

To: Winograd Committee  
From: Reut Institute

**Subject: Updating Israel's National Security Strategy<sup>1</sup>**

### Executive Summary

**The Second Lebanon War is only one of three political and military upsets that Israel experienced in 2006.** The others are the shelving of the Convergence Plan in the West Bank in spite of its being the political flagship of the current government, and the ongoing failure in Gaza although Israel enjoys absolute military superiority. These events are systemically interrelated. **Their common denominator is that they derive from a crisis in Israel's national security strategy.**

**These events, and primarily the Second Lebanon War, revealed trends, which undermine Israel's national security strategy.** Some of these trends are: the consolidation of a 'Resistance Network' led by Iran, Hizbullah and the Palestinian resistance groups, that effectively undermines any sustainable political or military achievement that would secure Israel's existence as a Jewish and democratic state; decline of US power in the region and the challenge to the legitimacy of the pro-Israel lobby in the US; the rise of Iran; and the erosion in the ability or will of the Arab side to fulfill its part in ending Israeli control over the Palestinian population in the West Bank.

**These trends place Israel in strategic inferiority on the level of its national security.** Concepts, institutions and tools that Israel uses in the service of its national goals are exposed as inferior to the tools used by the Resistance Network in the service of its logic. Therefore, in the intermediate term, Israel is likely to experience additional military and political setbacks.

In the long-term, if the trends exposed in the Second Lebanon War persist, the idea of **a single Arab / Palestinian / Islamic state in place of the State of Israel and under Iranian Hegemony may mature into a valid political alternative.**

**The impact of the Second Lebanon War extends far beyond our northern border.** Among other things, the war compromised Israel's ability to secure its future as a Jewish and democratic state by means of ending control over the Palestinian population and establishing a Palestinian state within the Two-State Solution.

**The purpose of this document is to point to trends which undermine Israel's national security strategy and to engage in a discussion of their significance.** *Inter alia*, these trends indicate the **shifting of the center of gravity of our national security challenges from the military and security realm to the political realm.**

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<sup>1</sup> This document is an update and expansion of a document published by Reut on 4/1/07, entitled "Israel's national security concept is Irrelevant". Most of the changes and additions in this document deal with the implications of the Second Lebanon War.

The Reut Institute calls upon the Winograd Committee to dedicate part of its report to Israel's national security strategy and to recommend to the Government of Israel to establish a committee that will update the strategy, translate it into policy substantiated by political, economic and military resources, and supervise its implementation.

### Introduction

1. The Reut Institute is a non-profit organization founded in January 2004 in order to provide strategic decision-support services to the Government of Israel. Reut provides its services on a *pro-bono* basis to all agencies of the government. The unique added value of Reut is its expertise in revealing working assumptions of decision-makers and checking their relevance in a changing reality.
2. In the course of and following the Second Lebanon War, Reut examined the working assumptions of the Government of Israel and its agencies with regard to the purposes and objectives of the war and to the geopolitical 'playing field'.
3. **Three political-security disappointments** – In the aftermath of the Second Lebanon War, Reut came to the conclusion that the war was only one of three significant national security events that were setbacks during 2006. The two others are:
  - a. **Gaza** – In this arena, Israel failed to achieve its political and military objectives in spite of absolute military superiority.
  - b. **Shelving of the Convergence Plan** – The Convergence Plan was the political flagship of the current government for securing the future of Israel as a Jewish and democratic state. The war in Lebanon and the launching of *Qassam* rockets from Gaza led to its effective removal from the agenda, leaving Israel with no political platform in the Palestinian arena.
4. **The common denominator among the three disappointments: crisis in the national security strategy** – The three aforementioned events exposed gaps of relevancy<sup>2</sup> between Israel's national security strategy<sup>3</sup> and powerful and consistent emerging trends. Hence, operational military failures and disappointing political leadership notwithstanding, a key challenge is to bridge these relevancy gaps and to update our national security strategy.
5. **This document summarizes the work of Reut on Israel's national security strategy following the Second Lebanon War.** It describes some of the gaps of relevancy between the

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<sup>2</sup> The concept 'Relevancy Gap' refers to a gap between 'mindset' and 'reality'. The concept 'mindset' means the organizing logic used for analysis and prioritizing information. The two concepts are connected to another concept of 'Fundamental Surprise' coined by Dr. Zvi Lanir. For further explanation, see [www.praxis.co.il](http://www.praxis.co.il); or Zvi Lanir, **Fundamental Surprise – Intelligence in Crisis**, (The Unified Kibbutz and the Jaffee Center for Strategic Research at Tel Aviv University, 1983).

<sup>3</sup> See the distinction made by Israel Tal between the concepts 'National Security'; 'Security Strategy'; and 'Security Policy'. 'National Security' refers to securing the nation's existence and defending its external interests and national goals; 'Security Strategy' is the national plan for the readiness and deployment for war and defense of the national existence of the state; 'Security Policy' is a derivative of the Security Strategy and deals with the on-going implementation and modification of the Security Strategy (See Israel Tal, **National Security**, Tel Aviv: Zamora-Bitan, 1996, pp. 15, 52-53).

strategy and the changing reality, and offers a preliminary examination of their significance. It *does not* deal with the security policy or the operating procedures of the IDF.

6. **Israel is in Strategic Inferiority** – Reut concludes that the aforementioned gaps of relevancy place Israel in strategic inferiority at the level of its national security in comparison to its adversaries.

7. **Hence, Reut calls upon the Winograd Committee to add a chapter to its report that will deal with Israel's national security strategy and an article to its recommendations that will call upon the Government of Israel to update this strategy, translate it into policy substantiated by political, economic and military resources and supervise its implementation. Failure to do so may lead to additional strategic surprises and upsets.**

8. Finally, **the weakness of Israeli governance is a fundamental structural problem, which compromises Israel's ability to deal with the challenge it faces.** Short and unstable tenures, as well as fragmentation in the legislative and executive branches, hinder policy design and implementation. This contrasts with the stability of the leadership of Iran and the Resistance Network and the systematic nature in which they advance their goals. Reut devoted an additional document to its recommendations regarding the necessary organizational changes, which would provide an ad-hoc solution to this weakness (See Appendix B of Reut's Document to the Winograd Committee which deals with "A Strategic Support Unit for the Prime Minister").

#### **Israel's National Security Strategy: A Jewish and Democratic State Based on Military Superiority**

Israel's national security conduct during the years prior to the Second Lebanon War was based on a world-view with the following foundations:

9. **The IDF secures Israel's existence** – Israel, through the IDF, is the strongest military power in the Middle East. The IDF established decisive military superiority over all its enemies, countries or organizations. The power of the IDF guarantees the existence of the state.
10. **Terror is not an existential problem** – Israel's security forces have limited the impact of terror in terms of casualties and economic damages. Therefore, terror is not an existential problem as long as it remains at its current level and does not influence civilian conduct, the domestic market or business activity.
11. **Military-Security logic prevails** – Based on the IDF, military and security logic shape and drive our political and military actions. Israel has no comprehensive national security strategy that blends politics and security. Often, Israel has no real diplomatic agenda that is backed by political, economic and military resources.<sup>4</sup>

Furthermore, a tremendous gap exists between the resources allocated to military build-up and the resources that are allocated to developing 'soft power' of diplomacy, economics, trade

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<sup>4</sup> See PM Olmert's statement: "The Prime Minister needs to manage the state, he doesn't need an agenda" (Ben Werter, **Ha'aretz**, 9/22/06).

or media.<sup>5</sup> Furthermore, the access of the security establishment to the Prime Minister is far greater than the access of other systems. Therefore, it should be no surprise that security and military considerations often dominate the design of our national security.

12. **Israel's borders will be determined by agreements or unilateral steps that will establish 'Walls of Legitimacy'**<sup>6</sup> and will guarantee its security. Obviously, agreements are preferable to unilateral steps. However, in certain circumstances, it may be impossible or unfeasible to sign agreements with the Arab side.

Israel's unilateralist approach ripened due to a combination of (1) understanding that permanent civilian or military presence beyond our sovereign territory is a national security burden, *and* (2) the structural problems which hinder Israel's ability to conclude agreements with the Palestinians<sup>7</sup> or in the Syrian-Lebanese arena.

The concept of 'Wall of Legitimacy' has emerged on the basis of a logic that any Israeli withdrawal and end of control over Arab population or territory will lead to the following effects: (a) erosion of internal Arab legitimacy for continued fighting against Israel; (b) unity in Israel; (c) internal and international legitimacy for an aggressive Israeli military response in case Israel is attacked across the newly established border.

An underlying assumption of this concept is that across the border there would be actors – organizations like Hizbullah or the Palestinian Authority – that control the use of force on their side and are subject to rational assessment. Hence, they can be deterred.

This logic shaped the unilateral withdrawal from Lebanon (5/00) and from Gaza (8/05) and was supposed to shape the 'Convergence Plan' in the West Bank.

13. **End of control over the Palestinians is essential for securing Israel's future as a Jewish and democratic state** – This assumption is accepted by a majority of the Israeli population and adopted by a majority of Zionist parties. The political debate is over the structure, the

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<sup>5</sup> The 2007 defense budget is 50.6 billion NIS of the 282 billion NIS national budget. In other words, the security budget is more than a sixth of the national budget. (Zarhieh, [Ha'aretz](#) (Hebrew), 12/31/06). By way of comparison, the budget of the Foreign Ministry is approximately 1.338 billion NIS (about 3% of the defense budget). ([Proposed Annual Budget on the Ministry of Finance website](#) (Hebrew)).

<sup>6</sup> See for example the [Testimony of General \(Res.\) Amos Malka to the Winograd Committee](#) (Hebrew) from 11/2/06: "The thesis of Ehud Barak was that we will erode the legitimacy of the other side to operate against us... as a result of this, we will achieve our objectives due based on full adherence to the UN Resolutions and international legitimacy... to create an element of deterrence that will design a completely different reality along the Israel-Lebanon border."

<sup>7</sup> For example, see Reut products "[Quagmire Effect of Negotiations](#)", "[Israel's Political Options vis-à-vis the Palestinians](#)" or "[Difficult Transition from Negotiations to Convergence](#)". Among the structural problems, which make it difficult for Israel to arrive at agreements with the Palestinians are (1) the weakness of governance in Israel and in the Palestinian side; (2) terror and violence of the Resistance Network aimed at undermining any political progress with Israel; (3) the perception among certain Palestinian factions that time is working in Palestinian favor. Hence, Israel is in a weak position at the negotiating table in spite of its apparent military or economic advantage.

As a result, negotiation tend to linger, the agenda tends to expand and Palestinian demands are likely to escalate while violence is expected in the period leading up to an agreement or to key milestones in implementation.

sequence and the conditionalities of the political process, as well as over its objectives and management.

14. **The Arab side aspires to End of Occupation and to establish a Palestinian State** – The objective of the Palestinian national struggle and the Arab side is to realize the Palestinian right to self-determination in a Palestinian state in Gaza, the West Bank and East Jerusalem. For some on the Palestinian side, this would realize their national aspirations, while for others such a state would only be a milestone in a phased process that should lead to the elimination of the State of Israel (See Reut concepts '[Principle of Historic Compromise](#)' versus '[Ethos of Struggle](#)' and '[The Phased Plan](#)').

**Two-State Solution** – The principle of 'two states for two peoples' is the foundation of the political settlement with the Palestinians, and is accepted by the international community, Arab states and Israel. The outline of the permanent agreement will be based on the '[Clinton Peace Plan](#)' (12/00).

15. **The status of the Arabs citizens of Israel is an internal issue** – Israel vies the issue of the legal and political status of its Arabs citizens as an internal sovereign matter, which is not subject to negotiation with any external party.
16. **The USA is the sole superpower and has “special relations” with Israel** – The alliance between the USA and Israel is stable and based on shared interests and values, as well as on the political and economic power of the pro-Israel lobby and the Jewish community in the USA.
17. **The alliance with the USA places Israel in a position of strength** – The combination of Israel's military and economic strength and its alliance with the USA places Israel in a position of strength in its relations with other countries in the region.
18. **Israel's focus: thwarting the Iranian nuclear project** – The current existential threat against Israel comes from Iran's status as a regional superpower and the pledge of its leadership, or factions thereof, to eliminate Israel. The nuclear project is the keystone in Iran's power and therefore must be thwarted.
19. **The failures in Lebanon and Gaza are primarily “technical”<sup>8</sup>** – Technical failures are failures, whose solutions lie in the frame of existing knowledge. In crisis situations, organizations and people are inclined to search for solutions in familiar and known areas.

The publication of the interim report of the Winograd Committee will be an important milestone in the process of exploring the reasons for the disappointments during the Second Lebanon War. However, the Winograd Committee, by the State Comptroller's Office and in the various committees established by the IDF, have dealt with politico-military management of the war, the operational concept of the army, and areas such as intelligence, logistics or command and control. According to the aforementioned definition, most of these failures are technical.

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<sup>8</sup> See the concept “Adaptive Work” in Ronald Heifetz, [Leadership Without Easy Answers](#), Cambridge: Harvard Press, 1997, pp. 8, 35.

However, to date, no committee has been established to frame the new challenges that Israel faces and to update the national security strategy accordingly.

20. **The problems of Israel's national security are derived from failed policies and *not* from institutional and government weakness** – Public discourse in Israel of topics of national security tends to focus on substance such as diplomacy or military activity, and not on the implications of the structure of government on our capacity to deal with national security challenges. There is relatively very little attention devoted to the implications of government weakness to design, plan, manage and implement national security.

### **The Changing Reality: A Political Existential Threat**

The Second Lebanon War revealed powerful trends that undermine the above mentioned working assumptions to the point of rendering Israel's national security strategy irrelevant:

21. **The Resistance Network has successfully rendered IDF response ineffective** – The concept of 'Resistance Network'<sup>9</sup> refers to multiple actors of different types that are sometimes loosely connected with no central command and control structure. They share a commitment to the struggle against Israel with the objective of eliminating Israel's existence as a state that is defined by its Jewishness.<sup>10</sup>

Hizbullah is a leading member of the Resistance Network. It is supported militarily, politically and economically by Iran and uses terror against Israel throughout the world, in our region, in Israel and in the Palestinian Authority.

To date, Israel has been ineffective in its fight against the Resistance Network in spite of what may seem as military superiority. Much of our military force is rendered irrelevant in an environment where no central command and control structure exists, such as in Gaza.

Furthermore, the Resistance Network has recently experienced a number of successes. Examples include the victory of Hamas in the Palestinian Authority (1/06) and its ability to

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<sup>9</sup> Reut identifies the following characteristics of the Resistance Network:

- a) **It is a systemic phenomenon** – The Resistance Network comprises of a variety of actors – states and non-governmental organizations – that fulfill different roles such as 'initiator', 'facilitator', and 'executors'. Every actor can fulfill different roles i.e. to initiate actions, help with the execution or be the executor.
- b) **Challenging states and central governments** – The Resistance Network views the West and Israel as its enemies. It undermines moderate governments in the region by challenging their monopoly over the use of force.
- c) **It is global** – The Resistance Network spreads its nodes exploits around the globe. Its cells are often loosely interconnected by a de-centralized structure that allows for a variety of logics to coexist, as well as for fast flow of information and rapid mobility.
- d) **The expressions of the Resistance Network are diverse** – The Resistance Network advances its cause by terror, by basic de-legitimization of Israel, by thwarting Israeli-Arab political processes based on the Two-State Solution and by promotion of the establishment of an Arab / Palestinian / Islamic state in place of Israel.

Currently, Iran is the driving force and ideological source of inspiration of the Resistance Network.

<sup>10</sup> For more information, see Reut concepts "[Basic De-Legitimization of Israel](#)" and "[Permanent Resistance to Israel](#)".

maintain power, as well as the results of the Second Lebanon War, which are perceived and framed as a victory on the other side.

22. **The organizing logic of the Resistance Network is political: Israel's implosion** – The present organizing logic of the Resistance Network is to cause the implosion of Israel. This would happen through a combination of internal political and social unrest, de-legitimization and international economic and political pressure similar to the processes that brought about the collapse of White South Africa or the USSR.<sup>11</sup>

The military logic of the Resistance Network is secondary. It recognizes Israel's current military superiority and seeks to avoid direct military confrontation.<sup>12</sup>

Concurrently, the Resistance Network undermines any attempt to secure Israel's existence as a Jewish and democratic state by an **integrated approach**:

- (1) **Thwarting sustainable political or military achievements** – The Resistance Network uses terror, guerilla warfare and additional tools to prevent Israel from sustaining military or political achievements – bilateral or unilateral – that could guarantee its existence as a Jewish and democratic state. In particular, the Resistance Network undermines any political progress between Israel and its neighbors toward ending control over the Palestinians, the Two-State Solution, End of Conflict or [Finality of Claims](#).<sup>13</sup>

It is in this context that one may understand Hizbullah attacks across the international border after the withdrawal from Lebanon (5/00), as well as the continued firing of Qassam rockets from Gaza after the Disengagement (8/05).

- (2) **Promoting the One-State Solution** – Concurrent to its efforts to undermine the Two-State Solution, the Resistance Network promotes the One-State Solution of establishing a Palestinian / Arab/ Islamic state in place of Israel;
- (3) **Fundamental de-legitimization** – The Resistance Network denies Israel's right to exist by rejecting the Jewish right to self-determination and challenging the moral foundations of Israel.

In recent years, the Resistance Network has successfully prevented Israel from sustaining either decisive military victories or political achievements, which would secure its existence as a Jewish and democratic state, either via negotiations or unilateral moves. Lebanon is just

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<sup>11</sup> See Iranian President Ahmadinejad speech: "Israel is on a path of collapse. The former USSR disappeared, and this will also be the destiny of the Zionist Regime" (See Cohen, **Ynet**, 12/12/06, in Hebrew). See also Hizbullah Secretary-General Hassan Nasrallah's spider-web theory (05/26/00) regarding Israel's weakness due to internal political issues (See Barel, **Ha'aretz**, 07/17/06, in Hebrew).

<sup>12</sup> Nasrallah admitted that had he known Israel's reaction would be so severe, he would not have ordered the kidnapping of the Israeli soldiers (See Melman, **Ha'aretz**, 08/29/06, in Hebrew).

<sup>13</sup> The Resistance Network, Iran and Palestinian terror organizations successfully thwarted the Oslo Process by the terror attacks of 1996 (See Shaul Shay, **The Axis of Evil**, Herzeliya: IDC, 2003). Furthermore, the subsequent al-Aqsa Intifada (9/00) derailed the political process of 1999-2001.

In addition, the Second Lebanon War and the firing of Qassam rockets from Gaza compromised Israel's ability to end control over the Palestinians unilaterally by eroding the accomplishments of the Disengagement and shelving the Convergence Plan. (See Ben Werter "Death of the Convergence Plan", **Ha'aretz**, 8/18/06, in Hebrew).

one of the arenas in which this struggle is carried out and in which the political logic of the Resistance Network is effectively applied.

23. **The Resistance Network does *not* seek End of Occupation, Finality of Claims or Permanent Borders** – As mentioned, the Resistance Network opposes any progress towards securing Israel's future. It has acted and will continue to act against every political settlement, which ushers in End of Conflict or [Finality of Claims](#) between Israel and the Arab side. Its purpose is to preserve a set of [Outstanding Issues](#) as a pretext for the continuation of the struggle against Israel.

This logic was revealed in the actions and statements of Hizbullah. Following the withdrawal from Lebanon (5/00), Hizbullah presented additional demands and successfully made the Shebaa Farms a pretext for continued struggle (see the concept 'Shebaa Farms Syndrome').<sup>14</sup> Moreover, during the Second Lebanon War, when it seemed that Lebanon's demands would be addressed within a settlement with the Lebanese government, Hizbullah stressed its additional demands for seven Arab villages located in the Galilee.

In light of this logic, Reut determined at the beginning of the war that the goal of comprehensive settlement between Israel and Lebanon is unachievable.<sup>15</sup>

This dynamic applies in the Palestinian arena as well. The Resistance Network and its Palestinian representatives 'converge' around outstanding issues in order to create a basis for continuing the conflict with Israel. Therefore, they oppose the concepts of End of Conflict or Finality of Claims or the establishment of Permanent Borders between Israel and the Palestinians.<sup>16</sup>

24. **The concept of the Wall of Legitimacy was broken** – The Israeli withdrawal from Lebanon (5/00) represented the optimal implementation of the concept of Wall of Legitimacy. In the evident absence of a partner for negotiations, Israel withdrew from Lebanon and realigned along the international border (see the Blue Line) which was approved by the UN.<sup>17</sup>

Furthermore, the concept of the Wall of Legitimacy was also implemented in Gaza, albeit partially and in a different context. In this case, Abu-Mazen offered Israel to negotiate.

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<sup>14</sup> The Shebaa Farms syndrome is an example of the dynamics of preserving a pretext for conflict by the Resistance Network. For example, until Israel's withdrawal from Lebanon (5/00), Hizbullah focused on Southern Lebanon. Following the withdrawal, Hizbullah undertook to continue the Lebanese struggle against Israel on the pretext of a new set of issues such as Shebaa Farms, Israeli flyovers in Lebanese airspace, Lebanese prisoners or use of water sources. (See "Nasrallah's Next Demand", Rubinstein, **Ha'aretz**, 8/5/06, in Hebrew; or "For Nasrallah, Shebaa Farms is not the Only Excuse", Stern, **Ha'aretz**, 7/3/05, in Hebrew.)

<sup>15</sup> The goal of arriving at a comprehensive arrangement which reflects Finality of Claims and End of Conflict with Lebanon was expressed by US Secretary of State Condoleezza Rice as "an emerging consensus on what is necessary for both an urgent cease-fire and a lasting settlement" (see [Statement on Three-Part Comprehensive Settlement](#), **US Dept. of State**, 7/31/06). It was also expressed in PM Olmert's speech in which he called for the Lebanese Prime Minister "to meet with me directly... and to make a peace agreement" (Marciano, **Ynet**, 10/16/06, in Hebrew).

<sup>16</sup> See Reut Point of View "[The Debate over Erez Crossing: a Palestinian Setup?](#)", 9/13/2005.

<sup>17</sup> The Blue Line was marked and approved by the UN (6/7/00) following the IDF's withdrawal from Lebanon. The line is based on the border between Israel and Lebanon as determined in UN Resolution 425 and based on the internationally-recognized border of Lebanon from 1923, when the territory was divided between Britain and France. Israel and Lebanon agreed to respect this border.

Moreover, in Gaza, Israel withdrew to the 1949 cease-fire line, which is not an agreed-upon international border (see 1949 Rhodes Agreements / 1949 Cease-Fire Line). Furthermore, Israel has not ended its permanent presence in the Gaza Strip and continues to rule in Gaza's sea and air-space.

In both cases, the new borders were violated. Hizbullah's attacks across the border and the firing of Qassams from Gaza, as well as the absence of government 'addresses'<sup>18</sup> capable of making and implementing decisions, damaged the concept of the Wall of Legitimacy to the point of depriving Israel of an important tool for securing its existence.

25. **Israel's unilateral option has been eroded; Israel has the weaker hand vis-à-vis the Palestinians** – The concept of the Wall of Legitimacy was supposed to be the basis for the Convergence Plan.

However, in the Convergence Plan, Israel planned 'to stretch' the model of the Wall of Legitimacy even further. It planned to withdraw to the Security Fence, which is a controversial border line within the West Bank, while Abu-Mazen calls for Israel to negotiate a permanent settlement.

A viable and credible unilateral option is essential for Israel in every political process with the Palestinians.<sup>19</sup> The reason is that ending control over the Palestinian population is an Israeli existential interest. Hence, Israel has the weaker hand in spite of what may appear to be decisive military or economic advantage.

Therefore, the canceling of the Convergence Plan in the summer of 2006 eliminated Israel's unilateral option. The implications of this erosion have far-reaching consequences in every future negotiation with the Palestinians.

26. **Inversion regarding occupation: the Resistance Network undermines end of Israeli control over the Palestinians** – End of Israeli control over the Palestinians based on the Two-State Solution will constitute a significant step toward securing Israel's existence as a Jewish and democratic state. Moreover, this will fundamentally change the nature of the Arab-Israeli conflict from a conflict between 'occupier' and 'occupied' to a 'border-conflict'.

Therefore, End of Control over the Palestinians would not only remove an existential threat on Israel but also constitute a setback for the Resistance Network because it will compromise the legitimacy of its struggle against Israel.

The conclusion is seemingly surprising, but nonetheless logical: The Resistance Network undermines **ending Israeli control over the West Bank and is not threatened by renewed Israeli occupation over Gaza**. Its rationale is to accelerate the process of Israel's implosion.

27. **The issue of the status of Israel's Arab citizens is being internationalized and is becoming an outstanding issue between Israel, the international community and the Arab world** – In recent years, the status of Israel's Arab citizens is being internationalized

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<sup>18</sup> The concept "address" or "[Delivery Capability](#)" refers to a political entity that – for a particular objective and context – has Carrying Capacity or Responsibility. Reut distinguishes between an 'address' and 'partner', in that a 'Partner' has the capacity to deliver and the 'will' and legitimacy to pursue a shared political goal.

<sup>19</sup> In negotiations terms, every party needs to have a BATNA – Best Alternative To a Negotiated Agreement. A credible and viable BATNA is essential for every successful negotiation.

and is becoming an outstanding issue between the international community, the Arab world, the Palestinians and Israel.<sup>20</sup>

Therefore, the management of this issue is gravitating from the State of Israel, where it is treated as an internal issue, to the international and Israeli-Arab arena, where it is exposed for supervision, criticism and involvement of foreign actors.

This trend compounds the efforts to prevent End of Conflict or Finality of Claims between the Arab World and Israel. The Second Lebanon War was another milestone hereof. During its course, Nasrallah apologized to the Arab citizens of Israel differentiating between them and Israel's Jewish citizens. Moreover, Arab citizens of Israel expressed support for Hizbullah and Nasrallah during the war.

28. **The USA is in crisis; the pro-Israel lobby is under attack** – As stated, the relationship between Israel and the US is based on shared interests and values, as well as on the power of the pro-Israel lobby and the Jewish community. However, US strategy and interests in the region are expected to undergo reassessment within the coming two years and the pro-Israel lobby is under attack.

The US is muddling through the Middle East in state of severe overstretch. In Afghanistan, Iran, Iraq, Syria, Lebanon and the PA there is a gap between American goals and resources. As a result, a heated debate is taking place in Washington about American interests and strategy in the region. **The US is expected to reexamine its strategy no later than the spring of 2009** with the beginning of the next Presidency.

**In this context, the Second Lebanon War exposed a wider trend.** Israel enjoyed sweeping American support in the course of the war, as well as vis-à-vis the Palestinians. This support was founded on the assumption that Israel would defeat Hizbullah, that Hamas would fall or change its ways, and that Israeli unilateralism is the short way, and perhaps the only way, to progress towards realizing the 'Bush Vision' of the Two-State Solution within this Presidential term. **These positions exposed the US to strong international criticism. Unfortunately, Israel did not 'deliver the goods' in any of these fronts.**

**Simultaneously, the pro-Israel lobby and especially its central pillar, AIPAC, are under attack.** In the best case, they are used as a scapegoat by critics of the administration for their support of the Iraq war and potential military campaign in Iran, as well as for their uncompromising stance vis-à-vis the PA. In the worst case, perhaps anti-Semitic, they are blamed for placing Israeli interests ahead of American ones, and pressuring members of the administration and Congress in this spirit.

Hence, if the pro-Israel lobby is successfully framed as 'too powerful' and its loyalty effectively questioned, Israel would lose a central driving force of its close relationship with America, which is the keystone of our national security. The present state of Israel-US relations cannot be taken for granted.

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<sup>20</sup> For details please see Reut Fundamental Early Warning: "[Internationalization of the Issue of Israeli Arabs](#)".

29. **The Iranian challenge is not only nukes; it is its regional power** – Iran is a regional superpower seeking hegemonic and global presence.<sup>21</sup> Part and parcel of this vision is the containment of Israel's power, the decline of US presence in the region, and the undermining of any effective international or UN power.

In the service of its vision, Iran nurtures a global terrorist network, supports the Resistance Network, builds long-term strategic alliances and economic agreements particularly with Russia, India and China, and reaches out to the Shiite Crescent in the Middle East and to Shiite and Moslem communities worldwide. But the keystone is its nuclear program and the buildup of its military and strategic capabilities.

Iran is leading its struggle against Israel on various fronts. It develops its nuclear program and acquires long-range missiles; it offers generous military, political and economic support to Hizbullah and to the Palestinian resistance organizations and supports their terror activities; it uses its global terrorist network to threaten Jewish communities and Israelis worldwide; it provides financial and military assistance to Syria culminating in the signature of a strategic defense agreement; and encourages fundamental de-legitimization of Israel.

30. **A crisis in Israel's security strategy**<sup>22</sup> – The crisis in Israel's national security is expressed also in its defense policy and the IDF operational concept.

**The foundations of Israel's security strategy were revealed as irrelevant, again, by the Second Lebanon War and in Gaza.** The Meridor Committee, established by then Minister of Defense and former Chief of Staff, Shaul Mofaz, raised questions concerning concepts such as 'deterrence', 'early warning', 'victory', 'transferring the battle to the enemy's territory' and more. Reut will not expand on these matters.

**However, the existence of 'addresses' on the Arab side is essential for the effectiveness of Israel's military power.** Weakness of addresses on the Arab side or absence thereof, compromises Israel's ability to use its military force. In other words, erosion in the status of governments in neighboring countries raises questions such as: upon whom to fire, how much, until when and for what purpose? In such an environment, central elements of the security strategy are neutralized and the dilemmas concerning concepts such as 'defeat' or 'victory', 'deterrence' and 'early warning' are exacerbated.

In the Second Lebanon War, the Government of Lebanon was either unable or unwilling to impose its authority over Hizbullah. The PA is in a similar situation. In both cases, Israel is prevented from exhausting its military advantage.

The challenge stems from the fact that the destabilization of Arab regimes seems to be the trend of our time. Israel has had to fight organization that operated from the territory of a

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<sup>21</sup> See Reut Concept "[Iranian Hegemony](#)." Iran's quest for hegemonic regional power has a number of objectives: a) recognition and acceptance of its Islamic regime; b) ability to translate its natural resources into financial revenues; c) guarantees to its territorial integrity and recognition of its 'legitimate' security concerns; d) influence over regional processes in its vicinity or in the heart of the Middle East; e) endorsement as a global actor and leader; f) spreading Islamic values in the Middle East and the world.

<sup>22</sup> The Security strategy is the national program for defending the state, which consists of remaining prepared and alert for a possible war; the Security Policy derives from the Security strategy and deals with IDF operations (See Israel Tal, **National Security**, Tel Aviv, Zamora-Bitan, 1996, pp. 15, 52-53).

sovereign country without submitting to its central authority. In the intermediate future Israel may face a number ineffective central governments.

### Significance

31. **Israel faces strategic inferiority in its national security; Asymmetry exists between Israel and the Resistance Network** – Israel's vision stands in opposition to that of the Resistance Network. Via agreements or unilateral moves, Israel seeks to stability and security while ending its control over the Palestinians based on the Two-State Solution. In contrast, the Resistance Network aspires for Israel to be replaced with a Palestinian / Arab / Islamic state under the regional hegemony of Iran.

Our strategic inferiority stems from the reality that tools and resources used to secure Israel's existence are less relevant and effective than those used by the Resistance Network to undermine Israel and to promote its own vision.

The implication of this strategic inferiority is that in the current phase of the Arab-Israeli conflict, Israel faces a growing danger of disappointments in future clashes with the Resistance Network when it attempts to achieve its national goals.

A source of this strategic inferiority is the lack of symmetry between Israel's predominantly military logic and the Resistance Network's predominantly political logic. Thus, strengthening the IDF is important but doesn't address the logic of an enemy that is trying to generate processes similar to those that brought about the downfall of the USSR or South Africa. These two countries collapsed in spite of their military superiority in their regions respectively.

32. **Terror is an existential problem** – The hidden danger of Hizbullah and of terror used by the Resistance Network lies not in the amount of damage or instability it causes, but rather in its ability to thwart Israel's military and political actions towards securing its existence. In this way, organizations such as Hizbullah succeed to leverage terror as a challenge of existential significance.
33. **'End of Conflict' and 'Finality of Claims' with Arab countries and the Palestinians is growing distant while its price is rising** – The Second Lebanon War exemplified the dynamics that lead to the continuation of conflict. The abduction of the Israeli soldiers on July 12<sup>th</sup> by Hizbullah that led to the war compromised the concept of the Wall of Legitimacy, as Israel was attacked across an international border. At the same time, as mentioned above, Hizbullah placed additional demands that removed any possibility of ending the conflict between Israel and Lebanon for the foreseeable future.

These dynamics occur in the Palestinian arena as well. The factions that work to undermine any progress toward ending Israeli control of the West Bank are growing stronger. They use violence, as well as escalate their political demands on issues such as the Right of Return of Palestinian refugees to Israel. Hence, chances for a permanent agreement are decreasing.

This is the reason why it is increasingly likely that ending control over the Palestinians and the coming into being of a Palestinian state will occur through Israeli unilateral actions with the support of third parties. This is notwithstanding Palestinian resistance to unilateral moves, terror, and continued firing of Qassams from Gaza that will make it difficult for Israel to establish its borders unilaterally.

To summarize, due to these trends, the 'price' Israel will have to pay vis-à-vis the Palestinians is 'rising' while what Israel can get in return from the Palestinians in the context of a political deal is getting smaller.<sup>23</sup>

34. **Status of Arab citizens of Israel is becoming a central national security issue** – The combination of the trend of internationalization of the relations between the State of Israel and its Arab citizens, on the one hand, and the transformation of this issue into an axe to grind by the Resistance Network, on the other hand, transforms the status of Arab citizens of Israel into a central national security issue. It is liable to become the new rationale of the continued struggle of Resistance Network against Israel, and for rejection of End of Conflict and Finality of Claims between Israel and the Arab states or the Palestinians.

This issue erodes the legitimacy of Israel, which is anchored in its Jewishness. Some Arab citizens of Israel and their representatives are becoming the voice of the fundamental delegitimization of Israel and are joining the Resistance Network.<sup>24</sup>

35. **Israel should not take its current relations with the US for granted** – It is possible that US-Israeli relations are approaching a moment of truth which may reinforce the special relationship, or distance the two countries. It is incumbent upon Israel to be prepared for this possibility.

First, **effective criticism of AIPAC is a strike at the heart of Israel's national security**. The pro-Israel lobby and AIPAC at its heart are the driving force of American support of Israel and of the special relationship between the two countries, which is a pillar of Israel's national security.

Second, **reassessment of US strategy and interest in the region is as likely to draw the countries closer together, as it is to distance them**. There are already people who claim that Israel is becoming a burden on US foreign and defense policy. For example, the Baker-Hamilton Report (12/06) noted the Arab-Israeli conflict as the main reason for instability in the Middle East and recommended that the administration compel Israel to engage in a political process. Although the recommendations of the report were not fully accepted by President Bush, intense public debate continues.

Finally, in the longer term, the Jewish community in America is likely to shrink demographically. Significant parts of it are growing increasingly distant from Israel and its concerns.

36. **Israel's dependency on the international community is growing** – As a consequence of the aforementioned trends, Israel's dependency on regional and international players, other than the US, is growing. As the Israeli-Palestinian conflict seems increasingly insolvable via direct negotiations and as the status of the US as an honest broker is eroded, there is tendency to internationalize the conflict.

Hence, ending the Lebanon War required UN Security Council Resolution 1701, the reinforcement of an international force (UNIFIL) and cooperation with international forces.

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<sup>23</sup> See Reut Fundamental Early Warning "[A Militarized Palestinian State](#)".

<sup>24</sup> See, for example, the attempts by Iran, Hizbullah and Palestinian terrorist organizations to infiltrate Arab Israelis (Monir Kram, **Ha'aretz**, 8/10/06).

The Gaza Disengagement also resulted in a tri-partite Israeli-Palestinian-European agreement regarding the Gaza-Egypt border regime and Rafah crossing.

One should assume that this is the beginning of the trend. For example, it is difficult to imagine ending Israeli control of the West Bank without international involvement in the border between the PA and Jordan. Similarly, the Iranian threat requires cooperation with international actors such as Russia, China, the European Union, moderate Arab states and Iran's neighboring countries.<sup>25</sup>

37. **The challenge may still be ahead** – The rising strength of the Resistance Network and of Iran, on the one hand, and the erosion of US power and moderate Arab countries, on the other hand, have not yet peaked.

Therefore the challenge might still be before us. Iran might become a nuclear power, increasing its regional power; the eventual American withdrawal from Iraq might affect its status and that of its allies; Syria might launch military or political initiatives to undermine the status quo; Lebanese Prime Minister Fuoad Siniora's government might collapse, in which case Hizbullah may take over Lebanon; the PA might collapse or Fatah could lose future elections; stability in Jordan and Egypt might deteriorate, and so forth.

38. **Israel's national security strategy is irrelevant** – The strategy of the Resistance Network led by Iran has become more relevant than Israel's and placed Israel in strategic inferiority on the level of its national security. As a consequence, the agenda of the Resistance Network to replace Israel with an Arab / Palestinian / Islamic state under Iranian hegemony is on the advance while Israel's is on the retreat.

**Military superiority is not tantamount to strategic superiority.** Israel may enjoy a military advantage in every distinct arena but suffer from strategic inferiority. It is feasible that Israel will defeat its enemies on the battlefield even if its national security strategy is partly irrelevant; just as, conversely, Israel can be defeated even if its national security strategy is relevant. But, **as long as Israel's national security strategy is irrelevant, chances of military success are eroded.**

39. **The commissions of inquiry on the Second Lebanon War will not address Israel's national security** – The focus of the work of the Winograd Committee, the State Comptroller and the committees established by the IDF, has been the conduct of the political and military echelons, as well as the operational level of the IDF.

**It seems that none of the committees have been dealing with the content of Israel's national security strategy** and the gaps revealed within it. The Meridor Committee also had not provided an answer for this need and, to date, has not been asked to reevaluate its recommendations following the war.<sup>26</sup>

40. **Updating the National Security Policy is an Adaptive Challenge** – Ron Heifetz defines an adaptive challenge as a challenge that requires learning for both the framing of the problem and the design of the solution.<sup>27</sup>

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<sup>25</sup> See Erlanger, [New York Times](#), 11/13/06.

<sup>26</sup> The Meridor Committee was established by then Minister of Defense and former Chief of Staff, Shaul Mofaz, with the objective of examining Israel's security strategy. The Inquiry's findings were submitted in April 2006.

<sup>27</sup> See Ronald Heifetz, **Leadership Without Easy Answers** (Cambridge: Harvard Press, 1997), p.35.

In light of this definition, the crisis in Israel's national security strategy is an adaptive challenge. Comprehension of the problem and designing the solution demand a continuous process of learning.

### Recommendations

41. **Updating Israel's national security strategy is a challenge of the utmost importance and urgency.** This process needs to be based on rich and multi-disciplinary understanding of Israel's goals, playing fields, tools at its service, and the points of strength and weakness of Israel and its allies, as well as its enemies.<sup>28</sup>
42. **A committee should be established to update the national security strategy** – Reut calls upon the Winograd Committee to recommend to the Government of Israel to reexamine the national security strategy and to update it in light of the aforementioned trends that were revealed in the course of the Second Lebanon War and others.
43. **Weakness of the government is detrimental for Israel** – Facing the national security challenges requires continuous cross-agency cooperation in planning, decision-making and implementation. Such cooperation requires electoral reform in order to stabilize and consolidate the government, to ensure longer and more stable tenures, and to create a system with greater congruency between the Prime Minister, the government and the Knesset.

In contrast to this, the current Israeli political system is characterized by instability, short tenures and deep rifts between legislative and executive branches and within them. Hence, there is a gap between the nature of the challenges Israel faces and the tools it has to confront them.

Apparently, reforming government does not fall within the mandate of the Winograd Committee. However, the committee could include a general recommendation on the topic of the institutions and their management (see Appendix B of Reut's Document to the Winograd Committee which calls for establishing "A Strategic Support Unit for the Prime Minister").

End.

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<sup>28</sup> The Meridor Commission, which investigated Israel's security strategy, reached a similar conclusion: "Every five years the basic assumptions of Israel's security strategy have to be re-examined" (Schiff, **Ha'aretz**, 04/24/06, in Hebrew). In addition, the Winograd Committee, stated that "a document should be drafted, which will accompany Israel's military and political strategy for future generations" (Zino, **Ynet**, 01/01/07, in Hebrew).