



## *Israel Debates No. 2*

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### **Netanyahu's Construction Freeze for Jewish Settlements in the West Bank**

On 25.11.2009, the Israeli government decided on a 10-month construction freeze for the Jewish settlements in the West Bank. This freeze explicitly excludes East Jerusalem, and affects all as-yet-not-begun building. Construction begun before that decision date is not affected, and can continue until the buildings are completed.

Prime Minister Benjamin Netanyahu's decision was in reaction to pressure from Washington. The halt, according to Netanyahu, is a gesture to get the stalled peace talks with the Palestinians restarted. Palestinian leaders reacted negatively to Netanyahu's initiative and made it clear that they remain unready to recommence the stalled negotiations with Israel.

Since the proclamation of the decision to halt the construction there have been some violent protests and demonstrations in the settlement areas. A number of people have been injured, both protesters and police. State inspectors trying to issue the orders to halt construction were prevented from access to the settlements. But not only settlers were critical of the initiative. Other critics included members of the government coalition and of Netanyahu's Likud party. The US government welcomed the measure as a step in the right direction.

**Dr. Reuven Pedatzur**, lecturer at the Netanya Academic College, is critical of the Netanyahu government's construction-halt decision. He sees the decision merely as Netanyahu's tactical maneuver, to satisfy and silence the US government, and not a real step towards progress in negotiations with the Palestinians. He adds that Netanyahu has reached a crucial point, and must decide what and how he really wants to do to ensure that the future of Israel is as a democratic Jewish State; or continue maintaining the status quo at the cost of transforming Israel into a bi-national state or apartheid regime. Netanyahu cannot continue to both woo the settlers and seek the compromise to which the Palestinians aspire.

**Prof. Efraim Inbar** of the Bar-Ilan University views this step by the Netanyahu government in a positive light. He sees this as an unprecedented decision reflecting the Netanyahu government's desire to improve relations with the United States, as well as to show clearly its reasonable and flexible policy towards the Palestinians, so that Netanyahu cannot be accused of missing the opportunity for a peace treaty. He adds that the Palestinian side lacks pragmatism and that the Palestinian people are once again victims of poor, radical leadership, missing the realistic goal of coexistence with Israel that the people would prefer. Unfortunately, the current Palestinian leadership continues to educate their youth in armed struggle and a culture which idolizes death and martyrdom.

Dr. Ralf Hexel, Head of the FES office in Israel.  
Herzliya, 22nd December 2009

## Settlement Freeze, its Implications and Reactions on the Israeli, Palestinian and American sides

by Dr. Reuven Pedatzur

The decision of the Prime Minister, Benjamin Netanyahu, to freeze settlement construction for 10 months will not bring about any advancement whatsoever in political negotiations with the Palestinians. The decision does however once again show that Netanyahu has still not formulated an inclusive policy that would lead to a solution of the Palestinian problem.

Clearly, the Prime Minister's decision to freeze building activity is mainly aimed at placating the American Administration. Ever since Barak Obama's White House takeover, he has called for a total freeze of building in the territories. In Netanyahu's explanation in the Knesset of his decision, to Likud members, he said: "The building freeze is a one-time step that protects the State of Israel's broadest interests". The interests to which the Prime Minister refers in this case: to prevent damaging the relations between Israel and the USA.

The decision to freeze construction is simply a wink by the Netanyahu government, to the American Administration, to Netanyahu's coalition partners, to the Israeli public, and even to the settlers themselves. Proof of this are two components of the decision. One is the limitation of the freeze to only 10 months, after which the "construction boom" will be restored as fast as possible. "Once the freeze ends, my government will restore the building policies of previous governments in Yehuda and Shomron" – Netanyahu stressed this point at the press conference during which he announced the cabinet decision to freeze construction. If Netanyahu was truly interested in reaching an agreement with the Palestinians, he should have clarified that in the future, building in West Bank areas that will one day be part of an impending Palestinian state, would not be permitted. It is clear, after all, that any viable solution will include the establishment of a Palestinian State in most of the areas in the West Bank. (Previous negotiations between Israeli Prime Ministers and the Palestinian Authority referred to between 96% to 98% of the West Bank.)

The second factor indicating, that the decision to freeze construction is only tactical, and not a part of the planned strategy leading to an agreement, is the inclusion of all settlements in the West Bank, without differentiating between settlement blocs

and lone outposts. All agreement plans and options that Israel has ever discussed with the Palestinians included a component that all negotiators agreed upon: the settlement blocs will remain under Israeli control. For example, after the lengthy negotiations at Taba in January 2001, the Palestinians agreed to the settlement blocs that include Ariel, Karnei Shomron, Beitar Ilit and Gush Etzion. The Palestinian's agreement to include the settlement blocs in Israel was conditioned on "land exchanges" within the Green Line, to be transferred to the Palestinians, such as areas in the Western Negev or the Eastern Lachish region. The fact that Netanyahu made no differentiation between the settlement blocs and the rest of the settlements is an indication that this is not part of an overall political plan.

An examination of the construction-freeze decision's components reveals that it is not a total freeze, and that immediately after the decision was made, it began to unravel. For example, just a few days after the decision, the Area Activities Coordinator, Brigadier General Eitan Danguit, published a list of 84 homes and public buildings in the West Bank whose building the Civil Administrator would permit to be continued, in spite of the government's decision to freeze construction. The buildings, including 492 apartments, were already approved by the government last summer, for construction. Even though their foundations had not yet been poured, it was decided to allow them to be built. These include buildings in Gush Etzion, Givat Ze'ev, Keidar, Maskiot in the Jordan Valley, Ma'ale Adumim and Modi'in Elit. The buildings in question will be in addition to the 2,500 housing units whose construction began before the freeze, and whose construction continues.

About two weeks after the freeze decision, the Prime Minister's office released a map of national priorities. The residential areas included in the map enjoy privileges in fields of education, infrastructure, employment and more. Suddenly, we find that the map released by Netanyahu's office includes many settlements that are outside the settlement blocs, such as Itamar, Nokdim (the Foreign Minister, Avigdor Lieberman's settlement), Beitar and Emmanuel. It seems that one hand decides on the construction freeze, while the other hand extends a range of privileges to those self-same "frozen" settlements.

Netanyahu hoped for an additional advantage through the freeze decision: to show up the Palestinian Authority as stubbornly recalcitrant, and refusing to return to the negotiating table. By

announcing the freeze decision, Netanyahu called on the Palestinians, and the Arab world, to take advantage of the decision to make peace. "The Government of Israel today made a brave step towards peace. The public expects you to do the same. Come and make peace with us". Surely the Prime Minister knew that Mahmud Abba (Abu Mazen) could not pick up the baton and return to the negotiating table.

Netanyahu surmised that the freeze decision would paint Abu Mazen into a corner: If he continues in his refusal to return to the negotiating table, the American Administration is likely to blame him for the failure of the political negotiations regarding peace with Israel. On the other hand, if he agrees to negotiate with Israel, he will be severely criticized at home, accused of capitulating to the Israelis, and in fact, to the continued construction. This is especially true because the Palestinians based their position on the American demand that Israel freeze construction totally in all the territories, including East Jerusalem.

The sharpest criticism that Abu Mazen had to face was from *Hamas*. The Palestinian Authority's Chairman's situation becomes even more problematic, considering that in the not too distant future the unfinished business between Israel and *Hamas*, concerning the kidnapped soldier Gilad Shalit, will be resolved in a prisoner exchange between the two parties. The Israeli soldier will be returned in exchange for the release of hundreds of *Hamas* prisoners and members of other Palestinian organizations. *Hamas* will have an important PR victory in its battle within the Palestinian Authority. Abu Mazen cannot afford to be seen as someone who yielded to Israel, and who succumbed on the demand to freeze construction in East Jerusalem as well, while *Hamas*, stubbornly refusing throughout, rakes in all the glory. *Hamas* therefore takes full advantage of the trap in which Abu Mazen finds himself. The political bureau chief of *Hamas*, Halad Mashal, in a speech in Damascus about a week after Netanyahu's announcement of the freeze, accused Abu Mazen of conceding on Jerusalem, and attacked him on his dependence on the American Administration. "Obama left Abu Mazen alone, out on the branch of a tree, concerning the settlements ", said Mashal.

Subsequently, Netanyahu's evaluation appeared to be correct. Shortly after the Prime Minister's announcement of the the building freeze, the Palestinian Authority postponed its announcement. In an announcement released on behalf of the head of staff of the Palestinian negotiations, Saib Erikat

and on behalf of Nabil Abu Radina, spokesperson of the Chair-man of the Palestinian Authority, Abu Mazen, they said that the partial freeze is not enough, and that the Authority does not intend to return to the negotiation table. According to Abu Radina, Jerusalem is a "red line" and as long as construction is not being stopped in the settlements and specifically in Jerusalem, it is impossible to begin discussions and negotiations again.

Netanyahu's hopes to satisfy and appease the American Administration materialized to some extent. The Obama Administration congratulated him on the decision of the political-security cabinet to freeze construction in the settlements for ten months. The American Secretary of State Hilary Clinton reacted to the Prime Minister's statement on the construction freeze and said that the Israeli government's declaration and will aid the progress towards a solution to the Israel- Palestinian conflict. "We believe that through negotiation the two sides can agree on a result that will put a stop to the conflict and would satisfy both the Palestinian objective of the establishment of an independent and viable state based on the 1967 boundaries, and with the Israeli objective of a Jewish state within secure boundaries, recognized borders, that meet the security needs of Israel ", said Minister Clinton. "I would like to say to the peoples of the area, and to the world, that our obligation to achieve a two-state solution, living side by side in peace and security, remains unwavering".

George Mitchell, the special envoy to the Middle East, who convened a press conference at the American Foreign Ministry just a few minutes after the Prime Minister's announcement of the settlement freeze, said: "This is not a complete settlement construction freeze, but it is more than anything any Israeli Prime Minister has ever offered before. The freeze is also in the national interest of the USA. It is imperative and urgent."

This means that in the meanwhile, the Administration is not pressuring Israel further concerning the building freeze, and has indicated to both sides that it would be better if they returned to the negotiation table. In this way, the Obama Administration becomes more of an observer. This status for the Americans is very convenient for Netanyahu. He wants to gain time and adhere to the status quo, meaning political stagnation.

In the meanwhile, the freeze decision has turned into a critical test for Israeli democracy. The settlers, led by their official authority – The Council for Yehuda & Shomron – announced that they are

not prepared to accept the decision, and intend to fight it. The problem is that the settlers' fight is not handled under only democratic means. Settlers in various settlements attacked the Civil Administration's inspectors who had come to issue the freeze orders. Community leaders from the West Bank, whose salaries are paid by the State, tore up the freeze orders, while others set foundation stones for a synagogue in Ma'aley Adumim, thus clearly defying the freeze orders. Netanyahu's Parliament Members and government ministers participated in the ceremonies. In response to the freeze orders, some settlers attacked Palestinians, fired cars and homes, and even burnt a mosque in Kfar Yassif. The persons who set the fires in the mosque also spray-painted slogans in Hebrew, including: "We'll burn you all" and "Get ready to pay the price".

If the settlers' illegal actions are condoned, and no action is taken against them – such as arrests and charges for their actions – and if the settlers' activities lead to the government caving in and revoking the construction freeze, it will be a severe blow to the already-fragile democratic fabric. Therefore, whether Netanyahu really intends to conduct a political process, or whether his freeze decision is just a tactical move, he has to ensure that the police quickly and effectively deal with the lawbreakers. In this regard, his duty is to protect Israeli democracy.

The question is where to go from here, on the West Bank, after the temporary building freeze decision. Netanyahu can initiate a unilateral process on the West Bank, aimed at alleviating the dispute, strengthening and supporting the Palestinian Authority, and easing Israel's international isolation. Netanyahu's problem is how to draft a formula that will satisfy the American Administration and the international community on the one hand, while on the other hand, will not cause a deep internal rift in Israeli society. But as we know, Netanyahu is against unilateral decisions. He resigned from the Sharon government because of the decision – unilateral as it was – to withdraw from Gaza. Subsequently, he has repeatedly stated that the future of the territories will only be decided by negotiating a permanent peace settlement agreement.

The problem is that in the near future, there does not seem to be any real chance to negotiate a permanent agreement, even if Abu Mazen has declared that the Palestinians will not sign another interim agreement, and that full occupation is preferable to partial peace. This means that the only way to advance is to initiate interim steps. The Palestinian objections to interim steps means that

any interim steps that Netanyahu introduces in the West Bank will of necessity be unilateral, even if they are coordinated with the Palestinians. Netanyahu has to initiate a plan composed so that each stage by the Israelis is matched by a Palestinian stage. Step by step evacuation of territories and settlers, matched by building Palestinian state institutions in accordance with the program of the Palestinian Prime Minister, Sal'am Fi'ad, and under American supervision. In this way the Palestinians will gain more contiguous territory, without settlers and roadblocks, and will get support for economic development. (Netanyahu will also advance what he calls "economic peace".) Israel will gain political tranquility, without having to deal with the painful problems, and without causing a rift in Israeli society.

Netanyahu can also utilize the offer that his predecessor, Ehud Olmert, forwarded to the Palestinians. That offer has three components: Almost total withdrawal from the West Bank, almost to the security barrier, with minor adjustments and territorial exchanges; internationalization of the holy sites and the old city of Jerusalem; and the symbolic acceptance of a few thousand Palestinian refugees in Israel. If Netanyahu had to adopt these political lines, it is likely that the American Administration would be amenable to pressuring the Palestinian Authority to restart negotiating from the point that Olmert reached. However, at this point, it appears that Netanyahu has no intentions of going that route.

It seems that Netanyahu has reached a decisive point, and it is doubtful if he can evade making a decision for much longer. He has to decide where he wants to go: to an agreement that will ensure Israel's future as a democratic Jewish State, or to eternalize the occupation at the price of turning Israel into a bi-national State or an apartheid regime. He cannot go on courting the settlers and at the same time, seek a compromise with the Palestinians.

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**Netanyahu's Settlement Freeze**  
by Prof. Efraim Inbar

Benjamin Netanyahu Israel's Prime Minister and the leader of the pro-settlement Likud party, announced on November 25, 2009 a ten month moratorium on new housing construction in Judea and Samaria, explicitly excluding East Jerusalem from the building suspension. He explained that this difficult unilateral decision (without any reciprocal gesture by the Palestinians) served "the State of Israel's broadest interests" and called on the Palestinian leadership to take this opportunity and return to the negotiating table. This unprecedented decision for a lengthy settlement freeze reflected also a desire for better relations with the US and the need for domestic stability.

1.) The first imperative of each prime minister in Israel, as elsewhere, is staying in power. Netanyahu needs a stable coalition, preferably with the Labor party within as an important component. This allows Netanyahu to claim that he heads a national unity government, rather than a right wing government. Such a government has greater respectability at home and abroad and is less susceptible to outside pressure. Since the Labor party is divided and its leadership under pressure to quit the government, the settlement freeze provides a good excuse for the Laborites to continue the partnership with Netanyahu's Likud.

Netanyahu's gain is not only in terms of coalition stability. The freeze also committed Labor to defend the unity of Jerusalem, Israel's capital, whose Eastern part was excluded from the freeze. It was Barak that violated the taboo on dividing the city in year 2000 and by the end of 2009, he and his party became part of a decision making process that clearly signals to everybody that East Jerusalem is not for grabs. Israeli sovereignty over all Jerusalem is indeed part of the domestic consensus formed by Netanyahu.

Netanyahu felt compelled to make the concession on settlements in order to prove to his people that his government conducted a reasonable and flexible policy toward the Palestinians and that he cannot be accused of squandering an opportunity to make peace. This is the needed political minimum for every Israeli government in order to maintain sufficient social cohesion and to guarantee that Israel will go united to a next war with the Palestinians if needed.

The troubles on Netanyahu's right are marginal as long as ministers with impeccable right wing credentials in the security cabinet, such as Moshe Yaalon and Benny Begin, support the freeze. The protests of the settlers and their supporters against the settlement freeze only underscore the

magnitude of Netanyahu's concession and strengthen his hand in case he renews building by the end of the suspension. In contrast, it is the Israeli Left that has needed additional proof that Israel is genuinely peace seeking. By adhering to the 2-state paradigm in June 2009 and by even agreeing to a settlement freeze in November, Netanyahu passed this important political test with flying colors. Even the Zionist Left has endorsed Netanyahu, leaving the government in a very good position if its peace credentials are questioned and/or it faces a confrontation with the US or the Palestinians.

2.) No less important than domestic support for the government is good relations with the US, Israel's most important supporter in the international arena. Actually domestic support is partially contingent upon the government's ability to demonstrate that it can manage relations with the US successfully. The "settlement freeze" decision was obviously primarily an attempt to prevent tensions in the Jerusalem-Washington bilateral relation-ship and to minimize fears in Israel of an impending crisis in US-Israeli relations.

President Barack Obama took office in January 2009, while Netanyahu presented his coalition government to the Knesset only in April 2009. An optimistic Washington wanted a fresh start with the Muslim world; it favored engagement of its opponents, such as Iran and Syria; and it believed it could settle the Israeli-Palestinian conflict in a short time by greater diplomatic involvement and pressure on the parties to the conflict. Washington's preferences seemed not to be fully in sync with Jerusalem's. Jerusalem was suspicious of the rapprochement with the Muslim world and particularly of engagement of Iran. Israel preferred a more muscular approach toward the Iranian nuclear program. Moreover, the Obama administration repeated demands on immediate settlement freeze in the territories, and even in East Jerusalem, were seen as focusing myopically on a minor issue, only reinforcing Palestinian intransigent positions. Particularly vexing was Obama administration's initial denial of previous understandings between the U.S. and Israel (of 2003) on defining the geographic expansion of settlements.

Nevertheless, Netanyahu seems to have made efforts to minimize tensions. First, he refrained from reacting to various attempts to portray his relationship with the President as tense, insisting always on portraying the relationship between the US and Israel as a great friendship and never

criticizing President Obama personally. Moreover, Netanyahu publicly adhered to the two-state solution in his June 2009 address in order to please the US. Also in response to American concerns, Netanyahu also took several steps to facilitate economic interactions and growth in the territories, such as removal of numerous checkpoints. Israel demanded from the US to secure a quid pro quo from Arab states for the settlement freeze, in form of limited gestures toward Israel, such as flight permission over Saudi Arabia for El Al, Israel's national carrier. Obama failed in this endeavor and in absence of erosion in the public support for Netanyahu in Israel, the American President settled for settlement "restraint." Netanyahu responded with his November 2009 building pause in the West Bank, which was welcomed in Washington as a positive step and probably ended a period of tensions that was unnecessarily dominated by the settlement issue.

3.) A third objective of the Israeli decision was to entice the Palestinians to return to the negotiations table, which they left in the fall of 2008 after Mahmoud Abbas, the Palestinian Authority (PA) leader, ignored an extremely generous offer by Ehud Olmert, the predecessor of Netanyahu. After the new American administration set the bar high on the settlement issue by calling for a construction freeze rather than merely no outward expansion of settlements, Abbas was boxed in and despite the fact that a settlements freeze never was a Palestinian precondition for peace talks, Abbas could hardly agree to less for joining the negotiations table. Subsequently, after the United States called for a freeze on Jewish construction in East Jerusalem, Abbas again adopted the American position as a precondition for talking to Israel. The American behavior fueled the long-standing Arab dream of the US bending Israel to its will.

Yet, this did not materialize and the US displayed certain pragmatism, finally accepting only the limited freeze that was enunciated by Netanyahu in November. Israel and the US hope that eventually Abbas will show similar pragmatism and will show up for peace negotiations. It remains to be seen if this will happen.

Unfortunately, Palestinian political culture is hardly pragmatic. Indeed, the first reaction by the Palestinians and some Arab states to the Israeli settlement suspension was a rejection on the grounds that it was still not good enough. Furthermore, the competition between the Abbas-controlled West Bank and the Islamist Hamas-controlled Gaza further limits the flexibility of the PA

in its dealings with Israel, pushing the PA into extremist positions.

Again, the Palestinian people are victims of poor leadership that has always preferred maximalist objectives instead of seeking the more realistic goal of coexisting with Israel. Unfortunately, the current Palestinian leadership continues to educate young Palestinians to prepare for an armed struggle and to nurture a culture that worships death and martyrdom.

Netanyahu and most of his government ministers are acutely aware of the grim situation on the Palestinian side. Nevertheless, Netanyahu believes that "economic peace," i.e. a bottom-up process of institution building and economic progress, could under appropriate Palestinian leadership bring about a positive change in Palestinian society. Indeed, under Netanyahu the number of security checkpoints in the West Bank was drastically reduced allowing trade to flourish. The number of work permits given to Palestinians to work in Israel also continues to rise. The Palestinian economy in the West Bank may grow as much as 7% this year. Netanyahu hopes that the better economic climate in the West Bank and his unilateral concession of a settlement freeze would lure the Palestinians away from the radical path. The choice is in Palestinian hands, however.

In conclusion, Israel's settlement freeze is clearly a bid to improve U.S.-Israel relations as much as it is an effort to restart negotiations with the Palestinians. At the same time, it is a measure to provide the government domestic stability and the leeway in case of a future conflict with the US or the Palestinians.

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