



# STRATEGIC SURVEY FOR ISRAEL

2019-2020

**On the Brink of Escalation:  
Multiple Challenges Demand a New Strategy**

Itai Brun and Itai Shapira, Editors

# Strategic Survey for Israel 2019-2020

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איתי ברון ואיתי שפירא, עורכים

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# 2020 Strategic Overview: Growing Challenges to Israel's Current Strategy

Itai Brun and Itai Shapira



Haim Zach / GPO



## Snapshot

An abundance of national security challenges on several fronts • Current Israeli policy could lead to escalation and to full-scale war • Israel's political crisis obstructs the development of a relevant strategy



## Recommendations

In the coming months – requisite caution • The new government should update Israel's national security strategy, while defining priorities among the respective fronts and debating fundamental security concepts

## Increased Likelihood of War

At the core of the strategic assessment for 2020 stands the tension between Israel's evident strength and its success in various fields, and the possibility that this positive state of affairs will prove temporary and fragile. This tension stems from a series of factors that in the coming year could lead to a large-scale conflict and even to war, and involves Israel's approach to a series of substantive national security challenges: Iran's increasing audacity – on the nuclear issue, in its efforts at force buildup in Syria and other arenas, and in its efforts to station operational capabilities against Israel; Hezbollah's efforts to achieve large-scale precision attack capabilities; and Hamas's efforts to ease the pressure on Gaza and influence the parameters for an arrangement with Israel. The targeted killing of Iranian Quds Force Commander Qasem Soleimani by the United States in early 2020 lends added weight to the assessment regarding the potential for escalation. The event creates a new context and might become a strategic turning point. These and other challenges are unfolding against the backdrop of an ongoing political crisis in Israel and strategic competition between the world powers, which in turn generates functional difficulties in the international system. The unequivocal conclusion from these developments is the need for Israel to formulate a new strategy.

## Global Disorder

At the outset of the third decade of the 21st century, it is clear that the world order is characterized primarily by disorder. The main actors in the international system are still states, led by the world powers (United States, China, and Russia), but the weight of non-state actors (technology and globalization giants, terrorist organizations, and independent actors) has increased. Economic anxiety is evident everywhere and inter alia leads to what seems to be a popular revolt against the elite and against globalization (as well as to trade wars). The world is networked in a way that enables the transfer of ideas more quickly, and local social and cultural phenomena become global. Events that in the past were considered inconceivable occur more frequently. Meanwhile, the influence of populist politicians has increased; they mobilize general public support through simple, catchy messages that appeal to the public's emotions and the presentation of "alternative facts" that serve their interests.

### The International System: Superpower Competition and Functional Difficulties

The first chapter of the *Strategic Survey* discusses the international system, which suffers from functional difficulties against the background of strategic competition between the world powers and their respective domestic challenges. The Western actors are eager for the Middle East to be less of a priority for them due to the rising importance of East Asia, the fear of military entanglement, and changes in the energy market. However, unfolding developments seem to obstruct this objective.

- The United States remains the strongest world power in terms of resources and capabilities, but under the leadership of President Trump, it has turned inward to focus more on narrow national interests. It embarks on a turbulent election year that will take place in the shadow of the impeachment proceedings. The attack on Americans and American symbols (e.g., the embassy in Iraq) led the United States to kill Soleimani and to strengthen its posture in the area. Still, it does not appear that the US intends to reach a broad confrontation with Iran.
- Russia is partially though forcefully filling the vacuums left by United States policy in the Middle East. However, Putin, Russia's veteran president, is coping with domestic challenges that stem in part from public fatigue with international dramas. This strengthens those who seek to display a more pragmatic approach toward the West and to make the most of détente processes.
- China is leveraging its economic power toward political influence and increased military power, but its growth rate has slowed and it too is coping with challenges to its internal stability, which lead it to allocate resources to tighten its control within the domestic arena. China is active in the Middle East, but its interests focus mainly on the economic sphere, along with symbolic political activity and initial indications of a military presence.
- Europe's stability is undermined by expanding economic gaps, challenges of refugees and migration, the strengthening of extremists on the right and left, and the intensifying debate between the supporters of the Union and those who support nationalism. In addition, there are changes in the intra-European balance of power (in anticipation of the end of the Merkel era) and increasing understanding of the need to reduce the military and economic dependence on the United States.

The targeted killing of Soleimani serves Israeli interests, at least in the short run, and underscores the need for Israel's strategic coordination with the United States. Nonetheless, Israel will apparently have to contend with most of the regional challenges alone. In addition, there are risks of a clash with the US in several areas: relations with China, the (albeit unlikely) potential for a future agreement with Iran, channels of dialogue with Russia, and the crisis of relations between the current Israeli leadership and the Democratic Party in the United States, especially if the Democrats return to the White House. At the same time, the strategic competition between the world powers is also an opportunity for Israel, which should shape policy based on cooperation with the United States (perhaps even establishing a "strategic innovation alliance"), while deepening its entry into growing markets and strengthening relations with Europe. All of these require careful management of risks to Israel's strategic relations with the world powers, and in particular, dialogue and coordination with all of the relevant bodies within the United States: the administration, the public, the media, and American Jewry.

## The Status of the Liberal-Democratic idea

Three decades after the collapse of the Soviet Union and the end of the Cold war, the liberal-democratic idea does not have a single global adversary that represents an opposing ideological alternative, such as communism or fascism. However, the idea faces various adversaries that are hostile to its values, fight its institutions, and advance a different, “illiberal” world and state order. This challenge is underway in three contexts: with competing forces in the struggle over the world order; with subversive elements – on the political right and left – within Western liberal democracies themselves; and with an alternative model of governance and more sophisticated mechanisms of suppression and supervision in the non-democratic states. The liberal-democratic idea still enjoys broad support, but various indicators show a decline in its standing and proliferation. At the same time, the capitalist economy appears to be victorious, having also been adopted in various forms by some of the clearest proponents of the illiberal order.

## The Regional System: Struggling for the Shape of the Middle East

The second chapter discusses the regional system, which continues to experience a turbulent struggle over the shape of the Middle East. In late 2010 and early 2011, Arab publics took to the streets demanding the overthrow of a number of Sunni Arab regimes; these demonstrations signaled the beginning of the regional upheaval that led to a dramatic sequence of events in the ensuing years. Nine years later, the regional upheaval continues, and the Middle East continues to be characterized by considerable instability, uncertainty, and volatility. The region is in the midst of a deep crisis, reflected in processes of historic significance. The struggle over the character of the Middle East continues to unfold in two spheres and along a variety of fault lines:

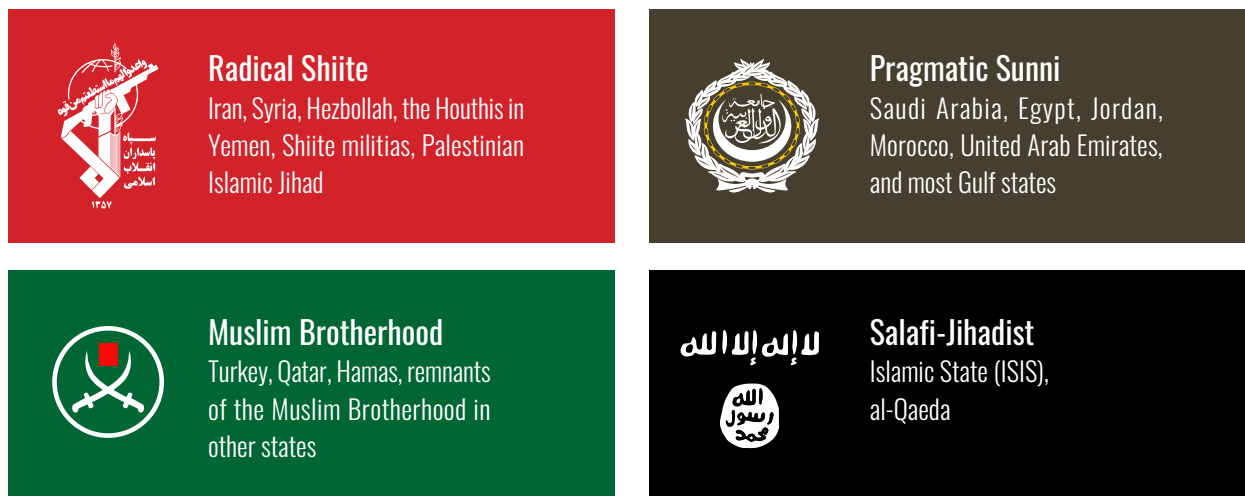
- Over the regional order – between four camps battling over ideas, power, influence, and survival (the radical Shiite axis, the pragmatic Sunni states, the Muslim Brotherhood stream, and the Salafi-jihadist stream). The international powers are also involved in this struggle, and Israel too plays an indirect role.
- Within the states themselves – between the regimes and the publics. At the base of this struggle are the region's fundamental problems, which have intensified over the decade of regional upheaval (unemployment, corruption, inequality, and over-reliance on oil and external aid). Over the past year, the domestic sphere has heated up significantly, and large-scale protests broke out in Sudan, Algeria, Egypt, Iraq, Lebanon, and even Iran.

**As a result of the struggle between four camps across the region and similar domestic struggles, all Middle East regimes are confronting challenges to their stability.**

As a result of the struggle in these two spheres, all Middle East regimes are confronting challenges to their stability. At one end of the spectrum are states that remained in a state of war – Yemen, Libya, and Syria. At the other end are states that were relatively stable, although their stability is fragile – Jordan, Morocco, Tunisia, the Gulf states, and Turkey. In the middle are the states where civil protests broke out in response to ongoing fundamental problems – Sudan, Algeria, Egypt, Iraq, Lebanon, and Iran. The demonstrations in Iraq and Lebanon are especially noteworthy, because they transcend ethnic divisions and reflect an anti-Iranian sentiment prevalent among a significant portion of the demonstrators. At the same time, the killing of Soleimani is liable to heighten ant-American sentiments.

Israel is a leading regional actor working to limit the influence of the radical Shiite axis, and to that end maintains increasing cooperation with the pragmatic Sunni states. Although the conflict with Israel remains a sensitive subject among publics across the region, it is not a central issue preoccupying the regimes. However, 25 years after the Israel-Jordan peace agreement was signed, bilateral relations deteriorated to a crisis level, a situation that demands Israel's immediate attention.

## The Four Middle East Camps



### Iran: Defiance and Audacity, alongside Internal Challenges

The third chapter deals with Iran, which leads the radical Shiite axis and poses the most severe threat to Israel's security. Among the region's camps, this camp is the most organized and cohesive, uses a variety of political and military means of influence, operates in many arenas, and is progressing in its efforts to create a different, pro-Iranian, and anti-Western regional order.

2019 was marked by Iranian audacity on the nuclear issue and in regional activity, and over the year the confrontation with the United States intensified. In the first year after the United States withdrew from the nuclear deal in May 2018, Iran abided by its obligations according to the agreement, but in 2019 its policy changed and it began, carefully and gradually, to stray from these commitments. In addition, Iran undertook provocative military activity in the Middle East against United States allies, marked especially by the attack on the oil facilities in Saudi Arabia, and against the United States itself, in shooting down the American drone and directing its proxies in Iraq to attack United States bases and storm the embassy in Baghdad. Since 2018, Iran and Israel have also been in a direct but limited confrontation, which this year saw Iranian casualties in Syria.

In tandem, Iran continued its military buildup in Syria, Iraq, Lebanon, and Yemen, with the goal of deepening its influence, reducing American influence, and creating bases for potential activity to attack Israel and Saudi Arabia. For such activity, Iran depends on local forces that enable its freedom of operation (military and other) – first and foremost Hezbollah in Lebanon and the Syrian regime, along with the pro-Iranian Shiite militias in Syria, Iraq, and Lebanon and the Houthis in Yemen. In the Palestinian arena, Iranian support for Islamic Jihad and Hamas continues, manifested in funding and in technological knowledge for rocket and missile production and additional weapons.

Following the killing of Soleimani, Iran chose a limited response that would not lead to a full-scale conflict with the United States. It was Soleimani himself who had coordinated the analysis and planning of actions of this sort in the region, and controlled Iran's ties to its proxies in the area. In addition, Iran was confronted with a domestic crisis following the downing of the Ukrainian plane. Nonetheless, it is too early to assess how Soleimani's death will affect the determination and brazenness of Iran as it was manifest in the latter months of 2019, led by its capabilities against Israel and Hezbollah's precision missile project.

On the nuclear issue, the sides have reached a dead end: the United States has no long term strategy other than continuing the economic sanctions and striving for a deal whose parameters have not been defined. The Europeans are worried about escalation and prefer to define Iran's defiant actions as minor; and Iran itself does not intend to return to negotiations if its demands regarding the sanctions are not met, and it continues to advance its nuclear

project. For Israel in 2020, the main implication is the shortened amount of time needed for Iran to break out to nuclear weapons, if it decides to do so. Trump's political situation and the nature of his conduct in an election year pose an additional risk for Israel – the possibility of a breakthrough in negotiations on a new nuclear deal that would be presented ostensibly as an improved agreement, but would not further Israel's interests. Particularly in light of Soleimani's killing, however, the prospects of this development are slim.

According to a number of indicators, it appears that notwithstanding its continued difficult economic situation, the Iranian economy is in a process of stabilization and adaptation to the sanctions regime. However, these macroeconomic figures have not improved the lives of the citizens who joined widespread violent public protests in November, which focused on the economic issue and highlighted the antipathy toward the regime. As in the past, the regime succeeded in suppressing the protests, using repressive measures that exacted a heavy toll in lives (with hundreds killed) and making extensive arrests.

**The central challenge for Israel vis-à-vis Iran in the coming year is to formulate a strategy that enables the exercise of force in different arenas and different dimensions, without leading to a large-scale clash with Iran and Hezbollah.**

The central challenge for Israel vis-à-vis Iran in the coming year is to formulate a strategy that enables the use of force in different arenas and different dimensions, without leading to a large-scale clash with Iran or to war in Lebanon, while maintaining close coordination with the United States. At the same time, Israel must develop a credible option of exercising direct force against Iran, and formulate understandings with the United States on three problematic scenarios: the first is the reopening of negotiations between the United States and Iran, which could end up leaving Iran with the ability to enrich uranium, without a substantial Iranian concession in return; the second is military escalation between Israel and Iran; and the third is progress in Iran's nuclear program, while it continues to accumulate fissile material and reach higher enrichment levels, which would lead to a significant reduction in the time required for a potential breakout to nuclear weapons. On these three central issues, gaps could develop between Israel's interests and those of the United States, and of President Trump in particular.



Official President's website/Handout via REUTERS

*Iranian leaders by the coffin of Soleimani in Tehran. The targeted killing of Soleimani creates a new context and might become a strategic turning point.*



## The Northern Arena: Toward a Large-Scale Conflict

The fourth chapter discusses the northern arena, which poses the most significant conventional military threat to Israel. This threat comes from Iran and its proxies: first and foremost Hezbollah in Lebanon; the Assad regime and paramilitary forces active in Syria and Iraq under Iranian guidance; and Iranian forces (as well as Hezbollah forces) active in the Syrian sphere. In Syria, advanced Russian operational capabilities are also deployed, which could – if Russia so decides – significantly restrict Israel’s freedom of operation in Lebanon and Syria.

Israel’s strategy in this arena in recent years has become known as the “campaign between wars.” A correct analysis of the situation in different arenas led the political leadership and the senior military leadership to an assessment that proper management of the risks of escalation could enable Israel to exercise force in order to reduce existing and emerging threats, without leading to a large-scale conflict, which Israel does not want.

This sound assessment prompted ongoing, bold, and imaginative operational activity that since 2013 has included hundreds of strikes on a series of targets in Syrian territory and in additional theaters. This activity was directed primarily against the transfer of advanced weapons to Hezbollah, and during the past two years, likewise against Iran’s military buildup efforts in Syria and its efforts to create a land bridge from Iran via Iraq and Syria to Lebanon. During the course of 2019, it became clear that Iraq’s territory is also used by Iran as a possible platform for attacking Israel with missiles.

A broad examination of this Israeli strategy shows that it has scored important achievements. While it has not led to the removal of Iranian forces from Syria (and it likely did not aim at this ambitious objective in the first place), there are signs that the rate of Iran’s buildup has slowed, and the nature of the deployment may also have been influenced by Israel’s actions. The effort to prevent the transfer of weapons to Hezbollah has not succeeded completely, but it seems that it slowed the activity and prevented massive arming with certain qualitative weapons. Yet after seven years, it appears that a confluence of factors has led to a situation where the value of the current Israeli strategy has reached its peak, is coping with an overload of risks, and could lead to a large-scale conflict and even to war.

Hezbollah is still deterred and restrained, but is determined to maintain red lines vis-à-vis Israel (preventing attacks in Lebanese territory, and apparently also fatalities among members of the organization in Syria) and to convert a large number of missiles and rockets in its possession into precision weapons.

Transferring the center of gravity of activity surrounding the precision missile project from Syria to Lebanon highlights the challenge Israel is facing. The risks of escalation were illustrated clearly by events in late August and early September 2019, particularly had Israelis been killed by the anti-tank missiles fired by Hezbollah. Such an escalation, if it deteriorates into an all-out war, could be realized in two main scenarios: a “Third Lebanon War” with only Hezbollah in Lebanon, which would be much more intense and destructive than the Second Lebanon War; and a “First Northern War” against Hezbollah in Lebanon as well as against forces in Syria and Iraq, and perhaps even Iran and additional states. Escalation could also develop if Iran attacks Israeli targets in response to the killing of Soleimani. In these scenarios, Israel is expected to face massive surface-to-surface missile fire on the home front, some of which would be precision-guided missiles; the attempt to infiltrate ground forces into its territory; and a broad cognitive attack to undermine the public’s stamina and its confidence in the political and military leadership.

The risks of escalation also require Israel to carry out a more fundamental discussion on the overall benefits and risks of the efforts to prevent the enemy’s conventional buildup processes (as opposed to nuclear buildup efforts, where there is broad agreement that force should be used to prevent them, as per the Begin Doctrine). With respect to the precision missile project, the discussion should weigh the possible damage from the use of precision weapons versus the possibilities (defensive and offensive) for taking action against it. In this framework, an in-depth discussion should also take place on the idea of a preventive attack on Hezbollah and the right timing for such a strike, in the face of progress in the precision project.

## Ways to Address the Precision Missile Project

- Continue the campaign between wars – increased activity to expose and attack the “precision project” as part of the campaign between wars (in a variety of arenas). However, the effectiveness of this possibility is limited, and could lead to unintended escalation.
- Defense – basing the response on active defense capabilities (air defense systems) and passive capabilities (shielding). This option cannot provide a complete response, given the range and scope of enemy capabilities.
- Deterrence – basing the response on Israel’s deterrence capabilities and grounding them in a clear and explicit threat regarding the implications of using precision weapons. However, this possibility involves much uncertainty, and the number of precision missiles can neutralize the deterrence, which depends to a great extent on the context and circumstances of the conflict.
- Preemptive strike – basing the response on a large-scale strike on the precision weapon system and its production infrastructure at the start of a war, before it is used. However, this option involves much uncertainty, and depends on precise intelligence and additional factors.
- Preventive attack – launching a proactive surprise attack on Hezbollah, at a time that is optimal for Israel. However, the results of such an attack, which could well lead to war (with a high likelihood of a “First Northern War”), could be difficult for Israel.

## The Palestinian System: Weakened and Close to Escalation

The fifth chapter discusses the Palestinian system, which is divided into two sub-systems – the Palestinian Authority, which rules the West Bank, and Hamas, which rules the Gaza Strip. The Israeli government’s strategy over the past decade of managing the conflict has sought to obstruct the establishment of a Palestinian state in the West Bank. Regarding the Gaza Strip, Israel (lacking an alternative) has acted in effect to maintain Hamas as a political entity – albeit weakened – that both restrains rogue actors and is restrained from large-scale attack. In practice, Israel’s policy of differentiation of Gaza from the West Bank works against reconciliation between the PA and Hamas.

The immediate objectives of the Palestinian Authority are survival, consolidation of Fatah’s rule, and guarantee of Abbas’s legacy. Fatah, which leads the PA, is the target of harsh criticism and is currently on the horns of a dilemma – how to progress toward its goals without losing the achievements it has scored since the Oslo Accords. While from time to time senior figures threaten to dismantle the PA and “return the keys” to Israel, in practice it appears that the PA is wary of such a move. Coordination between the PA security forces and the IDF continues, in accordance with the PA’s interest in preventing an outbreak of violence and in light of Abbas’s consistent rejection of the path of terrorism. This is despite polls showing increasing support among the Palestinian public for violent struggle. Meantime, the Palestinian issue is gradually losing its centrality in regional and international discourse.

Beneath the surface, competition is underway for Palestinian leadership on the day after Abbas. Hamas will likely continue to try to take over PA institutions and penetrate the ranks of the PLO, and then exploit Abbas’s departure to deepen its influence in the West Bank. Israel has the ability to minimize damage and even promote opportunities

**The consequences of the strategic distress in the Palestinian system do not benefit Israel. There is increased likelihood of escalation in the Gaza Strip and the West Bank.**

following Abbas's departure, as long as it does not "crown" the next leader, but aids in strengthening the leadership that is elected by the Fatah apparatus or in general elections.

Hamas is torn between its responsibility for governing the Gaza Strip and its identity as a resistance movement. Since March 2018, after three and a half years of relative quiet following Operation Protective Edge, the Gaza Strip has been close to a flare-up, even though Israel and Hamas are not interested in escalation. The Hamas leadership in Gaza has presented Israel with a choice of escalation or arrangement; this enabled the limited arrangement with Israel that includes allowing Qatari money into Gaza, in exchange for a commitment to reduce the "popular resistance" along the fence. In tandem, Hamas leaders are tightening their military deterrence against Israel – the organization launches rocket fire in response to Israeli military activity and as a tool to pressure Israel in negotiations, in order to ease the civilian situation in Gaza. Egypt has a central role in stabilizing Gaza, and it has positioned itself as the exclusive mediator between Israel and Hamas and Islamic Jihad.

The preferred and most feasible alternative to advance Israel's security interests is a long term ceasefire between Israel and Hamas reached with Egyptian mediation. A ceasefire of this sort (in the form of an "arrangement") would include significantly easing the closure of Gaza and advancing infrastructure projects. If Israel and Hamas do not reach and implement understandings on an extended ceasefire, the likelihood of a large-scale military conflict in the Gaza Strip will increase. To be sure, an arrangement following a wide-scale military conflict will allow Israel to attain a ceasefire from a more advantageous position and with strengthened deterrence vis-à-vis Hamas, yet at the cost of much damage and many losses. Moreover, it is doubtful whether it would give Israel better negotiating conditions toward an arrangement than what can already be achieved today. Of the alternatives before Israel, there is no means to prevent military buildup by Hamas or Islamic Jihad over time, but an arrangement enables an improved security situation in the Gaza perimeter and attention to the humanitarian situation in the Gaza Strip.

The consequences of the strategic distress in the Palestinian system do not benefit Israel, and there is increased likelihood of escalation in the Gaza Strip and the West Bank. However, the current situation enables Israel to shape a more favorable architecture of relations with the Palestinians, even without a comprehensive agreement, promoting a political, territorial, and demographic separation and an independent and distinct Palestinian entity in the West Bank. This, along with limited steps on an arrangement in the Gaza Strip, would at least enable postponement of a future conflict. To this end, Israel must act along two channels:

- The first is to strengthen the Palestinian Authority as the sole legitimate entity for a future agreement, and set a political objective of achieving transitional arrangements that would shape the separation and outline the conditions for a future reality of two states based on the INSS Plan, *A Strategic Framework for the Israeli-Palestinian Arena*.
- The second is to see Hamas as the entity temporarily responsible for the Gaza Strip and achieve an extended ceasefire with it, in exchange for significant economic benefits.

## Israeli Society: Challenges to Societal Resilience

The sixth chapter discusses Israeli society in 2019, characterized first and foremost by the broad implications of the ongoing political crisis following two rounds of national elections and preparations for the third round in March 2020. This electoral impasse involved the inability to form a coalition government, and restricted the regular performance of government offices and the ability of a transition government to make decisions on critical issues. In tandem, 2019 was characterized by widening public disputes stemming from diverse worldviews, especially regarding the necessary balance between national and religious values and democratic, liberal, secular ideals.

The past year also saw a further weakening of the sense of solidarity within Israeli society. This is typified by the socio-economic gaps between the rich and the poor and between the center and the periphery. Overall it appears that even if Israel is a state with significant internal robustness, this past year has seen more disconcerting signs that point to an accelerated trend of weakening social solidarity within social groups, between social groups and the state, and between the individual and the state.

Under conditions of a large-scale military conflict, public mobilization and the demonstration of support for the IDF would be expected, as in the past. However, a prolonged conflict and large number of casualties and damage to the home front, without sufficient civilian preparedness, might undermine societal resilience. This could be reflected in the state's economic and civil abilities to manage daily life successfully during times of emergency and maintain functional continuity during a conflict, and could even disrupt the subsequent recovery process. Therefore, Israel should invest in system-wide preparation efforts, in accordance with a long range plan, so as to strengthen the preparedness of the civilian front in Israel through the construction and empowerment of new and existing resilience mechanisms.

## The Arab Minority

The State of Israel's sensitive relations with its Arab minority has experienced many fluctuations and profound changes. The relationship is shaped by three main trends, fraught with internal contradictions: first is the clear aspiration among Arabs in Israel, especially among the younger generation, for civil and even political integration, along with their desire to maintain a separate national identity. The second reveals hostility and distance on the part of a large portion of the Jewish public toward the Arab minority. The third trend is the relatively successful implementation of the government decision on the economic development of minority populations in Israel 2016-2020 (Decision 922), which has already helped accelerate the Arab community's integration within Israel's social fabric. A substantive test of the state's sensitive relations with the Arab sector will be how it addresses the increasing violence and crime within the community. Possible success in this crucial field depends greatly on joint efforts – still in their early stages – between the state's institutions and the Arab community and its leaderships.

## The Operational Environment: New Capabilities of the Radical Shiite Axis

The seventh chapter discusses the operational environment and focuses mainly on the improved military capabilities of Israel's enemies – especially those that belong to the radical Shiite axis – as underscored this year by the Iranian attack on the oil facilities in Saudi Arabia.

This improvement is the result of several interrelated military buildup efforts: increase in the number of rockets and missiles, both in order to improve organizational survivability and in order to saturate Israel's air defense systems; an effort to be armed with precision-guided rockets and missiles that can hit vulnerable civilian sites (electric, gas, and other national infrastructure) and vulnerable military sites (air force bases and military HQ locations); drones and other unmanned aerial vehicles, also for the purpose of precision strikes; improved air defense measures in order to neutralize the impact of Israel's air force, given its known central role in Israel's combat doctrine; improvements in coastal defense systems and naval warfare; development of cyber capabilities; and plans for operating ground forces in Israeli territory, including with attack tunnels (some of which were exposed and neutralized this year), in order to disrupt IDF offensive and defensive capabilities and to increase the damage to the stamina of the Israeli home front.

These military buildup efforts are apparently connected to a more fundamental change underway in the military thought of those identified with the radical Shiite axis. This change leads them from a victory doctrine based on attrition of the Israeli population (“victory by non-defeat”) to a different doctrine that also seeks to damage Israeli national infrastructure and essential military capabilities from different arenas (Lebanon, Syria, Iraq, and perhaps Yemen) in order to undermine the Israeli system and throw it off balance.

The chapter's main recommendations are to finalize and fund a multi-year plan for the IDF; prepare for a multi-arena war as a primary reference scenario; close gaps in the public's expectations of war in the current era, its cost, and its possible results; and from the perspectives of the IDF multi-year plan and a broader national perspective, deepen the discussion on the concepts of victory and military decision in the current era – all within the framework of the possibilities afforded by advanced technologies.

## The Dynamics of Escalation

Can two parties that are not interested in escalation be dragged into a broad conflict and even a war? While seemingly the odds are low, in practice, unintended escalation is a historical fact that has even led to some of Israel's wars (most recently, Operation Protective Edge). Unintended escalation can result from miscalculations of the enemy, erroneous identification of the escalation threshold, and conceptual deviations in the decision making process. These are joined by the increasing difficulty to distinguish between offensive and defensive actions and the dilemma whether to use or lose essential assets. The circular nature of activity, response and counter-response, may generate such escalation, even if it runs counter to the two sides' policies and interests. This sort of dynamic can occur in 2020 in the northern arena and the Gaza Strip.

## Conclusion

It is customary to assume that Israeli deterrence against a large-scale conflict or war is still stable. Indeed, all of the states and organizations around Israel are well aware of its power and the damage that they would suffer in the case of such a conflict. Thus, they prefer to refrain from large-scale conflict with Israel and certainly from war.

However, some factors suggest that such a conflict could nonetheless occur in 2020: problematic initiatives by some parties (Hezbollah's precision missile project, the Iranian entrenchment in different arenas, and Hamas's efforts to impose an arrangement on Israel according to the organization's conditions) lead Israel to preventive actions that could lead to escalation; increased risks in Israel's current operational format in the campaign between wars and a change in the response policy of Iran and others to Israeli actions; a possible conflict between Iran and the United States that might include Israel; and the years that have passed since the wars in 2006 (in Lebanon) and 2014 (in Gaza) that naturally lead to the weakening of restraining factors.

Along with these threats, Israel must cope with the challenges of foreign influence in political processes; the difficulty in clarifying reality and making decisions in the "post-truth" and "fake news" era; and protection of its intellectual and technological capital from foreign influence.

Israel therefore faces many active arenas and a series of challenging strategic and operational issues. A strategic assessment shows the urgent need for an updated, comprehensive Israeli grand strategy that would enable the obstruction of existing and emerging threats without escalation into a large-scale conflict and war. The seven chapters of the assessment, written by INSS researchers, describe the complex situations in the various arenas and include recommendations on what actions Israel should take. The final chapter, by INSS Director Maj. Gen. (ret.) Amos Yadlin, offers a series of recommendations to enable Israel to cope with the complex picture, shape its operational environment, and strengthen its internal resilience, in order to realize its national security objectives.

## National Security, Fake News, and the Cognitive Battle in the Digital Age

The current era is customarily referred to as an age of post-truth and fake news, in which beliefs, opinions, and emotions exert a greater influence than facts. It is easy in this age to spread lies, distortions, errors, spins, and conspiracy theories. National security decision making frameworks are not immune to these phenomena, and must contend with an increasing difficulty to decipher and understand reality, and thereafter take correct decisions. This difficulty is not the result of one factor, rather stems from the confluence of elements related to political, technological, social, and conceptual changes in the contemporary era. These changes transform the cognitive battle among both decision makers and the general public into a central element in political and military conflicts.

# Summary of Israel's Strategic Situation 2019-2020



## Positive Trends

On the one hand, Israel's strategic situation appears strong and stable. Israeli deterrence of war is well-established, and the likelihood of a deliberate large-scale attack by the various enemies remains low; there are no new existential threats and the conventional threat remains limited; the alliance with the United States is robust and growing stronger (particularly in light of Soleimani's killing), while Israel succeeds in maintaining good relations with Russia and China as well; Israel has succeeded in delaying some of Iran's entrenchment efforts in the Middle East (and Soleimani's killing might heighten this trend); cooperation with the pragmatic Arab states (Jordan, Egypt, and the Gulf states) is well-established, developing, and in some cases even public; Israel's "management" of the Palestinian issue through separation of the West Bank from the Gaza Strip does not restrict its political and military freedom of operation; the level of Palestinian terrorism in the West Bank is relatively low, and Hamas is deterred from exercising significant force in the Gaza Strip; the Israeli economy is stable; and Israel's assets in technology, the cyber realm, and counter-terrorism are recognized in the Middle East and worldwide.



## Negative Trends

On the other hand, Israel has not succeeded in translating its power into political achievements, and lacks a complete, cohesive strategy to cope with the many challenges and their diverse features. The radical Shiite axis is solid, aggressive, and employs a variety of means against Israel; Iran has demonstrated audacity in its military activity and nuclear program; international attention for the Middle East has declined, and with it, the willingness to help solve regional problems; there is much volatility in the Palestinian system, in part given the political deadlock vis-à-vis the Palestinian Authority, the deep distress in the Gaza Strip, and the limitations of the arrangement with Hamas; the precision missile project led by Iran progresses despite the efforts to block it; the likelihood of a multi-theater escalation following Israeli activity in the campaign between wars has increased, and in this context Iran and Hezbollah have already started using military force in response to Israeli activity; Israeli social resilience is in decline, and the home front is not prepared for extensive damage in a military conflict; and the ongoing political crisis in Israel paralyzes and prevents the possibility of taking serious decisions.



## Possible Developments in 2020

An Iranian breakout (or "crawl") on the nuclear issue that shortens the amount of time Iran needs to attain nuclear weapons; the start of negotiations and perhaps even conclusion of an ostensibly improved agreement between the West and Iran on the nuclear issue; an unintended "escalation dynamic" versus Iran and in the northern arena following Israeli or American activity in the campaign between wars, which would lead to a large-scale conflict and even war; progress on Hezbollah's precision missile project, to the extent of beginning industrial production on Lebanese soil; the exercise of military force against Israel under Iranian direction from Syria, Iraq, or Yemen; the exercise of Iranian military force from Iranian territory against Israel; an additional withdrawal of US troops from the region, and a rise in Russia's presence and influence; the continued rebuilding of the Syrian military system, including in the field of chemical weapons; an arrangement with Hamas in Gaza that would limit the exercise of Israeli force, and could create a crisis with the Palestinian Authority; further weakening of the PA to the point of governmental chaos in the West Bank, with the succession issue in question; a humanitarian crisis in the Gaza Strip that could lead Hamas to exercise unrestrained force against Israel; and escalation and large-scale conflict against Gaza following the activity of rogue groups, contrary to Hamas's position.



## Principal Recommendations

discussed in greater detail in the Net Assessment by INSS Director Maj. Gen. (ret.) Amos Yadlin

1

Regarding Iran, engage in dialogue with the United States, discussing scenarios that are problematic for Israel (a breakout or “crawl” toward nuclear weapons, an ostensibly improved deal, and military escalation); and in parallel – prepare a credible option for attack against Iran.

2

Adapt methods, arenas, and the rate of activity in the campaign between wars, whose current format challenges the potential for achievements without escalation into a large-scale conflict and even war; conduct an in-depth discussion of a preventive attack against Hezbollah’s precision missile project versus other alternatives.

3

Prepare for a multi-arena war (a “First Northern War”) as a main reference scenario, and reduce the gaps in the public’s expectations regarding the nature of the war and its possible results; launch a political and military effort to prevent war and fully exhaust other alternatives for advancing Israel’s objectives in the northern arena.

4

Strengthen the Palestinian Authority as the sole legitimate entity for a future agreement, and define a political objective of transitional agreements that will shape the separation and sketch the conditions for a future two-state reality (the INSS plan).

5

Identify Hamas as the entity temporarily responsible for the Gaza Strip, and achieve an extended ceasefire with it, in return for improving the civilian situation and infrastructure in Gaza, along with efforts to reduce Hamas’s military buildup. In the case of a clash – focus IDF actions on dealing a very severe blow to Hamas’s military wing.

6

Strengthen the strategic relationship with the United States in a format that does not restrict Israel’s freedom of action, and restore bipartisan support for Israel.

7

Maintain channels of dialogue and strategic coordination with Russia; develop relations with China, in close coordination with the United States, and expand Israel’s base of expertise on China; strengthen relations with Europe.

8

Repair relations with Jordan and continue to develop cooperation with the pragmatic Sunni states in the Middle East, with awareness of its limitations.

9

Finalize and budget a multi-year plan for the IDF; as part of the plan and from a broad national perspective, continue to refine the discussion on the meaning of military victory and decision in the current era; strengthen preparedness of the Israeli civilian front by building and empowering new and existing resilience mechanisms.

10

Continue to strengthen Israel’s relative advantage in the field of cyber security and artificial intelligence technology, as a way to enhance Israel’s qualitative military edge and as a central component of strengthening its economy and international standing.

# 1 The International System: Superpower Competition and Functional Difficulties

Assaf Orion, Eldad Shavit, Shahar Eilam, and Rotem Oreg



## Snapshot

Strategic competition among world powers, as they face growing internal challenges

- US focus on Asia with an accelerated process of turning inward, at the outset of a polarizing election year



## Recommendations

Improved coordination with the US, while striving toward bipartisan support

- Vis-à-vis Russia: ongoing dialogue
- Vis-à-vis China: careful progress
- Vis-à-vis Europe: revival of a strategic dialogue with the EU

## The Strategic Competition in the International Arena

After three decades of United States dominance as the only global superpower, the third decade of the 21st century begins amidst strategic competition in the international arena on multiple levels. Countries, organizations, and international corporations are part of this competition, which is led by the world powers: the United States, which is still the strongest in the world in terms of resources and capabilities; China, which uses its economic power as leverage for political influence and increased military power, even though its growth rate has slowed; Russia, whose veteran president, Putin, is coping with complex internal challenges; and the European Union, which is struggling with migration issues and Brexit, and the various challenges from Russia.

While the core of the competition deals with ensuring basic human needs (water, food, energy, and sustainable climate conditions), unlike efforts in previous decades to strengthen cooperation, in the current era it is evident that the actors in the international system strive to advance narrower interests and achieve dominance mainly through four complementary dimensions of competition: ideology and politics (norms, values, rights, institutions);



the economy (trade, investments, energy, transportation, means of production, infrastructure); technology and innovation (artificial intelligence, advanced communication, quantum computing, data); and defense (robotics and autonomous weapons, cyber, the space race, control of weapons of mass destruction).

As part of this competition, the “international liberal order” – led by the United States, and as it existed since the end of World War II – has been gradually challenged and undermined, mainly by China and Russia, but also by the Trump administration. At the same time, many states are attempting to restore control over sovereignty and leadership in areas that were “expropriated” from them as part of globalization processes. The current international system is divided and polarized, and around the world more and more populist leaders have arisen and advance a policy of isolationism, national seclusion, anti-globalization, and erosion of liberal norms. These processes have a direct impact on the limits of performance, attention, and willingness to invest resources in international efforts. Agreements that were achieved in the past are reopened and breached (climate, institutions, weapons control, conflicts), and the decreased willingness for cooperation makes it difficult to cope with existing and future problems and with cross-border challenges. In the background, a slowdown in the global economy is expected and possibly even an economic crisis, in part due to increasing competition that has escalated into rivalry that is reflected not only in the trade war between the United States and China, but also between other trade and economic partners.

This global polarization is influenced in part by major internal challenges facing each of the four world powers: the United States is entering a turbulent election year (including impeachment proceedings against President Trump), which will exacerbate existing trends of internal polarization, political volatility, and an isolationist approach that strives to reduce investment in foreign affairs, except for the purpose of short term political gain; China is coping with reduced growth and with challenges to domestic stability, and investing resources to tighten its control in the domestic arena while continuing its technological and economic growth, along with increased assertiveness and expansion of influence in the external arena; in Russia, internal challenges and public fatigue regarding international adventures strengthen those in the Kremlin who seek to make the most of détente processes with the West, while using crises such as Ukraine and Syria as bargaining chips; and in Europe, stability is undermined by domestic challenges (expanding economic gaps among the population, refugees and migration, the growing strength of extremists on the right and left, and the intensifying debate between supporters of the Union and those who support nationalism, of which the Brexit crisis is the most prominent symbol). In addition, there are changes in the intra-European balance of power (the end of the Merkel era and the increased standing of Macron) and the growing discourse on the need to reduce defense and economic dependence on the United States.



L-r: Presidents Xi, Putin, Trump. Isolationism, national introversion, struggle against globalization, and undermining of liberal norms.

## The Middle East in the Eyes of the Superpowers

Overall, the Middle East is a declining priority among the leading international actors due to their respective domestic constraints, concerns of military entanglement, and above all, the increased importance of East Asia. Consequently, the region is seen mainly as an area for hedging risks or exploiting local opportunities. The United States' willingness to invest in the region militarily and politically has ebbed, while China's interest in the region is mainly economic. US energy independence is another reason for reduced interest in the Middle East. The vacuums that developed following the gradual American withdrawal – including the withdrawal of forces from northeastern Syria, the possibility of reducing the forces in Iraq, and even talks with the Taliban in Afghanistan – are filled partly by Russia (in the Gulf, Syria, Libya, and Turkey), China (in Afghanistan), and Europe (in diplomatic activity vis-à-vis Iran and in securing shipping in the Gulf).



REUTERS / Jorge Silva

President Macron (l) and Chancellor Merkel at the G-20 Summit in Osaka, June 2019. Europe on the verge of the post-Merkel era.

The targeted killing of Qasem Soleimani has the potential to spill over to a broad conflict between the United States and Iran. However, it is not yet clear whether the action is evidence of a tilt in policy by the United States toward a proactive military campaign against Iran's regional activity. Alternatively, it may remain a concrete action taken for prevention and deterrence purposes that was designed to exact a heavy toll following activity by pro-Iranian elements, directed by Soleimani, including the death of a US citizen (December 27, 2019) and the storming of the US embassy in Baghdad on December 31. The event prompted the dispatch of additional US forces to the region, but it might also create a dynamic that leads to the departure of US forces from Iraq and the increase of Iranian influence there.

**The targeted killing of Soleimani serves Israeli interests and underscores the need for Israel's strategic coordination with the United States. Nonetheless, Israel will apparently have to contend with most of the regional challenges alone.**

### Implications for Israel

The Trump administration's "maximum pressure" policy caused severe economic difficulties for Iran, which led to large-scale protests in Iran and reduced the resources at its disposal for furthering its negative efforts in the region. However, this strategy has not achieved its objective thus far, and it is unlikely that it alone will bring about the desired change in Iranian policy.

Until the killing of Soleimani, Iran's regional buildup and subversion did not receive a significant international response, and remained for Iran's adversaries to address, especially Israel. The broader implications of the targeted killing are not yet clear. For their part, European states, China, and Russia continue to cast their hope on the diplomatic channel with Iran.

The Israeli-Palestinian conflict has been relegated to the margins of international attention (including that of the United States and Europe), and there is less willingness to invest political resources in it. Consequently, Israel's policy on the issue carries greater weight as the principal shaping factor. However, an American desire for achievements in advance of elections could push the administration to seek quick partial agreements (on Iran, the Palestinian issue, and China) with high visibility (even if at the expense of substance) that will not necessarily converge with Israeli interests.

**Israel has “dual equity” for the superpowers in sporting relative advantages in key areas (technology, military, cyber, counter-terrorism) while having the potential to cause damage and escalation.**

Along with the growing challenges, Israel has “dual equity” for the superpowers in sporting relative advantages in key areas (technology, military, cyber, counter-terrorism) while having the potential to cause damage and escalation. Despite the close relations with the Trump administration, Israel could find itself in increasing friction with the United States in light of several factors: different stances and conflicting interests, such as deepening relations with China – the United States' main competitor-rival – in trade, innovation, and technology; American political initiatives on core issues for Israel (Iran and the Palestinians) that could be incompatible with Israeli stances and interests; and Israeli activity in Iran and Iraq that could be perceived as endangering American forces.

In this context, it seems that the chaos in the US administration, the policy vicissitudes, and the clear and frequent gaps between the President and the establishment challenge Israel's influence on US policy on vital issues. The closeness with President Trump, against the backdrop of increasing political-social polarization in the United States, erodes bipartisan support for Israel – the most important asset underlying relations between the countries – and over time could undermine support for Israel among the Jewish community and the general public, and as a result, in Congress as well.

On a different matter, along with trends of socio-political polarization in the West, internal crises in some European states, and the social and political divisions and forthcoming elections in the United States, there has been a rise in global antisemitism (including in establishments, such as in Britain, Germany, Hungary, and Poland); greater delegitimization of Israel (among liberal-progressive groups, minorities, and younger populations); and growing alienation of the Diaspora from Israel (particularly among US Jewry).

## Recommendations for Israeli Policy

Israel must adjust its policy to the era of strategic competition between the world powers, in accordance with three main guidelines:

First – preparing in the medium and long term for the day after Trump and Merkel (Israel's most important friends) by restoring and consolidating bipartisan support in the United States (specifically, dialogue with the Democratic party and its supporters, and non-intervention in the elections and non-involvement in the issues under dispute in the internal political discourse); and reestablishing a strategic dialogue with Europe, based on shared interests and values and Israel's technology, innovation, and defense assets.

Second – promoting Israel's technological assets, including in the framework of the strategic competition between the world powers, through a combined policy centered on developing cooperation with the United States (establishing a “strategic innovation alliance”) and deepening the entry into growing markets, while carefully managing the risks to strategic relations with the United States (and in particular the need for in-depth coordination regarding relations with China and channels of communication with Russia).

Third – demonstrating more active interest and involvement in the challenges facing Jewish communities around the world (continuity, connection to Israel, struggle against antisemitism); defining the development of Israel's relations with the Diaspora as a high priority national mission (educational infrastructure, meetings and dialogue, joint activity); and considering the world Jewish community in internal decision making processes on core issues that also affect them.

## 2 The Regional System: Struggling for the Shape of the Middle East

Sarah Feuer, Itai Brun, Gallia Lindenstrauss, Oded Eran, Yoram Schweitzer, Ofir Winter, Yoel Guzansky, Remi Daniel, Eldad Shavit, and Ari Heistein



### Snapshot

The radical Shiite axis remains united and determined • Pragmatic Sunni states fail to create stable alliances • Regional upheaval continues, and regimes face serious challenges stemming from core socio-economic problems



### Recommendations

Repair relations with Jordan • Strengthen cooperation with the pragmatic Sunni states, while acknowledging the limitations therein (stemming primarily from popular resentment of Israel)

### Introduction

Nine years after the dramatic events of late 2010 and early 2011 (the so-called Arab Spring), the regional upheaval persists and the Middle East continues to be characterized by instability, uncertainty, and volatility. There is broad consensus among researchers and observers that the region is mired in a deep crisis, while undergoing processes with crucial long term implications and engaged in a turbulent contest over its character.

This struggle is unfolding in two realms: first, between four main camps competing over ideas, power, influence, and survival to define the contours of the regional order; and second, between rulers and publics within the individual states, most of which continue to suffer from basic social and economic problems that have only worsened since the “Spring.”

## The Struggle over the Regional Order

The first level of this broader struggle over the shape of the Middle East is the contest between four clusters of actors wishing to see a regional order emerge that will reflect their interests on a variety of core issues: Iranian influence, relations with the West, territorial integrity of states, political Islam, sectarianism, and modes of governance. The four camps are:

- **The radical Shiite axis:** This cluster is led by Iran and includes Bashar al-Assad's Syria, Hezbollah, the Houthis in Yemen, the Shiite militias operating in various arenas throughout the Middle East, and Palestinian Islamic Jihad (despite its Sunni identity). Of the four camps, this one is the most organized and cohesive. It enjoys various means of political, economic, and military leverage, operates in multiple theaters, and is progressing in its efforts to create a revisionist, pro-Iranian, and anti-Western regional order.
- **The pragmatic Sunni states:** This bloc includes Egypt, Jordan, Morocco, Saudi Arabia, the United Arab Emirates, and the other Arab Gulf states (except Qatar). These actors, with their authoritarian governing structures, are advancing a pro-Western, anti-Iranian, anti-Islamist, and nationalist vision. The cluster does not generally operate as a unified camp, as there are divisions among the members, and alliances are often forged on an ad hoc basis, depending on context and specific interests of the parties. Therefore, this camp has not yet succeeded in creating a cohesive, unified front against Iran and its allies.
- **The Sunni Islamists:** This group includes supporters of Muslim Brotherhood-style political Islam: Turkey, Qatar, Hamas, and remnants of the Brotherhood and its derivative movements throughout the region, such as Ennahdha, the dominant political party in Tunisia. The camp is not always unified, and its influence in the region is waning. However, the basic idea at its core – that “Islam is the solution” – continues to enjoy broad support in the Middle East.
- **The jihadists:** This camp includes the Islamic State (ISIS) and al-Qaeda and the terrorist organizations associated with them. In recent years the camp has suffered a number of serious blows, chief among them the defeat of ISIS, and this past year the organization's leader was killed. Thus, the camp's influence is declining, even as the Salafi-jihadist ideas at its core continue to find support in the Muslim world.

**Of the four camps, the radical Shiite axis is the most organized and cohesive, enjoys various means of political, economic, and military leverage, operates in multiple theaters, and is progressing in its efforts to create a revisionist, pro-Iranian, and anti-Western regional order.**



WAM / Handout via REUTERS

Mohammed bin Salman (I) with Mohammed bin Zayed. The pragmatic camp rests on ad hoc associations and fluid alliances that depend on context and the interests of particular actors.



Bashar al-Assad (l) and Ali Khamenei. The radical Shiite axis is unified, controlled from Tehran, and aggressive in its operations across multiple theaters.

## The Struggle within the States

The second arena of the regional struggle is evident within the states, where regimes face serious challenges from their populations. At the heart of this struggle are the region's fundamental problems, which have only intensified since the upheaval began nearly a decade ago – problems such as unemployment, corruption, inequality, and over-reliance on oil or external sources of financial aid. Alongside these problems, states are grappling with identity-related conflicts reflected in the suppression of minorities, tensions between Sunnis and Shiites, and tribal conflicts. In the past year, the domestic realm of the regional struggle heated up considerably with the outbreak of large-scale protests in Sudan, Algeria, Egypt, Iraq, Lebanon, and even Iran.

## The Region's Overarching Feature: Instability

As a result of the regional struggle, the Middle East remained inherently unstable in 2019. On one end of the spectrum were the states that continued to experience war – Yemen, Libya, and Syria. At the other end were states experiencing relative stability, albeit fragile. These included Jordan, Morocco, Tunisia, the Gulf states, and Turkey. In the middle were the states in which mass protests erupted in response to ongoing fundamental problems, including Sudan, Algeria, Egypt, Iraq, Lebanon, and Iran. The ongoing demonstrations in Iraq and Lebanon are noteworthy for their anti-sectarianism and the anti-Iranian sentiment expressed among a sizable portion of the demonstrators. The killing of Qasem Soleimani has also increased anti-American sentiments in Iraq.

An additional result of the struggle is the ongoing phenomenon of constrained sovereignty that continues to characterize some states. Notwithstanding earlier predictions of its demise, the nation-state has survived as the region's main territorial unit and ordering framework. Still, although state borders drawn up in the Sykes-Picot agreement have survived, sovereignty in many of those states remains limited to the extent that foreign actors – including the Great Powers, militias, and terrorist organizations – are present. The problem of constrained sovereignty is most glaring in Lebanon, Syria, Iraq, Yemen, and Libya.

In the background of the regional struggle throughout 2019, at least until the killing of Soleimani, the United States continued to reduce its involvement in the Middle East and Russian influence grew. The radical Shiite axis maintains cooperation with Russia in many areas, and while the vast majority of the Sunni states are allies or partners of the United States, they too are strengthening their ties to Russia.

## The Conflict with Israel

Israel has established itself as a leading regional actor working to limit the influence of the radical Shiite axis, and to that end maintains increasing cooperation with the pragmatic Sunni states. Although the conflict with Israel is still present in the consciousness of publics across the region, in most states it is not a central issue preoccupying the regimes. The Palestinian predicament is almost entirely absent from the regional agenda, notwithstanding American efforts to increase the involvement of Arab states therein. However, breaking the glass ceiling of cooperation with the pragmatic Sunni states remains contingent on making progress in resolving the Israeli-Palestinian conflict.

## Recommendations

Israel must repair its relations with Jordan, which are currently in the midst of a crisis, by renewing the bilateral dialogue at the highest levels to clarify all outstanding issues between the two states. In the current regional circumstances, Israel must prepare to cope with Iranian influence mostly on its own, ideally by crafting a policy based partly on American support and on a (limited) partnership with the pragmatic Sunni states. At the same time, Israel must strengthen its cooperation with Jordan and Egypt, especially in the economic, energy, and counter-terrorism realms. Israel must prepare for the increasing likelihood that the Arab Gulf states will invest more in advanced weaponry (both American and Russian) and even seriously examine paths to nuclearization. In addition, Israel must prepare for increased tensions in the Eastern Mediterranean and more clearly delineate the extent of Israeli support for Cyprus. As for Turkey, Israel must continue to limit both Ankara's activities in Jerusalem and its involvement with Israel's Arab citizens, while continuing to expose Hamas's activities on Turkish soil.



THAIER AL-SUDANI

US security forces on the roof of the US embassy in Baghdad when it was under attack by local protesters. Will Iraq be a theater of US-Iran confrontation?

## Egypt



The constitutional amendments approved in April 2019 strengthened President Abdel Fattah el-Sisi's grip on power. However, the demonstrations that broke out in September reflected a number of economic and social indicators that threaten the stability of his regime, namely: record poverty levels, a declining standard of living, and growing anger about corruption. From Israel's perspective, the most important development in its relationship with Egypt in the past year was the creation of the Eastern Mediterranean Gas Forum in January. The Forum, which is headquartered in Cairo, brings together Israel, Egypt, Greece, Cyprus, Jordan, Italy, and the Palestinian Authority, and it adds new geo-political and economic dimensions to Israeli-Egyptian relations.

## Jordan



The Jordanian economy continues to suffer from a lack of natural resources and other local sources of income, along with pressures related to the influx of refugees from Syria. In September 2019, frustration with the economic situation sparked a month-long teachers' strike, and the government was forced to increase wages, contrary to the commitments it made as part of the International Monetary Fund's recovery program of 2016. There is no serious alternative to the monarchy, and King Abdullah's patrons in the Gulf, Europe, and the United States continue to see the monarchy's survival as a linchpin of regional stability. In 2019, relations between Israel and Jordan deteriorated significantly, reaching a nadir with the King's decision not to renew the 25-year-old bilateral agreement regarding the Naharayim and Tzofar enclaves.

## Saudi Arabia



At the end of 2019, Riyadh's regional power and standing appear to be waning, and its influence on fundamental trends in the Middle East has weakened. To improve its standing, Saudi Arabia appears to be seeking to end the crisis with Qatar and draw down the war in Yemen. In its domestic social and cultural realms, the Kingdom is exhibiting greater openness, but low oil prices and fears of upsetting the traditional social contract have made it difficult for the regime to carry out deeper reforms. Saudi Arabia's military inferiority relative to Iran may lead Riyadh to seek to reduce tensions with Iran by attempting to reach agreements with its longtime nemesis, as the United Arab Emirates has done. Such agreements would have implications for a number of issues, chief among them the war in Yemen, where widening rifts emerged this year in the Riyadh-Abu Dhabi alliance.

## Turkey



Despite the Justice and Development Party's defeat in local elections, Erdogan's grip on power does not appear to be in danger, and Turkey even experienced a modest economic recovery. As reflected in its purchase of the S-400 system from Russia (despite warnings from Washington), Ankara is willing to take risks that challenge the NATO alliance from within. Despite a more assertive regional policy this past year, which included the dispatch of drilling ships and gunboats to the Eastern Mediterranean and the October 9 military operation in northeastern Syria, Turkey has not managed to increase its regional clout as leader of the Sunni Islamist camp.



## Iraq



The 2018 elections were intended to increase stability in Iraq following the defeat of ISIS (despite the organization's ongoing presence). However, mass protests in response to charges of regime corruption and the failure of the regime to address economic problems threaten stability and increase the risk of civil war. The unrest is heightened by the possibility that particularly after the killing of Soleimani and Iran's response, Iraq will become a theater for Iran-US confrontation. The anti-Iran sentiment prevalent in the protests, and the risk it poses to Tehran, heightens the motivation of Iran and the allied Shiite militias to try to prevent any damage to Iranian influence and achieve their goal of the withdrawal of American forces.

## Yemen



The fighting in Yemen has been deadlocked for three years, and the motivation of the warring parties to continue the conflict has declined. Indeed, the UAE announced its withdrawal in June 2019; the Houthis declared a unilateral ceasefire regarding Saudi territory in September; Emirati-backed southern separatists and the Saudi-backed Central Government of Yemen reached a power-sharing agreement in November; and Saudi airstrikes decreased markedly. However, devising a solution that re-unifies Yemen and satisfies key interests of the numerous actors involved will remain a significant, perhaps insurmountable, challenge. The passing of Sultan Qaboos of Oman may also prove a setback for the Saudi-Houthi peace talks that he had mediated.

## North Africa and Sudan



The countries of North Africa (the Maghreb) and Sudan occupy various points on the stability spectrum. In Libya, a new round of the civil war broke out in April. In Algeria, 82-year-old President Abdelaziz Bouteflika submitted his resignation after 20 years in power, but in the elections held in December (largely under the military's purview), a former minister associated with the Bouteflika regime was elected. Meanwhile, mass weekly demonstrations against the authorities continue. Prospects seem more optimistic in Sudan, where after months of popular protests against the regime, the army ousted President Omar al-Bashir after a 30-year tenure. Tunisia and Morocco had a relatively stable year, with a noteworthy achievement of a third round of national elections in the birthplace of the Arab Spring.

## Salafi-Jihadists



As a political entity governing territory, the Islamic State (ISIS) has all but disappeared following the organization's military defeat and the loss of its control over territory in Syria and Iraq, and its leader was killed in an American military operation. However, ISIS continues to operate as a terrorist organization with ties to similarly inclined Salafi-jihadist terror organizations, terror networks, and individuals operating around the world. In Syria, there remains considerable potential for the organization to recruit manpower from among those who fought against the regime in that country's war. Although Israel is not a top priority for ISIS, the potential exists for terrorist activity against targets around the world identified with Israel and Jews. Al-Qaeda and its allies also continue to carry out terror attacks in Africa, South Asia, and the Middle East (principally in Syria, Libya, and the Sinai Peninsula).

# The Struggle for the Shape of



**Libya** | War involving the regional camps

REUTERS / Hani Amara



**Yemen** | War involving the regional camps

REUTERS / Ali Owidha



**Syria** | Stabilization without resolution

REUTERS / Muhammad Hamed



**Iran** | Economic crisis and violent protests

Nazanin Tabatabaee / WANA via REUTERS



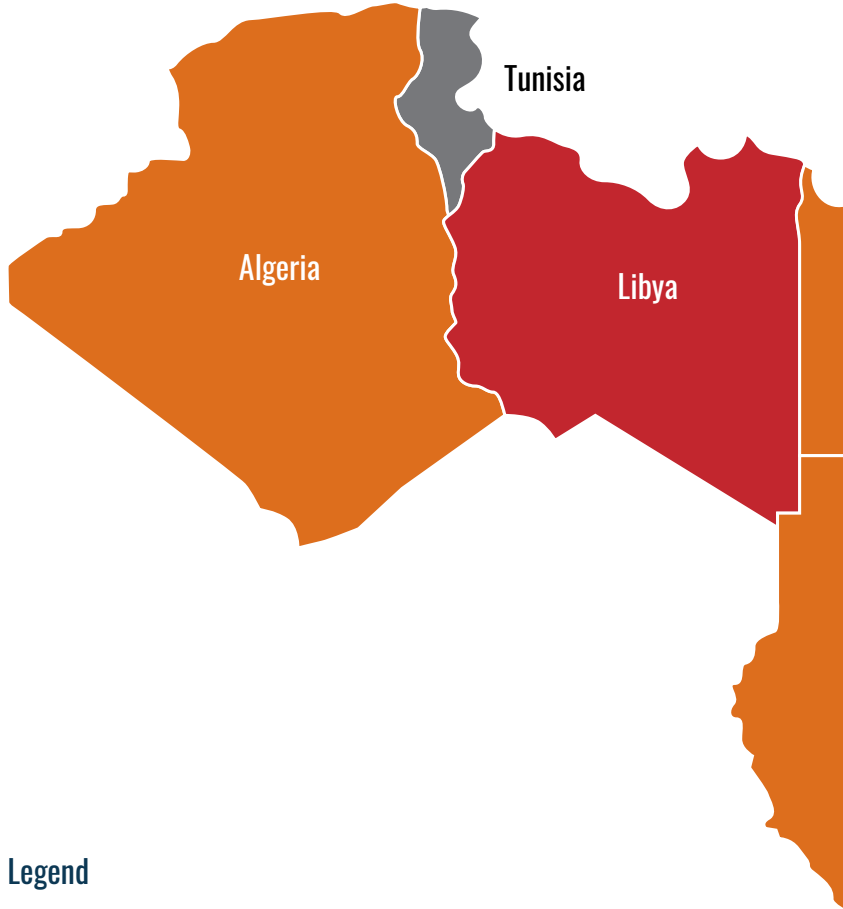
**Lebanon** | Non-sectarian demonstrations

REUTERS / Mohamed Azakir



**Iraq** | Violent anti-Iranian and anti-American protests

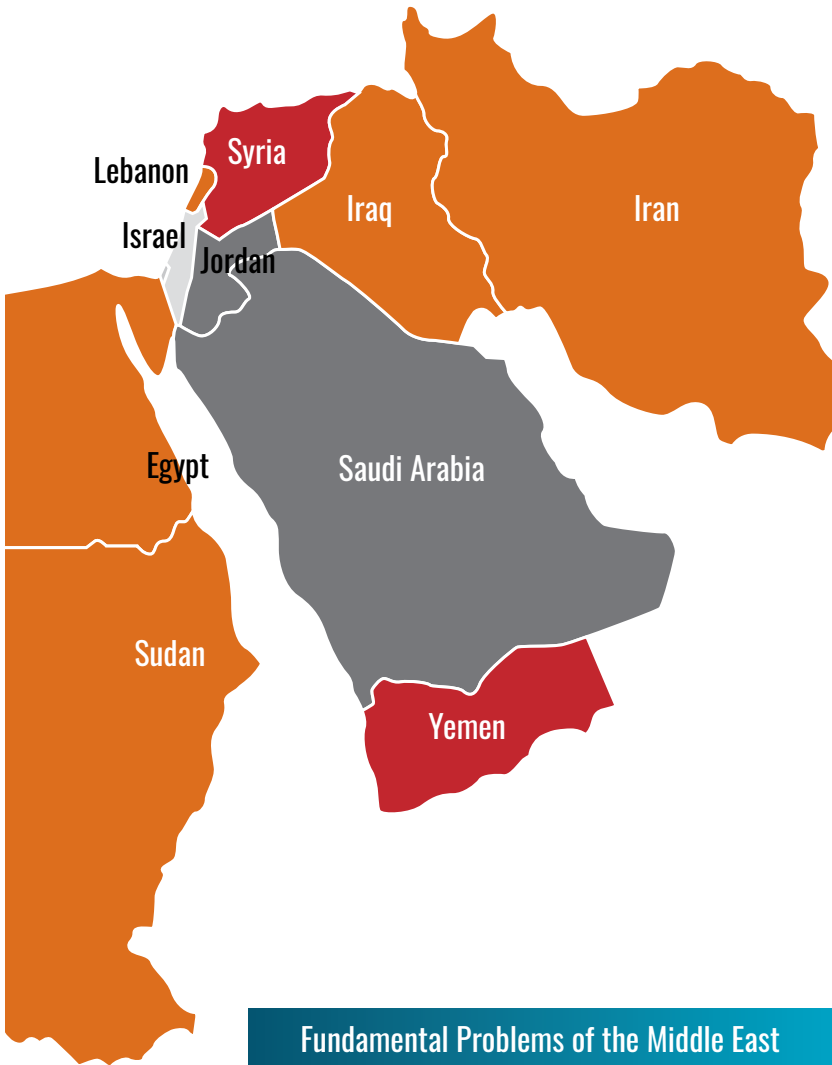
REUTERS / Abdullah Dhiaa al-Deen



## Legend

- Violent wars between various camps
- Widespread protests
- Fragile stability

# the Middle East as of Late 2019



**Fundamental Problems of the Middle East**

- Unemployment
- Inequality
- Governance
- Dependence on foreign aid
- Dependence on oil



**Saudi Arabia** | Declining power and stability

Sputnik / Alexei Nikolsky / Kremlin via REUTERS



**Tunisia** | Fragile success story of the "Arab Spring"

REUTERS / Zoubeir Souissi



**Jordan** | Economic crisis and sectoral protests

REUTERS / Muhammad Hamed



**Algeria** | Ruler deposed after 20 years

REUTERS / Zohra Bensemra



**Sudan** | Ruler deposed after 30 years

REUTERS / Mohamed Nureldin Abdallah



**Egypt** | Short-lived protests

REUTERS / Mohamed Abd El Ghany

# 3 Iran: Defiance and Audacity, alongside Internal Challenges

Sima Shine, Raz Zimmt, and Emily B. Landau\*



Khamenei.ir [CC BY 4.0]



## Snapshot

Ongoing violations of the nuclear agreement • Iranian audacity in its use of force in the Gulf and Iraq, which prompted the targeted killing of Soleimani by the US • Increased danger of escalation



## Recommendations

Prepare a credible option for a military attack in Iran • Prepare for the possibility of an “improved” nuclear agreement • Continue to obstruct Iran’s regional entrenchment and the precision missile project

## Introduction

2019 was marked by Iranian audacity on the nuclear issue and in regional activity, and over the year the confrontation with the United States intensified. The sanctions that the American administration imposed on Iran after withdrawing from the nuclear deal in May 2018, and especially the cancellation of the waiver on importing oil from Iran in November 2018, have created severe challenges for the Iranian economy. Iran abided by the commitments stipulated in the nuclear agreement for a year, in the hope of dividing Europe from the Trump administration and receiving adequate economic compensation from the other partners to the agreement. However, Europe’s lack of success in creating an alternative mechanism for conducting transactions with Iran and a heightened US “maximum pressure” policy, along with public criticism of Iran’s regional activity, led to changes in Tehran’s policy. The first sign was Iran’s failure to adhere to the restrictions on its nuclear program imposed by the agreement. In addition, Iran undertook provocative

\*published posthumously

military activity in the Middle East against United States allies, marked especially by the attack on the oil facilities in Saudi Arabia, and against the United States itself, which began with shooting down the American UAV and led to the attack on American citizens (including one fatality) and charging the embassy in Iraq, which prompted the string of responses that led to the targeted killing of Soleimani.

## The Nuclear Program

In the face of the “maximum pressure” policy that the United States has adopted since May 2018, which in practice has mainly taken the form of economic measures (sanctions) and political measures (diplomatic pressure), Iran employs a policy of “maximum resistance,” which reflects its assessment that it can withstand the economic toll taken by the sanctions. In response to President Trump, who repeatedly emphasizes his desire for negotiations that would lead to a new agreement, the Iranian leadership insists that it will not return to negotiations without the compensation it was entitled to according to the agreement, and even then would only do so within the multilateral framework of the P5+1.

Concurrently, Iran is working to advance its nuclear program – with steps that began in limited and measured fashion, but have intensified with time – and is incurring additional risks while pursuing military action in the Gulf. The goal is to harm Washington’s principal allies in the region and the global oil market, and illustrate the costs of the American policy toward Iran. On the other hand, Iran continues to maintain its connections with European states, while emphasizing its willingness to return to the nuclear agreement if the sanctions are lifted. Thus, it leaves open the possibility of continuing the diplomatic talks to foster ties with the United States. Relations with Russia are also maintained and strengthened based on shared interests in Syria that oppose those of the United States; in this sense, Israeli hopes of driving a wedge between Moscow and Tehran have not borne fruit, despite the existing gaps between them.

Therefore, on the nuclear issue, the sides have reached a dead end: the United States has no long term strategy other than continuing the economic sanctions as a tool for changing Iranian policy (without the intention to change the current regime) and bringing Iran back to the negotiating table; the Europeans are worried about escalation and prefer to define Iran’s defiant actions as minor; and the Iranians themselves do not intend to return to negotiations if their demands regarding the sanctions are not met, and they continue to move forward with the nuclear project.





Consequently, 2020 will likely be marked by continued Iranian challenges that will include escalating steps in the nuclear program. Prospects for renewed negotiations between Iran and the United States, though slim, largely depend on President Trump’s willingness to relax the sanctions. The main significance of this for Israel in 2020 is Iran’s continued uranium enrichment and accumulation of fissile material (low level at this stage), continued progress on advanced centrifuges, possible escalatory actions in relation to enrichment levels, and perhaps even a reduction in IAEA inspection arrangements. This situation would shorten the amount of time needed to progress toward nuclear weapons, if Iran decides to do so.



THAHER AL-SUDANI

IR-40 heavy water research reactor, near Arak. Still not in violation of the nuclear agreement.

## How Iran Violates the JCPOA, January 2020

Subject		Commitment	Violation	Significance
	Uranium enrichment level	Up to 3.67%	Up to approximately 4.5% in Natanz and Fordow	Still low level and insignificant. Reversible measure
	Enriched uranium stockpiles	Up to 300 kg UF6 (or equivalent of other chemical material)	More than 300 kg	Shortened time to a military breakout. Reversible measure
	Heavy water stockpiles	Up to 130 tons	Approximately 131 tons	Minor violation. Reversible measure
	Advanced centrifuges	In years 1-8, testing of limited number of IR-6 centrifuges (10-20); in years 8-10, tests on 30 centrifuges	Injection of gas into 11 IR-6 centrifuges, and installation of 33 additional IR-6 centrifuges	Technological progress. Increase in amount of enriched material – depending on success of tests. Irreversible measure
	Uranium enrichment site in Fordow	Enrichment prohibited; use permitted only as a research and production center for stable isotopes	Uranium enrichment to level of about 4.5% (more than 3.67%)	Significant reduction of time to military nuclear breakout. Reversible measure

## Regional Activity

In 2019, Iran continued its military buildup in Syria, Iraq, Lebanon, and Yemen, in order to deepen its influence, reduce American influence, and establish bases for potential activity to harm Israel and Saudi Arabia as part of creating deterrence. For this activity, Iran depends on local elements that enable its freedom of action (not only military) – first and foremost Hezbollah in Lebanon and the Syrian regime, as well as pro-Iranian Shiite militias in Iraq and Lebanon and the Houthis in Yemen. In the Palestinian arena too, Iranian support for Islamic Jihad and Hamas continues, manifested in funding and in technological knowledge for rocket and missile production.

Iraq is a strategic asset for Tehran – given its long shared border with Iran, its position as a land and air bridge to Syria and Lebanon, the Shiite holy sites in Najaf and Karbala, and the historic connections between parts of the Shiite community and groups in Iran. This background in part drives Iran's desire to continue to undermine the American influence in Iraq and end the American presence there. However, increasing public criticism of the Iraqi government over its identification with Iran has sparked unrest that threatens to harm Tehran's achievements, which are based on special efforts to create economic, cultural, religious, and security influence in Iraq. The anti-American sentiments that infuse the protests in Iraq and the danger that these protests pose to Iranian interests strengthen the resolve of Tehran and the Shiite militias to bring these protests to an end.

The killing of Soleimani will not prompt any substantive change in Iran's overall regional strategy, but it does challenge Tehran's ability to achieve its objectives. Consequently, Iran and the United States are weighing their next steps. Iran's dilemma lies between the need to respond forcefully (directly or through its proxies) against American targets and the fear of a powerful American counter-response. Therefore, action against United States allies in the region is also possible.

Syria has become a focus of unusual Iranian military activity, against the backdrop of the war that threatened to eliminate the regime of Bashar al-Assad, Iran's important ally. The Iranian presence has created severe friction with Israel, which has increased its military activity to undermine Iran's military buildup. The Syrian theater will continue

to have the potential for escalation in the conflict between Israel and Iran, which could expand even though neither side is interested in all-out war. In parallel, Iran is investing in expanding its areas of cooperation with Syria. Alongside the continued military cooperation and signed military agreements, including the operation of parts of the Latakia port as well as research and development projects underway on Syrian soil with the assistance of the Syrian military industry, there is an effort to deepen involvement in economic, educational, and cultural matters.

Iran likewise saw achievements in Yemen: the Houthis' victories on the ground; the reduction in UAE military involvement, leading to friction with Saudi Arabia; and the pressure on Saudi Arabia itself, especially in the US Congress, against the backdrop of human rights violations in the campaign in Yemen. The Iranians in effect have become the patrons of a future agreement in Yemen (a process that the UN is involved in as well) by creating a "diplomatic framework" for the Houthis. This agreement will ensure the status of the Houthis themselves, and through them, Iranian influence.

For Israel, the first significant element is that Iran continues to maintain its assets in the region and has even scored several achievements, despite difficulties that have arisen in Iraq and Lebanon and in development of its precision missile project, along with the post-Soleimani challenge. Iran plans to remain in Syria, and is building military, political, economic, and social infrastructure that will ensure its long term influence in Syria. It has also succeeded in forging cooperation with Russia in the Syrian space, despite the differences of opinion and the competition between them for influence in the arena.

The second significant element is that Israel's toolbox is based mainly on kinetic activity, and is limited to Iran's military buildup and the dissemination of knowledge, technology, and weapons to the various theaters (Syria, Iraq, Lebanon, Yemen, and the Gaza Strip). Israel is also working in the diplomatic sphere to tarnish Iran's image and reduce its freedom of operation, but this activity does not address the soft power aspects and civilian/economic components through which Iran seeks to enhance its influence. Rather, Israel's policy is primarily reactive in the face of Iranian policy and activity.



Nazaniin Tabatabaee / WANA via REUTERS

Gasoline riots in Iran in November 2019, an expression of the ongoing distress and deep socio-economic processes. The protests were quashed effectively by the regime with harsh measures.

## The Internal Arena

Over the past year, the Iranian regime seems to have been successful in stabilizing the socioeconomic arena. Alongside the continued poor economic indicators in the fields of inflation and unemployment, a high negative growth rate, and the collapse of its currency in the second half of 2018 and early 2019, the Iranian economy appears to be stabilizing and adapting to the sanctions regime. The International Monetary Fund estimates that inflation in Iran will begin to decline starting in 2020, and real growth, even if minimal, will begin. However, these macroeconomic figures do not improve the lives of citizens who took part in large scale and violent public protests in November 2019 (at some 150 locations throughout Iran), which focused on economic issues and antipathy toward the regime. As in the past, this time too the regime succeeded in suppressing the protests, using repressive measures and taking a heavy toll in lives (with hundreds killed) and making extensive arrests.

**Israel must build a credible option for the use of direct force in Iran and formulate understandings with Washington regarding problematic scenarios: progress in Iran's nuclear program; an ostensibly improved agreement; and escalation to a wide-scale conflict.**

The past year has also been characterized by the strengthening of the conservative camp, led by Supreme Leader Ali Khamenei, who made a series of important appointments to reinforce the conservative control of the state. The most prominent among them was the appointment of radical cleric Ebrahim Raisi as Chief Justice (March 2019), in a step that some see as signaling the potential future successor of the Supreme Leader. In addition, the radical Hossein Salami was appointed Commander of the Revolutionary Guards, and conservative figures were appointed as heads of parliamentary committees. All of these steps are a precursor to the parliamentary elections in February 2020 and the presidential elections in 2021, as well as groundwork for the day after the current Supreme Leader. In effect, the appointments weaken the more pragmatic camp, whose representatives include President Rouhani and Foreign Minister Zarif, who are forced to toe the line with respect to the strict policy led by the Supreme Leader.

## The Main Challenges for Israel

On the eve of 2020, the overall balance scale for Iran is a mix, but with achievements outweighing failures. Iran displays greater confidence in exerting its power in the regional arena and even against the United States; this stance will be tested following the killing of Soleimani. When it comes to the nuclear issue, Iran does not feel isolated and even believes that it has succeeded in isolating the United States. It assesses that it will be able to cope with its economic distress and the continued sanctions, while the United States is close to exhausting the stock of sanctions; it is advancing the nuclear program and accumulating bargaining chips for the future.

All of these underscore the failure of Western policy, which was based on inflicting economic damage that would create unrest among the Iranian public and in turn influence the policy of the regime.

The main challenge for Israel vis-à-vis Iran is to formulate a strategy that will allow the use of force in various theaters and on different levels, without escalating into a broad conflict. In tandem, Israel must build a credible option for the use of direct force in Iran and formulate understandings with Washington regarding three scenarios that are problematic for Israel.

- The first is negotiations between the United States and Iran, which could provide Tehran with the right to enrich uranium, without any concession in return regarding its surface-to-surface missiles and regional activity.
- The second is escalation between Israel and Iran.
- The third is Iran's progress in its nuclear program while it continues to accumulate fissile material and reach higher enrichment levels, which would lead to a significant change in the time required for a potential breakout to nuclear weapons.

On these three central issues, there is a gap between Israel's interests and those of the United States, and specifically those of President Trump.



# 4 The Northern Arena: Toward a Large-Scale Conflict

Udi Dekel, Carmit Valensi, and Orna Mizrahi



REUTERS / Omar Sanadiki



## Snapshot

Evident risks of escalation stemming from Israel's ongoing campaign between wars • Assad regime recovers and regains territory, but remains dependent on Russia, Iran, and Hezbollah



## Recommendations

Define responses to Iran and Hezbollah's precision missile project, including a possible preventive attack • Pressure the Assad regime and mobilize superpower support to obstruct Iran's regional influence

## Introduction

The most significant conventional military threat to Israel is posed by the northern arena, specifically, from Iran and those under its patronage: first and foremost, Hezbollah in Lebanon, followed by the Assad regime and militias active in Syria and Iraq under Iranian guidance, and Iranian (and Hezbollah) forces active in the Syrian arena. In addition, Israel must consider how the targeted killing of Soleimani might impact on the northern arena.

In recent years, Israel has adopted a “campaign between wars” strategy in order to reduce the threat in the northern arena and to obstruct enemy measures that seek to entrench Iranian and pro-Iranian military capabilities and militias along Israel's borders, while strengthening deterrence and staving off war. So far, Israel has succeeded in disrupting Iranian progress, but in the past year the risk of escalation has increased, with Israeli activity focused against two

principal efforts: Hezbollah's precision missile project in Lebanon and that of Iran in Syria; and Iranian moves to establish a land bridge from Iran through Iraq and Syria. During 2019 it became clear that Iraqi territory is also used by Iran as a possible platform to attack Israel with missiles.



L-r: Presidents Putin, Rouhani, and Erdogan in Ankara, September 2019. There is little likelihood of Russia pushing Iran out Syria in 2020.

## Principal Trends and Expectations for 2020

Syria is still far from functioning as a unified state. President Bashar al-Assad remains in power, but he is entirely dependent on Iran, Russia, internal security apparatuses, the army, militias, and criminal elements. In his eyes, the survival of his regime is paramount: he strives to establish a political and military order that is similar to what existed before the civil war; prefers to invest in rebuilding the army rather than rebuilding the state's infrastructures; will continue to engage in demographic "cleansing" by removing or weakening unwanted (especially disloyal) populations and preventing the return of refugees; and will maintain his chemical warfare capabilities. The Syrian army is being rebuilt under Russian influence with Iranian involvement, with an emphasis on air defense, high trajectory fire including precision missiles, high mobility, and special forces.

It is too early to assess how the killing of Soleimani will impact on Iran's regional activity. Iran is expected to continue to exploit Assad's weakness in order to consolidate its multidimensional influence in Syria: build the war machine in the theater and strengthen the Shiite supply axis from Iran via Iraq to Syria and Lebanon. Iran will continue to transfer advanced missile capabilities to Syria and strengthen the readiness of the militias that are under its authority, which include tens of thousands of operatives located within the Syrian arena. Some are intended for fighting against Israel, others for ongoing missions to retain territory in the area, along with upgrading and reinforcing Hezbollah outposts on the Golan Heights.

Russia is unlikely to push Iran out of Syria in 2020. Its network of interests vis-à-vis Iran is broader, and from its perspective, Iran has a role to play in stabilizing Assad's regime. However, it is likely that Moscow will not let Iran establish itself in Syria in a way that threatens Russian interests – both economic interests and those connected to the stability of the Assad regime.

In northern and northeastern Syria, it seems it will be difficult to stop Turkey from reinforcing its influence, all the more so in light of the reduction of the American presence there in late 2019. Turkey conducted a military operation to construct a 32-kilometer wide safe zone on the Syrian side of the border, in order to create a barrier between the Kurds and Syria and the Kurds in Turkey. In Ankara's view, an effective means of creating the barrier is to exploit the territory to settle Syrian refugees, mainly Sunnis, who fled to its territory, and deploy rebel forces subject to

its authority. As such, it seeks to achieve two goals: reduce the heavy burden of the refugees, and reduce Kurdish dominance in the area. The immediate response of the Kurds was a willingness to reach an agreement with the Assad regime with Russian mediation, in return for a guarantee from Russia and the regime of the right to autonomy in northeastern Syria. In addition, a Russian-Turkish agreement led to a ceasefire and the agreement of Kurdish forces to withdraw from the border, such that Russian and Turkish forces conduct joint patrols of the territory.

There is only a slim chance in 2020 of seeing governmental reforms in Syria or a viable agreement between the opposition and the Assad regime sponsored by the countries involved – Russia, Iran, and Turkey – and the greater international community. Furthermore, it does not appear that there will be budgets or motivation for civilian reconstruction of Syria. The issue is not a top priority for China, Europe, the United States, or the Sunni states.

In Lebanon, after an extended political deadlock, a new government was formed in early 2019, but it has had difficulty taking decisions and spearheading improvement in the severe internal situation (deep economic crisis; lack of infrastructure; unemployment; corruption; and the burdensome presence of Syrian refugees). The increasing distress of the population, along with the paralysis of the political system, led to the spontaneous outbreak (October 17) of large-scale popular protests, singular in nature insofar as they did not differentiate between communities and targeted all of the elements comprising the government (both the Sunni camp led by Prime Minister Hariri, who resigned, and

**President Bashar al-Assad remains in power, but he is entirely dependent on Iran, Russia, internal security apparatuses, the army, militias, and criminal elements.**

the Christian-Shiite camp, which includes President Aoun and Hezbollah as a political movement). The demonstrators demand substantive change in the political system and the leadership and elimination of government corruption. Hezbollah is not interested in change because the current system serves its interests; in any case, in different scenarios Hezbollah would likely retain its independence and its increasing influence on decision making processes in Lebanon. It thus remains possible that the Lebanese system could collapse and even deteriorate into another civil war.

## Significance and Recommendations for Israel

Israel can point to many operational achievements in recent years in the northern arena, due to intensive offensive activity with an impressive level of operational efficiency in the campaign between wars, which has allowed Israel to avoid war. However, on the strategic level, Israel has not prevented Iran's ongoing consolidation in the northern arena and construction of its war machine in Syria, Lebanon, and Iraq.

### Israel's Campaign between Wars

In 2020, Iran is expected to further its entrenchment in Syria on social, cultural, economic, and infrastructure levels. Iran is also developing offensive capabilities for attacking deep into Israel from Syrian territory and possibly also from Iraqi territory, while adopting rules of the game that are similar to the Israeli campaign between wars. In this context, Iran's activity and its high level operational capabilities were evident in the attack on the oil facilities in Saudi Arabia, and in the attempts to launch rockets and drones toward Israel from Syria. Overall, there is increased potential for escalation between Israel and Iran and its proxies from the Syrian and Iraqi spheres, particularly following the killing of Soleimani.

This dynamic highlights the Israeli challenge of waging the "ongoing campaign below the threshold of war" against Iranian buildup in the northern arena, and the need for coordination with the United States. In 2020, it seems that Israel will have difficulty controlling the levels of escalation, because the enemy is now familiar with the IDF's capabilities and has improved its defense, while developing offensive response capabilities. In addition, to the extent that stability in Syria is further undermined, Russia could impose limitations on Israel's freedom of operation in Syrian airspace. Israel would do well to return to the policy of deliberate ambiguity, employ more covert capabilities, and refrain from public arrogance regarding its operations in the northern arena.

Israel should reassess its policy of non-intervention in the civil war in Syria. Israel's ability to damage the Assad regime served as a means of leverage, especially toward Russia, which enabled it to operate in the Syrian arena against Iran

and its proxies. But this policy also led to informal recognition of the Assad regime as the victor in the civil war. The ongoing campaign and Israel's damage capability can lay the groundwork for a complementary political process that could remove Iranian capabilities that threaten Israel from Syria, whether via Russian pressure on Iran or via President Assad's understanding that the Iranian activity in Syria exacts too great a toll.

The killing of Soleimani sparked a reinforcement of US forces in the region. However, this might be a prelude to an accelerated withdrawal of US forces from Iraq and eastern Syria. A development of this sort will grant a victory to US adversaries in the competition over shaping the Syrian sphere: Russia, Iran, and the Assad regime, which together will receive a strong grip on northeastern Syria. In addition, it is possible that the Islamic State will reappear, despite the US operational and moral achievement of assassinating its leader, Abu Bakr al-Baghdadi.

## Improved Preparedness for War in the Northern Arena is Imperative

The loss of control over the levels of escalation, the increasing confidence of Iran and Hezbollah, and above all, their increasing number of precision missiles raise the likelihood of a war between Israel and Hezbollah and the Shiite axis in the northern arena. Israel must decide if a particular number of precision missiles in Hezbollah's possession demands a preventive attack to remove or significantly reduce the threat. A successful Israeli attack to prevent the construction of an arsenal of precision missiles in Lebanon would increase the risk of war.

As part of his risk management, Hezbollah leader Hassan Nasrallah estimates that the organization's actions in Lebanon enjoy "immunity," based on the mutual deterrence with Israel since 2006. According to the equation that has developed, if Hezbollah does not attack Israel from Lebanon, then Israel will not attack in Lebanon. Based on this working assumption, Hezbollah advanced the missile conversion project together with Iranian Revolutionary Guards Quds Force commander Soleimani, and over the course of a decade dug attack tunnels (exposed and neutralized by Israel in Operation Northern Shield). Nasrallah is wary of war, given his familiarity with Israel's capabilities, as well as due to the organization's internal and economic difficulties and Lebanon's unstable situation. The organization is torn between its increasing responsibility for the Lebanese state and its commitment to its patron (Iran) and its commitment to respond to Israeli attacks in Lebanon and perhaps even to serious attacks on Iranian forces in Syria.

It will be difficult to limit the next war to the Lebanese front, and it is likely that it will unfold on several fronts at once: Lebanon, Syria, Iraq, and possibly Iran itself. Israel's security cabinet decided this year to strengthen Israel's defense capabilities, especially against missile and unmanned aerial vehicle attacks. In practice, Israel must also strengthen the preparedness of the home front, improve its defense ability and the means of protection, and reinforce the pillars of civilian resilience in communities in the north. In tandem, the political-economic-cognitive effort to weaken Hezbollah (which bore fruit over the past year with the sanctions on Iran, the recognition of Hezbollah as a terrorist organization by a greater number of states, and the civil unrest in Lebanon) must be maintained, even though it may undermine the performance of the Lebanese state.

## Coordination with the World Powers

Israel should continue its close relations and coordination with both world powers relevant to the Syrian context – Russia and the United States. Russia has an interest in reducing long term Iranian influence in Syria, but it does not want and cannot remove it from Syria due to the complexity of the strategic relations between the countries on other levels. However, given its increasing influence on the reconstruction of the Syrian army, Moscow has the

**It will be difficult to limit the next war to the Lebanese front, and it is likely that it will unfold on several fronts at once: Lebanon, Syria, Iraq, and possibly Iran itself.**

ability to at least slow the construction of the Iranian war machine in Syria, which depends on Syrian national and military systems and infrastructure. Coordination with Russia is also essential for maintaining Israel's freedom of operation, preventing military friction, and formulating a shared picture of the challenges before them. Israel must continue to place political pressure on Russian President Putin in order to prevent the supply of advanced air defense systems to the Assad regime, especially as long as he enables Iran's buildup in his territory.

Despite the US desire to withdraw its forces from northeastern Syria, Israel must continue its attempts to include the United States in the process of crafting an arrangement in Syria, and to cultivate an American commitment to block the Shiite supply axis between Iraq and Syria (and Lebanon). The United States is expected to continue to provide political backing to Israel (on the condition that Israel not entangle it in conflicts in Iraq and in eastern Syria) but will refrain from getting drawn into another war in the Middle East. Consequently, Israel and the United States would do well to consider a Russian offer of removing Iranian capabilities that threaten Israel from Syria, in return for the easing of American sanctions on Russia and on Iran. Such an arrangement could be feasible if a formula is created for returning Iran to negotiations on an updated nuclear deal (JCPOA), which includes a reduction of its intervention in the region.

The Israeli interest is to strive to develop a broad group of partners for preventing the consolidation of the Shiite-Iranian axis from Tehran to the Mediterranean Sea. Aside from the United States, potential partners are the Sunni Arab states and European states. Part of the process should also include strengthening control of the border crossings between Syria and Lebanon – which would restrict the Iranians and Hezbollah, and at the same time (at least ostensibly) strengthen Lebanese sovereignty. An alternative plan for Syria's reconstruction led by the West and the Sunni Arab states should be prepared, rather than leaving the reconstruction to Iran by default. Israel can also take part in such an effort and, via a third party, direct investments toward southern Syria, especially the Quneitra and Daraa governorates on the Syrian side of the Golan Heights.

## Conclusion

It has become clear that the assessments that Assad defeated his opponents were premature, and the civil war in Syria is expected to continue at a low intensity. Iran will use the struggles among the internal and external actors to continue its buildup in Syria, and Salafi-jihadist elements may likewise exploit the situation for their own revitalization. The economic and humanitarian crisis will continue for the lack of a Western element that is willing to invest in Syria while Iran is involved and Assad remains in power. All of the relevant actors will have difficulty formulating a political settlement and implementing governmental reform in Syria, certainly one that would end Assad's rule.

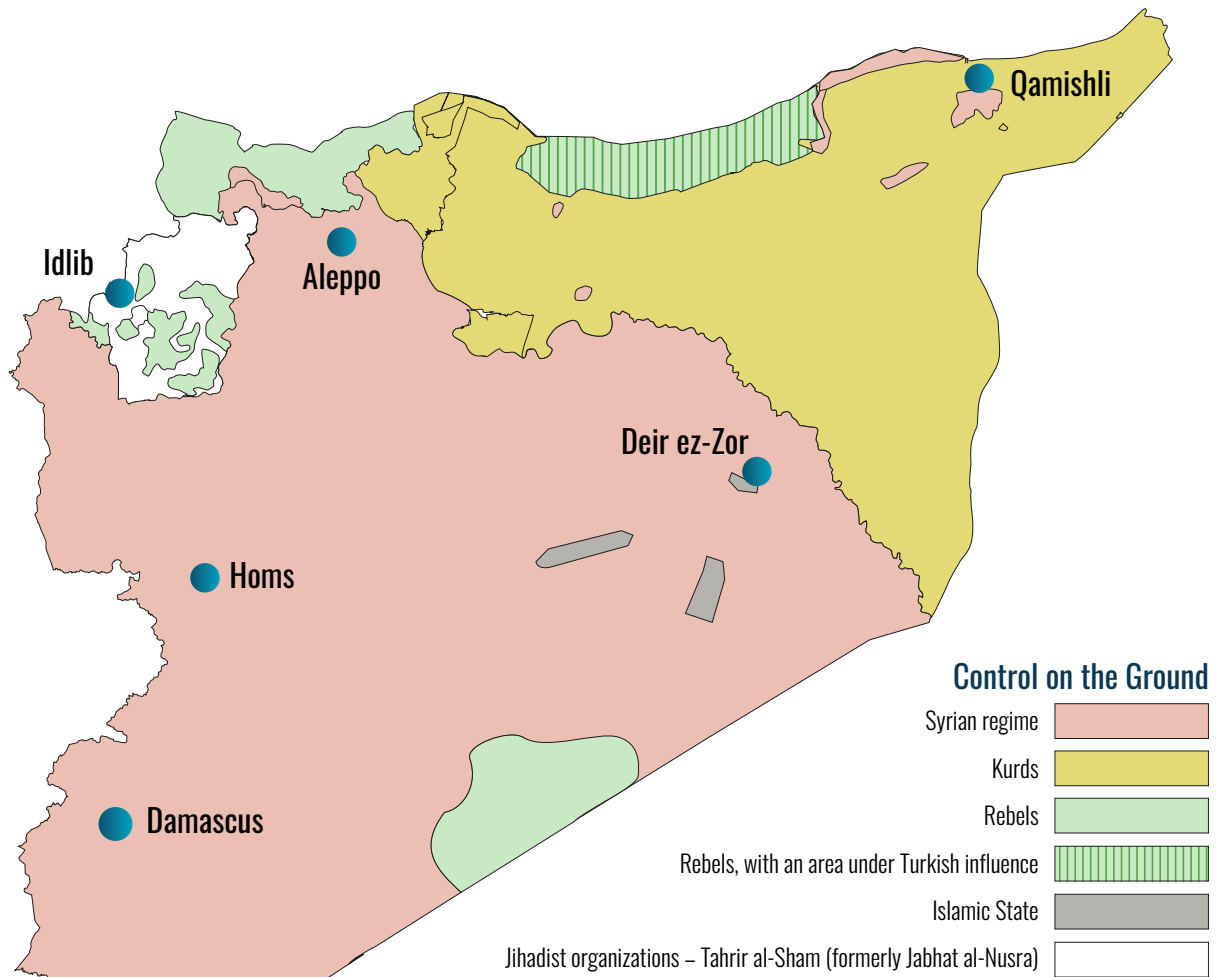
The winds of war in the northern arena are blowing stronger than in previous years. Israel could lose two of its prominent advantages: first, its ability to operate freely against the construction of the Iranian war machine in Syria, without risk of escalation; and second, the knowledge that the United States would stand with Israel and block the Shiite supply axis from Iran via Iraq to Syria and Lebanon. Consequently, Israel must formulate an updated plan for the ongoing campaign against Iranian consolidation in the northern arena, and at the same time, prepare for a multi-theater military challenge that it might face alone.

The next Israeli government faces four serious strategic decisions:

- The first involves the set of responses to an Iranian attack on military and national infrastructure deep within Israel using cruise missiles, high trajectory weapons, and unmanned aerial vehicles.
- The second considers whether to change the policy toward the Assad regime and see it as responsible for developments in Syria, including the Iranian involvement.
- The third debates whether there is a red line regarding Hezbollah's precision missile stockpile that would demand an Israeli preemptive strike to remove the threat to the home front under conditions that are more favorable to Israel than postponement of the war to an unknown time in the future.
- The fourth examines how to intensify the campaign against Iran's influence in Iraq while leveraging the effect of Soleimani's killing and the close coordination with the United States.

**Iran will use the struggles among the internal and external actors to continue its buildup in Syria, and relevant actors will have difficulty formulating a political settlement, certainly one that would end Assad's rule.**

# The Situation in Syria, Early 2020



  
**Fatalities**  
 500,000

  
**Refugees**  
 6 million

  
**Displaced persons**  
 6.3 million

  
**Cost of reconstruction**  
 \$400 billion (est.)

  
**Unemployment**  
 50-60%

  
**Currency exchange rate**  
 \$1=900 Syrian pounds (all-time low)

# 5 The Palestinian System: Weakened and Close to Escalation

Udi Dekel, Noa Shusterman, and Anat Kurz



REUTERS / Mohamad Torokman



## Snapshot

Growing challenges to the divided Palestinian system • Anticipating the day after Abbas and the Trump plan • Dangers of escalation in Gaza sharpen the urgent need to attain an arrangement with Hamas



## Recommendations

Adopt the INSS plan for the Palestinian arena • Take initial separation steps and strengthen the PA • Obtain Egyptian assistance to stabilize the Gaza Strip • Build mechanisms to prevent Palestinian military buildup

## A Divided System

The Palestinian system is divided into two sub-systems – the Palestinian Authority (PA), which rules the West Bank, and Hamas, which rules the Gaza Strip. Even though the idea of intra-Palestinian reconciliation has been on the table for a long time and enjoys broad public support, it is unlikely that it will materialize as long as Mahmoud Abbas remains President of the Palestinian Authority. Abbas consistently demands the dismantlement of Hamas’s military wing and realization of the vision of “one authority, one law, one weapon.” Hamas vehemently opposes this demand.

The two Palestinian leaderships compete with one another, have difficulty consolidating their legitimacy in the territory under their respective control, and are preoccupied with urgent issues. Hamas takes initiative and is creative, and pursues active “resistance” against Israel – popular and military – while attempting to avoid escalation leading

to a large-scale campaign. However, the organization is subject to internal pressures due to its inability to provide for the basic needs of Gaza's population. The PA has likewise weakened, both politically and in public opinion, and is experiencing a severe economic crisis.

## The Palestinian Authority

The immediate objectives of the Palestinian Authority are survival, consolidation of Fatah's rule, and guarantee of Abbas's legacy. The PA is currently on the horns of a dilemma – how to progress toward its goals without losing the achievements it has scored since the Oslo Accords. While senior figures threaten from time to time to dismantle the PA and “return the keys” to Israel, in practice it appears that the PA is wary of such a move.

**While senior PA figures threaten from time to time to dismantle the organization and “return the keys” to Israel, in practice it appears that the PA is wary of such a move.**

The economic challenge is a central issue. In early 2019, the PA announced that it would stop receiving tax revenues collected by Israel, following the Israeli government's decision to deduct from the sum the payments transferred to the families of prisoners and terrorists killed in action (“martyrs”). The tax funds from Israel constitute a significant portion of the Palestinian Authority's total income and part of its GDP. While there are calls in the PA to completely sever its financial connection to Israel, they are not viable given the PA's dependence on Israel in terms of employment and trade: most of the exports from the PA are intended for Israel, and one tenth of the workforce is employed in Israel. This problematic dependence is compounded by the cut in American and UNRWA funding, and by difficulties in gaining external financial assistance from other sources, particularly the Arab states. In an effort to temper the impending crisis, Israel and the PA formulated a temporary solution to transfer funds that would enable the PA to weather 2019 with relative quiet. Nonetheless, against this financial plight, the PA was forced to cut salaries in half and reduce expenditures. Those employed in the public sector – and constitute the significant employment sector – are the principal casualties, including members of the security apparatuses, which in no small measure are responsible for the current stability in the West Bank. Beyond the economic difficulty, the security apparatuses are confronting a population that is challenging their role as enforcers of law and order, while general public confidence in the PA has reached a low point, in light of performance failures and corruption.

At the same time, coordination between the PA security forces and the IDF continues, in accordance with the PA's interest in preventing an outbreak of violence and in light of Abbas's consistent rejection of the path of terrorism. This is despite polls showing increasing support among the Palestinian public for violent struggle.

The Palestinian Authority's ability to challenge Israel, through economic disengagement and cessation of security coordination or through political struggle in international forums, is limited. Furthermore, the Palestinian issue is gradually losing its centrality and importance in regional and international discourse. Indeed, Israel takes pride in having created overt and covert partnerships with Arab states that formerly glorified the Palestinian struggle. While the PA is still recognized as the official Palestinian representative and as the link connecting the Palestinians to the international community in general and to the Arab world in particular, its influence has ebbed, as the Palestinian issue has been relegated to the sidelines.

## Significance and a Look to the Future

Despite Mahmoud Abbas's unchallenged leadership as head of the PLO, the Palestinian Authority, and the Fatah movement, his age and his health necessitate looking toward the future. Beneath the surface, competition is underway over the leadership on the day after Abbas, which could lead to one of the following scenarios:

- Separation of powers among the three positions (chair of the PLO, president of the PA, and head of Fatah) and the election of a collective leadership (medium-high probability)
- Election of a single leader from Fatah by the Central Committee as an heir to Abbas (medium-high probability)



- Collapse of the Palestinian Authority and the strengthening of tribal-clan foundations and regional leadership in its stead (low probability)
- Rise of a political alternative to the existing leadership. This scenario is extremely unlikely, although there are signs of some of the public looking for a new path

The succession issue, as well as the leadership's loss of legitimacy in the eyes of the public, has led Abbas and his associates to promote elections in the coming months in two stages, first for the Legislative Council, according to the proportional system, and then for the presidency. Hamas and the other factions have expressed agreement in principle for the idea of elections, but they oppose the election law (amended by Abbas in 2007), which conditions holding elections on recognizing the PLO and the agreements it has signed. It appears that the sides will engage in a "blame game" in order to ascribe responsibility for not holding the elections to the other side. In any case, Hamas will likely continue to try to take over PA institutions and penetrate the ranks of the PLO, and then exploit Abbas's departure to demand partnership in the Palestinian leadership and deepen its influence in the West Bank. Israel has the ability to minimize damage by obstructing Hamas in the West Bank and even to promote opportunities following Abbas's departure, as long as it does not "crown" the next leader, but aids in strengthening the leadership that is elected by the Fatah apparatus or in general elections.

## Hamas in the Gaza Strip

Hamas is torn between its responsibility for governing the Gaza Strip and its identity as a resistance movement, and in this context faces challenges on three levels. The first is that Hamas itself is divided into groups that disagree on fundamental questions, e.g., support for ties with Egypt versus support for Iran; and support for a limited arrangement with Israel on a ceasefire, versus support for armed resistance. Consequently, the leadership has difficulty ruling and undertaking significant measures. The second level is the difficulty or unwillingness to restrain the other resistance organizations in Gaza forcibly (the "rogue" organizations), which are affected by other interests. The third level is that Hamas is the target of increased popular criticism for incompetent governance. Nonetheless, in 2019, Hamas demonstrated an ability to suppress social protests effectively, and to direct the rage toward Israel.



Rockets launched by Islamic Jihad from the Gaza Strip to Israel, November 2019.  
Between escalation and arrangement; between Hamas and the Palestinian Authority.

Since March 2018, the Gaza Strip has been close to a flare-up, even though Israel and Hamas are not interested in escalation. The Hamas leadership in Gaza has presented Israel with an ultimatum of escalation or arrangement; this enabled the limited arrangement with Israel that includes Qatari money coming into Gaza, in exchange for a commitment to reduce the "popular resistance" along the fence. In tandem, Hamas leaders are tightening their military deterrence against Israel – the organization launches rocket fire in response to Israeli military activity and mainly as a tool to pressure Israel in negotiations, in order to ease the civilian situation in Gaza.

## Significance and a Look to the Future

There are several alternatives for Israel's policy toward Hamas and the Gaza Strip:

- Reaching understandings with Hamas through Egyptian mediation and agreeing on an extended ceasefire, in exchange for significantly easing the closure of Gaza
- Creating conditions for intra-Palestinian reconciliation as leverage for restoring the Palestinian Authority's control over Gaza (an alternative that is not in Israel's hands)
- Continuing the current policy of conflict management, while adjusting to changes in the situation
- Completely severing Gaza from Israel and the West Bank
- Launching a military campaign to defeat the Hamas and Islamic Jihad military wings

The preferred and most feasible alternative is a long term ceasefire between Israel and Hamas reached with Egyptian mediation, preferably in coordination with the Palestinian Authority – although the likelihood of this is low – which would include significantly easing the closure of Gaza and advancing infrastructure projects. Under current circumstances, it appears that a wide-scale military campaign will not give Israel a decided negotiating advantage or better negotiating conditions than what can already be achieved today, and there is even a danger of the collapse of governmental capacity in the Gaza Strip. In addition, a military move of this sort will not lead to a solution that guarantees against Hamas and Islamic Jihad military buildup.

In this context, Egypt has a central role in stabilizing Gaza, and it has positioned itself as the exclusive mediator between Israel and Hamas and Islamic Jihad. Cairo is trying gently to balance opposing interests: on the one hand, it seeks to bring about an extended arrangement and ceasefire between Israel and Hamas – without being drawn into involvement and responsibility for Gaza – in order to promote stability and security that would contribute to the revival of tourism in Sinai and to economic projects in northern Sinai. On the other hand, it does not see Hamas as part of a permanent solution, and it is interested in the PA's return to power in Gaza. At the same time, Cairo is working to block the involvement of other political actors in Gaza, especially its Qatari, Turkish, and Iranian rivals.

## Main Challenges for Israel

Israel has considerable influence on the Palestinian system. Its actions indicate that in practice, it has chosen to weaken the Palestinian Authority and to raise doubts about its being a “partner” for an agreement, although the PA maintains security coordination with Israel and allows the IDF operational freedom in the West Bank. The approach of the Israeli government over the past decade has been to play for time and thereby postpone the establishment of a Palestinian state as long as possible. With an idea that “time is on Israel's side” in the Palestinian arena, the aim of the policy – in the absence of an alternative – is to maintain Hamas as a weakened political entity that both restrains rogue actors and is restrained from a large-scale attack. In practice, Israel's conflict management policy requires differentiating Gaza from the West Bank, thus working tacitly to prevent the advancement of reconciliation between the PA and Hamas. This strategy of entrenching division between the sub-systems could lead to increased chaos, especially if the situation destabilizes after Abbas's departure and if the fundamental problems of the Gaza Strip worsen.

This is a difficult time for the Palestinian national idea. On the one hand, the PA continues to adhere to the two-state solution, while on the other hand, among young Palestinians, there are more and more voices calling for setting new priorities that focus on abandoning the principle of two states and instead adopt the idea of a “state of all its citizens” that grants equal civil rights for Palestinians in the State of Israel. These voices could strengthen following the realization of one or more of the following scenarios: if the Palestinian Authority finds itself succumbing to fighting on Abbas's succession or falls into a severe economic and humanitarian crisis; if Israel pursues annexation

measures in the West Bank; or if President Trump's plan for an Israeli-Palestinian agreement is released and does not relate to a Palestinian state or include recognition of Israeli annexation.

In 2020, Hamas is expected to continue to organize demonstrations against Israel and perpetrate violent incidents along the border in order to reach improved understandings for an arrangement, including removal of the "blockade" and programs for reconstruction and new infrastructure in Gaza, with an emphasis on a maritime port. In exchange, Hamas would agree to an extended and comprehensive ceasefire. In the framework of a broad agreement and in return for the extensive release of prisoners held by Israel, it is possible that it would agree to release the Israeli civilians and the bodies of Israeli soldiers. However, Hamas will not surrender its efforts to develop and maintain the means of struggle at its disposal (from explosive kites and drones to rockets, UAVs, and tunnels) – which aim to deter Israel from military campaigns in Gaza and to pressure it as part of the Egyptian-mediated negotiations for an arrangement. In this context, Hamas's reluctance to join Islamic Jihad in the escalation with Israel in November 2019 can be seen as reflecting its interest in an agreement.

If Israel and Hamas do not reach and implement understandings on an extended ceasefire, the likelihood of a large-scale military conflict in the Gaza Strip will increase – in the form of an undesired escalation that occurs contrary to the interests of both sides (as with Operation Protective Edge in the summer of 2014). Israel's objective in a military operation would be to cause serious damage to the Hamas and Islamic Jihad military wings to the point of dismantling them, while leaving Hamas in place as a functioning governing authority and avoiding a scenario whereby one of the rogue Salafi organizations takes over or the IDF is drawn into resuming control over Gaza.

While the IDF is prepared for large-scale military action in Gaza, it is not clear what its exit strategy would be. Although the IDF would seek to withdraw all of its forces immediately after a campaign, the stabilization of the Strip on the day after a campaign remains an open question. In this case, there are two possible scenarios: the first is a clear military achievement for Israel, which would involve heavy losses, followed by the formulation of an arrangement similar in essence to what Hamas is willing to agree on today. The second is the overthrow of Hamas, whether intentional or not, leaving a governance vacuum in Gaza that would lead to chaos that could draw Israel back to the Gaza Strip.

## Recommendations for Israeli Policy

The Palestinian problem was and remains on Israel's doorstep. The consequences of the strategic distress in the Palestinian system do not benefit Israel, and they increase the likelihood of escalation in the Gaza Strip and the West Bank. However, the current situation enables Israel to shape a more favorable architecture of relations with the Palestinians, even without a comprehensive agreement, by promoting political, territorial, and demographic separation and an independent and distinct Palestinian entity in the West Bank, along with limited steps on an arrangement in the Gaza Strip that would at least enable postponement of a future conflict. To this end, Israel must act along two channels:

- The first is strengthening the Palestinian Authority as the sole legitimate entity for a future agreement, while bolstering it as a responsible, functioning, and stable authority and fostering economic growth. Israel should set a political objective of achieving transitional arrangements that would shape the separation and outline the conditions for a future reality of two states, based on the INSS Plan, *A Strategic Framework for the Israeli-Palestinian Arena*.
- The second is seeing Hamas as the entity temporarily responsible for the Gaza Strip and achieving an extended ceasefire with it, in exchange for significantly easing the closure; and in parallel, maintaining the close coordination with Egypt and the UN or the Quartet to advance vital humanitarian projects in Gaza, with the assistance of the international community.

**The current situation enables Israel to shape a more favorable architecture of relations with the Palestinians, even without a comprehensive agreement, by promoting political, territorial, and demographic separation and an independent and distinct Palestinian entity in the West Bank, along with limited steps on an arrangement in the Gaza Strip.**

**The rationale underlying the Trump plan serves Israel's interests both as a guideline for future negotiations and for the Palestinians' recognition that time is not on their side.**

The Trump administration has formulated a different solution than those raised by previous administrations, including a decline in the centrality of the two-state solution and a change in the approach toward the illegality of the settlements. It is not clear whether and when the plan will be made public, but in any case, it will likely be rejected by the Palestinian leadership and Jordan, and met with doubt and reservation by the rest of the Arab states. In contrast, the Israeli government is likely to accept the principles of the plan. The rationale underlying the plan, which holds that the reality on the ground cannot be ignored, serves Israel's interests both as a guideline for

future negotiations and for encouraging Palestinian recognition of the fact that time is not on their side. The Israeli government should use the plan in order to help create a reality of two distinct political entities – not by casting the PA as an opponent of peace, but by incorporating it as a necessary partner in the process of gradual separation in the West Bank.

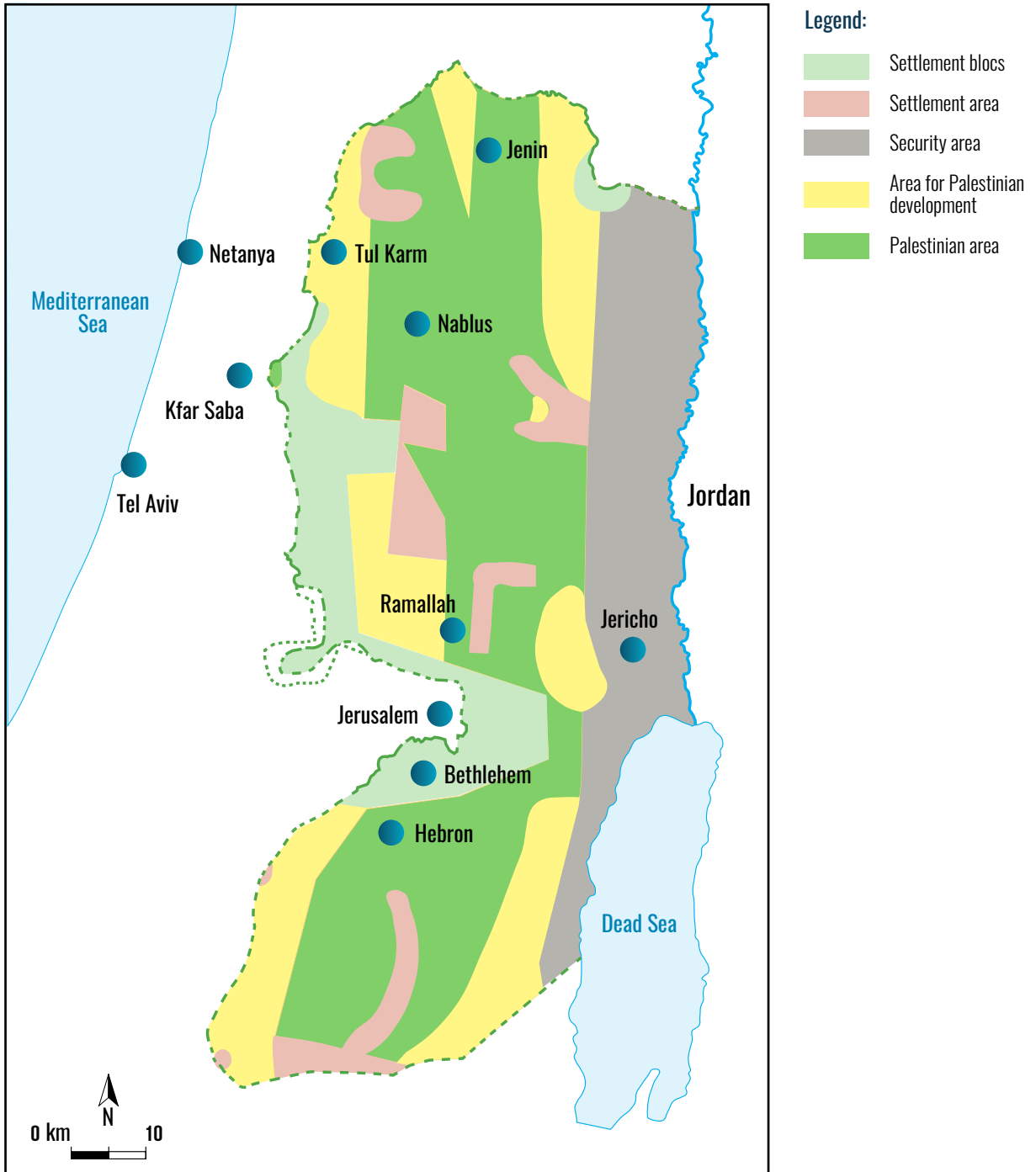
In addition, in recent years legislative ground is being prepared in Israel for annexation of settlements in the West Bank, joining Prime Minister Netanyahu's promise to annex the Jordan Valley. Annexation of all or part of the West Bank denotes a change in the fundamental vision of the State of Israel as a Jewish, democratic, secure, and moral state, with recognized borders and international legitimacy. Israeli annexation steps would likely encounter sweeping vehement Palestinian and international opposition. In addition, steps in this direction would likely harm Israel's relations with Jordan and Egypt, lead to rising violence and terrorism, and bring about the end of the security cooperation with the PA. Therefore, annexation steps should be avoided, even if facilitated by the Trump plan.

Regarding relations with Jordan, Israel is seen in the Kingdom as responsible for the political deadlock and for the Trump plan, which is biased in its favor. Most of the Jordanian public is convinced that the Israeli right wing sees Jordan as an alternative homeland for the Palestinians. Advancement of annexation encourages this notion, hence threatening the future of peaceful relations. Another challenge is maintaining the status quo on the Temple Mount, and Jordan's potential inability to fulfill its role as custodian of the holy places. Therefore, along with presenting a political vision to the Israeli-Palestinian conflict, the Israeli government should provide economic assistance to Jordan, cultivate the fruits of peace, and strengthen the strategic bilateral dialogue.

## Policy Options for Israel toward Hamas in the Gaza Strip



# The INSS Plan: A Strategic Framework for the Israeli-Palestinian Arena Schematic Map



# 6 Israeli Society: Challenges to Societal Resilience

Meir Elran, Carmit Padan, Pnina Sharvit Baruch, Sason Hadad, Zipi Israeli, Shmuel Even, and Yehuda Ben Meir



REUTERS / Ammar Awad



## Snapshot

The ongoing political crisis and divisive discourse exacerbate the polarization in Israeli society and weaken solidarity • Societal resilience in the face of severe security challenges may be hampered



## Recommendations

Advance investment in preparedness, according to an informed multi-year plan that can strengthen Israeli society and the civilian front by building and reinforcing new and existing resilience mechanisms

## The Political Crisis

Israeli society in 2019 was characterized first and foremost by the broad implications of the ongoing political crisis, following two rounds of national elections and preparations for the third round in March 2020. This electoral impasse, unprecedented in Israel, involved not only the inability to form a coalition government, but also restricted the normal performance of government offices and the ability to make decisions on critical issues. Beyond this, the political stalemate exposed a series of profound deficiencies within society and its political and legal frameworks. This was aggravated even further by divisive, extreme, and superficial political discourse – both among politicians and their associates, and in the media – focusing mostly on the personal and legal issues relating to the Prime Minister. As a result, it has become more difficult to conduct any genuine public discussion of principal political, social, and economic issues that are essential to the character and future of the State of Israel. Furthermore, “traditional” security and political issues – such as the Iranian nuclear program, Iran’s military buildup in the region, relations

with the Palestinian Authority, or Israel's policy toward Hamas in the Gaza Strip – generated barely any public debate, with the differences between the political “right” and “left” much less discernible.

In tandem, the past year was characterized by deepening public disputes stemming from diverse worldviews, especially regarding the necessary balance between national and religious values and democratic, liberal, secular ideals. There were further challenges to the need to respect human rights and ensure the limitation of government power. Under the banner of strengthened governance, executive and legislative steps were taken to restrict the legitimacy of criticism of the government on the part of established institutions such as courts, legal advisors, public attorneys, the state comptroller, the Israel Police, or organs of civil society. Concurrently, the trend of presenting particular figures and governing systems as opponents of the government and its policies continued. Branding critics as extreme opposition can have a chilling effect on their assessment and in certain cases even lead to restrictions of their role.

**The past year was characterized by deepening public disputes, especially regarding the necessary balance between national and religious values and democratic, liberal, secular ideals.**

Such processes and trends threaten the foundations of Israeli democracy. According to the annual INSS National Security Index, conducted most recently in November 2019, those agreeing with the statement “Israeli democracy is in danger” increased from 40 percent in 2018 to 55 percent in 2019. Even if the Israeli democratic system appears strong, there is concern it is weakening, especially in light of similar global trends involving charges (usually on the part of populist and anti-establishment leaders) of “deep state” and criticism of the “elite” and the liberal order that were accepted for many years as the solid basis of Western democracies.

## **The Weakening of Israeli Solidarity**

The past year also saw a further weakening of the sense of solidarity within Israeli society. This is typified by the socio-economic gaps between the rich and the poor and between the center and the periphery. The INSS National Security Index found that 70 percent of those surveyed agree with the assertion that “the sense of solidarity within Israeli society has declined.” The holes in social solidarity were evident this past year in the outcry of the Ethiopian community, which demonstrated against the “over-policing” of their people, and in the protest of the Arab sector against the state's incompetence in addressing the increasing crime and violence in their community. Both examples share a common denominator, as the protests were perceived by the Israeli public as sectoral social phenomena. In the former case, the Ethiopians received limited support for their struggle from the Israeli public, while in the latter case, the Arab minority hardly received any public support from the Jewish community. Overall it appears that even if Israel is a state with significant internal robustness, this past year has seen more disconcerting signs that point to an accelerated trend of weakening social solidarity within social groups, between social groups and the state, and between the individual and the state.

The State of Israel's sensitive relations with the multi-faceted Arab minority has experienced many fluctuations and profound changes. The relationship is shaped by three main trends, fraught with internal contradictions: first is the clear aspiration among Arabs in Israel, especially among the younger generation, for civil and even political integration – despite the low starting point and significant social, economic, and cultural barriers – along with their desire to maintain a separate national identity. The second reveals hostility and distance on the part of a large portion of the Jewish public toward the Arab minority, which reinforces and is in turn strengthened by exclusionary rhetoric and actions by the government and many in the political leadership (for example: the Nation-State Law, and decided resistance to inclusion of Arab parties in a government coalition). This is complemented by harsh rhetoric from Arab Israeli leaders. The third trend is the relatively successful implementation of the government decision on the economic development of minority populations in Israel 2016-2020 (Decision 922), which has already helped accelerate the Arab community's integration within Israel's social tapestry. This complex triangle creates clear progress toward economic and employment integration, along with signs of a willingness for social and even political integration within the state's multilayered fabric. In the long term, these trends may advance the (still limited) legitimization of the Arab community in Israel. A substantive test of the state's sensitive relations with the Arab sector will be how it addresses the increasing violence and crime within the community. Possible success in this crucial field depends greatly on joint efforts – still in their early stages – between the state's institutions and the Arab community and its leaderships.



Blue and White and Likud posters. The ongoing political crisis exposed a host of weaknesses in Israeli society and its various political frameworks.

## The Media Discourse

Significant changes are also highly evident in the media sphere. One example is the increasing number of media outlets and journalists identified with the conservative/right wing/religious stream, which contributes to the diversification of the discourse and provides a platform for populations whose voices were heard less in public in the past. At the same time, the media discourse, especially during the ongoing election periods, has become more extreme, thus exacerbating divisions in Israeli society.

In the security domain, the majority of the media has continued to toe the establishment line, rarely expressed alternative approaches, and generally contributed to the sense of unity within the Jewish society. This is mostly apparent during military crises. Overall, the media speaks within the boundaries of national consensus, strengthening national conceptions that are commonly voiced on the political right, representing the mood of “the entire world is against us,” “we will always live by the sword,” “we can rely only on ourselves,” and the like. Looking ahead, in the case of a widespread military conflict, it will be necessary to find a balance in the media between diversification of voices without blurring the differences of approach in society on the one hand and refraining from exacerbating divisions on the other.

## The Economic Context

Israel of 2019 is flourishing relative to the developed countries. Production is growing, unemployment is at a low point, the credit rating is at an all-time high, net exports have been positive for many years, and inflation is low.



Nevertheless, the Israeli economy suffers from a series of weaknesses that constitute challenges to society. Chief among those is the large economic gap between different sectors, such as between Arabs and Jews, ultra-Orthodox and secular, and periphery and center populations, and between different employment sectors.

The government should consider ways to reduce the socio-economic gaps and increase the integration of ultra-Orthodox men and Arab women into the labor market and increase their productivity. In addition, it is essential to solve traffic congestion, which hampers productivity as it negatively affects the quality of life, and to lower housing costs. On these issues, no significant progress was evident in the past year, partly because of the political deadlock. Beyond that, the Israeli economy is dependent to a large extent on export, such that a global recession might adversely affect the local economic standing. In the military-economic sphere, the government must approve as soon as possible a multi-year IDF plan, which is supposed to respond to the growing security challenges on the one hand and be responsive to the economic needs on the other.

## A Look to the Future

Without a solution to the ongoing political impasse, without preserving the requisite balance of the national identity of the State of Israel, and without enhancing social solidarity, serious concern will arise regarding potential further weakening of Israeli society. There are already signs of risks and crises in four main domains: undermining of the delicate balance regarding Israel's identity as a Jewish and democratic state, especially in its tilting toward the Jewish pole at the expense of the democratic pillar; the deepening of social and economic gaps, especially in the event of a major economic crisis; the transformation of the public discourse in Israel into a violent struggle of hatred and exclusion of the "other"; and the consequent weakening of societal resilience in Israel.

These risks could create an even greater gap between the different sectors in Israeli society, and possibly also impact negatively on the increasingly sensitive relationship between Israel and Diaspora Jewry. The convergence of these discernible trends could result in reduced social and human capital in Israel and might weaken its capacity to stand up to internal and external threats.

Under conditions of a large-scale military conflict, public mobilization and the demonstration of support for the IDF would be expected, as in the past. However, a deterioration of the military and civil situation following a protracted conflict and wide-scale damage to the home front, particularly without sufficient civil preparedness, could jeopardize societal resilience in Israel. This could be reflected in a reduction of the state's economic and civil abilities to manage daily life successfully during times of emergency and maintain functional continuity during a conflict. It could even disrupt the subsequent recovery process following the possible severe destruction of the national social and infrastructure systems.

Consequently, Israel should invest in system-wide preparation efforts, in accordance with an existing long range plan, so as to strengthen the preparedness of the civilian front in Israel. This plan would include the construction and empowerment of new and existing resilience mechanisms that are closely connected to the social dimensions discussed above.

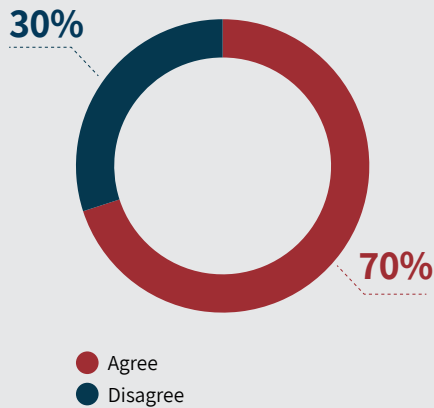


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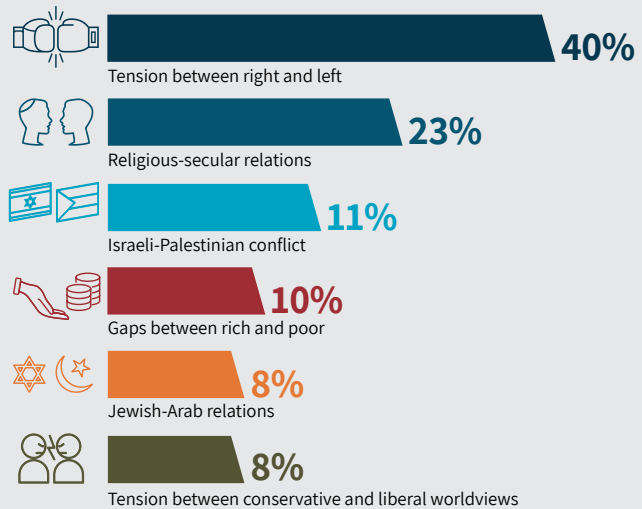
*Israel's Supreme Court in Jerusalem. A challenge to the rule of law and its institutions poses a test of basic democratic principles that are an inherent part of Israel's identity.*

# National Security Index: Public Opinion Survey

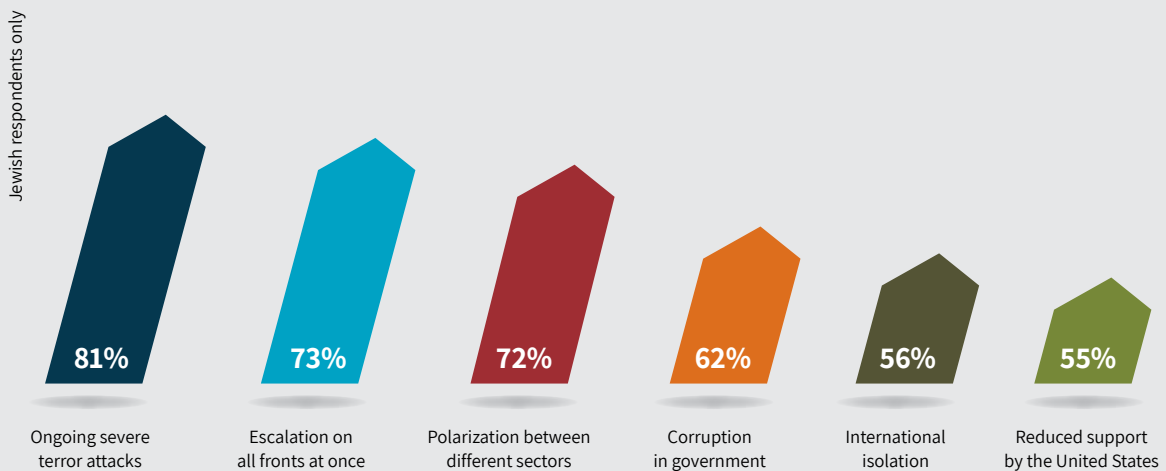
## The sense of solidarity in Israeli society has weakened



## What is the central element responsible for the weakened sense of solidarity?



## Israel can confront the following challenges successfully:



Over several decades, the Institute for National Security Studies has conducted public opinion polls on issues related to Israel's national security. The most recent poll was conducted in November 2019 and included some 70 questions; field work was done by Pori. The INSS public opinion project is headed by Zipi Israeli.

# 7 The Operational Environment: New Capabilities of the Radical Shiite Axis

Itai Brun and Itai Shapira



## Snapshot

Increased enemy capability to damage Israel's national infrastructure and IDF operational components – using precision-guided weapons, advanced air and naval systems, and new cyber capabilities



## Recommendations

Finalize a new multi-year plan for the IDF

- Prepare for a multi-theater war
- Close gaps in the public's expectations regarding the characteristics of a future war
- Debate "decision" and "victory" in the current era

## Introduction

Today's complex and challenging operational environment, in which Israel exercises its military and other capabilities, is the product of a host of intertwined technological, military, social, and political developments. These developments, which have unfolded over the past few decades, include deep global changes in the characteristics of war; geostrategic changes in the Middle East – most of which are outcomes of the regional upheaval and related events (including the dispatch of military forces to the region by world powers); essential changes in the operational concept and the weapons of Israel's enemies, especially the radical Shiite axis; changes in the way Israel's military force is exercised, reflected mainly in the preference for firepower (based on precise intelligence) over ground forces maneuver; and implications of the information revolution that has hit the world and the military establishments.

## The Events of 2019

On the operational level, several events in 2019 reflected deep processes connected to the military buildup of Israel's enemies and their approach to the use of military force. Among them:

- Iran's September 2019 attack on oil facilities in Saudi Arabia with precision-guided cruise missiles and unmanned aerial vehicles illustrated Iran's audacity and the advances in the precision strike capabilities of the radical Shiite axis.
- Two escalation events with the Gaza Strip that involved large numbers of rockets fired at Israeli territory demonstrated the ability of terrorist organizations in Gaza to overturn the routine of Israel's civilian population. In May 2019, when some 700 rockets were fired, four Israelis were killed by rockets and an anti-tank missile fired by Hamas. In response to a Hamas cyberattack, Israel attacked a cyber complex from the air. In November, some 450 rockets were fired following the targeted killing of an Islamic Jihad leader, and Islamic Jihad succeeded in shutting down daily life in the Tel Aviv area for a full day. These events also included the use of heavy rockets, whose damage is liable to be significantly greater than that caused by regular rockets.
- In September 2019 Hezbollah launched anti-tank missiles at an IDF vehicle and outpost on the northern border (with no injuries) following an Israeli attack on Iranian drones and another attack that was attributed to Israel on Hezbollah's precision missile project. The event illustrated the risks of escalation on the northern border, Hezbollah's ability to organize an offensive operation relatively quickly using "simple" means, and the current role of drones as offensive weapons.
- The Israeli operation that began in December 2018 to neutralize the attack tunnels dug by Hezbollah along the Lebanese border revealed the importance that Hezbollah, like Hamas, places on inserting a large number of fighters into Israeli territory in war.

## The Operational Concept of the Radical Shiite Axis

In recent years, Hezbollah and Hamas, supported by Iran, have assumed a prominent role as enemies with significant military capabilities. The combat patterns of these organizations (and additional groups) have a common denominator, and stem from similar strategic and operational ideas that in recent decades developed among various groups "on the other side of the fence." They are grounded in the deep recognition of Israel's military-technological superiority, and

an assessment that this superiority can be offset by attacking Israel's weak spots: its sensitivity to casualties; its difficulty in coping with a prolonged war; and the limitations that result from its preference for airpower and reluctance to engage in ground maneuvers.

This doctrine, which has become more sophisticated over the years, emphasizes the need to improve survivability and the ability to sustain hits, in order to allow greater endurance and the ability to maintain military force in the face of Israel's capabilities. Also emphasized are the need to establish credible deterrence capability – first and foremost in order to prevent large-scale clashes that they prefer to avoid – and the idea of attrition as the key to victory, due to Israeli sensitivity to prolonged war and to casualties. This doctrine is what led these organizations (and additional entities, including states such as Iran



US Government / DigitalGlobe

Saudi oil facility hit in an exact strike following the Iranian attack in September 2019. A new phase in Iranian capability and audacity.

and Syria) to arm themselves heavily with ballistic weapons (missiles and rockets) and with advanced anti-tank and anti-aircraft missiles; to acquire and develop advanced air defense systems; to adopt combat methods that emphasize concealment, defense, the dispersion of fighting forces, reduced signature, and hiding in a civilian environment and civilian facilities; and even to embrace the efforts of states such as Iran and Syria to arm themselves with chemical and nuclear weapons.

The confrontations since the Second Lebanon War (2006) have illustrated to Israel's enemies that this doctrine has, in many senses, reached a dead end. While it has succeeded in establishing deterrence against Israel and has led to Israel's inability to defeat them decisively and unequivocally, clashes where Israel exercised intensive military strength have entailed severe costs for its enemies, and have reflected the limitations of the doctrine and their means to implement it. These results were among the factors that led to the strengthening of Israeli deterrence and to the long periods of quiet on the Lebanese border since the Second Lebanon War, and on the border with Gaza (in the three and a half years following Operation Protective Edge, and to a large extent afterwards as well).

**Changes in military thought among the radical axis have led them from a victory doctrine based on attrition to a doctrine that seeks to damage Israeli national infrastructure and essential military capabilities, in order to throw the Israeli system off balance.**

The last few years reflect an attempt by Israel's enemies to formulate and implement an improved and updated military doctrine using additional elements: increased numbers of rockets and missiles, both in order to improve organizational survivability and to saturate Israel's air defense systems; high precision-guided rockets and missiles that can hit vulnerable civilian sites (electric, gas, and other national infrastructure) and vulnerable military sites (air force bases and military HQ locations); drones and other unmanned aerial vehicles, also for the purpose of precision strikes; improved air defense measures in order to neutralize the impact of Israel's air force, given its central role in Israel's military doctrine; improvements in coastal defense systems and naval warfare; development of cyber capabilities; and plans for operating ground forces in Israeli territory, including via attack tunnels (some of which were exposed and neutralized this year), in order to disrupt the IDF's offensive and defensive capabilities and to increase the damage to the stamina of the Israeli home front.

These military buildup efforts are apparently connected to a more fundamental change underway in the military thought of those identified with the radical Shiite axis. This change leads them from a victory doctrine based on attrition of the Israeli population ("victory by non-defeat") to a different doctrine that also seeks to damage Israeli national infrastructure and essential military capabilities from different arenas, in order to throw the Israeli system off balance.

## The Characteristics of the Next War

The theater in which this concept is most evident is the northern arena, where the IDF is preparing for two main scenarios: a "Third Lebanon War" against only Hezbollah in Lebanon, which will be much more intense and destructive than the Second Lebanon War; and a "First Northern War" with Hezbollah in Lebanon and forces in Syria and Iraq, and perhaps also Iran and other arenas. The multi-front scenario of a "First Northern War" could also include clashes with forces in the Gaza Strip.

In both scenarios, Israel will likely face massive surface-to-surface missile fire at the home front, some precise and some that will succeed in penetrating the air defense systems; attacks on the home front from unmanned aerial vehicles and drones; the penetration of ground forces into Israeli territory on a scale of thousands of fighters; and a large scale cognitive warfare campaign to undermine the public's stamina and its confidence in the political and military leadership. The IDF's offensive component – on the ground, in the air, and at sea – will face more sophisticated air and naval defense systems and complex ground defense systems that also include the use of subterranean warfare and advanced anti-tank missiles.

Such a war, therefore, involves the possibility of serious damage to the IDF's basic capabilities such as the air force, air defense, intelligence, logistics, and reserve recruitment system. Essential national infrastructure might also be damaged, and there could be destruction and death in Israel's cities.

## Changes in the IDF and the Debate over “Decision” and “Victory”

In recent decades, changes have also occurred in the IDF’s operational concept and in Israeli thinking on war. Since the 1990s, Israel has preferred to use its firepower over use of ground forces. This became clear in the Second Lebanon War, when Israel was very reluctant to use maneuvering ground forces. While ground forces were used in the operations in Gaza (Operation Cast Lead in late 2008-early 2009 and Operation Protective Edge in 2014), the way they were used also reflected this trend.

There are a number of reasons for this process, which is also connected to new possibilities afforded by technology. However, the main factors are apparently social and political constraints that developed over the past few decades, and particularly the change in Israeli society’s attitude toward war and its costs.

For several decades, there has been a debate in the IDF on questions connected to the current meaning of “military decision” and “victory,” and the way they can be realized in the contemporary era with an up-to-date operational doctrine. At the base of these discussions is the question of whether a clear, unequivocal decisive victory, which seemingly characterized the wars of the past, is possible in current wars. *The IDF Strategy* (2018) and Chief of Staff Lt. Gen. Aviv Kochavi’s declared modes of operation (“a lethal, effective, and innovative military”) give a positive answer to this, and rightly so. They describe the current operational doctrine for war as based on a lethal multidimensional strike that simultaneously includes precise fire (against thousands of planned and opportune targets) and quick and flexible ground maneuvering that is meant to penetrate enemy territory toward targets that it sees as having value, and bring about the enemy’s defeat.

While similar texts were composed in the past, in practice, in all of the most recent clashes, Israel has preferred to exercise its firepower using the air force and artillery. This emphasis on firepower (based on precise intelligence) is correct, but it is absolutely clear that the IDF must also have significant maneuvering capabilities to serve as a central component of defeating the enemy in the case of war. In the IDF’s new multi-year plan, it should therefore be ensured that the military has this capability to counter enemies such as Hezbollah and Hamas, and the ability to cope with the years-long process of social and political pressures that constrain the army’s exercise of force.

## Confidence in the IDF

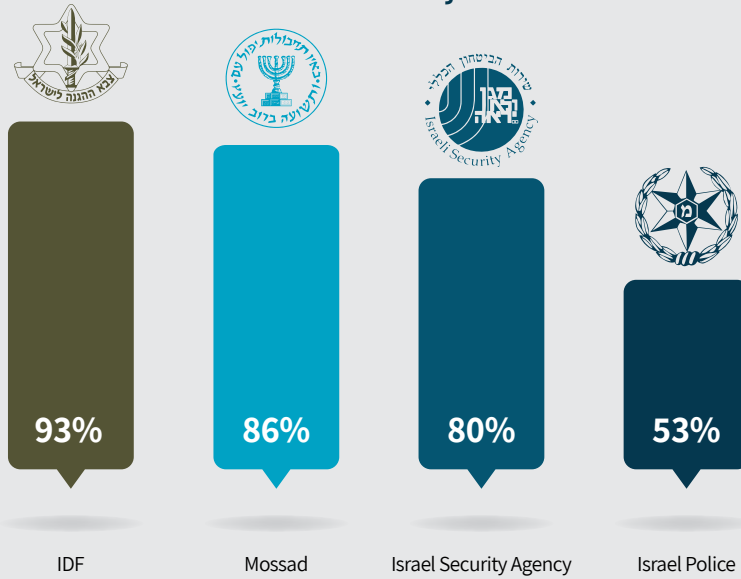
The Israeli public has much confidence in the military and in the security establishment, especially on issues that are considered professional and operational (such as combat preparedness). In contrast, there is disagreement on attitudes toward the IDF, particularly regarding issues related to values and ideologies, such as the integration of women, religion and the army, and even the rules of engagement. In light of the characteristics of the current period and the intensification of ideological and political arguments in Israeli society, it is at times difficult to distinguish between professional-operational issues and issues related to values, ideologies, and even politics. This difficulty could undermine the public’s overall confidence in the IDF.

Another challenge for the public’s confidence could relate to the results of a large-scale military conflict. The image of a clear and unequivocal victory in a short, fast war has succeeded in surviving over time, and still heavily shapes the way the Israeli public judges the war and its results. In this state of affairs, the complexity and challenges of the current conflicts are joined by ongoing frustration with the clear gap between image and reality. The characteristics of future conflicts could intensify this gap.

Israeli society understands that in war there are casualties among soldiers and on the home front, but it is doubtful whether the public is currently psychologically prepared for a reality of large-scale destruction in the cities. In this context, it seems that a relatively large number of rockets and missiles with heavy warheads striking population centers could cause severe, long term damage to the Israeli public’s sense of security.

## Confidence in the Security Establishment

Jewish respondents only



Findings from the INSS National Security Index, November 2019

## Conclusion

From an analysis of the changes in the operational environment and the IDF's response to them emerges the urgent need to finalize a new multi-year plan for the IDF to replace (likely somewhat late, given the political crisis) the Gideon plan, starting in 2020. Such a plan, including a multi-year budget, must be approved by the government.

Furthermore, there is a need to be prepared for a multi-theater war as a main reference scenario, both regarding the exercise of force and military buildup. Such a scenario heightens the need to close gaps in the public's expectations of war in the current era and its possible results. It also requires deepening the discussion on the current meaning of the terms "defeating the enemy" and "victory" and the way to achieve them in such a war. "Defeating the enemy" by means of overwhelming military action to beat the enemy has not disappeared from the world, and the IDF may need to do so. Therefore, along with the continued correct emphasis on the large-scale exercise of firepower based on precise intelligence, the IDF must also have maneuvering capabilities that can cope with changes in the characteristics of war, with the current mode of action of Israel's enemies, and with the changes in Israeli society and its attitude toward war and the costs it incurs.



IDF Spokesperson's Unit

Neutralization of Hezbollah's attack tunnels on the Lebanese border, December 2018. Demonstrated drive for forces to infiltrate into Israel emphasizes the importance of initiative to uncover enemy capabilities.

# Conclusion: Net Assessment and Policy Recommendations for 2020

Amos Yadlin



Nazanin Tabatabaee Yazdi / TIMA via REUTERS



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Maj. Ofer, Israel Air Force [CC BY 4.0]

## The Power Gap

As it enters a new decade, the State of Israel possesses impressive military, political, technological, and economic power. However, Israel is hard-pressed to translate these advantages into strategic influence and achieve its key national security objectives: mitigating threats, advancing peace, building alliances, and dictating the terms for the satisfactory conclusion of conflicts. This reality results from the limited benefit that military action can provide Israel against its main adversaries, as well as Israel's high sensitivity to casualties and the heavy economic and social costs of war.

Even when Israel identifies and defines the challenge properly, it often has difficulty shaping an effective and relevant strategy, because an overwhelming military victory does not necessarily translate the achievements of war into political objectives. Similarly, dealing with the consequences of war on “the day after” is generally no less complex than managing military operations. The asymmetry in both the campaign's objectives and the respective publics' expectations (for Israel's adversaries, not losing is victory, while the Israeli public expects decisive victory) as well as the differences in the rules of engagement make it difficult to fulfill the campaign's objectives, or at least require their designation in minimalist terms.

## The Implications of the Killing of Soleimani

The INSS strategic assessment for 2019-2020 was finalized immediately after the targeted killing of Qasem Soleimani. This development creates a new context and has the potential to mark a strategic change whose scope and parameters have yet to be determined.

- Regarding the United States, is this development evidence of a fundamental change in US policy, signaling a move toward a proactive military campaign against Iran's regional activity? Or, was it a concrete action taken for preventive and deterrence purposes by exacting a heavy toll for the activities of pro-Iranian elements, under Soleimani's guidance, which peaked with the death of an American citizen (December 27, 2019) and the storming of the embassy in Baghdad four days later.
- Iran was forced to weigh its options in response to the American move without input from Soleimani, who had been responsible for the analytical thinking and planning of activities of this sort in the regional arena. Iran's limited and measured response to Soleimani's killing testifies to Tehran's understanding that President Trump is not predictable; its awareness of its own conventional military weakness relative to the US; and its preference for political moves to push the United States out of Iraq rather than military measures. At the same time, it is too early to assess the effect of the elimination of Soleimani on Iran's connections to its regional proxies and on the Iranian resolve and brazenness evident in recent months.



## The Strategic Balance

Israel was preoccupied with two election campaigns in 2019 and barely initiated any measures to improve its strategic position. The government engaged in steps such as the celebration of the Trump administration's recognition of Israeli sovereignty over the Golan Heights – following its recognition of Jerusalem as the capital of Israel in late 2017 – but there was stagnation and even significant regression regarding issues central to Israeli security. In the overall strategic picture, many elements changed for the worse.

One negative development is the narrowing of technological gaps and erosion of Israel's qualitative advantage over its enemies. The clearest expression of this phenomenon is the Iranian precision missile project, which has established production and upgrade capabilities; Hezbollah already has dozens of precision missiles at its disposal.

The Palestinian arena can be characterized as a political stalemate, which includes a complete lack of contact between Jerusalem and Ramallah. Meanwhile, in Gaza, Hamas and Islamic Jihad continue their military buildup; Israeli communities near the Gaza border bear the toll of the ongoing conflict; and terrorist organizations threaten to paralyze daily life for over half of Israel's population, including the Tel Aviv area. A broader perspective indicates that Israel's relations with the Sunni Arab world are not progressing – perhaps even the opposite is true. No diplomatic breakthrough with the Gulf states was achieved in 2019; the gradual deterioration of relations with Jordan continues; and only relations with Egypt remain stable.

Israel's budget suffers from a significant deficit, and the need to increase the defense budget due to the deterioration of Israel's strategic situation only exacerbates the problem. Finally, looking inwards, Israeli society is divided and the government is busy with indecisive election campaigns, which leads to wasted resources, institutional paralysis, and the inability to formulate strategy and make decisions on central issues.

However, there are some positive changes in the global and regional environment that have the potential to improve Israel's national security situation. Signs of a second wave of upheaval in the Middle East emerged in 2019, particularly the latter months, this time mainly in states oriented toward Iran (Iraq and Lebanon) and even in Iran itself. Continued economic pressure on Iran could bring about a reduction in the resources available for its nuclear and regional activities.

The United States has not withdrawn from the Middle East entirely (bases and soldiers in the Gulf remain in place, and additional forces were deployed in the region following the killing of Soleimani), and at this stage Israel continues to enjoy relations with a friendly administration that largely sees eye to eye with it on events in the region and endorses Israeli interests. The partial isolationism embraced by the United States, despite its dangers for Israel, may ultimately raise Israel's prestige and value in the eyes of leaders in the United States as well as pragmatic Arab states. In addition, Israel positioned itself as an essential player in the Syrian theater, and reached agreement in principle with the United States and Russia regarding the need to remove Iranian forces from Syria – although thus far the agreement has not translated into practice.

Finally, there appear to be signs of emerging understandings in the Palestinian system. The Palestinian Authority in the West Bank seems to recognize that a resolution of the conflict will not be imposed by the international system, and Hamas, which controls the Gaza Strip, has internalized that terrorism will not resolve the conflict.

## Assessments

When considering and comparing the positive and negative developments of the past year, several insights emerge. The first is awareness that Israel's strategic confusion prevents constructive political discourse on the level of national leadership. Two election campaigns in 2019 and the plethora of negotiations to form a government led to the failure to formulate up-to-date security concepts. Second is the clear understanding that having exhausted the campaign between wars in the northern arena, current Israeli conduct points toward escalation. This requires adjusting the tools, methods, arenas, and pace of operations, with the requisite modifications in preparation and allocation of resources. Third, today's circumstances demand a discussion in principle of the relevance of a preventive attack, in particular against the Iranian precision missile project in Lebanon and Syria.

## Fundamental National Security Concepts: Guidelines for 2020

- Deterrence – Given the dynamics of escalation and the multiple challenges “below the threshold,” is this concept still viable or relevant? Have stabilizing elements indeed been weakened?
- Escalation – Does current policy lead to escalation? What is the image of escalation (days of battle, wide-scale conflict, war)? What are the differences and boundaries between the various arenas? What can result from escalation?
- Preventive attack – Is a preventive attack necessary given the emerging threat on the northern front? What are prerequisites for such a move? What would be the correct time? What achievements should result? What implications would there be?
- Arrangement – Is there a way to neutralize threats without a conflict? If so, what is the correct format for each theater? What are the immediate and long term costs that are justified for an arrangement?
- Decision – What does this mean? Is clear, absolute decision even possible in today’s world? How long would it take? At what cost? How can it be achieved?

## The Need for a New Israeli Grand Strategy

After a decade and a half of stagnation in strategic thinking, Israel’s grand strategy must be updated. A new Israeli government must lead a process of renewing Israel’s security concept and defense policy, with a focus on the following points:

- Recognizing the tension between importance and urgency: what is urgent (the Gaza Strip and the Iranian buildup in Syria) ought to be of a lower priority than what is important – the Iranian nuclear project and the precision missile project in Lebanon.
- In any event of deterioration or escalation, it must be clear who is to be targeted: the Iranian proxy force, the host states, or Iran itself.
- It is essential to analyze successes and failures over the past two decades; to integrate the political dimension and the legitimacy dimension into strategic thinking; to formulate communication mechanisms before a conflict erupts; to devise exit strategies and mechanisms; and to address issues of military buildup.

What follows are ten central recommendations for the new Israeli government that derive from the overview above – some requiring immediate discussion and others less urgent, though perhaps more important. Above all is the underlying recommendation for the need to formulate an updated grand strategy for Israel. Fundamental concepts such as deterrence, decision, escalation, preventive attack, and political arrangement must be clarified and validated. A new government in Israel should lead a process of renewing the security concept and the security policy.

### 1. Iran’s Nuclear Program

The United States withdrawal from the Iran nuclear deal (JCPOA) and the renewal of sanctions were based on the expectation that one of the following three scenarios would take place: the collapse of the Iranian regime; a change in its behavior; or an American attack on Iran in response to Iranian progress toward the nuclear threshold. These three scenarios were not realized and are unlikely to be realized in the future, even after a series of Iranian provocations in the conventional realm led the United States to attack Shiite militia bases in Iraq and Syria and kill Qasem Soleimani. Israel must prepare for more realistic scenarios – renewed negotiations (now less likely after the killing of Soleimani);

Iran's inching toward the nuclear threshold; and escalation between Iran and the United States, particularly after the targeted killing, which might include Israel. These possibilities demand that close understandings and a joint strategy be coordinated between Israel and the United States. In case of negotiations between the US and Iran, it is necessary for Israel to be in agreement with the Washington on the content of an improved nuclear deal with Iran compared to the 2015 agreement, along with reaching a "parallel agreement" on a joint policy against Iran and on a strategy for dealing with gradual Iranian progress toward nuclear weapons. In tandem, it is important to examine with the United States how to help the Iranian people who are rising up against the regime. However, Israel must prepare for the possibility that the US will be disinterested or distracted and that it will be left alone to deal with the Iran nuclear issue, and therefore it must ensure that it has a credible military option. Building such an option is a difficult process that requires diverting resources from other important matters and allocating them to strengthen offensive strike capabilities.

## 2. Iran's Consolidation in Syria and the Precision Missile Project

Israel's success in blocking Iran's consolidation in Syria in 2018 and 2019 is relative, temporary, and not final. It is also a mistake to maintain the same strategic framework while the reality is changing. Iranian consolidation has been largely diverted to Iraq and Lebanon, arenas where it is more difficult for Israel to operate, and has been bolstered by a response policy that is more brazen and immediate on Tehran's part (at least until the assassination of Soleimani). It is now important to recognize the diminished relevance of the campaign between wars and to develop an operational solution against the critical elements of the consolidation in Lebanon and Iraq as well – chief among them the precision missile project. Taking steps toward that end has the potential for significant escalation.

The threat of hundreds or thousands of precision missiles from Lebanon, Syria, Iraq, and Iran is a strategic threat of the first order that, if not dealt with in time, could develop into an existential threat. This is the type of threat that requires in-depth examination and should be addressed by Israel's security concept. There are five possible strategies for dealing with it:

- Continuation of the campaign between wars – disruption and delay, in which preventing escalation is a priority, and understanding that this addresses the problem only partially and with diminishing returns.
- An active and passive defensive strategy – improving effectiveness and purchasing additional batteries and interceptors: Arrow, David's Sling, and Iron Dome systems; and improving resilience of critical infrastructure. The clear disadvantage is the cost and fact that it does not present a comprehensive or fully effective solution.
- Deterrence – a clear and explicit threat that Israel will respond with full force to an attack on its infrastructure and the IDF. The weak point in this strategy is the enemy's capability, after accumulating hundreds or thousands of advanced missiles, to go on a "first strike" strategy to destroy the components of IDF power that form the core of Israeli deterrence.
- Preemptive strike – an attack based on the understanding that in the near term Hezbollah is preparing to attack Israel. The drawback of this strategy is the fog of intelligence and Hezbollah's high readiness for war at that point.
- Preventive attack – an effective, proactive surprise attack on enemy operational, production, and stockpile assets, risking escalation to a full-scale war. The legitimacy of such a step should be discussed.

None of the possibilities are exclusive, and striking the right combination of them could provide an adequate response to the most severe threat posed by the precision missile project.

## 3. The "First Northern War"

The IDF must ensure preparedness for a multi-arena war ("fire on all fronts scenario") as a frame of reference. The era in which Israel would face a single adversary in a single arena is over. Accordingly, the IDF must reassess and perhaps redefine concepts like "decision," "victory," and denial of enemy capabilities. Political leadership must

enable Israeli force buildup and the readiness to fight against three entities in the north – Hezbollah, Iran, and Syria – and simultaneously contend with the terrorist organizations from Gaza. The “fire on all fronts scenario” requires thinking about priorities and linkage between the respective arenas and fronts, and the achievement required on each front. INSS is engaged in research on the issue, and will present its findings and analysis to decision makers in the second half of 2020. In addition, effort must be channeled to update the public’s expectations regarding the threat Israel faces, and even more so – regarding the possible responses.

#### **4. The Palestinian Authority**

The INSS Plan, first published in October 2018, remains the optimal approach to the Israeli-Palestinian conflict. It includes an additional attempt at Israeli-Palestinian negotiations and, in the event that fails, pursuit of independent steps to maintain Israel’s character as a Jewish, democratic, secure, and moral state. It is crucial to prepare for the day after Mahmoud Abbas’s rule ends, while continuing to encourage economic development in the PA. Publication of the Trump plan, which will attempt to set new parameters for an agreement and recognize the reality created over the past fifty years, is highly significant.

#### **5. The Terror Organizations in Gaza**

As INSS noted in 2018, it may be possible to reach an arrangement with Hamas. In steering clear of fighting in Operation Black Belt between Israel and Islamic Jihad in November 2019, Hamas illustrated interest in an arrangement as part of its move to prioritize the economic and social situation in Gaza over another clash with Israel. That said, the organization frequently challenges Israel with low levels of rocket fire and friction along the border fence, due to domestic considerations and for the purpose of extracting concessions from Israel.

A long term ceasefire is possible only if the strategic (and not ideological) demands of both sides are reasonably met. Hamas would receive the opening of Gaza to the world and its reconstruction and development, and Israel would receive the restoration of quiet in the south, mechanisms for ensuring the prevention of terror groups’ military buildup and smuggling, and a reasonable solution to the issue of the captured and missing Israelis.

If no arrangement is reached, the INSS recommendation since 2012 has been to plan and conduct a military campaign that is fundamentally different from the campaigns of the past decade. It must surprise, maneuver, and focus vis-à-vis Hamas’s military wing – and end with a political process in order to reach an arrangement from a position of strength.

#### **6. The United States**

The US elections could alter the current reality by replacing an administration that is friendly toward Israel with one that is problematic. In the face of American isolationism, which crosses party lines, Israel must repeatedly emphasize that it does not want the United States to fight and shed blood in its defense; as a strategic asset and reliable ally for Washington, it is in the US interest to back it militarily and politically. Israel must do everything it can to return to its status as an issue of broad consensus among Democrats and Republicans alike. Israel must also make a significant effort to restore close relations with the large segment of the American Jewish population that has become alienated in part as a result of Israeli policies that are not sensitive to the variety of denominations of Judaism in the United States.

#### **7. Russia and China**

Russia is not an enemy of Israel, and the strategic dialogue between them must be continued to prevent a collision in places where the two countries’ military forces operate in close proximity and where their interests diverge. As an ally of two of Israel’s enemies, Iran and Syria, Russia turns a blind eye to Hezbollah’s buildup. Follow-through on Russia’s promise to remove Iranian forces from Syria could signify the potential for closer relations between Russia and Syria, possibly resulting in greater limitations on Israel’s freedom of action in Syria. In any event, as is the case with China, Israel must work openly and in close cooperation with the United States on matters pertaining to Russia.

Indeed, Israel's development of economic relations with China requires deep coordination with Washington, so as not to allow the former to cause friction in its important and special relationship with the latter. In recent years, INSS has pointed to a developing crisis with the United States regarding Israel's relations with China and the need to strengthen risk management mechanisms.

## 8. The Regional System

To break the glass ceiling in its relations with the pragmatic Sunni world, especially the Gulf states, Israel must adapt two parallel efforts: one is marketing Israel's technological, economic, and defense capabilities that could help these states in their struggle against destabilizing factors like Iran and in coping with economic and innovation challenges in their transformation to the 21st century. The second is making significant progress on the Palestinian issue, which would enable these states to develop deeper and more public relations with Israel.

In parallel and of supreme importance is revitalizing relations with Jordan. Here too, the "fruits of peace" (water, security, gas, and joint projects) demand political advances with the Palestinians. Such steps would be instrumental in overcoming the lowest point in relations between the two states since the peace agreement was signed in 1994.

## 9. Boosting IDF Readiness and Increasing the Defense Budget

Given Iran's increasing brazenness and its continued entrenchment in Syria, Iraq, and Lebanon, it is necessary to improve the IDF's readiness for conflicts in all theaters – Iran, Hezbollah, Syria, and the Palestinian front – all of which are volatile to varying degrees. It is important to finalize and fund the IDF's multi-year plan, to begin acquisitions using FMS funds (which has been delayed for two years), to strengthen capabilities for eliminating Iran's nuclear program, to reinforce training and fill stockpiles, and in particular, to work toward formulating suitable operational plans and strategies vis-à-vis capabilities and modes of action developed by Iran, Hezbollah, and Hamas.

## 10. Maintaining Superiority

An essential traditional component of Israel's defense doctrine is maintaining intelligence, air, and technological superiority over its enemies. Israel must continue to strengthen its relative advantage over its adversaries in cyber security and artificial intelligence technology, as a way of enhancing Israel's qualitative military edge and as a central component of strengthening its deterrence, soft power, economy, and international standing.

## Conclusion

After several years of improvement in Israel's strategic situation, the strategic "window of opportunity," which was not utilized sufficiently, appears to be closing. Growing threats require rethinking Israel's security concept, defense policy, allocation of resources, and up-to-date strategies.

There are two possible approaches to Israel's strategy: one is cautious and stabilizing – emphasizing dialogue, arrangements, and coming to terms with existing and developing threats, in order to neutralize them so that they are not realized; the second is proactive and preventive-offensive, and addresses and removes the threats but could lead to war in multiple arenas.

A prerequisite for choosing the right approach is a cohesive internal foundation within Israel, with an emphasis on social and national solidarity and resilience. At the end of a year of divisive rhetoric, incitement, and increasing distance between the sectors of Israeli society, the time has come for a different policy. There must be a focus on action to restore confidence in the institutions of governance, heal rifts, bring different camps together, increase solidarity, and launch an organized effort to enhance existing social resilience mechanisms and build new ones.

The next Israeli government must formulate an integrated approach that addresses the emergence of significant threats while simultaneously launching political processes and reaching arrangements to reduce tensions. This will make it possible to prepare for the significant challenges that threaten the future security and prosperity of Israel.

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