

# Seizing the initiative

Israel's strategic environment and  
the need for assertive diplomacy



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## Summary for policymakers

Israel's strategic neighbourhood is in flux but a number of trends have emerged since the start of the Arab Spring:

- The Syrian conflict is pitching Bashar al-Assad's chiefly Shiite alliance against the region's moderate Sunni movers, many now led by or sympathetic to Islamist-Salafist forces.
- Diffuse Jihadist factions are massing about the Levant, challenging not only Israel's borders but the stability of status quo Sunni and Shiite actors.
- Erstwhile ironclad alliances have been undercut by a mixture of depositions, subtle strategic shifts and widespread ire over the Palestinian plight.
- Amid all this, Prime Minister Netanyahu may have managed to forge a united international front against Iran's alleged nuclear ambitions, but still somehow left Israel's broader foreign standing in tatters.

This dynamic calls for more assertive diplomacy and therefore a change in Israel's current posturing. Specifically, Israel can and should:

1. Advance its interests by persistently pursuing multi-track and backchannel diplomacy – including intelligence sharing and security coordination – and rehabilitating soured relations, starting in Ankara.
2. Facilitate go-betweens with vested interests in Israeli-Palestinian peace and influence over those key Palestinian and Arab decision-makers critical to guaranteeing the implementation of future agreements.
3. Maintain a consistent and meaningful forward momentum in the Israeli-Palestinian peace process, even if final-status negotiations are nowhere in sight.
4. Curb its war talk and instead allow people-to-people outreach and other forms of citizen diplomacy to run their course.
5. Open or at least encourage a secret backchannel with Tehran as the best and only face-saving way to convince Supreme Leader Ayatollah Khamenei that he cannot have nuclear capability and animosity towards Israel, and hope to preserve his regime at the same time; only two of these objectives are possible at a time.





# I. Introduction

## The lure of reactive cautiousness

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The past two summers in Israel were marked by demonstrations protesting high living costs and ballooning economic disparities, with the impoverished now coming to include segments of the middle class. But these demands for social justice had in mind localised reform rather than sweeping revolution, unlike the uprisings that have shaken Israel's neighbours. In approaching the surrounding upheavals, Prime Minister Benjamin Netanyahu's second government eschewed initiative for the reactive cautiousness necessary to adapt to a swiftly changing strategic environment.

Now lurching into its third year, a number of patterns have fallen into place since the start of the Arab Spring. The Syrian conflict, for instance, is pitching Bashar al-Assad's chiefly Shiite alliance against the region's moderate Sunni movers, many now led by or sympathetic to Islamist-Salafist forces. Furthermore, diffuse Jihadist factions are massing about the Levant, challenging not only Israel's borders but the stability of status quo Sunni and Shiite actors. More alarmingly for Jerusalem, erstwhile ironclad alliances have been undercut by a mixture of deposals, subtle strategic shifts and widespread ire over the Palestinian plight. Amid all this, Netanyahu may have managed to forge a united international front against Iran's alleged nuclear ambitions, but still somehow left Israel's broader overseas standing in tatters (a fact only partially explained by his choice of Avigdor Lieberman as foreign minister).

This dynamic calls for more assertive diplomacy and therefore a change in Israel's current posturing. Israel's torrid misaffair with the Palestinians sprawls in the way of an Arab consensus, whereas a negotiated two-state endgame offers to mitigate not one but three central concerns: border insecurity, the domestic demographic cliff and the growing non-viability of a Jewish and democratic Israel. To push the envelope still further, concealed herein may also be the key to grappling with the threat of a nuclear Iran. While a sure source of disquiet, sectarian divisions have created sufficient regional conditions for shared tactical, if not strategic, interests in counterbalancing the Iran-led 'Resistance Axis' and inhibiting the onset of a more pressing transnational scourge, Jihadist extremism.

This briefing paper examines the major regional challenges and stakes for Israel, before setting out three areas where the Netanyahu government can and should take the initiative in order to optimise Israel's strategic position.

## II. The strategic environment

### From Egypt to the Palestinians

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#### Egypt and the Sinai Peninsula

The 1979 peace treaty between Anwar Sadat and Menachem Begin effectively excised the Arab world's preeminent military from Israel's threat matrix and thereby advanced the basis for regional stability. Cairo's strategic shift followed from tacit acknowledgement of Israel's military superiority, the expediency of fostering Cold War relations with Washington at a time when its own Nasser-era ties with Moscow had soured, the need to rehabilitate Egypt's abysmal economy, and the lavish annual US aid package conditioned on maintaining the peace. After Sadat's assassination, Hosni Mubarak played by the same script, even if he refrained from gunning for a full thaw in relations.

Mubarak's toppling in March 2011 consequently threatened to destabilise not just Israel's southwestern border but the central pillar of its delicate, regional security edifice. The parallel rise of Islamist and Salafist movements, eventually culminating in the elected presidency of a former leader of the Egyptian Muslim Brotherhood, only heightened the anxiety. Within weeks of assuming office, Mohammad Morsi moved against the Supreme Council of the Armed Forces – until then the main plank of Egyptian cooperation with Israel – by retiring top officers including ex-defence minister Field Marshal Mohammed Tantawi. Furthermore, Egypt's natural gas company had decided shortly before that to rescind the 2005 supply agreement to Israel, owing to commercial disputes.

Morsi's Egypt not only closed ranks with the region's other Sunni heavyweights Saudi Arabia, Turkey and Qatar, but also warily responded to Shiite Iran for the first time since Sadat granted the Shah asylum in 1979. But if Egypt seemed destined for drastic change, Morsi's co-brokering of the ceasefire following Israel and Hamas' November 2012 eight-day war indicated that pragmatism would momentarily prevail. Likewise, Iran is for now unlikely to figure in Cairo's inner circle given the latter's immediate domestic priorities, economic dependence on Gulf and Western benefactors and growing Sunni-Shiite divisions aggravated by Syria's conflict. Tellingly, on the first official visit by an Iranian leader in 34 years, Mahmoud Ahmadinejad found himself openly admonished by Al-Azhar's Grand Mufti for meddling in Sunni countries.

Two interrelated issues remain. First, while Egypt's new masters are unlikely to ditch the peace treaty, important amendments to the military annex may be in order, due to brewing insecurity in the Sinai Peninsula. Second, when the fervour in Tahrir Square burst its banks, the already wayward Sinai became the focus for large-scale smuggling destined for Gaza (some of it Libyan weapons), as well as Jihadist agitation, the ramifications of which promptly manifested in serial sabotage of the Egyptian-Israeli gas pipeline, rocket attacks near Israel's Red Sea coast and a commando-style assault on an Egyptian military base in Rafah. Claiming responsibility for much of this was Ansar Beyt al-Maqdis, one of various Egyptian and Palestinian groups with a calling to armed Jihad in the new Sinai.

The insurgency poses a threat to Egypt and Israel and if left to fester could risk sapping up what little goodwill remains between both states. Against this backdrop, Cairo has demanded formal revisions in Egyptian military deployment, which Israel will find progressively difficult to oppose. The upside is that the Morsi government's ability to both influence Hamas – ideological child of the Muslim Brotherhood – and to parley with its arch-enemy Israel represents a unique advantage lost on none of the three parties.

## Syria

The bloodiest chapter of the Arab uprisings rages on in Syria two years since inception. If Damascus' eventual undoing prejudices Iran and the Resistance Axis, this also poses a set of risks previously unknown under the predictability and relative stability of the Assad-era.

First, much suggests that what follows Assad will be less unitary and more hostile towards Israel. Despite regional efforts led by Qatar, Saudi Arabia and Turkey to consolidate the Free Syrian Army and the Syrian National Coalition, the fighting on the ground has been joined by extremist elements believed to be affiliated to al-Qaeda. Jabhat al-Nusra (the most visible tip of the lance due to its trademark suicide attacks) reportedly boasts some 5,000 rigorously vetted and dedicated fighters – an estimated tenth of the assessed rebel strength. Opposition combatants have allegedly received lethal assistance from Sunni backers, notably Saudi Arabia and Qatar, but Western indisposition may irreversibly corral many into the arms of the more militarily experienced Jihadists. Stray cross-border Syrian shelling and the brief abduction of 21 Filipino peacekeepers in the UN-monitored disengagement zone by a lesser known rebel group to force the withdrawal of Assad's forces, underscore the vulnerability of the Israeli-administered Golan.

Second, Syria's chemical weapons stockpile risks being inherited by non-state actors, forcibly or otherwise. Barring overt provocation, Assad is himself unlikely to field them against Israel for the simple reason that Israeli military reprisal is liable to undo Assad's most trusted bulwark against a dramatic deposal, the already severely strained armed forces. Iran and Hezbollah, both visibly propping up the regime by way of equipment, finance and personnel (the February 2013 assassination along the Damascus-Beirut road of a ranking Iranian Revolutionary Guard Corps general underscores Iran's heavy involvement in Syria's civil war), cannot entirely rule out a disproportionate Israeli response to what will have been interpreted as Iranian instigation. For Hezbollah, another war with Israel at this sensitive juncture could levy a far higher domestic price than is worth the sideshow. Armed extremist factions, on the other hand, bring the notion of deterrence into question.

Third, a plausible alternative to sectarian anarchy of the type that still convulses Iraq is a post-Assad landscape dominated by politically organised, non-extremist Islamist factions including the Syrian Muslim Brotherhood. But while the burden of government dictated pragmatism in the case of the Egyptian Brotherhood, the same may not necessarily characterise this future version of Syria.

The region's latent postcolonial contradictions and tensions are playing out at different speeds in the Syrian arena, nourished by powerful transregional patrons and their own countervailing interests. No 'least unlikely' scenario for a post-Assad Syria has yet emerged, let alone a negotiated transition without Bashar himself. With the Alawites entrenched in their coastal mountains and the Kurds fending for themselves in the northeast, the prospect of tentative statelets defined along historical and sectarian lines also looms thickly on the horizon. In lesser words, there's no reason the standoff cannot persist indefinitely for so long as the Assad regime's blood and treasury permits.

Finally, at this stage the deeper regional repercussions of Syria's unrest, beginning with Lebanon, Jordan and eventually Israel, can only be guessed at. While it may have broken with precedent by recently admitting rebel fighters for medical treatment, Israel is still unlikely to have any significant influence on the outcome of the Syrian crisis without 'tainting' the opposition in the eyes of many.

## Lebanon

Lebanon shares historical and ethno-confessional ties with Syria so profound it remains extraordinarily sensitive to tremors across the border. Incoming Syrian refugees now number just under a tenth of Lebanon's population of 4 million, and fighting has erupted in Beirut, Tripoli and border areas between both Assad's backers and his opponents and Lebanese security forces and anti-Assad Jihadists. Given the fragility of Lebanon's sociopolitical compact two decades after the Saudi-brokered Taif Accords, apprehensions over another civil war are not entirely misplaced.

Co-founded by the Iranian Revolutionary Guards (IRGC) in the early 1980s and the dominant force in Lebanese politics today, Hezbollah constitutes Israel's paramount border threat. Since the 33-day 'long war' in 2006, it has by some estimates expanded its largely Iranian-manufactured arsenal to now include 80,000 missiles and rockets, many of them capable of ranging all of Israel and consequently a key source of pressure in the context of Israel's wider conflict with Iran. On 30 January 2013, Israel struck what was reported to have been a weapons convoy travelling from Syria towards Lebanon (Syrian sources claimed the target to be a military research facility on the outskirts of Damascus, also near the border). Anticipating retaliation, Israel has deployed a third Iron Dome missile defence battery to the northern front, evacuated civilian craft from Haifa airport, and ramped up drone surveillance in Lebanese airspace.

The current domestic unease is an eerie throwback to the weeks culminating in the April 1975 Ain al-Rummeneh bus massacre that triggered Lebanon's excruciating 15-year experiment in self-destruction. The same explosive admixture is again in play: unresolved sectarian grievances, a host populace overtaxed by refugees, the absence of state control over rogue armed elements and the subjugation of Lebanese national interests to those of external actors. In this environment, even slight alterations in Lebanon's internal balance of power may encourage one or more sides to reassert itself over the others, with momentous consequences.

Hezbollah's support for Assad compromises its domestic standing and places it in direct opposition to the region's Sunnis. Ironically, this also subverts Syrian mastery over Lebanon, part of the original logic of which was to control sociopolitical currents liable to affect Syria's own delicate balance, check Israeli extraterritorial ambitions with a view to retrieving the strategic Golan Heights and prevent the onset of regional irrelevance in the context of peace negotiations potentially excluding Syria. In turn, Assad's exit jeopardises Hezbollah's future armaments and resupplies hitherto dispatched from Tehran via Syria. As it is, Iranian financing to Hezbollah estimated at \$200 million annually has also reportedly been cut back.

Beyond this, anti-Assad extremists infiltrating Lebanon will pose a long-term challenge to Hezbollah, with a similar pattern of bloodletting afflicting post-Saddam Iraq. That these newcomers would not be as deterred by state and regional constraints, unlike an institutionalised Hezbollah, could quickly mean an even more troubled northern front for Israel.

## Jordan

Israel is particularly susceptible to developments in Jordan given the 238 km of common border and the lack of strategic depth from its eastern approaches.

The spillover of fighting and refugees from Syria has compounded the Hashemite kingdom's own domestic dissent, which boiled over in November 2012 when the government nixed fuel subsidies in order to secure a \$2 billion IMF credit facility and offset the massive budget deficit. Protests had already been simmering since early 2011 over the rising costs of living, unemployment, poverty and endemic corruption. Amid the wide political spectrum of groups involved, the Islamic Action Front – the largest opposition group and political wing of the Jordanian Muslim Brotherhood – has also been vociferous in its demand for constitutional and electoral reforms, which is unsurprising given its handicapped representation at the national level.

As it happens, the Islamist-led segment of the opposition is favoured by a heavy proportion of the kingdom's Palestinians. Palestinians fleeing from across the Jordan River since the 1948 war have become the majority, coopted into relative complacency and comfort by the originally Hejazi (Saudi) Hashemites, whose traditional support bases lay with the indigenous East Bank Bedouins. Already a minority at home, these tribes are now understandably nervous about the Palestinians' political aspirations and have become more critical of the regime's inadequate public policies. Protestors of all stripes have also publicly and for the first time called for King Abdullah II to abdicate.

To complicate matters, recent refugees from Iraq and now Syria, many of the latter themselves Palestinian refugees, are creating enormous pressures on the country's social services infrastructure. Despite a relatively vibrant economy in certain sectors, the kingdom is disproportionately dependent on foreign assistance, particularly from the United States (linked to the 1994 peace treaty with Israel) and the Gulf Cooperation Council, which is keen to prevent unrest from metastasising among fellow Sunni monarchies. Of late however, pledges have not consistently been met and the prospects of economic resilience are also being heavily undermined by the kingdom's permanent water shortages and ongoing energy crisis, notably since the disruption of low-cost Egyptian gas.

Against this backdrop, the fear of contagion via its northern border with Syria has somewhat tempered the pace and intensity of Jordan's own popular stirrings. The government has invested efforts in creating a tribal buffer in the north, but reports also suggest that some of the fighters training and resupplying on Jordanian soil are locals. In October 2012, the authorities arrested 11 Jordanian militants allegedly planning to attack a number of key locations in Amman including the US embassy. With only Jordan buffering it from much of the Levant and the Arabian Peninsula, the stability along Israel's eastern borders depends predominantly on the Hashemite household's survivability, much of which in turn rests on ongoing foreign largesse and patronage. Faced with uncertainty, Israel has taken steps to secure the Jordan Valley and much of the rest of Area C in the West Bank.

## Iran

Iran-Israel relations in the second half of the 20th century stemmed from the way each party defined its interests in relation to the region's critical Arab majority. Under the Shah, cooperation reduced regional isolation, and both states (with Turkey, the Middle East's three non-Arab heavyweights) were part of a common pro-Western strategy to stanch Nasserite Pan-Arabism and Soviet expansionism in the Middle East. Following the Khomeini Revolution, and by the time Moscow and Baghdad's influence waned (the latter owing to Saddam's ill-fated invasion of Kuwait), competition and confrontation on the basis of the Palestinian cause held out the promise of acceptance, if not preeminence, within pan-Islamdom. Iran's hostility towards Israel is therefore heavily driven by strategic considerations and only to a lesser extent ideology.

Still, a nuclear Iran poses a complex multi-pronged challenge and nothing in its foreign policy or domestic rhetoric has yet significantly controverted Israel's portrayal of it as the world's primary strategic threat. Israel is widely believed to be the only Middle Eastern state possessing nuclear weapons and a second strike capability, but this strategic deterrence could be degraded by even a limited Iranian nuclear capability. Iran is on track to master the nuclear fuel cycle, has accumulated sufficient medium-enriched uranium for several lower-quality bombs and appears poised to forge ahead with plutonium separation which requires far lesser amounts of the element than uranium for a warhead yielding the same force. At the same time, the IRGC continues to oversee the development of medium-range ballistic delivery systems capable of targeting the Eastern Mediterranean and beyond. Tests relating to the third and unifying component of a military nuclear programme – weaponisation – are also assessed to have been conducted to some extent.

Over three decades, Iran has fostered and financed a nexus of violent resistance to Israel comprising Assad's Syria; Lebanese Hezbollah; Palestinian Islamic Jihad, Hamas, the Popular Resistance Committees and the Popular Front for the Liberation of Palestine; and a handful of occasional Sunni Palestinian and Shiite Iraqi factions sympathetic to its line. In this way it has succeeded in opening up direct fronts in Lebanon, Gaza and possibly Syria. Moreover, Iran has drawn into its orbit governments in Baghdad, Yerevan, Khartoum and potentially Islamabad and Kabul, in addition to state and non-state allies in several Latin American and African countries.

In lieu of direct conflict, both countries have been waging a shadow war involving cyberwarfare of unprecedented sophistication, assassinations of individuals linked to Iran's nuclear and ballistic missile programmes, installation sabotage, arrests of alleged Mossad spy rings and attempts to target Israelis overseas. The IRGC's elite Quds Force, the Ministry of Intelligence and Security and Hezbollah continue to cooperate in third countries with Israeli interests, though not always smoothly. Last year alone, domestic security forces foiled a series of desperate back-to-back attempts on Israeli citizens in several countries as the heat on Iran's nuclear programme increased. In February 2013, Bulgaria formally implicated Hezbollah for its role in the July 2012 Burgas bombing.

The prospects of détente, let alone accommodation, are rather slim under the prevailing circumstances, and impactful negotiations depend on what the international community believes to be Tehran's bottom-line stakes and motives. Iran's alleged nuclear ambitions and recourse to armed resistance against Israel arguably serve purposes other than the Jewish state's summary destruction, but these only form part of a much more complicated mix that includes regime continuity. Given the sharpening divisions among the various loci of power and Tehran's bewildering history of start-stop diplomacy, the success of any future diplomatic overture may ultimately depend on how it affects Supreme Leader Khamenei's own domestic position.

## Turkey

Along with Pahlavi Iran, Turkey constituted the major pillar of Israel's erstwhile periphery doctrine, (a strategy calling for non-Arab Muslim alliances that also included the Kurds, Lebanon's Maronites and Ethiopia). Secular Kemalist Turkey was the first Muslim-majority state to recognise Israel's independence, though it turned towards the West afterwards and refrained from regional involvement for decades. Following the collapse of the Soviet Union and a corresponding geostrategic shift towards the Middle East, growing regional uncertainties, common adversaries (Syria, Iran and Iraq) and Turkey's own domestic threats (Kurdish separatism and Islamic fundamentalism) convinced its leadership of the need for stronger relations with Israel, another pro-Western, secular freemarket democracy. A separate factor that abetted this shift – no less crucial for conservative Turkish constituencies – had been the visible progress achieved by Israeli-Palestinian negotiations. Hence, bilateral trade surged from 1996, along with tighter security cooperation encompassing joint military exercises and acquisition of sensitive Israeli technology.

In the 2002 elections, the Justice and Development Party (AKP) displaced the largely secularist old guard and soon resumed the short-lived trend that had begun in 1996 under then Islamist Prime Minister Necmettin Erbakan (indeed, Erbakan's Welfare Party later supplied the AKP's core cadres). By Recep Tayyip Erdoğan's second term as prime minister, the civilian leadership was, by a deft stroke, able to cow the military establishment, for long the foremost proponent of cooperation with Israel. AKP rule ushered in a promising decade of 'zero problems' diplomacy, big business and soft power projection, capitalising on its improved strategic environment (recall PKK leader Abdullah Öcalan's capture in 1999). However, Turkish-Israeli relations were gradually overshadowed by the AKP's conservative-Islamist outlook and eventually soured by the slaying by the Israel Defence Forces of nine ethnic Turks during the 2010 Gaza flotilla raid.

The Arab uprisings and the Syrian conflict in particular have had a transformative effect on Ankara's foreign policy thinking. In a region increasingly riven by Sunni-Shia antagonisms, Turkey's objectives appear to converge with those of Riyadh, Doha and Cairo. Notwithstanding misgivings over its neo-Ottoman designs (whether taken to mean deeper engagement with or re-subjugation of its former territorial holdings), Turkey has become an exemplar for Arab reformists seeking the best fit between Islam and democracy. Conversely, despite tactical rapprochement in recent years, Turkey and Iran's strategic interests – like those of the historical Ottomans and Safavids – will clash in the long run as they seek to expand their respective spheres of influence in the Middle East, Central Asia, the Caspian basin, the Caucasus and possibly beyond.

Given the political climate, improving relations with Israel may be counterintuitive and risk creating diplomatic drag. Still, the recent flurry of events with strong US involvement suggests that some degree of cautious reconciliation may be on the cards.

## The Persian Gulf

Israel has at some point had contact and even discreet trade relations with the six Sunni monarchies of the Gulf Cooperation Council (GCC). Among them, Qatar has taken the boldest steps, ever since Sheikh Hamad bin Khalifa al-Thani deposed his father in 1995. Starting the following year, Doha hosted an Israeli trade representation (the second after Muscat that year), maintained bilateral ties throughout the Second Intifada and only succumbed to Arab pressure in early 2009 when Israel's war in Gaza incurred the deaths of over 1,000 Palestinians. However, the Emir's subsequent attempts to unfreeze relations were rebuffed by the Israeli government for reasons including Qatar's requests to import dual-use reconstruction material into Gaza and for public Israeli acknowledgement of its sponsorship and regional influence. Relations therefore remain strained, at least publicly. Meanwhile, the only country in the world with a six-figure per capita GDP has managed to position itself as an 'omni-lateral' broker among the region's conflicting parties, maintains ties with both Tehran and Washington, and has leveraged media, foreign aid and immense liquefied natural gas exports in the furtherance of its foreign policy ambitions.

And then there is Saudi Arabia, the cradle of Islam, which by contrast has also allegedly sponsored Jihadist activity overseas in exchange for quiet back home. In deference to Muslim public opinion worldwide, the Custodian of the Two Holy Mosques has postponed relations with Israel until the resolution of the Palestinian issue. In exchange, then Crown Prince (and now King) Abdullah bin Abdelaziz in 2002 and again in 2007 offered Israel normalisation with all 22 countries of the Arab League in the form of the Arab Peace Initiative, the most comprehensive offer of its kind to date. Israel hasn't yet responded positively, given some of the problematic terms. Still, it has tacitly consented to Riyadh's acquisition of sophisticated US military hardware so long as its own qualitative edge is maintained. Furthermore, according to foreign and Israeli reports, both countries have broached issues of common strategic importance, including Iran and Hezbollah's influence in the region.



Behind the official ambivalence, the GCC states have evinced implicit support borne out of concern regarding Iran. Hefty Shiite populations in Saudi Arabia's oil-rich Ash-Sharqiya Province, Bahrain and Kuwait are particularly susceptible to Iranian agitation. The United Arab Emirates, notably Dubai, tread an even finer line due to their proximity to Iran, the size of the local Iranian diaspora (the world's second largest after the United States), and the sheer volume of domestically enmeshed Iranian trade, mainly re-export, accounting for over \$10 billion in 2011. In recent years, prominent members of the GCC elite have also tentatively spoken out in favour of greater engagement with Israel, including Saudi's Prince-General Naef bin Ahmed al-Saud and Bahrain's Crown Prince.

## The Palestinians

Of Israel's manifold challenges, Palestinian aspirations for a parallel national homeland between 'the River and the Sea' present the greatest implications. Since Oslo's miscarried euphoria, the case for peace has been undercut by two decades of bad faith, mutual violence and an epic hardening of hearts. For Israel's prime ministers, Rabin's 1995 assassination brought home the personal and political costs of relinquishing Biblical Judea and Samaria, the spiritual heartland (re)claimed by religious Zionists. At the same time, regional insecurity increasingly militates against redeployment, a move which could expose Israel's eastern flank (as some argue has happened with respect to its southern front following the 2005 withdrawal from Gaza). The West Bank is only 16 km from the Mediterranean at its closest point, and the north-south ridgeline traversing the territory commands Israel's densely populated central plains and Ben Gurion International Airport. If the quiet on the eastern front were to deteriorate, Jerusalem's only strategic depth would lie in the buffer of settlement blocs ringing it.

The Palestinians for their part lack a common negotiating address, exacerbated since the Fatah-Hamas split formalised the geographical discontinuity between the West Bank and Gaza. This may have winnowed the moderates from the extremists but did little to shore up Fatah's claim as national representative (via the Palestinian Liberation Organisation) and enforcer of previous agreements with Israel. Instead of strengthening his hand, Israel has stymied Mahmud Abbas' efforts, partly by way of settlement expansion, thereby underscoring the disutility of cooperation. Even if Abbas won historic recognition of Palestinian non-member observer statehood by nearly three-quarters of the UN General Assembly, including many of Israel's proven allies, he has succeeded in changing almost nothing on the ground. In contrast, and just days before Abbas' UN bid, by demonstrating the ability to target deep into Israel's heartland and receiving the sympathies of visiting regional leaders, Hamas' domestic stature soared. Israel, it appeared to prove, only budged to the language of force.

The conflict continues to degrade Israel's standing among the community of nations and even its closest allies, especially as ongoing settlement construction challenges the contiguity of a future Palestine. Not only is the notion of one state with all it implies slowly gaining momentum, Israel is also miserably losing the demographic war. Currently, just under half of all the 12 million people living between Jordan and the Mediterranean are Jewish. However, population growth rates of 1.8% for Jews and roughly 2.5% for Arabs mean that Jews will comprise only about 45% of the region's population, excluding Gaza, by Israel's 100th anniversary in 2048.

### III. Recommendations for assertive diplomacy

#### Initiative, Israel's greatest advantage

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The ledger clearly shows that battle lines are already being drawn in tomorrow's Middle East. While Israel's 33rd government will undoubtedly be occupied by domestic matters, there are three foreign policy priorities it might also consider over the next four years, in concert with the Obama administration.

First, Jihadist extremism and a Resistance Axis underwritten by Iran's nuclear ambitions pose a mutual balance of threats, even as they necessitate the bolstering of non-extremist Islamic stakeholders, including the Muslim Brotherhood. Saudi Arabia, Qatar, Turkey and Egypt's collective regional clout, shared threat perceptions and constructive international engagement resonate relatively well with Israel given what's at stake. **The Jewish state would advance its interests by persistently pursuing multi-track and backchannel diplomacy – including intelligence sharing and security coordination – and rehabilitating soured relations, starting in Ankara. Likewise, it would benefit Jerusalem to facilitate go-betweens with vested interests in Israeli-Palestinian peace and influence over those key Palestinian and Arab decision-makers critical to guaranteeing the implementation of future agreements.** This is consistent with growing, if low-key, conviction in some Arab quarters that engagement rather than isolation could create more effective leverage on Israel to resolve the conflict.

Second, in order to strengthen moderate Islam, **it behoves Jerusalem to maintain a consistent and meaningful forward momentum in the peace process even if final-status negotiations are nowhere in sight.** The Israeli-Palestinian conflict may not be the root of the region's problems but it is unquestionably the primary hurdle to Israel's regional diplomacy. The fallout has also been grist to the mill for extremist fervour and Iran and Hezbollah's tortured pursuit of regional preeminence and legitimacy. Although progress in peace talks have not always necessarily attended the budding of relations between Israel and Arab governments, the full force of public opinion – especially when ignited – will now have to be factored by elites anxious for regime survival. But more importantly the two-state solution as an end in itself bears existential implications since it constitutes the sole long-term guarantor of the Jewish democratic narrative. After all, it is impossible for Israel to be simultaneously Jewish, democratic and sovereign over the entirety of its claimed historical land; it has to renounce one of these three.

Third, with Iran's nuclear programme now a matter of sustained international interest, **it may profit Israel to curb its war talk and instead allow people-to-people outreach and other forms of citizen diplomacy to run their course.** The heartwarming viral Israel loves Iran campaign started by Israeli graphic designer Ronny Edry and the brand of cultural diplomacy exemplified by Iranian-Israeli singer Rita Jahanforouz during her recent performance at the UN General Assembly are only two indicators of what this can achieve between individuals in both societies.

Israel is not the only one facing stark choices however. With the stakes mounting fast, Ayatollah Khamenei will also find himself having to choose between nuclear capability and animosity towards Israel in order to preserve his regime. **A secret backchannel with Tehran may be the best and only face-saving way to convince the Supreme Leader that he too can only achieve two of his aspirations at a time.**

The surrounding flux offers more reason for Israel to advance bilateral relations with a host of countries in Europe's southeastern fringe, the Caucasus and Central Asia, thereby effectively recasting the periphery doctrine of yore. But when all is said and done, Israel still belongs in the Middle East and in the current circumstances initiative may remain its greatest, if not sole, advantage. Only with uncustomary long-term vision can its stewards purport to safeguard its welfare.







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