



# Israel and the Palestinians After the Arab Spring: No Time for Peace

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## Abstract

While spared from internal turmoil, Israel and the Palestinian Territories have nonetheless been affected by the region's political transformation brought about by the Arab Spring. Reflecting what can be described as Israel's "bunker" mentality, the Israeli government has characterized the Arab revolutionary wave as a security challenge, notably given its concern about the rise of Islamist forces. Prime Minister Netanyahu has capitalized on this sense of insecurity to justify his government's lack of significant action when it comes to the peace process. On the Palestinian side, both Hamas and Fatah have lost long-standing regional backers in Egypt and Syria and have had to contend with their increasingly shaky popular legitimacy. This has spurred renewed efforts for reconciliation, which however have so far produced no significant results. Against this backdrop, the chances for a resumption of serious Israeli-Palestinian peace talks appear increasingly dim. An effort by the international community is needed to break the current deadlock and establish an atmosphere more conducive for talks. In this context, the EU carries special responsibility as the only external actor that still enjoys some credibility as a balanced mediator between the sides.

**Keywords:** *Israel / Israeli foreign policy / Arab revolts / Egypt / Muslim Brotherhood / Palestine / Gaza / Hamas / Fatah / Israeli-Palestinian peace negotiations / European Union*

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by Andrea Dessi\*

### Introduction

The outbreak of popular protests throughout the Middle East and North Africa in early 2011 came as a shock to the world. Israel's right-wing governing coalition headed by Benjamin Netanyahu was no exception and when protests spread to nearby Egypt, threatening to topple Israel's most trusted Arab ally, Tel Aviv reacted with a mix of hysteria and panic.<sup>1</sup> The overthrow of President Hosni Mubarak in February 2011 sent ripples across the region. As the Egyptian military struggled to reassure the international community that Egypt's traditional role as a "stabilizing force" in the Middle East would not end with the Mubarak regime, in Israel menacing parallels were being drawn between events unfolding in Cairo and the 1979 revolution in Iran, when radical Islamist forces emerged from the street protests to hijack the revolution and effectively monopolize the government.

Paradoxically, Israel was not alone in characterizing the Arab Spring as a first step towards an Islamist takeover of the region.<sup>2</sup> This view was echoed by the Iranian leadership, which was quick to cast the spread of popular protests from Tunisia to Egypt, Bahrain, Libya, Yemen and Syria as the latest wave of the Islamic revolution.<sup>3</sup> Israel's apprehension with the Arab Spring, later described by Netanyahu as an "Islamic, anti-western, anti-liberal, anti-Israeli, undemocratic wave",<sup>4</sup> was thus soon portrayed as another dimension of the longstanding struggle between the Jewish state and the Islamic Republic of Iran. Throughout 2011, the Israeli government largely refrained from engaging the changing dynamics affecting its immediate neighbourhood, instead directing much of its diplomatic efforts towards pressuring Iran to give up its alleged nuclear weapons programme. As a consequence, Israel's long-standing conflict with the Palestinians was shelved from the political agenda and the Israeli government made little or no concerted effort to revive stalled peace talks with the Palestinian Authority (PA).

Many of Israel's fears relating to the Arab uprisings are understandable, but the Israeli government's decision to take a "wait and see" attitude towards the Arab Spring while proceeding with its "business as usual" approach towards the ailing peace process with

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<sup>1</sup> Aluf Benn, "Overcoming Fear and Anxiety in Tel Aviv", in *Foreign Affairs Snapshots*, 8 February 2011, <http://www.foreignaffairs.com/articles/67353/aluf-benn/overcoming-fear-and-anxiety-in-tel-aviv>.

<sup>2</sup> Sever Plocker, "Who's afraid of Democracy?" in *Ynetnews*, 31 January 2011, <http://www.ynetnews.com/articles/0,7340,L-4021393,00.html>.

<sup>3</sup> Geneive Abdo, "Cairo 2011 is not Tehran of 1979", in *The Middle East Channel*, 1 February 2011, [http://mideast.foreignpolicy.com/posts/2011/02/01/cairo\\_is\\_not\\_tehran\\_of\\_1979](http://mideast.foreignpolicy.com/posts/2011/02/01/cairo_is_not_tehran_of_1979).

<sup>4</sup> Harriet Sherwood, "Binyamin Netanyahu attacks Arab Spring uprisings", in *The Guardian*, 24 November 2011, <http://www.guardian.co.uk/world/2011/nov/24/israel-netanyahu-attacks-arab-spring>.

the Palestinians holds significant dangers for the future. The Israeli government must understand that anti-Israeli feelings will only increase unless Israel unequivocally shows the world that it is willing to seal a genuine two state solution with the Palestinians.

The Palestinian leadership, still divided between the Fatah-dominated PA in the West Bank and the Islamist-rooted Hamas government in Gaza, has also been deeply affected by the Arab Spring. While protracted popular protests have not taken place in the Occupied Palestinian Territories (OPT), both factions understand that this apparent calm cannot last indefinitely. Throughout 2011 much effort was directed towards bridging the divide between the Gaza Strip and the West Bank. Thus far, notwithstanding the formal signing of a reconciliation agreement in May 2011, the two factions have utterly failed in their pledge to restore unity to the Palestinian territories, and as long as this divide persists, there appears to be little chance for a coordinated Palestinian push in negotiations with Israel.

Over a year has passed since the outbreak of the Arab Spring and the prospects for a breakthrough in negotiations between Israelis and Palestinians appear increasingly dim. The so-called peace process was moribund well before the advent of popular protests across the region, and, if anything, the Arab Spring has further pushed back the chances for an agreement between the sides.<sup>5</sup> The events of 2011 may have disproved many old fashioned assumptions about the Arab world's perceived political apathy, but on the Israeli-Palestinian front significant change is hard to come by, and on both sides of the divide there appears today to be little enthusiasm for bold peace initiatives.

## 1. Israel and the Arab Spring

The advent of the Arab Spring holds serious security and geopolitical ramifications for Israel. The Israeli government will have to adapt to a profoundly changed regional landscape, with new regimes in power in Tunisia, Libya and Egypt, ongoing conflict in Syria, and a growing activism on the part of the Gulf Cooperation Council (GCC). Even before 2011, Israel was already struggling to come to terms with increased levels of international isolation due to the growing perception that the Netanyahu government was not doing enough for the sake of peace.<sup>6</sup> The Arab uprisings only made Israel's feelings of anxiety more acute and this has led the Netanyahu government to adopt an overtly cautious, conservative and status quo-oriented response to the Arab Spring.<sup>7</sup> Reflecting what some have described as Israel's "bunker mentality"<sup>8</sup>, Netanyahu was

<sup>5</sup> Khaled Elgindy and Salman Shaikh, "The Impact on the Peace Process: Peacemaker or Peacebreaker?", in Kenneth M. Pollack *et al.*, *The Arab Awakening. America and the Transformation of the Middle East*, Washington, Brookings Institution, 2011, p. 47-57.

<sup>6</sup> Josh Rogin, "Bill Clinton: Netanyahu killed the peace process", in *The Cable Blog*, 22 September 2011, [http://thecable.foreignpolicy.com/posts/2011/09/22/bill\\_clinton\\_netanyahu\\_killed\\_the\\_peace\\_process](http://thecable.foreignpolicy.com/posts/2011/09/22/bill_clinton_netanyahu_killed_the_peace_process).

<sup>7</sup> Daniel Levy, Remarks delivered at the Council on Foreign Relations roundtable on *Israel and the Arab Uprisings: Challenges in a Changing Middle East*, New York, 15 December 2011, [http://newamerica.net/publications/resources/2012/israel\\_and\\_the\\_arab\\_uprisings\\_challenges\\_in\\_a\\_changing\\_middle\\_east](http://newamerica.net/publications/resources/2012/israel_and_the_arab_uprisings_challenges_in_a_changing_middle_east).

<sup>8</sup> Ronald R. Krebs, "Israel's Bunker Mentality: How the Occupation is Destroying the Nation", in *Foreign Affairs*, Vol. 90, No. 6 (November-December 2011), p. 10-18.

quick to characterize the Arab Spring as a security challenge for Israel, making it all the less likely that his government would take any significant risk for the sake of reviving stalled peace talks with the Palestinians.<sup>9</sup>

Specifically, Israel immediately feared that the prospect of greater Arab democracy would lead to the rise of various strands of political Islam. It could draw on its experiences with Hamas, Hezbollah and Iran for proof of an inherent Islamist hostility towards Israel, and the prospect of other Islamist parties taking power across the region - especially in post-Mubarak Egypt - was and remains deeply troubling for Israel.

### *1.1. Israel's mounting security concerns in a changing neighbourhood*

Israel's concerns are manifold, and while post-Mubarak Egypt has received the most attention, the dynamics affecting Lebanon, Syria and Jordan should not be forgotten.

While Lebanon has so far witnessed no protracted mass protests, in late January 2011, Israel watched with concern as the country plunged into a five month political crisis following Hezbollah's withdrawal from Lebanon's governing coalition. In 2006, Israel fought a bloody 33-day war with Lebanon with the avowed aim of destroying Hezbollah's military capabilities, a goal that ultimately proved unachievable. When, in mid-June 2011, a new Lebanese government was announced, alarm bells again rang in Israel as Hezbollah's March 8 coalition further consolidated its position as the dominant political force in the country.<sup>10</sup>

Events in Lebanon are closely interlinked with those in Syria. Here, widespread popular protests began in mid-March 2011 and quickly brought about a violent government crackdown that has since pushed the country to the brink of a civil war. Israel is by no means a friend of Syrian President Bashar al-Assad, a staunch Iranian ally and backer of Hezbollah, but given widespread reports of Islamist elements gaining ground in the Syrian opposition, Israel has been quietly rooting for the Assad regime to maintain his grip on power, somewhat unexpectedly finding itself to be on the same side as Iran with regards to the Syrian crisis.<sup>11</sup> Israel's fears are also related to the deep uncertainty surrounding what would happen if Assad were to fall. Israel is concerned that if Syria were to collapse into a "failed state", no authority would be able to ensure security along the Syrian-Israeli border. To make matters worse, Syria allegedly possesses a large arsenal of chemical weapons which could fall into the hands of either Hezbollah or other radical elements in the event of a protracted civil war, a scenario that Israel's defence establishment, as well as the US government, consider as a growing concern.<sup>12</sup>

<sup>9</sup> Salman Shaikh, "A Failure to Communicate", in *The Middle East Channel*, 9 February 2012, [http://www.foreignpolicy.com/articles/2012/02/09/a\\_failure\\_to\\_communicate](http://www.foreignpolicy.com/articles/2012/02/09/a_failure_to_communicate).

<sup>10</sup> In the newly formed 30 member government, the March 8 coalition emerged with eighteen posts. See Paul Salem, "Lebanon's New Government: Outlines and Challenges", in *Carnegie Endowment Commentary*, 15 June 2011, <http://carnegieendowment.org/2011/06/15/lebanon-s-new-government-outlines-and-challenges/1ig>.

<sup>11</sup> Daniel Byman, "Israel's Pessimistic View of the Arab Spring", in *The Washington Quarterly*, Vol. 34, No. 3 (Summer 2011), p. 123-136, at p. 128-129, <http://csis.org/files/publication/twq11summerbyman.pdf>.

<sup>12</sup> James Blitz, "Syria chemical weapons alarm grows", in *The Financial Times*, 15 February 2012, <http://www.ft.com/intl/cms/s/0/1df87c08-57cb-11e1-ae89-00144feabdc0.html>.

Moving to Israel's eastern neighbour Jordan, the only other Arab state aside from Egypt to have signed a peace treaty with Israel, fears were stoked by the fact that in mid-January 2011 popular protests took place throughout the country calling for increased political and economic freedoms. While Jordan appears to have stabilized its domestic setting for the time being, Israel fears an increased penetration of Islamist ideologies in the Hashemite Kingdom that could lead to the radicalization of Jordan's Palestinian-majority population. This could lead to increased criticism of the monarchy's close ties with Israel and in turn jeopardize Israeli-Jordanian security coordination in the West Bank.<sup>13</sup>

### 1.2. What next for Israel-Egypt peace?

Israel's security concerns are however most pronounced in the case of Egypt, and Israeli leaders have grown increasingly fearful about the fate of the 1979 Israel-Egypt peace treaty. In power since 1981, Mubarak presided over three decades of relations with Israel and the centralized nature of his regime was such that successive Israeli governments could rely on this personal relationship to coordinate against a whole series of regional and domestic threats. Peace had always been cold, but the convergence of strategic interests between the two countries, nonetheless led Mubarak to be considered as Israel's most trusted ally in the region.<sup>14</sup> Both shared a deep hostility towards political Islam and Iran and Israel could rely on Mubarak to collaborate in enforcing Israel's blockade of the Hamas-ruled Gaza Strip. Most of all, Egypt's role as a (far from impartial) mediator between Hamas and Fatah as well as between Hamas and Israel was recognized as a valuable asset for Tel Aviv. The Tahrir revolution thus ignited Israeli fears that three decades of diplomatic relations would be cast aside together with the Mubarak family. Suddenly everything was in jeopardy, from the peace treaty to gas supplies, the stability of the Sinai and the blockade of Gaza.

Indeed, there were immediate signs that the new transition government in Egypt wanted to begin a normalization process with Iran and Hezbollah, two of Israel's worst antagonists in the region.<sup>15</sup> Israel watched with concern when Egypt's new rulers allowed Iranian warships to cross the Suez Canal for the first time since the two countries cut off diplomatic relations in 1979, and when the Egyptian government mediated a reconciliation agreement between Hamas and Fatah.<sup>16</sup> While the agreement soon succumbed to factional disagreements, Israel reacted to the prospect of intra-Palestinian reconciliation with "outrage" and Netanyahu publicly warned PA President Mahmoud Abbas that he faced a choice between peace with Hamas or peace with Israel.<sup>17</sup> Israel's concerns were further increased by Egypt's subsequent

<sup>13</sup> Giora Eiland, "The Upheavals in the Middle East and Israel's Security", in *Strategic Assessment*, Vol. 14, No. 2 (July 2011), p. 7-14, at p. 13, <http://www.inss.org.il/upload/%28FILE%291311767504.pdf>.

<sup>14</sup> Aaron David Miller, "Why Israel fears a free Egypt", in *The Washington Post*, 4 February 2011, <http://www.washingtonpost.com/wp-dyn/content/article/2011/02/04/AR2011020402774.html>.

<sup>15</sup> Roei Nahims, "Egypt's new FM wants ties with Iran", in *Ynetnews*, 30 March 2011, <http://www.ynetnews.com/articles/0,7340,L-4049695,00.html>.

<sup>16</sup> "Egypt allows Iranian warships 'can use Suez Canal'", in *BBC News*, 18 February 2011, <http://www.bbc.co.uk/news/world-middle-east-12493614>; "Fatah and Hamas sign reconciliation deal", in *Al-Jazeera*, 27 April 2011, <http://www.aljazeera.com/news/middleeast/2011/04/2011427152119845721.html>.

<sup>17</sup> Attila Somfalvi, "Israel: No talks with Fatah-Hamas government", in *Ynetnews*, 28 April 2011, <http://www.ynetnews.com/articles/0,7340,L-4062011,00.html>.

announcement that the border crossing between Egypt and Gaza would be reopened to pedestrian traffic for the first time since Hamas took over Gaza in June 2007.<sup>18</sup> Egypt's transition government, heeding to Egyptian public opinion, was thus giving immediate signs of its intention to reorient Egypt's foreign policy in ways that were perceived as potentially threatening for Israel.

Moreover, the fact that the Muslim Brotherhood emerged as the major political force only increased Israel's fears. Hamas is itself an offshoot of the Muslim Brotherhood and it appeared evident that any new Egyptian government would at the very least be less hostile towards Hamas than Mubarak had been. Proof of Cairo's gradual realignment towards Hamas was given in late October 2011 when Egypt's military rulers authorized, for the first time, a Muslim Brotherhood delegation to visit the Hamas-controlled Gaza Strip and when Egypt allowed Ismail Haniyeh, Hamas's prime minister in Gaza, to exit the Strip and embark on a regional diplomatic tour across Egypt, Tunisia, Turkey, Qatar, Kuwait, Bahrain and Iran.<sup>19</sup>

Tensions skyrocketed in August 2011, when three coordinated terrorist attacks struck on roads leading to Israel's southern city of Eilat. Eight Israelis died and dozens were wounded by a group of militants that had crossed into Israel from the border with Egypt's Sinai. In the pursuit that followed, Israeli forces mistakenly killed five Egyptian soldiers unleashing a wave of demonstrations outside the Israeli embassy in Cairo and an angry reproach from the Egyptian government.<sup>20</sup> The attack confirmed widespread fears of a growing lawlessness and radicalization gripping the Sinai, with reports of militant Islamism spreading throughout the desert region on Israel's doorstep.<sup>21</sup> Since the fall of Mubarak at least fourteen separate bomb attacks have been reported on pipelines carrying gas to Israel and Jordan, and the Israeli government has repeatedly warned that Iranian agents have begun infiltrating Egypt and the Sinai, preparing attacks on Israeli targets.<sup>22</sup> In this event a diplomatic crisis with Egypt was only narrowly avoided, but less than a month later throngs of Egyptian protesters stormed Israel's embassy in Cairo setting fire to its living quarters and prompting a worldwide condemnation of Egypt's inability to provide security on the streets.

On top of all this, a 2011 public opinion poll revealed that the Egyptian public was deeply divided on whether the peace treaty with Israel should be upheld.<sup>23</sup> This

<sup>18</sup> "Gaza-Egypt border crossing to open permanently", in *BBC News*, 29 April 2011, <http://www.bbc.co.uk/news/world-middle-east-13240113>.

<sup>19</sup> Nidal al-Mughrabi and Tamim Elyan, "Egypt Brotherhood makes first visit to Hamas-led Gaza", in *Reuters*, 29 October 2011, <http://uk.reuters.com/article/2011/10/29/us-palestinians-egypt-brotherhood-idUKTRE79S28L20111029>; "Hamas' Gaza chief begins regional tour, to meet Amadinejad, Gulf leaders", in *Al-Arabiya News*, 30 January 2012, <http://www.alarabiya.net/articles/2012/01/30/191571.html>.

<sup>20</sup> Karl Vick, "The Mysterious Raid on Eilat: Why No One Wants to Dig Too Deep", in *Time.com*, 8 September 2011, <http://www.time.com/time/world/article/0,8599,2092310,00.html>.

<sup>21</sup> Tamim Elyan, "Insight: In Sinai, militant Islam flourishes - quietly", in *Reuters*, 1 April 2012, <http://www.reuters.com/article/2012/04/01/us-egypt-sinai-idUSBRE83006120120401>.

<sup>22</sup> Avi Issacharoff, "Israeli official: Iranian military experts operating in Gaza, Sinai", in *Haaretz*, 19 March 2012, <http://www.haaretz.com/print-edition/news/israeli-official-iranian-military-experts-operating-in-gaza-sinai-1.419428>; Roi Kais, "Report: Iran planned attack on Israeli vessel in Suez", in *Ynetnews*, 24 March 2012, <http://www.ynetnews.com/articles/0,7340,L-4207101,00.html>.

<sup>23</sup> 37% of respondents believed that Egypt should maintain the peace treaty with Israel, while 35% supported its abrogation. The numbers of supporters for maintaining the treaty rose to 41% if Israel agreed to the creation of an independent Palestinian state. See the presentation by Shibley Telhami of survey *The*

notwithstanding, fears that Egypt will suddenly abrogate the 1979 peace treaty with Israel appear somewhat exaggerated. The ruling Supreme Council of the Armed Forces (SCAF) has quickly declared its commitment to peace with Israel, and out of the long list of Egyptian presidential hopefuls only the (now disqualified) Salafi candidate, Salah Abu Ismail, had openly called for the abrogation of the treaty.<sup>24</sup> Other candidates, such as Amr Moussa, a leading liberal contender in Egypt's Presidential race, has however declared that certain aspects of the treaty would need to be reviewed, specifically citing the need to renegotiate a clause that classifies the Sinai as a demilitarized zone. More importantly, however, the Muslim Brotherhood-backed Freedom and Justice Party (FJP), which won 47% of Egypt's parliamentary vote, strongly condemned the mob attack on Israel's embassy in Cairo and has subsequently promised to uphold Egypt's international agreements, including the peace treaty with Israel.<sup>25</sup>

In the meantime, security coordination between Israel and Egypt has continued, with Israel allowing thousands of Egyptian troops and police to enter the Sinai.<sup>26</sup> Moreover, Egypt has demonstrated that it can still play a valuable mediating role between Israel and Hamas, and Egyptian authorities have been praised for the role in negotiating the release of Israeli soldier Gilad Shalit from Gaza after five years of captivity in the hands of Hamas.

Ultimately, it is unlikely that any future Egyptian government will risk forfeiting badly needed US aid by abrogating the peace treaty with Israel. Throughout 2011 US aid to Egypt totalled USD 1.548 billion, and Egypt's rulers are well aware that the US Congress would suspend funding in the event of a breach of the peace treaty with Israel, an eventuality they certainly cannot afford.<sup>27</sup> This said, Israel realises that the Egyptian-Israeli relationship will no longer be monopolized by the presidential palace, but will become a topic of intense popular debate as Egypt moves towards more accountable forms of governance.

While the deep uncertainty surrounding Egypt's troubled transition could lead to increased tensions in the future, at the time of writing Egyptian and Israeli leaders are toning down their differences for the sake of continued security and intelligence cooperation. This attitude was set on clear display when, in late April 2012, Egypt's national gas company announced the termination of its gas supply deal with Israel.<sup>28</sup>

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2011 Arab Public Opinion Poll, 21 November 2011,

[http://www.brookings.edu/reports/2011/1121\\_arab\\_public\\_opinion\\_telhami.aspx](http://www.brookings.edu/reports/2011/1121_arab_public_opinion_telhami.aspx).

<sup>24</sup> Doaa El-Bay, "Cautious Response", in *Al-Arahm Weekly*, No. 1092 (5-11 April 2012),

<http://weekly.ahram.org.eg/2012/1092/eg8.htm>.

<sup>25</sup> "Israel and the Islamists. Oh no! But let's talk, maybe", in *The Economist*, 10 December 2011,

<http://www.economist.com/node/21541441>; Zvi Bar'el, "Muslim Brotherhood: We will not put Egypt-Israel peace treaty to referendum", in *Haaretz*, 7 April 2012, <http://www.haaretz.com/news/middle-east/muslim-brotherhood-we-will-not-put-egypt-israel-peace-treaty-to-referendum-1.423099>.

<sup>26</sup> Avi Issacharoff and Amos Harel, "Egyptians cooperating with Israel to fight Sinai terror", in *Haaretz*, 8 April 2012, <http://www.haaretz.com/news/diplomacy-defense/egyptians-cooperating-with-israel-to-fight-sinai-terror-1.423172>.

<sup>27</sup> Jeremy M. Sharp, "Egypt in Transition", in *CRS Report for Congress*, No. RL33003 (8 February 2012), p. 11-12, <http://www.fas.org/srgp/crs/mideast/RL33003.pdf>.

<sup>28</sup> "Israel must keep gas dispute with Egypt apolitical", in *Haaretz*, 24 April 2012,

<http://www.haaretz.com/opinion/israel-must-keep-gas-dispute-with-egypt-apolitical-1.426155>.

Many feared this could lead to yet another diplomatic crisis between the two countries. Instead, the Israeli government reacted with a surprisingly tamed response, effectively echoing the explanation given by the Egyptian authorities that the decision to terminate the contract did not stem from political motives but was essentially due to a “business dispute” between two private companies.<sup>29</sup>

## 2. Palestine: no “spring” in sight

The Occupied Palestinian Territories have surprisingly been spared the sustained mass protests that have engulfed much of the region since early 2011. However, this apparent calm should not distract from the serious geopolitical impact that Arab Spring has had on intra-Palestinian dynamics, raising incentives for reconciliation.

### 2.1. *Hamas and Fatah: between national reconciliation and international recognition*

Among ordinary Palestinians the toppling of longstanding authoritarian regimes was received with much enthusiasm, and this soon translated into attempts by Palestinian youth to organize similar mass movements within the Occupied Palestinian Territories. These efforts led to the creation of the March 15 movement, a nonviolent grass-roots association organized by a diverse group of Palestinian bloggers from the West Bank and Gaza and carried out through the use of social media.<sup>30</sup> The avowed aim of the movement, which culminated in coordinated protests in both Gaza and the West Bank on March 15, was to call on both Palestinian factions to abandon their political infighting and unite for the sake of the Palestinian cause.<sup>31</sup> While the protests were repressed by Hamas in the Gaza Strip and, albeit less so, Fatah in the West Bank, the movement received much media attention, and this can help explain why both Hamas and Fatah eventually agreed to the Egyptian-mediated reconciliation agreement signed in early May 2011.<sup>32</sup> Alongside this, the toppling of President Mubarak, who had made no secret of his support for Fatah, and the escalating violence in Syria, which eventually led Hamas to abandon its Damascus headquarters, meant that both factions lost their main external backers, also spurring reconciliation.<sup>33</sup> While Hamas can look to gain from the rise of the Muslim Brotherhood in Egypt, Fatah sees no such prospect on the horizon and has had to rely on its traditional backers, such as King Abdullah II of Jordan, for regional support.

<sup>29</sup> Barak Ravid, “Netanyahu downplays Egypt’s cancellation of gas deal with Israel”, in *Haaretz*, 23 April 2012, <http://www.haaretz.com/news/diplomacy-defense/netanyahu-downplays-egypt-s-cancellation-of-gas-deal-with-israel-1.426065>.

<sup>30</sup> Joe Klein, “A New Palestinian Movement: Young, Networked, Nonviolent”, in *Time.com*, 31 March 2011, <http://www.time.com/time/magazine/article/0,9171,2062474,00.html>.

<sup>31</sup> “Palestinians protest for Hamas-Fatah unity”, in *BBC News*, 15 March 2011, <http://www.bbc.co.uk/news/world-middle-east-12742761>.

<sup>32</sup> Shlomo Brom, “Quiet in the Palestinian Arena: The Eye of the Storm”, in *Strategic Assessment*, Vol.14, No.1 (April 2011), p. 55-64, at p. 61, <http://www.inss.org.il/upload/%28FILE%291304500947.pdf>.

<sup>33</sup> Fares Akram, “Hamas Leader Abandons Longtime Base in Damascus”, in *The New York Times*, 27 January 2012, <http://www.nytimes.com/2012/01/28/world/middleeast/khaled-meshal-the-leader-of-hamas-vacates-damascus.html>. Recent reports indicate the Hamas’s new external headquarters will be established in Qatar.

The agreement between Fatah and Hamas was meant to lead to a transition government composed of independents that would set the stage for long overdue parliamentary elections in the West Bank and Gaza.<sup>34</sup> As time passed however, it became increasingly clear that the deal would not be implemented as both factions broke their pledge to engage in confidence-building measures such as the release of respective political prisoners. A major area of disagreement emerged over who would be chosen as prime minister in the transition government, with Fatah insisting that Salam Fayyad, the current PA prime minister, be allowed to continue in his post.<sup>35</sup> Moreover, Israel's denouncement of the deal and the PA's need to ensure continued international assistance immediately placed obstacles on the road to reconciliation. While the EU and the US did not denounce the agreement, they also reasserted the need for the future government to comply with the Quartet Principles, which states that the Quartet - the group formed by the US, the EU, Russia and the UN - would only cooperate with a PA government that recognizes the state of Israel, renounces violence, and respects past Israeli-Palestinian agreements.<sup>36</sup>

As reconciliation stalled and national elections were once again postponed, the PA petitioned the United Nations for a recognition of full-statehood status in September 2011.<sup>37</sup> As it happened, the Palestinian application was never brought to a vote at the UN Security Council given that the US had announced its intention to veto the resolution and the PA had failed to gather the necessary nine votes in the Security Council that would have forced the US to use its veto-power.<sup>38</sup> The PA has however not exhausted all its options on the international front, and debates continue regarding the UN General Assembly's possible upgrade of the Palestinian status from observer "entity" to "non-member state", allowing the Palestinians to apply for membership in the International Criminal Court and request further investigations into Israeli actions in the OPT.<sup>39</sup> Moreover, in October 2011 Palestine was granted full-membership in UNESCO while most recently the Palestinians have also secured a UN Human Rights Council mission to the OPT to investigate the effects of Israeli settlements on the prospects for achieving a two-state solution to the conflict.<sup>40</sup>

The PA's plan to move from bilateral negotiations with Israel to an attempt to "internationalize" the conflict by petitioning international forums is reflective of the Palestinian's total lack of confidence in the Israeli government and of a growing frustration with over twenty years of failed peace talks. After all, while the Palestinians

<sup>34</sup> International Crisis Group, "Palestinian Reconciliation: Plus Ça Change...", in *Middle East Report*, No. 110 (20 July 2011), <http://www.crisisgroup.org/en/regions/middle-east-north-africa/israel-palestine/110-palestinian-reconciliation-plus-ca-change.aspx>.

<sup>35</sup> *Ibid.*, p. 12.

<sup>36</sup> *Ibid.*, p. ii.

<sup>37</sup> For more on the PA's UN bid see Riccardo Alcaro and Andrea Dessi, "The September UN Vote on Palestine: Will the EU Be Up to the Challenge?", in *IAI Working Paper*, No. 1127 (September 2011), <http://www.iai.it/pdf/DocIAI/iaiw1127.pdf>.

<sup>38</sup> Barak Ravid and Avi Issacharoff, "PA concedes defeat in statehood bid after failing to muster votes", in *Haaretz*, 10 November 2011, <http://www.haaretz.com/print-edition/news/pa-concedes-defeat-in-statehood-bid-after-failing-to-muster-votes-1.394669>.

<sup>39</sup> "PLO envoy: Palestine can join ICC", in *Ma'an News*, 10 April 2012, <http://www.maannews.net/eng/ViewDetails.aspx?ID=475280>.

<sup>40</sup> Barak Ravid, "Israel cuts contact with UN rights council, to protest settlement probe", in *Haaretz*, 26 March 2012, <http://www.haaretz.com/news/diplomacy-defense/israel-cuts-contact-with-un-rights-council-to-protest-settlements-probe-1.420786>.

are insisting that Israel halt all settlement construction as a condition for talks to resume, 2011 has been a record year for Israeli building in the West Bank.<sup>41</sup> Moreover, given the PA's dwindling popular legitimacy among ordinary Palestinians, these moves towards "internationalizing" the conflict were also seen as way to shore up support for the Palestinian government in the West Bank during a time of increased regional turmoil and the complete breakdown of peace talks with Israel. Indeed, domestic support for the PA has been declining rapidly, not least because of the questionable democratic credentials of the Mahmoud Abbas-led PA government. Abbas's legal mandate as President of the PA expired in January 2009 and while it was extended by decree until 2010, no presidential or legislative elections have been held in the OPT since Hamas' victory in the January 2006 parliamentary elections.<sup>42</sup> The PA's close security cooperation with Israel, its failure to achieve any significant concessions from the Jewish state and the January 2011 Al-Jazeera/Guardian exposé of the so-called *Palestine Papers*, detailing extensive Palestinian concessions in negotiations with Israel, are but some explanations for the PA's dwindling popular legitimacy. While mindful of the risks it entailed, the PA was well aware that its UN bid enjoyed much support among Palestinians and thus, having failed to achieve reconciliation with Hamas, Mahmoud Abbas redoubled his efforts on the international front.

## 2.2. Emerging divisions within Hamas

In the Gaza Strip, Hamas only hesitantly supported the PA's UN bid, but the Palestinian resistance movement was itself having to deal with mounting popular criticism of its rule. As mentioned above, Hamas had harshly repressed the March 15 protests and popular support for the Hamas government had been declining since Operation Cast Lead in Gaza in 2008-9 and the ensuing deterioration of economic and humanitarian conditions in the Strip. Support for Hamas rose slightly in October 2011 following the prisoner swap deal with Israel that led to the release of 1,027 Palestinian prisoners in exchange for the freeing of Israeli soldier Gilad Shalit, but this was quickly forgotten when a severe energy crisis engulfed Gaza in early 2012, leading many to openly criticize Hamas' policies in governing the Strip.<sup>43</sup>

Moreover, recent developments have led to increased tensions between the Gaza-based Hamas government and the movement's political bureau which until recently was based in Damascus. In what appears to be somewhat of a role reversal, Khaled Meshaal, head of Hamas's political wing, has emerged as the moderate voice of Hamas and has openly called for a shift in tactics towards non-violent means of resistance against Israel's occupation.<sup>44</sup> He has further emerged as the primary backer of reconciliation with Fatah and has tacitly endorsed the Jordanian-sponsored "exploratory talks" between Israel and the PA that took place in Amman in January

<sup>41</sup> Peace Now, *Torpedoing the Two State Solution: Summary of 2011 in the Settlements*, 10 January 2012, <http://peacenow.org.il/eng/2011Summary>.

<sup>42</sup> Shlomo Brom, "Quiet in the Palestinian Arena ...", *cit.*, p. 55.

<sup>43</sup> Elior Levy, "Gazans blame Hamas for energy crisis", in *Ynetnews*, 23 March 2012, <http://www.ynetnews.com/articles/0,7340,L-4208310,00.html>.

<sup>44</sup> Harriet Sherwood, "Arab Spring uprisings reveal rift in Hamas over conflict tactics", in *The Guardian*, 6 January 2012, <http://www.guardian.co.uk/world/2012/jan/06/arab-spring-hamas-rift-gaza>.

2012.<sup>45</sup> Instead, Ismail Haniyeh, Hamas's Prime Minister in Gaza has repeatedly denounced the reconciliation agreement with Fatah and appears to be bidding for time in the belief that the rise of the Muslim Brotherhood in Egypt will create more favourable conditions for the Hamas government in Gaza.<sup>46</sup>

This internal rift was further exposed by Meshaal's unexpected announcement that he will be stepping down as leader of Hamas's political bureau after sixteen years in that role.<sup>47</sup> While it now appears that Meshaal will retain his post, recent reports indicate that Hamas's political chief will no longer have control over the organization's budget or its military wing, with these responsibilities being transferred back to members residing inside the Gaza Strip.<sup>48</sup>

These internal tensions and the fact that Meshaal was the primary force behind Hamas's hesitant rapprochement with Fatah do not bode well for the future prospects of Fatah-Hamas reconciliation. According to PA sources in fact, reconciliation talks have been frozen since early February 2012, when Mahmoud Abbas and Khaled Meshaal met in Doha, Qatar.<sup>49</sup> This meeting had resulted in the Doha Declaration, in which the two factions had agreed on letting Abbas become prime minister of a caretaker government composed of independents in preparation for national elections.<sup>50</sup> However, as was the case with the May 2011 agreement signed in Cairo, the agreement, to date, has remained a dead letter.<sup>51</sup>

In this context of growing tensions between and within Hamas and Fatah, there appears to be little scope for a successful rapprochement, at least in the short to medium term. Much will depend on the final outcome of the Egyptian presidential elections scheduled for mid-May 2012. While Hamas is counting that a Muslim Brotherhood victory will increase its leverage against both Israel and Fatah, recent reports indicate that the Muslim Brotherhood is constructively engaging Hamas in the hope of moderating its policies towards both Israel and Fatah.<sup>52</sup>

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<sup>45</sup> Michael Bröning, "The Hamas split and the future of the Palestinian peace talks", in *Inside Story*, 22 March 2012, <http://inside.org.au/the-hamas-split>.

<sup>46</sup> *Ibid.*

<sup>47</sup> Tobias Buck, "Meshal to step down as Hamas leader", in *The Financial Times*, 22 January 2012, <http://www.ft.com/cms/s/0/8f3fe890-44e0-11e1-be2b-00144feabdc0.html>.

<sup>48</sup> Avi Issacharoff, "Meshal loses control of Hamas military wing as authority moves to Gaza leadership", in *Haaretz*, 2 May 2012, <http://www.haaretz.com/news/diplomacy-defense/meshal-loses-control-of-hamas-military-wing-as-authority-moves-to-gaza-leadership-1.427625>.

<sup>49</sup> "Fatah: No talks with Hamas since February", in *Ma'an News*, 28 April 2012, <http://www.maannews.net/eng/ViewDetails.aspx?ID=480178>.

<sup>50</sup> "Abbas to head Palestinian unity government", in *Al-Jazeera*, 7 February 2012, <http://www.aljazeera.com/news/middleeast/2012/02/20122610416298264.html>.

<sup>51</sup> Iran had previously suspended its funding to Hamas following the movement's refusal to back Bashar al-Assad against the Syrian opposition. See Nidal al-Mughrabi and Ali Sawafta, "Iran paid Hamas to block Palestinian deal - Fatah", in *Reuters*, 20 March 2012, <http://uk.reuters.com/article/2012/03/20/uk-palestinians-iran-idUKBRE82J0T920120320>.

<sup>52</sup> David D. Kirkpatrick, "Islamist Victors in Egypt Seeking Shift by Hamas", in *The New York Times*, 24 March 2012, <http://www.nytimes.com/2012/03/24/world/middleeast/egypts-election-victors-seek-shift-by-hamas-to-press-israel.html>.

### 3. Restarting peace talks in light of the Arab Spring

The peace process, moribund well before the advent of the Arab Spring, has been further overshadowed by developments in the region. As the world was distracted by the political transitions underway in the region, Israel concentrated on the perceived Iranian threat while the Palestinians directed all diplomatic efforts towards reconciliation and the PA's statehood bid at the United Nations.

Overall, 2012 is not set to be a good year for Israeli-Palestinian peace.<sup>53</sup> Tensions and mistrust remain extremely high, the United States is distracted by election year campaigning, Europe by its fiscal troubles and the Israeli government, which has recently extended its governing coalition to include Kadima, a major centrist political party which won the most seats in parliament following the 2009 elections, appears to be too worried about the changing political landscape to take any serious risk for the sake of advancing stalled talks with the Palestinians.<sup>54</sup> On the Palestinian side, despite repeated warnings of Abbas' supposed intention to unilaterally disband the PA, new efforts towards "internationalizing" the conflict can be expected throughout 2012, coupled with a renewed push towards reconciliation with Hamas, which will largely hinge on the outcome of Egypt's presidential elections. In the interim period a resumption of serious negotiations between Israelis and Palestinians appears as a distant and increasingly unlikely scenario.

The Arab Spring has dramatically altered the political landscape of the region, and while the final outcomes of the political transitions underway in Tunisia, Egypt, Libya, Yemen and Syria are today far from certain, the mere fact that public opinion in these countries is bound to have a greater say on any future government is deeply unsettling for Israel. In a rapidly changing Middle East, the festering Israeli-Palestinian conflict is bound to increase Israel's isolation and related sense of insecurity.

Israel's regional security and the stability of the Israeli-Egyptian peace treaty are in no small part contingent on a solution to the Israeli-Palestinian conflict. The Israeli government has, however, taken the opposite view, citing Israel's increased security concerns and associated regional uncertainty as a motive to not take any serious risk for the sake of peace-making. The events of May 15, 2011 should serve as a wake-up call for the Israeli government. On the day commemorating the founding of the Israeli state, thousands of Palestinians marched on Israel's borders with Lebanon, Syria, Gaza and the West Bank in a symbolic return to the lands from which Palestinians were expelled following Israel's creation. On that day, Israeli forces fired on the protesters killing dozens, but things could have been much worse if Jordanian and Egyptian authorities had not prevented protesters in these countries from reaching Israel's borders.<sup>55</sup> This event reflects both Israel's regional isolation and the growing tide of popular frustration with the so-called peace process. If Israel fails to engage with

<sup>53</sup> International Crisis Group, "The Emperor Has No Clothes: Palestinians and the End of the Peace Process", in *Middle East Report*, No. 122 (7 May 2012), <http://www.crisisgroup.org/en/regions/middle-east-north-africa/israel-palestine/122-the-emperor-has-no-clothes-palestinians-and-the-end-of-the-peace-process.aspx>.

<sup>54</sup> Khaled Elgindy and Salman Shaikh, "The Impact on the Peace Process ...", *cit.*

<sup>55</sup> Ethan Bronner, "Israeli troops fire as marchers breach borders", in *The New York Times*, 15 May 2011, <http://www.nytimes.com/2011/05/16/world/middleeast/16mideast.html>.

the new realities in its neighbourhood, it could conceivably find itself in a situation similar to the pre-1979 Middle East, when all of its neighbours were in an open state of war with it.

Given that if left to their own measures both Israelis and Palestinians seem unlikely to renew direct negotiations, a bold and concerted effort by the international community will be indispensable in order for some progress to be made. While the US is distracted by election year politics, the EU should seize the initiative and aim to establish a more conducive atmosphere for negotiations. This would imply a two-track policy aimed at reassuring Israel's security concerns while reminding both Israel and the Palestinians that their long-term strategic interests would be best served by the renewal of peace talks. The "end goal" of such talks must however be clearly defined in advance and both parties must agree they are working to establish two viable and independent states, Israel and Palestine, with a shared capital in Jerusalem and based on the 1967 borders with mutually agreed land swaps to account for the absorbing of some, but not all, of Israeli settlements in the West Bank.

With regards to Israel, the EU should remind Israelis that it is firmly committed to Israel's security. This could be done by taking a firm (but not unreasonable) stance in negotiations with Iran that would allow the Iranian regime to end the crisis surrounding its alleged nuclear weapons programme in a "face saving" manner and thereby increase international, and Israeli, confidence in the Iranian leadership's capacity for compromise. The international community, and the EU, has already made clear to the Egyptian government that it expects it to uphold the peace treaty with Israel, and this should be highlighted as a source of reassurance for Tel Aviv. However, EU engagement in the region must go further than simply reiterating its commitment to Israel's security.

EU member states, either bilaterally or through the High Representative for Foreign Affairs, should also engage Israel's newly appointed Deputy Prime Minister Shaul Mofaz, leader of Kadima, in an effort to explore his positions on peace with the Palestinians and find ways to support his and other more moderate voices within Israeli politics. EU states could also use forms of subtle economic pressure on Israel, such as warnings that major European retailers could be pressured by public opinion into supporting a boycott of Israeli produce coming from settlements in the West Bank if Israel refuses to demonstrate its commitment to peace.<sup>56</sup> This could serve as a means to make Israeli leaders more malleable to accepting compromises with the Palestinians. Moreover, EU countries should remind Israel that their publics are growing increasingly impatient with Israel's perceived inaction with regards to the peace process, and that if settlement construction continues, EU governments might one day be forced to vote in favour of Palestinian resolutions in international forums such as the Security Council or other UN bodies.

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<sup>56</sup> In April 2012 the UK's fifth largest food retailer, the Co-operative group, announced its boycott of Israeli produce emanating from West Bank settlements. This action is reported to affect contracts worth an estimated 565,775 USD. See Tracy McVeigh and Harriet Sherwood, "Co-op boycotts exports from Israel's West Bank Settlements", in *The Guardian*, 29 April 2012, <http://www.guardian.co.uk/world/2012/apr/29/co-op-israel-west-bank-boycott>.

The EU should work to establish a united front on how best to resolve the conflict between Israelis and Palestinians given that this would significantly increase Europe's influence over both parties. In this sense, a so-called "carrot and stick" approach, if applied equally to both sides, coupled with a united international push for a renewal of direct negotiations that aim at salvaging the prospects for a viable two-state solution is perhaps the best way to move forward from the current deadlock.

EU countries should further work bilaterally with all Arab states in order to secure a renewed commitment to the Arab Peace Initiative, which entails a united Arab acceptance of Israel in return for an Israeli withdrawal from the Occupied Palestinian Territories and the creation of an independent Palestinian state with East Jerusalem as its capital. The EU should especially engage the Egyptian Muslim Brothers with an eye to reminding them of their international commitments, while trying to secure their help in pressing Hamas to assume a more forthcoming approach towards both Israel and its rival Fatah. In the event that a unity government between Hamas and Fatah is indeed formed, the EU should be mindful of its past mistakes and be more forthcoming towards Hamas in an attempt to moderate its policies and eventually include it in the political process. In order for this to be achieved a more flexible approach will be needed with regards to the Quartet Principles. One solution could be to place an emphasis on a Hamas declaration in which the movement unequivocally pledges to renounce violence against Israel and join the PLO (thereby indirectly accepting both Israel's right to exist and previous agreements signed by the Palestinians) in exchange for an Israeli assurance that it will refrain from conducting targeted killings in Gaza, easing commercial restrictions on Gaza and begin releasing some of Hamas's elected politicians that were arrested in the wake of the movements' electoral victory in 2006.<sup>57</sup>

Moreover, a further area of potential action by the EU could be that of finding ways to convince Israel and Turkey to mend ties and work to restore their once strong partnership. Here the EU's space for manoeuvrability is somewhat limited given that Turkey's EU accession bid has stalled and tensions between Ankara and Tel Aviv run very deep. However EU countries could work independently with both sides to try to find a compromise that is acceptable for both and which could lead to a slow and perhaps secret resumption of low-level dialogue between the Turkish government and Israel. Again, however, Israel's neighbours, whether Turkish or Arab, will not feel compelled to engage the Jewish state if Israel itself continues to shun the Palestinians and build settlements on that same land that is universally recognized as belonging to a future Palestinian state.

The international community must also be prepared for increased Palestinian actions in the international arena. In the event that the Palestinians request an upgrade in its status from the UN General Assembly, EU member states should direct their efforts towards achieving a united stance on this issue. While disagreements among EU states run deep on this topic, an effort to abstain in bloc on the resolution would be preferable to a divided EU stance, especially given that a Palestinian resolution will no doubt garner enough support from other UN member states. However, the EU must not be seen as simply shielding Israel from criticism in international forums and the EU,

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<sup>57</sup> In December 2011 Hamas announced its intention to formally join the PLO, however little movement on this front has occurred since, not least because of the persistent tensions between Hamas and Fatah.

through its High Representative for Foreign Affairs, should warn Israel that its support in the international arena is contingent on an Israeli commitment to refrain from provocative actions in the West Bank and Gaza. Such actions include continued settlement construction in the West Bank and East Jerusalem, targeted killings, economic pressures and extra-judicial arrests, given that these systematically undermine chances for a resumption of negotiations between the sides and further enflame not only Palestinian but also Arab animosity towards Israel.

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