomatic process has prevented a mending of the rift between Turkey and Israel, given the Turkish criticism of Israel on the issue, and in particular, the Gaza Strip situation. Similarly, tension between Israel and Egypt has increased because of the security anarchy in Sinai, the openness displayed by the Supreme Military Council, which replaced the Mubarak regime, toward Hamas, and the possibility of Hamas' integration in the Palestinian Authority. This tension has been joined by the concern in Israel over statements by Egyptian figures in favor of reexamining the peace treaty with Israel.

The recent events in the Middle East have heightened the imperative, emphasized for years by the international community, to stabilize the region. Indeed, the very conflicts that were on the regional and global agenda before the popular uprisings began remain the focus of attention. Issues connected to Israel have retained their positions at the top of the list: the Arab-Israeli conflict in general, and the Israeli-Palestinian question and the Iranian nuclear program in particular. Moreover, the fundamental political-security dilemmas that currently preoccupy the government of Israel are the same that faced previous governments. And yet, in light of the events in the Middle East in the past year and in particular the weakening of Israel's standing in the international arena, it appears that the severity of these dilemmas and the urgency of dealing with them have increased significantly.

Israel must decide between waiting for regional stabilization while maintaining its deterrence against state and sub-state threats, and attempting

to mold the strategic environment, especially through an initiative for an Israeli-Palestinian settlement. The Palestinian Authority's diplomatic momentum and its achievements over the past year, as well as the differences of opinion between the Israeli and American governments concerning the conditions that would allow the renewal of the Israeli-Palestinian political process, have lent greater force to the challenge of the political initiative. At the same time, Israel must find a middle ground between two types of pressure: internal pressure to avoid risks in a dynamic environment laden with concrete and potential threats, and increasing external pressure to take the initiative on an Israeli-Palestinian settlement that will be integrated in the effort to curb regional tension that is directly and indirectly connected to Israel. These dilemmas are intertwined. An Israeli compromise initiative will not necessarily solve the Israeli-Palestinian and Arab-Israeli conflicts, and will certainly not neutralize the Iranian nuclear challenge. However, to some extent it may lessen their severity, and it will also likely improve Israel's increasingly weak standing in the international arena. On the other hand, a concrete Israeli compromise in the Palestinian context will generate public disquiet within Israel proper, with direct electoral implications.

These dilemmas are at the heart of this volume. The analytical articles are divided into three parts. Israel's immediate environment, including the shockwaves experienced in the region in the past year, is the underlying thread in the first section, "The Middle East Agenda." The section opens with Mark Heller's article, "A New Middle East?" which examines the prospects for fundamental change in the Middle East, given the nature of the uprisings in the region and the experience of revolutions that have taken place elsewhere. The analysis explains the difficulty in spelling out definitively the future direction of upheavals in societies and regimes, and concludes that in any case there is as yet no solid basis to hope for a flourishing democratic Middle East and an end to the longstanding "Arab winter."

The article by Oded Eran, Shimon Stein, and Zvi Magen, "The Superpowers and the Middle East: Walking a Fine Line," deals with the challenges facing members of the Quartet, which are confronting both internal economic-political dilemmas and the challenges posed by the events in the Middle East. The United States, for example, will likely be

forced to leave military forces in Afghanistan and Iraq, despite the decision to reduce its presence in these countries. In addition, the Arab regimes' confidence in the US has been undermined by the administration's support for regime change in Egypt and its inconsistent attempts to reconcile values with interests in a delicate Middle East. An additional challenge for the United States is the Israeli-Palestinian political process, in light of the differences of opinion with Israel on conditions for renewing the dialogue, and the Palestinian Authority's pursuit of recognition for a Palestinian state by the UN General Assembly, contrary to the position of the administration. For its part, the European Union, increasingly mindful of its limited economic and political ability to leverage trends of growth and liberalization in the region, will be required to rethink its approach to the Middle East. Russia, in the wake of an economic crisis, will persist in its attempts to upgrade its relations with the West; as part of the "reset" of its relations with the United States, it even joined the sanctions regime against Iran. At the same time, Russia will continue to strive to consolidate its standing in the Middle East in an attempt to exploit the weakness in America's regional status. And as in previous years, the United States, the European Union, and Russia will continue to confront familiar hurdles on the road to coordinated action that could help stop the advance of the Iranian nuclear program.

This section continues with a discussion of central aspects of Israel's relations with its near surroundings. Shlomo Brom's chapter, "Israel and the Arab World: The Power of the People," considers Israel's view of the Middle East prior to the outbreak of the regional storm in the region, the changes in this view wrought by the upheavals, and the impact of the unrest on Israel's standing and its interaction with the Arab environment. Many questions arise in light of the upheaval in the Arab states, including prospects for renewing Israeli-Syrian negotiations. The author argues that Israel, with the goal of improving relations with its neighbors, will have to formulate a policy that acknowledges the trend in the region: regimes that continue to support the diplomatic process with Israel, but are assertive in the face of what they and the international community interpret as Israeli recalcitrance.

Anat Kurz's article, "The Israeli-Palestinian Arena: Independent Moves, Little Coordination," focuses on the dynamic that has been created in the Israeli-Palestinian theater given the deadlocked political process and the regional shockwaves. The author contends that it will be difficult for Israel to fend off international pressure and criticism without a willingness to fundamentally reshape the conflict arena. At the same time, the current turbulence in the region is expected to exacerbate the familiar elements of the stalemate: the Palestinian Authority's fear of internal discontent, which prevents it from moderating tough negotiating positions, and Israel's fear that the security threats will worsen as a result of radicalization in the region.

The second section of the volume, "Iran, Turkey, and the Northern Axis," opens with "Iran's Regional Status: Expanding Influence alongside Weaknesses," by Ephraim Kam. The strengthening of Iran's position in the Middle East in recent years is due in part to various failed attempts to curb Iran's momentum, including in the nuclear domain. On the other hand, Iran is facing an international front led by the United States that seeks to counter its pursuit of regional hegemony. Tehran is also fearful that the popular uprisings that have taken place in the region will serve as an inspiration for renewed agitation against the regime. Should the regime in Syria fall, this will undermine the Iranian-Syrian alliance and thus weaken the central link in the "radical crescent" that extends from Afghanistan through Iran to Shiite Iraq and to Syria and Lebanon, with satellites in the Gaza Strip and the Shiite communities in the Gulf.

Emily Landau's chapter, "The International Community vs. Iran: Pressures, Delays, No Decisive Results," concludes that there is currently no solid negotiating strategy vis-à-vis Iran, nor is there willingness by either the United States or Israel to act militarily to arrest progress on the Iranian nuclear program. Sanctions and sabotage temper its progress, but they cannot uproot the basic Iranian interest in developing a nuclear capability. The turmoil in the Middle East in the past year appears to be a development that strengthens Iran's interest in achieving nuclear capability, while an internal change in Iran, which would perhaps bring about a shift in policy in the nuclear realm as well, is not on the horizon.

Gallia Lindenstrauss' analysis, "Turkey and the Middle East: Between Euphoria and Sobriety," shows how the upheavals in the region run counter to Turkey's vision of promoting stability for the sake of advancing the economy, and will make it difficult for Turkey to maintain good relations with its neighbors. Against this background, the political activism that characterized Turkey of recent years has been curbed, and Ankara has begun to rethink its role in the region. The incipient improvement in Turkey's relations with the West, and in particular the United States, may help improve Turkey's relations with Israel. Nevertheless, the end of the crisis in Turkey-Israel relations depends at least in part on the governments' ability to reach understandings with Israel on Palestinian-related issues, and on a revival of the Israeli-Palestinian political process.

The third section of the volume, "Israel: Coping with the Challenges," concentrates on various areas in which Israel faces national security challenges in the broader sense of the term. Some of these are traditional areas, including the military challenges and problems relating to the national economy, while others have only recently taken center stage, such as the threat to the home front and the phenomenon known by the sweeping term "delegitimization."

The first chapter in this section, written by Yehuda Ben Meir and Owen Alterman, is "The Delegitimization Threat: Roots, Manifestations, and Containment," and covers the two main components of the effort to delegitimize Israel: BDS (boycott, divestment, and sanctions), and legal warfare. The article includes an assessment of the threat these activities pose to the State of Israel and the damage they cause, and examines possible responses to the challenge. The authors stress that underlying the development of an effective response is the need for the government to internalize the significance of the threat. Indeed, the IDF has evinced awareness of the need to develop responses to the threat, particularly the effort to avoid situations that will cause a humanitarian crisis or serve as a basis for charges of violations of international law.

Giora Eiland's article, "The IDF Multiyear Plan: Dilemmas and Responses," reviews the IDF's work plan for the coming five years, which is designed to provide the response to military threats. Chief among the difficulties in preparing the plan are the requirement to draft a plan five

years in advance, limited budgetary flexibility, and the need to formulate one plan that addresses varied and at times conflicting needs. The discussion concludes that the IDF's process for formulating the plan is thorough, serious, and professional, nearly free of extraneous considerations, and carried out with maximum possible transparency.

Meir Elran's article discusses a subject that in recent years has become one of the top political-security issues, "The Civilian Front: From the Threat to the Response." It examines the question to what degree recent steps on the military, state, and local levels have improved Israeli home front preparedness for an emergency. The author argues that in spite of attempts to learn from previous failures to prepare the home front for security conflicts and mass disasters, the question of the overall responsibility and its management in a crisis remains vague. This vagueness, which originates in the tension between the strength of the Home Front Command and the weakness of the civilian system, was not dispelled by the establishment of the National Emergency Authority. Therefore, inter-ministry coordination will be one of the main challenges with which the newly created Ministry of Home Front Security will have to contend.

Shmuel Even's article, "Israel's National Security Economy: Defense and Social Challenges," focuses on long term economic challenges that are liable to have ramifications for Israel's ability to fund a high level of defense expenditure, its domestic social stability, and its world status. The analysis points to the risks inherent in the erosion of human resources (due to the weakness of the education system), the instability of the world economy, and the security situation. At the same time, there are opportunities to enable continued long term growth, and indeed in one sense, defense expenditure can be seen as an investment to temper the security risks and reduce the intensity of the damage that will be caused if these risks materialize.

The analytical portion of the volume closes with an assessment by Shlomo Brom and Anat Kurz entitled "Israel and the Regional Shockwaves." The essay analyzes the dynamic of the ongoing deadlock in the diplomatic process, the weakening of American influence in the region, and the socio-political shocks, as a backdrop to the intensification of the political and security challenges facing Israel. The conclusion of this essay is that Israel

cannot stop the deterioration in its relations with the Palestinians or with Middle East states, or the erosion in its international standing, in particular with the United States, unless it formulates an initiative that attempts a substantive breakthrough in the political process.

The Appendix to the volume on the Middle East military balance, by Yiftah Shapir, includes a summary of "Trends in Military Buildup in the Middle East." This survey examines the ongoing military buildup of both states and non-state actors in light of the resources at their disposal, their access to international weapons suppliers, and their ability to manufacture the weapons themselves. Other than the Libyan and Yemeni militaries, which are divided between loyalists and rebels, there have been no fundamental changes to the capabilities of Middle East armed forces in the wake of the political turmoil. The Appendix includes a review of the region's armed forces, prepared by the author in conjunction with Tamir Magal, based on data collected as part of the INSS Middle East Military Balance Project, which is presented in full on the INSS website.

We would like to thank the authors of the articles, members of the INSS research staff, for contributing to this collection. And as in previous years, Moshe Grundman, the Institute's director of publications, and Judith Rosen, editor of INSS English publications, played an important role in the publication of this book. We extend our thanks and deep appreciation to them.

Anat Kurz, Shlomo Brom
August 2011

Part I
The Middle East Agenda

A New Middle East?

Mark A. Heller

What Has Changed

Like most momentous phenomena in history, the wave of uprisings against authoritarian Arab governments, commonly referred to as the Arab spring, seems easy to analyze – in retrospect. As soon as the first anti-regime demonstrators took to the streets of the Tunisian town of Sidi Bouzid in late December 2010, Middle East experts began to explain how the self-immolation of an obscure fruit peddler was not the cause of anything but simply the catalyst of a conflagration whose elements had been in place for a long time. Analysts described how the corrupt and increasingly sclerotic dictatorship of Zein al-Abdin Bin Ali in Tunisia had become increasingly disconnected from the reality of an increasingly young population increasingly alienated by the regime's failure to provide it with jobs or any kind of share in whatever economic development was taking place or to treat it with any measure of respect. They also described how the regime had lost its monopoly over information because of the invasion of uncontrolled media like al-Jazeera and internet-based social networks, and how these channels made members of the "youth bulge" not only more aware that their outrage at loss of opportunity and hope was shared by others but also more confident that they could effectively coordinate with others. They then described how these same media were also used to communicate the nature and extent of the uprising to the outside world, prompting foreign partners and benefactors to withdraw their support from incumbent regimes. Finally, they described how this combination of internal and external factors led important political formations, especially

the armed forces, to abandon the dictator and force him to abandon the palace and scurry off to exile in Saudi Arabia, thereby allowing the people to claim their long denied dignity and freedom, to which they were entitled and of which they had been so long deprived.

In the case of Tunisia, this was a fairly compelling post factum narrative that made what happened seem altogether logical, if not inevitable. Moreover, it included enough elements common to other Middle Eastern contexts to suggest that Tunisians, having broken through the "barrier of fear" to which political quiescence in the region had been attributed, would make their country a catalyst of analogous developments elsewhere. In other words, observers who admitted to having been surprised by the popular overthrow of a dictator in Tunisia began to insist that it would not be a surprise if similar events occurred elsewhere.

That conviction, of course, received a tremendous stimulus in the following weeks when Egypt, which many had initially insisted was not Tunisia, underwent a similar transformation that left its pharaonic ruler, Husni Mubarak, in an even more precarious position than Bin Ali. At the same time and shortly thereafter, overt opposition erupted across the region from Morocco in the west to Bahrain and Oman in the east, and though the intensity of the protests varied, the extent of the phenomenon seemed to confirm the belief that these were not isolated incidents but rather part of a systemic upheaval – the result of a demonstration effect. The logic underlying that belief was that 2011 was the Middle East's version of 1789 or 1848 or 1968 or 1979 or 1989, and that authoritarian rulers would soon be ousted almost everywhere in the tidal wave of democratization that had swept over southern and eastern Europe, Latin America, East Asia, and even much of Africa in preceding decades but that had, for a variety of reasons, bypassed the Middle East – until now. In short, rather than continuing as history's foster child, the region had suddenly caught up and was about to become the new Middle East.

The Middle East after the outbreak of mass protests against authoritarian regimes is undeniably new and different. The novelty does not lie in mass protests or the mobilization of the so-called "Arab street." There is, in fact, a long local history of large scale mass movements and protests. In some cases, they were incited or orchestrated by the regimes

themselves and directed against foreign adversaries. In some cases, as in labor demonstrations, they involved civil protests focused on narrowly defined economic aims. In some cases, they involved sectarian, ethnic, or national groups contesting the power or policies of governments ostensibly favoring the interests of other sectarian, ethnic, or national groups. In some cases, they were ideological protests – nationalist or religious – using mass demonstrations and/or terrorism. But since 1952, no country in the region, apart from Iran, has ever before witnessed mass upheavals resulting in the ouster of entrenched regimes. (Even in 1952, King Farouk of Egypt was deposed by a military coup d'état, not by the popular demonstrations that had intermittently erupted for several years before the Free Officers arrested the King, escorted him to his yacht, and politely sent him off to exile in Rome.) Thus, the wave of protests that began to wash over the region in late 2010 is clear evidence that something momentous has occurred. Perhaps most significantly, public opinion can no longer be ignored or stifled by repressive means, even in the most ruthless of the so-called "national security states," and those who observe, deal with, or live in the Middle East can no longer assume that stasis is tantamount to stability.

Who is at Risk?

Beyond this basic observation, however, little else is clear. Many of the initial generalizations drawn from the experiences of Tunisia and Egypt were quickly refuted by subsequent developments. The first of these was that the most serious threat was to "moderate" or status quo regimes, ostensibly because they had aroused the particular ire of the masses with their "pro-American" or "pro-Israel" policies. It is not clear why this reasoning should ever have had any resonance, given that the Arab spring had been preceded in 2009 by an equally widespread and vigorous protest movement that shook but ultimately failed to overthrow the Iranian regime, which only the most inveterate conspiracy theorists could suspect of any pro-American or pro-Israel proclivities. Perhaps the unspoken assumption, therefore, was that the so-called moderates were relatively soft dictatorships compared with their more brutal counterparts in the "resistance" camp.

Here too, however, observers might have disabused themselves of the notion of the pro-Western fixation if they had paid closer attention to the self-described motivations of the crowds that came out to demand the departure of the regimes in Tunis and Cairo; these had very little to do with America or Israel. For a brief time, some were apparently more impressed by the logic of President Bashar al-Asad, who pronounced Syria, i.e., Asad, immune to this sort of opposition protest because of Syria's posture of resistance.[1] This analysis was superficially vindicated when the disturbances intensified or spread to places like Yemen, where President Ali Abdullah Saleh had proclaimed himself a partner in the American struggle against terrorism, to Bahrain, home base of the US Fifth Fleet, and even, though far less vigorously, to Jordan and Oman. However, a crack in the logic appeared when anti-regime protests briefly reemerged in Iran and when a large scale revolt erupted in Libya, whose leader, Muammar Qaddafi, had once figured prominently as one of the "defiant ones" in the Middle East. Although, Qaddafi had more recently bought himself into the West's good graces, he has remained at best an erratic figure. The logic then collapsed completely when it suddenly became clear (probably to his genuine astonishment) that Asad, the Syrian pillar of resistance, benefactor of Hamas and Hizbollah, and main strategic collaborator of Iran in the Arab world, was no less reviled by his own people than were Mubarak and Bin Ali – and for essentially the same reasons.

Game Over?

The second generalization that circumstances soon refuted was that the tide of history was running against authoritarian rulers, and that once the barrier of fear was breached and the people dared to express their wrath, the rulers were doomed to be swept away. This too seemed an overly hasty extrapolation from the experiences of Tunisia and Egypt. Of course in the longer perspective of history, no governing system, and certainly no individual, is eternal. The most seemingly entrenched regime can crumble even in the absence of overt large scale domestic opposition. Alternatively, it can overcome such opposition but then begin to evolve in ways that make it almost unrecognizable. The former process describes the Soviet

Union; the latter may capture the post-1989 history of Communist China. In this sense, all rulers live on borrowed time.

But historical perspective provides little guidance to political analysts and journalists operating within a different timeframe. In their timeframe, the fact that Bin Ali and Mubarak quickly preferred flight to fight does not necessarily mean that the fate of Asad, Saleh, and others is similarly sealed. For example, the Bahraini monarchy in 2011, like the Islamic Republic in Iran in 2009, appears thus far to have weathered the challenge (just as Asad's father, Hafez, weathered the challenge to him in 1982). Qaddafi in fact was overthrown, but only following Western military intervention, and in mid 2011 it was unclear whether Saleh would return from medical treatment in Saudi Arabia to resume the fight in Yemen. Indeed, while the examples of Tunisia and Egypt may have inspired people in other countries to press harder against their own rulers, the post-resignation fates of Bin Ali and Mubarak may have inspired rulers in other countries to resist even more fiercely. In any case, on this issue too there is no preordained outcome.

Outside Agitators?

A related question has to do with the role of outsiders in influencing the outcome of domestic power struggles. As the protests began to gather momentum in Tunisia, it was revealed that the French Foreign Minister had enjoyed a cozy relationship with Bin Ali's family and that France had even offered assistance to Tunisian security forces to deal more effectively with the unrest. That revived a frenzied debate in the West over the extent to which outsiders can and should be supportive of one party or another in domestic power struggles. When the wave of opposition spread to Egypt and Bahrain – countries with which the United States has especially close ties – the American public was treated to an entertaining but inconclusive argument about whether more credit for the eruption of democratic consciousness in the Middle East should be attributed to George W. Bush's advocacy of democratization or to Barack Obama's policy of engagement. Bush's defenders gleefully recalled Obama's passivity during the "Iranian spring" of 2009, when some anti-regime protesters chastised the American

President with placards proclaiming "Obama, you're either with us or against us."[2]

Of course, both sides in the argument assumed implicitly that American input was critical in invigorating or debilitating the opposition movements and the regime responses. Bahraini demonstrators, for example, soon echoed their Iranian counterparts by asking, "Where are the Americans, where are the Americans, why are they allowing this?"[3] Yet whatever the validity of that assumption, it is clear that when the US administration, after prolonged wavering, came down on the side of those Egyptians demanding Mubarak's departure, the close, almost organic tie between the US and the Egyptian military establishment was a factor in the High Command's decision to advise Mubarak that the time had come to leave. But criticism of that wavering by Americans instinctively sympathetic to any movement that looks democratic and calls itself democratic prompted Obama to act quite differently in the case of Libya and to respond positively to French urgings – perhaps grounded in the French case in a need to atone for inaction in Tunisia – to intervene militarily on the side of the anti-Qaddafi rebels. In other words, American and others preferred the Libyan devil they don't know to the Libyan devil they do know.

Of course, not every situation in the region resembled Egypt, Tunisia, or Libya; most were even more complex. The Western powers did not always have a clear idea of where their interests lay, which probably explains why, in the case of Syria, they effectively preferred the devil they do know to the devil they don't know. And even when they clearly sympathized with the opposition movements, they could not bring effective influence to bear because they lacked leverage with a critical power broker like the army, or were unwilling to activate their own military power in order to tilt the internal balance of power. Thus, regimes under threat could persuade themselves that the West lacked the capacity or resolve to intervene, and even if they were convinced that political isolation and effective economic and/or legal sanctions would be imposed, if they were fighting for their political and perhaps physical existence and forced to choose between losing now and perhaps losing later, they would quite reasonably opt for the latter.

Moreover, the West was not alone in the region. Others also acted on interests or preferences that did not always coincide with those of the United States and its allies. Saudi Arabia and the United Arab Emirates, for example, intervened militarily to help suppress the largely Shiite-supported uprising against the regime in Bahrain. According to most available information, this occurred without any prior coordination or agreement with the United States (which was in any event resented by the Saudis for having abandoned its longstanding Egyptian ally with indecent haste). Conversely, there were persistent accusations that Iran had encouraged and assisted the largely-Shiite opposition movement in Bahrain and unverifiable reports that Iran was providing various sorts of technical and logistical support to the Syrian regime in its struggle to repress the challenge to its control.

Both regime and opposition forces had a vested interest in stressing the alleged interference of outsiders in favor of their domestic adversaries. Ali Abdullah Saleh raised (but later retracted) the charge that the entire Yemeni opposition was controlled in a secret war room in Tel Aviv, and the Asad regime went even further with its claim that there was no real Syrian opposition at all, only terrorists, religious extremists, and criminals acting as agents of foreign powers. Though such charges can be dismissed as self-serving propaganda, there is documented evidence of outside involvement in many of the uprisings in the region. In a few specific cases, especially Bahrain and Libya, it has even made a significant difference in the way events have unfolded, and both Middle Easterners and outsiders continue to debate what outsiders should or shouldn't do. Nevertheless, with the possible exception of Bahrain and Libya, there is little apart from wishful thinking to sustain the grandiose generalization that foreign, especially Western, and especially American, policy is the critical factor in determining the outcome of the struggles for the future of the Middle East.

The End of History?

Finally, and perhaps most critically, there is the Middle Eastern chapter of the "End of History." Trying to chart the future course of the Middle East following the Arab spring is tantamount to using a GPS navigation system without functioning satellites. Even if one shares the rather dubious

assumption that authoritarian rulers are doomed and will eventually disappear, there is no certainty at all about how the situation will develop after they leave. The hope inspired by the scenes of spontaneous mass demands for freedom in Tunisia and Egypt was that societies that throw off authoritarian regimes have embarked on a path that leads ineluctably to democracy. That hope, shared by liberals and neoconservatives in the West, certainly animated many of the protesters themselves. Of course, what drove them to take to the streets and brave the response of the regimes' security agencies was not just a thirst for freedom. Many acknowledged that the most urgent factors were the same economic grievances and resentment of corruption that had produced widespread demonstrations before, for example, the 1977 bread riots in Egypt, but had failed to overturn the political order.

In any case, the motives of the demonstrators are not necessarily conclusive indicators of where the uprisings may go, and the Arab uprisings (like many others elsewhere), even if made in the name of liberalism and democracy, may unleash profoundly illiberal and undemocratic forces. Indeed, hijacked revolutions are hardly aberrations. The revolution launched in France in 1789 in the name of liberty, equality, and fraternity served as a major case study for Crane Brinton's *The Anatomy of Revolution*, which likened revolutions to the stages of fever passing through a body.[4] For over a hundred and fifty years, the fever carried France through a reign of terror, aggressive imperialism, monarchical restoration, imperial restoration, and a series of chronically unstable republics challenged by various reactionary nationalists, monarchists, clericalists, and fascists as well as Communists, before it finally settled into something approaching stable democracy. And even that unhappy history may be unduly optimistic in the sense that it, like the Russian Revolution, at least seems to have something approximating a happy ending. In fact, the telos of historical transformations, happy or otherwise, seems predetermined only in retrospect, and the path toward any endpoint is rarely smooth.

It is therefore impossible to predict with any confidence that the Arab spring has (or has not) set the Arab world on a course to democracy. Indeed, there is not even a reliable framework within which the issue of democratization can be analyzed, notwithstanding the antiquity of the

problem and the intellectual capital invested in it. However, a revolution inspired more by the desire to oust the regime *qua* regime rather than by a fight to transfer power from one ethnic, confessional, or tribal group to another is more likely to focus on the individual rights at the heart of liberal democracy than on the prerogatives of collectivities, which often undermine liberal democratic discourse. This kind of focus is, by definition, more likely to be found in relatively homogenous societies. Beyond that, there are elements of civil society that appear empirically or at least intuitively correlated with the development of democracy (as distinct from mob rule or the tyranny of the majority). These include: a developing middle class not dependent on state favors, avoidance of the most egregiously unequal/dishonest distribution of economic benefits, tolerance of pluralism in thought and practice, low levels of religiosity (or at least, absence of established religion), and rule of law (positive, not divine). It also helps if there are powerful or charismatic personalities like Mikhail Gorbachev, Mustafa Kemal, Lech Walensa, Vaclav Pavel, Deng Tsao-ping, and Nelson Mandela capable of pushing modernization/reform from above or below. Some of these elements are absent in all Arab societies; nearly all are missing in some Arab societies.

As a result, even those that have already succeeded in ousting authoritarian rulers are exhibiting tendencies that raise genuine concerns about the prospects for democracy. For example, after the ouster of Bin Ali, Tunisia would seem to be favorably placed to move toward democratization. By regional standards, it ranks very high in terms of modernization and secularization indices, with greater literacy rates, openness to the outside world, and gender equality than most neighboring states. It is also a homogeneous society and has a small, professional army not suspected of harboring any political ambitions of its own. It was experiencing positive economic growth in the years before the Jasmine Revolution, marred mainly by the fact that a disproportionate share of the benefits was expropriated by a kleptocratic dictatorship. Notwithstanding this generally favorable starting point, however, many Tunisians are skeptical about the constant protestations of Rachid Ghannouchi, the leader of an-Nahda, that his movement is fully committed to democracy, and they are concerned that the political space created by the ouster of Bin Ali will be exploited by

Islamists to move the country along a retrograde path. In fact, one of the first major public events in Tunis following Bin Ali's departure was a mass march warning against any move to curtail the rights and status women had achieved under the authoritarian rule of Bin Ali and his legendary predecessor, Habib Bourguiba. However overstated these anxieties might appear to be, they reflect a real concern of some Tunisians about the constancy of their country's evolution into modern democracy.

In Egypt, the prospects are more daunting. Unlike its Tunisian counterpart, the Egyptian military, a formidable power behind every Egyptian government since 1952, has retained executive authority and shows no inclination to cede it, at least until after the presidential elections scheduled for 2012. True, the army appears genuinely desirous of returning to the barracks and has exhibited some responsiveness to the public mood, by agreeing, for example, to try and imprison high officials of the former regime. More generally, it has not overtly opposed the broadening of the political space. That space, however, is apparently being filled most quickly and effectively not by those who played the most prominent role in the occupation of Tahrir Square that led to the downfall of Mubarak, but by other political personalities and forces whose commitment to democracy may be suspect.

This may simply mean that those who demand freedom for themselves do not necessarily also want it for everyone else. But as the realignment of politics in Egypt plays out, it will be accompanied by a deteriorating economic situation resulting from the disruption of tourism and worker remittances (especially from Libya) and the decline in investor confidence. Since the outbreak of the demonstrations, inflation (especially of food prices) has accelerated, market valuations have declined by about 25 percent, and capital flight (estimated at one third of Egypt's foreign exchange reserves, i.e., about $30 billion) has afflicted the economy.[5] As transitional governments struggle to satisfy more assertive demands by workers and others with populist promises and diminishing resources, the appeal of those promising to restore stability with a strong hand may well grow.

Second, there appear to be greater prospects for sectarian backsliding. Egypt had never moved as far along the path of modernization and

secularization as did Tunisia, which in any event is a more homogenous society. In fact, Egypt was the birthplace of the Muslim Brotherhood and though it, along with its more violent jihadist offshoots, was repressed and contained by successive Egyptian governments, it continued to operate even under adverse conditions. With the relaxation of constraints on their activities, Islamists are filling more of the political space even as other political forces find it exceedingly difficult to organize in advance of the struggle for Egypt's future. So too, the Salafists among them are intensifying the incitement and violence that they waged against Egyptian Copts with some degree of impunity even under the old regime.

Politics and Horticulture

None of this augurs well for a peaceful transition to the liberal democracy espoused by the Arab spring's most prominent spokesmen, at least in the foreign media. Of course, there is nothing that categorically precludes that outcome. But if history is any guide, even if liberal democracy does eventually emerge, the path of its evolution will be long and costly, with many digressions and reversals along the way.

Despite the commonalities of the struggles to impose reform or submission on authoritarian rulers in the Arab world, all politics are ultimately local, and the specificities of each case are so great that there may be no real basis at all for generalizations about the Arab spring. Still, there is some regional dynamic at work, at least in the sense that events in one part of that world resonate strongly in others. The adoption of similar slogans by demonstrators from Rabat to Manama is testimony to that, and the pervasiveness of the phenomenon clearly indicates that the frozen Arab politics of recent decades have been shattered by the Jasmine and Lotus Revolutions in Tunisia and Egypt. But horticultural metaphors for political transformations are not very instructive. Flowers have relatively predictable life cycles; revolutions do not. So while a new and different Middle East is obviously emerging, there is as yet no assurance that it will also be freer, more prosperous, more tolerant, more egalitarian, or more pacific than the old Middle East. In short, new and different may also prove to be better. But any prediction of such an outcome is grounded more in

hope than in solid evidence, and hope cannot long survive if spring fails to turn into summer.

Notes

1 "Interview With Syrian President Bashar al-Assad," *Wall Street Journal*, January 31, 2011.
2 Michael Rubin, "Hearing Obama in Tehran," *New York Daily News*, February 16, 2011.
3 Michael Slackman, "The Proxy Battle in Bahrain," *New York Times*, March 21, 2011.
4 Crane Brinton, *The Anatomy of Revolution*, revised and expanded edition (New York: Vintage Books, 1965), p. 16.
5 Niall Ferguson, "The Revolution Blows Up," *Newsweek*, June 25, 2011.

The Superpowers and the Middle East: Walking a Fine Line

Oded Eran, Zvi Magen, and Shimon Stein

Over the course of 2011, the international community – and in particular the trans-Atlantic bloc and Russia – was challenged by the need to contend with major domestic political-economic issues on the one hand, and on the other hand, to confront the Arab spring and provide an appropriate political, economic, and at times military response. These challenges will continue to preoccupy the United States, the European Union, and Russia in 2012 and beyond, and will impel them to try to avoid further deterioration in their domestic economic situations, while they grapple to contain the crises that are liable to emerge from the turbulence that has gripped some of the major regimes in the Middle East.

Challenges for the United States

The next United States presidential race has already begun. Until it is over in November 2012, President Barack Obama's political resources will be invested mainly in efforts to win a second term. His political room to maneuver will be curbed not only by electoral considerations, but also by Republican control of the House of Representatives. Although Congress is limited in its ability to influence United States foreign policy, the President will likely attempt to avoid confrontations and preclude potential Republican achievements that might emerge from the administration's foreign policy failures. Thus, the administration's hesitation in its approach to the upheaval and instability in the Middle East is in part a function of the current domestic political situation in the United States. Therefore, the

dilemmas that confronted President Obama during 2011 regarding United States policy toward the Middle East will accompany him throughout the election campaign. Taking a broader perspective, a large question mark hangs over the ability of the United States, the members of the Quartet, and the G-8 to devise approaches, procedures, and responses that will contain the challenges presented by the Arab spring, the forecasted deterioration on the Israeli-Palestinian front, and the progress in the Iranian nuclear program.

The achievement scored by the administration in the elimination of al-Qaeda leader Osama Bin Laden emphasizes the decline in the relationship between the United States and Pakistan, where Bin Laden took shelter, and this is not expected to improve significantly in the coming year. The United States will also continue to face the dilemma inherent in the need to maintain large military forces in neighboring Afghanistan in order to support the current regime, versus the previous decision to reduce the American military presence there.

A similar dilemma will face the administration in connection to Iraq. The withdrawal of US forces from the country has already begun, and is scheduled to be concluded by late 2011. Nevertheless, the administration has hinted that it would be interested in a continued military presence in order to maintain the level of relative stability that has been achieved. Thus far, the Iraqi regime has not responded to the administration's signal. The paradox, however, is that even if the Iraqi government explicitly or implicitly invites the US forces to remain, the number of casualties among the forces is liable to rise and tilt the American decision in favor of withdrawal. It is possible that Shiite elements, either with or without a directive from Iran, have thus far avoided attacking American troops in Iraq on the assumption that the United States will in fact withdraw its forces from Iraq. Shifts in the considerations of anti-American elements may change the rules of the game that apply to their actions against the American army and its coalition partners in Iraq. The economic burden involved in maintaining large numbers of troops overseas is likewise expected to affect the American decision on withdrawal.

The dilemmas faced by the US administration on the issue of the Arab-Israeli conflict may also become more serious. The UN General Assembly

session on recognition of a Palestinian state, scheduled to take place in September 2011, is liable to create shockwaves that will hurt the United States. An American vote against the resolution to recognize Palestinian independence, and especially an American veto of a Security Council resolution to accept the Palestinian state as a full-fledged member of the UN – if in fact the situation reaches that point – is likely to motivate anti-American elements to harm American interests and assets in the Middle East.

After more than two years of deep and well publicized disagreements between the administration and Israeli Prime Minister Benjamin Netanyahu, along with the administration's continued failure to jumpstart the negotiating process between Israel and the Palestinian Authority, and in light of the uncertainty regarding the political situation in the Middle East, it is more than likely that in the coming period the administration will invest in damage control and efforts to avoid escalation of the conflict. As for relations between the United States and the Palestinian Authority, last year Abu Mazen did not hide his disappointment with the Obama administration over the issue of negotiations. The Palestinian public has been highly critical of what it sees as American one-sidedness in favor of Israel, and in this atmosphere, Obama will find it difficult to influence President Mahmoud Abbas to relax his conditions for renewing negotiations. Furthermore, the attempts at a rapprochement between Hamas and Fatah will complicate coordination between the administration and the Palestinian Authority (and to a lesser extent, coordination between the European Union and the Palestinian Authority), especially if President Abbas resigns from his position. The removal of President Husni Mubarak from the Egyptian and Middle Eastern scene, as well as the undermined confidence of the Jordanian and Saudi regimes in the US administration due to its support for regime change in Egypt, will reduce the ability of the United States to manage crises in the region, including a Palestinian popular rebellion, or even more, a violent conflict between Israel and the Palestinians.

The European Union and the Middle East

The starting position that has guided and no doubt will continue to guide the European Union in its relations with the Middle East in general and the countries of the southern Mediterranean in particular is the reciprocal relationship between European security and stability and the situation in its environs. Middle East stability is deemed a key factor in European security, and in recent decades the region was considered by its European neighbors to be relatively stable. This view of the region was assisted by Arab rulers who aided EU states to realize their interests, including the regular flow of oil and gas, containment of the spread of radical Islam, and prevention – albeit only partial – of illegal immigration to Europe.

Over the years the European Union and countries in the region signed bilateral agreements and set up multilateral frameworks, starting with the Barcelona Process in 1995, through the European Neighborhood Policy in 2004 and the Union for the Mediterranean in 2008. The goal of the agreements was to promote European aid for social and political reforms, which focused on creating jobs and economic growth and encouraging democratization, political pluralism, and individual freedoms. Some of the goals agreed upon were not realized, such as the establishment in 2010 of a Mediterranean free trade zone for goods and services.

An examination of the agreements highlights commitments by the parties in the realm of human rights as well as in economics and finance. The European Union was granted the option of suspending the cooperation if the rules of the democratic game were violated. In retrospect, it is clear that the EU did not make use of this right in spite of blatant violations that ultimately brought the masses to the streets of the Arab capitals. Any attempt to draft a balance sheet for the Barcelona Process and the other processes based on the same guiding principle cannot but lead to the conclusion that the European vision of turning the southern Mediterranean into an area of prosperity and stability has not been realized. Beyond the European talk in favor of economic and political reforms, the EU has not achieved even a fraction of its ambitious objectives, in spite of the leverage it had. It allowed Arab rulers to dictate the agenda while ignoring the lofty principles it sought to promote in favor of preserving its interests. From

this point of view, the EU contributed to the deterioration that took place in the region and motivated the forces that brought about the Arab spring.

When the upheaval in Tunisia and Egypt began, European Union leaders sounded a refrain on the need to change policies toward the region. A number of officials even talked about the need for radical change beyond immediate humanitarian aid. Later, at an emergency meeting on March 3, 2011, EU leaders decided to conduct a comprehensive examination of existing programs for cooperation with states in the region. They also formulated an intention to build a new partnership with these states, with the goal of promoting democracy and shared prosperity and giving aid and incentives to states that act to promote political and economic reforms. However, economic difficulties in the European Union member countries themselves are limiting the EU's ability to grant aid to Mediterranean countries. The Greek government's April 2010 appeal to the EU and the International Monetary Fund for financial aid in order to allow it to pay off its debts presented the European Union with an unprecedented challenge. The alternatives it faced in its efforts to find a solution for Greece's debt, as well as the Ireland and Portugal debt problems, involved mainly political decisions that in the current state of affairs in Europe have aroused serious public criticism. European Union members in the Euro zone (seventeen of the twenty-seven members) are busy seeking solutions that are limited to putting out the current fires and attempting to avoid further conflagrations, which in fact appear inevitable. In exchange for agreement by the wealthy states to pour money into the financial rescue mechanisms that have been established, the states that are the aid recipients have committed to a series of steps that mandate significant belt tightening and institution of reforms that are supposed to lead to an improvement in their financial situation. If the crisis reaches more significant European countries, such as Italy or Spain, not only will the ability of the states to help others be significantly reduced, but the Euro bloc, which is one of the prominent achievements of the European Union, will sustain a fatal blow.

Along with the attempt to confront the changes taking place in the Middle East and the dilemma of aid to the countries on the southern side of the Mediterranean basin, the European Union will have to cope with increasingly nationalist trends in their own countries. These trends, which

are partially racist, can also be seen in Scandinavian countries, which had been considered the bastion of liberalism. The mass murder by an extreme right wing activist in Norway in July 2011, while an aberration, was a sign of the spread of this fascist-racist ideology. In a number of countries, extreme right wing parties have won seats in parliament. Against this backdrop, the intention to allocate aid to the new regimes in the Middle East is liable to encounter domestic opposition. At this stage, most of the right wing movements are not anti-Israel. Nevertheless, it is possible that the xenophobia that underwrites the ideology of some of these movements will in the future take on anti-Semitic tones that will be directed, inter alia, against Israel.

The response by European Union leaders to the political-military crises in Libya and Syria was additional evidence of the EU's inherent weakness in formulating a joint strategy, and especially in implementation of a common foreign and defense policy. Particularly noticeable in this context were the differences of opinion among three leading countries, with France and Britain on one side and Germany on another. It was President Nicolas Sarkozy, and later, British Prime Minister David Cameron who pushed for a forceful military approach to Qaddafi without prior inter-state coordination, not in the framework of the European Union, and not through NATO. In contrast, Germany was the sole Western country that abstained in the vote on Security Council Resolution 1973 to attack Qaddafi's forces.

Even as the European Union prepares to implement a change in its policy toward the southern Mediterranean (on both the multilateral and the regional levels), it is too early to assess the implications of the turmoil in the region on Israel's relations with the EU. The Arab-Israeli and Israeli-Palestinian conflict, one of the main sources of disagreement in the context of EU-Israel relations, has not infrequently cast a shadow over these relations. Since the start of the recent uprisings in the Middle East, European Union leaders have repeatedly emphasized the need to progress quickly on the peace process, which is deemed an important element in the attempt to promote regional stability. The differences of opinion between Israel and the European Union will likely grow sharper, particularly with EU members that do not accept Israel's policy on the Palestinian issue, for

example, vis-à-vis building in the settlements, or regarding European aid to the Palestinian economy.

The scheduled debate in the UN General Assembly on recognition of a Palestinian state finds the European Union divided on two levels. Independent initiatives, such as that of French Foreign Minister Alain Juppé, which defined several principles for renewing negotiations between Israel and the Palestinians, illustrate the inability of the organization to impose discipline on important members that seek to act independently on a particular issue. A divided vote by EU members on the resolution concerning a Palestinian state would provide additional proof of this. This is in fact the reason that the European Union is finding it difficult to achieve the status of a central player in the Quartet: in spite of the dissatisfaction of a large number of EU members with Israel's policy on the settlements, this is not manifested in a unified stand. For this reason too, the European Union will continue to leave the attempts to revive the Israeli-Palestinian political process in the hands of the United States. Although European states cannot prevent recognition of a Palestinian state by the UN General Assembly, even if they all vote against the resolution, their conduct on many issues will have a significant impact on the Palestinian struggle and Israel's standing with international organizations. The UN resolution is liable not only to split the European vote, but to bring about recognition of a Palestinian state by a number of European countries, members and non-members of the EU. Some of the countries are likely to grant Palestinian representatives the status of ambassador and even cooperate with Palestinian attempts to establish certain aspects of sovereignty, in spite of the potential for a clash with Israel inherent in such steps.

Along with differences of opinion between the European Union and Israel on the formal diplomatic level, a trend is developing in Europe of boycotting Israeli products even if they are not produced in the settlements. The precise extent of this phenomenon is not known, but the damage it is liable to cause not only to direct export but also to other economic issues, such as foreign investment in Israel, should not be underestimated. The struggle against this phenomenon has legal aspects as well: the recourse to legal measure in countries where there is an organized boycott of

significant dimensions will largely depend on the willingness of the European governments to act on the issue.

Two additional aspects of European conduct toward the Middle East are particularly important for Israel: the struggle against the Iranian nuclear program, and negotiations on Turkey's acceptance into the European Union. Europe is a major player in the international effort to stop the Iranian nuclear program, and this will likely continue in the future as well. On the other hand, the European Union is expected to continue to support freeing the Middle East of nuclear weapons. An international conference on this subject that is scheduled to take place in 2012 has the potential for friction between Israel and the EU. Regarding the latter issue, Turkish membership in another Western organization besides NATO may well exert moderating influences on Turkish foreign policy as it attempts to juggle Islamization and secularization tendencies. Finding a model for various Turkish-EU relations in multiple areas will be an attractive incentive for building effective democratic regimes in those Arab states seeking political and socioeconomic change. However, a failure of negotiations or a failure to find a substitute framework acceptable to both Turkey and the European Union is likely to exacerbate the tension in the Middle East.

Russia in the Middle East

Russia's policy in the Middle East is a function of its global competition with the United States. As such, Russia is not only attempting to be included in all the political processes in the Middle East; it also strives to form a bloc of states in the region that support it, and it maintains close relations with the region's radical bloc. The cooperation between Russia and Iran in a variety of fields is especially noteworthy. Russian military bases have been established in Syria, and Russia has supplied weapons to every purchaser, while careful not to upset the existing regional balance. In other areas as well Russia has been active internationally over the past decade, backed by improved economic capabilities resulting from the rise in the price of energy and Russia's becoming a leading supplier in this sector.

Against the backdrop of the worldwide economic crisis, Russia interpreted the US "reset" initiative, launched in autumn 2009, as an

opportunity, and it brought about a change in Russia's political conduct. Russia expanded its cooperation with the United States, the Quartet, and other international forums. In addition, it increased its involvement in the effort to revive the diplomatic process in the Middle East, even though these efforts were somewhat resisted by the US administration. It also joined the international sanctions regime imposed on Iran. This move harmed relations between Moscow and Tehran, although both sides expressed their intention to overcome the disagreements and the bad feelings between them.

Indeed, Russia has been forced to work to upgrade its relations with the West, even if it has no intention of abandoning its aspirations in the international arena. The turmoil in the Middle East has placed Russia at a crossroads once again, while it faces its own domestic difficulties that require economic changes, which in turn have ramifications for foreign policy. There appears to be a growing assessment in Russia that the turmoil in the region has further weakened the United States, which presents an opportunity for Russia. A possible development resulting from the upheaval in the Middle East, beneficial to Russia, would be a sharp rise in the price of oil.

The mass protests in the Arab capitals surprised Russia, and it found itself in a new situation with no plan of action, facing the danger of losing what it had achieved in the region in the past decade. The regimes in the Middle East that were the most severely challenged were favorable from Russia's standpoint. They acted to curb radicalism and cooperated with Russia economically and in the realm of policy. Nevertheless, Russia has responded flexibly to the recent events in the hope of developing positive relations with the various regimes in the region, including the new ones, and with the intention of recreating a bloc of states that are close to it. Russia has vacillated between turning its back on collapsing regimes such as Egypt and Libya and joining the sanctions against Libya on the one hand, and objecting to NATO's use of force against Qaddafi's army and defending the regime of Bashar al-Asad in Syria, on the other. These mixed messages reflected Russia's aspiration to preserve spheres of influence both internationally and domestically, where there is support for the authoritarian regimes in the Middle East.

At the same time, Russia fears that popular uprisings will spill over from the Middle East to Russian territory and to the former Soviet bloc. The possible rise to power of radical Islamic elements in the Middle East is troubling to the Russian leadership. Thus far, Russia's considerable attempt to neutralize the domestic radical threat, which is also nourished from abroad, has been successful. If radical regimes arise in the Middle East, however, they are liable to upset this balance. Furthermore, from Russia's point of view, democratization in the Middle East is not the preferred scenario, lest this dismantle the anti-Western camp in the region, including the "axis of evil," which is central in Russia's regional policy. No less serious is the scenario in which Russia is pushed out of the region by competing forces such as China. It appears that Russia's preference for states in the Middle East is the establishment of "moderate" authoritarian regimes that include non-radical Islamic elements that will not have a clear Western orientation.

Russia exhibits considerable friendliness towards Israel while emphasizing its affinity to Israel's population and expressing its commitment to Israel's security. In the past year, bilateral relations have become closer, perhaps in part out of Russia's pursuit of Israeli "approval" for an upgraded status in the peace process. At the same time, Russia supports Israel's adversaries in the region and remains scrupulously "balanced" in its relations with all sides. Among the radical elements in the Middle East cultivated by Russia is Hamas. Russia engaged in dialogue with Hamas and did not insist that Hamas meet the Quartet's demands as a precondition for dialogue. Russia encouraged internal Palestinian reconciliation between Hamas and Fatah, but the rapprochement between the sides, which was achieved without Russian mediation, was seen as a failure of Russian foreign policy in the Israeli-Palestinian context. As for the planned vote in the UN on recognition of a Palestinian state, a Russian vote in favor of the resolution will not only illustrate the gap between the positions of Russia and the United States on the question of the Middle East political process, but will also gain Russia points in the Arab world. However, it can be assumed that Russia will then seek to reduce the friction with Israel and the United States, and therefore, in the immediate stage

after the vote, it will not take practical steps that reflect recognition of the unilateral Palestinian declaration of independence.

Conclusion

The response by the major powers to the turmoil that has swept through the Middle East and the continuing stalemate in the Israeli-Palestinian political process has revealed the limitations of power of the United States, the European Union, and Russia in the face of crises. Yet while it is a major political constraint, the US presidential race is not expected to completely paralyze the administration's political capabilities. Various developments against the backdrop of a new regime in Egypt – which unlike the Mubarak regime is not inclined to pressure the Palestinian Authority to soften its positions – would likely force the administration to take an active response. These potential developments include the deterioration in relations between Israel and the Palestinians, and in particular, the outbreak of violence between the sides; a Palestinian attempt to demonstrate sovereignty and create political-territorial facts in the theater of conflict in the wake of a General Assembly recognition of a Palestinian state; and the intensification of the struggle over the Palestinian leadership. With this background, pressure on Israel to contribute to the revival of the political process can be expected.

Similarly, the European Union does not completely lack the ability to create a foreign and defense policy that may present a challenge to Israel. It is also possible that given the euro crisis and in spite of a vote against recognition of a Palestinian state by the General Assembly (or abstention on the vote), the EU will coordinate positions with the US administration with the goal of pressuring Israel to be more flexible in its positions. The backdrop to all this is the continuing erosion in the ability of states friendly to Israel to resist anti-Israel initiatives and the intensification of the campaign to delegitimize Israel. These trends are expected to gather momentum, especially if a violent conflict breaks out in the Israeli-Palestinian theater.

The Israeli government must consider these possibilities and prepare accordingly on the organizational, political, and public diplomacy levels, as it devises a strategy for the situation that will be created regionally and

internationally following the coming General Assembly session. The debate scheduled to take place at the UN on recognition of a Palestinian state is a new chapter in the ongoing political battle, and it involves fundamental challenges for Israel. The members of the Quartet, and in particular, the United States and the European Union, are supposed to serve as a moral-political counterweight to the numerical majority that the Arab states can mobilize to support any "Palestinian resolution" in the UN. Israel must help them to help it. Israel's ability to successfully confront the phenomenon of delegitimization lies in its ability to find a creative response to two challenges: one stemming from the increasing assertiveness of the peoples of the Middle East, and the other from the willingness of civilians to scale both the dictatorial regimes and the security fences on Israel's borders.

Israel and the Arab World: The Power of the People

Shlomo Brom

The storm that swept through the Arab world in early 2011 has the potential to spark significant changes in Israel's strategic environment in the Middle East and in its relations with the Arab world. This essay presents Israel's concept of the Middle East prior to the unrest, the changes brought about by the unrest, and impact of these changes on Israel and its relations with its Arab neighbors.

The Middle East before the Arab Spring

Until the outbreak of the so-called Arab spring, a commonly held view in Israel saw the Middle East as characterized by the struggle between two political and strategic axes. One axis, the axis of defiance or the resistance axis, comprised radical states and movements under Iranian leadership and included primarily Iran, Syria, Hizbollah, and Hamas. This axis was defined in part by its drive to undermine the status quo on several fronts: Israel's position in the Middle East; the status of the West in general and the United States in particular, and their involvement in the Middle East; and Arab states' relations with the Israel and the West. It fomented opposition to these actors and the regimes in the Arab world that "collaborate" with them, and it adopted the doctrine of resistance (*muqawama*) as the preferred means of changing the status quo. The second axis, which included most of the other Arab states in the Middle East, consisted of "moderate" states led by Egypt and Saudi Arabia. It sought to preserve the status quo and prevent the axis of defiance from growing stronger at the expense of the moderates. Israel

strove to maintain and strengthen the existing peace treaties with some of the moderate countries, and develop relations and strategic cooperation with the other states in the axis. This cooperation was supposed to focus on actions to weaken and neutralize the axis of defiance, especially Iran, which is considered to be the greatest threat to Israel, mainly because of its nuclear program.

In 2010-11, and to a certain extent even before that, it became clear that this picture was overly simplistic, and that quite a few players in the Middle East defy this easy categorization. As a strategic ally of Iran, Syria, for example, was ostensibly a full fledged member of the resistance axis. At the same time, however, Syria has consistently attempted to renew negotiations and reach an agreement with Israel; it has accepted the Arab Peace Initiative, which recognizes Israel; and it has attempted to improve its relations with the United States. It is clear that Syria has common interests with Iran that lead to extensive cooperation vis-à-vis Hizbollah in Lebanon; vis-à-vis Hamas and other rejectionist organizations in the Palestinian arena; and against Israel and the West, as long as Syria considers the latter to be acting against its interests. Nevertheless, the regime does not view itself as a pawn in Iran's hand, and in accordance with its objectives, it is interested in playing and cooperating – or in clashing, when necessary – with all parties.

Another principal actor in the Middle East in recent years, Turkey, likewise defies this dichotomy. Turkey is a member of NATO, and it has traditionally been considered part of the bloc of Western states. As such, it is fully integrated into the global economy, and it has diplomatic relations and well developed economic relations with Israel. On the other hand, Erdoğan's AKP government has a completely independent policy that seeks to accommodate all sides. It engineered a substantial improvement in its relations with members of the axis of defiance; it has good – and sometimes close – relations with Syria, Iran, and Hamas; and it does not cooperate, or sometimes, it cooperates with a visible lack of desire, with actions to curb and contain the axis of defiance, such as the Security Council's latest resolution (June 2010) on sanctions against Iran.

A much smaller player that has conducted a similar policy is Qatar. The tiny principality has attempted to play a role that is perhaps greater

than its size, namely, the role of an intermediary between the two axes that is not entrenched fully in either of them. It has, for example, made effective use of the al-Jazeera network, as its ownership of the network has allowed it to display support for players from the resistance camp and at the same time attempt to continue to maintain normal relations with the moderate states. In recent years, Qatar has had a difficult time playing this game successfully, because it has had serious clashes with major countries in the moderate camp – including Egypt and Saudi Arabia – that were not prepared to accept what they saw as the pretensions and the presumptuousness inherent in Qatar's policy.

In the view of the Netanyahu government, Israel's main goals in its relations with the Arab states, and the test of these relations, lay chiefly in two areas: the struggle against the axis of defiance and the political process with the Palestinians. In the wake of the collapse of the Oslo process and the general coldness in relations with the Arabs, Israeli thinking assigns very low priority to other aspects of bilateral relations with the Arab states. Thus, for example, economic relations with the Arab world are not considered of major potential value, and Israel is looking at markets outside the Middle East.

The government has made its first priority obstruction of the axis led by Iran, marked by its nuclear program and its hegemonic ambitions. Regarding the diplomatic process, however, Israel appears to have been dragged reluctantly into the dynamic and only as a result of pressure from international actors, especially the United States. In his initial discussions with the Obama administration, Prime Minister Netanyahu sought to persuade the administration that the solution to the conflict with the Palestinians lay with containing Iran, due to Iran's support for elements in the Palestinian arena and in the Arab world in general that oppose a solution to the conflict with Israel. The Obama administration took the opposite approach, that an effective diplomatic process with the Palestinians is needed so that it will be possible to achieve the necessary support in the Middle East for dealing with Iran. Netanyahu was forced to compromise on this issue and give some priority to the Palestinian track. That was reflected in his Bar-Ilan speech and in his agreement to a freeze on settlements for a limited time to enable renewal of negotiations with

the Palestinians. In practice, these steps were not enough to overcome the lack of mutual trust, and negotiations with the Palestinians have remained frozen.

At the same time, there was no movement on the Israeli-Syrian track in the past year, although there were media reports of messages sent between the two sides on whether it was possible to revitalize this track. In spite of some early speculations that the Israeli-Syrian track might be easier for the prime minister because it is less complex and because he is assured of the support of the defense community, which attributes great strategic benefit to an Israeli-Syrian agreement, no such reversal occurred. One reason for this standstill is Netanyahu's unwillingness to pay the price of an agreement with the Syrians, namely, a complete withdrawal from the Golan Heights. Uzi Arad, the first national security advisor in the prime minister's current term, who sees eye to eye with Netanyahu on many issues, brought up ideas for an agreement with Syria before he assumed the position, whereby Israel would withdraw from part of the Golan Heights and be prepared to swap territories in exchange for the territory that it would keep in its possession.[1] Later, ideas were raised about an interim agreement that would include a partial withdrawal from the Golan Heights, in exchange for which Israel would receive less than a full fledged peace.[2] If these ideas were conveyed to Syria it is reasonable to assume they were fully rejected; since these ideas completely contradict the Syrian approach, it does not appear possible to renew negotiations on this basis. Another plausible reason for the standstill is the nature of the current Israeli government, with its large representation of parties that oppose a withdrawal from the Golan Heights. Netanyahu perhaps assessed that serious negotiations with Syria were liable to lead to dissolution of the coalition and the fall of his government.

The result was that for the past year, there has been a total standstill in the diplomatic process on both tracks, with the deadlock having negative consequences for relations with the Arab world. In Israel, there is disagreement on how much impact the diplomatic process, especially with the Palestinians, actually has on bilateral relations with the various Arab states. One argument is that Arab regimes only pay lip service to the Palestinian cause, as it does not genuinely interest them and they are

focused on their respective regime and state interests. Wikileaks disclosures on talks between American diplomats with government officials in the Gulf region ostensibly prove these claims. In these talks, the Arabs focused on the Iranian threat to the Gulf states and on pressing the United States to do everything required, including military pressure, to stop the Iranian nuclear project.[3] However, it is doubtful that these reports actually support the basic argument. Regimes and states certainly act to promote their interests, but the question in the context of relations with Israel is different, and twofold. First, to what extent can these regimes act to promote these interests in the current state of the Arab-Israeli conflict, and second, can they cooperate with Israel when there are joint interests. The behavior of the Arab governments in recent years has indicated that the deadlock in the diplomatic process with Israel, and the violent clashes in which Israel was involved, placed heavy constraints on the Arab governments when they attempted these two courses. Regime interests notwithstanding, they were hard pressed to act against those perceived as the forces of resistance, which enjoys extensive popular support as a force that can stand up to Israel and present it with difficult challenges. They certainly had a hard time cooperating with Israel in such an atmosphere.

The confrontation with Hamas in the Gaza Strip reflects these difficulties. The Mubarak regime considered Hamas a serious threat because Hamas is a branch of the Muslim Brotherhood, but public opinion prevented it from conducting an effective policy against Hamas and cooperating fully with Israel. Even when Mubarak embraced a policy that was deemed as cooperation with Israel, he adopted it because he perceived it a policy intended to serve an Egyptian interest that was opposed to the Israeli interest. Thus, the ostensible cooperation on the "blockade" of Gaza did not stem from a desire to cooperate with Israel, rather from a deep suspicion of Israel's intentions and an assessment that Israel's goal in implementing the blockade was to push Gaza into Egypt's lap so that Egypt would take responsibility for it. Mubarak judged this as against Egypt's interests, and therefore he closed the border crossing between Gaza and Egypt.

The atmosphere in the Arab street has made it difficult to sustain bilateral relations between Israel and the states with which it formally had peaceful relations, and those with which it had non-formal relations. This

was sharply expressed in relations with Jordan, which became strained and charged with expressions of hostility, and with Egypt, where the existing cold peace showed no signs of thawing.

The Significance of the Arab Spring

By narrowing the gap between the positions of the Arab regimes and the Arab street, the so-called Arab spring has brought to the surface the problematic nature of Israel's relationship with the Arab world. In Israel, it was claimed that the awakening of the Arab street, which threatens the existing regimes, is not connected to the Arab-Israeli conflict, rather stems from internal problems of the regimes and Arab societies. Indeed, pictures of Mubarak were burned at the Egyptian demonstrations, not Israeli and American flags. However, while these contentions are correct in principle, they ignore the nature of the protests in the Arab world. The basic complaint of the protesters is against the authoritarian nature of the regimes, which were not attuned to the public and instead served the interests of small corrupt elites. The wider public was essentially cut off from these governments and the ability to influence important public issues, be it the transfer of power (bequeathing power to Gamal Mubarak), or socio-economic issues and the distribution of resources, or foreign policy, including the attitude toward Israel. The new governments in the Arab world will be tested on the basis of their attention to public opinion on these various issues. However, public opinion has become quite hostile to Israel since the collapse of the diplomatic process, and after years in which the Arab street has been exposed to serious incitement in the Arab media and has seen disturbing pictures from the second intifada, the war in Lebanon, and the fighting in Gaza. After the demonstrations against Israel in the Arab states in connection with the *naqba* (the Palestinian "catastrophe") on May 15, 2011, it will be difficult to continue to claim that this Arab awakening is divorced from the Arab-Israeli issue. The demonstrators who were seen on television came from the same public as the demonstrators of the Arab awakening.

At this early stage it is still not clear which regimes will remain in place once the dust settles, and it is not clear what will succeed regimes that have fallen. Various scenarios are possible, from a takeover by

Islamist elements in countries such as Egypt and Syria, through weak and unstable governments of populist secular parties, to military regimes with differing degrees of military influence and involvement in the affairs of state. Nevertheless, it is almost certain that any new government will be more attentive to the public's wishes, since this is the obvious conclusion to be drawn from the nature of the public protest and its threat to the government's stability. It is also likely that in cases where existing regimes survive the storm, for example the Syrian regime, they will learn the lesson of attention to public opinion. In most places, the area in which it is easiest to implement this lesson is in an anti-Israel policy.

From this point of view, Egypt constitutes an interesting test case because such processes are already underway. At this stage Egypt is under the control of the military, which is supposed to transfer power to civilian authorities after parliamentary elections (in late 2011) and presidential elections (to be held sometime later). Neither the results of the parliamentary and presidential elections nor the nature of the government that is established afterwards is certain. A central question in this context is the strength of the Muslim Brotherhood versus the secular parties. Yet while these questions are pending, is already possible to see which way the wind is blowing when it comes to Israel. The Prime Minister, Foreign Minister, and other ministers serving in a temporary civilian government functioning under military control are already making anti-Israel statements and promising to implement a tougher policy toward Israel, especially regarding the gas deal. In fact, the new Prime Minister has ordered that the gas deal be reexamined. The Egyptian Finance Minister said that while Egypt is committed to the peace treaty with Israel, it does not have to sell Israel gas, and the Egyptian Vice Prime Minister accused Israel of attacking Egypt and manipulating against it.

In addition, various statements by those who have already presented themselves as candidates for the presidency indicate their intention to conduct a tougher policy toward Israel. Thus in an interview with the *Washington Post*, when asked about Iran's nuclear program, Arab League Secretary General Amr Moussa, who is considered the candidate with the greatest chances of being elected, said: "The nuclear issue in the Middle East means Israel and then Iran." He also stated that "we have a lot to

gain by peaceful relations – or less tense relations – with Iran."[4] In other interviews, he claimed that President Mubarak erred in his decision to cooperate with Israel and impose a closure on the Gaza Strip. He also stated that during his tenure as foreign minister, he had differences of opinion with President Mubarak concerning Egypt's approach to Israel, and he thought that it was necessary to take firm measures against Israel.[5] Another candidate, Ayman Nour, leader of the liberal-democratic opposition, stated that in practice, "the Camp David accords are finished" because the treaty is an old one and it is necessary to improve the terms in a way that will suit Egypt's interests.[6] The third candidate, Mohamed ElBaradei, has said that if Israel attacks Gaza, Egypt will declare war against the Zionist regime.[7]

Assessments that the new as well as the veteran regimes will focus more on internal problems and less on foreign policy issues have little basis. Figures like Amr Moussa or Mohamed ElBaradei, with their rich background on matters of foreign policy, are not likely to shun foreign issues. In fact, the opposite is more likely. As president, for example, Amr Moussa would presumably devote a great deal of attention to the conference on creating a Middle East weapons of mass destruction free zone, which is planned for 2012, and would not shy away from clashes with Israel on this issue. Other Arab governments, coping with difficult domestic problems, especially the shaky economies of their countries, will also likely hope to score points in public opinion through diplomatic achievements.

Possible Harm to the Peace Accords

There can of course be different levels of anti-Israel policy, and from Israel's point of view, the main question is the robustness of the peace treaty with Egypt. Thus far most officials in Egypt, including those who plan to run in the next elections, have made it clear that they intend to uphold the treaty, but other occasional statements suggest that at least some of the candidates think that speaking against the peace treaty can be useful in a populist campaign. Contradictory data from various public opinion polls adds to the uncertainty: a poll from April 2011 conducted by the Pew Research Center found that a majority of 54 percent of the Egyptian public supports annulment of the peace treaty,[8] while a March 2011 poll by the International Peace Institute found that a majority of Egyptian voters

(63 percent) prefer a party that maintains the peace with Israel, and only a minority (37 percent) prefer a party that promises to annul the treaty.[9]

Although thus far the balance of statements by various officials in Egypt's emerging political system points to little likelihood that Egypt will decide to substantively renege on the peace treaty with Israel, the changes in Egypt have placed the issue on the agenda. In turn, the issue has become a subject for public discussion in Israel, because if the peace treaty with Egypt – and perhaps even in certain scenarios the peace treaty with Jordan – is harmed, this will have far reaching strategic significance for Israel. The signing of the peace treaty with Egypt in 1979 removed Egypt from the circle of countries that were likely to join in a war against Israel. To a large extent, this change reduced the likelihood that a coalition of Arab states would launch a war against Israel, and it made the scenario of a war on two fronts virtually non-existent. Over the past three decades Israel's strategic deployment, order of battle, and war plans were built on the basis of this assumption. This allowed military preparations to save resources and focus on other fronts.

Israel could permit itself to rely on a scenario of war on only one front because it assumed that even if a strategic change were to take place in Egypt and/or Jordan, it would take a relatively long time for the change to translate into new threats against it, since the other side would also need to change its strategic deployment. If Israel concludes that a military confrontation with Egypt is once again a serious possibility, it will need to make a dramatic change in its strategic deployment. However, even the change in Israel's strategic deployment requires a not insignificant amount of time because of the need to establish and train new divisions, stockpile inventories of weapons and munitions, and change war plans. This means that there is a great deal of importance to the point at which the strategic change on the Arab side is detected.

The current chaos in the Arab world presents Israel with a difficult problem of choosing a course of action under conditions of uncertainty. Military preparations are apt to become a self-fulfilling prophecy because the other side is liable to interpret the preparations as reflecting aggressive intentions. If Israel begins preparations too early for the possibility that the agreement with Egypt will be undermined, it will expose itself to this

danger. If it does this too late and the treaty is in fact weakened, it will not be prepared for this in time.

The collapse of the peace treaty with Jordan could also have difficult strategic implications because of Jordan's location across from Israel's soft underbelly and the lack of a geographical barrier between Jordan and Israel that plays the role of the Sinai Peninsula. Nevertheless, the Jordanian regime has thus far remained stable, and the possibility of its joining the Gulf Cooperation Council also contributes to its stability and its ability to weather the crisis successfully.

The Impact on the Diplomatic Process

An additional question concerns possible changes in the policies of the new regimes, as well as the old regimes fighting for their survival, vis-à-vis the political process with Israel. The current picture suggests that for now, the new regimes will continue to support the diplomatic process and the Arab Peace Initiative, but they will assume a more assertive stance towards what they see as Israel's rejectionist approach. They will also refuse to accept the dichotomous approach that divides the Palestinian political actors into "the good," those around Fatah and Mahmoud Abbas, and "the bad," the Islamists. They will adopt a policy similar to Turkey's, which aspires to cooperate with all the parties. This was first expressed in Egypt's success in brokering the Fatah and Hamas reconciliation agreement. The Mubarak regime saw Hamas as Egypt's enemy. The new regime, which considers the Muslim Brotherhood in Egypt to be a legitimate political movement, sees Hamas as a legitimate political player that must be taken into account to the same extent that the current leadership of the PLO and the Palestinian Authority are taken into account. For this reason, the new regime also promised to stop the blockade of the Gaza Strip.

Consequently, it will likely be more difficult to recruit officials in the Arab world to help restrain and contain Palestinian and other elements that in Israel's view are sabotaging the diplomatic process. It will also be difficult to recruit them to exert pressure on the official Palestinian leadership to take steps that in Israel's view can help the negotiations. While these measures were difficult to attain even before the Arab spring, they were sometimes possible, as for example regarding the policy towards

Hamas in Gaza. Similar achievements will likely be much more difficult in the future.

It is hard to know how the events in the Arab world and in Syria in particular will impact on the Israeli-Syrian track. In Israel, opponents of negotiations and an agreement with Syria are already brandishing the claim that the developments of the past months should dissuade Israel from entering into negotiations and certainly an agreement with Syria, because the partner is liable to disappear. On the opposite – and less vocal – side, those who support negotiations claim that if Israel had an agreement with Syria, its ability to cope with any possible development in Syria would be greatly improved. The main question is how the developments in the Arab world will impact on the Syrian regime. If the Baath regime survives – not an insignificant question in light of the current situation – will the events reduce or increase Bashar al-Asad's motivation to enter into negotiations with Israel, or will they not affect it at all. To a large extent this depends on Bashar's assessment of how talks with Israel might affect the stability of his regime. If he feels that the majority of the Syrian public supports negotiations that gain the return of the Golan Heights to Syrian sovereignty, then it will be worth his while to maintain and perhaps strengthen his policy that aims for such negotiations. If, however, he feels that public opinion, which is hostile to Israel, is not enthusiastic about this measure, then it is likely he will forego this possibility. A clue to his way of thinking can be found in a widely publicized interview with the *Wall Street Journal* (on January 31, before the outbreak of the protests in Syria), where he stated that his regime is not threatened because it enjoys the support of the public on account of its opposition to Israel.[10] The behavior of the Syrian regime in connection with the efforts by Palestinian refugees to march toward the border in the Golan Heights to mark the *naqba* (the "catastrophe" of 1948-49) and the *naksa* (the defeat in 1967) underscore that in the eyes of the regime, a certain amount of friction with Israel serves its purposes and contributes to its stability.

In any event, it is difficult for those observing from afar to know what public opinion is in a closed society like Syria's and how it will play out on this issue. Moreover, in the short term, even if the two sides have a basic interest in renewing the negotiations, this does not appear possible before

the situation in Syria stabilizes. If the regime changes in Syria, it will be even more difficult to assess what its policy will be toward negotiations with Israel, particularly when it is not clear what role the Muslim Brotherhood will play in the new regime.

In Lebanon, on the other hand, little has changed. The predictions that after the fall of the Hariri government Hizbollah and its allies would succeed easily in establishing a new pro-Syrian government controlled by Hizbollah did not materialize. Rather, the establishment of the new pro-Syria coalition government took a longer time than the previous assumptions, and the weakening of Syria in the wake of the rebellion against the regime did not make the process easier. Thus, relations between Israel and Lebanon have not changed either for the better or for the worse following the recent events, and it appears that the various parties still have an interest in maintaining quiet on the border.

Conclusion

The cards in the Middle East are being reshuffled. The new, emerging Middle East will be more complex than in the past, and it will no longer be possible to categorize definitively many of the Arab actors as belonging to the axis supporting Iran or the axis of moderate states that oppose Iran. This presents Israel with many problems, but it also presents new opportunities stemming from the ability to maneuver between the various players. More Arab governments will conduct an independent policy while being less attentive to the United States and Western countries in general (and certainly less to Israel's needs), and more to their own public opinion. All of this does not bode well for relations between Israel and the Arab world when the diplomatic process is stagnant and there is an unfolding crisis around the Palestinian issue regarding September 2011, and it requires a more sophisticated policy on Israel's part that takes into account the complexity of the new situation.

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The Israeli-Palestinian Arena: Independent Moves, Little Coordination

Anat Kurz

Both Israel and the Palestinian Authority have chosen policies that circumvent direct political dialogue. Adopting a pincer-like strategy that closes in on Israel, the PA has concentrated its efforts on building institutional and economic infrastructures and seeking international backing for the emerging state. The growing support for Palestinian independence has freed the PA from the immediate need to relax its conditions for engaging in dialogue and compromise on the parameters of an agreement. In addition, the extended political deadlock has allowed it to attempt to regulate relations with Hamas with little fear of significant damage to its image. For its part, the Israeli government has focused on attempting to curb the PA's diplomatic momentum; at the same time, it has been careful to continue its security cooperation with the PA and has supported the economic development underway in the West Bank. However, this policy has not diffused the criticism leveled against the Israeli government for positioning obstacles to revival of the dialogue. Indeed, as part of the intensified international effort to contain the instability in the Middle East, the pressure on Israel has only grown. Consequently, the threat of international isolation has become so palpable that it is doubtful that Israel can avoid measures to fundamentally change the political and territorial realities in the conflict arena.

The Diplomatic Front

Another attempt to revive the political process was launched by the American administration in September 2010, but the talks between Israel and the PA hit a snag already at the outset. Israeli Prime Minister Benjamin Netanyahu and PA President Mahmoud Abbas returned to the negotiating table with a common goal: to demonstrate to the administration and the other international parties involved in the effort to secure a political breakthrough that the other side was responsible for the deadlock. And in fact, the few meetings held between the parties in this forced setting revealed disagreements about the very purpose and agenda of the dialogue. The PA, backed by the administration, insisted that the talks focus on borders. In addition, it demanded that negotiations resume from the point where talks with the Olmert government concluded. The Israeli government refused, and insisted that the talks focus on the security aspect of the bilateral relations. In addition, Israel's rejection of the PA's demand – a demand supported by the US – for a full construction freeze in the West Bank foiled the latest American attempt to translate the US-mediated indirect talks, underway since May 2010, into a renewal of the direct dialogue.

The prevailing idea in Israel is that construction in the West Bank continues in settlements that according to any realistic agreement would remain under Israeli rule. Indeed, the assumption that Israel would not accept an agreement that entails a full evacuation of settlements underlies the land swap notion that has figured in a number of different initiatives over the years. By contrast, in the PA's view, questions regarding the scope of Israeli settlement in the West Bank are at the very heart of the issues that fundamentally divide the PA and Israel: the borders of the Palestinian state, the area to which the refugees will return, the future of Jerusalem, and security arrangements along and beyond the future border. Herein, therefore, lies the catch: Israel's construction freeze in the settlements, and conversely, the PA's retreat from the demand for a total construction freeze, are not cast as part of the agreement, rather as necessary steps to return to the negotiating table. However, the Israeli government and the PA will incur increased political and public criticism if they soften their stances without gaining political currency and solid security guarantees. Yet

without negotiations and the formulation of a comprehensive agreement, such political currency and guarantees cannot be ensured.

The Israeli government did not reject the idea of a construction freeze outright, and expressed its willingness to consider a second freeze beyond the freeze that enabled the start of the indirect dialogue, though again, for a limited time and in return for significant American security compensations.[1] As a precondition for the talks, Israel demanded what until then had been presented as a condition of a final agreement: in return for a temporary construction freeze, the PA would recognize Israel as a Jewish state.[2] The PA was thus asked to meet a condition that would allow Israel to respond to the US terms, even though it was clear that a temporary freeze would not bring the PA back to the negotiating table. In fact, when the American administration understood that a temporary freeze would not revive the talks, it abandoned the effort to persuade the Israeli government to halt construction, thereby conceding a failure in brokering a renewal of the negotiations.

In light of the political deadlock, the PA has waged a campaign to enlist support for a vote in the UN General Assembly – which it will propose by itself or by proxy – on recognition of a Palestinian state within the 1967 borders. The well orchestrated diplomatic campaign has gathered momentum in advance of the General Assembly meeting scheduled for September 2011. The move is meant to spur Israel – and spur the United States to exert pressure on Israel – to soften its stance on the parameters of the agreement.[3] The move also presumes that the General Assembly will weigh the question of Palestinian self-determination with the same norms and political logic that in 1947 acknowledged Israel's independence. This was stated explicitly, albeit with a blatant omission of the Arab rejection of the partition plan more than 60 years ago, in an article published in May 2011 as a preemptive response to policy statements by President Obama and Prime Minister Netanyahu delivered over the following week.[4]

The diplomatic campaign has achieved impressive results. The list of South American countries that one by one have already recognized the Palestinian state is substantial. Some European officials hoped that international recognition of a Palestinian state would bring Israel and the PA back to negotiations, and in a number of European capitals, PA

representation has been granted diplomatic status.[5] The support of Arab states for the General Assembly resolution is self-evident, and Egypt has even pressured Hamas and Fatah to prepare to establish a joint government in order to present the UN with a united Palestinian front. It appears that what began as a move to bring Israel back to the negotiating table has with time become a guiding political directive with its own clear advantages. The support for Palestinian independence has given the PA a sense of achievement and even compensation, if only symbolic and temporary, for the lack of concrete progress towards ending Israel's control of the West Bank.[6] International recognition of a Palestinian state within 1967 borders would also help the PA in subsequent stages deal with Palestinian opposition to concede any part of Mandatory Palestine.

Another achievement of the PA's diplomatic momentum has been the added tension between the Israeli government and the American administration in advance of the UN vote. The administration has sought to ensure that UN recognition of a Palestinian state, even if it does not render Israeli-Palestinian negotiations superfluous, does not loosen America's control of the political process. The veto that the United States cast in February 2011 on the Security Council resolution denouncing Israeli construction in the West Bank was not an approval to continue building, rather a clear expression of commitment to direct talks. By means of the veto, the US administration prevented the consistent European opposition to the settlement enterprise from becoming officially binding. The administration also foiled the intention of the three leading EU nations – Germany, France, and Great Britain – to propose their own version of an agreement within the Quartet and coordinate their recognition of Palestinian independence.[7] To remove any doubt, President Obama, in a May 19, 2011 speech on American policy in the Middle East, emphasized the administration's opposition to jumpstarting an Israeli-Palestinian political process under UN auspices. The President repeated the traditional American stance that any arrangement that grants Israel and a Palestinian state recognized and secure borders must be the result of negotiations on the basis of the 1967 lines, including agreed-upon land swaps.[8]

The announcement that the US administration would veto a Security Council resolution to recognize an independent Palestinian state has led

the PA to consider foregoing the Security Council vote and the proposal for full membership in the United Nations, turning instead to the General Assembly with a request to upgrade its observer status.[9] Meantime, differences of opinion on recognition of a Palestinian state between the administration and the other Quartet members prevented joint formulation of guidelines for renewing the political process. Indeed, Obama himself has refrained from presenting a concrete plan for renewing the dialogue, and will probably continue this stance as long as there is no assurance of a breakthrough. An outstanding achievement in the Middle East, especially an Israeli-Palestinian settlement, is likely to help him in his bid for reelection. By contrast, an ambitious plan with little chance of success would only add to his list of failures and damage his record.

The PA's plan to turn to the UN, and no less so, the American administration's opposition to this plan, have pinned Israel in a corner. Israel will not be able to escape from this bind unless it presents a plan that would help the administration remove the vote initiative from the UN agenda or, at the very least, postpone it. As a response to the challenge of the Palestinian diplomatic onslaught, which in Israel has come to be called "the soft intifada," Netanyahu has repeatedly stated his support for direct talks.[10] However, Netanyahu has rejected the American proposal to negotiate on the basis of the 1967 lines. Despite his ambiguous declaration that Israel would be generous vis-à-vis the territory of the Palestinian state, and alongside his statement that as part of the final arrangement some Jewish settlements would remain outside the State of Israel, Netanyahu has remained steadfast on a united Jerusalem, opposition to the return of Palestinian refugees to Israel under any circumstances, and the Jordan Valley as Israel's eastern security border.[11] In response, Abbas declared that negotiations are the best way to establish an independent Palestinian state, but Netanyahu's principles do not allow for the renewal of talks.[12] Thus against its own interests and with evident disagreements with the American administration, Israel has eased the way for the PA, now en route to a festive session of the General Assembly.

Anticipation that the PA would reject any interim agreement led Israel to suspend any proposals in this vein reportedly considered by the Israeli government. Rumors of an intention to propose an initiative of this kind

spread in face of the political upheavals that swept the Middle East in late 2010 and early 2011.[13] Indeed, Israel became the focus of growing international pressure to do its share in reducing the profile of the Israeli-Palestinian conflict, even though the Palestinian issue was hardly at the top of the agenda of the masses who took to the streets calling for changes in the social order and in the regimes. Still, reports about a potential Israeli initiative have not aroused much optimism among international actors involved in the effort to revive the Israeli-Palestinian dialogue. The notion of an interim agreement has been taken – internationally and in the Palestinian arena in particular – to mean Israel's creation of an easily containable political and security reality within the current situation. From the PA's perspective, the interim formula at the core of the second stage of the Roadmap for Peace in the Middle East is passé. Arguments to this effect build on a progress report regarding the first stage of the Roadmap. While the PA boasts achievements in institution building and security stability in the West Bank, Israel has delayed fulfilling its obligations, primarily in terms of freezing settlement construction. Ironically, the Palestinian faction that might not reject an interim agreement outright is Hamas. After all, the logic of an interim agreement was at the basis of Hamas' desire for a ten year ceasefire (*hudna*) in return for a full Israeli withdrawal to the 1967 lines.

The wide gaps between Israel and the PA and the slim chances of bridging them given the political circumstances in both the Israeli and Palestinian arenas have left the Israeli government and the American administration with no practical plan to jumpstart the political process. By contrast, the PA has formulated an alternative and has moved the locus of political activity to the international arena. At the same time, it has focused on building the infrastructures necessary for a state. Its achievements have earned the PA the image of an authority capable of managing an orderly state and thus an appropriate candidate for inclusion in the international community.

Towards a Palestinian State

A UN report presented in April 2011 at a meeting of the PA donor nations substantiated the data collected in recent years regarding development in

the Palestinian arena, particularly the West Bank.[14] The report detailed the improvement and growth in the PA-controlled West Bank in government systems and public administration, law, security, finances, healthcare, education, and infrastructures. The report also spoke of the critical value of unifying the two Palestinian areas and stressed the need to include the Gaza Strip in the general development.

Another issue emphasized by the report was the decisive dependence of the state building project on external help. The impressive progress of the program first announced in the summer of 2009 by Prime Minister Salaam Fayyad would not have been possible without international support. Backing of special importance was given to the security and the economic sectors: structural and functional reorganization of the security forces was promoted under American, Egyptian, Jordanian, and Israeli supervision, and according to the World Bank the economic assistance kept many Palestinians, especially in the Gaza Strip, above the poverty line.[15] Nonetheless, the impressive improvements in the PA's performance, particularly the responsible management of economic aid, brought the authors of the report to conclude that the PA merits recognition as a state authority.

The Israeli contribution to the Palestinian economy was cast as either positive or negative, depending on the regional context and the perspective of the analysis, which was not without political bias. Steps to ease the Israeli blockade of the Gaza Strip taken since the summer of 2010 in the wake of massive international pressure were assessed as the primary factor in the growth in the region in 2010 – approximately 15 percent. This development was stressed by the report, presented by Israel at the meeting of the donor nations. Economic coordination between Israel and the PA was also emphasized in the sections on the West Bank economy. By contrast, the UN report cited Israel's control of the West Bank as responsible for the area recording – according to World Bank data – a mere 7.6 percent growth rate and preventing the full realization of additional development potential. For their part, PA spokespeople, who touted the PA's qualifications for the leadership of a state, have entirely ignored Israeli support for building the West Bank infrastructure.[16] Even the value of mundane daily interaction

between Israel and the PA in the guise of a tacit interim agreement was entirely denied by the spokespeople.

The gap between the growth rates in the West Bank and the Gaza Strip is but one aspect, though not the most important, of the split in the Palestinian arena. The political divide between the West Bank, controlled by the PA, and the Gaza Strip, controlled by Hamas, has overshadowed the PA's achievements because it reflects the limits of the PA's territorial control and political influence. It has been impossible to translate the support for Fatah and the PA, which relies on Fatah, as well as the improved efficiency of the PA security services, into diminished Hamas control of the Gaza Strip. As for the political process, the divide has fundamentally limited the PA's ability to commit to a comprehensive settlement, not to mention guarantee its implementation. On the other hand, activity against Hamas operatives in the West Bank has essentially confined Hamas' power to within the borders of the Gaza Strip, with the movement shunned both politically and economically. In other words, Hamas too has realized the full potential of its influence given the geographical and political split.

In response to the domestic and international challenges presented by the split, the respective leaderships have sought to regulate relations between the movements. In May 2011 in Cairo, Fatah and Hamas signed an agreement of principles for institutional coordination. The agreement stipulated the intention to establish a temporary government of technocrats, prepare jointly for presidential and Legislative Council elections, and revise the structure of the PLO in order to allow Hamas' integration into the organization. This agreement was another link in the chain of attempts to tame the rivalry between the camps. Over the years, similar attempts yielded cooperation that ultimately proved to be little more than temporary pauses in the organizations' ongoing struggle. The signing of the Cairo agreement concluded a four-year period of efforts under Egyptian auspices to mend the inter-movement rift.

The attempt by Fatah and Hamas to demonstrate progress toward national unity, as expressed in the agreement of principles, was largely an outcome of public pressure. The sustained development in the West Bank is the self-evident explanation why complaints against the PA did not ignite mass disturbances similar to those in neighboring countries.

Even the media and political storm that erupted on the West Bank with al-Jazeera's publication of leaked documents on the Israeli-Palestinian dialogue died down in short order. No uprising took place in the Gaza Strip either, though for an entirely different reason: hints of support for the demonstrators in Egypt were quashed by Hamas security services lest they turn into protests against Hamas. Still, the West Bank and Gaza Strip saw rallies calling for elections and an end to the split. The call for unity has been presented as a national goal for its own sake and as a means for ending the Israeli occupation.

The PA was already engaged in efforts to curb complaints by those disappointed with the political process and those opposed to it. For its part, the call for national unity included complaints against the PA on how the conflict with Hamas was managed and how the security coordination with Israel escalated the tension between the two movements. This coordinated activity, designed first and foremost to limit Hamas' room to maneuver in the security sphere, was also exploited by the PA to undermine Hamas' civilian infrastructures in the West Bank and therefore was clearly politically motivated. Protest over not separating Fatah party interests from institution building in the West Bank was also voiced with regard to reforms in the legal system, which were formulated and applied in a way that made it easier for the PA to suppress Hamas' military and political infrastructures.[17] It was also said, and justifiably so, that the security calm in the West Bank (resulting from the improved efficiency of the security services) and the economic improvements made it easier for Israel to maintain its control of the region.

For the Hamas leadership, consolidation of its control and its military infrastructure lay at the top of its organizational priorities, and thus it did not tap enough of its resources to ease the daily burden of the Gaza population. In addition, its devotion to rigid ideological dictates, headed by the refusal to recognize Israel officially and the ongoing rocket fire on the western Negev, gave Israel the justification it needed to continue the blockade of the Gaza Strip. As such, Hamas, with Israel, has been cast as responsible for the sense of siege and hopelessness in the area. Hamas has also lost public sympathy due to its suppression of political opponents.[18] At the same time, Hamas was quick to exploit the security tension on

the Gaza Strip border in service of its struggle with the PA. The familiar dynamics of military provocation and response between Hamas and Israel escalated during the contacts preceding the announcement of the Cairo agreement. Increasing the intensity and frequency of rocket fire from the Gaza Strip towards Israel was Hamas' way of sending a message both to Israel and to the PA that it intends to maintain its military strength at all costs. Hamas herein successfully walked a tightrope: Israel avoided a widespread military response, which would have exacerbated international criticism, and understandings signed between Hamas and Fatah do not so much as hint at a call for Hamas to relinquish its weapons.

The PA has preferred to postpone the sensitive discussion of a monopoly on weapons until after the presidential and Legislative Council elections. In advance of the UN vote, the PA has sought to add a pinch of democracy to its international image. In addition, it has had to address the charge of its questionable legal status: Abbas' term in office expired in early 2009 and the Legislative Council stopped functioning when Hamas took control of the Gaza Strip in the summer of 2007. Against this backdrop, the plan to hold general elections has been revived, but the divide has continued to threaten the elections and deny their validity should they be held without Hamas. For its part, the Hamas leadership has hinged its participation in the elections on the renewal of the inter-party dialogue. In addition to its inclusion in the PLO and the PA, Hamas has tried to prevent the PA from presenting international recognition of Palestinian independence as an exclusive PA/Fatah accomplishment.

The regime change in Egypt gave Hamas a further boost. The Supreme Military Council, which has assumed at least temporary control of the country, sought to limit the potential for a flare-up in Gaza by reconstructing the civilian infrastructure in the Strip and including Hamas in the PA. These goals, along with the desire to establish unified Palestinian representation for talks with Israel, likewise drove the Mubarak regime to try to forge understandings between Fatah and Hamas. However, unlike Mubarak, the Military Council – reflecting changes in Egypt's regional policy – has resisted cooperating with Israel in undercutting Hamas and has shown openness towards the movement.[19] The draft of the inter-organizational agreement drawn up by Egyptian intelligence in October 2009 – signed by

Fatah but rejected at the time by Hamas due to Iranian and Syrian opposition and in protest of Abbas' withdrawing the demand to discuss the Goldstone Report in the UN Human Rights Council – was again placed on the table. In order to spur Hamas into signing, Egypt promised increased economic aid to the Gaza Strip (donated by Qatar) and defense against an Israeli attack on the Strip.[20] Furthermore, Egypt removed the ban on border crossings to and from the Gaza Strip. The positive response by Hamas to the Egyptian initiative, at least as much as it was meant to strengthen Hamas' status in the Palestinian arena, was steered by the need to bolster its regional status and its hold over the Gaza Strip. The challenge to Bashar Asad's regime has threatened to deny Hamas its Damascus stronghold. Tentative contacts between Cairo and Tehran meant to forge closer relations, which have the potential to reduce Iranian support for Hamas as a result of an Egyptian demand to stop interfering in the Gaza Strip, are also at the forefront of the organization's awareness.

The deadlocked political process has likewise been a convenient background for narrowing the gap between the camps. For the PA, it has even served as a catalyst. The failure of the Annapolis process and the futile attempts at dialogue since then have dashed the PA's hopes of reducing the influence of Hamas through achievements produced through negotiations. Therefore, the PA has yet again pinned its hopes on strengthening its status at home by mending the rift with Hamas. For its part, the Hamas leadership has seen this development as an opportunity to breach the borders of the geographical and political enclave in which it finds itself. The political impasse has freed the leadership from the need to tackle ideological dilemmas relating to Israel and has freed both Hamas and the PA from the immediate need to formulate a joint political platform. Thus, an elemental obstacle has been removed from easing the inter-organizational tension, and in fact, the agreement signed in Cairo does not include a political plan. Declarations made by Mahmoud Abbas in advance of the signing ceremony stressed his institutional responsibility for and his personal commitment to negotiations. A member of Hamas' political leadership, Mahmoud a-Zahar, declared that the transition government would not take part in the political process, though he did not rule out Abbas' involvement.[21]

There is also a changed approach to the inter-Palestinian rift in the international arena. The split was initially seen as an opportunity for political progress, but in light of the sustained deadlock the sense that it is a hindrance to the establishment of national Palestinian representation has grown. Thinking in this vein steered the American administration's restrained response to the Cairo agreement. A State Department spokesperson expressed hope that the inter-organizational thaw would improve the chances for renewing the political process, should Hamas fulfill the demands posed by the Quartet as preconditions for dialogue.[22] In light of the familiar Israeli claim that a split in the Palestinian arena does not allow progress towards an arrangement, one might have expected Israel to respond in the same spirit. However, Israeli spokespeople heaped severe criticism on the attempted rapprochement, and blocked the transfer of tax funds to the PA. When the EU, however, hurried to promise the PA financial compensation, it both threatened to rob the Israeli step of any effect and evinced its steadfast support for the PA. In any case, international pressure quickly prompted Israel – and with much embarrassment – to revoke its sanction.

It is eminently possible that similar to previous attempts to bridge the ideological/political gaps that divide Fatah and Hamas, the Cairo agreement will also be a fleeting episode in the ongoing inter-organizational rivalry. After all, the understandings signed in Cairo are nothing but new rules of the game by which Hamas and the PA will continue to conduct their power struggle. Hamas will hold onto the Gaza Strip and try to exploit its coordination with the PA to expand its influence in the West Bank, while the PA will seek to restore the control of the Gaza Strip to its own hands. On the other hand, the agreement also reflects the intent to institutionalize the balance of power created in recent years. It may be that only recognition of this division of power will allow the establishment of an authority in the Palestinian arena that enjoys widespread national legitimacy, though not necessarily sweeping international legitimacy.

The Next Chapter

The gaps between Israel and the PA have been fully illuminated during the rounds of negotiations over the last two decades. To be sure, the talks

conducted to date have not been without their achievements. From time to time, the sides have arrived at understandings, though these have tended to focus on the day-to-day management of the conflict and the formulation of shared intentions to continue the dialogue. At the same time, the costs involved in formulating a settlement – ideological frustration, domestic criticism, and strategic challenges – have become evident. An outgrowth of the string of failures to promote a settlement has been the mutual erosion of trust in the other side's willingness to lower its expectations and demands in order to promote a compromise. This dynamic has perforce created an impasse in the Israeli-PA dialogue.

The wave of upheavals that swept across the Middle East has increased international interest in regional stability, and thus has heightened pressure on the PA and even more so on Israel to return to the negotiating table. However, those very upheavals have narrowed the chance to revive the political process, as they have highlighted familiar components of the stalemate with new intensity. The concern about widespread public protests, inspired by the masses in neighboring countries, will make it hard for the PA to relax its rigid bargaining stances. The concern about a worsening of security threats as the result of regional radicalization will only increase Israel's reluctance for new territorial deployment in the West Bank. The already minimal willingness of the Israeli leadership to take an electoral risk by evacuating Jewish settlements in the West Bank will decline even further. Furthermore, the focus of Arab regimes on stabilizing their rule will limit their ability, if not their desire, to take a clear stance in favor of an historic compromise with Israel and support negotiations between Israel and the PA. All these factors will limit the ability of international actors, headed by the American administration, to persuade Israel and the PA to evince flexibility and renew a dialogue. Alternatively, the sides are likely to continue to focus on managing the conflict, i.e., taking interim steps, rather than resolving it.

The PA has already sketched its future path. It will continue to direct most of its resources towards constructing and improving the institutional and economic infrastructures of the West Bank as preparation for sovereignty in the region and proof of its capability to function as a state entity. The sympathy it has garnered internationally, particularly the understanding

for its attempt to generate a political breakthrough under UN auspices, has even allowed the PA to focus on bolstering its status on the home front. The rapprochement with Hamas was meant to serve this end, though it is not without its risks. From here on, the PA will have to take care lest its declared commitment to the political process undercut the effort to regulate its inter-organizational relations. It will have to work hard to prevent Hamas from dictating the political agenda or from escalating the conflict with Israel, which would force it to choose between standing shoulder to shoulder with Hamas and being committed to the political path, because ultimately, the process of establishing a Palestinian state cannot be fully completed without specific negotiations and comprehensive coordination with Israel.

The need for coordination with Israel in order to realize the potential inherent in UN recognition of a Palestinian state has not given Israel any essential advantage. A UN vote on recognition of the Palestinian state will earn the support of a large multilateral forum; Israel will not be a part of this forum. A General Assembly decision itself comes with no means of enforcement, and the Palestinian state's legal and executive validity depends on the UN Security Council. The PA will earn the right, reserved to states, to lodge complaints with the International Court of Justice in The Hague only subject to the UN Security Council's adopting the results of a General Assembly vote. Still, the widespread show of support for Palestinian independence, even if it ends with a symbolic vote in the General Assembly, will create a favorable setting for intensified international pressure on Israel and strengthening the PA's territorial demands. The support for the idea of Palestinian independence has already stressed Israel's international isolation, and this picture will not change substantially even if the administration's efforts bear fruit and the vote is postponed.

For its part, Israel can take advantage of the PA's need for coordination to improve its bargaining position. Joining the ranks of those supporting Palestinian independence, through an effort to formulate a basis for renewed negotiations, will slow down Israel's skid towards international isolation and help it enlist support for its positions and strategic preferences, especially among its traditional friends. Similarly, an effort to promote a settlement might well erode the attractiveness and relevance of the response

offered by Hamas and its supporters in the region to the Israeli-Palestinian question. Moreover, progress towards the establishment of a Palestinian state will help Israel fulfill its vision as a Jewish state with democratic foundations.

Nonetheless, the Israeli government has shunned any concrete measure that might extricate it from the political labyrinth in which it finds itself. A trial balloon was launched to test the international and Palestinian response to a possible interim agreement or establishment of a Palestinian state within temporary borders. For these notions to be taken seriously and not be seen as a way to preserve the status quo, however, they will have to be part of an ordered regimen linked to a timetable towards a permanent settlement, yet it is doubtful that the Israeli government is willing or capable to design them as such. In response to the initiative of international recognition of a Palestinian state, Netanyahu warned about possible Israeli unilateral measures. The range of unilateral steps in Israel's repertoire is extensive, but not one is capable of removing Palestinian independence from the international agenda. It may be that in response to the declaration of a state within the 1967 borders the dust will be shaken off the plan for disengagement from the West Bank. However, even a step in this direction will push Israel to the margins of the international consensus unless it is accompanied by a clear message about the willingness to realize the two-state solution.

Despite the proven difficulty, Israel and the PA will have to increase their efforts at coordination in order to cope with the challenge in the making that is threatening to draw them into a new maelstrom. The wave of popular uprisings that has swept across the Middle East has already been the source of inspiration for popular protest against Israel, seen in mass demonstrations on Israel's borders with Syria and Lebanon. This phenomenon could potentially gather momentum and spill over into the West Bank and Gaza Strip, presenting a concrete danger of renewed violent confrontation between Israel and the Palestinian population in the territories. The immediate catalyst for renewed violence could be frustration once the UN vote to recognize the Palestinian state, absent a political dialogue, is not translated into concrete sovereignty.

Threats made by PA spokespeople about a future uprising were intended to pressure Israel to return to the negotiating table, and like the

PA, the population in the West Bank and Gaza Strip does not welcome another confrontation. However, it is enough for one local demonstration to become a violent confrontation to ignite the tension already present. Escalation would only harden Israel's policy regarding the terms of a settlement and would certainly end the growth experienced in the West Bank and Gaza Strip in recent years. The international criticism against Israel because of steps it would take in response to outbreaks of violence would not compensate the Palestinians for the damage to infrastructures that would be incurred in case of a confrontation.

Preventing a sweeping confrontation is in fact itself enough of a convincing reason for the Israeli government to come up with a political formula that would serve as a counterweight to militant motives. At the same time, responsibility for preventing escalation and thus for renewing the dialogue must also be laid at the PA's doorstep. Lacking a comprehensive settlement, the PA must consider the risk that a renewed confrontation would stop the diplomatic momentum – whether by undermining its hold on the West Bank and generating anarchy, or paving the way for Hamas to take the premier role in the Palestinian arena as a whole.

Notes

1 International criticism affected Israel's unofficial policy on construction in the West Bank and slowed additional growth there. See, e.g., "Netanyahu Demanded, Construction Permits in Jerusalem Rejected," *Ynet*, April 11, 2011.

2 "Netanyahu: If the Palestinians Recognize the Jewish State, We will Agree to Another Freeze," *Haaretz.co.il*, October 11, 2010.

3 "PA: Most Nations to Recognize Us in 2011," Ma'an News Agency, January 9, 2011; "Pressuring Israel – an Interview with Riad Malki," in *Bitterlemons.org*, January 10, 2011; "PA Chair: Palestinian State will be Established only with Israeli Agreement," *Haaretz online*, January 22, 2011.

4 Mahmoud Abbas, "The Long Overdue Palestinian State," *New York Times*, May 16, 2011.

5 Argentina, Bolivia, Peru, Chile, Paraguay, Uruguay, Guyana, Ecuador, and Suriname followed Brazil in recognizing a Palestinian state. Spain, France, Greece, Ireland, Cyprus, and Norway have granted diplomatic status to PA delegations.

6 On the meaning of a recommendation for the declaration of a Palestinian state at the UN General Assembly, see Robbie Sabel, "UN General Assembly 'Uniting for Palestine,'" *INSS Insight* No. 251, April 11, 2011.

7 Instead of a discussion in the EU, the administration proposed discussing the issue in the Quintet forum – the United States, France, Great Britain, Germany, and Italy – that had already served as the setting for consultations on the crisis in the Balkans (*Ynet*, April 12, 2011). German Chancellor Angela Merkel and Italian Prime Minister Silvio Berlusconi, as well as the Netherlands, subsequently announced they would not support the declaration of a Palestinian state that had not been coordinated with Israel.

8 Full transcript of Obama's Middle East speech, http://www.whitehouse.gov/the-press-office/2011/05/19/remarks-president-middle-east-and-north-africa.

9 "Security Council Debate Offers Preview of Palestinian Bid," *New York Times*, July 26, 2011.

10 "Stop the Domino Effect: Diplomats Versus 'The Soft Intifada,'" *Ynet*, December 21, 2010. From PM Netanyahu's Channel 10 News interview, December 12, 2010: "[An interim agreement] could be the result of a diplomatic process; I am not certain that it should be its primary goal." Netanyahu told the Knesset Foreign Affairs and Defense Committee: "I told Obama that I could approve [the freeze] in the Cabinet, and then the Americans backed down…The United States has decided not to go in this direction, and rightly so, and instead has started talking about an outline of talks to minimize the gaps in order to discuss the core issues," *Ynet*, January 3, 2011.

11 Speech by PM Netanyahu to the Joint Meeting of the US Congress, May 24, 2011, http://www.mfa.gov.il/MFA/Government/Speeches+by+Israeli+leaders/2011/Speech_PM_Netanyahu_US_Congress_24-May-2011.htm.

12 "Abu Mazen: Without Renewing Negotiations we will Seek Recognition in the UN," *Ynet*, May 27, 2011.

13 "Lieberman Formulating Program for Interim Agreement with Palestinians," *Haaretz online*, February 18, 2011; "Instead of Permanent Settlement: PM Binyamin Netanyahu Considers Immediate Interim Agreement," *Haaretz online*, March 3, 2011; "Netanyahu: Bi-national state would be a disaster; I will present political plan soon," *Haaretz online*, March 4, 2011; Aluf Benn, "Netanyahu Proposes to the USA: Palestinian State in Temporary Borders," *Haaretz online*, April 23, 2011.

14 The West Bank saw the launch of some 1,700 development projects; 120 schools and three hospitals were established, and some 1,000 miles of road were paved; see "Good News from the Middle East (Really)," *New York Times*, January 25, 2011. See also Robert M. Danin, "A Third Way to Palestine: Fayyadism and

Its Discontents," *Foreign Affairs* 90, no. 1 (2011): 94-111; *Palestinian State-Building: A Decisive Period*, Office of the United Nations Special Coordinator for the Middle East Peace Process, Ad Hoc Liaison Committee Meeting, Brussels, April 13, 2011.

15 *Building the Palestinian State: Sustaining Growth, Institutions, and Service Delivery,* Economic Monitoring Report to the Ad Hoc Liaison Committee, The World Bank, April 13, 2011.

16 For more on Israel's policy on economic development in the Palestinian arena, see *Measures Taken by Israel in Support of Developing the Palestinian Economy and Socio-Economic Structure,* Report of the Government of Israel to the Ad Hoc Liaison Committee (AHLC), Brussels, April 13, 2011.

17 Nathan J. Brown, "Are Palestinians Building a State?" *Carnegie Commentary*, 2010.

18 A public opinion survey (*PSR Poll* No. 39, March 2011) indicated 40 percent support for Fatah and 26 percent for Hamas; another survey showed 34 percent support for Fatah and 15 percent for Hamas (*Jerusalem Media & Communication Center – JMCC Poll* No. 73, April 2011).

19 David D. Kirkpatrick, "In Shift, Egypt Warms to Iran and Hamas, Israel's Foes," *New York Times*, April 28, 2011.

20 Alex Fishman, "A New Low," *Yediot Ahronot*, May 5, 2011.

21 Hamas' willingness to accept an agreement that would win a majority of the Palestinian people ("Mashal Surprises: Hamas will Accept any Arrangement that Wins a Majority," *Ynet News*, October 21, 2010) was qualified by a plan for the only agreement that would be acceptable to the organization (while it is clear that Israel would reject it outright). This plan, excepting the agreement in principle to land swaps, is identical to the one demanded by the PA. See, e.g., the statement by Khaled Mashal, the head of Hamas' political bureau: "There is a position and program that all Palestinians share. To accept a Palestinian state on the 1967 borders with Jerusalem as its capital. With the right of return. And this state would have sovereignty on the land and on the borders. And with no settlements…when this program is implemented…we would respect the will of the people." See Babak Dehghanpisheh and Ranya Kadri, "Hamas Sticks to the Hard Line," *Newsweek*, October 14, 2010.

22 "U.S. to Palestinians: Unity Deal Must Advance Prospects of Peace with Israel," *Haaretz.com*, May 4, 2011.

Part II
Iran, Turkey, and the Northern Axis

Iran's Regional Status: Expanding Influence alongside Weaknesses

Ephraim Kam

Important changes in Iran's regional status in recent years have in many ways expanded Iran's influence in the Middle East and accelerated its drive to confirm its status as a regional power with a leading role in the Muslim world. This ambition rests on Iran's being a key country in the region, positioned at an important geo-strategic junction and boasting an ancient culture and imperial past. Iran's territory and its population are among the largest in the Middle East. It has great economic potential and the capability of building impressive military power, including non-conventional capabilities. The aspiration to regional hegemony is also driven by the regime's threat perception, shaped by the trauma of the Iran-Iraq War, the American threat to its strategic power, and concern over the security of Iran's oil production and exports.

The US, having expanded its military presence in the region over the past decade, is currently Iran's main source of fear. The regime deems the US a threat to its regional status, and to its stability and survivability. This threat perception and Iran's national aspirations of hegemony require it to influence the shaping of the unstable strategic environment, and in this context reduce the influence of the US in the area and ensure that US forces are not stationed close to Iran's borders.

Iran's aspiration to regional hegemony did not originate with the Islamic regime in Tehran. The Shah's regime also took measures to

build Iran as a regional power. However, while the Shah formulated the aspiration to hegemony in strategic terms, the Islamic regime conceives of this hegemony as part of a new Islamic order. The current regime believes that building Iran as a regional power requires it to defend the Muslim world, promote its interests, and use it as an element of Iran's power. To this end, the current regime, in contrast to its predecessor, incorporates the Islamic element in its policy and favors the Shiite community in particular. At the same time, in contrast to the Islamic regime in Iran's first decade, it places less emphasis on exporting the Islamic revolution to other Muslim countries, both because it has hitherto failed in this mission and because it is aware of the anxiety and damage that this emphasis has generated elsewhere in the region.

Several opportunities in Iran's strategic environment in recent years have enabled the regime to pursue its hegemonic ambitions. First, for the past several decades the Arab world has been noticeably weak, possessing inadequate capabilities to cope with the main problems facing it, including the Iranian threat, and to influence key developments in the region. Non-Arab countries – Iran, Turkey, and to a partial degree Israel – have filled this vacuum and attempt to influence the Middle East agenda. Iran, the most prominent representative of the Shiite community in the Muslim world, is aided by the fact that the Shiites' weight has risen in the past decade, mostly as a result of developments in Iraq and Lebanon, despite their being a small minority in the Arab world.

Second, Iraq has disappeared as a key player in the Persian Gulf. Before the US conquest of Iraq in 2003, and to a large extent before its defeat in the 1991 Gulf War, Iraq was the main regional player and successfully countered Iran, especially after Iran emerged as the loser in the war with Iraq in the 1980s. This situation has changed completely in the past decade, after Iraq lost all its military power and an important part of its political status and influence. In the current situation, there is no regional player capable of countering Iran's expanded influence in the area. Both Saudi Arabia and the small Persian Gulf countries, which are highly concerned about Iranian activity, especially its drive to obtain nuclear weapons, lack the ability to constitute a regional counterweight to Iran, and they have turned to the US to arrest Iran's progress.

Third, the US has met several Middle East challenges with noticeable weakness. Since the 1990s, which were overshadowed by the collapse of the Soviet Union and the establishment of the US as the only superpower, America's weakness in the Middle East and the limitations on its activity have surfaced more prominently. Its entanglement in the Iraqi and Afghani quagmires, its failure thus far to halt Iran's nuclear program, its inability to advance an Israeli-Palestinian diplomatic process, and its indecisive response to the current turmoil in the Arab world have highlighted its regional difficulties.

Fourth, Iran has gained several additional opportunities – though not necessarily as a result of its own initiative – that it has been quick to exploit. These include the Soviet Union's dissolution, which removed a longstanding strategic threat to Iran and provided it with an opportunity to expand its influence in countries in Central Asia and the Caucasus; the change in Turkey's policy; and Hamas' seizure of power in the Gaza Strip.

The US in Iraq and Afghanistan: Playing into Iran's Hand

The American military involvement in Afghanistan in late 2001 and in Iraq in 2003 aroused great concern in Tehran, which feared that the overthrow of the two Muslim regimes on its borders and the stationing of large American forces there would create both a precedent and a base for an American military operation in Iran. Iran's anxiety was compounded by its being surrounded on all sides by countries linked to the US. This concern caused Iran to temporarily suspend its nuclear military program.

As time passed, however, it became clear to the Iranian regime that the US was in no hurry to launch a military campaign in Iran, due to the risks this would involve. Iran's fear of an American military operation has likely not vanished entirely, and it stands to reason that it increases from time to time, for example, when the US administration signals that the military option has not been taken off the table. All in all, however, the Iranian regime probably believes that an American attack against nuclear sites in Iran is unlikely in the current circumstances.

Furthermore, the Iranian regime was quick to realize the opportunities latent in the situation that developed in Iraq. A hostile country that two decades ago constituted the gravest threat to Iran, Iraq has become the

most important sphere of influence for Iran as a result of the upheavals it has suffered. Above all, the elimination of Saddam's regime and the democratic process spearheaded by the US in Iraq have made the Shiites the key element there, and have given Iran an historic opportunity to build a foothold for itself in Iraq. At the same time, the weakness of the central government in Iraq, in contrast to the power of the armed ethnic militias, enables the Iranians to leverage their influence there.

Iran has set several goals for itself in the Iraqi theater. First, it wants an Iran-allied Shiite regime that ensures the political supremacy of the Shiite majority. For this purpose, Iran has supported the participation of Iraq's Shiite organizations in the democratic process spearheaded by the US, and has encouraged them to unite via a Shiite bloc that will head the government. Second, it is important to Iran that Iraq remain a militarily weak country that poses no threat. At the same time, Iran wants to see a united and stable Iraq, because a split in Iraq is liable to encourage a split and instability in Iran, particularly among the Iranian Kurdish minority. From Iran's perspective, the solution is the establishment of a weak federal state in Iraq, controlled by the Shiites and subject to Iran's influence. Such a country could restrain the national aspirations of the Kurds and the extremist Sunni groups, which constitute a danger to Iran. Third, since the US military presence constitutes a threat, Iran is keen on seeing a prompt exit of American forces from Iraq – preferably in the form of an American defeat – and it hopes to prevent long term strategic, diplomatic, and economic relations between Iraq and the US after the withdrawal of the American forces.

Iran has employed several tools to promote these goals. It has supplied Shiite militias with a variety of military aid – including advanced weaponry, advanced technologies for long range penetration of armor, rockets, and mortars – training, technical and logistical assistance, and financial aid. A large portion of the military aid was transferred, with the help of Hizbollah, by the al-Quds Force of the Revolutionary Guards, hundreds of whom infiltrated into Iraq to activate the militias. The Iranians have also penetrated the Iraqi defense establishment. In addition, Iran has made great efforts, both open and clandestine, to influence the outcome of the 2005 elections. Iran sends thousands of religious figures and students to

Iraq, mainly to its holy cities, in order to exert an ideological influence and foster connections with Iraqi Shiite religious figures. In order to gain sympathy, Iran provides social services to the population in places out of reach of the Iraqi government, mainly in southern Iraq. Finally, Iran is building widespread official connections with the Iraqi government, and is playing a growing role in the Iraqi economy. Iran is Iraq's second largest trade partner after Turkey, it supplies an important part of Iraq's power needs, and it operates banks there. Iraq has thereby become dependent on certain commodities from Iran.

The natural basis of Iranian influence in Iraq is the Shiites, but Iran also has longstanding connections with the large Kurdish parties and Peshmerga, the main Kurdish militia, and even with certain Sunni groups. Iran likewise has direct links to many Shiite factions in Iraq, including parties, militias, political leaders, religious figures, and economic entities. The organization closest to Iran, the Islamic Supreme Council of Iraq (ISCI), was founded in Iran in 1982, and moved to Iraq following the American occupation in 2003. The Badr Organization, the militia associated with it, also founded in Iran and trained by the Revolutionary Guards, entered Iraq in 2003. The Mahdi Army, led by Muqdata al-Sadr, which competes with the ISCI for leadership of the Shiites, has a tactical alliance with Iran, whereby Iran supplies the militia with money, arms, and logistical support, and the Revolutionary Guards train its personnel. While the two sides are suspicious of each other and Iran's relations with the organization are not as entrenched as its ties to the ISCI, al-Sadr fled to Iran when he was under American pressure in 2007, returning in 2010, and Iran regards him as an asset against the US. Iran also used its contacts to establish a ruling coalition in Iraq in 2010 on the basis of the Shiite National Alliance and its Kurdish partners.

Yet despite the unprecedented influence that Tehran has developed in Iraq, its achievements to date are mixed and its influence is limited. The large Shiite organizations and militias are willing to accept military and financial aid from Iran, but they are not dependent on it, and their main concern is the internal struggle in Iraq, not Iranian interests. Relations with Iran's allies in Iraq are tense, and Tehran at times encounters conflicts of interest in its support for them. There is a degree of hostility among the

Iraqi Shiites towards Iran and suspicion of its intentions, and the trauma of the Iran-Iraq War still overshadows their relations. There is also a degree of religious competition between the Shiites in Iran and Iraq. The holiest cities for the Shiites, Najaf and Karbala, are located in Iraq, and the majority of Iraqi Shiites, including their senior religious leader, do not accept the principle of an Iranian-style regime based on Muslim law.

There is no doubt that the American presence in Iraq and its political influence constitutes an important balance to Iranian influence. Iran labored unsuccessfully to prevent the signing of an agreement in 2008 on strategic relations between the US and Iraq, although as a result of its pressure on the Iraqi government a clause was inserted banning an attack on neighboring countries from Iraqi territory. As long as a significant American presence exists in Iraq, it strengthens the central government there and underwrites the ability to cope with Iranian influence.

Moreover, while geographical proximity, religious and ethnic affinity, and economic links ensure future Iranian influence in Iraq, the extent of this influence depends on several factors. The first factor is relations between Iraq and the US. The withdrawal of American forces from Iraq is liable to facilitate Iranian influence. The looser the long term connection between the US and the Iraqi government, the more room there is to strengthen Iranian influence. The second factor is the internal power of the Iraqi government: the weaker it is, the more dependent on Iran it will be, and vice versa. Third is the security situation in Iraq: from one perspective, deterioration in the internal situation will play into Iran's hands, because the parties in need of reinforcement will turn to Iran for help. In the final analysis, a great deal also depends on the future inclination of the Iraqi government: to the extent that it aspires to reduce Iraq's dependence on outside parties, while stressing Iraqi nationality, Iranian influence in Iraq will be negatively affected.[1]

The American military involvement in Afghanistan has also generated new opportunities for Iran, though clearly to a lesser extent than in Iraq. The US performed an important service for Iran by toppling the Taliban regime, which was hostile to Iran. Iran's purpose is twofold: to bring about an early withdrawal of NATO forces from the country in order to remove this threat to Iran, and to expand its influence in Afghanistan, especially in

the western area, home to a Shiite minority traditionally connected to Iran. Iran has taken several measures in this regard. Despite the past hostility between them, Iran is aiding the Taliban in order to complicate the situation for the American forces. As in Iraq, the al-Quds Force of the Revolutionary Guards is supplying the Taliban and other militias in Afghanistan with military equipment and training. At the same time, Iran is moving to establish close relations with the Karzai government, and is making major investments in road building, an electricity system, education, and health services. As in Iraq, Iran is building personal relationships with leaders from across the political spectrum, especially among the Shiite minority, thereby becoming an important factor in Afghanistan while awaiting the withdrawal of American forces.

On Israel's Borders: Syria-Lebanon and Gaza

Iran's range of interests and its aspirations towards regional hegemony have for years driven its activity in the Middle East and beyond. In recent years, major changes have occurred in its relations with Hizbollah and Lebanon, Hamas, the Gaza Strip, and Turkey. These are joined by Iran's interests and activity in two additional areas: the Gulf region and the Caspian Sea Basin, where no changes of consequence have occurred in Iran's status there.

Significantly, no substantive changes have marked Iran's relations with Syria either. The alliance between the two countries has remained intact since the Islamic regime rose to power in Teheran – one of the longest alliances between any two countries in the region. This continuity is impressive, given the differences between the two regimes. Disagreements between them surface from time to time, mainly due to Syria's potential interest in promoting a diplomatic process with Israel and Iran's anxiety that success in this process will drive a wedge between them. Iran must also assume that if suitable conditions emerge for a political settlement between Syria and Israel, Damascus will ignore Iranian pressure to terminate the process. Other disputes have arisen concerning inter-Arab issues and the Lebanese theater. Usually, however, joint interests overcome the disputes, and Iranian-Syrian cooperation is evident on key issues, including the military sphere and armament of Hizbollah. In recent years, the balance of

power between Iran and Syria has tilted in favor of Iran, given its stronger regional position and Syria's withdrawal from Lebanon.[2]

The Lebanese theater has long been an important focus of activity for Iran, due to the rising status of the Shiite community in the Lebanese political system; the founding of Hizbollah and its connection to Iran, Iran's interest in Lebanon as a front against Israel; and Iran's regard of Lebanon as a battleground in the conflict between Western culture and the Muslim world. Iran ranks Hizbollah as a success story – an organization built according to the Iranian model and headed by a religious figure, located at the forefront of the struggle against Israel, and closely connected to Iran. Of all the militias and organizations supported by Iran, Hizbollah thus receives the most military and financial aid.

Since the Second Lebanon War, Hizbollah's dependence on Iran has grown, given the organization's need for weapons and financial aid to rebuild its military capabilities against Israel, as well as Iranian backing for internal needs. Iran – as well as Syria – is a principal weapons supplier for Hizbollah and has provided it with thousands of rockets of longer ranges than it possessed before the war. Hizbollah's improved strike capability against the Israeli home front serves not only the organization, but also the Iranian interest of creating a credible deterrent against Israel, in part in preparation for a possible Israeli strike against nuclear sites in Iran. Hizbollah receives an important part of the military aid in maneuvers and training through the al-Quds Force, which is also involved in the organization's operations and decision making. Nevertheless, it is an open question whether Hizbollah blindly obeys orders from Tehran, or whether it leaves itself some freedom of action when the Iranian position contradicts its own interests.

Iran's influence in Lebanon has expanded in recent years, following the growing weight of the Shiites, Hizbollah's increased political power, and the crisis in the Lebanese political system. The confrontation between the organization and the government ended in May 2008 in a settlement reached at Doha, in which Hizbollah and its allies were given enough government ministries to veto government decisions. While Hizbollah failed in the 2009 parliamentary elections to upset the majority led by Saad al-Hariri, and its power in the government was slightly reduced, the replacement of Prime Minister Hariri by Najib Mitaki, who is more

sympathetic to Hizbollah, leaves Iran's influence undisturbed, with 18 of the 30 government ministries in the hands of Hizbollah and its allies. At the same time, there are limits to the growth of Iran's influence in Lebanon, both because of potential competition, friction, and conflicts of interest between it and Syria, which also exerts important influence on Hizbollah, and because there are many parties in Lebanon that object to Iran's involvement there.

Along with its increased power in Lebanon through a strengthened Shiite community and Hizbollah, Iran is acting to expand its direct sphere of influence in the country. President Ahmadinejad's visit to Lebanon – including southern Lebanon – in October 2010, the first of its kind, is a sign of Iran's efforts to broaden Hizbollah and Shiite influence in the greater Lebanese political system through the development of bilateral ties and economic agreements with the Lebanese government. Furthermore, it was reported that Ahmadinejad proposed to the Lebanese government that Iran supply arms and help train the Lebanese military. Iran is also conducting ideological propaganda, both directly and through Hizbollah, in order to implant the concept of a "resistance society" – a society fully mobilized for a long term struggle against Israel, with Hizbollah being the standard bearer in the struggle.[3]

A new Iranian outpost lies on Israel's southern border. For years, Iran tried to penetrate the Palestinian theater, because that is the main arena for the struggle against Israel and Iran has an important interest in halting the Israeli-Palestinian peace process, and because it affects important processes in the Middle East. Generally, however, Iran has been unsuccessful in this effort since the Palestinian Authority avoided overly close relations with Iran – except for short episodes, for example, the *Karine-A* weapons shipment. Of the Palestinian Islamic organizations, Islamic Jihad was always closer to Iran, including ideologically, while Hamas preferred to remain independent of Iran and accept only limited assistance from it.

This situation changed significantly following the Hamas takeover of the Gaza Strip in June 2007. Especially once it became responsible for the population in Gaza, was confronted by an embargo on the Gaza Strip, and suffered relative isolation in the international theater, Hamas grew in urgent need of extensive military and financial assistance in order to continue the

struggle against Israel. Iran was more than willing to help Hamas, both directly and through Hizbollah. Iran gives Hamas financial assistance, trains its operatives, and serves as the organization's main source of arms, transported by sea and smuggled via Sudan and Egypt. Iran thereby seeks to encourage Hamas' struggle against Israel, reinforce its position in the Gaza Strip and vis-à-vis the Palestinian Authority, disrupt any diplomatic process with Israel, and expand its influence in the Palestinian theater.[4]

Nevertheless, the affinity between Iran and Hamas is qualitatively different from the affinity between Iran and Hizbollah. Hizbollah is intimately connected to Iran both ideologically and practically, was built by it, and depends on it. Hamas, on the other hand, needs Iran's help and has common interests with it, but does not rely on Iran and strives to maintain its independence. From this perspective, Hamas, unlike Hizbollah, should not be regarded as an Iranian satellite, even if it ultimately serves Iran's goals.

The New Friendship with Turkey

Since the Islamic Revolution, Iran-Turkey relations have been marked by a degree of mutual suspicion, rivalry, and competition, largely due to the substantial conflicts of interest between the two regimes, Iranian involvement in terrorism and assistance to militant organizations in Turkey, defense cooperation between Turkey and Israel, competition between Iran and Turkey in the Caspian Sea basin, and Turkish military activity against Kurdish rebels in northern Iraq. Despite this suspicion, relations between the two countries were usually proper, and even the crises that occurred in their relations – such as the expulsion of the Iranian ambassador from Turkey in 1997 after he attended a conference of Turkish Islamic groups – did not lead to a serious deterioration in relations; important economic agreements were signed by them.

Since the rise to power in Turkey of the Justice and Development Party in 2002, a change in these relations has taken place, to a large extent at the initiative of the current Turkish government. Bilateral relations have grown closer, heads of government have exchanged visits, and Turkey has expressed greater understanding for Iranian positions. The most prominent example of this rapprochement was Turkey's position on the issue of the

Iranian nuclear program, namely, Turkey's opposition to stiffer sanctions against Iran, including in the UN Security Council, and its attempt, together with Brazil, to mediate a compromise regarding uranium enrichment. This proposal was unacceptable to the Western governments; had it been accepted, it would have been easier for Iran to evade the international pressure leveled against it.

This new turn in the Turkish government's position is due principally to its Islamic orientation, the Foreign Ministry's policy of "zero problems" with its neighbors, economic considerations, Turkey's growing energy needs, and Turkish displeasure with Europe and the US. From Iran's perspective, a rapprochement with Turkey offsets the partial international isolation and the stiffening of sanctions. Yet despite this rapprochement, the connection between Iran and Turkey should not be regarded as an authentic alliance. There are extensive differences between the two countries, both in the character of their regimes and in their international and regional orientation. Equally important is the vast potential for competition and rivalry between them over influence in the Middle East, influence and energy sources in the Caspian Sea basin, and footholds in Iraq. There are also important policy differences between them: Turkey will not give up its basic relations with the US and the West for the sake of becoming closer to Iran, Turkey opposes Iran's nuclear program, and Turkey supports the peace process between Israel and the Arab parties. Meanwhile, however, Turkish policy serves Iranian goals to expand its influence in the region.[5]

Effects of the Upheaval in the Middle East

The turmoil underway in the Middle East has important consequences for Iran's regional position. The profit and loss balance for Iran is mixed, but thus far Iran is among the beneficiaries of the upheaval from a number of perspectives. First, the US has clearly been challenged by the crisis, and its policy has proven inconsistent. Its efforts to expedite the fall from power of its longtime ally Mubarak have had a negative impact on its credibility with its other allies, who fear that they will not receive backing in times of trouble. The democratic process that the US administration is seeking to promote in the Arab world is still in its infancy, and it is not clear whether and to what extent it will move forward. If democratization proceeds,

Islamic elements may exploit the process to attain positions of power in Arab countries, thereby playing into Iran's hands.

Second, the Arab world has become even weaker. Rulers are preoccupied by internal affairs or their battle for survival, leaving Iran with greater freedom to act in the region. Iran's leaders regard the turmoil in the Arab world as a continuation of the Islamic awakening started by the revolution in Tehran.[6] The change that has taken place in Egypt is particularly important. In recent years, the Mubarak regime led the effort by the moderate Arab countries to counter the Iranian threat. Mubarak regarded Iran and its agents – Hizbollah and also Hamas – as a threat that should be resisted. Egypt refused to renew the diplomatic relations that Iran severed after its revolution. The situation is now different. The post-Mubark government is considering a renewal of relations with Iran – although it has not rushed to take this step – and there is a change in attitude towards Hamas in Gaza. If the Muslim Brotherhood is an important element in the future Egyptian government, this is liable to serve Iranian interests.

Third, Israel is also among the losers. There is currently a question mark regarding the future of peaceful relations between Israel and Egypt and Jordan, or at least the nature of such relations. The political process with the Palestinians, highly problematic before the upheaval, has become even more tenuous, in part given Israel's reluctance to advance it in light of the uncertainty in the region. This clearly suits Iran, which has a declared interest in thwarting the peace process.

Fourth, at a time when regional and global attention is directed to the internal struggles in Arab countries, attention to the Iranian nuclear program wanes. No negotiations with Iran whatsoever on this question have taken place in recent months, and no additional pressure of substance was applied to stop the nuclear program. As such, Iran continues to promote its nuclear efforts with virtually no interference.

The story, however, is not over, and considerable potential for risk to Iran remains. Iran itself is in a state of unrest, which surfaces every so often. A large part of the Iranian public does not support the current regime or its leaders, and hundreds of thousands of people have taken to the streets for the same reasons that have challenged the Arab regimes: demands to remove the regime's leaders, open the political system, grant freedom of

expression and organization, contain the oppressive regime, and improve the economic situation. Furthermore, serious cracks have appeared in the Iranian leadership; senior religious figures are criticizing both Supreme Leader Khamenei and President Ahmadinejad. Power struggles have intensified, and mutual recriminations have been sounded between Ahmadinejad and the chairman of the Iranian parliament. An open conflict has also begun between Khamenei and Ahmadinejad over the firing of ministers from the government. These cracks are not directly linked to the internal unrest in Iran, but they add to it.

At this stage, the Iranian regime is in no danger of falling. The demonstrations held in Iranian cities in recent months were rather limited, far smaller than those of June 2009. It was again demonstrated that the brute force employed by the regime was enough to deter the masses from going too far, and that to date, no cracks have appeared in the Revolutionary Guards and the Basij militia's loyalty to the regime. Potential for change in Iran exists, however, and the domino effect is likely to operate there too. The turning point could come when the masses who want a change become more determined to achieve it, inspired by events in Syria or Libya, when they form a strong leadership, and when the protests become more broad based and less local. There is no doubt that if such a dramatic change occurs, it will be the most significant result of the upheaval underway in the Middle East.

The events in Bahrain are important in this context. Bahrain is a tiny country, but the unrest there has significance disproportionate to the country's size. Most of the country's population is Shiite and some of it is under the influence of Iran, which is involved in subversion there and which occasionally mentions its historic affinity to Bahrain. A change in Bahrain is also liable to have a negative impact on Saudi Arabia; in addition, the US Fifth Fleet has its Persian Gulf headquarters in Bahrain. For these reasons, Saudi Arabia took the unusual measure of sending military forces to Bahrain to help the regime overcome the internal unrest, and thus far the downslide has been successfully halted. The Bahrain episode reflects a successful Sunni effort to counter Iranian involvement, even if the struggle there has not necessarily ended. Moreover, the affair reflects a twofold Iranian failure, at least for the present: the Persian Gulf countries perceive

Iran as being involved in the unrest in Bahrain, and Iran has failed in its aid to the Shiites there.

The Iranian regime is liable to suffer in two other respects. Above all, the Syrian regime, its main ally, may well collapse under pressure. If this happens, the next regime in Syria, especially if it is Sunni, might draw closer to the US and the West and distance itself from Iran. Such a development is also liable to have a negative impact on Iran's influence in Lebanon and its connections with Hizbollah, some of which run through Syria, and its influence on Hamas. If the democratization process in the Middle East gathers momentum, it is liable to work against the Iranian regime, whose character and philosophy stand in opposition to liberal democracy.

Conclusion

The relative weakness of Iran's rivals and their inability to stop the Iranian steamroller, including in the nuclear sphere, have contributed to Iran's rising influence in recent years. Iran's ability to exploit opportunities and utilize the vacuum created in weak countries – such as Iraq, Afghanistan, and Lebanon – and the need for assistance on the part of sub-state organizations such as Hizbollah, Hamas, and the militias in Iraq and Afghanistan, have also played an important role. Through its organized mechanism for channeling money, arms, al-Quds personnel, and religious figures, Iran has succeeded in building strongholds and gaining important influence, both in its neighboring environment and along the Mediterranean shore. These strongholds have a practical effect on the radical axis extending from Afghanistan through Iran to Shiite Iraq, Syria, and Lebanon, with branches in the Gaza Strip and the Shiite community in the Persian Gulf. Iran's acquisition of nuclear weapons, should this occur, is liable to impart additional momentum to Iranian influence, because it will generate further pressure on countries in the region to toe the Iranian line.

There is another side to Iranian success, however, which is likely to help curb it. The regional parties cooperating with Iran – in Iraq, for example – have conflicting interests and other considerations that may well contain Iran's influence. There is a broad front of various governments, headed by the American administration, that are making efforts to thwart Iran, even if their success to date has been limited. Furthermore, the Middle

East is changing; as the force and direction of the change is still not clear, neither is the extent of influence exercised by Iran. Above all, significant potential for regime change exists in Iran, and even if this has not yet come to fruition, it is likely to occur in the future. Thus despite Iran's successes, there is no doubt that it currently fears negative developments – mainly the possibility that the fall of Arab regimes will give renewed encouragement to unrest in Iran. Another worry is that the Syrian regime will fall and drag its ally down with it. If these scenarios occur, they will outweigh the profits that Iran has hitherto reaped from the upheaval in the Arab world.

Notes

1 Frederic Wehrey et al., *Dangerous but not Omnipotent*, RAND Corporation (Santa Monica, CA., 2009), pp.107-11; Michael Eisenstadt, Michael Knights, and Ahmed Ali, "Iran's Influence in Iraq," *Policy Focus* 111, Washington Institute for Near East Policy, April 2011; Kenneth Katzman, "Iran-Iraq Relations," CRS Report RS22323, August 13, 2010; Yoel Guzansky, "Made in Iran: Iranian Involvement in Iraq," *Strategic Assessment* 13, no. 4 (2011): 85-100.

2 David Menashri, "After the War in Lebanon: Iranian Might and its Limitations," *Iran Pulse* No. 2, August 20, 2006.

3 "Exporting the Iranian Revolution to Lebanon," Israel Intelligence & Commemoration Center, November 26, 2008; Eyal Zisser, "Iranian Involvement in Lebanon," *Military and Strategic Affairs* 3, no. 1 (2011): 3-16.

4 Kenneth Katzman, "Iran: U.S. Concerns and Policy Responses," CRS Report RL32048, April 18, 2011.

5 Yoel Guzansky and Gallia Lindenstrauss, "The Politics of Strange Bedfellows," *Strategic Assessment* 14, no. 1 (2011): 95-108.

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The International Community vs. Iran: Pressure, Delays, No Decisive Results

Emily B. Landau

Although the popular uprisings that have swept across the Middle East since early 2011 have dominated the regional agenda and captured the media spotlight, the Iranian nuclear crisis has not disappeared from the scene. In fact, the problems that the international community currently faces in its efforts to stop Iran in the nuclear realm are a continuation of an almost decade-long process rife with false starts and setbacks. As such, the minimal movement in recent months in confronting Iran's nuclear activities is best understood in the context of this ongoing dynamic, rather than as a side effect of the shift of international attention in recent months away from Iran toward the more dramatic regional developments. Even barring the 2011 turmoil, the international community would presumably be facing much the same difficulties in its efforts to stop Iran. For its part, Iran is continuing on its path of nuclear defiance, and while it has experienced setbacks due to sanctions and sabotage, it has continued to build up its stockpile of enriched uranium while apparently working on military aspects of the program, and continues to inch its way to a nuclear weapons capability.[1]

This chapter begins by discussing the international efforts to stop Iran in the nuclear realm over the course of 2010-11 and then considers, given the current dynamic, whether it is realistic to expect that Iran's nuclear ambitions can eventually be curbed through negotiations. It reviews where Iran stands vis-à-vis the Arab uprisings of early 2011, and what impact, if any, these developments have had on the thinking of the US and other

P5+1 states with regard to Iran and its nuclear ambitions. The military option will be discussed briefly in the context of developments over the course of 2010-2011 that once again brought to the fore the question of whether Israel might be considering taking action. The article concludes by assessing how viable a US policy of containment of a nuclear capable Iran might be, in the event that all efforts to stop Iran fail.

Sanctions and Sabotage: Tactic of Choice for 2010-2011

When 2009 ended with no progress on Obama's diplomatic outreach to Iran, the first six months of 2010 saw the Obama administration working to garner widespread international support for additional pressure on the nuclearizing state. This strategy began to bear fruit in the summer of 2010, with an increase in the intensity of some of the international efforts to pressure Iran and delay its nuclear progress, mainly through economic sanctions and cyber warfare. While not actions that can in themselves stop Iran's nuclear program, sanctions and sabotage can buy more time for other international efforts to convince Iran to reverse course in the nuclear realm.

The sanctions decided upon in the UN in June 2010,[2] and the unilateral sanctions that the US, EU, Canada, Australia, Japan, and South Korea adopted in their wake raised new hopes of more coordinated and effective international efforts to confront Iran. These sanctions were more far reaching and stringent in terms of the measures themselves, and also delivered a more determined and coordinated international message to Iran in light of their widespread support. While there is no consensus on the precise effect that the sanctions have had, the official US assessment is that Iran is suffering both a degree of economic hardship and setbacks in its nuclear program as a direct result of the sanctions.[3]

Not long after the decisions on heightened sanctions, the intrusion of the Stuxnet worm into Iran's computer system was first reported in the media.[4] Stuxnet appears to have caused irreparable damage to nearly 1000 centrifuges at the Natanz enrichment facility over the course of 2009-2010. Indeed, while normally shrouded in secrecy, the different forms of sabotage that have been employed against Iran's nuclear program – cyber attacks, assassinations, and defections of Iranian scientists – commanded

much media attention in late 2010 and early 2011.[5] Meir Dagan, the former head of Israel's Mossad, implicitly highlighted clandestine sabotage efforts as the preferred means of delaying Iran's nuclear progress with statements in early 2011 that it would take Iran longer than often believed to reach a military capability, and that in fact Iran would not achieve the goal of developing a nuclear bomb before 2015. The same assessment on the value of clandestine sabotage effects (especially when compared to military attack) apparently underlay more recent comments. When asked whether Israel should attack Iran militarily, his response was that this was "the stupidest idea" he had ever heard.[6]

The cumulative effect of the different forms of pressure – especially the impressive success in getting harsher sanctions in place – has created an unfortunate propensity in the West to focus on these efforts as a goal in themselves, even though it is generally recognized that these measures are not enough to convince Iran to reverse course. Still, discussions of the perceived success of sanctions in isolating and containing Iran normally stop short of further analysis of how this momentum of pressure might be translated into a more effective bargaining position vis-à-vis Iran in negotiations over its nuclear program.

This pattern is implicitly (and most likely inadvertently) reflected in one analyst's description of the Obama administration's policies. He maintains that the administration "increased pressure [on Iran] through tough sanctions, reportedly undermined the Iranian nuclear program through sabotage and covert actions, reassured regional allies and generally bought time *while holding out the hope* of either a diplomatic solution to Iran's alleged pursuit of a nuclear weapon or some form of political change from within Iran."[7] Herein lies the problem. If the US (and more broadly, the P5+1) is set on securing a diplomatic solution, it would have to be determinedly proactive in this regard. "Holding out the hope" for a negotiated settlement is actually a fairly accurate description of what the P5+1 has done to date, and it is not likely to produce the desired results.

Negotiations

The discouraging assessment of the Obama administration's approach to negotiations with Iran is largely a reflection of the stasis on this front, and

some problems that were exposed with regard to the two rounds of talks that were attempted in early December 2010 in Geneva and late January 2011 in Istanbul. It is generally accepted that nothing was achieved in these two meetings, although at one level a positive message emerged from this failure, namely, the indication that the P5+1 is proving more resistant to Iran's attempts to stall for time through useless talks. Both rounds ended very quickly when it became apparent that Iran had no intention of addressing the nuclear issue. Moreover, in May 2011, EU High Representative for Foreign Affairs and Security Policy Catherine Ashton delivered a curt response to the Iranian chief negotiator, Saeed Jalili, regarding his expressed willingness to resume talks once again; her spokeswoman said that what was included in Jalili's letter "does not seem to justify a further meeting."[8] However, the negative side is that the P5+1 did not take some steps that could have improved its bargaining position from the start. These have to do more with posturing than substance, but the importance of setting should not be discounted. The efforts that Iran itself devotes to posturing and framing is telling, indicating the significance it attaches to this aspect of the negotiations, which could ultimately have an impact when it comes to discussions of substance.

It was Iran – not the West – that took the upper hand as far as framing the negotiation was concerned. It determined the timing of the initial meeting in December (after repeated delays) and tried to take the lead on setting the agenda as well. As for determining the venue, Iran was not successful the first time, but the second round was held in Istanbul, as per its choice. Iran also early on set preconditions for the talks, including that the West address Israel's nuclear capability.[9] The P5+1 rejected these preconditions, but the very fact that Iran spoke the language of preconditions was another means by which it sought to frame itself as the party with the upper hand in the negotiations dynamic. Catherine Ashton was appointed the chief negotiator for the P5+1, but the EU High Representative had little to no experience with this type of negotiation – her prior experience was negotiating within the EU. She had not taken part in previous negotiations with Iran, itself a quite sophisticated negotiator as far as the tactical game of "playing for time." When facing Iran, the international community has an interest in putting its strongest and most skillful negotiator forward, especially when

time is of the essence. The absence of a strong US leading presence at the negotiations was similarly not to the advantage of the P5+1.

These events lead to the inevitable question whether there is still a chance that negotiations can succeed in bringing Iran to the point that it changes course as far as its nuclear program is concerned. Are negotiations still a viable option for dealing with this nuclear crisis? In theory, the answer is yes. In practice, unless the setup is altered considerably, it is hard to imagine that Iran will assess that serious negotiations are preferable to the current dynamic. The choice for Iran at this point is between agreeing to negotiate away its chance to become a nuclear state (in return for economic benefits and greater international acceptance) and continuing to move toward its goal of a military nuclear capability while suffering some economic hardship. The nuclear "holy grail" is Iran's clear current preference, and something very significant would have to change for it to alter its cost-benefit calculation. Significantly, if recent changes in the Middle East end up *not* in Iran's favor – and Iran finds itself pitted against new and more energetic Arab states that pose a challenge to its regional prominence – Iran will only be that much more determined to acquire a nuclear military capability as a means of regaining and then firmly entrenching its regional superiority.

Embracing a more effective negotiations strategy in the West would necessitate some changes of approach. The first is a change in US thinking about negotiations with Iran. Currently, the language of engagement and confidence building is still prevalent when US officials discuss the option of diplomacy. This would have to be replaced by an understanding that negotiating with Iran on the nuclear issue must follow the dynamic of a hard bargain. The US administration would also need to internalize (and reflect in its policy) that while the West is critically dependent on negotiations to achieve its goal of stopping Iran, Iran itself has no real need of negotiations in order to advance to where it currently wants to go. While Iran uses the negotiations dynamic as a tactic of playing for time, it has no actual need of a negotiated settlement. Indeed, if it was considering negotiations seriously, it would certainly wait until it was a nuclear state, when its bargaining position would improve tremendously. For this reason as well, Iran has little incentive to bargain before it reaches that stage. This

lack of symmetry regarding the dependence on a negotiated settlement gives Iran a huge structural advantage over those that want to stop it. Altering Iran's outlook on the value of negotiations – namely, making it interested in a negotiated settlement, now – is the hardest challenge facing the international community.

Convincing Iran that there is a true need to change course – when its current approach seems to be working in its favor – will no doubt initially necessitate massive pressure on Iran. After Obama's failed diplomatic initiative of 2009, this is somewhat easier to do, and some elements of pressure have already been put in place, namely, the sanctions of summer 2010. But these would have to be greatly bolstered by additional steps that can convey to Iranian leaders that military action is a true option, and that the US is serious in this regard.

In addition, in order to pursue more valuable negotiations with Iran, it would be more effective to have a single, unified, and equally determined entity on the other side. The P5+1 does not meet this criterion, as the six states in this group are divided over many issues related to Iran and the necessity and means of curbing its nuclear ambitions. The United States would be a better choice, and if it assumed this role, it would have to begin projecting that it is "in the driver's seat." The final task would be to think about the contours of a plausible deal with Iran, keeping in mind that Iran would have to gain something as well. Negotiations cannot be an all or nothing deal; space must be carved out for a win-win solution.

At present there is little ground for optimism. There is not much reason to believe that these guidelines will be adopted, and therefore there is little hope that the current debilitating dynamic will be broken or that more effective US/P5+1-Iranian negotiations on the nuclear issue will be initiated.

The Turmoil in the Middle East

The domestic uprisings that have challenged repressive regimes in Arab states across the Middle East have different ramifications as far as Iran is concerned, including vis-à-vis its nuclear program.

On the Iranian domestic front, the uprisings present a clear challenge to the current regime. Although Iranian leaders have tried to manipulate

the perception of these events and support the Arab protests by presenting them as Arab populations seeking to emulate the Islamic Revolution of 1979, this message has not resonated. The brutal repression of Iran's own domestic protests, both in 2009 and more recently, as well as the stark double standard that Iran adopted with regard to protests in Syria – its only Arab ally and an important link to Hizbollah – drives home the hypocrisy of its demands of Arab regimes to "let the people have their say." A major factor that seems to be stopping more widespread protests in Iran itself is the people's fear of the regime's violent response.

In broader regional terms, Iran is hoping to exploit developments and possible regional vulnerabilities in its favor, but so far with limited success. Changes in the Arab Gulf states could be beneficial to Iran, which explains the dynamics that played out vis-à-vis Bahrain. While there does not seem to be evidence that Iran had a hand in fomenting initial Shiite protests in Bahrain, Iran knew that what happened could work in its favor, and attempted to manipulate the new dynamic. Saudi Arabia took firm steps to confront Iran on this issue, and there is a lurking danger that the cold war between these two regional heavyweights could erupt into hot conflict. Change on the Egyptian front at one level works to Iran's advantage, especially with talk of improving bilateral Iranian-Egyptian relations and Egypt's distancing itself somewhat from Israel. But at another level, a more assertive Egypt could pose a challenge to Iran in terms of regional prominence. As for Lebanon, in early April Saad Hariri severely attacked Iran, claiming that Tehran is damaging the social fabric of the region. In his view, one of the major challenges facing Arab societies is Iran's attempts to intervene politically, militarily, and economically. Iran retaliated by saying that Hariri is under the influence of the US and Israel.[10]

Generally speaking, there is a sense that while at one level Iran is at least temporarily off the international radar due to the attention focused on uprisings in the Arab world, at a deeper level Iran is very much at the epicenter of what is going on. In terms of US policy, there are clear indications that the question of whether Iran stands to gain or to lose from each domestic uprising has been of central importance as far as the US response to events is concerned, especially after what transpired in Egypt.[11]

Regarding the value of achieving a military nuclear capability, the international force employed against Libya has unwittingly driven home to prospective proliferators that taking the high road and making a deal with the West on ending WMD proliferation activities will not grant that state immunity against future attack. Moreover, the very deal that Libya made in 2003 – giving up on a WMD (including nuclear) option – is what stripped this prospective proliferator of what might eventually have developed into the ultimate deterrent against such an attack. This conclusion implies, correctly, that the image of being a nuclear weapon state grants a state a degree of immunity to attack.

Accordingly, Iran (and North Korea) will likely have that much more incentive to cling to their programs; while they did not actually need any further incentive, the Libyan case nevertheless validates their thinking. From the perspective of the international community, the message underscored by the Libyan case is indeed the danger of the Islamic Republic acquiring a measure of immunity to military attack, or even to less extreme forms of international coercion. Yet while the urgency of stopping Iran has thus become that much more apparent, whether that will translate into more effective policy remains to be seen.

Finally, there is the question of whether in light of recent dynamics there has been a change in international attitudes toward the idea of regime change as a possible "solution" to the Iranian nuclear crisis. The fact that some of the uprisings have succeeded in ousting oppressive leaders (if not actually bringing about a change of regime) has imbued this idea with greater political viability and legitimacy. There seems to be an increased focus on the prospect of regime change in Iran, although as far as US policy is concerned this has not been openly declared; it is at best a tacit message. In the aftermath of the Iraq War, the very term "regime change" tends to conjure up negative images of change being imposed on a country from without by external players. Therefore, "strong and more active support for democratic protests" would probably have a better chance of being embraced as declared US policy.

Israel: Closer to Military Attack?

With his influential article published in *The Atlantic* in September 2010, Jeffrey Goldberg placed the specter of an eventual Israeli attack against Iran high on the agenda of public discourse.[12] His basic argument was that Prime Minister Netanyahu's personal history and ideology will ultimately leave him no choice but to attack Iran, if all else fails to stop it on the path to nuclear weapons.

Netanyahu's tendency to equate a nuclearizing Iran with the situation in Nazi Germany is well known, but there are also many who reject this analogy, including Defense Minister Barak. When Barak in early May 2011 answered a reporter's question about the prospect of Iran hurling a nuclear bomb at Israel by saying "not at Israel and not at any of Israel's neighbors,"[13] it was not the first time he objected to Netanyahu's message of panic. He was on record from September 2009 saying that even if Iran developed a nuclear weapon, Israel could protect itself. While underscoring that the prospect of a nuclear Iran was very dangerous, he discounted attempts to compare the situation to Nazi Germany, emphasizing instead Israel's strength and ability to defend itself.[14]

Meir Dagan's statement about military action against Iran has been interpreted as an attempt to underscore the effectiveness of the sabotage route; but the timing of his statement has also been attributed to a heightened fear on his part that Netanyahu might actually be closer to a decision to attack. In any event, Netanyahu would most probably face some strong internal resistance if he took a decision to employ military force. Moreover, the most that could be achieved through use of force is some delay, but at great risk to Israel, both in security and political terms. Issuing deterrent threats of the type that "Israel cannot accept a nuclear Iran" pose a risk to Israel itself, as it puts the state's credibility on the line.

Containing a Nuclear Iran

"If all else fails, we can always deter and contain a nuclear Iran" – or so goes the common wisdom that has been emerging in the US against the backdrop of growing fears that Iran might just prove unstoppable on its march to the bomb.

Two issues in particular should be considered here.[15] First is the question of US credibility as far as containing Iran from striking with nuclear weapons. Not only were many US red lines and deadlines crossed over the past eight years of dealing with Iran on the road to a nuclear capability, but if Iran actually achieves its goal – after repeated statements to the effect that the US would not allow that to happen – it would place US credibility in Iranian eyes at an all time low. Added to that is the weakened US credibility in the military realm, underscored by a number of official statements over the past few years that warned that the use of military force against Iran would be highly problematic for the US.[16] These statements gave a considerable boost to Iran's own deterrence against the US, since a key reason cited for not attacking Iran was that Iran would retaliate harshly to such a display of force.

Nevertheless Iran will most likely be deterred from directly attacking another state with nuclear weapons. The reason is that there is a difference between being able to deter a state on its way to the bomb (where the US and others would have failed), and deterring the actual use of nuclear weapons. Iran is likely to assess that the scenario of actual use will be devastating enough to elicit a nuclear response, and it will thus be deterred from doing so.

But if Iran's goal in the nuclear realm is to enhance its regional power and influence in the Middle East, it does not need to use its nuclear power for attack. All it needs to do is rely on the deterrent effect of its nuclear capability in order to advance its hegemonic goals. A guiding principle for Iran would be to take a series of somewhat less provocative steps (rather than one very blatant step) – making sure that each one in itself is not of the extreme type that would elicit a nuclear response – and rely on the cumulative effect that these will have over time to create new favorable realities in the region. In this scenario, US containment will be irrelevant.

Conclusion

Iran is moving toward a military nuclear capability, and while steps against it have been taken, there is no one strategy on the agenda that seems to have the capacity to reverse this trend. There is no effective negotiations strategy in the making, and no real appetite for military action, either in the

US or Israel. Sanctions and sabotage can delay progress but do not change basic interests, and hence they are not a substitute for a strategy that would convince Iran to reverse course. Relying on action to delay Iran's nuclear progress – or mistaking it for something that can bring about a change in Iran – would be a grave error. If recent developments in the Middle East work against Iran, they will only strengthen its interest in acquiring a game changing nuclear capability. Meanwhile, change from within Iran – perhaps the only hope of altering the stakes – is currently not in the cards.

Notes

1 See report on Iran by the IAEA Director General, May 24, 2011. For important media commentary on the report, see David E. Sanger and William J. Broad, "Watchdog Finds Evidence that Iran Worked on Nuclear Triggers," *New York Times,* May 24, 2011.

2 See Colum Lynch and Glenn Kessler, "UN Imposes another Round of Sanctions on Iran" *Washington Post,* June 10, 2010.

3 Mark Landler, "U.S. Says Sanctions Hurt Iran Nuclear Program," *New York Times,* January 10, 2011.

4 See for example, David Kay, "As the Worm Turns," *National Interest,* October 1, 2010.

5 See Mike Shuster, "Inside the United States' Secret Sabotage of Iran" and "Covert War with Iran: 'A Wilderness of Mirrors,'" *NPR,* May 9 and 10, 2011. Shuster quotes Bruce Riedel, a former CIA official now with Brookings: "There's little doubt that there's a covert war underway against Iran. There are at least two players in it: the United States and Israel."

6 For the statement on Iran's timeline to a nuclear bomb, see Eli Bardenstein, "Meir Dagan: Iran won't Achieve a Nuclear Bomb before 2015," *Maariv,* January 6, 2011; for the more recent statement, see Yossi Melman, "Former Mossad Chief: Israel Air Strike on Iran 'Stupidest Thing I have ever Heard,'" *Haaretz,* May 7, 2011. Dagan again voiced his opposition to military action at a conference held at Tel Aviv University in early June, "Dagan: Iran Strike – Only as Last Resort," *Ynet News,* June 1, 2011.

7 Marc Lynch, *Upheaval: U.S. Policy toward Iran in a Changing Middle East*, Center for New American Security, June 2011, p. 5 (emphasis added).

8 "Iran Sanctions Bill Introduced in Congress," *Global Security Newswire,* May 16, 2011.

9 See "Iran Ready to Resolve Dispute over Nuclear Program, with Conditions," *CNN Wire Staff,* July 28, 2010.

10 On Hariri, see Zvi Barel, "Neighbors: Iran's Threatening Shadow," *Haaretz,* April 13, 2011.
11 See Emily B. Landau, "Bahrain: The Next Test for President Obama," *Walla!* February 18, 2011. David Sanger, in "The Larger Game in the Middle East: Iran" *New York Times*, April 2, 2011, noted that "containing Iran's power remains [the Obama team's] central goal in the Middle East. Every decision – from Libya to Yemen to Bahrain to Syria – is being examined under the prism of how it will affect what was, until mid-January, the dominating calculus in the Obama administration's regional strategy: how to slow Iran's nuclear progress, and speed the arrival of opportunities for a successful uprising there."
12 Jeffrey Goldberg, "The Point of No Return," *The Atlantic,* September 2010.
13 Gidi Weitz, "Barak to Haaretz: Iran won't Drop Nuclear Bomb on Israel" *Haaretz,* May 5, 2011.
14 Ethan Bronner, "Obama to Meet with Mideast Leaders," *New York Times,* September 21, 2009.
15 This section draws on Emily B. Landau, "Can the US Contain a Nuclear Iran?" *INSS Insight* No. 171, March 24, 2010.
16 See for example, then-Defense Secretary Robert Gates, who in April 2009 warned about the dangerous consequences of an attack, saying that a strike on Iran's nuclear facilities would unify Iran, "cement their determination to have a nuclear program, and also build into the whole country an undying hatred of whoever hits them," in *Los Angeles Times,* April 16 2009. In mid February 2010, on the possibility of an attack on Iran's nuclear facilities, Chairman of the Joint Chiefs of Staff Mike Mullen said that "the outbreak of a conflict will be a big, big, big problem for all of us, and I worry about the unintended consequences of a strike," *Global Security Newswire,* February 16, 2010.

Turkey and the Middle East: Between Euphoria and Sobriety

Gallia Lindenstrauss

In many ways, Turkey's activism in the Middle East reached a peak in 2010. The Gaza flotilla affair and the aftermath of Israel's takeover of the *Mavi Marmara* boosted Turkey's ranking in Arab public opinion, and Prime Minister Recep Tayyip Erdoğan became the most popular leader in the region.[1] Relations between Turkey and its close neighbors – Syria, Iran, and Iraq – continued to improve. Furthermore, Turkey pursued its efforts to serve as a mediator in the region, and although it did not succeed in brokering significant changes, it was seen as an important player that should be consulted. It appears, nevertheless, that the end of 2010 marked the curbing of Turkish activism in its present form. The wave of unrest in the Arab world that began in Tunisia in December 2010 and the subsequent lack of stability in the area will make it difficult for Turkey to pursue its prior courses. The counter reaction in the West to some of the developments in Turkish foreign policy compounds this difficulty.

The Challenge of the Arab Spring

At least in the short term, the upheavals in the Arab world challenge the Turkish vision of promoting stability for the sake of economic prosperity. The uprisings and their regional impact will necessarily bring about a period of reorganization, which by its nature will be a sensitive time that includes a greater chance of violence and is also liable to be accompanied by an economic slowdown. In a rare statement addressing the difficulties and not just the achievements of Turkish foreign policy, Turkish Foreign

Minister Ahmet Davutoğlu stated in May 2011 that Turkey feels the tension in its attempt to maintain good relations with the populations in neighboring states and with the regime leaders, and from the expectations this creates: that on the one hand, Turkey will aid the regimes with which it has good relations, and on the other, that it will be attentive to the feelings of the public in those states.[2]

It appears, then, that the vision of "a Middle East union" – a term that the Turks have avoided using, even though they have promoted ideas of this nature – has vanished for now. In recent years Turkey has tried to advance many economic initiatives that were not far from Shimon Peres' vision of a new Middle East, although Turkey's vision did not include Israel.[3] There was a plan, for example, to expand the bilateral free trade agreements signed in recent years by Turkey with Syria, Jordan, and Lebanon, to a comprehensive agreement on the establishment of a free trade zone among the four states. As part of the warming of relations, Turkey even signed agreements with Syria, Jordan, and Lebanon eliminating the requirement for transit visas between the countries, and there was also a plan to allow free passage at the borders for citizens of these countries, as occurs today in the European Union.

Overall, the economic dimension is a significant explanation for many developments in Turkish foreign policy in recent years, including the "rediscovery" of the Middle East. The Turkish economy, which is the seventeenth largest economy in the world, aspires to be the tenth largest economy by 2023, the one hundredth anniversary of the Turkish republic. Turkey's size and impressive growth rate (in 2010, the growth rate in Turkey was 8.9 percent, the second highest rate among the G-20 nations after China)[4] dictate both the increasing need for energy resources that will continue to make this growth rate possible, and the need for development and identification of new export markets.

The expansion of Turkish economic interests in the Middle East has motivated Turkey to become more politically involved in the region, and has lent Turkey greater influence. However, these interests also make it difficult for Turkey to take a position regarding some of the conflicts in the region, and in fact make it an actor that to a large extent supports continuation of the status quo.[5] This trend was especially conspicuous in

the formulation of Turkish policy on events in Libya and Syria. Turkey has many economic interests in Libya and signed contracts with the regime of Libyan leader Muammar Qaddafi. For example, Turkish construction companies had extensive contracts in the country, and some 25,000 Turkish citizens working in Libya were evacuated by Turkey early in the riots. These economic interests help explain why at the beginning of the uprising in Libya, Turkey was vehemently opposed to international involvement and why it took nearly three months for Erdoğan to call publicly for Qaddafi's ouster.

From Turkey's point of view, the events in Syria are even more challenging. In many ways, Syria was the most prominent example of the "zero problem" policy that Turkey has tried to promote vis-à-vis its neighbors. The warming of relations between the two was striking. Syria and Turkey were on the verge of war in 1998; by 2009 the two countries agreed on military cooperation, and in early 2011 Turkey even expressed willingness to train Syrian military forces.[6] Turkey is also Syria's largest trade partner. When the riots erupted in Syria, Turkey called upon Bashar al-Asad to implement reforms, and emphasized that it had pressured the Syrian President to institute reforms long before the outbreak of the Arab spring. Erdoğan noted that in lengthy conversations with Asad he emphasized the need to annul the emergency laws in Syria, release political prisoners, change the system of government, and present a multi-party political system.[7] Yet just as Turkish policy toward Libya has changed, so too has Turkey's approach to events in Syria. Since the beginning of the riots, when Erdoğan phoned Asad every day, there has been a significant change for the worse in relations, and Erdoğan has even called the Syrian army's actions "barbaric."[8] Following the violent suppression in late July of the riots in Hama, in which dozens of people were killed, Turkish Foreign Minister Davutoğlu did not rule out Turkish military intervention in Syria and said, "One cannot remain indifferent when more than a hundred people are killed in one day."[9]

The existence of a joint border of more than 800 kilometers, as well as the Turkish fear that the wave of refugees from Syria will grow, has led to a cautious – though at times challenging – Turkish policy vis-à-vis Asad's regime. The cultivation of relations between Turkey and Syria in

recent years occurred, from Turkey's point of view, for strategic reasons, and therefore it was not necessarily dependent on the particular regime in Damascus. Nevertheless, problems that were seemingly resolved during the Turkish-Syrian honeymoon, such as the issue of control of Hatay province (Alexandretta),[10] the issue of water allocation, and the actions of Kurdish separatists in the border region between the countries, are liable to reemerge if Bashar al-Asad falls. The fact that Syrian opposition figures were allowed to hold public conferences on Turkish territory indicates that there is a great deal of thought in Turkey about various scenarios concerning the future of Syria.

In general, Turkish foreign policy in recent years has been somewhat ambivalent on whether Turkey should work to promote liberalization and advance processes of democratization in other countries. On the one hand, for example, Turkey has stressed that the 2006 elections for the Palestinian Legislative Council, in which Hamas won a majority, were democratic elections whose results should be honored. On the other hand, Turkey has improved its relations with Iran and with Sudanese president Omar al-Bashir, in spite of widespread violations of human rights in these states. Turkey's hope, or at least the hope of the Turkish Foreign Minister, was that it could "instruct" other countries in slow and gradual processes of democratization.

The Arab spring does not conform to this model, since the protesters in the various Arab countries were not willing to accept gradual changes, instead demanding significant immediate reforms. Therefore, Turkey was required to take unequivocal stands for or against a particular government. In the case of Egypt, this was less problematic because relations under Husni Mubarak were already tense between Ankara and Cairo, but in the case of Libya, Syria, and Iran, it became clear that for Turkey the situation was more complicated. Turkey was uncomfortable with the fact that during the visit by Turkish President Abdullah Gül in Tehran in February 2010, demonstrations by regime opponents in Iran were suppressed. In the course of a joint press conference with Iranian president Mahmoud Ahmadinejad, Gül could only speak generally and say that the regime should be attentive to the desires of the people.[11]

It appears that Ankara's ambivalence on the Arab spring may taint Turkey's image in Arab public opinion. This negative tendency exists, although there is discussion in many places on whether the "Turkish model," which combines democracy and Islam, could be implemented in other states in the region – which theoretically could enhance Turkey's image significantly.

Domestic Political Developments

Turkey's ambivalence on promoting processes of liberalization in other countries in part stems from the ambivalence of the Justice and Development Party toward processes of liberalization within Turkey. There have been many liberal reforms in Turkey since the party rose to power, but there is growing criticism regarding limitations on freedom of speech in Turkey. The arrest of nine journalists and writers in March 2011 on suspicion of their being connected to Ergenekon, a right wing nationalist secret organization that allegedly planned assassinations and terrorist attacks in Turkey in order to cause instability and induce the overthrow of the Justice and Development Party, aroused much resentment. The existence of such a plot against the government is itself doubtful, and the arrest of journalists and writers was considered an extreme step. Similarly, the liberal reforms initiated and promoted by the Justice and Development Party were seen by many of the party's critics as merely a tool to promote the party's religious agenda. Erdoğan, in spite of the many reforms that he has encouraged, is even seen as a person with a tendency toward authoritarianism.

In the parliamentary elections of June 2011, the Justice and Development Party scored an impressive victory, which allowed it once again to form a government without coalition partners. In comparison to the previous elections, the percentage of voters for the Justice and Development Party grew slightly (from nearly 47 percent in the 2007 elections, to almost 50 percent in the 2011 elections), the percentage of voters for the main opposition party, the Republican People's Party, also grew (from almost 21 percent to 26 percent), and the percentage of voters for the second largest opposition party, the Nationalist Movement Party, declined slightly (from some 14 percent to 13 percent), but it succeeded in passing Turkey's high election threshold (10 percent). The independent candidates (the Kurdish

representatives) were also able to increase their power (from some 5 percent to almost 7 percent).[12]

In spite of the increase in the percentage of votes for the Justice and Development Party, the number of seats it won in the parliament decreased (from 331 seats out of 550 in the 2007 elections, to 326 seats[13] in the current elections), due to Turkey's electoral system. The reduction in the number of Justice and Development Party seats may make it difficult for Erdoğan to realize his intention to pass a new constitution in parliament, and in particular, may adversely affect his goal of turning the parliamentary regime in Turkey into a presidential regime. This change is needed given Erdoğan's promise not to run again in parliamentary elections, and the fact that there is no figure in his party who comes close to his level of popularity.

The course charted by Erdoğan in recent years gained additional weight with the announcement on July 29, 2011 by the leading commanders of the Turkish military (the Chief of Staff and the top commanders of the land forces, navy, and air force) of their early retirement. In effect, this development sealed the neutralization of the Turkish military, long considered the protector of secularism in Turkey, as a significant political actor, which lies at the heart of the silent revolution underway in Turkey since the rise to power of the Justice and Development Party in late 2002. Its success at the polls and the arrests of scores of officers in recent years on charges of anti-government activity have eroded the status of the military.

It is still difficult to assess whether the vote of confidence recorded in the June 2011 elections, and the further weakening of the status of the Turkish military as a domestic political actor, will encourage the Justice and Development Party to adopt an uncompromising policy, or whether it will actually lead it to promote significant reforms that Turkey requires such as, for example, those related to the Kurdish minority. Nevertheless, Erdoğan's return in April 2011 to the traditional Turkish rhetoric, which says that there is no Kurdish problem, but only problems of specific Kurdish citizens, does not bode well.[14] True, this statement can be seen as electioneering and as part of an unsuccessful attempt to prevent the Nationalist Movement Party from passing the election threshold, but the use of such rhetoric does not prepare people for the compromises required

to solve this problem. Furthermore, for some time the problems with the Kurdish minority have not been limited to the areas in southeast Turkey. As a result of internal migration in Turkey, Istanbul is today the city with the largest concentration of Kurds in the world. Thus, if there is a renewed outbreak of Kurdish violence on a wide scale, it will have a greater impact throughout Turkey than in the past. In this respect, a remark in May 2011 by one of the senior Kurdish representatives – that she expects bad tidings – was considered worrisome.[15] Furthermore, a renewed outbreak of violence on a wide scale is liable to spill over into neighboring states, which also have a Kurdish minority, and may even complicate US intentions to withdraw from Iraq in 2011.

Relations with the West and with the United States

Beyond the ramifications of the Arab spring for Turkish foreign policy, the West's counter response to what was seen as a change in Turkey's orientation has had an impact. Repeated claims by senior Turkish officials that no such change has taken place have been met by the West with much skepticism.[16] Several steps taken by Turkey in the first half of 2011 indicate that it is making attempts to backtrack from its image of a country "moving to the east." The fact that in spite of its initial objections Turkey did not ultimately block NATO's intentions to take command of the international intervention force in Libya in March 2011, and that Turkey itself is taking part in this intervention demonstrate Turkey's continued loyalty to NATO. The increased cooperation between the United States and Turkey against the background of the upheaval in the Arab world, which is manifested, inter alia, in frequent telephone contact between senior government officials in Turkey and the United States, also demonstrates that Turkey is far from turning its back on the West. In addition, it was reported that the head of the CIA visited Turkey secretly to discuss regional developments, and in particular, events in Syria.[17] The forced landing on Turkish territory in March 2011 of two Iranian cargo planes on their way to Syria, and the confiscation of the cargo of one of them, was also seen in the West as a favorable development.[18]

Moreover, Turkey responded positively to the killing of al-Qaeda leader Osama Bin Laden by the Americans. President Gül hailed the death of

Bin Laden, stating that "the most dangerous and sophisticated terrorist organization leader in the world being caught in this way should be a lesson to everyone."[19] As such, Turkey reiterated its commitment to the war on terror and restated that its own challenge of terrorist activities on its territory is no different from the worldwide struggle against terrorism. This rhetoric is also in tune with Turkish policies from the period preceding the Justice and Development Party's rise to power, when this was one of the strong bases for cooperation between Turkey and the West. In addition, the end of Turkey's term as a non-permanent member of the UN Security Council has already reduced some of the tensions between Turkey and the West, which surfaced after several of Turkey's controversial votes in the Security Council.

The changes in the Arab world and the improvement in Turkey's relations with the West are not isolated developments. In spite of the shifts in Turkey's foreign policy in recent years, in the wake of the uprisings in the Arab world Turkey today is the country the Americans depend on in the region. This does not necessarily mean that the current disputes between Turkey and the United States are less serious than they were in recent years, rather that the other allies of the United States in the Middle East have been significantly weakened and have undergone processes that have turned them into less reliable allies from the American point of view. Thus, in light of the present American weakness and the weakness in the "moderate" Arab world, an "independent" partner like Turkey is in fact the best option for the United States.

Relations with Israel

The improvement in Turkey's relations with the West, and in particular with the United States, may also contribute to improved relations between Turkey and Israel, but it cannot serve as a catalyst in and of itself. Relations between Israel and Turkey remain at a low point. Although contrary to fears to this effect Turkey did not break off diplomatic relations with Israel, today there is no Turkish ambassador in Israel, and it has been claimed that Israel is concerned that Turkey will not approve a replacement for Gabi Levy, Israel's ambassador to Turkey, once he completes his term.[20]

There is still a large question mark over the future of relations in the wake of the May 2010 flotilla episode and the difficulty in reaching a compromise on this issue. Although there were a number of attempts to hold reconciliation talks, in which Israel expressed its willingness to offer a limited apology that focused on operational failures and to compensate the families of those killed through a fund set up for this purpose, the many delays in the publication of the report of the commission of inquiry appointed by the UN Secretary General and headed by New Zealand's former Prime Minister Geoffrey Palmer also show the difficulty in reaching a compromise. Demonstrations to mark the anniversary of the event will continue to cast a shadow over relations between the states in the future as well. Still, the announcement by the Turkish aid organization IHH that the *Mavi Marmara* would not sail in the June 2011 flotilla because of "technical constraints," and that they would not send another boat as planned, was a significant contribution to the failure of the second flotilla.[21] The Turkish government has claimed that it does not have the ability to get involved in stopping the flotilla to Gaza because it is a non-governmental initiative. However, the Turkish Foreign Minister stated in early June that it is worth waiting to see how the opening of the Rafah border crossing and the establishment of a unity government with Fatah and Hamas affects the situation in Gaza before another flotilla departs.[22]

In spite of the deterioration in relations, trade between the states has almost returned to its 2008 level, and the decline that occurred in 2009 is mainly attributed to the world economic crisis.[23] In the first quarter of 2011, Turkey was Israel's third largest export market (in contrast to the first quarter of 2010, when it was the ninth largest export market).[24] Among the few other encouraging signs are the aid the Turks provided to Israel during the fire in the Carmel in December 2010, and the Turkish Foreign Ministry's condemnation of the terrorist attack in Itamar and the device that caused an explosion on a bus in Jerusalem in March 2011. After the Turkish elections in June 2011, Prime Minister Netanyahu commented on relations with Turkey: "We do not want a tense relationship. We want to improve those relations."[25]

As was the case during most previous periods, an improvement in relations between Israel and Turkey is also dependent on Israel's relations

with the Palestinians and with neighboring countries. In an op-ed article in the *New York Times*, President Gül claimed that achieving a breakthrough in the Israeli-Palestinian peace process is critical in determining whether the current wave of unrest in the Arab world will lead to more democracy and peace or to the establishment of tyrannical regimes and conflict.[26] If this is the case, progress in the peace process would lead to a certain thawing in Turkish-Israeli relations, while a continued stalemate and an outbreak of violence would elicit Turkish sentiments against Israel. Turkey has also announced that it will vote for recognition of a Palestinian state in the UN General Assembly in September 2011.

Turkey greeted the Hamas and Fatah reconciliation agreement in April 2011 with much enthusiasm, and the Turkish Foreign Minister was among those present at the signing ceremony in Cairo. To the Turks, the reconciliation agreement constitutes proof that it is not possible to ignore Hamas in the diplomatic process, as Israel is demanding. The Turkish Foreign Minister claimed that in light of Israel's past statements to the effect that as long as the Palestinians are divided it has no one with whom to conduct negotiations, everyone should welcome the reconciliation agreement between Hamas and Fatah.[27] However, Turkey is clearly aware that in spite of Egypt's current weakness, it is Cairo that brokered the agreement, thereby damaging the image Turkey has tried to establish as the main mediator in the region.

Conclusion

If the revolutionary momentum in the Arab world continues, the dramatic changes taking place in the region will make it difficult for Turkey to progress in the direction it hoped to pursue in the past. Therefore, a period in which Turkey reassesses its policy toward the Middle East is likely. In spite of the fact that an active foreign policy has characterized the Justice and Development Party's tenure, Turkey will likely step back, at least partially, from its high level of involvement in the Middle East. Although on the face of it the Arab spring does not make Turkey's mediation efforts superfluous, in the long run, if Egypt is able to recover, the competition for the role of influential player in the Arab world will be tougher, and this too may be an obstacle to continued Turkish involvement.

Furthermore, the problems that the Turks have already encountered in their previous mediation attempts will recur: the lack of resources necessary for the large number of mediation initiatives the Foreign Minister wishes to promote; the fact that the Turks' heavy involvement arouses suspicion among some in the Middle East, as if this were a return of the Ottoman Empire; and also, Turkey's unresolved problems, which not only complicate its own situation but also raise doubts over Turkey's ability to mediate. Moreover, the Turkish leadership has in the past thrown its weight behind some of the mediation attempts, and therefore, mediation failures were sometimes perceived as especially painful. From these points of view, and in light of the difficulties Turkey has faced in the past and the challenges it currently faces, it appears that for now, Turkey will approach its Middle East policy with greater caution.

Notes

1 Shibley Telhami, "2010 Arab Public Opinion Poll," *Brookings Institute,* August 5, 2010, http://www.brookings.edu/~/media/Files/rc/reports/2010/08_arab_opinion_poll_telhami/08_arab_opinion_poll_telhami.pdf, slide no. 66.

2 "Turkish FM Says U.S., NATO Support Ankara's Road Map to Libya," *Hurriyet Daily News and Economic Review*, May 7, 2011, http://www.hurriyetdailynews.com/n.php?n=turkish-fm-says-balancing-relations-with-regimes-people-difficult-2011-05-08.

3 Among the ideas raised was a highway to be built between Mersin in southern Turkey, through Aleppo and Damascus in Syria, to Aqaba. A railroad and a highway from Mersin to Basra in southern Iraq were also planned, as was restoration of the Hejaz Railway, established during the Ottoman Empire. The Turks wanted to see the building of joint industrial zones and a reduction in non-tariff barriers to trade. In the financial realm as well, the Turks had plans such as the establishment of the United Levant Bank and the inclusion of regional companies in trading on the Istanbul stock market.

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Part III

Israel: Coping with the Challenges

The Delegitimization Threat: Roots, Manifestations, and Containment

Yehuda Ben Meir and Owen Alterman

In his address before the AIPAC Policy Conference on May 22, 2011, President Barack Obama stated, "You also see our commitment to Israel's security in our steadfast opposition to any attempt to delegitimize the State of Israel." Quoting from a previous statement to the United Nations General Assembly, the President asserted that "efforts to chip away at Israel's legitimacy will only be met by the unshakeable opposition of the United States."[1] In a major policy address delivered three days earlier on the Middle East and North Africa, President Obama emphasized that "for the Palestinians, efforts to delegitimize Israel will end in failure."[2]

The recurring references by the President of the United States to efforts to delegitimize the State of Israel testify to the salience of the issue in any current discussion of Israel's national security. This paper describes and analyzes the delegitimization threat: it traces the roots of delegitimization, attempts to define what constitutes delegitimization, and examines the two main components of current delegitimization efforts – BDS (boycott, divestment, and sanctions) and lawfare. It then assesses the actual damage and threat to Israel posed by these efforts and looks at possible responses available to Israel.

The Roots of Delegitimization

Efforts to delegitimize the very idea of a Jewish state in the land of Israel preceded the establishment of the State of Israel and continue unabated to this day. This tenacious effort is perhaps explained by the fact that Israel is a state established by the international community and supported by enlightened world opinion in the face of rampant vehement opposition in the surrounding countries. The decision of the United Nations General Assembly on November 29, 1947 in favor of partition and the establishment of a Jewish state and an Arab state in Palestine was rejected unequivocally by the entire Arab world.

The Arabs of Palestine, backed by the Arab states organized in the framework of the Arab League, denied the moral legitimacy of the UN resolution and declared their intention to prevent its implementation, through force of arms as well as by any other means at their disposal. Since then, Israel has faced the trifold challenge of conventional warfare, terrorism, and ongoing attempts at delegitimization (including, inter alia, diplomatic and economic boycotts). There is to some degree a relationship between these three forms of warfare or challenges – as one wanes, another intensifies. To paraphrase Clausewitz, if war is the continuation of diplomacy by other means, then delegitimization is the continuation of war by other means.

Following the Arab defeat in Israel's War of Independence and the signing of the ceasefire agreements in Rhodes in 1949, the Arab League declared an economic boycott against Israel. The boycott was not aimed only against Israel but included a secondary and tertiary boycott, i.e., a boycott of companies that dealt with Israel and a boycott of companies that dealt with companies that dealt with Israel. A subsequent landmark event in the Arab delegitimization effort was the infamous UN "Zionism is racism" resolution of November 10, 1975[3] – a resolution that was subsequently revoked by the General Assembly on December 16, 1991.[4]

A major episode that has had significant influence on the direction and extent of the delegitimization effort is the Six Day War and Israel's subsequent occupation of the West Bank and Gaza. The reality of three million Palestinians who do not live in an independent country of their own and who over the past 44 years have been subject to varying degrees

of Israeli military control is a major theme of any delegitimization campaign. Whether or nor it is an authentic core argument or an excuse, that is, whether or note its absence would change much, "the occupation" has become the rallying cry for most delegitimizers.

The closing decade of the twentieth century saw a sharp decline in the delegitimization effort. This was the cumulative result of the breakup of the Soviet Union – which had been a major supporter and actor in the delegitimization campaign; the 1991 Madrid Conference; and above all, the Oslo Accords of September 1993. The feeling in those years was that the Israeli-Palestinian conflict was on the verge of resolution, and peace was around the corner. This sentiment changed, however, by the beginning of the following decade. The euphoria of the early days of the Oslo agreements had long vanished and with the failure of the Camp David summit in July 2000 and the outbreak of the second intifada in September 2000, it became clear that the Israeli-Palestinian conflict was entering a new bloody phase. These events resulted in a resurgence of the delegitimization efforts, which gained strength and impetus and grew into a massive campaign that has intensified over the decade. Material for the kickoff of the new delegitimization campaign included the decisions adopted at the UN-sponsored World Conference on Racism in Durban in September 2001 (the first Durban Conference). The years since then are evidence that in the first decade of this century delegitimization came of age and became a serious threat to Israel.

What is Delegitimization

As Tony Blair aptly remarked about delegitimization, "Many of those engaging in it, will fiercely deny that they are doing so."[5] Rather, the individuals and groups referred to by Blair claim that they are engaged in legitimate criticism of Israeli actions that are illegal, violate international law, constitute an infringement of basic human rights, or are otherwise morally reprehensible. The question that arises, therefore, is when does any given opinion or action constitute delegitimization, and when does it represent legitimate criticism of the actions or behavior of the Israeli government, Israeli institutions, or the IDF. Various suggestions for criteria to differentiate between the two have been posited. Natan Sharansky has

suggested the "three Ds" criterion: when criticism of Israel constitutes demonization, unequivocal delegitimization, or is based on a double standard, we are dealing with genuine delegitimization. However, this criterion does not always answer the question, since in certain circumstances it is hard to objectively determine when criticism constitutes demonization or when it is based on the application of a double standard.

Indeed, as in many other areas, some cases are uncontested and others fall in a grey sphere, with varying degrees of fuzziness. Denial of Israel's right to exist as a Jewish state (as defined in its Declaration of Independence as well as in the UN partition resolution), as well as sweeping defamation of Israel's character are clear examples of delegitimization. Criticisms by governments or organizations of various actions undertaken by the Israeli authorities, such as settlement activity, are examples of legitimate criticism. BDS and lawfare pose a definite challenge and threat to Israel, and therefore, although one can argue whether they constitute delegitimization, they are relevant subjects for this essay.

To this day there still are many voices in the Arab and Islamic worlds that deny Israel's right to exist – foremost is Iran and groups such as Hamas and Hizbollah. In the Western world, such voices are far less prevalent and do not represent any one unified group. Nonetheless, hostility towards Israel is not rare on university campuses or within some liberal circles in Western Europe and the United States. In many cases, representative statements will include the dismissal "the creation of Israel was an historic mistake." Ironically, Jews can also be found amongst proponents of this proposition. A quintessential example of the underlying hostility towards Israel in certain circles is the remark by the British ambassador to France who referred to Israel, albeit at a private dinner party, as "that shitty little country."

In any event, Israel is the only member state of the United Nations whose very right to exist is at all subject to question. However, the threat of delegitimization facing Israel today is not primarily the challenge to the state's right to exist. Events of the last three decades have made it difficult for even Israel's enemies to question its existential legitimacy or to support calls for its demise, albeit such calls can still be heard. Israel has peace treaties and diplomatic relations with Egypt and Jordan, and

the Arab Peace Initiative of 2002 – supported by almost all of the non-Arab Muslim-majority countries – speaks of the possibility of recognizing and establishing normal relations with Israel.[6] In a document signed by Palestinian leader Yasir Arafat, the PLO, the recognized representative of the Palestinian people, recognized "Israel's right to live in peace and security."[7] Israel maintains diplomatic relations with 120 countries, including extensive economic, commercial, and cultural relations. It is a member in good standing of the United Nations and of other recognized international bodies, and in 2010 was accepted as a full member in the OECD.

The ongoing delegitimization campaign against Israel is of a different nature. Its aim is to portray Israel as a pariah state, a country that is repeatedly violating international law, human rights law, and accepted international norms; practices apartheid; and is guilty on a massive scale of war crimes and crimes against humanity. Its goal is to have Israel become an international outcast, leading to its total isolation. The essence and goals of this delegitimization campaign were clearly laid out in the final declaration of the NGO forum at the first Durban Conference, which called for "a policy of complete and total isolation of Israel as an apartheid state" and "the imposition of mandatory and comprehensive sanctions and embargoes," as well as a "full cessation of all links…between all states and Israel."[8] These goals are still far from met, though not for lack of desire or efforts by a host of organizations active in the ongoing delegitimization effort.

One may ask why Israel alone is the subject and target of a vehement delegitimization campaign. Some say it is a result of the occupation that began in 1967 and deprives millions of Palestinians of the ability to exercise their right to self-determination. Others contend that it stems from age old anti-Semitism, Muslim anti-Semitism, and latent Christian anti-Semitism. As such, Israel bashing is merely the new and more politically correct form of traditional anti-Semitism. Still others argue that it is simply a continuation of the Arab refusal, dating back to the years leading up to 1948, to come to terms with the existence of a Jewish state in the Middle East. According to this view, the Palestinians, aided by the Arab and Muslim world, are taking advantage of, if not hijacking, the human rights

agenda that drives many liberal circles in Western Europe and the Anglo-Saxon world.

Whatever its source, the existence of the delegitimization atmosphere is beyond doubt. However, it is not this sentiment itself or the outright delegitimization that is Israel's main concern, rather the numerous campaigns undertaken by the multitude of organizations involved in the day-to-day delegitimization or anti-Israel activities. The overall atmosphere constitutes the underlying infrastructure for these activities, but the campaigns themselves are the primary cause of concern to Israel and pose the potential for serious damage. The far flung and worldwide anti-Israel campaign is waged on two major tracks: BDS and lawfare.

BDS

The wide ranging BDS effort includes diplomatic, economic, academic, cultural, and artistic boycotts and sanctions against Israel. On May 10, 2011, *Der Spiegel* reported that German National Railways (Deutsche Bahn), in charge of electricity and communications control for the high-speed Tel Aviv-Jerusalem train line, decided to terminate its participation in the project. The reason given for the decision was that the route passes through "Palestinian territories" and may be in violation of international law.[9] As the company is a fully owned government company, the decision was in effect taken by the German government[10] – generally considered to be one of Israel's major supporters. The decision was the outgrowth of mounting pressure over a period of months by German, Palestinian, and Israeli elements, headed by the Coalition of Women for Peace (CWP), and was the culmination of a strong pro-Palestinian campaign.[11] The legality of the train line is debatable; the decision by Deutsche Bahn is in any case damaging to Israel.

Other major boycott and divestment efforts have been directed towards the economic sphere, although with limited success. Efforts have been made to boycott Israeli products, especially but not only those grown or produced in the West Bank, as well as stores and outlets carrying such products. In many instances, extensive pressure and public campaigns are directed against business firms or economic institutions that do business with Israel. One example is the failed effort led by Human Rights Watch

(HRW) to force Caterpillar to end sales to Israel. A more successful effort was the decision in 2009 by a number of Belgian municipalities to boycott a bank due to its business dealings with Israel.[12]

Major organizations are also lobbied to divest from Israel, i.e., sell shares they own in Israeli companies and withdraw any investments they may have in Israel. Primary targets of divestment efforts are universities, church groups, labor unions, and pension funds. A flag project of CWP, the "Who Profits.org" online data base aimed at "exposing firms and corporations that profit from the occupation," was influential in convincing Swedish and Norwegian state pension funds to divest from Elbit Systems, a major Israeli defense contractor.[13]

On the academic front, the Senate of the University of Johannesburg decided to discontinue an academic program run jointly with Ben Gurion University.[14] In late May 2011, the British National Union of Students (NUS) adopted a motion branding Israel an "apartheid regime" and calling for students to participate in flotillas to Gaza. The resolution also called upon Israel to endorse the Palestinians' "right of return."[15] At the same time, the Student Union of the University of London (ULU) voted to implement a boycott and divestment campaign against Israel.[16] On June 5, 2011, Britain's largest academic trade union, the University and College Union (UCU), representing some 120,000 members, decided to propose at its annual conference a resolution calling for a full academic and cultural boycott of Israel. Indeed, already in 2010 the UCU voted to support the boycott, divestment, and sanctions' campaign against Israel and to sever ties with the Histadrut, Israel's organization of trade unions. These are some recent examples of the damaging effects of the BDS campaign.[17]

At the heart of the BDS campaign and indeed at the heart of the entire modern delegitimization effort lies the rise in importance of non-government organizations (NGOs).[18] For most of the twentieth century, the major actors in the international community were governments and supra-state organizations (such as the UN). The 1970s saw the rise of NGOs active in the areas of human rights and international law, and within a short time, NGOs became important actors in the arena of international diplomacy.[19] As of today, there are over 4,000 NGOs accredited by the United Nations Economic and Social Council.[20] NGOs have privileged

access to UN bodies, and many UN activities and have become major players in the area of human rights.

This point is exemplified by the fact that of the three frameworks established by the first Durban Conference, one was the NGO Forum that included thousands of representatives from some 1,5000 organizations.[21] The Durban resolutions cited above were adopted by the NGO forum but were removed from the text of the governmental forum as a result of intense pressure by several European countries (that threatened to follow in the steps of the American and Israeli delegations and leave the conference). Nevertheless, the ramifications of the resolutions adopted by the NGO forum were far reaching and gave a huge boost to the delegitimization effort. The internet has facilitated the establishment of NGO networks with at least hundreds of member organizations and thus greatly enhanced their power.[22]

As far as the delegitimization effort and more specifically the BDS campaigns are concerned, one should differentiate between NGOs dealing primarily and in many cases exclusively with the Palestinian issue, and those having a much wider agenda. The former include Palestinian NGOs such as the Palestinian Center for Human Rights (PCHR), al-Haq, and al-Mezan,[23] Israeli NGOs such as CWP, and a large number of NGOs outside the region, primarily in Europe (especially in Great Britain) and on the US West Coast (primarily in the San Francisco area). The bulk of the delegitimization work and BDS activities are conducted by this type of NGO, but vital assistance is in many instances rendered by the second type of NGO, which includes prominent groups such as Amnesty International (AI) and Human Rights Watch. A classical example of such support is the accusations with regard to the IDF action in Jenin during Operation Defensive Shield in April 2002. The Palestinians accused the IDF of a "massacre" in the Jenin refugee camp. Palestinian and pro-Palestinian NGOs repeated these claims and were supported by AI and HRW, both of which claimed that Israel had committed serious breaches of international human rights and humanitarian law, including war crimes.[24] A subsequent UN investigation determined that 55 Arabs had been killed, the majority of whom were armed belligerents.

The BDS campaign is two-pronged: the creation of an anti-Israel climate by defamation and demonization of Israel through inflammatory incitement with Israel cast as a racist, fascist, totalitarian, and apartheid state; and concrete actions geared at specific groups, authorities, and organizations around the world that focus on specific Israeli diplomatic, economic, academic, and cultural targets. Especially damaging and effective rhetoric is the identification of Israel with apartheid, not only because apartheid is synonymous with the defunct South African regime but because it is defined as a crime both by the International Convention on the Suppression and Punishment of the Crime of Apartheid[25] and by the Rome Statute creating the International Criminal Court (ICC). Under the Rome Statute, apartheid is considered a crime against humanity, and the ICC can exercise jurisdiction in this regard if the requisite conditions are present.[26] NGOs involved in delegitimization expend much effort in organizing an annual Israel Apartheid Week (IAW) on college and university campuses throughout the world. So far they have had little success in this endeavor, but the number of campuses hosting such an event, although few and far between, is increasing.

The most successful, visible, and damaging case of defamation of Israel is the Goldstone Report on Operation Cast Lead, Israel's military campaign in Gaza (December 2008-January 2009). Formally the effort was initiated and led by Arab and Muslim-majority countries, which succeeded in having the UN Human Rights Council adopt a resolution for the establishment of an official inquiry, resulting in the appointment of the Goldstone Commission and the eventual issuance of the Goldstone Report. Nevertheless, it was NGOs that played a crucial role in the formulation of the Goldstone Report, which accused Israel of committing war crimes and possibly even crimes against humanity.[27] This was by far the best singular achievement of the delegitimization movement and had multiple ramifications for Israel and the IDF.

These and other such activities are conducted regularly by a host of NGOs in many countries, primarily in Western Europe. Their efforts are facilitated by a strong human rights agenda that has become increasingly prevalent in large parts of the international community and particularly among democratic nations. In the cultural area, boycott efforts have

succeeded in convincing a number – albeit limited – of celebrities (performers, actors, authors) to cancel planned visits and performances in Israel. Boycott campaigns have also been organized against various cultural events in Europe and North America that included Israeli films, art, or other exhibits or Israeli performers. One example was the 2009 Toronto film festival which included a number of films related to the 100th anniversary of the founding of Tel Aviv.[28]

Lawfare

Over the past decade, Palestinians and their supporters have initiated a number of campaigns of what many Israelis term "lawfare," judicial "warfare" through the use of legal forums. Of these campaigns, perhaps the most prominent have been the consideration by the International Court of Justice of the West Bank separation barrier, the use of universal jurisdiction to target Israeli soldiers and officials, and the attempt to establish jurisdiction for the International Criminal Court. The resulting legal decisions related to specific Israeli actions or policies, but Palestinians and their supporters viewed them as opportunities to taint Israel's image generally, thus aiding other delegitimization efforts.

The 2003 decision by the International Court of Justice on the West Bank separation barrier provided Palestinians and their supporters with a legal victory that they likely hoped to translate into sanctions activity against Israel. The Palestinians and others argued before the court that the separation barrier then under construction in the West Bank violated international law. By an overwhelming majority, the court's judges accepted that position[29] and added that states had the "obligation, while respecting the United Nations Charter and international law, to ensure compliance by Israel with international humanitarian law as embodied in [the Fourth Geneva Convention]."[30] Although the ruling was a non-binding "advisory opinion," the call for states to act against the barrier matched a general strategy of delegitimization, in this case internationalizing the conflict and legitimating punitive state actions against Israel. Also important was the parallel that Palestinians and their supporters could draw between the ICJ ruling on the separation barrier and its 1971 ruling against South African control over Namibia, connecting Israel in the public mind with apartheid South Africa.

The years of the second intifada saw increased use by Palestinians and their supporters of statutes in Europe providing for universal jurisdiction over alleged war criminals. Under these statutes, a number of European states permit their courts to exercise jurisdiction over war criminals regardless of where alleged crimes were committed and regardless of the nationality of the alleged victims. On that basis, accusers filed a number of claims against Israeli leaders, officials, and soldiers. To date, no arrests have been made and no cases have proceeded to trial, but the threat of prosecution remains. In 2001 a Belgian judge launched an initial investigation against former Prime Minister Ariel Sharon,[31] and a Spanish tribunal nearly allowed claims to proceed against a number of Israeli officers and political leaders in 2009.[32] Many Israeli officials continue to avoid entering Britain for fear of arrest.[33] While the British government is in the process of changing the country's universal jurisdiction statute in order to prevent the arrests of Israelis, the matter remains a thorn in bilateral relations.[34] Thus throughout Europe, the use of universal jurisdiction has provided a promising avenue for lawfare strategy.

Finally, the Palestinian Authority has taken another step towards targeting individual Israelis for prosecution, with its attempt to enable jurisdiction by the International Criminal Court (ICC). Under the treaty that established the ICC, the court has jurisdiction over the nationals of a state that is a party to the treaty, acts that take place in the territory of a state that is a party to the treaty, or any situations referred to the ICC prosecutor by the UN Security Council.[35] Israel is not a party to the treaty, and a Security Council referral is highly unlikely. Therefore, the Palestinians have sought to have ICC jurisdiction applied at least territorially to the West Bank and Gaza Strip.[36] To that end, the Palestinian Authority has tried to establish that "Palestine" is a state, since the language of the treaty indicates that only states can become parties to the treaty and provide the ICC with jurisdiction.[37] Israel and its supporters have argued that "Palestine" is not a state and as such cannot provide the ICC with jurisdiction.[38] The matter will be decided by the ICC prosecutor, who to date has not ruled on the matter.

If the prosecutor were to accept the Palestinian argument – for example, in the wake of a UN General Assembly resolution in September – then the process could, in a worst case scenario for Israel, lead to arrest warrants

against Israeli officials, soldiers, or even settlers.[39] That could in turn provide powerful ammunition against Israel in the public diplomacy arena as well as severely limit travel outside Israel for the individuals affected.[40] Yet even if the prosecutor were to rule that the ICC has jurisdiction in the West Bank and Gaza Strip, Israel could raise a series of legal arguments before action were taken against its citizens.[41] For that reason, the worst case scenario could probably be averted, although the risk of an adverse result remains.

While many recognize the relevance of international law, the Israeli policy establishment has yet to reach a consensus on a number of key strategic questions in meeting the lawfare challenge. For example, those in government, academia, and the media continue to debate whether Israel should cooperate with or boycott court procedures and investigatory commissions. This question joins others that will remain important in the years to come, especially if the Palestinians win statehood recognition. Such recognition could better enable the "State of Palestine" to ratify international treaties that grant direct access to additional international forums, including the International Criminal Court.[42]

Damage Assessment

It is not easy to assess the actual damage caused to Israel by delegitimization activity, and more specifically by the BDS and lawfare efforts. On the macro and specifically economic level, the damage seems to be negligible. Fueled primarily by exports, economic growth in Israel over the past few years has averaged 4 percent and is predicted to exceed 5 percent in 2011 – both significantly higher than for most OECD countries. Exports continue to increase both in goods and services. Tourism in 2010 reached its highest level in Israel's history – over 3,000,000 tourists – and foreign investment in Israel remains high. Israel enjoys a constant rise in foreign currency reserves, a surplus in the balance of payments, and a stable and strong shekel. A demonstration of the limited effects of delegitimization is the interesting fact that in the first quarter of 2011 Israeli exports to Turkey, where Israel was the target of extensive delegitimization as a result of the *Mavi Marmara* incident, were 73 percent higher than in the corresponding

quarter of 2010; Turkey rose to become Israel's third largest export market (after the United States and Holland).[43]

On the micro level, some Israeli industrialists and businesspeople claim it is increasingly difficult to conclude business deals in some West European countries, allegedly as a result of a delegitimization atmosphere. This may in fact be an indication of more difficult times ahead in the economic arena, but given the overall statistics cited, for now it seems that BDS effects, if any, are limited.

The situation with regard to the effects of lawfare is more complicated, since the use of universal jurisdiction has proved to be a serious cause of concern and even difficulty for Israel. The government has had to limit travel by present and former senior officers, officials, and leaders to certain European countries. The fact that Knesset opposition leader Tzipi Livni had to cancel a planned trip to England and that Prime Minister Netanyahu, on an official trip to London to meet with Prime Minister Cameron, could not be joined by his military secretary, Air Force Major General Yochanan Loker (in both cases for fear of being arrested), speaks for itself.

Thus, it would be premature and reckless to ignore or write off the delegitimization campaign. The effects of this campaign may be far more significant and meaningful in the realm of public diplomacy and Israel's image, although unlike in the economic sphere, it is hard to objectively gauge the results of delegitimization efforts in these realms. There certainly are indications that in many European countries, Israel suffers from a negative image and enjoys a decreasing degree of support. It may very well be that the delegitimization campaign has as yet failed to reach a critical mass – the problem is that it is difficult, if not impossible, to determine beforehand what that critical mass is.

The official position of most West European governments is far more favorable to Israel than public opinion in those countries. The question is whether such a gap and divergence can be maintained in the long run. A highly exacerbated scenario in which under future circumstances involving negative political or security events the intensity, scope, and effectiveness of BDS efforts could quickly become a grave threat to Israel's vital interests is not inconceivable. Tony Blair, when comparing delegitimization with the Iranian threat, noted that the former is "more insidious, harder to spot,

harder to anticipate and harder to deal with…. It is this form that is in danger of growing, and whose impact is potentially highly threatening."[44]

Damage Control: Israel's Response

What is Israel's response to the delegitimization threat and what options are available to counteract its negative consequences? A prerequisite for the development of an effective response is recognition and internalization by the Israeli authorities of the existence of the threat and an understanding of its gravity and potential damage. It is hard to determine whether this has yet occurred. There is no question that the issue of delegitimization has become more salient in Israeli discourse. The Israeli government did not need President Obama to remind them that there is an ongoing major delegitimization effort against Israel. What remains unclear, however, is how seriously Israeli authorities view this threat and what role it plays in Israel's overall threat perception.

It is not by chance that most of the information about delegitimization and BDS activities presented in this paper comes from non-governmental sources. It is primarily a small number of Israeli NGOs, such as NGO Monitor,[45] the Reut Institute,[46] and others that are active in identifying and documenting the widespread delegitimization effort and are at the forefront of the attempts to combat it. On the official level, the degree of attention and the scope and depth of a coordinated professional response by all relevant government authorities (Foreign Ministry, Finance Ministry, Prime Minister's Office, IDF Spokesman, intelligence agencies, and others) seems to be improving over time, but is far from comprehensive.

As is characteristic of other areas, the military seems to be far ahead of civilian agencies in responding to the threat. It appears that the IDF has internalized the grave threat of the delegitimization trend to its freedom of action on the battlefield and is taking steps to combat it. It has become much more acutely aware of the need to devote more resources to containment and defense against allegations of international law violations. To this end, it has strengthened the Department of International Law within the Military Advocacy General (known by its Hebrew acronym as DABLA) and granted it greater weight in actual operational decisions. The IDF recently inaugurated a special course for liaison officers at the brigade level. Their

mission is twofold: to advise the brigade and battalion commanders on questions regarding treatment of civilians and other civilian matters in their combat zones and to coordinate efforts to prevent any humanitarian crisis.

The civilian response is much more complicated and quite complex. Since at work is a soft power campaign, a highly sophisticated, professional, and coordinated response is necessary. A number of suggestions and proposals have been put forth. These include, inter alia, fighting NGO activity through other NGOs; mobilizing the Jewish communities and other pro-Israeli constituencies in the various countries; delegitimizing the delegitimizers, concentrating on key groups that can be swayed in either direction, and in general vastly increasing efforts, resources, and budgets devoted to public diplomacy and public relations abroad.

A proposal worth investigating is undermining and blocking BDS activity through national legislation. A major blow to the Arab League boycott was legislation enacted in the United States that in effect made the boycott illegal. Under this legislation, companies cooperating with the boycott by answering questionnaires as to their business dealings with Israel or with companies dealing with Israel were subject to a heavy fine. In the absence of a binding resolution by the United Nations or by national authorities or a case of blatant illegal activity, boycott activity by NGOs against a specific country is by its very nature discriminatory and thus could be subject to prohibiting legislation. Convincing European countries or even the United States to pass legislation outlawing BDS activity against Israel is certainly not an easy task and perhaps may be impossible. Nevertheless, it would be a mistake to reject this option out of hand.

It is difficult to foresee developments, but there is good reason to believe that in the coming months the delegitimization threat may become a major issue on Israel's national security agenda.

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The IDF Multiyear Plan: Dilemmas and Responses

Giora Eiland

In the IDF it is customary to distinguish between two concepts: the use of force and force buildup. The first refers to operational activity and assumes that the necessary military capability is a given. The second includes the activity required in order to improve (or at times merely to preserve) the army's capability.

Obviously this is a rough distinction. The decision where to set up an ambush on the Lebanese border only involves use of force, while the plan to produce advanced satellites is a clear example of force buildup. However, between these extremes there are many actions that incorporate elements of both force buildup and use of force. Nonetheless, the distinction is at once apt and convenient, and also makes it easer to define authority within the army. The Ground Forces Command, for example, is responsible only for force buildup on the ground, while the use of ground forces is determined by the chain of command starting from the General Staff through the levels of regional commands to the divisions, brigades, and so forth.

Force buildup takes place year round, but important decisions affecting it are usually made once a year as the annual work plan is approved, and to a greater extent once every five years (or four) when the multiyear plan is authorized. This essay deals with the multiyear plan, focusing on the upcoming plan for 2012-2016.

The Difficulties in Preparing a Multiyear Plan

Those in charge of the process of preparing a multiyear plan – specifically, the Deputy Chief of Staff and the IDF's Planning Branch – face three objective difficulties. The first difficulty is that the task calls for preparing a five-year program, when it is eminently clear that reality during that future period may be subject to very different fundamental assumptions than those that prevailed when the five-year plan was drafted.

Second, budgetary flexibility is limited. The decision makers seemingly have at their disposal approximately 250 billion NIS (the total defense budget, including foreign currency, which represents more than 50 billion NIS a year). In practice, however, the major share of the budget is already accounted for in one way or another. Thus, tension is generated between the need to adapt the plan to new assessments and needs, and the desire to avoid the cost involved in canceling or curtailing projects that are already underway.

The greatest difficulty is determining proper methodology. In its final form the multiyear plan tries to optimize an equation that comprises dozens – perhaps even hundreds – of variables, and to do so under conditions of great uncertainty. To attempt a task of this magnitude and input all the knowledge, constraints, and conflicting needs into a single summarizing document and extract one clear result is a daunting challenge.

Approving the Multiyear Plan

Although there is no mandatory way or established documented methodology for producing a multiyear plan, over the years a general understanding has emerged about the proper way to undertake the process. This involves four stages.

The first stage is a situation assessment, which begins with an intelligence assessment. Military intelligence tries to describe what is expected in the next few years with an emphasis (there are those who would say this emphasis is exaggerated) on expected threats. After this, a discussion led by the Planning Branch is held to agree on the "threat reference." The threat reference is approved by the Chief of Staff (the contention that this should, as in many other countries, be approved by the Cabinet is beyond the scope of this essay). The threat reference thus entails a "command

determination" (to some, this determination is arbitrary) that defines the threats the army must prepare for, as distinguished from those it need not prepare for.

The threat reference focuses on three parameters: the probability that a certain threat will be realized; the severity of the threat (i.e., the damage liable to be incurred should the threat be realized); and the cost of the response. While the first two parameters are self-evident (the product of the two equals the measure of damage), the third requires some explanation. Let us assume there are two threats, A and B, of equal probability and severity; however, formulating an appropriate response to A costs 10 million NIS while an appropriate response to B requires an outlay of at least 1 billion NIS (i.e., 100 times that of A). In this case, it is reasonable to assume that A will become part of the threat reference whereas B will not, for the simple reason that the cost of providing a response to B is too high. The money that would be allocated to it would empty available coffers for one purpose and leave other pressing matters unattended.

The second stage involves a series of preliminary discussions. There are two types of preliminary discussions. The first deals with various operational scenarios. Using simulations or war games, participants try to describe what future military confrontations might look like. Later on these meetings help to define the necessary (and possible) achievements in each arena. In addition, they help sharpen identification of existing gaps (and no less importantly, the reverse, i.e., the IDF's relative advantages). The second type of preliminary discussion is generally devoted to force buildup. In these discussions, a new issue is raised each time (e.g., how many satellites are required and of what quality, what is the required mix of unmanned aerial vehicles, how many and what kind of active defense systems are required, how many divisions are required, what is the correct number of combat days for which the army must prepare, and so on).

The number of important issues is large, their scope is immense, and every area can be analyzed from a number of different angles. The way to cope with such a complex mass of material is by holding a series of discussions at the level of the Deputy Chief of Staff. Every discussion deals with one topic for which usually a number of alternatives are presented, with each alternative showing a different result in terms of cost

(resources) versus (operational) benefit. These discussions do not end with a decision, because it would be incorrect to make decisions with budgetary ramifications before the general picture is clear. Nonetheless, creating a cost-benefit graph for each separate issue helps determine the optimal point later on. Obviously, these discussions, held over the course of several months, are the culmination of intense staff work that occurs over many months. A good deal of staff work is performed by ad hoc committees, located in and directed by the Planning Branch.

The third stage is the General Staff workshop. The approval of the multiyear plan culminates with the concluding deliberations led by the Chief of Staff. The discussion actually takes the form of a workshop lasting two or three days, at the end of which the Chief of Staff makes the important decisions. The workshop may be compared to a situation in which someone wants to pack items weighing 50 kg into a suitcase whose total weight must not exceed 20 kg. Clearly, any item packed in the suitcase comes at the expense of another. Equally clearly, the higher the weight of an item, the expense to other items increases. The Chief of Staff's decision aims to maximize the future operational benefit with a given set of resources (usually the budget and regular army manpower).

The fourth stage involves the final input. After the workshop is over and once the dust has settled, the Planning Branch translates the Chief of Staff's decisions into a document called "Planning Guidelines," which also includes "Unit Guidelines." On the basis of this document, the various entities – in this case, branches of the armed service, regional commands, and the General Staff's various divisions – present their detailed plans for the Chief of Staff's approval. The Chief of Staff's conclusions from the workshop and the unit plan approvals are fused in a single document: the multiyear plan.

The 2012-2016 Multiyear Plan

At the time of this writing, it is still unclear what the central decisions will be in the forthcoming multiyear plan. The concluding General Staff workshop is scheduled for August 2011, and even once it is over it is clear that most of the decisions will remain classified. Nonetheless, one may make some educated guesses about the primary dilemmas the decision

makers will have to face. More specifically, as the Chief of Staff devises the 2012-2016 multiyear plan he will have to weigh six dilemmas. The responses to these six dilemmas will define the IDF force buildup and military power in the coming years.

The first dilemma relates to Egypt. Since the peace treaty was signed in 1979, Egypt has been defined as a risk but not a threat. The difference between the two refers to the lack of an Egyptian intention to initiate a military action against Israel. Moreover, for over 30 years Israel was able to assume that even were there to be a military confrontation with other elements in the region, Egypt would decide not to get involved. Thus, Israel was able to conduct two wars in Lebanon and undertake extensive operations in Judea and Samaria (Defensive Shield) and the Gaza Strip (Cast Lead) without any major concern that Egypt would join in the hostile action. In terms of force buildup, the peace treaty with Egypt has had even greater significance: since the treaty was signed (or more precisely, since 1985), the IDF's order of battle grew smaller, especially on the ground.

This reduction in size (and concomitant increase in quality) allowed Israel to maintain a more or less steady defense budget in real terms. Because the GNP grew, the relative portion of defense spending in the GNP gradually dropped from 30 percent in 1974 to about 7 percent in 2011. The primary factor that enabled this no-growth defense budget was the peace treaty with Egypt. Consequently, Israel was able to reduce its force size, and even more importantly, the stockpiles of spare parts and ammunition. Over the years, the repeated mantra was that Israel would uphold this policy of risk vis-à-vis Egypt until "a strategic change" emerged.

The dilemma facing the General Staff today is: does the change that has taken place in Egypt require a change in the basic working assumption about Egypt, and if so – to what extent? One may assume that as far as securing the border with Egypt and paying more extensive attention to intelligence gathering goes, the answer is yes, but that is "small change" relative to the more fundamental question: the effect on the order of battle (at sea, on land, and in the air) and especially on the stockpiles. With regard to those, the answers may be more difficult.

The second dilemma concerns reliance on the air force. Since the early 1960s, the Israeli Air Force has enjoyed clear preferential status in terms of

resource allocation. The power of the air force represented the IDF's clearest relative advantage over enemy armies. The range of tasks undertaken by the IAF has steadily increased and includes not just defending the nation's skies but also attaining aerial superiority in enemy territory (including destroying its surface-to-air missiles), attacking strategic enemy targets, destroying its surface-to-surface missiles, and providing massive assistance to both the ground and naval forces.

Two recent threats, however, are liable to serve as a formidable challenge for the IAF to attain all of its objectives. The first is the improved capabilities of enemy anti-aircraft missiles, reminiscent of the challenge posed by the Syrian and Egyptian anti-aircraft systems in 1973. The second and more significant threat is the enemy's rocket and missile arsenal. This major development, which has occurred over the last decade, also threatens Israel's airfields. To what extent can this threat damage the effectiveness of the air force? The greater the assessment that the effectiveness of the air force might be compromised (even if only temporarily and to a limited extent), the more appropriate it becomes to shift capabilities onto ground forces and also (perhaps even primarily) the navy, thereby diffusing the risk and varying the response capabilities.

The third dilemma concerns the F-35 fighter jet. The F-35 is the best – and most expensive – fighter jet there is. Beyond its other advantages, this plane enjoys a low RCS (radar cross section, i.e., it is "invisible" to radar), a feature that dramatically increases its survivability. Many would say that it is the last manned fighter jet, because the capabilities of developing unmanned aerial vehicles have improved so markedly as to render pilots superfluous. According to this opinion, in another ten years no manned aircraft will participate in military operations. At first glance, one would think that this does not represent a dilemma since the decision to buy one squadron of F-35s was already taken.

However, the dilemma still exists, in two respects. First, would it be right to allocate money for the purchase of another squadron in the next multiyear plan? Such a decision would mean exhausting most of the foreign currency defense budget. On the other hand, there are those who say that one squadron alone does not constitute the critical mass of high quality

stealth planes, which is particularly essential with regard to operations in the "third circle" (Iran).

The second issue is more fundamental and relates to the ratio between manned and unmanned aerial vehicles that must be decided already in the next five-year period. Generally, UAVs should be preferred for every task they can handle, not only in order to reduce risks to pilots (and the ability to take greater risk in choosing the profile of the task) but also because the total cost of operating UAVs is lower. On the other hand, relying on UAVs in a growing range of tasks requires taking many technological and operational risks. The alternative at this stage (to investing in UAVs) could be to bet on the sure thing: because of the long waiting time on the F-35, perhaps it would be wiser to buy more F-15s or F-16s or, at no small expense, upgrade some of their capabilities (such as radar). These two considerations relating to the F-35 thus demand difficult decisions.

The fourth dilemma concerns active defenses. The operational success of the Iron Dome system, as demonstrated in early 2011, boosted the desire to equip the army with additional batteries and a larger number of missiles. The investment is enormous and many have argued that Israel must not defend itself to death, i.e., invest too much in defense at the expense of offense capabilities. Those same sources claim that by equipping itself with massive defensive systems Israel is acceding to enemy dictates. This is similar to the constraint Israel imposed on the Egyptian and Syrian armed forces, which were incapable of dealing with Israel's air force and were then compelled to invest enormous budgets in anti-aircraft defenses, thereby perpetuating the weaknesses of their own air forces.

The advantages of anti-missile defense systems lie not only in the protection they afford (and the reduction in the anticipated resulting damages) but also in two other respects. An effective defense system may reduce the enemy's motivation to attack. In addition, effective defense systems provide more freedom of action in terms of any offensive operation. In principle, Israel's decision to arm itself with a multi-layered defense system (Arrow-2, Arrow-3, Magic Wand, and Iron Dome) was already made. In this context, what is most important is the ratio of the different systems in the mix and the investment in this area, which of course comes at the expense of other areas.

A second issue that has confronted the defense establishment for a decade relates to the use of laser (the Nautilus system). The advantage of laser is threefold: it is capable of damaging high trajectory fire even when fired from a short range (mortar bombs); it can destroy several targets simultaneously; and above all, the cost of destroying a rocket or surface-to-surface missile is much lower. In other words, assuming that Israel would in the future have to intercept thousands of missiles, rockets, shells, and even UAVs, the laser system is preferable from an economic perspective if one takes a very long term view. On the other hand, developing the laser is liable to take a long time, development costs are high, and the first versions of the system will apparently be able to defend only a small area (compared even to Iron Dome). Moreover, it is unclear whether it is wise to invest in laser technology following the decision to invest in Iron Dome, i.e., to invest in both. Complicating the deliberation is yet another question: does it make sense to invest in the existing laser technology, or would it be better to develop solid state laser technology that significantly increases the effective range but entails other complications? Thus as part of the multiyear plan, a decision will have to be made whether to invest in laser technology, and if so, how much and in what type.

The fifth dilemma concerns maneuvering. The Second Lebanon War revealed a weakness in the ground forces' maneuvering capabilities, especially with regard to operating large forces. This was one of the lapses handled more quickly out of a sense of its high priority. Tackling this issue involved not only placing greater emphasis on training but also greater investment in equipment, both of platforms such as the Namer (Israel's armored personnel carrier built on the Merkava tank chassis) and other systems including the Trophy, a system that protects tanks and APCs.

The need to improve maneuvering capabilities is directly connected to the question of how to attain victory both in the Syrian and Lebanese arenas. Opinions differ. Some think that no decision can ever be reached in those arenas without using ground forces deep in enemy territory. Others think that the importance of such an effort is secondary, because the desired goal may be reached by destroying targets – including national infrastructures – with standoff fire, thereby bringing the other side to the realization that it is preferable to stop the battle.

To the extent that the first approach is adopted, high budgets must be allocated for land capabilities – e.g., the Trophy system. There is no doubt that in a battlefield crowded with advanced anti-tank weapons, there is a supreme need to provide this type of protection to most of the IDF's armored combat vehicles. On the other hand, those who feel that the ground maneuver of large forces in the depth of enemy territory is a less acute issue will content themselves with a much smaller number of defense systems of this type, because for ongoing security against the Gaza Strip and even Hizbollah it is possible to make do with less. The difference between the first and second approaches can amount to billions of shekels (not just because of the cost of protecting armored combat vehicles but also because of related needs, such as the need to improve engineering capabilities, increase the artillery's precision and range, and more).

The sixth dilemma involves command and control. One of the prominent advantages of a modern military such as the IDF is the existence of very high command and control capabilities at sea, in the air, and in recent years, also on land. Alongside the advantages of advanced command and control are three major disadvantages. One, the technology is constantly being renewed, so that in general one can say that by the time the equipment reaches the user it is already obsolete. Two, it is hard to make do with half the job: there is a high price tag for a situation in which only some of the forces have new communications infrastructures while others do not. Three, the utility of advanced command and control is indirect and not always proven. The fact that the President of the United States could observe the elimination of Bin Laden in real time is more a mildly interesting tidbit than it is proof that it contributed anything towards the quality of the operation.

In recent years, the IDF has invested a great deal in hardware, applications (software), and communications infrastructures. It now must address the question of whether it needs to be at the forefront of technology all the time and equip itself with new systems (for example, LTE communications infrastructures that allow the transfer of massive quantities of video photography at very high speed) or make do with a less advanced generation. Command and control is a good – though not the

sole – example of a situation in which it is possible to take a technological leap without necessarily gaining operational benefits that justify the cost.

The field of command and control and computers has in recent years created a growing awareness of the vulnerability of the IDF (and other national organizations and institutions) to cyber attacks. The capabilities of the enemy (whether an enemy state or a hostile organization) to attack and disrupt critical systems by a hostile penetration of computer systems has grown exponentially in recent years, necessitating growing investments in blocking this new type of threat.

The discussion about these and other dilemmas will characterize the procedure for formulating the multiyear plan, assuming that until the approval of the threat reference nothing drastic will happen to change the picture. The chance of a third intifada erupting sometime towards the end of 2011 is not negligible. Should this occur, the IDF will have to make significant changes to the plan, because the immediate always trumps the important. The legitimate pressure that will be applied by the public and the political establishment to invest in force operations in Judea and Samaria and the need to improve the defense of both military and civilian installations will cause a considerable diversion of budget funds.

If this is the case, however, why are these missions not carried out now? Why is the IDF not investing more in preparing for the possibility of the next intifada? The answer to this challenge is that the army is operating properly by not diverting massive budgets in favor of ongoing security at present, for two reasons: one, the IDF's ability to shift quickly is high. It would be wrong to waste resources now if it is possible to make the same change in the future on a tight schedule. There is no doubt that in the last seven years the IDF has taken advantage of the relative calm; it was able to save many resources and divert them to long term buildup. In addition, investing in ongoing security does not serve other scenarios, while a significant portion of the investment in other areas may also benefit ongoing security.

The Budget

When he served as Chief of Staff, Ehud Barak said – and rightly so – that the limitations on improving the power of the IDF are not technological in

nature but budgetary. This essay has emphasized that the challenge to the IDF in formulating its multiyear plan is determining how to get the most operational bang out of the budgetary buck. But is the budget in fact a static given? Is it possible to find other sources of financing, either internal (i.e., from within the defense budget) or external?

The Brodet Commission, established a number of years ago to investigate the defense budget, came to two major conclusions: one, it is necessary to increase the defense budget moderately and gradually; two, the army must be required to become more efficient and save NIS 30 billion over one decade.

The Ministry of Defense and the IDF submitted the budget to McKinsey & Company for review and for suggestions on ways to improve efficiency. After about two years of work, the McKinsey team submitted its recommendations to the Director General of the Ministry of Defense and the Chief of Staff. It seemed that the team had come up with an impressive program for increasing efficiency and savings and it was even adopted by the Ministry of Defense. In practice, very little has happened – not because of a weakening of resolve (which often happens in Israel) but mostly because the work that McKinsey & Company did was fundamentally flawed.

Efficiency can be measured in two ways: achieving an increase in output per given budget (i.e., identical expenses), or achieving the same output with fewer expenses. Because the Brodet Commission already made it clear there would be no cut to the defense budget, the only way left to measure increased efficiency was by the first possibility – increasing output with the same budget. However, how do you measure increased operational output? This is far more complicated than examining the output of a commercial enterprise where there is a much simpler index of output, e.g., the total number of sales.

It would be more appropriate to undertake the assessment according to the following model. At the first stage, operational output should be defined as "muscle mass." It is necessary to tally up all the variables that produce "muscle mass" – such as how many operational battalions there are in the regular army, how many in the reserves, how many airplanes there are and of what kind, how many ships the navy has and what kind, how many

"fighting days" (in terms of munitions and spare parts) the army is set up for, and so forth. At the second stage, it is necessary to assess the cost of each component of this "muscle mass." At the third stage, it is necessary to prepare a program whereby the total "muscle" mass will increase to an equivalent cost of 30 billion NIS over one decade, and all this without increasing the defense budget (or only moderately, as suggested by the Brodet Commission). The result would be increased efficiency because it would clearly result in operational output without increasing expenditure. Because this has not been done, one could say that no real increase in efficiency has been achieved and apparently will not be achieved in the five years of the next multiyear plan.

Furthermore, internal sources of financing that could only be created as the result of major organizational changes in the IDF (and even more so, in the Ministry of Defense) will in all likelihood not be found. On the other hand, additional external sources, i.e., increases to the defense budget, are a possibility. Prime Minister Benjamin Netanyahu hinted as much in a speech he gave in April this year.

When preparing a multiyear plan one must estimate what the defense budget will be in the next five-year term. The persistent tendency of the army is to adopt optimistic estimates, prepare an expansive plan, and then struggle to make it happen. This familiar pattern will likely be repeated in the forthcoming multiyear plan.

Conclusion

The defense budget is the largest of all the government budgets. It is both natural and correct that the primary discussion of the multiyear plan take place in the Cabinet (which would dedicate several full days to the topic). Since this is not the case in Israel, a tremendous responsibility is placed on the army (the Chief of Staff) and the Minister of Defense to determine the IDF's force buildup for the next few years. An example of the importance of the decisions of this kind is Ehud Barak's decision twenty years ago as Chief of Staff to place major emphasis on precision guided munitions, a decision that made it possible for the IDF to significantly increase its operational capabilities within a given budget.

In hindsight, the army's decisions are not always correct. At times in retrospect it becomes clear that the decision should have been different (e.g., the over-emphasis placed on command and control for ground forces at the expense of maneuvering capabilities, protection systems, and night vision equipment in the period leading up to the Second Lebanon War). Nonetheless, it appears possible to rely on the army with regard to two crucial dimensions. First, the procedure of constructing the multiyear plan is undertaken with greater thoroughness and seriousness than what characterize the procedures attending decision making on other budgetary matters. Second, the process is matter-of-fact and virtually free of extraneous considerations (though egos hold some sway), and to the extent that the process takes place within the army, is also carried out with maximum transparency.

The Civilian Front: From the Threat to the Response

Meir Elran

Five years have passed since the Second Lebanon War, a major turning point in the conceptual and practical development of the civilian front in Israel. The failure of the military and civilian systems to withstand the Hizbollah attacks in the summer of 2006 exposed fundamental gaps in the general understanding of the challenges facing the Israeli home front and lacunae in the necessary preparations to confront those challenges.[1] The Gulf War had exposed some of these challenges as early as 1991, but it was only after 2006 that Israel began to take significant steps at the state, military, and local levels to improve emergency preparedness and home front capabilities to meet these challenges successfully.

The question of how to assess the efforts of the past few years stands at the center of the discussion that follows. Given the growing nature of the threat, an integrated national strategic plan that covers all the organizations involved is essential. This chapter discusses to what extent the actions taken in recent years create an encouraging picture of preparedness of the Israeli home front for an emergency, or to what extent the reverse is true, and the gap between the threat and the response continues to grow.

The Threat

Most experts agree that for the foreseeable future, the leading threat to Israel's security is not symmetrical warfare between the IDF and other state militaries. There is a consensus that the primary danger to Israel comes from terrorism in all its guises, particularly that of high trajectory

weapons.[2] In the more distant future, this threat might be enhanced by a possible change in the nuclear balance, if and when Iran adds military nuclear capabilities to its broadening missile capabilities. The likely targets for attack are the civilian population, critical infrastructures, and the vital security installations of Israel. The indirect targeting strategy against "soft" civilian targets has been the preferred approach among Israel's enemies since the 1991 Gulf War, given their awareness of the IDF's superiority and consequently their inability to avert their own military defeat on the symmetric battlefield. More than a generation has passed since the traditional military front, where "big" wars were waged between regular armies, was superseded by the "civilian front," where the enemy seeks to project a victory through offensive capabilities that are difficult to deny. Israel, for its part, has resorted to defense against this kind of threat using mostly offensive means.

Denying the enemy's gains is a crucial if difficult Israeli objective. The purpose is not only to keep civilian damages and casualties to a minimum, in itself an important goal, but mainly to thwart the consequent societal chaos and demoralization of the public under attack. There is serious danger to public morale, social cohesion, and routine functioning of the communities in emergencies. In extreme cases such severe domestic circumstances might lead to a narrowing of the government's freedom of action and maneuverability. When external political pressure is exerted on Israel to shorten the IDF counterattacks against enemy bases and to limit military operations seen as disproportionately damaging to the civilian population on the other side, there is particular importance in avoiding parallel domestic pressures.

The assumption that the civilian population will in every case weather any extensive attack is neither reasonable nor justified. The resilience the public demonstrates in the face of traumatic events is subject to many variables, including the scope, frequency, and duration of attacks, the resulting number of casualties, and the amount of damage sustained. The Home Front Command has made public the IDF's scenarios and assessments of the expected scope of attacks in an extensive confrontation and the consequent damages.[3] In a scenario of an all-out confrontation,[4] Tel Aviv, Haifa, and Safed would each be targeted by hundreds of missiles

that would result in dozens of fatalities and hundreds of injured. Other urban centers would likely suffer dozens to hundreds of missiles and fewer causalities.[5] It is unclear what is the IDF's assessment of the duration of such a confrontation or the assessment of results of a single front confrontation. Based on the figures published about Hizbollah and Hamas military buildup, particularly their high trajectory weapons, the daily average of missiles from each front would likely be at least four times what was experienced in previous single front confrontations (approximately 120 per day from Hizbollah in 2006, and some 30 per day fired at the Negev during Operation Cast Lead in 2008-9).

Table 1. Estimated Stockpiles of Enemy Rockets and Missiles

	Launchers	Rockets / Missiles	Precision (km)
Rockets			
Short range	thousands	approximately 50,000	1-2
Medium range	several dozen	thousands	0.5-1
Guided missiles			
Medium range	more than 20	200-300	0.1-0.5
Long range	more than 70	more than 800	0.2-2

Source: INSS Middle East Military Balance Project

The high trajectory weapons arsenals in the hands of Hizbollah, Hamas, Syria, and Iran (table 1) are growing steadily. The raw numbers, however, do not tell the whole story. Beyond the number of launchers and missiles, much weight must be given to the enhanced capabilities in three primary respects: expanded range, such that puts all the populated areas of Israel within weapon range; the magnified potential damage through advanced warheads, be they conventional or chemical;[6] and most of all, precision. The latter element has far reaching implications, as this capability may enable the enemy to inflict widespread damage, not only statistically, but also on selected critical civilian and military installations.[7] The enhanced ability to damage targets with pinpoint precision is also liable to result in more casualties and will allow the enemy to choose high quality targets of unique national significance. This threat will require specific and

expansive means of protection, according to a prioritized list of critical national infrastructures.

The Response

Active Defense and the Conceptual Transformation

In light of the developing threat, Israel has long been forced to consider and produce the adequate response, but only this past year did it cross the Rubicon in terms of formulating and implementing the needed strategic response. After a very long period in which the IDF embraced a traditional concept that focused primarily on deterrence and offensive response to the missile threat, a clear conceptual change has emerged. In 2011, the concept of active defense received the official and operational stamp of approval. If in the past the air force and following it the military at large – and consequently the defense establishment as a whole – rejected the recommendations to introduce the defensive component as "the fourth leg" of Israel's security concept[8] and impeded the development of the defensive option,[9] reality has overcome the reservations. The successful operational introduction of the Iron Dome system to the tri-layered active defense model that was submitted by the Minister of Defense represented the end of the lengthy debate.

This is a very significant and positive development. It neither cancels nor reduces the need for deterrence as the most important measure, and stresses that attacking terrorist bases is still the primary tool when deterrence fails. The combination of deterrence and offensive strategy remains the primary pillar of Israeli force buildup. However, it is now coupled by an active defense system that will require an extensive budget to create the capabilities that until recently were doubtful from both a technological and operational perspective.

What to a large extent made the difference is the public political pressure that was based on and stemmed from the very actual threat. A similar trend that pointed in this direction prompted the construction of the separation barrier in the West Bank during the second intifada, a decision made by the Sharon government after much hesitation and reluctance. The Second Lebanon War and the growing capabilities of Hamas in the Gaza Strip highlighted the evident need for a defensive posture. But it was not until

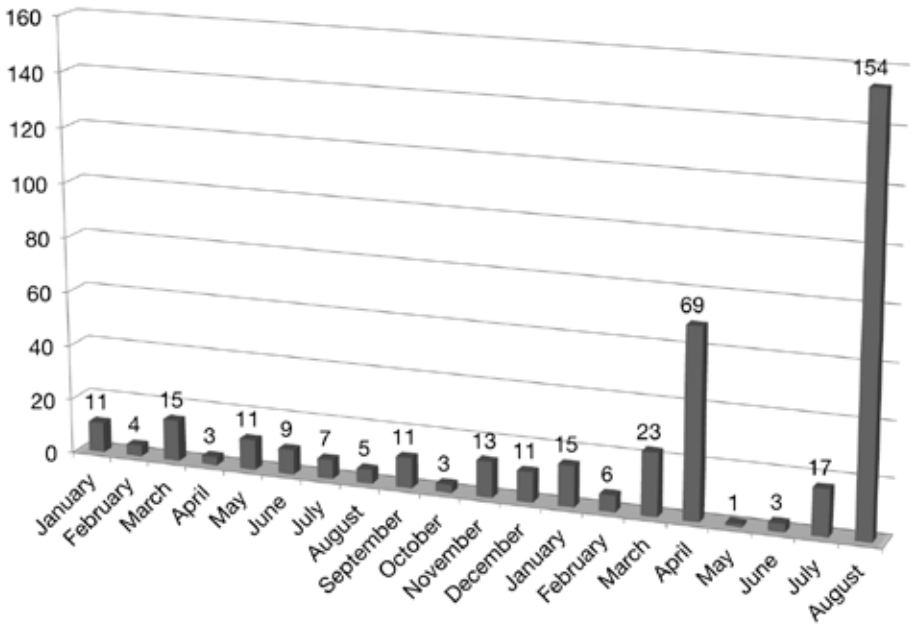
Rafael paired operational and technological assets with the organizational capabilities of the air force[10] that the potential trend was translated into a reality. Israel now has the proven capability to defend itself actively against the varied threats to the civilian front. This capability will grow and become an integrated sustainable system providing appropriate coverage towards the end of the decade.

The defense establishment, challenged by the need to internalize the dramatic change in Israel's security concept, must now decide how to deploy the still very limited system. Thus far there are only two Iron Dome batteries; clearly they are insufficient to defend all targets under attack. Until the number of batteries increases, a comprehensive approach regarding priorities is needed to determine whether to cover the population and critical civilian installations, or to give preference to the defense of the IDF's offensive force bases.[11] At present, the latter assumes priority, in order to allow the IDF uninterrupted operations so that it can attack and reduce – if not eliminate – the threat from enemy bases. The Minister for Home Front Defense emphasized this in saying, "Iron Dome will be positioned on the basis of our considerations of what needs defending. We will first of all defend our force components, those that defend us by bringing the fighting to enemy territory. We will defend civilians afterward."[12] This position is readily shared by the IDF[13] and the defense establishment in the ongoing debate with those who are directly exposed to the threat.[14] In any case, this is not a purely operational question relegated to the IDF's backyard. It is also a value laden, political, and conceptual issue. As long as the IDF lacks the sufficient forces for active defense of both civilian communities and critical installations and its own bases, the dilemma is not likely to be resolved. Therefore, Israel is still facing the challenge of quickly increasing its active defense arsenal, despite its very high cost.

The Military Response

The IDF remains the leading agency shaping the fate of the civilian front. Over the past year, its primary contribution continued to be successful deterrence vis-à-vis Hizbollah in the north and Hamas in the south (figure 1). The quiet in the north has been more evident than in the south, where there were short flare-ups in April and August 2011 – including long

Figure 1. Rockets Fired against Israel, January 2010–August 2011



Source: "Terrorism and Israeli-Palestinian Conflict News" (May 9-17, 2011), Meir Amit Intelligence and Terrorism Information Center, The Intelligence Heritage and Commemoration Center

range missiles fired towards Beer Sheva, Ashkelon, and Ashdod. This attack triggered the first operational use of the Iron Dome system, which successfully intercepted eight rockets[15] and thereby, according to the Commander of the Air Force, made "world history."[16]

If in theoretical terms the idea of active defense has been implanted, then in practical terms what makes the difference is that the trend continue. The Israeli government decided as a first stage to equip the IAF with a third battery that will become operational before the end of 2011, and three additional batteries at a later point. Currently, the future plan is to deploy 10-15 Iron Dome batteries for what the Director General of the Ministry of Defense defines as "the central platform" of the defense establishment, and invest an additional $1.2 billion in it.[17] Large sums from the defense budget will also be invested in the Magic Wand system to intercept mid

range missiles, expected to become operational after 2012.[18] At the same time, development of the improved Arrow system to intercept long range ballistic missiles continues. This means that despite the known limitations and high costs of Iron Dome, Israel is becoming one of the most advanced nations in development and deployment of active defense systems to intercept rockets and missiles of various ranges.

Far from the spotlight and at much lower cost, Israel is also developing other early warning capabilities against rocket and missile attacks. The assumption of the Home Front Command, which is spearheading this effort, is that if fewer people receive immediate warning of an imminent attack, more people outside the range of estimated impact are free to continue their daily routine. Alongside multiplying the number of alarm sites since 2006, selected and direct means of communication with the population in the high risk areas have also been developed and are presently being introduced. Already this year a new cellular warning system called Personal Message, based on a technology capable of circumventing a collapse of the cellular system, is slated to become operational, following a test incorporated into Turning Point 5, the 2011 annual national emergency exercise.

The Home Front Command and the Civilian Response

The Home Front Command also conducts several more challenging efforts in the neglected field of passive defense. The first is the distribution of personal protection kits, launched in April 2010 and progressing at a snail's pace, in part because of the indifference of the public, which may not understand the measure's necessity.[19] The rest of the distribution has not been budgeted. Hence, it will not be possible to distribute the kits to more than 55 percent of the population; the insufficient budget apparently reflects the attitude of the skepticism of the decision makers to the chemical threat.[20]

Physical, individual, public, and infrastructure protection is similarly insufficient. Over the past year, there has been little progress in closing gaps, both in the more threatened areas such as the Gaza Strip vicinity and in the heart of the country. Approximately one third of the public has no available safe space. The Home Front Command is developing plans in conjunction with local governments to map existing potential shelters,[21]

including shelters for critical services and the optional use of protected spaces, particularly underground garages in the center of large cities that could – budget permitting – be converted to mass shelters should the need arise. In the meantime, the plans are mostly on paper and the gap perpetuates. As the high trajectory precision weapons threat grows, critical civilian infrastructures will have to be properly protected at great cost. It appears that while the IDF is aware of this challenge and invests in it accordingly, local government has yet seen fit to relate to this threat. Overall, it appears that so far decision makers are reluctant to invest the necessary budget, beyond what is imposed upon them through local government pressure and Supreme Court intervention.

In addition to training its own special units, the Home Front Command serves as a leading partner in the exercises at the national and local levels. The drills are mostly designed to enhance the readiness of the various response agencies that operate in the civilian front, particularly the cooperation between them. The annual nation-wide Turning Point exercise is run by the National Emergency Authority (Hebrew acronym RAHEL), while the Home Front Command is the main trainee, along with the national agencies of first responders and the local governments.

The Organizational Dimension

In March 2011, the Knesset approved the establishment of the Ministry for Home Front Defense,[22] headed by the former Deputy Minister of Defense Matan Vilnai, who was also in charge of the civilian front in his previous capacity. The establishment of the new ministry affords an opportunity to create a fresh foundation for a national system that will professionally administer the civilian front. The central issue is responsibility and accountability. The establishment of the National Emergency Authority following the 2006 debacle of the home front did not dispel the confusion over who runs the show and may have even exacerbated it. The uncertainty stems primarily from a lack of clear guidelines issued by the political echelon; from the Israeli heavily bureaucratic structure; and from the tension between a strong Home Front Command and a weaker civilian system. The attempts by RAHEL to create and assume operational responsibility and authority over the other agencies to position it as the

leading body have failed. In fact, the complex bureaucratic setting has caused numerous problems in communication between the agencies involved and has contributed to more entanglements, such as the inability to enhance legislation of the Home Front Law,[23] budget issues,[24] and the lack of coordination at the inter-ministry level.[25]

Ideally the new ministry will be poised to enable progress in preparing the civilian front for future confrontations and improving capabilities for managing it in different emergencies. However, the current starting point is neither simple nor encouraging. Separation from the Ministry of Defense has both advantages and drawbacks, and it is important to find the right balance. It is still unclear to what extent the new ministry will survive future political upheavals. Any structure that is built will need stability and time in order to navigate the political and bureaucratic morass and create a new, constructive reality in light of the future risks and particularly the expected security circumstances.

Those charged with shaping the new ministry will also have to consider the implications of the government's control over the different first response agencies. One example is the story of the national fire fighting authority, which was transferred from the Ministry of the Interior to the Ministry of Internal Security following its inadequate performance during the December 2010 Carmel fire. The massive fire, with the high number of casualties, created a window of opportunity to increase awareness regarding the significance of the first responders also to non-security risks, such as earthquakes, and to pave the way for what will probably be a long and difficult process of improvement. Indeed, it impelled the government to take a number of decisions[26] designed to improve the civil defense systems. Yet the organizational implications of these decisions point to added divisions of responsibility[27] between different government ministries, which have long demonstrated the need for better coordination. The creation of the new Ministry for Home Front Defense may generate comprehensive strategic thinking that will take into consideration security and civilian needs and examine the much needed option of establishing an integrative, coordinated government system that will be able to tackle future challenges with greater success.

The Community Level: Boosting Social Resilience

In Israel and around the world there is widespread understanding – at least at the declarative level – that local government represents the basic building block in preparing[28] the civilian front and managing crises when these occur.[29] In order to realize this vision, RAHEL and the Home Front Command continue their efforts to improve local government capabilities and enhance preparedness for future confrontations.[30] Beyond the preparations of each municipality by its own staff, assisted by the Home Front Command's Liaison Unit[31] established in order to enhance coordination in the field in times of crisis, many localities are engaged in boosting the community resilience of the population.[32] In this critical field there are also vast differences in the level of preparedness from one community to the next, usually as a result of economic and organizational strength, the level of local leadership, and the degree of exposure to threats. There are local governments with a high level of preparedness,[33] while more than a few are woefully under-prepared for an emergency.

Most community resilience programs are built on the premise that in addition to developing disaster prevention capabilities and immediate physical response capabilities to mitigate the impact of disasters, it is also critical to develop community and social resilience.[34] This would manifest itself in the community's ability to bounce back quickly and recover from traumatic events and return to normative systemic functioning in a short period of time.[35] Israel, with its extensive experience with security challenges, started dealing with the enhancement of community resilience already in the 1980s, particularly in the north, which sustained continuous terrorist attacks.[36] RAHEL and the Home Front Command, via its Population Department, are now working on two major projects to promote community resilience: one through the Cohen-Harris Resilience Center[37] and the other through the Israel Trauma Coalition.[38] The latter runs the five resilience centers established in the south, on the basis of a government decision and funding. These two organizations have formulated different models to develop community resilience and assist social coping with extreme crises at local levels.

The City Resilience Program[39] works to build community preparedness for emergencies by means of improving the capabilities of municipal and

ancillary systems (including volunteer groups), as well as empowering residents in general and children in particular in preparing for crises. A prominent feature in the program is the work with the Ministry of Education and the Educational Psychological Service to raise awareness and preparedness of school children. A study about implementation of an education resilience program in Ashkelon before and during Operation Cast Lead showed a 50 percent decrease in the occurrence of PTSD among children who participated in the program compared with children who did not.[40] This result underscores the significant contribution of the relatively limited investment in community resilience.

Still, notwithstanding the growing awareness of the need to develop social resilience and the success of the few programs already in place, there is a discouraging gap, particularly budgetary, between intent and action. Most local governments have a difficult time raising the necessary funds. The result is that existing programs do not cover many municipalities (e.g., Jerusalem is not included) and there is more than a shadow of a doubt about their sustainability, mostly because they are based on temporary staff of NGOs. Another impediment is the absence in this social project of the Ministry of Welfare, which was one of the first agencies to develop the professional skills to promote community resilience.[41]

Overall, then, the general trend is positive, but practical implementation is slow, limited, and ridden with obstacles. In addition, organizational divisions remain an issue, plans of action change constantly, and the continuation of existing programs over time is far from certain. The result is the ongoing gap between understanding the need at the theoretical level and the practical commitment to invest the required resources.

Conclusion: Is the Gap between the Needs and the Response Narrowing?

It is no coincidence that the progress made in Israel over the last year in improving the civilian front's preparedness for a security confrontation lies in prevention and protection in the technological/operational context. This phenomenon is typical of developments elsewhere. Nations still invest most of their resources in physical prevention when trying to cope with mass disasters, whether natural or manmade. A very small portion is invested in

preparation for rebuilding systems damaged in an event, i.e., infrastructure and social resilience. This is the case despite the fact that it has repeatedly become evident, including in recent major disasters such as in Fukushima, Japan in 2011 and in Hurricane Katrina in New Orleans in 2005, that mass disasters are never completely preventable. In many instances the lesson has been that most of the damage caused by mass casualty events, beyond the immediate impact, could have been sharply reduced, and that systemic reconstruction could have occurred much faster had there been appropriate preliminary preparation. However, as in the world at large, Israel too has not implemented these lessons. In other words, even if it is appropriate to invest, to a reasonable and realistic degree, in defense and prevention, it is no less important to invest in developing infrastructure and social resilience, which requires far less resources and whose yield is relatively high.

In the past year, Israel has taken an important step in the field of active defense against what right now seems to be the immediate security threat. Much more needs to be invested in this field, but it seems that the die has been correctly cast with developing operational capabilities. This matter, which raised extensive public discourse (more than other topics with high price tags and many ramifications, such as, e.g., equipping the IAF with F-35 stealth planes), is of significance not only in terms of the decision to adopt active defense in principle, but also in terms of the policy of deployment. The discourse on the part of the political echelon is typically vague: it has tried to give the impression that active defense is intended to protect civilians, whereas in fact the intention is to use the limited arsenal primarily to protect IDF assets. This sort of obfuscation, which is also true of the distribution of the personal protection kits, tarnishes the credibility of the political leadership; this in turn might lead to impaired societal resilience, which to a large extent is supposed to rely on the credibility of the nation's leaders.

At any rate, the progress made in the realm of active defense, as well as in the field of selective early warning, reflects a positive trend. It provides a much needed factor in closing the gap between the threat and the response, particularly as long as the enemy does not make a qualitative leap in building its rocket arsenal, especially with regard to precision.

The trend is much less encouraging with regard to building the "soft" aspects of the system. A long and difficult road lies ahead before an integrated response that meets the nation's needs is in place. Most of the successes in the field – and there are many – are still a smattering of actions and programs spread, sometimes randomly, across Israel, some without any sustainable budgets or staffing. These do not add up to a comprehensive, orderly strategic vision and action plan, formulated and agreed on by the agencies involved. Israel in 2011 has no strategic plan for building appropriate preparedness for the civilian front. The new Ministry for Home Front Defense may generate an orderly, long term strategy, which would also be backed by a multiyear budget and would clearly define both the goals, stages, and means to attain them, as well as those responsible for their implementation. Until then, the preparedness of the civilian front for a multi-front confrontation ranks as average at best. As such, it does not suffice to narrow significantly, let alone close, the gap between the threat and the response.

Notes

1 *The State Comptroller's Report: The Rear's Preparedness and Its Functioning During the Second Lebanon War*, July 2007, and Meir Elran, "The Civilian Front in the Second Lebanon War," in Meir Elran and Shlomo Brom, eds., *The Second Lebanon War: Strategic Perspectives* (Tel Aviv: Institute for National Security Studies, 2007), pp. 103-19.

2 Some would question the inclusion of high trajectory weapons under the rubric of terrorism. Terrorism here includes all means intended to harm the civilian non-combatant population as a way to achieve political goals. In this regard, there is no difference between a suicide bomber and a Qassam rocket: both are deployed out of identical motivation against civilian targets with identical goals.

3 Yaron Elazar, "Home Front Command Assesses: In the Next War, Dozens of Fatalities in Tel Aviv, Hundreds of Missiles in Haifa," *Bamahane*, March 25, 2010.

4 The scenario includes Syria but apparently not Iran. With regard to an Israeli military attack against Iran's nuclear installations, Meir Dagan, former chief of the Mossad, said that "the Iranians have impressive capabilities and they can fire missiles at us for months on end at the rate of two or three a day." Yossi Melman, "Ex-Mossad Chief Dagan: Military Strike against Iran would be 'Stupid,'" *Haaretz*, May 8, 2011.

5 Operations research commissioned by the IDF indicates there would be one death and a few dozens of badly wounded for every 100 missiles and rockets hitting the Israeli rear. Ron Ben Yishai, "Defending against Saddam's Successors: Push Off the War until 2015," *Ynet*, January 14, 2011.

6 The IDF continues to prepare for the chemical scenario, including with exercises that also incorporate civilian systems. See, e.g, the exercise conducted jointly by the Home Front Command, the Ministry of Health, Magen David Adom, the Israel Police, and firefighters on May 25, 2011 in Tel Aviv, that simulated an attack with chemical missiles, http://www.idf.il/1133-11407-he/Dover.aspx.

7 See data about the missile and rocket arsenals in Israel Missile Defense Association, at http://imda.org.il/ImdaRoot/hebrew/index.asp.

8 Alongside deterrence, early warning, and decision, as proposed, e.g., by the commission headed by Dan Meridor in 2006. See Shay Shabtai, "Israel's National Security Concept: New Basic Terms in the Military-Security Sphere," *Strategic Assessment* 13, no. 2 (2010): 7-18, at http://www.inss.org.il/upload/(FILE)1283413333.pdf.

9 Uzi Rubin, "From Irritant to Strategic Threat: The Rocket Attacks from the Gaza Strip against the South of Israel," *Studies in Middle East Security* No. 87, Begin-Sadat Center, January 2011, pp. 33-37.

10 Last year the IAF reorganized its air defense system to introduce a new wing of surface-to-air units that will accommodate Iron Dome and future active air defense systems. The new setup comprises surface-to-air missile units, anti-missile systems, missile testing units, and tactical units; it is headed by an officer with a rank of brigadier general who answers directly to the Commander of the IAF. The purpose of the aerial system is to intercept from the ground threats coming from the air and space.

11 See Anshel Pfeffer, "Air Force Estimates: Hundreds of Missiles at IAF Bases in the Next War," *Haaretz*, March 8, 2010.

12 Anshel Pfeffer, "IDF will Deploy Third Iron Dome in Next Half Year," *Haaretz*, April 13, 2011.

13 GOC Northern Command Gadi Eizenkot said: "Let the citizens of Israel harbor no illusions that someone is going to put up an umbrella over their heads… The systems have been designed to defend Air Force bases, Navy bases and recruitment bases, even if this means that in the first few days of battle things will be uncomfortable for the citizenry." No less interesting was the response of the Haim Yellin, the head of the Eshkol Regional Council: "I would like to remind us all that the government decided to develop the Iron Dome system at the cost of about one billion shekels in state budgets in order to protect the settlements

in the vicinity of the Gaza Strip." See Shmulik Haddad and Ilana Curiel, "Gaza Envelope against Eizenkot," *Ynet*, December 1, 2010.

14 The heads of the regional authorities in the Gaza envelope have long been engaged in this debate. See, for example, their intention to appeal to the Supreme Court to compel the government to deploy Iron Dome batteries for protection of the civilian population in Yanir Ygena and Amos Harel, "Gaza Area Communities will Petition the Supreme Court to Obligate the State to Finance the Iron Dome System," *Haaretz*, April 26, 2010.

15 Meir Amit Intelligence and Terrorism Information Center, April 2011, http://www.terrorism-info.org.il/malam_multimedia/Hebrew/heb_n/html/ipc_185.htm.

16 http://dover.idf.il/IDF/News_Channels/today/2011/04/0911.htm.

17 In an interview with Amos Harel, "Defense Ministry CEO: World is Interested in Iron Dome," *Haaretz*, May 9, 2011.

18 The system will soon undergo systemic testing, and is expected to be introduced into operation over the next few years, according to Pini Yungman, the head of the Magic Wand project at Rafael, at Military & Aviation 2011 Conference, May 31, 2011, http://www.idf.il/1133-11660-HE/Dover.aspx.

19 In April 2011, it was reported that 31 percent of the public possess kits. Minister for Home Front Defense Matan Vilnai estimated that the probability of chemical weapons being used against civilians is not high. Amos Harel, "An Ongoing Scandal," *Haaretz*, April 28, 2011.

20 For more on the topic the chemical threat and the response, see. Lt. Col. S. and Lt. Col. A, "Preparing for Chemical Terrorism," *Maarachot* 432, August 2010, pp. 40-45.

21 "The Home Front Command Protection Systems Department, Guide for Preparing a Local Authority Defense Plan," March 2010, at http://www.oref.org.il/sip_storage/FILES/1/1131.pdf.

22 On the basis of Government Decision #3048 of March 27, 2011.

23 Meir Elran, "A Home Front Law for Israel," *Strategic Assessment* 13, no. 4 (2011): 51-60, at http://www.inss.org.il/upload/(FILE)1295870251.pdf.

24 As reflected by the failure to create a designated multiyear budget for the home front, consistent with the vision of the then deputy minister and also in the absence of sufficient budget funds to distribute personal protection kits, despite this being recommended by the Home Front Command.

25 This is manifested in particular in the rift between the Ministry of Defense/RAHEL and the Ministry of Welfare, where coordination is critical in connection to community resilience.

26 Government Decision #2699 of January 9, 2011, at http://www.pmo.gov.il/PMO/Secretarial/Decisions/2011/01/des2699.htm.

27 See, e.g., the establishment of the squadron of fire fighting airplanes (outsourced for operation by a private company) in the framework of the Air Force, while the new Fire Fighting Commission is established under the purview of the Ministry of Public Security.
28 Simon Hakim and Erwin A. Blackstone, eds., *Safeguarding Homeland Security: Governors and Mayors Speak Out* (Springer, 2009).
29 National Emergency Authority, "Basic Philosophy for Leading the Home Front in an Emergency," April 2010 (temporary).
30 The Home Front Command, Population Department, "Doctrine of Civilian Defense in the Local Government," May 2007.
31 The Home Front Command, Population Department, "The Local Government Liaison Unit Book," November 2008.
32 See, e.g., Tel Aviv's preparations at http://www.tel-aviv.gov.il/Tolive/Security Emergency/Pages/EmergencyPrep.aspx?tm=2&sm=20&side=299.
33 This is evident in the Gaza area communities and also, for example, in Haifa, where during the December 2010 fire it was clear that the management by the municipality together with other first responders, local and national, created a high level integrated capability that allowed the challenge to be met, including widespread evacuation of residents from their homes.
34 See, e.g. Stephen Flynn, *The Edge of Disaster: Rebuilding a Resilient Nation* (New York: Random House, 2007); Douglas Paton and David Johnston, eds., *Disaster Resilience:, An Integrated Approach* (Charles Thomas, 2006); Louise Comfort, Arjen Boin, Chris Demchack, eds., *Designing Resilience: Preparing for Extreme Events* (Pittsburgh: University of Pittsburgh Press, 2010).
35 For definitions and discussion of the significance of social resilience in crises, see Meir Elran, *Israel's National Resilience: The Effect of the Second Intifada on Israeli Society*, Memorandum 81 (Tel Aviv: Jaffee Center for Strategic Studies, 2006); Fran Norris, Susan Stevens, Betty Pfefferbaum, Karen Wyche, Rose Pfefferbaum, "Community Resilience as a Metaphor, Theory, Set of Capabilities, and Strategy for Disaster Readiness," *American Journal of Community Psychology* 41 (2008): 127-50; and John Plodinec, *Definitions of Resilience: An Analysis*, Community & Regional Resilience Institute (CARRI), November 2009.
36 See, e.g., Mashaabim Center, established by Prof. Mully Lahad, which initiated and developed the concept and system for northern Israel, at http://www.icspc.org/, as well as Mully Lahad and Udi Ben Nesher, "From Improvising under Trauma to Developing and Doctrine: Community Responses to Terrorism – Preparation, Intervention and Rehabilitation," in Eli Somer and Avid Bleich, eds., *Mental Health in Terror's Shadow: The Israeli Experience* (Ramot: Tel Aviv University Press, 2005), pp. 271-300.

37 Operated since 2010 by RAHEL in 18 local governments. See http://www.childrenatrisk.co.il/Gallery.asp?PiD=0.2&id=8.

38 Operated since 2007 by the Home Front Command in five resilience centers in the Gaza Strip region and in four localiities in the north. See http://israeltraumacoalition.org/.

39 See summary of the City Resilience Program for emergency preparedness, Leon Charney Pilot 30, 2011, Cohen Harris Resilience Center.

40 http://cms.education.gov.il/EducationCMS/Units/Shefi/YedaMiktzoeiHachshara/TochniotLeumiot/HosenHinuch.htm and Mully Lahad, *Children Coping with Stress and War: The Civilian Front – Managing the Rear in Emergencies*, Broadcast University Library, Ministry of Defense Publishers, 2011, pp. 79-90.

41 http://www.molsa.gov.il/NR/rdonlyres/EB2F2D3F-8FE4-4C6C-AAEF-91CDEDF5C5EF/7736/tzahi1.pdf, and Miriam Shapira and Hagai Dafna, "A Model for Using Volunteers under the Threat of Terrorism: The Population Centers' Emergency Teams," in *Mental Health in Terror's* Shadow, pp. 259-70.

Israel's National Security Economy: Defense and Social Challenges

Shmuel Even

Over the past five years the Israeli economy has demonstrated impressive stability and growth in comparison with other developed countries, and in May 2010 Israel gained membership in the Organization for Economic Cooperation and Development (OECD). Nonetheless, the Israeli economy faces difficult long term challenges, with potential implications for the state's ability to finance high defense consumption, the economy's effect on internal socioeconomic stability, and even Israel's global status. These risks are in part a function of the decline of human capital in Israel (due to the weak education system), instability in the global economy, and the security situation. On the other hand, Israel also has opportunities that allow rapid long term growth. This chapter analyzes Israel's economic situation in the broader sense of national security.

What is "National Security"

In its narrow connotation, national security focuses on foreign affairs and security alone. In the broader sense of the term, however, national security is the ability of a nation to defend itself and achieve its national goals at – at least – a minimum basic level[1] in security, foreign policy, welfare, economy, science, and so on. The strategic document prepared by the US National Security Council and distributed by the White House in May 2010 defines four main areas of focus: security, prosperity, values, and international order. Prosperity includes: strengthening human capital and education relevant to national security; promoting science, technology,

and innovation; achieving balanced and stable economic growth; and heightening efficiency in the use of taxpayers' money. Commenting on the document, Secretary of State Hillary Clinton said that for the first time, emphasis was placed on the economy and national debt in the context of US national security, an important and far reaching change from the approach of previous administrations.[2]

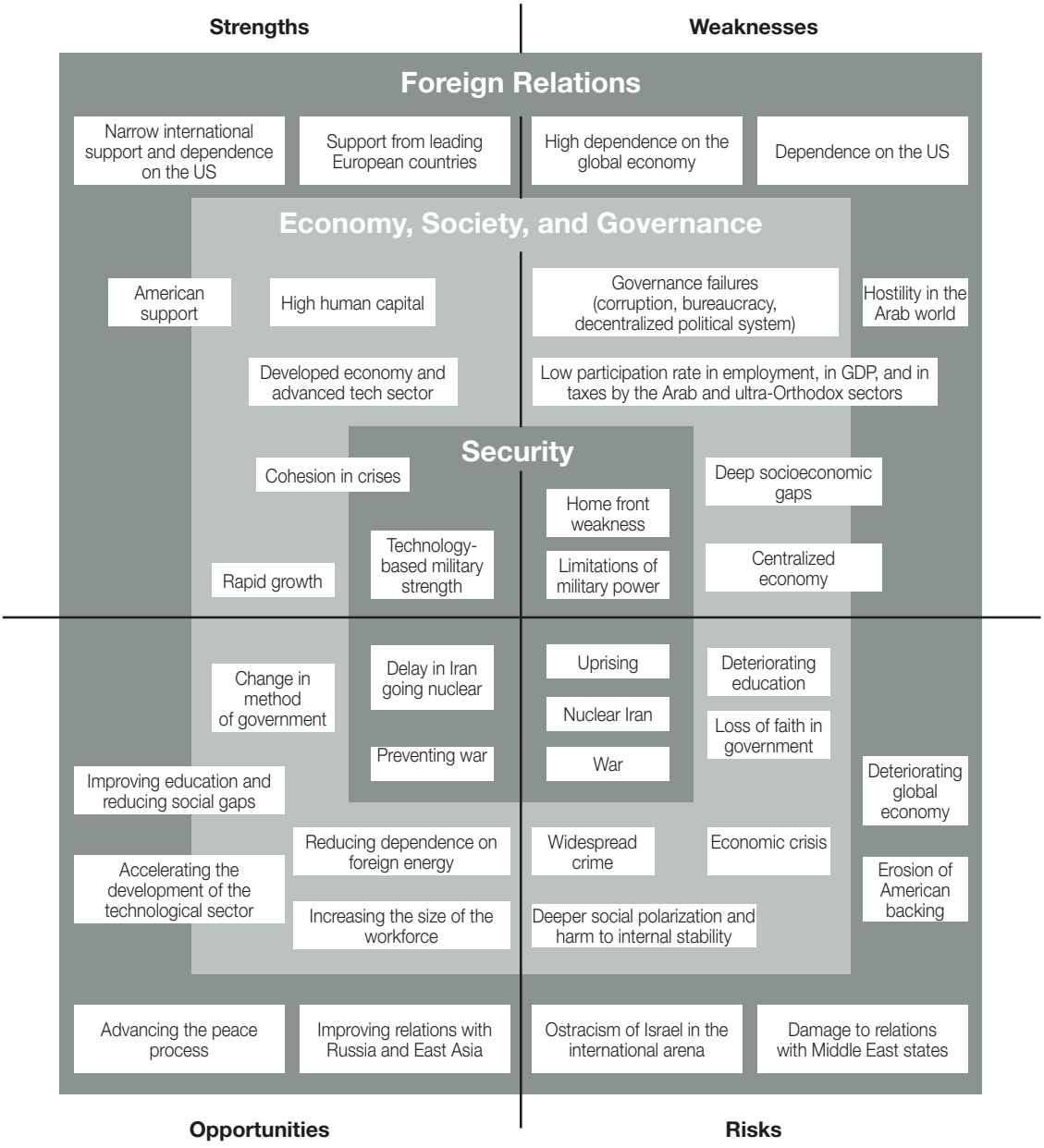
The broader definition of national security makes it possible to discuss a variety of risks facing the nation in a single risk management framework. For example, war risks can be weighed against the risks to internal stability that stem from economic and social issues. A broad perspective also makes it possible to take into account interdisciplinary synergy (between economics, foreign affairs, social policy, demographics, technological development, defense, and so on) and identify opportunities from an overall perspective (figure 1). Still, it is incumbent on every government to define the concept of national security as it sees fit, along with the indices to achieve it. Without limiting the concept, the issue is liable to lose focus because it is possible to connect any and every topic in some manner to national security in its broader sense.

In Israel, there is no single entity that deals with national security in its broader sense, including the National Security Council, which is charged with this challenge. The only entity in the country that comes close to seeing the entire picture is the Ministry of Finance, charged with preparing the nation's budget. However, it maintains its own particular perspective and is not responsible for analyzing non-economic strategic threats.

The primary functions of the state and its institutions with regard to the economy are as follows:

a. Optimal management of the economy, while providing freedom to market forces on the one hand and intervening in the market for the general good on the other. This includes shaping policy and creating conditions for reliable economic growth and full employment.
b. Providing resources to the public sector for the sake of achieving national goals (defense, education, health, welfare, science, culture) and fostering efficient utilization of those resources.
c. Developing and maintaining infrastructures for economic and social activity (energy, food, transportation, finance, and so on).

Figure 1. Selected Factors Affecting National Security



d. Ensuring economic stability (e.g., price stability, labor market, financial system).
e. Making and encouraging investments to generate economic resources that will make it possible to fulfill national needs in the coming years, and avoiding liabilities that will mortgage the resources of coming generations.
f. Taking advantage of opportunities to expand trade and foreign economic ties.
g. Reducing as much as possible dependence on foreign parties in areas liable to constrain the economy and national security (e.g., debt and energy sources).

Major Developments in the Israeli Economy

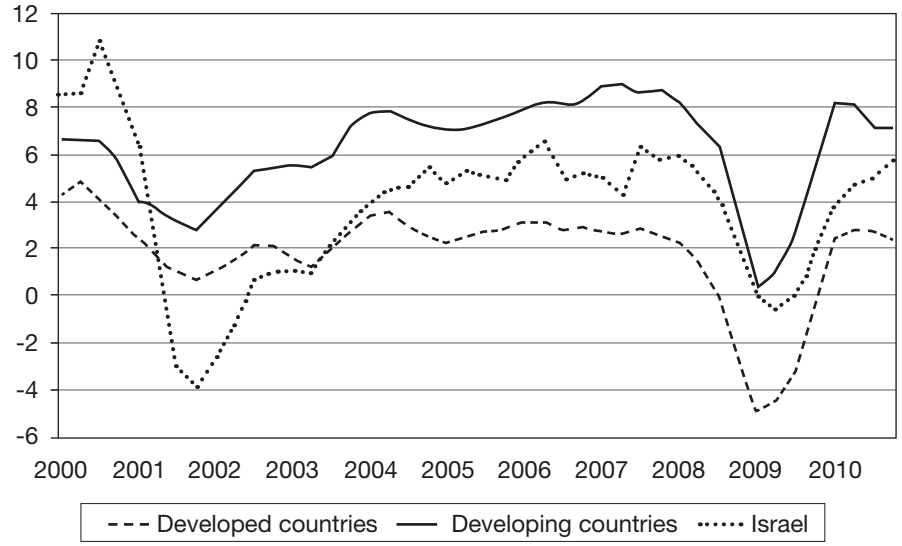
GDP and Growth

To a large extent, Israel's long term national security depends on the Gross Domestic Product (GDP) – the main source of civilian consumption, defense consumption, and investment. In 2010, Israel's GDP totaled 811.4 billion NIS, and per capita GDP reached 105,000 NIS ($27,700).[3] In real terms, GDP (growth) rose 4.6 percent in 2010, following increases of 0.8 percent in 2009 and 4.2 percent in 2008.[4] For the sake of comparison, OECD countries experienced a growth rate of 2.8 percent in 2010 (figure 2). Nonetheless, per capita GDP in Israel (in terms of purchasing power) is still 16 percent lower than the OECD per capita average.

The Israeli economy is export oriented. In 2010 Israel's export of goods and services totaled 300 billion NIS (37 percent of the GDP), compared with 266 billion NIS in 2009 and 290 billion NIS in 2008. In 2010, imports of goods and services totaled 283 billion NIS, compared with 247 billion NIS in 2009 and 301 billion NIS in 2008.

These figures highlight the economy's dependence on overseas markets for growth and for imports of raw materials, consumer goods, and services. This dependence obligates Israel to maintain a high level of competitiveness in the world market and adapt the economy dynamically to structural changes in the global market. As such, Israel must: identify areas in which Israel has relative advantages likely to enhance its ability to tap opportunities in growing markets; channel education, training, and

Figure 2. GDP Growth in Israel vs. in Developed and Developing Countries, 2000-2010



Note: Quarterly data: changes in quarterly percentages in comparison with the corresponding quarter in the preceding year.

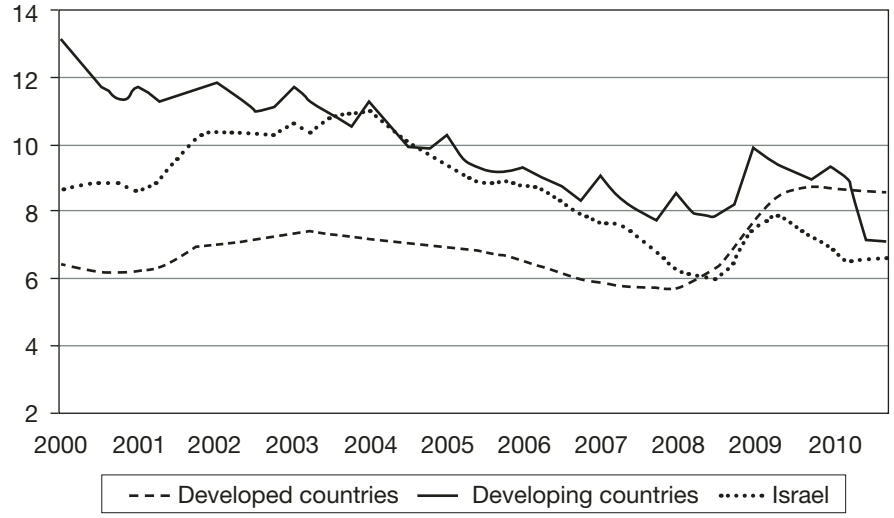
Source: Bank of Israel, March 30, 2011

employment to sectors in which Israel will be able to compete in knowledge-intensive fields in the global market; diversify efforts among the global markets to reduce the economy's vulnerability to international crises and changes in currency exchange rates; and develop foreign relations in order to maintain the necessary level of exports.

Employment

The labor market has a notable effect on national security, because the work force is the most important production factor in the economy and because employment is important to social stability. At high (two digit) unemployment levels, unemployment is liable to have widespread negative systemic effects, such as loss of GDP and the diversion of more resources to social needs at the expense of other national needs.

Figure 3. Unemployment in Israel vs. in Developed and Developing Countries, 2000-2010



Note: Seasonally adjusted quarterly changes

Source: Bank of Israel, March 30, 2011

The rapid growth experienced by Israel has improved the labor market. At the end of 2010 the unemployment rate in Israel was 6.6 percent of the (civilian) labor force, compared with 10 percent in the Euro bloc and 9.6 percent in the US (figure 3). According to the Bank of Israel forecast, unemployment will continue falling to 6.1 percent in 2011 and 5.9 percent in 2012.

Concomitantly, the degree of participation in the work force in Israel has increased, rising from 54.5 percent in 2003 to 56.3 percent in 2007 and 57.3 percent in 2010. This phenomenon was accompanied by further positive changes in the labor market, such as the transition of workers from the services sector to the business sector and the rise in the number of full time jobs (the number of part time jobs rose at a lower rate). The explanation for this trend lies in an improved economic situation and specific government measures, such as a reduction in the employment of foreign workers, the introduction of a negative income tax, and a higher retirement age in Israel, which contributed to an increase in the number of older adults in the work

force. Yet despite these achievements, the rate of participation in the work force in Israel is still lower than in other developed countries. In the US, for example, participation in the work force of working age people is over 65 percent.

The low percentage of potential laborers in the work force in Israel is due in part to the low representation of the ultra-Orthodox and Arab sectors (about 30 percent of the population), especially by women in the Arab sector[5] and men in the ultra-Orthodox sector. In comparison with the rest of the population, these two sectors have high natural population growth rates and low labor productivity, but typically receive a large share of government stipends.

A forecast of the labor market is made through the prism of the education system: in 2014, the percentage of those studying in the ultra-Orthodox and Arab education systems will reach 50 percent of the total number of students in Israel, compared with 34 percent at the beginning of the century. This trend has not been accompanied by implementation of a core curriculum and the basic education essential for the inclusion of pupils from these sectors in the future labor market.[6] The risk inherent in this trend is that continued rapid growth of assisted populations (needing governmental monetary supplements in order to subsist) and the difficulty in raising additional resources from the upper income levels are liable to impede growth, lower the standard of living of the entire population, and even encourage emigration among those with superior qualifications and labor productivity, particularly during periods of prosperity in the global economy. Conversely, developing these sectors and creating conditions in the labor market for their employment are likely to lead to a rise in Israel's GDP and a reduction in poverty.

The Income Gaps in Israeli Society

Despite the improved rate of participation in the labor market and the impressive data on growth, a large proportion of the population is not benefiting from it[7] and is experiencing relatively low wages and income. Wage gaps are the result both of wage stagnation or lower wages among the lower percentiles and of the excellence of workers, mostly among the upper income percentiles, well equipped to compete in the global economy

Table 1. Distribution of Income and the Income Tax Burden in Israel

Population Decile	Ratio of gross income to total gross income (%)	Ratio of income tax to total income tax paid (%)
1	1.0	0.0
2	2.0	0.0
3	3.1	0.0
4	4.3	0.0
5	5.5	0.2
6	6.8	1.0
7	8.6	2.4
8	11.2	6.1
9	16.1	15.6
10	41.4	74.7
	100.0	100.0

Source: Tax model of the Ministry of Finance Economic Research and State Revenue Administration, from Merav Arlosoroff, "No One in Israel Left to Pay Income Tax," *The Marker*, April 11, 2011.

thanks to their skills. At the same time, many senior personnel in the Israeli economy receive high pay, not necessarily related to their contribution to the GDP. Thus, Israel is plagued by extreme income gaps (table 1), and these constitute the main reason for the large socioeconomic gap that contains the potential for social instability.

The income-based structure in Israel has also led to erosion of the middle class, i.e., the people in Israel who constitute the backbone of the country's work force, society, and defense. For example, the six middle deciles (the third, fourth, fifth, sixth, seventh, and eighth deciles, accounting for 60 percent of the population) earn only 40 percent of the gross income in Israel. Only in the top layer of this group is there equality between its relative percentage of the population and its share of income.

Table 1 shows that only about one half of the population pays income taxes, because the other half earns less than the tax-paying threshold. It also shows the dependence of the state treasury on the income of the top decile, which constitutes the source of 75 percent of the income tax paid in Israel and 65 percent of Israel's direct taxes (income tax, National Insurance Institute payments, and health tax). At the same time, direct tax

rates have fallen in recent years, while indirect tax rates (VAT, taxes on fuel and cigarettes, and so on), which also affect people who do not pay income tax, have risen. In 2010 indirect taxes exceeded 50 percent of total tax collections in Israel, putting Israel in third place among OECD countries in terms of the indirect tax burden.[8]

Education

Human capital is Israel's main asset, representing the growth engine of the country's economy and society. The downward trend in the educational level in Israel is therefore particularly alarming. A January 2010 OECD report indicated that the level of high school students in Israel in mathematics, reading, and science was lower than that of their counterparts in other developed countries.[9]

The proposed state budget for 2011-2012 states:

> The level of achievement of Israeli students, including those at the highest level, is comparatively low: the achievements of the higher education system are declining, together with the aging of the academic staff and the high rate of Israeli academics assuming teaching and research positions in foreign universities. The decline in the volume of investment in the risk capital industry, together with its growth in competing countries, is detracting from this sector's ability to continue growing, especially when it is joined by a decline in the number of those earning science and engineering degrees, while these fields are experiencing accelerated development in a host of developing countries.[10]

If the decline in the level of scientific and technological education continues, it is liable to be reflected in the erosion of Israel's human capital relevant to its economy's competitiveness. One may expect this to be followed by a drop in exports and GDP growth. Furthermore, a negative impact on military power, which relies more and more on highly advanced technologies, is possible. Generating a change in education is not easy, but it is achievable and indeed indispensable for Israel's national security.

Financial System and Price Stability

The Israeli financial system, particularly compared to the financial systems in the US and Europe, demonstrated its robustness during the 2008-2009 global crisis. According to the Bank of Israel, the financial institutions, including the banks, gained additional stability thanks to the lessons of the crisis, reflected in part in the continued strengthening of their capital structure. Nevertheless, the real estate market is one of the risk factors in the financial system. The risk lies in a decline in the ability of homeowners and construction companies to meet their obligations to the financial system should market conditions change, as occurred in the crisis in the US. From the recession of early 2008 until the end of 2010, housing prices in Israel rose 39 percent in real terms and homeowners took large mortgages, some at variable interest rates (which are on an upward trend). Following this development and the housing crunch in Israel, the Bank of Israel and the government have taken steps to moderate the real estate market.

Inflation – the uncontrolled rise in prices – constitutes one of the basic risks to economic stability, as occurred in Israel in the first half of the 1980s. In the twelve months between June 2010 and June 2011, inflation reached 4.2 percent, higher than the 1-3 percent target set by the government. Israel's current rate of inflation does not constitute a risk to market stability, but by the middle of 2011 the rising prices of essential goods (such as food, water, electricity, and housing), along with the large wage gaps, sparked the outbreak of social protests that gained strength, momentum, and popularity throughout the country in the weeks and months that followed.

As part of the effort to check inflation, the Bank of Israel increased the rate of monetary interest from a low of 0.5 percent in September 2009 to 3.25 percent in June 2011 (though this is still a negative real interest rate). The difference in interest rates between Israel and other countries and the surplus in the current account in the balance of payments ($6.7 billion in 2010) increased the flow of capital to Israel and strengthened the shekel against the dollar and other currencies. While the strong shekel is evidence of the trust of global markets in the Israeli economy, it has a negative impact on the competitiveness of Israeli enterprises in both the overseas and the domestic markets. At the same time, the Bank of Israel

and the treasury have taken steps to decrease the profitability of financial investment by foreign residents in short term government bonds.

As a result, the Bank of Israel finds itself maneuvering between two contradictory tasks: on the one hand it has raised the interest rate (thereby supporting a strong shekel) in order to curb inflation,[11] while on the other hand it has purchased foreign currency in the domestic market (in order to weaken the shekel). As a result of foreign currency purchases, in June 2011 the Bank of Israel's foreign currency reserves reached an all-time peak of $77 billion; however, the exchange rate remains low (hovering around 3.50 NIS to the dollar). According to the Bank of Israel, these balances will strengthen the economy's ability to withstand geopolitical risks,[12] as they allow the country to finance imports for a long time during a crisis. Critics of this policy say that it is contrary to market forces and is also very costly.

Debt-to-GDP Ratio

The public debt is a direct function of past budget deficits, and reflects the resources mortgaged by previous governments at the expense of the future. The ratio between the gross public debt and the product (debt-to-GDP ratio) is considered an important index measuring the stability of the public sector. This figure also has implications for the defense sector, because a relatively low debt allows the state to raise a good deal of capital when the security situation requires it to do so, whereas a large debt mortgages a significant portion of the government's resources to debt repayments and interest at the expense of other uses, including security.

Israel's situation in terms of its debt-to-GDP ratio is more favorable than that of many other countries and relative to its own situation in the past. In 2010 Israel's debt-to-GDP ratio was 76.3 percent of the GDP, versus 79.3 percent in 2009 and 99 percent in 2003. The Bank of Israel forecasts a further reduction of the ratio to 75.2 percent in 2012. The aim of the Israeli government is to reach a debt-to-GDP ratio of around 60 percent by 2020. Attaining this objective requires the combination of continued rapid growth and budgetary restraint.

Energy Security

Israel is in the midst of a new era in the energy field, dominated by a transition to the use of natural gas and an increased use of renewable energy over oil consumption. In 2010 natural gas consumption in Israel reached 5 billion cubic meters, at a value of 3 billion NIS, and gas accounted for 37 percent of electricity production in Israel. Gas consumption is likely to at least double in the coming decade;[13] primary gas consumers are power plants and industrial enterprises, and in the future they will be joined by the transportation sector.[14] Most of the gas comes from Israeli offshore gas fields in the Mediterranean Sea, with the remainder imported from Egypt. The use of gas saves money on energy and contributes to the environment. When the gas comes from Israeli fields, it has additional advantages, such as large revenues for the state treasury,[15] increased investment in Israel, growth in the GDP, and reduced energy dependence on overseas sources.

This trend was made possible primarily due to the discovery of gas fields near Israel's shores. In this context three milestones are noteworthy.[16] The first is the discovery in 1999-2000 of a gas field off the Ashkelon coast (the Tethys Sea reserves), which has provided the Israeli economy with natural gas since February 2004. A large portion of the gas in these reserves has already been used, while the remainder is slated to serve the gas economy at least until the supply of gas from the Tamar field is well established some time in 2013. The second is the discovery in 2009 of the Tamar field, 90 kilometers west of Haifa. Estimates of the gas reserves in this field range from 184 to 247 billion cubic meters. Within a few years, the Tamar field is due to become the main source of gas energy in Israel for many years. In 2009, gas was also discovered in the Dalit field about 60 kilometers west of Hadera. The reserves in this field are estimated at only 14 billion cubic meters, which makes its development less worthwhile. The third milestone is the discovery in 2010 of gas in the Leviathan formation (the Amit and Rachel fields west of the Tamar field). Estimates of the gas reserves in this formation range from 320 to 450 billion cubic meters. Development of the Leviathan formation will allow large scale gas exports.

The discoveries of gas in Israel reduce dependence on imported fuels, at least for the Israel Electric Company and industrial uses. The use of natural gas increases the feasibility of desalinizing seawater, thereby

solving the ongoing water shortage in Israel and reducing the potential for confrontations based on the regional distribution of water. This is a good example of a situation in which capital can alleviate political tension. At the same time, it is necessary to safeguard gas production and pipelines and maintain alternatives in case of system malfunctions or irregularities.

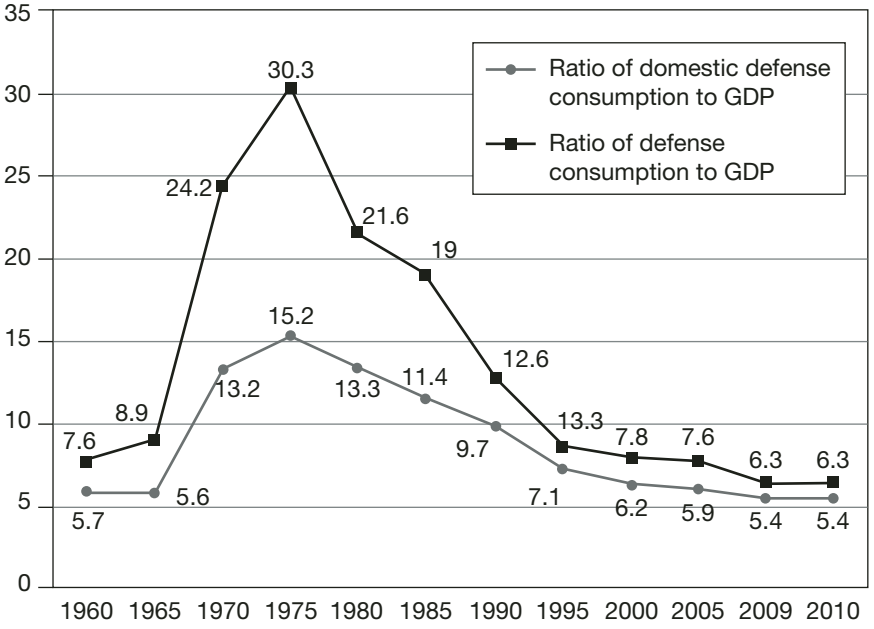
Moreover, despite the gas discoveries, Israel has an interest in continuing to import gas from Egypt, a significant element in their bilateral relations, which are almost completely devoid of other economic and social elements of normalization. This source is also important in preserving competition among the gas producers. Nevertheless, the interruptions in Egyptian gas exports to Israel caused by several terrorist attacks on the gas pipeline in Sinai and the sensitive political debate in Egypt over the issue of continuing its gas supply to Israel highlight the risk in relying on this source.

The Israeli Economy and the Security Establishment

The strength of the military is the heart of any national security program; this is especially true of Israel in which military defeat is potentially an existential issue. The resources channeled to the security establishment affect its ability to defend the state and its sovereignty from war, terrorism, and other hostile activities, its ability to deter enemies, thereby preventing war and hostile acts, and its ability to keep military confrontations short, thereby limiting their damage. Proper defense preparation saves not only lives but also serious damage to the economy. Conversely, undermining security over the long term has a significant negative impact on the economy, as was the case during the second intifada, for example.

Defense expenditure. The serious risks Israel faces have spurred it to make an extraordinary effort in the field of security and defense, resulting in Israel's defense expenditures being high, relative to other nations. The high defense expenditure is also a factor of the IDF being a capital-intensive army, because of Israel's demographic inferiority compared with its enemies, the nation's high degree of sensitivity to loss of life, and the nation's technological and economic advantages. The asymmetrical confrontations Israel faces (terrorism, guerilla, non-conventional weapons) have intensified the asymmetry between the capital needs of the defender and the capital needs of the aggressors. In other words, Israel needs more

Figure 4. The Defense Burden in Israel, 1960-2010



Source: Central Bureau of Statistics

capital in order to defend itself against attacks that can be carried out at relatively low cost. In addition, the IDF's high capital reserves entail significant physical and technological depreciation, adding to the high costs.

In 2010 defense consumption in Israel[17] totaled 50.9 billion NIS, while domestic defense consumption[18] totaled 43.9 billion NIS. This makes the ratio of domestic defense consumption to the GDP only 5.4 percent, compared with 6.2 percent in 2000 and 9.7 percent in 1990. These figures reflect a longstanding trend towards a reduction in the defense burden on the economy to the level that prevailed in the 1960s (figure 4). In contrast to the situation in the 1970s and 1980s, the defense budget at its current level has no substantial impact on economic stability, though it still represents a significant component of government spending.[19]

In addition to the defense consumption outlined above, there are other costs not included in the regular data and for the most part not stipulated in the nation's budget, such as the alternative value of labor of soldiers doing compulsory military service, additional payments by employees to supplement the salaries of those doing reserve duty, the cost of maintaining emergency inventories, and investing in the construction of bomb shelters. The Central Bureau of Statistics estimates that these additional costs totaled 11.3 billion NIS in 2009,[20] on top of the direct defense consumption of 48.6 billion NIS, making the total cost of defense close to 60 billion NIS.[21]

In addition to its contribution to security, the IDF also makes indirect contributions to the economy and society, such as instilling work habits and character traits of leadership and excellence,[22] serving as a source of skilled employees, managers, and entrepreneurs (particularly in technology and communications), contributing to technological development (many breakthroughs on the technology front now used in the civilian market originated with the army), and contributing to social integration, education, and more. In many respects, the IDF is an invaluable school and training center for the civilian economy.

The economy and the security concept. The traditional Israeli security concept (known by its components of deterrence, early warning, and decision) is partially based on mutual interdependence between the IDF and the Israeli economy. From this perspective, the three components are seen as follows: deterrence is supposed to prevent wars, thereby saving lives and capital; early warning is supposed to reduce the time needed to transfer human resources and capital to the defense establishment and turn them into military power; and decision is supposed to end wars quickly and restore resources to the economy, thereby allowing for rapid economic recovery. Consider, for example, the reserves model: early warning is supposed to allow the recruitment of reservists to active duty while decision is supposed to end the war quickly and return them to the labor force.

In addition to this logic inherent in the traditional security concept, the defense establishment is now called on to defend the civilian front, including economic infrastructures, given the growing (in quantitative and qualitative terms) threat of missiles and rockets. This challenge constitutes part of the defense component of the current security concept.[23] Thus,

the challenges facing the Israeli economy in a war are providing capital resources and manpower to the war effort, as in the past, and continuing to function as well as possible under fire over time. While the economy withstood these tests with relative ease during security events that were limited in time, scope, and intensity, such as the Second Lebanon War in 2006 and Operation Cast Lead in the Gaza Strip in 2008-9, the scenarios for future wars involve attacks on the home front whose scope and damage to the economy will be much greater.[24] The growth in the threat to the civilian front has already resulted in significant resources being diverted to develop defenses against missiles and rockets, but defense is only one component of the security strategy intended to buy time for the IDF to eliminate the threat. The second necessary component – likewise from the economy's perspective – is the ability to conclude military confrontations quickly, or at least to neutralize the enemy's ability to damage the functioning of the economy in the long term.

Ramifications

Over the past five years the Israeli economy has demonstrated its power and stability in terms of principal economic parameters (table 2). At the same time, the economy faces difficult long term risks and challenges with critical consequences for national security. Among other aspects, these involve Israel's small size and its exposure to upheavals in the global economy and to security threats, as well as the wide social gaps that have emerged over the years, with their potential for internal upheavals.

From an economic perspective, Israel's national security depends to a large extent on rapid growth in its GDP. Such growth is largely dependent on continued and expanded export because Israel's local market is small. In order to increase exports, Israel must bolster its competitiveness in the global market, which requires improving human capital (education and training), accelerating advances in science and technology, encouraging entrepreneurship, and more. Such steps, alongside government incentives, are likely also to increase foreign companies' willingness to invest in building plants in Israel.

Socioeconomic stability. Israel's positive macroeconomic data does not reflect the difficult socioeconomic challenge facing the country, currently

Table 2. Principal Indices of the Israeli Economy

	2003	2004	2005	2006	2007	2008	2009	2010
Population (millions)	6.748	6.869	6.990	7.116	7.243	7.419	7.552	7.695
GDP								
GDP (NIS in billions)	540.7	568.6	602.5	651.4	690.1	725.9	768.3	813.6
Real GDP growth (%)	1.5	5.1	4.9	5.7	5.3	4.2	0.8	4.6
Real per capita GDP growth (%)	-0.3	3.3	2.7	3.8	3.4	2.4	-1.1	2.7
Real business product growth (%)	2.1	6.9	5.8	7.0	5.9	4.7	0.1	5.1
Consumer Price Index (2010 = 100)	87.0	86.6	87.8	89.6	90.1	94.2	97.4	100.0
Shekel – US dollar exchange rate (end of year)	4.687	4.528	4.361	4.665	4.155	3.553	4.188	3.713
Labor Market								
Employment (thousands)	2,330	2,401	2,494	2,574	2,682	2,777	2,841	2,938
Participation in labor force (%)	54.5	54.9	55.2	55.6	56.3	56.5	56.9	57.3
Unemployment (%)	10.7	10.4	9.0	8.4	7.3	6.1	7.5	6.6
Average wage in NIS (current)	6,908	7,050	7,219	7,467	7,628	7,921	7,973	8,238
Real change in wage (%)	-3.0	2.5	1.0	1.3	1.6	-0.7	-2.6	0.9
Fiscal Data								
Government budget deficit (% of GDP)	5.2	3.5	1.8	1.0	0.0	2.1	5.2	3.7
Ratio of defense consumption to GDP (%)	8.6	7.7	7.6	7.6	7.1	6.8	6.3	6.3
Debt-to-GDP ratio (%)	99.0	97.4	93.5	84.5	77.8	77.1	79.3	76.3

Source: Central Bureau of Statistics, Bank of Israel, Ministry of Finance

manifested by mass protests about the economic situation, especially by the young middle class. The challenge stems from wide income gaps in comparison with most developed countries. In part, this situation is the result of globalization, from which some people benefit while others suffer, but it is also the result of inequality of opportunity in society and shortcomings in the government's performance. Many Israeli wage earners feel that they have no part in the general prosperity and find it difficult to provide for their basic needs in light of rising costs. On the other hand, many high wage earners feel that they are shouldering more than their fair share of the economic burden. This situation bears the potential for social tension and internal instability that Israel can ill afford, especially given its security and political challenges.

One of the components of the solution lies in giving top priority to the acquisition of income-oriented education[25] for the general population, with an emphasis on the weaker social strata and the middle class, while giving priority to outlying areas over the central region. Such education will allow many more people in all strata of Israel's population to expand their presence in the knowledge-intensive labor force and thereby also enlarge their productivity and income. Acquiring income-oriented education for the entire population is not just a necessary step in closing gaps in Israeli society, but is also an indispensable component in meeting the challenge of rapid growth; in addition, it will benefit the defense establishment, which is always in need of skilled manpower, and hence its importance for national security. Nonetheless, this solution is long term and does not address the urgent social hardships. In the meantime, the government will have to offer other solutions to reduce social distress, such as delaying the implementation of income tax reductions. Continuing the process of decreasing income tax will be made possible in the future once the GDP rises and the damages from stipends are reduced.

Security and defense expenditures. One may view defense expenditures as an investment intended to reduce the security risks the country faces and the impact of the damage should these risks be realized. Therefore, the challenge for the next several years lies in making efficient investment in reducing these risks and security uncertainty in light of the extreme transformations occurring in the Middle East and the current wide range

of threats and risks.[26] More than ever the many security challenges and the increased uncertainty of the region require the defense sector to clarify to the government, at least at the level of planning, the link between defense spending and the output that can be expected of the defense sector. For example, it must clarify which threat scenarios cannot be countered using existing means and what the costs are of creating additional capabilities that can counter the range of additional threat scenarios. Using such an approach of "menus," the government can make decisions and take calculated risks that will be expressed in the defense budget in order to reduce the expected damages of security threats in the best way possible. The defense burden in Israel does not represent a severe limitation on the growth of the economy as it did in the past, allowing for a certain expansion of the range of solutions. Still, the range of severe threats, the steep rise in the costs of weapon systems (such as Iron Dome and the F-35 stealth bomber), and budget limitations will necessitate difficult decisions among alternative defense solutions.

Notes

1 "Basic level" is a minimum essential level at the lower end of the objective, less than which is liable significantly to damage the nation's security, ability to function, and future. For example, an 8 percent unemployment rate is not a national security problem, but a sustained 16 percent and more unemployment rate is liable to create risks to internal stability.

2 Hillary Clinton in a speech on May 27, 2010 at the Brookings Institution for Social Policy. Source: Gary Feuerberg, "The US: A New National Security Strategy," *Epoch Times*, June 15, 2010.

3 As of December 31, 2010, the population in Israel was estimated at 7,695,000, and the shekel-US dollar exchange rate was 3.549 NIS to the dollar.

4 Central Bureau of Statistics press release of March 10, 2011.

5 The number of Arab women who are not part of the work force is over 211,000, and the number of ultra-Orthodox men who are not part of the labor force is over 64,000. See Sami Peretz, "Unemployment Drops but 1 Million People Aren't Working," *The Marker*, September 1, 2010.

6 State budget proposal for the 2011-2012 financial year.

7 For example, according to a Market Watch survey (Channel 10 TV, March 3, 2011), when asked whether they felt affected by Israel's economic growth, 75

percent of respondents answered "no," 18 percent answered "somewhat," and only 7 percent answered "yes."

8 Ministry of Finance Economic Research and State Revenue Administration 2010 Report, June 2011.

9 "The OECD Report: Israel Poor and Unequal," *Haaretz*, January 19, 2010.

10 "State Budget Proposal for 2011-2012 Fiscal Year: Economic and Budget Policy for the 2011-2012 Fiscal Year," October 2010, p. 40.

11 According to the Bank of Israel Law 5770-2010, the primary job of the Bank of Israel is to maintain price stability (i.e., to curb inflation). While the Bank is also responsible for supporting other goals of the government's fiscal policies, such as growth, employment, and reduced social gaps, this is all contingent on not damaging the chief objective of price stability over time. In addition, the Bank is in charge of financial stability.

12 Bank of Israel press release of February 6, 2011.

13 The Report of the Committee Examining Fiscal Policy Regarding Israel's Oil and Gas Resources (the Sheshinski Committee Report), January 2011. According to the report, gas consumption is likely to reach 10 billion cubic meters in 2015 and 17 cubic meters by the end of the decade.

14 Powering cars on electricity produced from natural gas and powering cars directly on natural gas.

15 Under the Oil Profits Taxation Law passed by the Knesset on March 30, 2011 at the recommendation of the Sheshinski Committee, the state is slated to receive 52-67 percent of revenues from the sale of gas. *The Marker*, March 31, 2011.

16 Avner Oil Exploration Limited Partnership, *Periodic Report for 2010*, March 31, 2011.

17 "Defense consumption" in Israel's national accounting refers to direct defense expenditures, and includes actual payments of the defense establishment for wages, purchase of goods and services, depreciation, and taxes on production (Central Bureau of Statistics).

18 "Domestic defense consumption" equals gross defense consumption, excluding defense imports (most of which is US aid).

19 For a broad overview of Israel's defense burden, see Shmuel Even, "Israel's Defense Expenditure," *Strategic Assessment* 12, no. 4 (2010): 37-55.

20 See *Israel's Defense Spending 1950-2009*, Central Bureau of Statistics, June 2011.

21 This figure does not include spending on civilian security services (the General Security Service, the Mossad, and the Israel Police).

22 For example, Procter and Gamble Israel CEO Sophie Blum cites "the very special combination of culture and training in Israel. Everyone undergoes selection at age

17, and those drafted into the armed forces undergo an experience of high-quality leadership – entailing risk-taking and maturity – that gives Israelis a competitive advantage in global society." *Globes*, May 9, 2011.

23 Defense is the fourth component of a security concept proposed as an updated doctrine in April 2006 by a committee headed by Dan Meridor. While the government did not formally approve it due to disagreements among various politicians, the defense component does in fact form part of Israel's current security concept.

24 Benny Liss, "Defense Minister Ehud Barak: In the Next War, 50 Tons of Explosives will Fall on Israel Every Day," *Haaretz*, July 11, 2011.

25 Income-oriented education means acquiring the education and training that entail a clear contribution to the GDP and income. In practice, this means improving compulsory education in the exact sciences and foreign languages and inculcating values of excellence, entrepreneurship, contributing to society, and the state, and more.

26 The threats and risks include all-out war, terrorism, a third intifada, the disruption of peaceful relations with neighboring countries, and coping with the reality of a nuclear Iran (and other nations that may follow in its footsteps).

Conclusion

Israel and the Regional Shockwaves

Shlomo Brom and Anat Kurz

In the coming years, when Israel confronts the need to make political and strategic decisions on central issues of national security, the situation will be immeasurably more complex than what Israel has been accustomed to in recent decades. This complexity is the result of the dramatic developments in the Middle East known as the Arab spring, which took place against the backdrop of two processes that have helped shape the past decade: the collapse of the Arab-Israeli political process and the weakening of the American superpower. The challenges that have resulted from these processes may augur a new crisis that will be difficult to solve, or at the very least, make it difficult to manage ongoing, familiar crises.

The popular uprisings against the authoritarian regimes in the Arab world that have swept across the Middle East since late 2010 have not subsided in full, and they continue to affect all states in the region to some extent, be it large or limited. The regimes in Tunisia and Egypt have been overthrown. In three states, Libya, Yemen, and Syria, the conflict between the protesters and the regime has intensified and is threatening to turn into a prolonged civil war. In Bahrain, the protest for now has been suppressed by force with the aid of neighboring Gulf states. In other countries, pressure on the regimes to implement reforms in the system of government continues. In Morocco, such pressure is apparently leading to comprehensive changes that will bring the system of government close to a constitutional monarchy. The momentum behind these regional events

perhaps even reached Israel as well in July 2011, when social grievances sparked mass public protests against the country's socioeconomic policies.

In places where the "revolution" has ostensibly succeeded, it is still not clear what government, and perhaps what form of government, will replace the former regime. Will it be a Western-style liberal democracy, according to the model demanded by those who instigated the revolutionary events, or will there be new "strong leaders," backed by the army? Perhaps what occurred in many previous revolutions will happen now as well, whereby an uprising enables forces that did not initiate the unrest to "hijack the revolution," having assessed these events as an opportunity to promote their own agenda. In the case of the Arab world, this agenda will presumably be Islamist. Perhaps the instability will produce a regime that is a combination of these various possibilities.

In any case, the Middle East can expect a long period of instability. Even in places where governmental changes have already occurred, such as Tunisia and Egypt, the transition from an authoritarian regime to democracy will be neither simple nor direct. Societies that have experienced these shockwaves are moving from a state of no cohesive political movements or parties, other than Islamic groups, to a state of multiple parties and movements. Under such conditions, the chances are great that if free elections do in fact take place, none of the parties will earn a decisive majority, and the parliaments that are established on the basis of the election results will be composed of small parties. Such coalition governments are naturally unstable.

What the new regimes share with the old regimes that have managed to hold on to the reins of power is the growing recognition, if they are to survive, of the need to pay attention to the voice of the people. This understanding can be seen as a positive outcome of the wave of demonstrations, raising awareness of one of the basic elements of democratic rule. At the same time, a danger inherent in the socioeconomic situation of the Arab countries is that the regime will be swept away by populist policies in an attempt to satisfy public desires through instant gratification methods. This approach would likely make it difficult to cope with the existing problems that set in motion the mass protests but sometimes require strict austerity measures. In turn, failure to cope with these problems is liable to increase

the motivation of the governments to divert public attention to external "enemies."

Developments of this sort seem to be emerging at a time that the United States, the main superpower, is weakened and exhibits increased difficulty in coping with its domestic problems. The same is true of most of its Western allies. Other candidates for the role of superpower, such as China, are led by an egocentric worldview, and therefore they are not prepared to assume the role of the "world's policeman" or the "global rehabilitator." What this global dynamic means is that today there is no external actor that can stabilize the situation in the Middle East and help the states of the region overcome the serious socioeconomic crisis that is at the root of the Arab spring, whether by use of the military stick or the economic carrot. Therefore, the Arab states will be forced to contend with a process of transition by themselves, whose duration and direction are difficult to predict. The Western world can offer declarations of support, but it will be difficult to back them up with concrete aid.

Declarations of support could aid in stabilizing the government in Tunis, which is considered a relatively easy case because Tunisia has a small, rather educated population that is not on the brink of economic disaster. However, it is doubtful that encouragement without real aid would be useful in stabilizing the government and the internal situation in Egypt, which suffers from rooted socioeconomic problems. The ability of external military intervention to influence the fate of governments is also limited. The Qaddafi government was in fact overthrown, but only at the end of a long, casualty-ridden road, and Libya is still far from stable. The assumption that military intervention in Syria would be beneficial – and not in fact complicate the situation – cannot be tested because of the inability to mobilize an international coalition for military action with the goal of overthrowing the Bashar al-Asad government.

This complex state of affairs comes at a time when relations between Israel and the Arab world are at a low point, especially in the wake of what appears to be the collapse of the peace process, and when the reigning approach in the Arab world, and internationally as well, is that Israel's policy of "recalcitrance" is to a decisive extent responsible for the deadlock.

Over the past two years Israel's relations with the Palestinians have deteriorated sharply, especially in comparison with the breakthrough of the early 1990s, when the sides began a direct dialogue and signed agreements, and it appeared that they would free themselves of the approach that the dynamic between them is a zero sum game. However, Israel and the Palestinians are currently not capable of holding a direct dialogue because of a deep mutual lack of trust. For both sides, the view of relations as a zero sum game reigns supreme, and thus Israel and the Palestinians are driven by the intention to forestall achievements on the opposing side, even if as a result they themselves ultimately will suffer. Neither of the parties shows the willingness or the ability to help the other side relax its tough positions, which in turn makes renewed dialogue impossible. Israel is not able to offer the Palestinian Authority the minimum concessions that would help it soften its preconditions for renewing the negotiations, namely, Israeli willingness, in principle, to accept a territorial settlement on the basis of the 1967 lines, with territorial swaps. The PA, for its part, is not capable of accepting the demand by the government of Israel to recognize Israel as the state of the Jewish people, a step that would help Israel approach negotiations on the basis of the 1967 lines. The result is a deadlock from which neither side benefits. The PA cannot advance toward the establishment of a Palestinian state, and Israel is progressing toward a situation that will make it increasingly difficult for it to realize fully the vision of a Jewish democratic state. Given this lack of trust, and without the two sides changing their agenda on the goal of the dialogue between them, it is highly doubtful that renewal of the negotiations as a result of massive international pressure will lead to a formulation of understandings and the signing of implementable agreements.

In light of the extended stagnation in the negotiations process, the Palestinians have changed their strategy and have decided to approach the international community for recognition of their independent state. The timetable for requesting recognition of a Palestinian state by the UN General Assembly, which is scheduled to convene in September 2011, marks the next crisis between the sides, while the means by which they seek to contend with this crisis may well exacerbate the long term consequences.

It is highly possible that the crisis likely to emerge against the background of the growing international support for recognition of a Palestinian state will be a good illustration of the synergy between three difficult processes in Israel's strategic environment: the collapse of the political process, the weakening of the United States, and the Arab spring. The internationalization of the Palestinian issue itself is a direct result of the stalled Israeli-Palestinian dialogue and the inability of the United States to impose its will and return the two sides to the negotiating table. The political and public discourse in Israel is concerned with the possible legal significance of recognition of a Palestinian state by the UN General Assembly. Fear that recognition of a Palestinian state will grant the Palestinians the right to sue Israel and Israeli citizens in the International Court of Justice in The Hague is allayed by the fact that only recognition by the Security Council will make this possible, and that the United States intends to veto this proposal if it is submitted for a vote. However, even if recognition of a Palestinian state in the General Assembly is only a formality, the sum total of its significance is an upgrade of the status of the Palestinian mission to the United Nations. This in turn would underscore the process whereby Israel is pushed into a political-diplomatic corner. Finally, the ramifications of the Arab spring for the regional policy of the Arab states, when added to the accelerating process of isolation of Israel in the international arena and the proven inability of the United States to revive the Israeli-Palestinian dialogue (in part because of its inability to mitigate Israel's insistence on certain basic conditions for negotiations), will confront Israel with more serious challenges than those with which it has contended in recent years.

The impact of the Arab spring has not bypassed Palestinian society. The percentage of young people in Palestinian society far exceeds the percentage of their counterparts in Western societies. The upheavals and their aftermaths have increased the faith among young Palestinians that by using the same means as those employed in neighboring countries, in particular, non-violent demonstrations, they can achieve their political goals. This sense of empowerment, together with the frustration that will result from the General Assembly vote once it is clear that even international recognition of a Palestinian state will not be enough to realize any vision of

sovereignty, is liable to be expressed in mass demonstrations, and inevitably, increased friction with Israel. Past Israeli-Palestinian experience, as well as the lessons of the uprisings in the Arab world – where in various places the uprising met tough opposition from the regime, and violent encounters developed between demonstrators and security forces – implies that the path to a clash between Israel and Palestinian demonstrators is short. The lack of communication between Israel and the PA, as well as the limited influence the United States has on either side, will make it difficult to contain any crises that arise against this background.

Proponents of a unilateral policy in Israel may well see the collapse of the diplomatic process as an opportunity to fulfill unilateral options, chiefly, determining Israel's borders with the Palestinian state without negotiations with the Palestinians. A proposal raised in Israel within the right wing to respond to a Palestinian request for recognition from the General Assembly by annexing territories may be an echo of this approach. However, it is very doubtful that Israel could realize any such intention in face of the international opposition and criticism this measure would unquestionably arouse.

The weakening of America's influence in the Middle East, as well as its limited influence on Israel, does not create opportunities for Israel; rather, the reverse is true. For Israel, improved relations with Russia, with South American countries, or with China will not compensate for what it will lose if relations with the United States deteriorate. Even if in the long term the rise of these international forces becomes significant for Israel, in the short and medium term none of them can provide Israel with the strategic support that the United States provides in every area. Furthermore, testing waters to seek potential alternative allies for Israel will only contribute to exacerbating a crisis in relations between the Israeli government and the Obama administration, which could well harm important Israeli interests, in particular if Obama is elected for a second term.

Nevertheless, in contrast to the stalemate in the Israeli-Palestinian dialogue and the differences between the government of Israel and the Obama administration, which are laden only with risks, the Arab spring has the potential not only for risks, but also for changes that Israel can turn into opportunities. The recent events in Arab countries and the particular

regime changes are likely to influence domestic policy in Arab states, as well as set in motion changes in their foreign policy and inter-state relations.

Thus, for example, a fall of the Asad regime in Syria and its replacement by a regime controlled by the Sunni majority, which begrudges Iran and Hizbollah for their support of the Asad regime, is likely to totally recast the political orientation of Syria and to shatter, to a large extent, the Iranian-led radical axis. The upheavals also provide Turkey with an opportunity to promote its regional standing and its system of government as a model for emulation – since the Turkish model of democratic change, with its focus on the public's socioeconomic needs, is better suited to the worldview of Arab demonstrators than the path of opposition and defiance represented by Iran. In spite of the current friction between Israel and Turkey, Israel would mainly benefit from the Arab world's embrace of the Turkish model.

The Arab states' emergence from the stagnation and decay that characterized them in recent decades is likely to contribute to the establishment of a Middle East that will balance the various political forces better while reducing the vacuum between the regime and the public, which radical elements aspire to exploit. The rapid and significant increase in Iranian influence in the region during these decades was a result of that same vacuum and was created by the decline of the Arab regimes and not by the strength of the Iranian state, which itself is not lacking for significant weaknesses. An Arab Middle East led more energetically by Egypt, which will also serve as a balance to Iran and Turkey, will be more comfortable for Israel than a Middle East in which the dominant power is Iran. An additional change taking shape as a result of the storm in the Arab world is the awakening of Saudi Arabia. After the rebellion in Bahrain illustrated that upheaval was approaching Saudi Arabia, the Saudis showed determination to adopt a proactive policy against elements that were threatening their interests, mainly Iran.

Israel's ability to maneuver in a rapidly changing Middle East and to cope with the expected crises depends to a decisive degree on its ability to make fundamental changes to basic policy principles on several central issues, chief among them the Iranian challenge and the Palestinian issue.

The events of the Arab spring demonstrated that in contrast to a common assumption in the Israeli political establishment – that Iran stands behind

a large portion of the significant developments that affect Israel in the Middle East, and once Iran achieves nuclear military capability its power to affect regional developments will increase dramatically – Iran's ability to influence the developments underway in the Arab Middle East is in fact rather limited. Iran too will be forced to contend with these developments and attempt to contain the risks to its own interests that they portend. Furthermore, Iran is only one actor of many in the region, and therefore even if Iran completes its nuclear program it is questionable whether nuclearization will in fact have a critical impact on the strategic situation in the Middle East. Instead, it is possible that the drive by Arab states, chief among them Egypt, to deny Israel its alleged nuclear capabilities will continue to play a major role in their policies towards Israel. The practical manifestation of this goal is the conference on a weapons of mass destruction free zone in the Middle East, scheduled, according to the final document of the 2010 NPT Review Conference, to convene in 2012. On the other hand, if Israel succeeds in recognizing the changes that have taken place in the Middle East and uses them to rethink its policy toward its immediate and more distant surroundings in the region, it is possible that it will be able to neutralize a not-insignificant part of the Iranian threat it faces. Among other measures, a determined action by Israel to revive the regional peace process will assist Arab rulers in removing the Israeli-Palestinian issue from the public agenda of their countries, and in improving relations with Israel.

The Palestinian challenge stems, inter alia, from Israel's pursuit of expanded borders based on the idea that this provides a response to a fundamental strategic interest. Yet even if there is military value to territories and to strategic depth, given Israel's geographic situation the element of strategic depth is in any case circumscribed. Rockets fired into Israeli territory by Hizbollah and Hamas demonstrate that in spite of their limited range, they reach almost every target in Israel. Rather, the main challenge facing Israel is in fact consolidating its position in the mostly Arab and Muslim Middle East while retaining the sympathy and support of the international community, which is an essential guarantor of Israel's existence and prosperity. However, as long as the conflict with the Palestinians threatens to escalate following the General Assembly vote

on recognition of a Palestinian state, Israel cannot make progress toward establishing stable and dependable relations with Arab states. In the current atmosphere, even Arab states that wish for strategic cooperation with Israel – be it political, military, and economic – find it difficult to achieve.

One school of thought in Israel holds that in light of the dramatic developments in the Arab world, Arab states in the coming years will be preoccupied with internal matters and will not be invested in the Arab-Israeli conflict. However, this assumption is highly questionable. The rebellions in the Arab world stemmed from the humiliation of the Arab masses over the years. In large measure this was of course a function of the regimes in power and the socioeconomic situations in the states that experienced the major shockwaves. At the same time, the relationship of the Arab world to the outside world played an important role in the protests. The attitude of the West to the Arab world nurtured the sense of humiliation, and in this sense, Israel's relations with the West have added to that feeling of injustice. A stronger need by Arab regimes to heed domestic popular opinion will heighten their motivation to engage in Arab-Israeli relations, especially the Israeli-Palestinian issue. No wonder, then, that one of the first actions taken by the new Egyptian government was the concerted effort to broker a reconciliation agreement between Fatah and Hamas. Similarly, it was precisely in 2011 that events marking the *naqba* (the "catastrophe" of 1948) and the *naqsa* (the 1967 defeat) in the Arab world assumed sharper tones, including attempts by demonstrators to cross over into Israel's borders.

Israel is liable to become a focus of the anger in the Arab street following developments such as Israeli-Palestinian escalation in the Gaza arena, and certainly if there are violent outbursts in the West Bank following the General Assembly vote on recognition of a Palestinian state. Against the background of Israel's increased international isolation, these developments might translate into intensified security risks along Israel's other borders. Israel will be hard pressed to stop this trend of deterioration in its relations with the Palestinians or with other regional and international countries, especially the United States, unless it takes the initiative to bring about a substantive breakthrough in the political process.

Appendix
The Middle East Military Balance

Trends in Military Buildup in the Middle East

Yiftah S. Shapir

The shockwaves that have swept through the Middle East since December 2010 were primarily oriented toward internal issues, and for the most part did not deal with inter-state conflicts. Consequently, to date there has been no essential change in inter-state relations, even if in some cases there was increased intervention by one state in the affairs of another. Nonetheless, some armed forces began to disintegrate in the course of the clashes with the protestors; the armed forces of Libya and Yemen, for example, were divided between loyalists and rebels. The Syrian military did not disintegrate, but there were many reports of desertions of officers and soldiers who refused to take part in suppressing the uprising. Other than in these instances, the militaries of the region retained their primary frameworks.

At the same time, the socio-political shockwaves may well spark political changes in states that have hitherto appeared stable. Both new and veteran regimes will be called on to revamp economic agendas in order to quell mass popular protests. As a result, it is possible that in many states economic reforms will reduce the resources available for military acquisition. Nonetheless, in light of the ongoing regional tensions and conflicts, the region's armed forces will likely try to continue the trends in buildup that have been evident in recent years.

Major Events and the Region's Armed Forces

Egypt

The Egyptian military played an important role during the civil unrest that erupted in January 2011 and removed President Husni Mubark from power. Many prominent politicians in Egypt have been members of the armed forces. Indeed, the close ties between the military and the political establishment help explain the military's interest in preserving the foundations of the existing order, even while it supported Mubarak's removal from the presidency. During the demonstrations in January-February 2011, the Egyptian military labored to dispel the tension and avoided violence as much as possible. It ultimately helped the popular movement oust President Mubarak, even though Mubarak was of military background himself. The army was not damaged by the upheaval in Egypt, and through the Supreme Military Council and the transitional government that was appointed, it is administering the affairs of state until a new leadership is elected. The Council does not aspire to establish a military dictatorship in Egypt.

Libya

Inspired by the events in Tunisia and Egypt, civil unrest erupted in Libya in mid February 2011. The Libyan security forces reacted harshly and the events escalated rapidly. Forces loyal to Qaddafi's regime used live ammunition against protesters, and the unrest turned into a full scale rebellion. Rebels in the eastern region stormed military installations and seized weapons, and other points of unrest erupted in tribal areas in the mountains off the western coast of Libya, near the border with Tunisia. The rebels in the eastern provinces set up the interim Transitional National Council (TNC), which was recognized by some foreign governments as a legitimate representative of the Libyan people. Some military commanders and their units joined the rebels, which enabled the popular forces to advance westwards through the country. However, the regular army largely remained loyal to Qaddafi and managed to recapture some of the towns from the rebels' and advance towards Benghazi, using artillery and air strikes against the rebels, even in populated areas.

On March 17 the UN Security Council passed Resolution 1973, which imposed a no-fly zone over Libya – in part to protect the local population from attacks by the army – and authorized use of force to enforce the zone, as well as to defend the civilian population. Air strikes by coalition forces began on March 19 within the framework of Operation Unified Protector and targeted Libyan air defense and air bases, as well as command and control and logistics installations. On March 31 the North Atlantic Treaty Organization (NATO) took control over the military operations in Libya, and on June 1 NATO announced that it was extending the operation for an additional 90 days. The foreign intervention did not include any land forces, although assistance to the rebels included the positioning of French and Italian military advisors, who dealt mostly with training and assisting the rebels' logistics and command and control. Forces loyal to the TNC are equipped with light weapons, as well as single and multiple rocket launchers, some of them improvised. Although the arms embargo on Libya is still in effect, some NATO and Arab states began to supply arms to the rebels. Overall, however, the rebels lack organization, discipline, and adequate training.

The NATO air strikes comprised thousands of sorties, including combat sorties, and have caused much damage to the Libyan military. Most of the Libyan air force has almost certainly been destroyed, as well as a substantial part of the air defense and the regular army's infrastructure. The air strikes enabled the rebels to withstand the advance by Qaddafi's forces and achieve a victory in the military campaign. Nevertheless, Libya's political future remains unclear, and consenquently, the ramifications for the military are uncertain.

Syria

Civil unrest in Syria began in early February with small scale demonstrations in a number of cities. On March 18 a large scale demonstration in Dar'a, in southern Syria, was met by live fire from the security services, and a number of demonstrators were killed. The following day their funerals turned into a large demonstration against the regime of Bashar al-Asad. Since then demonstrations have been held in many cities throughout Syria,

and the regime has responded with heavy handed repression. Beginning in June 2011, several cities in Syria were placed under military siege.

In its effort to counter the demonstrators, the regime has employed mostly its internal security forces, and in some cases, military units – usually the Republican Guard and the 4th division, commanded by Maher al-Asad, Bashar's younger brother. The soldiers in these units are primarily Alawite, the ethnic community of the Asad family. There have been some reports of desertion, as well as reports of officers who were killed following their refusal to open fire at civilians. Overall, however, as much as can be determined from the limited available information, the armed forces have not been seriously affected by the domestic unrest. The strength of the army, which relies on the Alawite minority, explains the ability of the regime to retain its power over many months of violent demonstrations. The question remains how long the regime will be able to keep the army, which comprises mostly Sunnis, distanced from the domestic grievances, and as such, guarantee its loyalty to the regime.

Yemen

At the same time that protests began in Libya and Syria, Yemen too experienced civil unrest. Although the early demonstrations were relatively quiet, in the months that followed the violence between military forces and demonstrators escalated as opposition parties demanded the removal of President Ali Saleh. Mediation attempts by the Gulf Cooperation Council (GCC) were unsuccessful. Meanwhile Saleh began to gradually lose his power base, and some of his long time allies and supporters, including a number of generals, defected. Tribes loyal to Saleh's regime likewise withdrew their support.

Yemen's military forces are divided between those remaining loyal to Saleh and those supporting the opposition. The country's civil unrest should be seen in the context of the fragmented Yemenite society divided between the north and the south (which were two separate states until 1990), and between Sunni and Zaidi Muslims, with each group subdivided into competing tribes and competing clans within each tribe. It is possible that the continued weakness of the central government will lead to the re-partition of the country into North and South Yemen, or perhaps to total

anarchy. Meantime, al-Qaeda and separatist militias are exploiting this civil conflict to take control over different areas in the state.

The Persian Gulf

The Gulf states were mostly spared the internal strife of other Arab states, although some regimes were propelled to try to quiet the unrest, out of fear that it would spill over to their territory. The popular uprising in Bahrain, for example, threatened the regime and pitted the Sunni royal family against the Shiite majority. The uprising in Bahrain was seen as a severe threat to other Gulf monarchies, especially since it was perceived as an Iranian sponsored revolt. At the Bahraini government's request, the Gulf states, led by Saudi Arabia, sent military forces to help the Bahraini royal family suppress the revolt.

Another interesting development was the decision by both Qatar and the UAE to take an active role in the international effort in Libya. Both countries sent combat aircraft to Italy, where they joined NATO's Operation Unified Protector over Libya's air space. This reflected the two countries' desire to assume a higher profile in world affairs than would be expected from their size and location.

Major Developments in Military Buildup

Since arms deals are processes that proceed slowly, trends in arms acquisitions presented in previous recent INSS annual publications are still valid. These include: acquisitions of the most advanced and sophisticated weapon systems, primarily by oil-rich countries; efforts to develop indigenous military industries; and reduction of expenses by upgrading older weapon systems rather than purchasing new ones. The countries in the region with limited monetary resources that do not receive defense assistance from the US cannot compete in the advanced weaponry market. Instead, they tend to adopt asymmetrical approaches that enable them to counter the technological advantages of their rivals. They rely on guerilla warfare and terrorism on the one hand, and on the other hand, on strategic capability offered by ballistic missiles, artillery rockets, and weapons of mass destruction. Non-state actors such as Hizbollah and Hamas continue

to develop semi-regular military forces with large inventories of artillery rockets, as well as anti-tank and anti-aircraft capabilities.

The US remains the biggest weapons supplier to the region. Russia has also made attempts to extend its market share in the region, but so far with limited success. Other important players are key European Union countries, particularly France and the UK. In addition, indigenous military industries play an important role in some states in the region. Israel and Turkey operate the most advanced industries, while the UAE is investing extensive resources to build its own military industry. Iran too aims to be as autonomous as possible in its weapons production, although its industry's actual capability is far smaller than what is officially declared.

What follows is a concise review of the leading recent developments in some of the region's countries.

Algeria

Algeria is in the midst of a massive military expansion. At the heart of this expansion is a large weapons deal with Russia (approximately $8 billion). Within the framework of this arms deal Algeria received 180 T-90 tank and 28 Su-30MKA combat aircraft. The first batches of these aircraft arrived in 2007 and are already operational. Recently Algeria signed a further contract for additional Su-30. Algeria received two Il-78 refueling aircraft and its air defense forces received some Tunguska and Pantsyr point defense systems, although no heavy systems, such as the S-300 PMU-2, arrived. Aside from the Russian deal, Algeria signed a large deal for some 30 utility helicopters of several types from Italy. This deal follows a previous deal for ten helicopters that were already supplied.

The Algerian navy received two Type 636 submarines, but there is no news regarding its intention to acquire four frigates. This deal is still under negotiations with potential suppliers in France, Germany, Italy, and Great Britain. Meanwhile Algeria began taking deliveries of its FPB-98 small patrol boats from France.

Another significant development was the launch of Algeria's first satellite with some military capabilities: the ALSAT-2A. This satellite carries a multi-spectral camera with resolution of 2.5m, manufactured by EADS Astrium. A second satellite is being assembled in Algeria.

Egypt

Egypt, like Israel, benefits from ongoing American defense aid and receives $1.3 billion a year. An agreement signed in 2007 ensures Egypt continued aid at least until 2018, which enables Egypt to purchase American-made weapons without having to worry about economic difficulties. The future regime in Egypt will likely make efforts to maintain this aid, and therefore Egypt's armament programs will not change course abruptly.

Egypt, which already boasts a substantial fleet of 217 F-16s, has ordered 20 more of these multi-role combat aircraft for $3.2 billion. Apart from this deal, Egypt's primary deals in recent years have included AH-64D Apache attack helicopters (though the acquisition of the Longbow radar system for these helicopters has not yet been approved) and additional M1A1 Abrams tanks. These tanks are bought as kits for assembly in Egypt. Since starting to purchase these tanks, the Egyptian defense industry has assembled 880 tanks, and the new transaction, now underway, includes an additional 125 tanks.

Egypt also buys weapons from other sources, finances permitting. It is negotiating with Germany to buy Type 214 submarines (a model quite similar to the Israeli Dolphin class submarines). It maintains military contacts with Russia and other former Soviet Union countries – both for the upgrade of its aging Soviet era weapons (such as the recent upgrade of APCs in the Ukraine), and for acquisition of new weapon systems – such as the recent acquisition from Russia of Strelets point defense SAMs. In addition, the Egyptian navy has a standing order for four fast missile patrol boats from the US, the first of which is scheduled to be delivered in mid 2012.

Iran

Iran is in the midst of a long process of rearming its military, although reliable weapons suppliers are scarce because of the Security Council sanctions in force. Hopes for large arms deal with Russia were shelved as Russia, in light of the sanctions, officially declined to supply Iran with S-300 air defense systems ordered (and paid for) by Iran.

Iran continues to arm itself with locally produced arms, mainly missiles and rockets. In the field of long range ballistic missiles, Iran has made

progress on two tracks: in the first track, Iran based its efforts on liquid fueled missiles, such as the Shehab-3. On the basis of this technology Iran developed the Safir-e-Omid satellite launcher, a two stage missile that launched the Kavoshgar research capsule and the Omid satellite in February 2009. A further development in the same direction was the heavy satellite launcher Simorgh, which was displayed in public but not yet tested. Another development in this direction was the Qiam-1 missile, test-launched in August 2010, probably to test new guidance and control systems. In the second track, Iran is also developing a two stage solid fuel powered surface-to-surface missile intended to reach a range of up to 2000 km. This missile, alternatively known as Ghadr, Sejjil, or Ashura was tested for the first time in November 2007 (and again in May and December 2009 – and possibly in early 2011 as well). These missiles will likely become operational within a few years.

It is harder to estimate Iran's true R&D and production capabilities in other fields. The Iranian media reports regularly about the development of innovative weapon systems – tanks, armored personnel carriers, fighter planes, helicopters, various missiles (sea-to-sea, air-to-air, air-to-ground, surface-to-air), and more – but it is difficult to distinguish between propaganda and actual progress. For example, only recently the Iranian media reported on new precision guided munitions for combat aircraft and helicopters, new air defense systems, and new versions of coastal defense missiles, as well as the construction of a new destroyer and mini submarines. It does not seem that Iran is in fact capable of producing all the types and models it professes to produce in significant quantities. Iran is certainly capable of producing several models of artillery rockets and perhaps some anti-tank and sea-to-sea missiles (based on Russian and Chinese designs). However there is no evidence, for example, that Iran is producing fighter planes with real capabilities of engaging in a modern battle, although it claims to have this capability.

Iraq

The process of rebuilding the Iraqi military is taking longer than expected, and has been accompanied by a host of problems, including the lack of suitable personnel and graft and corruption connected to questionable arms

deals. In purchasing, the Iraqi army is mostly engaged in basic outfitting of a military force. However, investment in rebuilding the army will also be complicated by the withdrawal of the remaining US forces, which have thus far guaranteed the day to day security of the country.

Sources for arms acquisitions are varied. The US supplied Iraq with its first M1A2 Abrams main battle tanks, APCs, T-6A training aircraft, helicopters, and fast patrol boats. France supplied helicopters; Ukraine supplied APCs; Russia supplied Mi-17 helicopters, and Serbia supplied more training aircraft. The Iraqi government also announced its intention to procure F-16 combat aircraft, but no contracts have yet been signed.

Israel

Israel's military buildup occurs according to a multiyear plan, based in part on a fixed sum of annual American aid. Accordingly, Israel's rearmament is a fairly continuous process that does not portend any unexpected reversals, and is also less affected by changes in the global or local economic situation than are acquisitions programs in other countries.

The US military aid to Israel for 2011 is in the amount of $3 billion. This sum is intended almost entirely for military buildup. On top of this, Israel receives $440 million for its various ballistic missile defense programs such as the Arrow-3, David's Sling, and Iron Dome. On the basis of an agreement reached with the US in August 2007, this aid is slated to increase gradually and in the decade ending in 2018 will total $30 billion.

After the Second Lebanon War (2006), the IDF invested heavily in restocking weapons and munitions, with an emphasis on procurement of large quantities of modern types of munitions for the air force, such as the GBU-39 small diameter bombs and GPS-guided JDAM bombs. As for new large arms deals, Israel announced its intention to equip its air force with F-35 planes in the coming decade. There are still numerous obstacles to the deal at the moment, mostly because the F-35 program itself suffers from delays and runoffs. The price of a single unit is rising as delays accumulate, and is now estimated at over $130 million. Recent reports spoke of further delays that pushed the possible date of delivery to 2018. Other possible hurdles are Israel's demands to access the aircraft's software codes, as well

as the ability to install Israeli-made systems – requests that have not been granted.

The Israeli air force ordered three advanced C-130J transport aircraft – with the intention to eventually buy up to nine of these aircraft, estimated at $1.9 billion. The air force has also retired its Tzukit training planes after more than 50 years of service and replaced them with the US-made Beechcraft T-6A Texan II, which received the name Efroni ("lark") in the IAF. In addition, the Israeli navy ordered two more Dolphin class submarines, which are being constructed in Germany, and is negotiating purchase of a third submarine (which will be Israel's sixth such submarine).

In many areas Israel is rearming with locally produced arms. Recent emphasis has been on development and production of active anti-ballistic missile defense systems and anti-rocket defense systems. Israel ordered more Arrow batteries on top of the two operational batteries it already deploys. At the same time the entire Arrow project is undergoing a process of upgrading to help it achieve greater success in handling the long range missile threat from Iran. Similarly, Israel is investing in two additional active defense systems. The first is David's Sling, meant to provide defense against rockets and short range ballistic missiles with a range of 40-200 km (particularly heavy rockets of the kind fired from Lebanon in 2006). The second is Iron Dome, meant to defend against shorter range rockets and missiles such as the Qassams and Grads fired both from the Gaza Strip and Lebanon. David's Sling is scheduled to finish the development stage in 2012, while Iron Dome is already operational and has scored its first successful intercept.

Israel is still leading the region in space assets, with the Ofeq-9 and TECHSAR reconnaissance satellites in orbit, as well as the Amos-3 communication satellite. Preparations for the launch of an advanced reconnaissance satellite and another communication satellite (the Amos-4) are underway. In the area of UAVs, Israel likewise has little competition. Recently the air force deployed the new Heron and Heron TP (called by the IAF Shoval and Eitan, respectively) long endurance UAVs, capable of loitering in the air for extended missions – over 40 hours long – for reconnaissance and intelligence gathering missions. Side by side with the larger UAVs, IDF units are being equipped with the Skylark – mini UAVs,

made by Elbit. These are small, quiet, and easily operated systems, carried by soldiers in combat units for the purpose of intelligence gathering from "the other side of the hill" at short distances (up to 10 km). Recently the Skylark I LE, with somewhat extended endurance, was chosen as the model for additional military units.

Finally, Israel has expanded its acquisition of indigenously produced weapon systems for the ground forces. One of the lessons of the Second Lebanon War led to the military starting to equip itself with the Namer IFV, based on the hull of the Merkava MBT. In addition, both the Merkava Mk IV and the Namer are being equipped with active defense systems. The Trophy system installed on the Merkava Mk IV MBTs has already scored its first intercept.

Morocco

Morocco is yet another country in the region that has undergone a substantial military buildup in recent years. After long and heated competition between suppliers, the Moroccan air force decided to procure 24 F-16 multi-role combat aircraft. These aircraft have apparently already been supplied. In addition, the Moroccan air force procured 24 T-6A Texan II trainers (12 of which have already been supplied), as well as four C-27J transport planes.

The Moroccan navy became the first export customer for the new French made FREMM frigates when it signed a deal for one such frigate, which is now being constructed in France.

Saudi Arabia

When the deal was signed in 2007, Saudi Arabia's acquisition of 72 Typhoons from the UK, at an estimated cost of $7.9 billion, was the most impressive deal in the Middle East. At the same time, Saudi Arabia also ordered upgrades for its Tornado and for its F-15S combat aircraft. Other major deals that exceeded the Typhoon deal have since followed. Another major deal, signed in mid 2009, involves an upgrade to the Saudi Arabian National Guard (SANG). The contract, worth some $2.2 billion, is for the acquisition of different types of combat armored vehicles. The upgrade program is typically divided between the US and France, from which SANG ordered new artillery pieces.

Additional arms orders include more M1A2 tanks from the US, as well as upgrades for existing tanks – a transaction of some $3 billion. This project also includes setting up a large facility that will assemble the tanks in the kingdom. In late 2010 the US administration approved further sales valued at $60 billion. These include the sale of 84 new F-15S combat aircraft, as well as upgrade of the existing F-15S in Saudi inventory, and hundreds of helicopters – AH-64D Apache attack helicopters and UH-60 M Black Hawk utility helicopters, as well as light reconnaissance helicopters – for the Saudi land forces and for the Saudi National Guard. These authorizations have yet to be turned into actual contracts but they are indicative of Saudi intentions, as well as US willingness to support the country.

UAE

The UAE armed forces are among the military forces that have grown most intensively. The UAE, like other Gulf states, prefers to deal with a variety of vendors and buys primarily from the US and France. The UAE beefed up its air force with 63 Mirage 2000-9 planes from France and 80 F-16E/F planes, a model developed specifically for the Emirates, and the country has continued to procure equipment for the air force, navy, and air defense forces. It signed a deal to upgrade the 30 Apache helicopters to the AH-64D model, and ordered three Airbus A330 refueling aircraft. More recently it ordered twelve C-130J tactical transport aircraft as well as six C-17 Globemaster strategic transport aircraft.

The Baynunah ships project has been underway for several years. These corvettes were designed in France, and the first of them is being built by the CMN shipyard in Cherbourg, France. The rest are constructed in Abu Dhabi by ADSB. Despite the French design and local manufacture, some of the armaments will actually be American-made. Thus, for example, the UAE has ordered RAM missiles from Raytheon Corporation to defend the ships against cruise missiles.

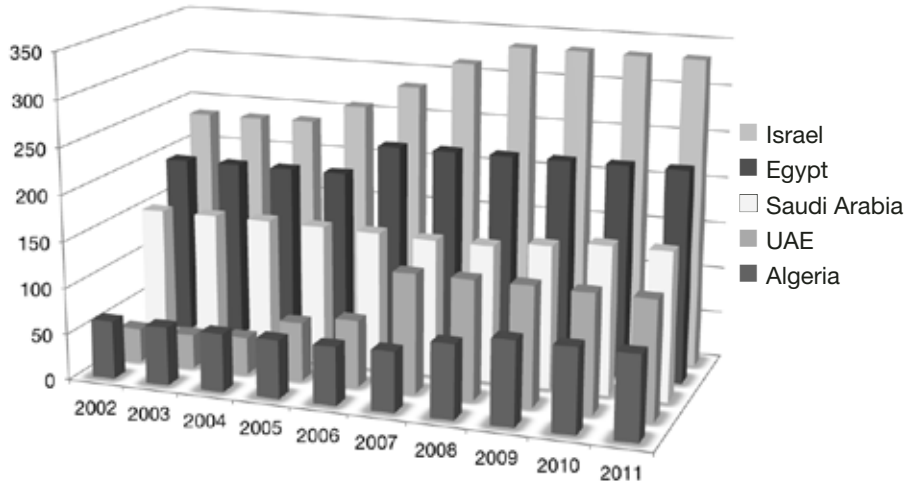
The UAE is investing heavily in air defense systems and ballistic missile defense systems that will be supplied in the coming years in different deals estimated at some $9 billion. In the realm of air defense, the UAE was scheduled to receive the Russian-made Pantsyr S-1 systems,

short range mobile air defense systems developed in Russia at the UAE's request and with its funding. It will also include in the short term upgrades for the Patriot missile batteries it already has and purchases of the PAC-3 interceptors (for ballistic missile interception) for these batteries. In the longer run it will include the purchase from the US of THAAD dedicated anti-ballistic missile defense systems. The value of this transaction is estimated at about $7 billion.

Conclusion

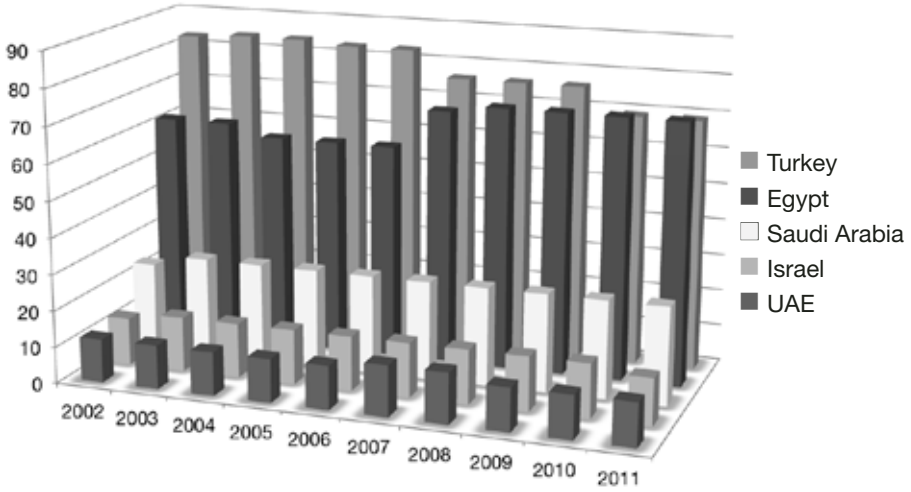
Middle East arms acquisitions are dominated by Persian Gulf markets, as these states perceive a growing threat from Iran's drive toward regional hegemony. The fact that all the countries along the coast of the Gulf procured and deployed Patriot SAM batteries with added capabilities against ballistic missiles testifies to the severity of the threat they perceive. Iraq is investing large amounts of money to rebuild its military from scratch, while Iran, unable to acquire weapons in the open markets is relying mostly on its indigenous industry. The Arab Maghreb is also arming itself. Algeria is absorbing its acquisitions from Russia and from Europe, while Morocco

Figure 1. Advanced Combat Aircraft, 2002-2011



Source: INSS Middle East Military Balance Project

Figure 2. Naval Combat Vessels, 2002-2011



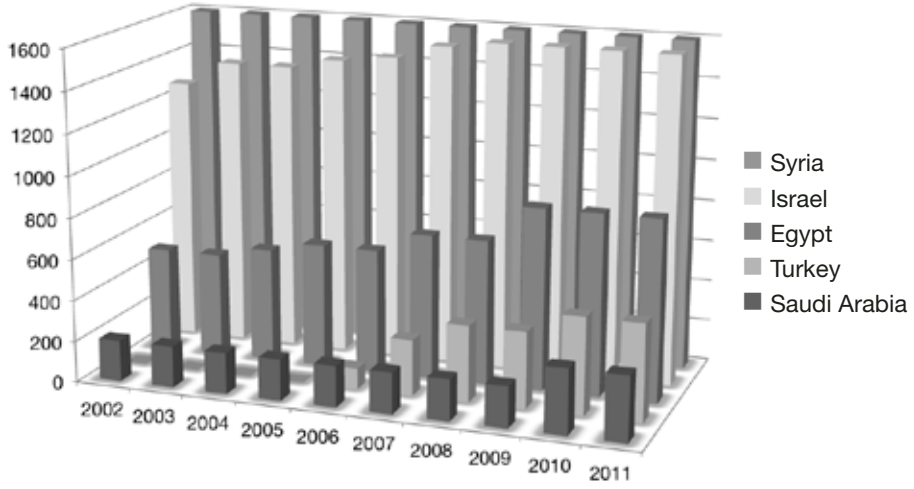
Source: INSS Middle East Military Balance Project

is making an effort and stretches its limited resources to renew its military with acquisitions in the US and Europe.

Israel continues to implement the lessons of the Second Lebanon War (2006) and Operation Cast Lead (2008-9). It continues to buy advanced fighter jets and surveillance and early warning planes and expand its satellite capabilities. At the same time, it has accelerated the rate of outfitting the military with anti-rocket systems and with better protected armored personnel carriers and tanks.

As a result of the recent developments in the region, most of the Arab states that are not monarchies are undergoing changes. In some cases these changes have already affected the command structure and the military forces (e.g., in Libya, Syria, and Yemen), and are expected to affect existing and future programs (e.g., in Egypt). Yet the uprising in many Arab states notwithstanding, the Middle East continues to be a major market for weapons, and of late there have been no substantial changes in the main trends of arms procurements. General trends in the region's inventories of main aerial, naval, and ground platforms appear in figures 1, 2, and 3. States with financing capabilities will continue to arm themselves with precision

Figure 3. High Quality Tanks ORBAT Development, 2002-2011



Source: INSS Middle East Military Balance Project

guided weapon systems, aerial warning systems, and intelligence. At the same time, the threats of guerilla warfare and terrorism originating in the region and in neighboring countries will increase the importance of arms dedicated to fighting terrorism, defending against rockets and missiles, and protecting population centers.

Review of Armed Forces

1. ALGERIA

Major Changes

- The Algerian air force received all of it Su-30MKA combat aircraft from Russia. The air force also received its first AW101 medium transport helicopters. Some 30 more helicopters of various types are to be delivered.
- The Algerian air defense forces received their first Pantsyr-S1 point defense systems.
- The Algerian navy received two Type 636 KILO class submarines from Russia.
- Algeria launched its second observation satellite – the ALSAT-2A. While this satellite was manufactured and launched by a European company, Algeria plans to launch another satellite in the near future, the ALSAT-2B, which is being manufactured indigenously.

General Data

Official Name of the State: Democratic and Popular Republic of Algeria
Head of State: President of the High State Council Abd al-Aziz Buteflika
Prime Minister: Abd al-Aziz Belkhaden
Minister of Defense: Major General Ahmed Sanhaji
Chief of General Staff: Major General Salih Ahmad Jaid
Commander of the Ground Forces: Major General Ahsan Tafer
Commander of the Air Force: Brigadier General Muhammad Ibn Suleiman

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The tables that appear in the pages that follow present a summary of data on Middle East armed forces. More data is available on the INSS website, where it is updated regularly.

The table representing the order-of-battle of each country often gives two numbers for each weapon category. The first number refers to quantities in active service, whereas the second number (in parentheses) refers to the total inventory.

Commander of Air Defense Force: Brigadier General Achour Laoudi
Commander of the Navy: Admiral Muhammad Taher Yali
Area: 2,460,500 sq. km.
Population: 34,900,000

Strategic Assets

NBC Capabilities

Nuclear capability

One 15 MW nuclear reactor, probably upgraded to 40 MW (built by PRC) suspected as serving a clandestine nuclear weapons program; one 1 MW nuclear research reactor (from Argentina); basic R&D; signatory of the NPT. Safeguards agreement with the IAEA in force. Signed and ratified the African Nuclear Weapon-Free Zone Treaty (Treaty of Pelindaba).

Chemical weapons and protective equipment

No data on CW activities available. Signed and ratified the CWC.

Biological weapons

No data on BW activities available. Signed and ratified the BWC.

Space Assets

Model	Type	Notes
Satellites		
• ALSAT-1	Remote sensing	90 kg, 32m resolution, earth monitoring civilian satellite for natural disasters
• ALSAT-2A	Remote sensing	116 kg, 2.5m resolution, civilian earth monitoring satellite
Future launch		
• ALSAT-2B		To be launched in 2012

Armed Forces

Order-of-Battle

Year	2007	2008	2009	2010	2011
General data					
• Personnel (regular)	127,000	127,000	127,000	127,000	127,000
Ground Forces					
• Divisions	5	5	5	5	5
• Total number of brigades	26	26	26	26	26

Order-of-Battle – cont'd

Year	2007	2008	2009	2010	2011
• Tanks	940 (1,140)	1,000 (1,200)	1,080 (1,240)	1,080 (1,240)	1,080 (1,240)
• APCs/AFVs	1,955 (2,055)	1,955 (2,055)	1,955 (2,055)	1,955 (2,055)	1,955 (2,055)
• Artillery (including MRLs)	920 (1,000)	920 (1,000)	920 (1,000)	920 (1,000)	920 (1,000)
Air Force					
• Combat aircraft	213 (243)	223 (253)	241 (271)	241 (271)	241 (271)
• Transport aircraft	41 (46)	46 (52)	46 (52)	46 (52)	46 (52)
• Helicopters	177 (186)	177 (186)	177 (186)	183	183
Air Defense Forces					
• Heavy SAM batteries	11	11	11	11	11
• Medium SAM batteries	18	18	18	20	20
• Light SAM launchers	78	78	78	78	78
Navy					
• Combat vessels	26	26	26	30	30
• Patrol craft	16	16	21	38	38
• Submarines	2	2	3	4	4

2. BAHRAIN

Major Changes

- Following civil unrest in Bahrain, some 2000 Peninsula Shield troops from four GCC countries were stationed in Bahrain. Their presence there is deemed temporary.
- The Bahraini military and security forces retained their cohesiveness during the period of unrest.
- The Bahraini air force received nine new S-70 Black Hawk helicopters.
- The Bahraini navy received its two new 42-meter landing craft as well as two 16-meter patrol boats – both from the UAE.

General Data

Official Name of the State: State of Bahrain
Head of State: Amir Shaykh Hamad bin Isa al-Khalifa
Prime Minister: Khalifa bin Salman al-Khalifa
Deputy Supreme Commander: Crown Prince Salman bin Hamad al-Khalifa
State Minister for Defense: Mohammed bin Abdullah al-Khalifa
Commander in Chief of the Armed Forces: Lieutenant General Khalifa bin Ahmed al-Khalifa
Chief of Staff of the Bahraini Defense Forces: Major General Daij bin Salman al-Khalifa
Commander of the Air Force: Hamad bin Abdallah al-Khalifa
Commander of the Navy: Lieutenant Commander Yusuf al-Maluallah

Area: 620 sq. km.
Population: 800,000

Strategic Assets

Ballistic Missiles

Model	Launchers	Missiles	Since	Notes
• ATACMS	9	30	2002	Using MLRS

Armed Forces

Order-of-Battle

Year	2007	2008	2009	2010	2011
General data					
• Personnel (regular)	8,200	8,200	8,200	8,200	8,200
• SSM launchers	9	9	9	9	9
Ground Forces					
• Total number of brigades	3	3	3	3	3
• Number of battalions	7	7	7	7	7
• Tanks	180	180	180	180	180
• APCs/AFVs	277 (297)	277 (297)	277 (297)	277 (297)	277 (297)
• Artillery (including MRLs)	48 (50)	68 (70)	68 (70)	68 (70)	68 (70)
Air Force					
• Combat aircraft	34	34	34	34	34
• Transport aircraft	4	4	5	5	5
• Helicopters	48	49	51	57	57
Air Defense Forces					
• Heavy SAM batteries	3	3	3	3	3
• Medium SAM batteries	2	2	2	2	2
• Light SAM launchers	40	40	40	40	40
Navy					
• Combat vessels	11	11	11	11	11
• Patrol craft	22	24	24	24	24

3. EGYPT

Major Changes

- The Egyptian military industry will produce 125 more Abrams M1A1 MBTs, in addition to the existing 880 tanks already produced, bringing the total to 1,005 tanks.
- The Egyptian armed forces are playing a major role in Egypt's transition from dictatorship to democracy. During the crisis they kept their cohesiveness – which was not the case for the internal security organs.

General Data

Official Name of the State: The Arab Republic of Egypt
Head of State: Field Marshal Muhammad Hussayn Tantawi, head of the Supreme Military Council
Prime Minister: Issam Sharaf
Minister of Defense and Military Production: Field Marshal Muhammad Hussayn Tantawi
Chief of General Staff: Lieutenant General Samy Hafez Anan
Commander of the Air Force: Major General Reda Mahmoud Hafez Muhammad
Commander of the Navy: Vice Admiral Mohab Mameesh

Area: 1,000,258 sq. km. (dispute with Sudan over "Halaib triangle" area)
Population: 75,500,000

Strategic Assets

NBC Capabilities

Nuclear capability
A 22 MW research reactor supplied by Argentina, completed in 1997; 2 MW research reactor from the USSR, in operation since 1961. Party to the NPT. Safeguards agreement with the IAEA in force. Signed but not ratified the African Nuclear Weapon-Free Zone treaty (Treaty of Pelindaba).

Chemical weapons and protective equipment
Alleged continued research and possible production of chemical warfare agents. Alleged stockpile of chemical munitions (mustard and nerve agents). Personal protective equipment, Soviet type decontamination vehicles, Fuchs (Fox) ABC detection vehicle (12), SPW-40 P2Ch ABC detection vehicle (small numbers). Not a signatory of the CWC.

Biological weapons
Suspected biological warfare program, no details available. Not a party to the BWC.

Ballistic Missiles

Model	Launchers	Missiles	Since	Notes
• SS-1 (Scud B/ Scud C)	24	100	1973	Possibly some upgraded versions
Future procurement				
• Scud C/ Project-T		90		Locally produced
• Vector				Unconfirmed
• No-Dong		24		Alleged

Space Assets

Model	Type	Notes
Satellites		
• NILESAT-1/2	Communication	Civilian
• Egypt Sat 1	Remote sensing	100 kg; a sun-synchronous, 668 km orbit
Ground stations		
• Aswan	Remote sensing	Receiving and processing satellite images for desert research
Future procurement		
• Desert Sat	Environmental	Monitoring coastal erosion, desertification, and water resources

Armed Forces

Order-of-Battle

Year	2007	2008	2009	2010	2011
General data					
• Personnel (regular)	450,000	450,000	450,000	450,000	450,000
• SSM launchers	24	24	24	24	24
Ground Forces					
• Divisions	12	12	12	12	12
• Total number of brigades	49	49	49	49	49
• Tanks	3,200 (3,830)	3,200 (3,830)	3,380 (3,830)	3,380 (3,870)	3,380 (3,870)
• APCs/AFVs	3,680 (4,950)	4,125 (5,305)	4,125 (5,305)	4,125 (5,305)	4,125 (5,305)

Order-of-Battle – cont'd

Year	2007	2008	2009	2010	2011
• Artillery (including MRLs)	3,590 (3,750)	4,050	4,050	4,050	4,050
Air Force					
• Combat aircraft	505 (518)	505 (518)	505 (518)	505 (518)	505 (518)
• Transport aircraft	53 (55)	53 (55)	53 (55)	53 (55)	53 (55)
• Helicopters	230	230	230	230	230
Air Defense Forces					
• Heavy SAM batteries	109	109	109	109	109
• Medium SAM batteries	46	46	46	46	46
• Light SAM launchers	130	155	155	155	155
Navy					
• Submarines	4	4	4	4	4
• Combat vessels	70	72	72	72	72
• Patrol craft	103	103	103	103	103

4. IRAN

Major Changes

- Iran continues its nuclear weapon project in spite of massive international pressure not to do so.
- Despite repeated promises by Russia to supply Iran's S-300PMU advanced air defense missile systems, Russia has officially canceled the deal.
- The Iranian military industry continues to develop more and more advanced systems. Among these are long range coastal anti-ship missiles, submarine launched and airborne versions of anti-ship missiles, long range ballistic missiles (principally the two stage solid-fueled Sejil missile, the satellite launch vehicles (Safir-e-Omid and Simorgh), midget submarines (Ghader and Nahang), missile boats (Kaman and Mowj class), and patrol boats. It claims to have begum serial production of combat aircraft like the Azarakhsh and Saegheh, and UAVs.

General Data

Official Name of the State: Islamic Republic of Iran
Supreme Religious and Political National Leader (Rahbar): Ayatollah Ali Hoseini Khamenei
Head of State (formally subordinate to National Leader): President Mahmud Ahmadinejad
Minister of Defense: Ahmed Vahidi
General Commander of the Armed Forces: Major General Ataollah Salehi
Head of the Armed Forces General Command Headquarters: Major General Hasan Firuzabadi
Chief of the Joint Staff of the Armed Forces: Brigadier General Abdolrahim Mousavi
Commander of the Ground Forces: Brigadier General Ahmad-Reza Pourdastan
Commander of the Air Force: Brigadier General Hassan Shahsafi
Commander of the Air-Defense Forces: Brigadier General Ahmad Miqani
Commander of the Navy: Rear Admiral Habibollah Sayyari
Commander-in-Chief of the Islamic Revolutionary Guards Corps (IRGC): Major General Mohammed Ali Jaafari
Chief of the Joint Staff of the IRGC: Brigadier General Mohammed Hejazi
Commander of the IRGC Ground Forces: Brigadier General Mohammed Pakpour
Commander of the IRGC Air Wing: Brigadier General Amir Ali Hajizadeh
Commander of the IRGC Naval Wing: Rear Admiral Ali Fadavi
Commander of the IRGC Resistance Force (Basij): Brigadier General Mohammed Reza Naqbi

Area: 1,647,240 sq. km. (not including Abu Musa Island and two Tunb islands; control disputed)
Population: 74,200,000 est.

Strategic Assets

NBC Capabilities

Nuclear capability

One 5 MW research reactor acquired from the US in the 1960s (in Tehran) and one small 30 kW miniature neutron source reactor (in Esfahan). One 1,000 MW VVER power reactor under construction, under a contract with Russia, in Bushehr. Uranium enrichment facility in Natanz and heavy water production facility in Arak – connected to an alleged nuclear weapons program. Party to the NPT. Safeguards agreement with the IAEA in force.

Chemical weapons and protective equipment

In 1999 Iran admitted that in the past it had possessed chemical weapons. Party to the CWC, but nevertheless suspected of still producing and stockpiling mustard, sarin, soman, tabun, VX, and other chemical agents. Suspected delivery systems include aerial bombs, artillery shells, and SSM warheads. PRC and Russian firms and individuals allegedly provide assistance in supply of CW technology and precursors. Personal protective equipment and munitions decontamination vehicles.

Biological weapons

Suspected biological warfare program; no details available. Party to the BWC.

Ballistic Missiles

Model	Launchers	Missiles	Notes
• SS-1 (Scud B/ Scud C)	~20	300 Scud B, 100 Scud C	
• Shehab-2	+	+	Probably similar to the Syrian Scud D
• Shehab-3/3B	10	90	
• Ghadr-101/110	+		Alleged
• BM-25	+	18	Operational status unknown
• Tondar-69 (CSS-8)	16		
• Fateh-110	+		
Total	~60		

Ballistic Missiles – cont'd

Model	Launchers	Missiles	Notes
Future procurement			
• Shehab-3B			Includes new re-supply vehicles, believed to be in production
• Ghadr / Ashura / Sejil			Solid propellant

Space Assets

Name	Type	Notes
Satellites		
• Sina-1	Remote sensing	170 kg satellite with 50m resolution camera for earth observation
• SMMS	Remote sensing	Multi-mission satellite, to be launched in cooperation with China and Thailand
• Omid	Research	20 kg micro satellite; returned to the atmosphere after 3 months in space
• RASAD-1	Remote sensing	Indigenous micro satellite, launched in 2011
Ground station		
• Semnan		Ground command and communication station
• IRSC	Remote sensing	Multi-spectral remote sensing
Satellite launcher		
• Kavoshgar		Sounding rocket
• Safir / Simorgh		SLV
Future procurement		
• Toloo	Reconnaissance	100 kg military reconnaissance satellite, 500 km in orbit
• Ya-Mahdi	Research	Test bed for indigenous camera equipment
• Mesbah-2	Research	65 kg, to be launched in 2012; indegious, following the cancelation of Mesbah-1 by Italy
• Zohreh	Communication	Russian-built communication satellite
• Navid	Remote sensing	100 kg, to be positioned at 500 km
• Zafar		
• Fajr		

Space Assets – cont'd

Name	Type	Notes
• AUTSAT/ (Amir-Kabir 1)	Heliocentric remote sensing	80 kg, to be launched in 2013

Armed Forces

Order-of-Battle

Year	2007	2008	2009	2010	2011
General data					
• Personnel (regular)	520,000	520,000	520,000	520,000	520,000
• SSM launchers	50	60	60	60	60
Ground Forces					
• Divisions	32	32	32	32	32
• Total number of brigades	87	87	87	87	87
• Tanks	~1,620	~1,620	~1,620	~1,620	~1,620
• APCs/AFVs	~1,400	~1,400	~1,400	~1,400	~1,400
• Artillery (including MRLs)	~2,700 (~3,000)	~2,700 (~3,000)	~2,700 (~3,000)	~2,700 (~3,000)	~2,700 (~3,000)
Air Force					
• Combat aircraft	203 (341)	237 (343)	235 (341)	235 (341)	235 (341)
• Transport aircraft	101 (125)	101 (125)	105 (129)	105 (129)	105 (129)
• Helicopters	340 (570)	340 (570)	340 (570)	340 (570)	340 (570)
Air Defense Forces					
• Heavy SAM batteries	30	30	30	30	30
• Medium SAM batteries	+	6	6	6	6
• Light SAM launchers	100	120	120	120	120
Navy					
• Submarines	6	8	8	11	11
• Combat vessels	56	90	90	106	106
• Patrol craft	160	185	185	150	150

5. IRAQ

Major Changes

- The Iraqi government is gradually receiving weapons and equipment for its developing armed forces. The ground forces are receiving primarily lightly armored vehicles, though a small number of more advanced M1A1 MBTs have also been ordered.
- The air force ordered and is receiving light aircraft – mostly for reconnaissance missions; some have light attack capabilities. No combat aircraft have been ordered to date. The air force is also receiving transport helicopters, with some of these lightly armed.
- The navy is receiving light patrol craft and some transport ships.
- The US force is in the process of withdrawing from Iraq. A force of some 50,000 US soldiers will remain in Iraq in training and support roles for the Iraqi armed forces.

General Data

Official Name of the State: The Republic of Iraq
Commander of Advisory Forces in Iraq: Lt. Gen. Lloyd Austin
Head of State: President Jalal Talabani
Prime Minister: Nouri al-Maliki
Minister of Defense: Abdul Qadir Jassim al-Obeidi
Minister of Interior: Jawad al-Bulani
Chief of General Staff: Lt. General Babkir Bederkhan al-Zibari
Commander of the Ground Forces: Lt. General Ali Ghaidan
Commander of the Air Force: Lt. General Anwar Hamad Amen Ahmed
Commander of the Navy: Admiral Mohammed Jawad Kadham

Area:. 432,162 sq. km.
Population: 30,700,000 est.

Armed Forces

Order-of-Battle

Year	2007	2008	2009	2010	2011
General data					
• Personnel (regular)	250,000	250,000	250,000	250,000	250,000
Ground forces					
• Number of battalions	160	185	190	224	224

Order-of-Battle – cont'd

Year	2007	2008	2009	2010	2011
• Tanks	97	97	171	200	236
• APCs/AFVs	4,794	4,893	13,440	13,440	13,565
• Artillery			22	36	50
Air force					
• Combat aircraft			3	3	3
• Reconnaissance aircraft	10	11	18*	18	18
• Transport aircraft	8	11	4*	4	4
• Helicopters	36	36	53	60	65
Navy					
• Patrol craft	11	12	15	16	18

* Due to change in estimate

6. ISRAEL

Major Changes

- Two batteries of the Iron Dome anti-short range rocket system entered operational service. Four more batteries will be acquired in the near future. A third Arrow BMD battery has entered service. The battery is equipped with the new Arrow-2 system.
- The Israeli army is still absorbing its Merkava Mk IV MBTs, while withdrawing older MBTs from service. In the wake of lessons of the Second Lebanon War, the army is equipping its MBTs with the Trophy active protection system. The system has scored its first successful interception.
- The Israeli army is also absorbing its first Namer IFVs, which are based on the Merkava automotive system. These IFVs are manufactured both in Israel and in the US.
- The Israeli air force has replaced its aging Tzukit training aircraft with the new T-6A Texan (Efroni). The Tzukit was officially retired after more than 50 years in service. The air force has also acquired new Heron TP (Eitan), as well as Hermes 900 UAVs.

General Data

Official Name of the State: State of Israel
Head of State: President Shimon Peres
Prime Minister: Benjamin Netanyahu
Minister of Defense: Ehud Barak
Chief of General Staff: Lieutenant General Benny Gantz
Commander of Army HQ: Major General Sami Turgeman
Commander of the Air Force: Major General Ido Nehushtan
Commander of the Navy: Rear Admiral Ram Rothberg

Area: 22,145 sq. km, including East Jerusalem and its vicinity, and the Golan Heights
Population: 7,400,000

Strategic Assets

NBC Capabilities

Nuclear capabilities

Two nuclear research reactors; alleged stockpile of nuclear weapons.* Nuclear-safety cooperation agreement with the US. Not a party to the NPT.

Chemical weapons and protective equipment

Personal protective equipment; unit decontamination equipment. Fuchs (Fox) NBC detection vehicles (8 vehicles); SPW-40 P2Ch NBC detection vehicles (50 vehicles); Girit decontamination vehicles; AP-2C CW detectors. Signed but not yet ratified the CWC.

Biological weapons

Not a party to the BWC.

* According to foreign publications, as cited by Israeli publications.

Ballistic Missiles

Model	Launchers	Missiles	Since	Notes
• MGM-52C (Lance)	12		1976	
• Jericho Mk 1/2/3 SSM*	+			Upgraded
• Black/ Blue Sparrow	+			Target missiles used in test ranges
Total	+			
Future procurement				
• LORA	+			Under negotiations

* According to foreign publications, as cited by Israeli publications.

Space Assets

Model	Type	Notes
Satellites		
• Amos	Communication	Civilian, currently deployed Amos-3
• Ofeq	Reconnaissance	Currently deployed Ofeq-5, Ofeq-7, and Ofeq-9
• Eros	Reconnaissance	Civilian derivate of Ofeq, currently Eros-1B
• TECHSAR	Reconnaissance	SAR imagery satellite, 260 kg, 550 km in orbit

Space Assets – cont'd

Model	Type	Notes
• TechSat	Research	Civilian
Satellite launcher		
• Shavit	SLV	
Future procurement		
• Shalom	Remote sensing	Multi-spectral satellites, in cooperation with Italy
• Nano-satellites	Reconnaissance	Optical satellites with 1.5m resolution
• Amos-4/5/6	Communication	Civilian-owned satellites
• MILCOM	Communication	

Armed Forces

Order-of-Battle

Year	2007	2008	2009	2010	2011
General data					
• Personnel (regular)	176,500	176,500	176,500	176,500	176,500
• SSM launchers	+	+	+	+	+
Ground Forces					
• Divisions	16	16	16	16	16
• Total number of brigades	78	78	79	79	79
• Tanks	3,400 (3,800)	3,360 (3,740)	3,290 (3,730)	3,120 (3,630)	3,120 (3,630)
• APCs/AFVs	6,930	7,070	7,000 (7,500)	7,900 (8,400)	7,900 (8,400)
• Artillery (including MRLs)	+	+	+	+	+
Air Force					
• Combat aircraft	520 (875)	541 (875)	541 (875)	515 (874)	515 (874)
• Transport aircraft	71 (84)	66 (77)	66 (77)	66 (77)	66 (77)
• Helicopters	184 (286)	172 (285)	169 (285)	171 (201)	171 (201)
Air Defense Forces					
• Heavy SAM batteries	25	25	25	19*	19

Order-of-Battle – cont'd

Year	2007	2008	2009	2010	2011
• Medium SAM batteries				1	2
• Light SAM launchers	70	70	70	70	70
Navy					
• Submarines	3	3	3	3	3
• Combat vessels	15	15	15	13	13
• Patrol craft	50	52	55	56	56

* Due to change in estimate

7. JORDAN

Major Changes

- The Royal Jordanian Air Force is absorbing 20 F-16C/D procured from Belgium and Holland. Meanwhile the RJAF upgraded its older F-16A/B to the C/D standard, with aid from the Turkish industry.
- Jordan signed a contract with a consortium of companies from South Korea to build a 5 MW nuclear research reactor.

General Data

Official Name of the State: The Hashemite Kingdom of Jordan
Head of State: King Abdullah bin Hussein al-Hashimi (Abdullah the Second)
Prime Minister: Marouf al-Bakhit
Minister of Defense: Marouf al-Bakhit
Inspector General of the Armed Forces: Major General Abd Khalaf al-Najada
Chief of the Joint Staff of the Armed Forces: Lieutenant General Mashaal Mohammed al-Zaben
Commander of the Air Force: Major General Malik al-Habashneh
Commander of the Navy: Major General Dari al-Zaben

Area: 90,700 sq. km.
Population: 6,300,000

Strategic Assets

NBC Capabilities

Nuclear capability
5 MW nuclear research reactor, under construction by a consortium of companies from South Korea. Nuclear cooperation accords with Canada, China, France, UK, and US. Party to the NPT.

Chemical weapons and protective equipment
No known CW activities. Personal protective and decontamination equipment. Party to the CWC.

Biological weapons
No known BW capability. Party to the BWC.

Armed Forces

Order-of-Battle

Year	2007	2008	2009	2010	2011
General data					
• Personnel (regular)	100,700	100,700	100,700	100,700	100,700
Ground Forces					
• Divisions	4	4	4	4	4
• Total number of brigades	14	14	14	14	14
• Tanks	927 (1,217)	927 (1,217)	927 (1,217)	927 (1,217)	927 (1,217)
• APCs/AFVs	1,864 (2,056)	2,235 (2,295)	2,235 (2,295)	2,235 (2,295)	2,235 (2,295)
• Artillery (including MRLs)	853 (878)	853 (878)	853 (878)	853 (878)	853 (878)
Air Force					
• Combat aircraft	94 (108)	80 (106)	83 (101)	83 (101)	83 (101)
• Transport aircraft	16	18	18	18	18
• Helicopters	67	79	82	82	82
Air Defense Forces					
• Heavy SAM batteries	17	17	17	17	17
• Medium SAM batteries	12	12	12	12	12
• Light SAM launchers	50	50	50	50	50
Navy					
• Patrol craft	17	17	17	17	17

8. KUWAIT

Major Changes

- The Kuwaiti air defense is undergoing a major upgrade to its Patriot AD missiles. Under this project Kuwait will receive the new PAC-3 interceptors, while the older PAC-2 will be upgraded to the GEM-T standard.

General Data

Official Name of the State: State of Kuwait
Head of State: Emir Sabah al-Ahmad al-Sabah
Prime Minister: Nasser al-Mohammed al-Ahmad al-Sabah
Minister of Defense: Jabar al-Mubarak al-Ahmad al-Sabah
Chief of General Staff: Major General Fahd Ahmad al-Amir
Commander of the Ground Forces: Lieutenant General Ibrahim al-Wasmi
Commander of the Air Force: Vice Marshall Yusef al-Otaibi
Commander of the Navy: Vice Admiral Ahmad Yousuf al-Mualla

Area: 17,820 sq. km. (including 2,590 sq. km. of the Neutral Zone)
Population: 3,600,000

Strategic Assets

NBC Capabilities

Nuclear capability
No known nuclear activity. Party to the NPT.

Chemical weapons and protective equipment
Fuchs (Fox) ABC detection vehicle (11), Personal protective equipment, unit decontamination equipment. No known CW activities. Party to the CWC.

Biological weapons
No known BW activities. Party to the BWC.

Armed Forces

Order-of-Battle

Year	2007	2008	2009	2010	2011
General data					
• Personnel (regular)	15,500	15,500	15,500	15,500	15,500

Order-of-Battle – cont'd

Year	2007	2008	2009	2010	2011
Ground Forces					
• Number of brigades	7	7	7	7	7
• Tanks	293 (483)	293 (483)	368 (483)	368 (483)	368 (483)
• APCs/AFVs	690 (920)	690 (920)	710 (940)	716 (946)	716 (946)
• Artillery	147 (177)	147 (177)	147 (177)	147 (177)	147 (177)
Air Force					
• Combat aircraft	39 (58)	39 (58)	39 (58)	39 (58)	39 (58)
• Transport aircraft	5	5	5	5	5
• Helicopters	35 (40)	39 (48)	39 (48)	39 (48)	39 (48)
Air Defense Forces					
• Heavy SAM batteries	11	11	11	11	11
• Medium SAM batteries	6	6	6	6	6
Navy					
• Combat vessels	10	10	10	10	10
• Patrol craft	86	86	86	86	86

9. LEBANON

Major Changes

- The Lebanese armed forces are undergoing some significant changes. The Lebanese armed forces received substantial foreign aid, stocks are being refurbished, and some new equipment was received – mostly through donations. This includes, along with other munitions, ten IAR-330 Puma helicopters and, from the UAE, AC-208 Combat Caravan aircraft, and from the US, 600 HMMWV.
- Hizbollah forces (non-governmental) now have a stockpile of some 45,000 rockets of all sizes. In particular, they allegedly received M600 medium range ballistic missiles from Syria, as well as some Scud systems.

General Data

Official Name of the State: Republic of Lebanon
Head of State: President Michel Sulayman
Prime Minister: Najib Mikati
Minister of Defense: Elias Murr
Commander-in-Chief of the Armed Forces: Lieutenant General Jean Kahwaj
Chief of General Staff: Brigadier General Sawqi al-Massri
Commander of the Air Force: Brigadier General Samir Maalouli
Commander of the Navy: Rear Admiral Ali al-Moallem

Area: 10,452 sq. km.
Population: 4,200,000

Armed Forces

Order-of-Battle

Year	2007	2008	2009	2010	2011
General data					
• Personnel (regular)	61,400	61,400	61,400	61,400	61,400
Ground Forces					
• Number of brigades	12	12	12	12	12
• Tanks	240 (350)	240 (350)	240 (350)	240 (350)	240 (350)
• APCs/AFVs	1,520 (1,665)	1,545 (1,680)	1,800 (1,950)	1,860 (2,010)	1,860 (2,010)

Order-of-Battle – cont'd

Year	2007	2008	2009	2010	2011
• Artillery (including MRLs)	~335	~335	~335	~335	~335
Air Force					
• Combat aircraft		2	5	5	5
• Helicopters	24 (38)	36 (43)	50 (57)	50 (57)	50 (57)
Navy					
• Patrol craft	38	40	41	41	41

10. LIBYA

Major Changes

- Following the uprising in Libya that began in February 2011 and Qaddafi's overthrow, the Libyan armed forces have mostly disintegrated. Some of the units and some of the equipment are being operated by the rebels. Most of the air force and the air defense forces have been destroyed by NATO air attacks. The tables cover the known inventories at the outbreak of the civil war.

General Data

Official Name of the State: The Great Socialist People's Libyan Arab Jamahiriya
Head of State: Head of the Transitional National Council (TNC), Mustafa Abdel Jalil
Minister of Defense: Jallal al-Digheily
Commander of the Armed Forces: Abdul-Karim Belhaj

Area: 1,759,540 sq. km.
Population: 6,400,000

Strategic Assets

NBC Capabilities

Nuclear capabilities

5 MW Soviet-made research reactor at Tadjoura; Libya had a clandestine uranium enrichment program with a few thousand centrifuges. These were surrendered and removed in the framework of its renunciation of its WMD programs. Party to the NPT. Safeguards agreement with the IAEA in force. Signed but not ratified the African Nuclear Weapon-Free Zone Treaty (Treaty of Pelindaba).

Chemical weapons and protective equipment

CW production facilities, stockpile of chemical agents, nerve gas, and mustard gas. In the framework of its steps to renounce its WMD programs, work has been carried out to dismantle all past chemical weapons stockpiles. Libya also acceded to the CWC. Personal protective equipment; Soviet type decontamination units.

Biological weapons

Alleged production of toxins and other biological weapons (unconfirmed).
Party to the BWC.

Ballistic Missiles

Model	Launchers	Missiles	Since	Notes
• Scud B	80	500	1976	
• Scud C			1999	Unusable
Total	~80			

Space Assets

Model	Type	Notes
Ground station		
• BIRUNI	Remote sensing	Research center

Armed Forces

Order-of-Battle

Year	2007	2008	2009	2010	2011
General data					
• Personnel	76,000	76,000	76,000	76,000	?
• SSM launchers	80	80	80	80	?
Ground Forces					
• Number of brigades	1	1	1	1	?
• Number of battalions	46	46	46	46	?
• Tanks	650 (2,210)	650 (2,210)	650 (2,210)	650 (2,210)	?
• APCs/AFVs	2,230 (2,520)	2,230 (2,520)	2,230 (2,520)	2,230 (2,520)	?
• Artillery (including MRLs)	2,320 (2,400)	2,320 (2,400)	2,320 (2,400)	2,320 (2,400)	?
Air Force					
• Combat aircraft	260 (386)	260 (386)	260 (386)	260 (386)	?
• Transport aircraft	78 (83)	83 (88)	83 (88)	83 (88)	?
• Helicopters	109 (186)	117 (194)	117 (194)	124 (201)	?
Air Defense Forces					
• Heavy SAM batteries	~30	~30	~30	~30	?
• Medium SAM batteries	~17	~17	~17	~17	?

Order-of-Battle – cont'd

Year	2007	2008	2009	2010	2011
• Light SAM launchers	55	55	55	55	?
Navy					
• Submarines	0(2)	0(2)	0(2)	0(2)	?
• Combat vessels	17	17	17	17	?
• Patrol craft	6	6	12	12	?

11. MOROCCO

Major Changes

- The Moroccan air force is upgrading its aged Mirage F-1 combat aircraft. Meanwhile the Moroccan air force ordered 24 F-16 aircraft, with the first batch delivered in July 2011. The air force also received its first C-27 transport aircraft, out of an order of four such aircraft, and its first twelve T-6C training aircraft, out of an order of 24.
- The Moroccan navy's first of three Sigma type frigates is undergoing sea worthiness tests in the Netherlands and will be commissioned in the near future.

General Data

Official Name of the State: Kingdom of Morocco
Head of State: King Mohammed VI
Prime Minister: Abbas al-Fassi
Secretary General of National Defense Administration: Abdel Rahaman Sbai
Commander-in-Chief of the Armed Forces: King Mohammed VI
Inspector General of the Armed Forces: Major General Abdul Aziz Bin-Ani
Commander of the Air Force: Major General Ahmad Bou-Taleb
Commander of the Navy: Major General Muhammad Barada

Area: 622,012 sq. km., including the former Spanish Sahara
Population: 32,300,000

Armed Forces

Order-of-Battle

Year	2007	2008	2009	2010	2011
General data					
• Personnel (regular)	198,500	198,500	198,500	198,500	198,500
Ground Forces					
• Number of brigades	6	6	6	6	6
• Tanks	285 (640)	285 (640)	343 (640)	343 (640)	343 (640)
• APCs/AFVs	1,089 (1,139)	1,089 (1,139)	1,450 (1,500)	1,450 (1,500)	1,450 (1,500)
• Artillery (including MRLs)	1,100	1,100	1,142	1,142	1,142

Order-of-Battle – cont'd

Year	2007	2008	2009	2010	2011
Air Force					
• Combat aircraft	58 (72)	58 (72)	58 (72)	58 (72)	62 (78)
• Transport aircraft	41 (43)	41 (43)	41 (43)	42 (44)	42 (44)
• Helicopters	123 (133)	123 (133)	120 (130)	120 (130)	120 (130)
Air Defense Forces					
• Light SAM launchers	49	49	49	49	49
Navy					
• Combat vessels	15	15	15	15	15
• Patrol craft	55	55	62	62	62

12. OMAN

Major Changes

- The Omani air force received its first NH90 utility helicopters. The air force is also negotiating the procurement of eighteen combat aircraft.
- The Omani Royal Guard received all of its Centauro IFVs.

General Data

Official Name of the State: Sultanate of Oman
Head of State: Sultan Qabus ibn Said al-Said
Prime Minister: Sultan Qabus ibn Said al-Said
Minister of Defense Affairs: Badr bin Saud bin Harib al-Busaidi
Chief of General Staff: Lieutenant General Ahmad bin Harith bin Naser al-Nabhani
Commander of the Ground Forces: Major General Said bin Naser bin Suleiman al-Salmi
Commander of the Air Force: Vice Air Marshal Yahya bin Rashid al-Juma'ah
Commander of the Navy: Rear Admiral Salim bin Abdalla bin Rashid al-Alawi

Area: 212,000 sq. km.
Population: 3,100,000

Armed Forces

Order-of-Battle

Year	2007	2008	2009	2010	2011
General data					
• Personnel (regular)	34,000	34,000	34,000	34,000	34,000
Ground Forces					
• Number of brigades	4	4	4	4	4
• Total number of battalions	18	18	18	18	18
• Tanks	124 (201)	124 (201)	124 (201)	124 (201)	124 (201)
• APCs/AFVs	446 (476)	446 (476)	453 (484)	455 (486)	455 (486)
• Artillery	133 (139)	133 (139)	133 (139)	147	147
Air Force					
• Combat aircraft	32 (33)	41	41	41	41
• Transport aircraft	50 (54)	50 (54)	49 (56)	49 (56)	49 (56)

Order-of-Battle – cont'd

Year	2007	2008	2009	2010	2011
• Helicopters	61	63	63	63	63
Air Defense Forces					
• Light SAM launchers	112	112	112	112	112
Navy					
• Combat vessels	9	9	9	9	9
• Patrol craft	68	69	69	71	71

13. PALESTINIAN AUTHORITY

Major Changes

- Following the takeover of the Gaza Strip in July 2007 by Hamas, the PA comprises two separate entities. Therefore, this section is divided into two parts – the first deals with the PA in the West Bank, and the second deals with the Hamas entity in Gaza.
- In the West Bank the reorganized National Security Force is training extensively under Jordanian instruction and US supervision. It now constitutes six trained battalions out of ten projected battalions by the end of 2011.

General Data

Official Name: Palestinian National Authority (PA)
Chairman: Mahmoud Abbas (Abu Mazen)

PA government in the West Bank:
Prime Minister: Salam Fayyad
Minister of Internal security: Sayid Abu-Ali
Chief of National Security: Brigadier General Diab al-Ali
Chief of Presidential Guards: Brigadier General Munir al-Zoubi
Chief on Civil Police: Brigadier General Hazem Atallah

Hamas Government in Gaza:
Prime Minister: Ismail Haniyeh
Minister of Internal security: Fathi Hammed
Chief of Security Forces: Ahmed Jabari
Chief on Civil Police: Major General Tawfiq Jabir
Chief of Executive Force: Jamal al-Jarakh

Area: 400 sq. km. (Gaza), 5,800 sq. km. (West Bank). By the terms of the Interim Agreement, the West Bank is divided into three areas, designated A, B, and C. The PA has civilian responsibility for Palestinians in all three areas, exclusive internal security responsibility for Area A (18.2%), and shared security responsibility for Area B (24.8%). Israel maintains full security responsibility for the remaining 57% (Area C).
Population: 3,930,000

Security Forces

West Bank Order-of-Battle

Year	2007	2008	2009	2010	2011
General data					
• Personnel	60,000	40,000	30,000	30,000	30,000
• Number of battalions	1	3	5	6	6
Ground Forces					
• APCs	+	145	145	145	145

Note: Since the Hamas takeover of Gaza, this table represents Palestinian security forces in the West Bank.

Gaza Order-of-Battle

Year	2007	2008	2009	2010	2011
General data					
• Personnel	10,000	11,000	14,000	14,000	14,000
Ground Forces					
• APCs	+	+	+	+	+
• Artillery	+	+	+	+	+
• Rockets	thousands	thousands	thousands	thousands	thousands
AD systems					
• Shoulder-launched missiles	+	110	110	110	110
• Short range guns		15	15	15	15

Note: Since the Hamas takeover in Gaza, this table represents Palestinian security forces in Gaza.

14. QATAR

Major Changes

- The Qatari air force received its first AW139 helicopters. The air force is also absorbing its C-17 heavy transport aircraft and negotiating for additional aircraft.

General Data

Official Name of the State: State of Qatar
Head of State: Shaykh Hamad bin Khalifa al-Thani
Prime Minister: Hamad bin Jassem bin Jaber al-Thani
Minister of Defense: Shaykh Hamad bin Khalifa al-Thani
Commander in Chief of the Armed Forces: Shaykh Hamad bin Khalifa al-Thani
Chief of General Staff: Brigadier General Hamad bin Ali al-Attiyah
Commander of the Ground Forces: Colonel Saif Ali al-Hajiri
Commander of the Air Force: General Mubarak al-Khayarin
Commander of the Navy: Vice Adm. Muhammad bin Nasser al-Mohannadi

Area: 11,437 sq. km.
Population: 1,800,000

Armed Forces

Order-of-Battle

Year	2007	2008	2009	2010	2011
General data					
• Personnel (regular)	11,800	11,800	11,800	11,800	11,800
Ground Forces					
• Number of brigades	2	2	2	2	2
• Total number of battalions	11	11	11	11	11
• Tanks	30 (44)	30 (44)	30 (44)	30 (44)	30 (44)
• APCs/AFVs	280 (310)	280 (310)	280 (310)	280 (310)	280 (310)
• Artillery (including MRLs)	56	56	56	56	56
Air Force					
• Combat aircraft	12	12	12	12	12
• Transport aircraft	7 (8)	7 (8)	9 (10)	9 (10)	9 (10)

Order-of-Battle – cont'd

Year	2007	2008	2009	2010	2011
• Helicopters	22	22	24	28	28
Air Defense Forces					
• Heavy SAM batteries	2	2	2	2	2
• Light SAM launchers	51	51	51	51	51
Navy					
• Combat vessels	7	7	7	7	7
• Patrol craft	17	14	14	14	14

15. SAUDI ARABIA

Major Changes

- The RSAF received twelve of its 72 Typhoon combat aircraft, ordered from the UK.
- The RSAF is upgrading 80 of its aging Tornado IDS attack aircraft to the GR-4 standard. Concurrently it will phase out its obsolete F-5 aircraft.
- The RSAF has ordered twelve additional AH-64D Apache combat helicopters and will upgrade the twelve existing older Apache AH-64A to the same standard. Other programs for the RSAF include an order for 6 A330 MRTT refueling aircraft, and upgrading old E-3s AWACS aircraft.
- The Saudi Arabian National Guard launched a major upgrade program that includes the procurement of 724 new Piranha LAV IFVs from Canada, 260 Tactica APCs from the UK, and 100 155mm CAESAR howitzers from France.

General Data

Official Name of the State: The Kingdom of Saudi Arabia
Head of State: King Abdallah ibn Abd al-Aziz al-Saud
Defense and Aviation Minister: Crown Prince Sultan ibn Abd al-Aziz al-Saud
Chief of General Staff: Lieutenant General Salih ibn Ali al-Muhaya
Commander of the Ground Forces: Lieutenant General Abdul Rahman ibn Abdullah al-Murshid
Commander of the National Guard: Crown Prince Miteb ibn Abdallah ibn Abd al-Aziz al-Saud
Commander of the Air Force: Lieutenant General Mohammed bin Abdullah al-Ayish
Commander of the Navy: Lt. General Dakhil Allah bin Ahmed bin Mohammed al-Waqdani

Area: 2,331,000 sq. km.
Population: 25,500,000

Strategic Assets

NBC Capabilities

Nuclear capability

No known nuclear activity. Party to the NPT.

Chemical weapons and protective equipment

No known CW activities. Personal protective equipment, decontamination units, US-made CAM chemical detection systems; Fuchs (Fox) NBC detection vehicles. Party to the CWC.

Biological weapons

No known BW activities. Party to the BWC.

Ballistic Missiles

Model	Launchers	Missiles	Since	Notes
• CSS-2	8-12	30-50	1988	Number of launchers unconfirmed

Space Assets

Model	Type	Notes
Satellites		
• Arabsat	Communication	Civilian communication satellite network. Currently deployed are ArabSat-2B/5A and Bader-4/5/6.
• Saudi Comsat	Research	Commercial micro satellites; seven satellites, out of 24; 12 kg each.
• Saudi Sat 1/2/3	Remote sensing and space research	2 (10 kg each) were launched in September 2000 by a Russian military rocket, and are orbiting 650 km above earth. The third satellite was launched in December 2002. Saudi Sat 2 (30 kg) was launched in June 2004. Saudi Sat 3 was launched in April 2007.
Ground Stations		
• SCRS	Imagery	Receiving SPOT, Landsat, and NOAA
Future procurement		
• Arabsat-6	Communication	Fifth generation satellite planned for launch in 2012.

Armed Forces

Order-of-Battle

Year	2007	2008	2009	2010	2011
General data					
• Personnel (regular)	171,500	214,500	214,500	214,500	214,500
• SSM launchers	8-12	8-12	8-12	8-12	8-12
Ground Forces					
• Number of brigades	20	20	20	20	20
• Tanks	750 (1,015)	750 (1,015)	765 (1,015)	765 (1,015)	765 (1,015)
• APCs/AFVs	~4,430 (~5,230)	~4,180 (~5,180)	4,330 (5,150)	4,330 (5,150)	4,330 (5,150)
• Artillery (incl. MRLs)	~410 (~780)	~410 (~780)	~410 (~780)	~410 (~780)	~410 (~780)
Air Force					
• Combat aircraft	250 (~320)	250 (~320)	255 (~325)	261 (~330)	261 (~330)
• Transport aircraft	57 (59)	57 (59)	57	57	57
• Helicopters	228	226	234	234	234
Air Defense Forces					
• Heavy SAM batteries	25	25	25	25	25
• Medium SAM batteries	21	21	21	21	21
Navy					
• Combat vessels	27	27	27	27	27
• Patrol craft	68	68	68	68	68

16. SUDAN

Major Changes

- As of July 2011 South Sudan has become an independent state. All weapon systems that now belong to South Sudan have been eliminated from the tables.
- No other major changes were reported in the Sudanese armed forces.

General Data

Official Name of the State: The Republic of Sudan
Head of State: President Omar Hassan Ahmad al-Bashir
Defense Minister: Abdul Rahim Mohammed Hussein
Chief of General Staff: Lt. General Ahmed Ali al-Gaili
Inspector General of the Armed Forces: General Mohammed Abdul Qader Nasser Eddin
Commander of the Army: General Mohammed Mahmoud Jama
Commander of the Air Force: Air Marshal Hassan Abdul Qader
Commander of the Navy: Vice Admiral al-Zein Bala

Area: 1,886,068 sq. km.
Population: 42,300,000

Armed Forces

Order-of-Battle

Year	2007	2008	2009	2010	2011
General data					
• Personnel (regular)	104,000	104,000	104,000	104,000	104,000
Ground Forces					
• Divisions	9	9	9	9	9
• Total number of brigades	61	61	61	61	61
• Tanks	350	350	350	350	350
• APCs/AFVs	725 (860)	725 (860)	725 (860)	725 (860)	725 (860)
• Artillery (including MRLs)	810 (815)	820 (825)	820 (825)	825 (830)	825 (830)
Air Force					
• Combat aircraft	40 (62)	78 (100)*	82 (104)	82 (104)	82 (104)
• Transport aircraft	19*	19	19	19	19
• Helicopters	67*	67	67	67	67

Order-of-Battle – cont'd

Year	2007	2008	2009	2010	2011
Air Defense Forces					
• Heavy SAM batteries	20	20	20	20	20
Navy					
• Patrol craft	15	15	15	15	15

* Due to change in estimate

17. SYRIA

Major Changes

- The Syrian armed forces were deployed in 2011 in an effort to crush the civilian revolt. In consequence, the armed forces suffered large numbers of defectors. At the same time, it appears the armed forces have not disintegrated.
- The Syrian armed forces have deployed the indigenously made M-600 ballistic missile (probably based on the Iranian Fateh-110 missiles).
- The Syrian air defense forces now operate at least some of the newly acquired Strelets and Pantsyr-S1 SAMs.
- The Syrian navy has acquired the P-800 Bastion (CSS-5) coastal defense system with its supersonic Yakhont missiles.

General Data

Official Name of the State: The Arab Republic of Syria
Head of State: President Bashar al-Asad
Prime Minister: Adel Safar
Minister of Defense: Major General Ali Mohammed Habib Mahmoud
Chief of General Staff: Major General Dawood Abdullah Rajneh
Commander of the Air Force: Major General Akhmad al-Ratyb
Commander of the Navy: Vice Admiral Wa'il Nasser

Area: 185,180 sq. km.
Population: 20,500,000

Strategic Assets

NBC Capabilities

Nuclear capability
Basic research. Alleged deal with Russia for a 24 MW reactor. Deals with China for a 27 kW reactor and with Argentina for a 3 MW research reactor are probably canceled. Party to the NPT but accused by IAEA as having a clandestine nuclear program following the investigation of the Israeli air attack on an alleged clandestine Syrian nuclear reactor. Safeguards agreement with the IAEA in force.

Chemical weapons and protective equipment
Stockpiles of nerve gas, including sarin, mustard, and VX. Delivery vehicles include chemical warheads for SSMs and aerial bombs. Personal protective equipment; Soviet-type unit decontamination equipment. Not a party to the CWC.

Biological weapons
Biological weapons and toxins (unconfirmed). Signed but not ratified the BWC.

Ballistic Missiles

Model	Launchers	Missiles	Since	Notes
• SS-1 (Scud B)	18	200	1974	
• SS-1 (Scud C)	8	80	1992	
• SS-21 (Scarab)	18	+	1983	
• Fateh-110/ M600	+	+	2007	
• Scud D	+	+	2002	
Total	~50			

Note: This does not include long range rockets.

Space Assets

Name	Type	Notes
Satellite imaging		
• GORS	Remote sensing	Using images from Cosmos, ERS, Landsat, SPOT satellites

Armed Forces

Order-of-Battle

Year	2007	2008	2009	2010	2011
General data					
• Personnel (regular)	289,000	289,000	289,000	289,000	289,000
• SSM launchers	~50	~50	~50	~50	~50
Ground Forces					
• Divisions	12	12	12	12	12
• Total number of brigades	67	67	67	67	67
• Tanks	3,700 (4,800)	3,700 (4,800)	3,700 (4,800)	3,700 (4,800)	3,700 (4,800)
• APCs/AFVs	5,060	5,060	5,060	5,060	5,060
• Artillery (including MRLs)	3,274 (3,674)	3,274 (3,674)	3,274 (3,674)	3,274 (3,674)	3,274 (3,674)
Air Force					
• Combat aircraft	350 (490)	350 (490)	350 (490)	350 (490)	350 (490)
• Transport aircraft	23	23	23	23	23
• Helicopters	195 (225)	195 (225)	195 (225)	195 (225)	195 (225)

Order-of-Battle – cont'd

Year	2007	2008	2009	2010	2011
Air Defense Forces					
• Heavy SAM batteries	108	108	108	108	108
• Medium SAM batteries	64	67	67	67	67
• Light SAM launchers	88	88	88	88	88
Navy					
• Combat vessels	19	21	29	29	29
• Patrol craft	14	14	14	14	14

18. TUNISIA

Major Changes

- The political upheaval in Tunisia had no serious effect on the armed forces.
- No major change was recorded for the Tunisian armed forces.

General Data

Official Name of the State: The Republic of Tunisia
Head of State: Acting President Fouad Mebazaa
Prime Minister: Béji Ceïd-Ebessi
Minister of Defense: Abdel Karim Al Zubaidi
Secretary of State for National Defense: Chokri Ayachi
Commander of the Ground Forces: Brigadier General Rashid Amar
Commander of the Air Force: Major General Rida Hamuda Atar
Commander of the Navy: Commodore Brahim Barak

Area: 164,206 sq. km.
Population: 10,400,000

Armed Forces

Order-of-Battle

Year	2007	2008	2009	2010	2011
General data					
• Personnel (regular)	35,500	35,500	35,500	35,500	35,500
Ground Forces					
• Number of brigades	5	5	5	5	5
• Tanks	139 (144)	139 (144)	139 (144)	139 (144)	139 (144)
• APCs/AFVs	326	326	326	326	326
• Artillery (including MRLs)	205	205	205	205	205
Air Force					
• Combat aircraft	18	18	18	18	18
• Transport aircraft	16 (17)	16 (17)	16 (17)	16 (17)	16 (17)
• Helicopters	68	68	68	68	68

Order-of-Battle – cont'd

Year	2007	2008	2009	2010	2011
Air Defense Forces					
• Light SAM launchers	83	83	83	83	83
Navy					
• Combat vessels	15	15	15	15	15
• Patrol craft	41	41	31	31	31

19. TURKEY

Major Changes

- The Turkish industry concluded the process of upgrading M60 tanks according to an Israeli design.
- The air force launched a project to upgrade 165 of its F-16 combat aircraft. The air force has received all of its ten Heron MALE UAVs from Israel.
- The navy's first MILGEM project corvette was launched. The navy ordered 8 - 12 such corvettes.

General Data

Official Name of the State: Republic of Turkey
Head of State: President Abdullah Gül
Prime Minister: Recep Tayyip Erdoğan
Minister of National Defense: Ismet Yilmaz
Chief of General Staff: General Necdet Özel
Commander of the Ground Forces: General Hayri Kivrikoğlu
Commander of the Air Force: General Mehmet Erten
Commander of the Navy: Admiral Emin Murat Bilgel

Area: 780,580 sq. km.
Population: 76,200,000

Strategic Assets

NBC Capabilities

Nuclear capability
One 5 MW TR-2 research reactor at Cekmerce and one 250 kW ITV-TRR research reactor at Istanbul. Turkey intends to build a 1,200 MW power reactor in Akuyu. As a member of NATO, nuclear weapons were deployed in Turkey in the past, and might be deployed again. Party to the NPT. Safeguards agreement with the IAEA in force.

Chemical weapons and protective equipment
Personal protective suits; portable chemical detectors; Fox detection vehicles. Party to the CWC.

Biological weapons
No known BW activity. Party to the BWC.

Ballistic Missiles

Model	Launchers	Missiles	Since	Notes
• ATACMS	12	72	1997	Using MLRS launchers
• J-600T Yildirim	6	+	2007	
Future procurement				
• J-600T Yildirim	+	+		Co-production with China (formerly referred to as "Project-J" or B-611)

Space Assets

Model	Type	Notes
Ground stations		
• BILTEN	Remote sensing	Receiving imagery from Bilsat
• SAGRES	Remote sensing	Receiving imagery from SPOT, ERS, RADARSAT and NOAA
Satellites		
• ITUpSat-1	Research	Private research satellite, indigenously built
• Turksat	Communication	Both civilian and military; both 2A and 3A are currently in orbit
• Bilsat	Remote sensing	120 kg payload, 686 km orbit, 12m resolution earth observation civilian satellite
Satellite imagery		
• Ikonos	Reconnaissance	Commercial satellite imagery
• Ofeq 5	Reconnaissance	Sharing of Israeli satellite imagery
Future procurement		
• RASAT	Remote sensing	
• TurkSat-4A/4B	Communication	To be launched in 2012
• Gokturk	Reconnaissance	To be build by Telespazio, launch in 2012

Armed Forces

Order-of-Battle

Year	2007	2008	2009	2010	2011
General data					
• Personnel (regular)	421,000	421,000	421,000	421,000	421,000
• SSM launchers	18	18	18	18	18
Ground Forces					
• Divisions	3	3	3	3	3
• Total number of brigades	55	55	55	55	55
• Tanks	2,700 (4,280)	2,800 (4,470)	2,890 (4,460)	2,890 (4,460)	2,890 (4,460)
• APCs/AFVs	6,733	6,733	6,733	6,733	6,733
• Artillery (including MRLs)	4,470 (4,770)	4,500 (4,800)	4,500 (4,800)	4,500 (4,800)	4,500 (4,800)
Air Force					
• Combat aircraft	356 (400)	356 (400)	355 (399)	355 (399)	355 (399)
• Transport aircraft	83	83	92	92	92
• Helicopters	412 (430)	412 (430)	409 (427)	409 (427)	409 (427)
Air Defense Forces					
• Heavy SAM batteries	24	24	24	24	24
• Light SAM launchers	196	196	196	196	196
Navy					
• Submarines	12	14	14	14	14
• Combat vessels	83	83	69	69	69
• Patrol craft	110	117	97*	98	98

*Due to change in estimate

20. UNITED ARAB EMIRATES (UAE)

Major Changes

- The UAE launched some major acquisition programs for the coming years. These include orders for new C-130J and C-17 transport aircraft, A-330 aerial refueling aircraft, airborne command and control aircraft, utility and light attack helicopters, upgrading of existing AH-64 attack helicopters and acquisition of additional craft, acquisition of UH-60 utility helicopters and arming some of them.
- The UAE army intends to procure ATACMS ballistic missiles, as a part of a deal that also includes MLRS and GMLRS rockets.
- The air force is absorbing two Saab 340 early warning aircraft, purchased from Sweden.
- The UAE air defense forces are acquiring the latest version of Patriot SAMs, including the anti-ballistic missiles PAC-3 missiles. Negotiations continue for the acquisition of three units of the THAAD anti-ballistic missile system, of which the UAE will be the first non-US customer.
- The UAE navy is awaiting its first Baynunah corvettes, the first of which is expected to enter service in 2012. These corvettes will be equipped with MM-40 block III Excocet anti-ship missiles, as well as RIM-7 and Sea Sparrow anti-aircraft and anti-missile systems. Further orders include 2 Falaj-2 fast attack craft, as well as one Abu Dhabi class frigate, both from Italy.

General Data

Official Name of the State: United Arab Emirates.
Head of State: Shaykh Khalifa ibn Zayid al-Nuhayan, Emir of Abu Dhabi
Prime Minister: Shaykh Mohammed ibn Rashid al-Maktum, Emir of Dubai
Minister of Defense: Shaykh Muhammed ibn Rashid al-Maktum
Chief of General Staff: HRH Lieutenant General Hamad Muhammad Thani al-Rumaithi
Commander of the Ground Forces: Major General Ali Muhammad Subaih al-Kaabi
Commander of the Air Force and Air Defense Forces: Major General Muhammad bin Swaidan Saeed al-Qamzi
Commander of the Navy: Rear Admiral Ahmed al-Sabah al-Tenaiji

Area:. 82,900 sq. km. est.
Population: 6,700,000 est.
Note: The UAE consists of seven principalities: Abu Dhabi, Dubai, Ras al-Khaima, Sharja, Umm al-Qaiwain, Fujaira, and Ajman

Strategic Assets

NBC Capabilities

Nuclear capability

A 1,400 MW power reactor, to be constructed by Korea Electric Power by 2017. No known nuclear activity. Signatory of the NPT.

Chemical weapons and protective equipment

No known CW activities. Personal protective equipment, unit decontamination equipment. Party to the CWC.

Biological weapons

No known BW activities. Signed but not ratified the BWC.

Future procurement

Fuchs (Fox) ABC detection vehicle (32)

Ballistic Missiles

Model	Launchers	Missiles	Since	Notes
• Scud B	6		1991	Owned by Dubai; unconfirmed
Future procurement				
• MGM-140 ATACMS		100		Using HIMARS launchers

Space Assets

Model	Type	Notes
Satellites		
• Thuraya-1/2/3	Communication	Geosynchronous, civilian satellites. The first was launched in September 2000; the second in June 2003; the third in January 2008.
• DubaiSat-1	Remote sensing	Civilian satellite, launched July 2009, 680 km in orbit
Ground stations		
• Dubai Space Imaging	Remote sensing	Receiving satellite images from Ikonos and India's IRS satellites
Future launches		
• Gulf Sat	Reconnaissance	Four optic and SAR satellites; first satellite to be launched in 2012.
• Yahsat-1A/B	Telecom	Privately owned civilian satellites, the first to be launched in 2011.

Armed Forces

Order-of-Battle

Year	2007	2008	2009	2010	2011
General data					
• Personnel (regular)	65,500	65,500	65,500	65,500	65,500
• SSM launchers	6	6	6	6	6
Ground forces					
• Number of brigades	8	8	8	8	8
• Tanks	532 (604)	532 (604)	532 (604)	532 (604)	532 (604)
• APCs/AFVs	1,460	1,460	1,430	1,430	1,430
• Artillery (including MRLs)	360	360	360	376	376
Air Force					
• Combat aircraft	129 (142)	129 (142)	128 (141)	128 (141)	130 (143)
• Transport aircraft	35*	35	36	36	36
• Helicopters	103 (120)	113 (130)	152 (173)	166 (183)	166 (183)
Air Defense Forces					
• Heavy SAM batteries	5	5	5	5	5
• Medium SAM batteries	7	9	9	9	9
• Light SAM launchers	~160	~160	~160	~160	~160
Navy					
• Combat vessels	14	14	12	12	12
• Patrol craft	92	92	92	100	100

*Due to change in estimate

21. YEMEN

Major Changes

- The internal upheaval in Yemen brought the armed forces to the brink of disintegration, with some units and their commanders supporting the rebels and others remaining loyal to the regime. The tables present the order of battle and inventories on the eve of these events.
- The Yemeni air force suffered some losses during its combat against Shiite rebels in the north of the country.

General Data

Official Name of the State: Republic of Yemen
Head of State: President Ali Abdallah Salih
Prime Minister: Ali Muhammad Mujawar
Minister of Defense: Brig. General Muhammad Nasir Ahmad Ali
Chief of General Staff: Brig. General Ahmed al-Ashwal
Commander of the Air Force: Colonel Muhammad Salih al-Ahmar
Commander of the Navy: Admiral Abdallah al-Mujawar

Area: 527,970 sq. km.
Population: 23,600,000

Strategic Assets

Ballistic Missiles

Model	Launchers	Missiles	Since	Notes
• SS-1 (Scud B)	6			New missiles received from North Korea, possibly Scud C
• SS-21 (Scarab)	4		1988	
Total	10			

Armed Forces

Order-of-Battle

Year	2007	2008	2009	2010	2011
General data					
• Personnel (regular)	65,000	65,000	65,000	65,000	?
• SSM launchers	10	10	10	10	?

Order-of-Battle – cont'd

Year	2007	2008	2009	2010	2011
Ground Forces					
• Number of brigades	33	33	33	33	?
• Tanks	745 (1,230)	745 (1,230)	745 (1,230)	745 (1,230)	?
• APCs/AFVs	815 (1,410)	835 (1,430)	835 (1,430)	835 (1,430)	?
• Artillery (including MRLs)	675 (995)	675 (995)	675 (995)	675 (995)	?
Air Force					
• Combat aircraft	62 (181)	62 (181)	58 (176)	58 (176)	?
• Transport aircraft	13 (14)	13 (14)	13 (14)	13 (14)	?
• Helicopters	24 (68)	24 (68)	24 (68)	24 (68)	?
Air Defense Forces					
• Heavy SAM batteries	25	25	25	25	?
• Medium SAM batteries	+	+	+	+	?
• Light SAM launchers	120	120	120	120	?
Navy					
• Combat vessels	10	10	10	10	?
• Patrol craft	142	142	142	142	?

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