

**Analysis of political developments in 2009**

**in the Occupied Palestinian Territories**

**II. West Bank**

**by Niklas Saxén**



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### **II. West Bank**

*This analysis has been composed by following Israeli and Palestinian media, NGO reports, UN reports, and Israeli strategic assessments up until February 2010. Key events analyzed include clashes over the Temple Mount, Fatah-Hamas reconciliation, the Fatah Convention, Israel's settlement freeze, President Mahmoud Abbas' position, movement restrictions, Palestinian Authority security forces, and the peace process. Key variables to keep an eye on for 2010 include: provocative incidents, especially ones with a religious component, sparking Palestinian rioting, and the Palestinian political structure's degree of control and positioning with respect to these; pressure from the Palestinian public for reconciliation between Fatah and Hamas, who both justify their leadership through a narrative of representing the Palestinians; Mahmoud Abbas' continued weakening because of structural factors and whether this will lead to his resignation; the rise of more militant figures within Fatah, especially if Abbas weakens; possible legislative and presidential elections limited to the West Bank; how much political capital the Israeli government can claim from its limited settlement freeze; possible expansion of the area of operations of the PA security forces; effectiveness of negotiations and moves towards unilateralism on both sides.*

For the West Bank, 2009 began with many new variables. Prime Minister Benjamin Netanyahu's right-wing government came to power in Israel in March, declaring his government would not be tied to promises made by previous administrations in negotiations. The new Obama administration vowed to take a tough line with Israel and especially settlements, promising that the middle-East peace process would be a special focus. The Annapolis process was effectively dead. Egypt was pushing for reconciliation talks between Hamas and Fatah. Palestinian Authority (PA) President Mahmoud Abbas' term was to end at the beginning of 2010, followed by new presidential and legislative elections.

#### *Clashes over the Temple Mount*

Wide-scale clashes between Israeli security forces and Palestinians have combustible potential. In October, clashes between Israeli police and Palestinians and Israeli Arabs occurred in the Old City of Jerusalem, concerning the Temple Mount area. While it seems that the initial incident was misinterpreted, the holy sites became a confrontation area between Palestinians called on to defend the Al-Aqsa Mosque. However, a right-wing group of religious Jews called for a provocative visit. Although they never showed, Palestinian and Islamic authorities had called on Palestinians and

Israeli Arabs to defend the Mosque, sparking rioting<sup>1</sup>. According to some analysts, Abbas' and Fatah's took a hard stance to improve their weak standing with Palestinians, also in view of possible Palestinian legislative and presidential elections<sup>2</sup>. In general, two related actions generate tensions with respect to the Temple Mount: 1.) heavy archeological digging under the al-Aqsa mosque area by Israeli authorities that has sparked rumors of the site possibly caving in<sup>3</sup>, and 2.) intentionally provocative visits by Jews. This is the same spot where in 1996 three Palestinians were killed and over a hundred wounded in rioting, and that Ariel Sharon visited in 2000, which is said to have set off the second Intifada<sup>4</sup>.

If Palestinian political structures weaken, East Jerusalem and the Temple Mount can become an ideological rallying call for a Palestinian uprising with a deep resonance in the entire Muslim world. In December Shin Bet security chief Yuval Diskin said to the Knesset that chances of a third Palestinian uprising (*Intifada*) were low, but that a provocative event, such as vandalism or damaging of a Mosque could trigger a wave of attacks<sup>5</sup>. Jerusalem in general is one of the most contentious issues in the Israeli/Palestinian conflict<sup>6</sup>. It was for example not included in Israel's declared settlement construction freeze. Netanyahu has repeatedly stated that the status of East Jerusalem will not be negotiated on<sup>7</sup>. The Jerusalem -issue in turn culminates in the Old City and the Temple Mount.

#### *Fatah - Hamas reconciliation*

Negotiations between Hamas and Fatah mediated by Egypt reportedly came close to a signing in November, but were postponed. Most accounts state that Hamas made last-minute demands for changes when Fatah had already signed the agreement<sup>8</sup>. The agreement would have included shared security forces and a joint decision-making committee headed by Abbas, especially to oversee the reconstruction of Gaza after Operation Cast Lead, until future Palestinian legislative and presidential elections, planned for 2010. Also, the U.S. is said to have opposed the deal, notably the joint security forces for two reasons: 1.) the U.S. could not continue funding the reform of the Palestinian security forces if Hamas was part of it, as the organization is on the U.S. terrorist -list, and 2.) a reconciliation between Hamas and Fatah with joint governance bodies would impede efforts at peace negotiations between the Palestinian Authority and Israel that the US is sponsoring<sup>9</sup>. Effectively, even if there were an internal Palestinian will to reconcile, heavy outside players favor the division.

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<sup>1</sup> Haaretz.com 9 October 2009. Who is really to blame for the tensions on the Temple Mount?

<sup>2</sup> haaretz.com 6th November 2009. Palestinian anger over Jerusalem is affecting Abbas.

<sup>3</sup> Giacaman, George 12 October 2009. Of tunnels, Goldstone and the "peace process". In Bitterlemons.org

<sup>4</sup> See for example: btselem.org 2000. Press Release: 5 Oct. 00: This is how it all began: Events on the Temple Mount - September 29.

<sup>5</sup> haaretz.com 29th December 2009. Shin Bet chief: Third intifada unlikely in near future.

<sup>6</sup> For a Palestinian view, see for example: bitterlemons.org 4th January 2010. Daoud Kuttub: Jerusalem should be at the center of peace efforts. Edition 47.

<sup>7</sup> haaretz.com 11th September 2009. Netanyahu: We're ready for peace, but won't be suckers.

<sup>8</sup> Haaretz.com 18 October 2009. Egypt: Fatah-Hamas deal deferred due to 'inappropriate conditions'.

<sup>9</sup> See for example: ICG 2009. Palestine: Salvaging Fatah. p.27. And: Haaretz.com 15 October 2009. U.S. to Egypt: Fatah-Hamas deal undermines Israel-PA talks.

It is questionable whether Palestinian elections could be held without a reconciliation deal. This would effectively limit the elections to the West Bank. This would be yet another wedge between Gaza and the West Bank by Palestinians leaders, and would achieve relatively little in giving legitimacy to ruling bodies. An International Crisis Group report estimated that: "over the past two or more years, both Hamas and Fatah appeared more interested in using their dialogue to play for time than to conclude an agreement. Abbas was intent on pursuing negotiations with Israel, hoping that diplomatic progress, improvements in the West Bank and the toll of Gaza's siege would weaken Hamas or even precipitate its collapse. --- Hamas was equally adamant that it would outlast Abbas, who, the Islamists believed, would achieve nothing from negotiations"<sup>10</sup>.

Yet a professor at Birzeit University was more optimistic with respect to Hamas' position: "Hamas' demands are clear. It wants its share within the PLO structure and there are disagreements about that share. I think Hamas is very interested in the PLO structure, because that can help cover some of its internal contradictions. If Hamas has its share in the PLO structure as well as the PA, without necessarily leading it, there can be agreement"<sup>11</sup>. Yet even with reconciliation, elections with Hamas are unlikely. An election expert estimates that: "even a passive Israeli rejection of the Palestinian elections would render the implementation of the electoral process impossible"<sup>12</sup>.

Tensions are high between Fatah and Hamas. In July, the Palestinian Authority arrested a Hamas cell it claimed was conducting surveillance on its top officials, including President Abbas, planning an assassination<sup>13</sup>. PA forces also clashed and killed several Hamas -men during 2009 in the West Bank<sup>14</sup>. Hamas in turn claimed that Fatah strongman Mohammad Dahlan helped fund the Islamist group Jund Ansar Allah, that it confronted in armed clashes in August in Gaza, in order to destabilize Hamas' rule<sup>15</sup>. Fatah members in Gaza are currently unable to meet or organize under Hamas' grip<sup>16</sup>. The groups have also exchanged accusations over the assassination of Hamas strongman al-Mabhouh in Dubai in January 2010<sup>17</sup>.

In January 2010, Hamas stated that it would be ready to sign the deal, but not in Egypt. Hamas officials have been in contact with Saudi<sup>18</sup> and Kuwaiti officials<sup>19</sup>. Hamas is at odds with Egypt over the underground wall that Egypt is building to prevent smuggling into Gaza. Fatah officials replied that if Hamas was willing to reconcile, all it had to do was go to Cairo and sign<sup>20</sup>. Fatah has insisted on the Egyptian track<sup>21</sup>. Hamas is possibly feeling the squeeze of the Egyptian wall, and trying to bring in other Arab brokers to prevent this in exchange for a reconciliation deal.

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<sup>10</sup> ICG 2009. Palestine: Salvaging Fatah. p.27.

<sup>11</sup> bitterlemons.org 2nd November 2009. A Palestinian view: No obvious successor: An interview with Said Zeidani. Edition 40.

<sup>12</sup> aceproject.org : Pran, Vladimir 2009 : Roadblocks to the 2010 Palestinian Elections.

<sup>13</sup> haaretz.com 3rd July 2009. PA: Arrested Hamas activists planned to assassinate Abbas.

<sup>14</sup> See for example: ynetnews.com 31st May 2009. Abbas vows to crack down on Hamas violence.

<sup>15</sup> ynetnews.com 16th August 2009. 'Hamas proved link between al-Qaeda loyalists, Dahlan'.

<sup>16</sup> ICG 2009. Palestine: Salvaging Fatah. p.28.

<sup>17</sup> guardian.co.uk 17.2.2010. Hamas official accused of helping Mossad hit squad.

<sup>18</sup> reuters.com 3rd January 2010. Hamas in final stages of Fatah reconciliation.

<sup>19</sup> maanews.net 18th January 2010. Al-Wadiyeh: Talks underway for Hamas-Fatah reconciliation.

<sup>20</sup> haaretz.com 11th January 2010. Fatah to Hamas: Want to reconcile? Sign deal.

<sup>21</sup> haaretz.com 13th February 2010. Report: Abbas to boycott Arab summit if Hamas' Meshal attends.

In essence, few of the key players have an actual interest in reconciliation. Fatah is consolidating its rule in the West Bank, Hamas in Gaza. Israel seeks to bolster Fatah and the PA, but will not oust Hamas, nor openly negotiate with it<sup>22</sup> - effectively excluding reconciliation. In light of this, the U.S. will not seek reconciliation between the parties either. The Palestinian people may be the greatest losers: Gazans suffering from the embargo, and the people of the West Bank from an administration that is stagnating and unrepresentative without competition. While recent polls in the West Bank do show support for Abbas and Fatah<sup>23</sup>, postponing elections indefinitely can delegitimize Abbas, Fatah and the PA. Recent polls show that 61% of Palestinians believe both Hamas and Fatah together are responsible for the split between the West Bank and Gaza; 61% also say this is the most important Palestinian priority today<sup>24</sup>. Thus, there will be growing popular pressure for reconciliation, while both parties will increasingly fear loss of power in their respective territories. Incentives for Hamas to reconcile will include easing the embargo if Egypt effectively ends smuggling into Gaza.

#### *Fatah and its sixth General Conference*

Fatah - the largest party in the umbrella organization for the Palestinian national movement the PLO (Hamas is not a member), the party of president Mahmoud Abbas, the ruling party of the West Bank, and once the hegemonic leader of the Palestinian national cause - held its first General Conference since 1989. The conference saw elections to its long-dormant Central Committee and Revolutionary Council, and discussion on its political programme<sup>25</sup>. Most of the elected members were new and from the Palestinian Territories, whereas previously many were from the diasporas or refugees from outside the Palestinian Territories<sup>26</sup>.

Major winners included President Abbas, who was unquestionably elected as leader of the movement, jailed Marwan Barghouti, Mohammad Ghnaym, Mahmud Alul, Jibril Rujub and Mohammad Dahlan. One big loser was Ahmed Qurei, the Palestinian negotiator and competitor for Abbas' post after Arafat's death in 2004. Mohammad Dahlan was Fatah's strongman in Gaza and head of Preventive Security, the most military of Palestinian security forces, when Fatah was ousted from Gaza by Hamas in 2007<sup>27</sup>. Marwan Barghouti is credited as being behind the second Intifada, and considered by many as a potential leader for Palestinians, as well as the only person able to reconcile Hamas and Fatah. Although Barghouti obtained the second largest share of votes, his allies were not elected, and thus he will have difficulty pursuing his agenda from Israeli jail without representation. Many of the top winners were persons who were critical of the Oslo process and have strong military credentials<sup>28</sup>.

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<sup>22</sup> See: Saxén, Niklas 2010. Analysis of political developments in 2009 in the Occupied Palestinian Territories: I. Gaza. At rgct.org.

<sup>23</sup> Brom, Shlomo 2009. INSS Strategic Assessment: November 2009: Fewer Gestures, More Substance. Vol. 12, No.3. p.41.

<sup>24</sup> Palestinian Center for Policy and Survey 2010. Poll number 34: December 2009. p.1.

<sup>25</sup> ICG 2009. Palestine: Salvaging Fatah.

<sup>26</sup> Kurtz, Anat 2009. INSS Strategic Assessment: November 2009: The Sixth Fatah Convention: Formal Changes Only. Vol. 12, No.3. p.53.

<sup>27</sup> ICG 2007. After Gaza. p.8.

<sup>28</sup> ICG 2009. Palestine: Salvaging Fatah. p.16-18, and 25-26.

The political programme itself did not see major changes, but reaffirmed the combination of peaceful political negotiations with the possibility of armed resistance. Large-scale civil disobedience on the model of the protests against the Israeli wall/fence were discussed, but not decided on<sup>29</sup>. Very strong conditions for peace negotiations were set out. This will hinder returning to negotiations.

The reaffirmed political goals of Fatah included ending the occupation of all territories occupied by Israel in 1967, in accordance with the relevant UN resolutions and the Arab peace initiative, a just solution to the refugee problem and the establishment of a sovereign Palestinian state with East Jerusalem as its capital. With respect to phased statehood, provisional borders and negotiations aimed at interim solution were strongly rejected. Preconditions for returning to negotiations included a total settlement freeze, including East Jerusalem, and end to Israeli military activity in the territories as well as the siege of Gaza, and having all core issues in negotiations from the beginning. The recognition of Israel as a Jewish state, a condition formulated by Netanyahu, was firmly rejected<sup>30</sup>. In effect, these conditions will never be met by the current Israeli government. It should be noted that in the past, the Fatah leadership has acted against its platform for difficult decisions<sup>31</sup>, and President Abbas often makes decisions independently of the party<sup>32</sup>.

The reaffirmation of both militancy and strong demands are intended for the Palestinian public, especially with a view on Hamas. Fatah has suffered from a strong decline in popularity and the Convention was one step intended to renew the movement, especially in light of talk of future legislative and presidential elections. The list of failures include the second intifada and the devastation of the PA; Hamas' electoral victories in municipal elections in 2004 and 2005, but especially the legislative elections in 2006; Hamas' takeover of Gaza; the failure of Annapolis and the peace process it has banked on in general; and pervasive corruption. And although the Convention did elect new candidates : "it fell short when it came to its other major challenge: to clarify its political purpose and project as well as relations with the PA, President Abbas and Hamas"<sup>33</sup>.

Excluding internal issues, Fatah's predicament is largely determined by external factors: "Fatah's commitment to a political path while there is an ongoing political standstill erodes public support for the movement. Still, as the choice of a head-on struggle proved in the second intifada, veering from the political path also exacts a price, both immediate and long term"<sup>34</sup>. Yet according to polls Fatah is still the most popular party: if new legislative elections were to be held, 41% of West Bank inhabitants would vote for it, compared to 23% for Hamas. In presidential elections, 55% would vote for Abbas and 36% for Haniyeh (Hamas) in the West Bank. Yet if we look at both Gaza and

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<sup>29</sup> ICG 2009. Palestine: Salvaging Fatah. p.25-26.

<sup>30</sup> Kurtz, Anat 2009. INSS Strategic Assessment: November 2009:The Sixth Fatah Convention: Formal Changes Only. Vol. 12, No.3. p.57-58.

<sup>31</sup> Kurtz, Anat 2009. INSS Strategic Assessment: November 2009:The Sixth Fatah Convention: Formal Changes Only. Vol. 12, No.3. p.59.

<sup>32</sup> ICG 2009. Palestine: Salvaging Fatah. p.3.

<sup>33</sup> ICG 2009. Palestine: Salvaging Fatah. p.i.

<sup>34</sup> Kurtz, Anat 2009. INSS Strategic Assessment: November 2009:The Sixth Fatah Convention: Formal Changes Only. Vol. 12, No.3. p.56.

the West Bank, Marwan Barghouti would be the most popular Fatah candidate<sup>35</sup>. It should be noted however, that opinion polls foretold nothing of Hamas 2006 victory. More fundamentally, the foundations for Fatah's hegemony are gone: "Resistance in the region is spearheaded by Islamic, not secular groups; Arafat is no more; diplomacy is President Abbas's preserve; Salam Fayyad's government dominates the West Bank, while Hamas controls Gaza. Far from being a big tent under which all Palestinian forces assemble, Fatah is being crowded out by competing forces"<sup>36</sup>.

With respect to the Palestinian Authority, Fatah has partially merged with the organization through its members being represented in many of its posts, which has its origins in the founding of the PA pursuant to the Oslo Accords. President of the PA Mahmoud Abbas, is the head of Fatah and the PLO, being the most powerful connection between the two entities. Reportedly a part of Fatah members think it should disassociate itself from the PA, and focus on being a political resistance movement, while others state that the party should reclaim control of the PA<sup>37</sup>.

Lastly, the incident coined as 'Fatah-gate' is sure to further undermine Fatah's standing in the eyes of Palestinians. In February 2010, Israeli television showed a tape of Fatah's Rafiq Al-Husseini, who is Abbas' chief of staff, eliciting sex from a young woman in exchange for a job at the PA. The tape was disclosed by Fahmi Shabaneh, former head of intelligence for anti-corruption at the PA. According to Shabaneh, he had raised the issue with Abbas to no avail in 2008, and considered exposure the last resort for forcing the PA into action against corruption. He said he has information incriminating many more PA officials<sup>38</sup>. Abbas has suspended Husseini<sup>39</sup>, and was reportedly infuriated by him mocking Abbas, his sons and Arafat on the tape. The PA also issued an arrest warrant to Shabaneh on charges of corruption<sup>40</sup>. Shabaneh also stated that Fatah personnel had stolen 3.2 million dollars in aide-money in the run-up to the 2006 elections<sup>41</sup>. Others have claimed this is a ploy by Israelis to pressure and extort a price from Abbas for not returning to the negotiating table<sup>42</sup>.

Key variables for Fatah in the near-future are: the possible resignation of Abbas as President of the PA and the ensuing power-battle for the position; calls for armed struggle within the group because of the standstill in the negotiation-track; pressure to reconcile with Hamas; the holding of elections possibly limited to the West Bank; Hamas regrouping into active military cells in the West Bank<sup>43</sup> and the position this will put Fatah in; the political fall-out from Fatah-gate and the further erosion of Fatah's reputation. One key question is the true popularity and capacity of Hamas, which is extremely hard to determine<sup>44</sup> - Hamas' position directly relates to Fatah, currently in a zero-sum

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<sup>35</sup> Palestinian Center for Policy and Survey 2010. Poll number 34: December 2009. p.3.

<sup>36</sup> ICG 2009. Palestine: Salvaging Fatah. p.21.

<sup>37</sup> ICG 2009. Palestine: Salvaging Fatah. p.23-24.

<sup>38</sup> See Shabaneh's letter to maanews: maanews.net 12th February 2010. Right of reply - Fahmi Shabana.

<sup>39</sup> haaretz.com 16th February 2010. Abbas suspends top aide who mocked PA president on sex tape.

<sup>40</sup> jpost.com 10th February 2010. PA issues arrest warrant for Shabaneh.

<sup>41</sup> jpost.com 9th February 2010. 'Corruption will let Hamas take W. Bank'.

<sup>42</sup> maanews.net 13th February 2010. A stink bomb - Uri Avnery.

<sup>43</sup> See: The Economist 13th february 2010. Palestinian politics and the mosques. p.43.

<sup>44</sup> See for example: The Economist 13th february 2010. Palestinian politics and the mosques. p.43. And: jpost.com 10<sup>th</sup> February 2010. PA issues arrest warrant for Shabaneh.

way. Shabaneh for example stated that because of corruption within the PA, Hamas will one day take over the West Bank<sup>45</sup>.

### *Settlement freeze*

After extensive pressure from the Obama administration, Prime Minister Netanyahu declared a 10-month freeze on the construction in Israeli settlements in the West Bank in November. The freeze however would not include East Jerusalem, buildings with their construction already underway, nor public structures such as schools, synagogues or community centers<sup>46</sup>. Additionally, the Israeli government said it could not freeze already contracted private building. The US had been pushing for a complete freeze. In exchange, the Obama administration had sought the normalization of ties from Arab countries<sup>47</sup>. The freeze was intended to be a confidence-building measure for Palestinians and Arab states in general, both with respect to the US administration's intentions and the credibility of the negotiation -track. The settlement freeze is also significant as one of the key demands for Israel in the first phase of the roadmap for peace<sup>48</sup>. Palestinians view a settlement freeze as the parallel concession by Israel for the recognized progress in their enhancement of internal Palestinian security.

Reactions to the freeze and its conditions were mixed. US Secretary of State Hillary Clinton initially labeled the limited freeze 'unprecedented', calling on the Palestinians to come to the negotiating table without preconditions<sup>49</sup>. Abbas' spokesman Abu Rdainah replied that: "The negotiations are in a state of paralysis, and the result of Israel's intransigence and America's back-peddling is that there is no hope of negotiations on the horizon"<sup>50</sup>. Many Arab countries also harshly criticized the US administration for backing down on the demand for a full freeze<sup>51</sup>.

In Israel, a long-term settlement observer Peace Now wrote that the freeze: "is a historic decision in the right direction"<sup>52</sup>. If implemented, the move would have been unique, as no Israeli government has halted construction to this extent. An Israeli assessment by the Institute for National Security Studies estimated that: "Even a left wing Israeli government is incapable of a full settlement freeze. --- After all the progress in the various previous rounds of negotiations with the Palestinians on the territorial question, it is assumed among Israeli politicians and public opinion that in any permanent arrangement with the Palestinians these settlement blocs will be annexed by Israel, and therefore there is no point in freezing construction there. --- the demand for a full freeze did not seem reasonable or fair to Israelis"<sup>53</sup>.

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<sup>45</sup> jpost.com 9th February 2010. 'Corruption will let Hamas take W. Bank'.

<sup>46</sup> nytimes.com 25th November 2009. Israel offers a pause in building new settlements.

<sup>47</sup> haaretz.com 7th September 2009. U.S. sources: Many Arab states 'pledging' normal Israel ties.

<sup>48</sup> news.bbc.co.uk : the road map: full text.

<sup>49</sup> haaretz.com 2nd November 2009. Clinton calls Israeli settlement concessions 'unprecedented'.

<sup>50</sup> maannews.net 1st November 2009. Abbas: US not advancing peace.

<sup>51</sup> haaretz.com 2nd November 2009. Clinton: Israel's settlement offer falls short of U.S. wishes.

<sup>52</sup> peacenow.org.il 26th November 2009. The settlement freeze – what does it mean?

<sup>53</sup> Brom, Shlomo 2009. INSS Strategic Assessment: November 2009: Fewer Gestures, More Substance. Vol. 12, No.3. p.42.

Already before the freeze there was vocal discontent with Netanyahu from the settlement movement<sup>54</sup> for negotiating on the freeze, limiting construction permits in settlements and in principle accepting the two-state solution. After the declaration of the freeze, large protests were organized<sup>55</sup> and clashes occurred when the freeze was enforced<sup>56</sup>. Defense Minister Ehud Barak tasked 40 additional construction inspectors to implement the freeze<sup>57</sup>, and an IDF representative said that this was the first they were: "receiving clear, detailed instructions on how to deal with building in the settlements"<sup>58</sup>. Polls have seen Netanyahu's popularity ratings dropping, especially with the Israeli right, where his main backing is. This is largely attributed to the settlement freeze<sup>59</sup>.

Netanyahu and Barak have however given the settlers various concessions: some settlements east of the wall/fence have been labeled as priority development zones guaranteeing increased funding<sup>60</sup>, construction in East Jerusalem has continued at good pace<sup>61</sup>, minor renovations have been allowed<sup>62</sup> and new construction permits have been granted even after the declaration<sup>63</sup>.

With respect to settlement expansion in general, there are various on-the-ground figures to take into account: the amount of planned buildings and actual permits for construction, actual building, the settler population, possible expropriation of Palestinian lands, the construction of outposts without the Israeli government's authorization, and breaches of the freeze within the settlements. In late November, Defense Minister Ehud Barak allowed the construction of 28 new public buildings in settlements<sup>64</sup>; in December the settlement of Kiryat Netafim received building permits and some outposts were retrospectively legalized<sup>65</sup>. Although not relating strictly to the freeze itself, but the political gesture it is meant to represent, Israel allowed for the building of 700 new housing units in December in East Jerusalem<sup>66</sup> and plans for 600 more in February<sup>67</sup>, as well as an entirely new settlement<sup>68</sup>. With respect to activity by the settlers themselves, a report by the Defense Ministry in February recorded 28 violations of the construction freeze<sup>69</sup> and the building of new outposts with few demolitions. Settlers have also laid numerous foundations before the freeze went into effect (exempting them as they were 'already under construction') as well as 'fake' ones afterwards<sup>70</sup>.

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<sup>54</sup> haaretz.com 2nd September 2009. Settler leaders: Netanyahu government 'humiliating' us.

<sup>55</sup> nytimes.com 10th December 2009. Israel: 10,000 West Bank settlers protest.

<sup>56</sup> haaretz.com 4<sup>th</sup> December 2009. Barak softens terms of building freeze in bid to placate settlers.

<sup>57</sup> nytimes.com 29th November 2009. Israel to Recruit More Building Inspectors to Enforce a Freeze on West Bank Construction.

<sup>58</sup> haaretz.com 7th December 2009. What makes this settlement freeze different from any other?

<sup>59</sup> haaretz.com 5th February 2010. One year on, most Israelis disapprove of Netanyahu.

<sup>60</sup> peacenow.org.il 10th December 2009. The Socioeconomic status in the settlements is higher than the Israeli average.

<sup>61</sup> See for example: haaretz.com 28th December 2009. U.S.: Israel plan to build in East Jerusalem harms peace process, and peacenow.org.il 5<sup>th</sup> January 2010. New settlement in East Jerusalem – a danger to the peace process.

<sup>62</sup> haaretz.com 4<sup>th</sup> December 2009. Barak softens terms of building freeze in bid to placate settlers.

<sup>63</sup> haaretz.com 19th December 2009. 'Okay for new West Bank homes isn't bid to appease settlers'.

<sup>64</sup> haaretz.com 27th November 2009. Israel okays 28 new settlement buildings, despite freeze.

<sup>65</sup> haaretz.com 30th December 2009. State approves new building plan for West Bank settlement.

<sup>66</sup> haaretz.com 28th December 2009. Israel to build 700 new homes in East Jerusalem.

<sup>67</sup> haaretz.com 26<sup>th</sup> February 2010. Israel planning to build 600 more homes in East Jerusalem.

<sup>68</sup> peacenow.org.il 5th January 2010. New Settlement in East Jerusalem- a Danger to the Peace Process.

<sup>69</sup> haaretz.com 15th February 2010. Defense Ministry reveals West Bank settlement freeze abuses.

<sup>70</sup> peacenow.org.il 30th November 2009. Bypassing the Freeze - "Fake Foundations" in the settlements.

When the freeze went into effect 2,500 units were under construction, and Barak approved 500 more just before the announcement<sup>71</sup>. Israeli group Yesh Din has observed building – with or without permit – in 50 settlements of around a 130 during the freeze<sup>72</sup>. While one study stated that in the first half of 2009 construction had slowed down<sup>73</sup>, the approval of the additional units before the freeze mean that permits approved by September guaranteed building in the West Bank would reach yearly averages<sup>74</sup>.

Seizures of Palestinian land are also being considered<sup>75</sup>. With respect to settlement population it seems that while growth was smaller for the second half of 2009<sup>76</sup>, September projections by the Israeli Central Bureau of Statistics indicated the settlement population (excluding East Jerusalem) was set to grow 4.9% in 2009<sup>77</sup>. Taking into account these facts and others, the freeze is a very lukewarm one. One indicator of lack of enforcement with respect to building in the West Bank is the outposts, illegal even by Israeli law. In August, Barak said all outposts would be evacuated within weeks, having already promised the evacuation of 23 earlier to the US administration<sup>78</sup>. The evacuation of specific outposts has also been ordered by the Israeli High Court<sup>79</sup>. In November however, the state asked for more time for these evacuations on the grounds that it did not have the sufficient resources, because of enforcement of the freeze<sup>80</sup>.

If Abbas returns to the negotiating table, it will be because of pressure from the US. Encouraged by the Obama administration, Abbas and Palestinians declared a total freeze as an absolute condition for returning to negotiations. The US push for the freeze also demonstrated how far Obama's administration is willing to go, and in turn how much Netanyahu's government will concede. If the Palestinian side has not returned to the negotiating table before the freeze is over, it will be a diplomatic victory for Netanyahu who will claim to have done his best. It will also be a *carte blanche* to 'relaunch' construction in settlements, since nothing was achieved through the freeze. In December, Foreign Minister Avigdor Lieberman stated that: "It is clear to everyone that in 10 months, we will be building again full force"<sup>81</sup>. While the freeze was a huge ideological step for Netanyahu<sup>82</sup>, the main motivation for him was getting guarantees of hard action from the US on the Iranian issue. For Netanyahu, Iran is the existential threat to Israel, not the Palestinians of the West Bank<sup>83</sup>.

#### *Palestinian Authority President Mahmoud Abbas*

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<sup>71</sup> haaretz.com 27th November 2009. ANALYSIS / Settlers have been working for months to undermine construction freeze.

<sup>72</sup> btselem.org : Land expropriation & settlements.

<sup>73</sup> haaretz.com 3rd September 2009. Israel building in West Bank settlements has dropped, new study finds.

<sup>74</sup> haaretz.com 8th September 2009. 2009 West Bank construction mirrors yearly trend.

<sup>75</sup> yesh-din.org 2009. On the Agenda: State: Palestinian Lands to be Seized for the Settlement of Ofra.

<sup>76</sup> haaretz.com 2nd February 2010. West Bank settlement growth slows as freeze starts to bite.

<sup>77</sup> www1.cbs.gov.il September 2009. Population by district and sub-district.

<sup>78</sup> haaretz.com 25th August 2009. Barak vows outposts will be evacuated within weeks.

<sup>79</sup> haaretz.com 30th November 2009. Government to ask court for more time to evacuate settlement outposts.

<sup>80</sup> maannews.net 3rd December 2009. Israel defends refusal to evacuate outposts.

<sup>81</sup> haaretz.com 18th December 2009. Lieberman: Settlement activity to restart full force in 10 months.

<sup>82</sup> haaretz.com 3rd November 2009. Netanyahu is positioning himself left of Rabin.

<sup>83</sup> haaretz.com 3rd December 2009. What Netanyahu really thinks about settlements.

Abbas suffered major setbacks during 2009. Under US pressure, Abbas attended a meeting with Netanyahu and Obama in New York in September, despite not obtaining the announced prerequisite of a full settlement freeze. While many described the meeting as a photo-op, Abbas was heavily criticized by Palestinian factions including Hamas, the PLO<sup>84</sup> and from within Fatah itself<sup>85</sup>.

The heaviest blow to Abbas however was when he decided not to give the Palestinians' vote to at the UN Human Rights Council to send the Goldstone report to the UN General Assembly for follow-up. The Goldstone report was commissioned by the UN Human Rights Council, and dealt with the legalities of the conflict in Gaza, claiming that Hamas and especially Israel may have committed war crimes. Palestinian sources have said that the decision was largely made by Abbas personally without consultation of Palestinian factions<sup>86</sup>. The action would have deferred the handling of the issue for six months, but Abbas later reversed course and orchestrated a special session of the Council in October to endorse the report's recommendations<sup>87</sup>. Netanyahu's government stated that if the report was sent to the General Assembly, his government would not renew negotiations. Thus, the US pressured Abbas to withdraw the Palestinian vote<sup>88</sup>. Simultaneously, Shin Bet chief Yuval Diskin threatened to turn the West Bank "into a second Gaza" referring to a near-total blockade<sup>89</sup>. Abbas also set up an investigation committee for finding out the reasons why the vote was delayed<sup>90</sup>. In February, PA representatives called for the International Criminal Court's involvement in the case<sup>91</sup>, something that is very unlikely<sup>92</sup>. The PA however would have little to lose in the sense that it is not itself accused of war crimes, while Hamas and Israel are. PA calls for action will be tempered by Israeli and US pressure, though.

Abbas is head of Fatah, head of the PLO and President of the Palestinian Authority. In November, Abbas said he would not run in the Presidential elections in January 2010 when his term was to end. Abbas reportedly later stated he would also resign as head of the PLO and Fatah<sup>93</sup>. In December however, PLO and Fatah officials said that Abbas had committed to remain in office until elections, and that any decisions would result from internal discussions<sup>94</sup>. While many pointed out skeptically that Abbas has made similar threats before, many insiders believe he might actually resign largely because of the situation he has been placed in<sup>95</sup>. Diskin's assessment in December was that: "Abbas is weak but there is no substitute for him at this stage. --- Abbas painted himself into a corner because he thought the Americans would bring him everything he wanted on a silver platter, and if there's no one to extract him from that corner he may really resign"<sup>96</sup>. Abbas' move was most

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<sup>84</sup> maanews.net 22nd September 2009. White House seeks to lower expectations ahead of Abbas-Netanyahu meet.

<sup>85</sup> haaretz.co.il 22nd September 2009. Peres hopes Obama-led summit will yield return to peace talks.

<sup>86</sup> haaretz.com 6th October 2009. PA move to thwart Goldstone Gaza report shocks Palestinian public.

<sup>87</sup> nytimes.com 16th October 2009. U.N. Council Endorses Gaza Report.

<sup>88</sup> haaretz.com 2nd October 2009. Source: Palestinians drop endorsement of Goldstone report.

<sup>89</sup> haaretz.com 17th January 2010. Diskin to Abbas: Defer UN vote on Goldstone or face 'second Gaza'.

<sup>90</sup> ynetnews.co.il 4th October 2009. Abbas orders probe into Goldstone Report deferral.

<sup>91</sup> haaretz.com 6th February 2010. PA Ambassador: International court must rule on Gaza conflict.

<sup>92</sup> asil.org 2009. David Kaye: The American Society of International Law. Insight: 1st October 2009: The Goldstone report. Vol.13, Issue 16

<sup>93</sup> ynetnews.com 10th November 2009. Sources: Abbas may resign from PLO Executive Committee.

<sup>94</sup> maanews.net 15th December 2009. Abbas promises PLO Central Council 'no surprise decisions'.

<sup>95</sup> nytimes.com 9th November 2009. Palestinian Authority's Future Is in Question.

<sup>96</sup> haaretz.com 29th December 2009. Shin Bet chief: Third intifada unlikely in near future.

probably a result of personal issues, intended to pressure both Israel and the US, improve his standing among Palestinians, and perhaps generate conversation on future leadership within Fatah.

Elections are unlikely to take place any time soon, and Abbas will remain in office until then. Abbas is also important for Israel - he has long been one of the most vocal proponents of peace negotiations and has denounced the use of violence, effectively keeping a cap on Palestinian violence. It is often said in the Israeli media that without Abbas, Israel will have no 'partner'. While Israel and the US may pressure Abbas, they have an interest in keeping him in power. Thus, outside structural factors will favor Abbas staying in power; major incidents causing him to lose face will erode his internal position as leader of the Palestinian cause. One Palestinian analyst estimated that if Abbas would resign: "First there will be a contest for the leadership of the PLO. Then there will be a contest for the leadership of the Palestinian Authority. I can see the two positions being divided between two different leaders. There are no emerging leaders who can occupy the two positions together. --- I think any new leader of the PLO will come from, if not Fateh, than someone independent but close to Fateh"<sup>97</sup>.

#### *Movement restrictions & the economy*

"Movement between West Bank urban centers improved significantly in 2009, largely as a result of changes at a number of key staffed checkpoints," UNOCHA reported<sup>98</sup>. This has resulted in reduced travelling time between major cities and less friction at checkpoints<sup>99</sup>. In October 2009, there continued to be 578 closure obstacles restricting movement in the West Bank. Area C<sup>100</sup>, which is under full Israeli control according to the Oslo Accords and constitutes 60% of land in the West Bank, remained off limits for Palestinian use or development<sup>101</sup>. Nearly all Israeli settlements are located in C Areas and East Jerusalem<sup>102</sup>.

According to the IMF: "Provided remaining restrictions in the West Bank are lifted in the remainder of the year, real GDP in the West Bank is projected to rise by about 7 percent in 2009, which would represent the first substantial increase in living standards since 2005". The IMF's September report credits the easing of movement restrictions, improvement in security and concurrent boosted confidence as well as economic reforms by the PA<sup>103</sup>. Yet this should be put into context: since September 2000, the World Bank estimates that in the whole of the Palestinian Territories, the economy has declined a cumulative 34 percent in real per capita terms. As stated by one Palestinian businessman: "[Movement] restrictions, combined with Israel's fragmentation of the West Bank,

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<sup>97</sup> bitterlemons.org 2nd November 2009. A Palestinian view: No obvious successor: An interview with Said Zeidani. Edition 40.

<sup>98</sup> UNOCHA 2009. The humanitarian monitor: December 2009. p.2-3.

<sup>99</sup> UNOCHA 2009. West Bank movement and access update: November 2009.

<sup>100</sup> Following the Oslo Accords, the West Bank was divided into Area A, B and C. Area A is under Palestinian administrative and security control (mostly Palestinian urban areas), Area B under Palestinian administrative but Israeli security control (mostly Palestinian rural areas), and Area C under full Israeli control (See reference 102). In reality however, the IDF operates in all areas.

<sup>101</sup> UNOCHA 2009. The humanitarian monitor: December 2009. p.2-3.

<sup>102</sup> UNOCHA 2007. The humanitarian impact of Israeli settlements and other infrastructure in the West Bank. p.123.

<sup>103</sup> IMF 2009. Macroeconomic and fiscal framework for the West Bank and Gaza: fourth review of progress. September 2009.

remain the greatest impediment to economic development in Palestine"<sup>104</sup>. That an easing in restrictions results in a 7% growth rate despite a global recession, demonstrates to what extent changes in the Palestinian economy are a function of changes in the Israeli occupation.

Netanyahu's government has purposefully eased the restrictions on movement to bolster Abbas and peaceful negotiations as the right track for the Palestinian people compared to Hamas and armed resistance. This is also consistent with Netanyahu's concept of 'economic peace', claiming that the peace process should focus on economic issues, not political disagreements. According to Netanyahu: "economic development does not solve problems, it mitigates them and makes them more accessible for solutions". Economic development should then be the focus since the political process is in a standstill<sup>105</sup>. Many have criticized the focus on economy as a way to avoid discussion on political issues.

### *Casualties and injuries in the West Bank*

No Palestinian suicide attacks occurred in 2009. Attacks against Israelis in the West Bank, including East Jerusalem continued to decline, especially ones involving firearms and explosive devices. 90% of attacks involve Molotov cocktails. Two soldiers and two civilians were killed in 2009<sup>106</sup>. In February, an Israeli soldier was stabbed by a member of PA security forces<sup>107</sup>. 27 Palestinians were killed in conflict-related clashes, less than half of that in 2008<sup>108</sup>. All in all, 76 Palestinians were injured either by Israeli military activities, settler-related incidents or demonstrations. Anti-wall/fence demonstrations represent nearly half of these. While this was the calmest year in the West Bank during the decade, January was the third consecutive month that injuries were increasing<sup>109</sup>. Improvements in the security situation have largely been attributed to the success of PA security forces and increased cooperation with the IDF. The Palestinian leadership's (Abbas and Fayyad) opposition to the use of violence probably also tempers single individuals who might be motivated to commit attacks<sup>110</sup>. These currently represent the most common form of attacks against Israelis.

### *PA Security forces*

The reform of the Palestinian security sector has achieved tangible results and impressed the IDF which has in stages allowed them to take security responsibility in major cities<sup>111</sup>. The major part of the reform has been led by the US. The US lead and the cooperation with the IDF have led many Palestinians to denounce the new security forces as subcontractors for the occupation and the CIA<sup>112</sup>. In effect, one of the tasks that the PA forces are actively pursuing is the dismantling of

<sup>104</sup> nytimes.com 8th September 2009. The West Bank's Deceptive Growth.

<sup>105</sup> haaretz.com 21st November 2008. Netanyahu: Economics, not politics, is the key to peace.

<sup>106</sup> Israeli Security Agency 2010. 2009 Annual Summary: Data and Trends in Palestinian Terrorism. p.10.

<sup>107</sup> ynetnews.com 10th February 2010. Soldier killed in West Bank knife attack.

<sup>108</sup> washingtonpost.com 1st January 2010. In sharp contrast with Gaza, casualties decline in West Bank.

<sup>109</sup> UNOCHA 2010. The humanitarian monitor: January 2010. p.2-3.

<sup>110</sup> See for example: haaretz.com 10th February 2010. Palestinian PM condemns West Bank 'stabbing incident'.

<sup>111</sup> The Washington Institute for Near East Policy 2009. Speaker: Lieutenant General Keith Dayton,

U.S. Security Coordinator, Israel and the Palestinian Authority. Program of The Soref Symposium.

<sup>112</sup> Sayigh, Yezid 2009. Fixing broken windows: Security Sector Reform in Palestine, Lebanon, and Yemen. Carnegie Endowment for International Peace. Or: fpri.org : E-notes: A moment of truth.

Hamas' infrastructure in the West Bank - they are not a politically neutral force<sup>113</sup>. Additionally, the PA forces indeed offer a great advantage for the IDF: for example during Operation Cast Lead, the PA forces controlled the protests and the IDF kept away from crowds<sup>114</sup>. The PA forces are also allegedly involved in human rights abuses<sup>115</sup>. Lastly according to reports ranks are being filled with new young men<sup>116</sup> and Fatah-affiliated people are being removed from the forces. One should ask what will happen with the demobilized former fighters<sup>117</sup>.

#### *Other events*

In December, a mosque was burned in the village of Yasuf. Jewish settlers are thought to be behind the act: "price tag" was written on the outside of the mosque. This refers to a policy innovated by settlers where any action against outposts or settlements is answered with violence on Palestinians civilians<sup>118</sup>. According to the UN the idea is to: "to deter the Israeli authorities from removing such outposts. In the immediate term, the 'price tag' strategy aims at diverting Israeli forces and troops from the scene of an outpost evacuation"<sup>119</sup>. The action was condemned by Israeli authorities, and many settlers including a rabbi were arrested. No one had however been charged with a crime as of the end of January 2010<sup>120</sup>.

In February, the IDF and the PA forces arrested cells of unarmed men disseminating Al-Qaida - inspired propaganda in various parts of the West Bank. The groups had possibly been gathering information on potential targets for attacks<sup>121</sup> and were conducting military training<sup>122</sup>. The event suggests that the intertwining of the global narrative of jihadism and the Palestinian is spreading beyond Gaza<sup>123</sup>. The joint operation and the sharing of delicate information also reflect the trust the IDF has in the PA forces. It should be noted however, that the Al-Qaida -card has been used for political purposes. The IDF for example has created fake Al-Qaida cells to discredit the Palestinian cause<sup>124</sup>.

In February, Netanyahu announced the government plans to promote an Israeli national heritage list that would include Rachel's Tomb in Bethlehem and the Cave of the Patriarchs (the al-Ibrahimi Mosque) in Hebron. Announcing the plan, Netanyahu said: "Our existence depends not only on the

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<sup>113</sup> Ibid. p.6.

<sup>114</sup> Washington Institute for Near East Policy 2009. Speaker: Lieutenant General Keith Dayton,

U.S. Security Coordinator, Israel and the Palestinian Authority. Program of The Soref Symposium.11-12.

<sup>115</sup> Human Rights Watch 2009. Under Cover War: Hamas Political Violence in Gaza. p.2.

<sup>116</sup> The Washington Institute for Near East Policy 2009. Speaker: Lieutenant General Keith Dayton,

U.S. Security Coordinator, Israel and the Palestinian Authority. Program of The Soref Symposium. p.7.

<sup>117</sup> Sayigh, Yezid 2009. Fixing broken windows: Security Sector Reform in Palestine, Lebanon, and Yemen. Carnegie Endowment for International Peace. p.3. See also: maannews.net 9th March 2010. Israel pardons 77 former Fatah fighters.

<sup>118</sup> nytimes.com 13th Decmber 2010. West Bank Is Tense After Arson at Mosque.

<sup>119</sup> UNOCHA 2009. Israeli settler violence and the evacuation of outposts. November 2009. p.1.

<sup>120</sup> haaretz.com 29th January 2010. Settlers suspected in West Bank mosque arson may not be charged.

<sup>121</sup> haaretz.com 7th February 2010. PA, Israel jointly arrest six Qaida-linked jihadists in West Bank.

<sup>122</sup> jordantimes.com 18th February 2010. Palestinians arrest Al Qaeda suspects in West Bank.

<sup>123</sup> Levitt, Matthew 25th January 2010. When Yemen Meets Gaza. At foreignpolicy.com

<sup>124</sup> Chehab, Zaki 2007. Inside Hamas: The Untold Story of the Militiant Islamic Movement. Nation Books: New York.

IDF or our economic resilience - it is anchored in...the national sentiment that we will bestow upon the coming generations and in our ability to justify our connection to the land”<sup>125</sup>. Both sites are venerated in Muslim faith and are beyond Israel’s settlement blocks. The Hebron site is currently divided into a Mosque and Synagogue, and the site itself is a source of extreme tension<sup>126</sup> as is the city itself<sup>127</sup>. This announcement was made during the settlement freeze and after Abbas agreed to indirect talks<sup>128</sup>. The announcement resulted in five days of rioting in Hebron up until the end of February<sup>129</sup>. These riots are analogical in potential to the ones in East Jerusalem. Abbas said he feared that the announcement and riots in Hebron could spark war<sup>130</sup>. Hebron was one of the settlements to be evacuated in the offer former Israeli Prime Minister Ehud Olmert made to Abbas<sup>131</sup>.

### *The peace process*

Most of the key variables for the peace process and negotiations, especially with respect to the Palestinian side, have been described above. These included especially Abbas’ weak position and lack of any concessions by Israel that would allow him to return to negotiations without losing face, as well as the Fatah-Hamas divide. From the Palestinian point of view:

“The objective of the present Israeli government is similarly to flesh out any negotiations long enough to make it impossible for the US administration to put any pressure on Israel, i.e., at least until just before the next US presidential elections. This, in the meantime, will allow Israel to continue the process of settling the West Bank and East Jerusalem, as indeed it is continuing to do even under the current so-called freeze, which is in any case temporary. Certainly there is no reason to believe that such negotiations will lead anywhere in the absence of concrete and concerted pressure on the Israeli government”<sup>132</sup>.

Many estimate that any potential negotiations will fail and that a permanent agreement is not possible, because of 1. weakness of both leaders, and 2. insurmountable gaps in substantial issues<sup>133</sup>.

From the Israeli perspective, any unilateral disengagement without a partner that can give effective security commitments for Israel has been discredited as an option after the Gaza disengagement and withdrawal from Lebanon. While there might be increased trust in the PA security forces, they are still considered weak by Israelis and many question whether they could prevent Hamas from taking over the West Bank.

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<sup>125</sup> haaretz.com 21st February 2010. [Netanyahu: Hebron - cave of patriarchs to be Israeli national heritage site.](#)

<sup>126</sup> See for example: nytimes.com 22<sup>nd</sup> March 1994. An Obligation for Hebron's Arab Clans: Revenge.

<sup>127</sup> See for example: Btselem 2007. Ghost town: Israel’s Separation Policy and Forced Eviction of Palestinians from the Center of Hebron.

<sup>128</sup> haaretz.com 8th February 2010. Abbas give in to U.S. pressure for indirect Mideast talks.

<sup>129</sup> guardian.co.uk 26th February 2010. Clashes as Israel puts West Bank religious sites on heritage list.

<sup>130</sup> maannews.net 23rd February 2010. Abbas: Heritage row could spark war.

<sup>131</sup> haaretz.com 17th December 2009. Haaretz exclusive: Olmert’s plan for peace with the Palestinians.

<sup>132</sup> bitterlemons.org 15<sup>th</sup> February 2010. A Palestinian view: Failed negotiations could fatally undermine the Palestinian Authority. George Giacaman. Edition 4.

<sup>133</sup> See for example: bitterlemons.org 15th February 2010. An Israeli view: Look at alternatives. Yossi Alpher. Edition 4.

In November, PA negotiator Saeb Erekat said that the PA is considering seeking UN Security Council recognition for a Palestinian state along the 1967 –borders, stating support from Russia and Secretary-General Ban Ki-moon<sup>134</sup>. Hamas rejected the idea calling for continued armed resistance, pointing out Arafat had already declared Palestinian independence in 1988<sup>135</sup>. The US stated it does not support the move, and some senators said the US would veto it. The Israeli Minister of Environment Gilad Erdan replied: “If the Palestinians take such a unilateral line, Israel should also consider passing a law to annex some of the settlements”<sup>136</sup>. He was supported by other right-wing ministers. Other responses called for included annexing all of area C, ceasing the transfer of money to the PA that goes through Israel, and tightening travel restrictions<sup>137</sup>. While the move may be symbolic, it reflects a reality on the Palestinian side. As Israeli Military Intelligence Chief Yadlin, and Shin Bet Director Diskin told their ministers in December:

“The Palestinians want to continue to build their state from below and at the same time to work with the United States and the European Union to force Israel into an arrangement from [above]. --- A vacuum has been created due to the stalled peace process into which a number of different states are putting their own initiatives, none of them in Israel's favor. --- The fact that the United States has also reached a dead-end in its efforts only worsens the problem”<sup>138</sup>.

In addition to the PA security forces, 'building from below' refers to PA Prime Minister Salam Fayyad's plan on establishing a Palestinian state by 2011 published in August. The main idea is to build state structures, decreasing dependency on foreign aid and the Israeli economy while increasing the PA's income from taxing Palestinians. By "building positive facts on the ground" and having a real state emerge<sup>139</sup>, the occupation would come to be seen as an anomaly by the rest of the world<sup>140</sup>. The plan is a departure from the strategy that focuses mainly on negotiations and obtaining a political solution with Israel to end the occupation.

While it was very positively received by the Western countries, Palestinian factions have been less enthusiastic about the plan by Fayyad, who does not belong to any of the major factions. Fatah officials for example have said it encroaches on the President's powers. Those that support armed resistance, both within Fatah and from other factions such as Hamas, see Fayyad's plan as deflecting attention from resistance<sup>141</sup>. While the plan may complement other tracks by both pressuring Israel as well as building confidence in the PA if successful, its realization largely depends on Israel. The plan for example calls for rail links between neighboring countries as well as an international airport. While the plan is not in confrontation with Israel's interest, who would like to see a capable PA administer the population, Israel is opposed to unilateral moves where it does not define the rules of the game, and is especially opposed to the unilateral declaration of a Palestinian state in 2011. This strategy is however receiving increased international backing, especially in the EU<sup>142</sup>.

<sup>134</sup> haaretz.com 14th November 2009. PA negotiator: We may seek UN recognition of Palestinian state.

<sup>135</sup> english.pnn.ps 16th November 2009. Hamas criticizes PA attempt to seek UN recognition of statehood.

<sup>136</sup> israelnationalnews.com 16th November 2009. 'If PA Declares State, Israel Will Annex Settlements'.

<sup>137</sup> haaretz.com 17th November 2009. Palestinians under world pressure not to declare state unilaterally.

<sup>138</sup> haaretz.com 10th December 2009. 'Palestinians want West to force Israel to accept state'.

<sup>139</sup> haaretz.com 25th August 2009. Palestinian PM: We'll form de facto state by 2011.

<sup>140</sup> haaretz.com 13th February 2010. A day in the life of the Palestinian Ben-Gurion.

<sup>141</sup> mesi.org.uk 22nd October 2009. Prime Minister Salam Fayyad's Two-Year Path to Palestinian Statehood: Implications for the Palestinian Authority and Israel.

<sup>142</sup> haaretz.com 21st February 2010. EU initiative: recognition of Palestinian state by next year.

The Israeli Prime Minister Netanyahu had campaigned on a platform that was critical of the peace process in general, did not recognize the possibility of a Palestinian state<sup>143</sup> and promised to expand settlements<sup>144</sup>. Israeli Foreign Minister Avigdor Lieberman stated in April that while it would follow the road map for peace, the terms set out in the Annapolis peace process have "no validity"<sup>145</sup>. But, in June in his Bar-Ilan speech, Netanyahu accepted the recognition of a Palestinian state. This was largely seen as a move to deflect pressure for a settlement freeze<sup>146</sup>, as well as guarantee tougher action on Iran from the US.

Netanyahu however set a number of conditions for a future Palestinian state. The state would be demilitarized; there would be no airport and Israel would control its airspace; the state could not make treaties with 'countries like Iran' nor military treaties in general. Netanyahu insisted on "real effective measures to prevent arms coming in", alluding to borders controlled by Israel. Jerusalem would belong to Israel. Netanyahu has also persistently that negotiations begin without preconditions. In his speech, he said he would not expand settlements, but would allow for natural growth, i.e. build inside the settlements. He repeated his demand that Israel be recognized by Palestinians as a Jewish state, explicitly ruling out the right of return of Palestinian refugees to Israel<sup>147</sup>. The second major shift in Netanyahu's policy in 2009 was the limited settlement freeze. Largely, these remain the current Israeli government's conditions in possible negotiations today.

Of different peace options, the one-state solution, is currently supported by 20% of Palestinians, against 64% for the two-state solution<sup>148</sup>. This refers to a strategy by Palestinians to demand integration into Israel with full rights and citizenship. In January 2010, Abbas stated that he feared the Israeli settlement policy was leading to a one-state solution<sup>149</sup>. In February 2010, chief Palestinian negotiator Saeb Erekat published a document of different policy –options for the Palestinian cause, if negotiations fail. It included pursuing the one-state solution, notably by dissolution of the PA to force Israel to retake control of the West Bank<sup>150</sup>. As the head of one Palestinian party stated that: "It is becoming clearer and clearer that Palestinians, absent a two-state solution, must prepare to think about how to ensure their right to self-determination without a state of their own. The only alternative is in a democratic one-state solution"<sup>151</sup>. Thus for example an Israeli strategic assessment stated that Israel's biggest threat from the Palestinians is not a possible third intifada, but Palestinians non-violently adopting the one-state solution. This would: "undermine the national foundation of the State of Israel", in effect its perceived Jewish character<sup>152</sup>. Effectively, in the long run demands for a one-state solution will provide greater leverage than the resumption of armed struggle. Currently however, no legitimate Palestinian leader could pursue the one-state solution with full force.

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<sup>143</sup> [spiegel.de](http://spiegel.de) 6th April 2009. EU Sharpens Tone Against New Israeli Government.

<sup>144</sup> [msnbc.msn.com](http://msnbc.msn.com) 26th January 2009. Israeli politician would let settlements grow.

<sup>145</sup> [haaretz.com](http://haaretz.com) 17th April 2009. Lieberman: Israel is changing its policies on peace.

<sup>146</sup> [haaretz.com](http://haaretz.com) 15th June 2009. Netanyahu backs demilitarized Palestinian state.

<sup>147</sup> [haaretz.com](http://haaretz.com) 14th June 2009. Full text of Netanyahu's foreign policy speech at Bar Ilan.

<sup>148</sup> Palestinian Center for Policy and Survey 2010. Poll number 34: December 2009. p.4.

<sup>149</sup> [guardian.co.uk](http://guardian.co.uk) 31st January 2010. Mahmoud Abbas: Israel's West Bank occupation leading to one-state solution.

<sup>150</sup> [haaretz.com](http://haaretz.com) 26th February 2010. Palestinians threaten to adopt one-state solution.

<sup>151</sup> [bitterlemons.org](http://bitterlemons.org) 1st February 2010. A Palestinian view: A dangerous concept: An interview with Bassam Al-Salhi. Edition 3.

<sup>152</sup> Kurtz, Anat 2009. INSS Strategic Assessment: November 2009: The Sixth Fatah Convention: Formal Changes Only. Vol. 12, No.3. p.61-62.

In the absence of negotiations, most of the peace suggestions focused either on a) interim agreements, on the basis that they are more achievable, or b) unilateral moves, which would eventually have a transfer-effect on the core issues (borders, refugees, East Jerusalem). One Israeli example is the peace plan published by MK Shaul Mofaz, Tzipi Livni's main competitor in Kadima. The plan calls for temporary borders which would include 50-60% of the West Bank according to Green Line. These would mainly be areas A and B. Eventually, 92% of territory would be under Palestinian control, while major Israeli settlement blocks would be annexed<sup>153</sup>. Other Israeli experts made similar suggestions<sup>154</sup>. These are however the opposite of the final-solution talks being sought by Palestinian negotiators. One Palestinian politician said that Israel was trying to isolate the land-swap principle from other issues (which could then be left unresolved). Also, the land-swap as a principle is problematic since it *de facto* acknowledges the settlement blocks as Israel's and lets Israeli settlement-policy define the starting point for future borders<sup>155</sup>. It seems that land-swaps were a guiding principle of the Annapolis process<sup>156</sup>.

By February, Abbas had agreed to participate in indirect 'proxy' talks, meaning Israeli and Palestinian officials would discuss over returning to negotiations. This was seen to be largely due to massive US pressure<sup>157</sup>. What these talks will yield, especially in light of the incidents in Hebron, the continued construction despite the freeze, and the wide difference in positions remains to be seen. It is likely that while there will be little progress on the negotiation track, both sides will move forward with unilateral actions. This will weaken the credibility of bilateral strategies, also in favor of unilateral armed resistance by Palestinian factions.

From the Israeli perspective, maintaining the status quo is in its interest. Two things, US pressure and Palestinian armed resistance, can challenge this. US pressure is being deflected by the indirect talks and the limited settlement freeze, combined with moves to make it impossible for Abbas to truly enter negotiations. With respect to Palestinian violence, the situation is one of the calmest for a decade for Israel. Also, Israel sees that it can withstand another Intifada. It has been working intensively to disentangle and seal itself off physically and economically from the Palestinian society. As expressed by Israeli Major-General Yaakov Amidror formulating his theory on sufficient victory over the enemy:

“--- sufficient victory [does] not provide a solution to the ideological conflict that forms the basis of the armed struggle and terror. --- but rather achieves only a “repressed quiet,” requiring the investment of continuous effort to preserve it. The terror is not destroyed but is contained at a minimal level, with constant efforts to prevent its eruption. --- This was also the achievement of Israel in the West Bank in the aftermath of the 2002 Operation Defensive Shield”<sup>158</sup>.

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<sup>153</sup> ynetnews.com 30th November 2009. Mofaz plan: Palestinian state in temporary borders.

<sup>154</sup> Brom, Shlomo; Eiland, Giora & Eran, Oded 2009. INSS Strategic Assessment: November 2009: Partial Agreements with the Palestinians . Vol. 12, No.3.

<sup>155</sup> bitterlemons.org 1st February 2010. A Palestinian view: A dangerous concept: An interview with Bassam Al-Salhi. Edition 3.

<sup>156</sup> haaretz.com 17th December 2009. Haaretz exclusive: Olmert's plan for peace with the Palestinians.

<sup>157</sup> haaretz.com 8th February 2010. Abbas give in to U.S. pressure for indirect Mideast talks.

<sup>158</sup> Amidror, Yaakov 2007. Winning Counterinsurgency War: the Israeli Experience. At jcpa.org.

2010?

Key variables to keep an eye on for 2010 include: provocative incidents, especially ones with a religious component, sparking Palestinian rioting and the Palestinian political structure's degree of control and positioning with respect to these; pressure from the Palestinian public for reconciliation between Fatah and Hamas, who both justify their leadership through a narrative of representing the Palestinians; Mahmoud Abbas' continued weakening because of structural factors and whether this will lead to his resignation; the rise of more militant figures within Fatah, especially if Abbas weakens; possible legislative and presidential elections limited to the West Bank; how much political capital the Israeli government can claim from its limited settlement freeze; possible expansion of the area of operations of the PA security forces; effectiveness of negotiations and moves toward unilateralism on both sides. Especially Abbas' resignation would shuffle the cards with unpredictable consequences.

In the long run if there is no change in trajectory, more responsibility over territory will be given to the PA, notably A and B areas (40% of West Bank), while construction in settlements, their expansion, and the building of outposts will continue. Since from an Israeli point of view, PA security forces are in a more legitimate position to act, they will be beefed up to control the Palestinian population and especially Hamas as well as less powerful but more extreme groups. Fayyad will continue his state-building project with success, accompanied by easing of restrictions in very limited areas. Thus, the PA and Fatah will hold more effective power in a larger but shrinking territory limited by Israel, while paradoxically losing legitimacy in the eyes of the Palestinian people for being corrupt, undemocratic and a proxy for the occupation. This in turn will lead to the radicalization of limited parts of the Palestinian society. The Israeli military will keep 'hard' alternatives (complete re-occupation) on the table, if it sees that the PA cannot deal with these elements.

Israel has both political and economic interests in keeping Palestinians governing Palestinians. The political benefits are obvious: it is more acceptable to the international community, and deflects attention from Israel's responsibility for the occupation. Economically, occupation is expensive, and the PA is sponsored by the international community. Forced negotiations will proceed along these developments on the ground, with perhaps partial concessions to the PA, such as the mentioned devolution of power to areas B. Key elements from the Israeli point of view, such as border controls will however not be handed over. The division between West Bank and Gaza will continue and be further entrenched by these developments. Israel will however seek a separate track with Hamas. A major question will be the Palestinian leadership's and Fatah's justifications to legitimize their rule to the Palestinian people.