



# PERSPECTIVES

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## Understanding the Settlement Moratorium

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**EXECUTIVE SUMMARY:** Does the tactical political value of the Netanyahu government's ten-month moratorium on new building in the West Bank justify its diplomatic and security costs? It seems to be so because limited costs are better than risks of disaster. Analysis suggests that postponing and possibly avoiding a fight with the Obama administration was the main reason for Israel's decision, and that ten months from now the Israeli prime minister will be in a better position to resist US pressures.

### Introduction

Some Israelis have supported the so-called settlement building "moratorium" while others have opposed it in reasonable terms – noting, for example, how nearly impossible it will be to end the freeze if negotiations with the PA begin before it expires. However, a sizeable group of Israelis have been quite intemperate in opposition – speaking of Netanyahu and the ministers who supported the temporary freeze as traitors to their commitments to the voters and calling for ministers to resign, and for civil disobedience against implementation of the government decision.

While the Prime Minister has justified the decision as a measure to restart negotiations with the PA, it is unlikely that his real motivation was an

expectation that productive negotiations are possible or will be advanced by his action. So there is little point in discussing whether the temporary freeze is a useful part of any concern for negotiations. It seems likely that the decision to announce a ten-month building moratorium in the settlements needs to be evaluated on entirely different considerations.

One consideration is the recognition that there is an absolute diplomatic need to maintain what pretends to be actions and policies aimed to advance negotiations, even when because of political conditions in the Palestinian and Arab worlds there are no immediate prospects for successful negotiations. That is, the demand for a “peace process” is independent of – and sometimes harmful to – realistic pursuit of peace. Israeli governments have little choice but to participate in the pretense of such exercises.

### **The Political Background**

More significant than this standard Israeli need was the question of how the new Israeli government should respond to the Obama administration, which is in some significant ways outside the range of all previous US administrations. President Obama came to power with a very strong political position because of the romance of electing the first black president, Democratic majorities in both houses of Congress, and strong support from the mainstream media.

Although Obama continues the long-term American commitment to Israel’s survival, the new administration’s views differ from previous presidential dealings with the Middle East. The president apparently believed that Israel was the main obstacle to peace with the Palestinians and that the US should compel Israel to make the concessions necessary to achieve such peace. He chose to use the issue of settlement expansion as the first step toward implementing his policy – partly because settlements are a divisive issue among American Jews and among Israelis.

The US very roughly and publicly told the Israeli government that it should permanently stop all construction (new and in process) in all of Judea and Samaria and in the parts of Jerusalem acquired in 1967, because this was a necessary step toward implementing the Saudi proposal for peace. This was the problem Netanyahu faced as his government came to power.

Netanyahu understood that the Obama program would be a disaster for Israel, with no hope of achieving a peace in which Israel’s survival was reasonably

protected, and that Obama's initial demands would adversely affect Israel's negotiating position and were politically unacceptable within Israel. Above all, it would have been completely inconsistent with Israel's self-respect to agree to such demands.

It was clear that private discussions with the Obama administration stood no chance of convincing them of the realities of the Middle Eastern political situation. The administration, for example, was mistakenly convinced that substantial progress toward Israeli-Palestinian peace was a necessary first step toward successful negotiations with Iran.

Therefore Netanyahu had two basic alternatives. He could flatly reject Obama's demands, conduct a public campaign to demonstrate the errors of the thinking behind the demands, and engage in a political fight with the US to prevent Obama from compelling Israel to accept American demands. Or he could try to negotiate a compromise with the US on their demands.

Netanyahu flatly rejected any limits on Jewish construction within Jerusalem. It was clearly a mistake by Obama to demand such an extreme measure. The move gained Netanyahu a good deal of support, as many were convinced that the US was placing unreasonable demands on Israel. In general, the extreme Obama position combined with his deliberate display of his intention to change the way the US related to Israel from previous practice by both parties, convinced Israelis that they needed to fear Obama and therefore to support the Netanyahu government – especially after Netanyahu's BESA Center/Bar-Ilan University policy statement creatively seized the center of the Israeli foreign policy debate.

At this point, when it was clear that the US had overreached, Netanyahu could have chosen to fight Obama with some chance of success, or at least with an initial positional advantage. But that would have been a risky decision. Israel's diplomacy and defense is dependent on US political support. Generally any American president should be expected to win a political fight against Israel and its American supporters if he tries hard enough. What Israel depends on – in addition to American goodwill – is the ability to force an American president to use so much political capital in imposing himself on Israel that he will choose to compromise instead. So Netanyahu chose to prevent Obama from the embarrassment of being forced to retreat from an untenable position, by negotiating an agreement in which both sides agreed to Israeli acceptance of a small portion of the original US demand.

The freeze was temporary, not permanent. Israeli agreed to a moratorium on new construction, but demonstratively went ahead with some 2,500 previously-approved apartments and projects. No construction was stopped in Jerusalem. In principle the freeze had exceptions for “normal life” rather than being absolute, as demanded. In other words Israel made concessions which, while painful and arguably ill-advised, were compatible with Israel’s self-respect as an independent and sovereign country.

The Obama administration decided that getting a small part of its initial demands was better than pushing Israel further at the time – particularly in view of political reactions to the extremity of the original US demands.

### **Implications of the Freeze**

The critical point is that a ten month pause in Israeli construction in Judea and Samaria does not cause permanent harm to Israel. It causes some serious personal costs and injustice to some of the people involved. It looks in the wrong direction for negotiations with the Palestinians. And it makes it somewhat harder for Israel to make the case it needs to make to various publics about Israel’s legal and moral rights and the justice of its position. But temporary measures will not decide the outcome of Israel’s long struggle. In a few years practically all traces of this concession will have disappeared. On the other hand, while a major political fight with Obama might have produced positive results for Israel, it would have risked a fundamental, and perhaps even decisive harm to Israel’s position. Such risks should be undertaken only in dire necessity.

The real problem about the temporary freeze is that Netanyahu has to assume, and probably does, that when the ten-month moratorium comes to an end, the US will try to insist that Israel make it permanent, or at least extend it for another period. A permanent freeze – especially one made without a major compensating concession from the Palestinians – would do serious damage to Israel’s security and to its ability to defend its moral position. And Israel cannot accept Palestinian willingness to restart negotiations as a substantial concession. Therefore Netanyahu has to expect that some ten months after his decision to negotiate a compromise with Obama, he will again be faced with the choice between a major political fight with the US administration or acceptance of a major reduction in Israeli security.

The basic justification for Netanyahu’s decision to accept a temporary freeze is that it both postpones the fight with Obama and gives a chance that the fight will

be unnecessary because Obama might be too busy with other things to put as much effort into the Middle East as he was willing to in the early months of his regime.

Obama will be substantially weaker politically next fall than he was when he first came to office. Factors contributing to this decline include his failure to decrease unemployment, his great increase in the government's debt, widespread public rejection of his health care proposals, the beginnings of resentment of his foreign stances, significant division within the Democratic Party on Afghanistan, and sharply reduced approval ratings. There is good reason to expect that his slide will continue, and next summer he will be in a critical election campaign. Even if Obama believes he could win a major political fight with Israel when the freeze expires, he might well decide that would be more prudent to conserve his political capital for the fights that he cannot avoid. And if a fight is necessary, Israel will have a much better chance next summer.

Apart from Obama's growing weakness, international developments could change the US administration's strategic assessments and priorities in the Middle East next summer. Failure in Iran (except for the decisive new internal weakness of the Iranian revolutionary regime, for which US policy gets no credit), lack of Palestinian or Arab willingness to move toward compromise, and increasing involvement in Afghanistan, may lead the administration to put its program for Israeli-Palestinian peace in the short-term on the back-burner. If so Netanyahu would have succeeded without having to face the dangers of a major political fight with the American president.

In brief, the wisdom of the decision to accept a temporary construction freeze depends primarily on whether the real but limited costs of the freeze are justified by the advantages of postponing and perhaps thereby avoiding a major conflict with the Obama administration. This is clear example of the kind of tactical issue which a government has to make, and which has nothing to do with its loyalty to its principles and its commitments to its voters. Nor does it say anything about Netanyahu's ability to stand up under pressure. Regardless of his strength as a leader, a prime minister should make prudent tactical adjustments to avoid major dangers.

One peculiar characteristic of this situation is that Netanyahu cannot defend himself in Israeli discussions by presenting what seems to be his real reason for his action. To implement his strategy he must pretend that he too believes that making concessions to bring the PA to the negotiating table advances the cause

of peace. It is the responsibility of thoughtful and informed Israelis to figure out the logic of the Netanyahu decision and judge accordingly. He must defend himself from his attackers – with both arms tied behind his back.

All of the above depends on Netanyahu's readiness and ability to resist excessive US pressure at the end of the ten-month period. But it seems fair to say that we learn nothing about that critical question from his tactical decision about the temporary freeze.

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