The Israeli Government’s Old-New Palestine Strategy

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What’s new? Not much, and that is the problem. It is business as usual for Israel and the outside world vis-à-vis the Israeli-Palestinian conflict following the eruption of violence in April-May 2021. The Israeli coalition government arrived with messages of positive change but has stepped up repressive practices instead.

Why does it matter? The spring 2021 events showed that the status quo guarantees future rounds of escalation. Failure to address the conflict’s roots or at least lower the temperature via intermediate steps will precipitate more violence. International near-silence has allowed Israel to take further measures to quash Palestinian resistance to the occupation.

What should be done? International stakeholders should push for long-overdue steps to reduce risks of another flare-up – a long-term truce in Gaza; a halt to West Bank settlements and evictions of East Jerusalem Palestinians; respect for traditional arrangements at Jerusalem holy sites; and renewal of Palestinian political leadership – while rethinking approaches to peace.

I. Overview

Almost one year after the upheaval of April-May 2021, neither Israel nor any outside power has overhauled its approach to the Israeli-Palestinian conflict. Indeed, developments suggest that everyone’s calculus remains much the same. Israel’s government has alluded to “shrinking the conflict” – contemplating steps that slightly mitigate the dire economic situation of Palestinians in the West Bank and Gaza in lieu of pursuing a political solution – and through its Western-oriented foreign minister has sought to reassure external actors. But Israel’s line, if it seems new, is in fact a repackaging of a status quo that is, as the spring 2021 events showed, increasingly untenable. Israel’s further settlement expansion in the West Bank and designation of six respected Palestinian civil society groups as terrorist underscore how hopeless prospects for peace have become. External actors should push for interim remedial steps to reduce risks of another flare-up. They should also start rethinking the entire edifice of what has become a defunct peace process.

The coalition government of Prime Minister Naftali Bennett that took office in June 2021 following elections three months prior seemed to consign the Israeli-Palestinian conflict to the back burner. It did so despite the events that had just transpired, in-
cluding Palestinian protests across the West Bank, Gaza, East Jerusalem and Israel itself, and an eleven-day aerial bombardment of Gaza – in response to Hamas rocket volleys into Israel – that further degraded vast swathes of the coastal strip. The government adopted both a new tone and a new narrative. Foreign Minister Yair Lapid, a centrist, sought to mollify Western governments that had been put off by Prime Minister Benjamin Netanyahu’s hard line against the Palestinians and the brashness with which he addressed Israel’s allies. Lapid’s more diplomatic tone and Bennett’s less overtly confrontational approach to Palestinians seem to have worked in wooing back sometimes disaffected Western leaders, who, preoccupied by crises elsewhere, in any case have little appetite to confront Israel over its policies toward the Palestinians.

Yet this softer tack amounts to little. In essence, it entails a measure of economic cooperation that barely affects overall dynamics of occupation, institutionalised discrimination or denial of basic rights, alongside stepped-up diplomatic, financial and security support for the Palestinian Authority (PA), with which Israel cooperates and on which it relies to suppress resistance to the occupation. The PA itself has lost popular legitimacy due to corruption, incompetence and clampdowns on dissent, as well as its readiness to work with Israeli authorities with no return in the form of a political horizon for Palestinian rights and freedoms. It has baulked at organising elections that could refresh Palestinian politics and improve governance. The Bennett-Lapid government’s old-new strategy, which in its previous iterations repeatedly failed to contribute to progress toward peace, is a product of the Israeli system’s gravitational pull away from any form of peace process. Without clear determination on the Israeli leadership’s part to reverse the existing trends, Israel’s de facto annexation of the West Bank will continue.

Meanwhile, external actors stand by nearly mute, except in certain isolated cases encompassing some but not most new settlements and home evictions. Part of it is fear of upsetting the fragile coalition government. The U.S. under President Joe Biden would likely have been more forward-leaning in its criticism of Israel’s terrorism designation of six Palestinian civil society organisations, for example, or of aspects of its settlement-building enterprise had the government in charge been Netanyahu-led. But regardless of who is in power in Israel, the U.S. has little interest in confronting Israel, especially while it is involved in sensitive negotiations with Iran to revive the nuclear deal – a goal the Israeli leadership opposes. As for European states, they appear to have largely washed their hands of the Israeli-Palestinian conflict, divided internally, under little domestic pressure to act and now, of course, gripped by Russia’s invasion of Ukraine.

The result is that, instead of taking steps to reduce conflict and push for serious peace talks, international actors are enabling Israel’s repression and, through near silence, letting Israel keep acting with impunity. Absent more decisive action and a thorough rethinking of the international approach to the conflict, this path can only lead further away from the two-state solution they profess to support, while further eroding Palestinian rights and encouraging renewed violence.

The spring 2021 fighting and Israel’s subsequent continuation of Netanyahu-era policies toward the Palestinians offer yet more proof that the conflict’s current manifestation is untenable. A rethink of the overall approach to peace is long overdue. Until that happens, however, foreign powers should at least push for steps to reduce tensions and mitigate risks of another escalation. They should urge Israel to pursue a
long-term truce with Hamas in Gaza, which would allow rebuilding in the strip to begin and would protect civilians on both sides; freeze settlement expansion, home demolitions, evictions and expropriation in the West Bank; rescind the bans on six Palestinian civil society organisations; repeal orders to evict Palestinian residents of Sheikh Jarrah and other parts of occupied East Jerusalem; revert to the framework known as the Status Quo, which had largely kept the peace at the Holy Esplanade (the Jerusalem compound that comprises the Haram al-Sharif and Temple Mount); and address institutionalised discrimination against Palestinian citizens of Israel itself.

Most of these steps should have been taken a decade or three ago – Crisis Group has long urged many of them – but their seemingly perpetual recurrence does not make them any less necessary today if further bloodshed is to be averted. External actors need to do more, in other words, to hold Israel accountable for its policies of systematic discrimination, violence, dispossession and de facto annexation. Such steps would come not a moment too soon, as tensions appear to be rising once again ahead of Muslim and Jewish religious holidays in April, and Israelis and Palestinians will soon mark the first anniversary of last year’s upheaval.

At the same time, they should press for Palestinian political renewal via national elections, which would allow for a return to representative institutions and improve prospects for national reconciliation between Fatah (and by extension the PA) and Hamas. They should demand that the PA stop intimidating and repressing peaceful opposition. Hamas should not fire rockets indiscriminately into Israel, though there is scant likelihood that the movement will refrain from doing so absent a long-term truce. Outside actors should keep holding Hamas accountable for such attacks.

II. That Was Then, This Is Now

Events in April-May 2021 – Palestinian protests in East Jerusalem, which were violently suppressed by Israeli security forces but then spread to the occupied West Bank and Israel’s mixed cities, and also to Gaza, where Israel and Hamas fought an eleven-day war – sparked renewed international concern about the situation in Israel-Palestine.¹

In June, a diverse and fragile Israeli political coalition spanning the annexationist right and anti-occupation left and, in a first, including an Arab party, ousted Netanyahu, creating a smidgen of hope that Israel was turning the page on his policies.² The new government introduced both a new narrative about the conflict and a different tenor from Netanyahu’s in dealing with Israel’s Western allies. The ascent of Lapid as foreign minister projected a welcome new tone in Western capitals where Netanyahu had burned bridges (on the Democratic side of the aisle in the U.S., in particular). In a rhetorical departure from the past, both Lapid and Bennett, a right-

¹ Crisis Group Middle East Report N°225 (in partnership with USMEP), Beyond Business as Usual in Israel-Palestine, 10 August 2021.
² During a meeting with Lapid, EU High Representative for Foreign Affairs Josep Borrell said this coalition was an “opportunity for a fresh start, for restarting the relationship with Israel from the point of view of our bilateral relations, but also about the situation in the Middle East”. Lazar Berman, “In meetings with Lapid, EU expresses eagerness to improve Israel ties”, Times of Israel, 12 July 2021.
wing politician and former settler leader, began talking about forms of “shrinking the conflict”. By this phrase they mean taking steps to bolster the Palestinian economy in the West Bank and, consequentially, prop up the PA while weakening Hamas. An Israeli official said: “We are really looking for ways to bring about genuine economic improvement to Palestinians. This is not lip service”.

Yet the change in rhetoric masks continuity in policy. Strengthening the PA appears aimed primarily at preventing its political and financial collapse in order to keep Hamas at bay, the West Bank from flaring up and Israeli soldiers and civilians there secure, while maintaining in power a PA leadership that acquiesces in the status quo, including Palestinian political division. Bennett has ruled out political talks of any kind with the Palestinians and explicitly opposes a two-state outcome. Lapid, due to assume the premiership in 2023 as part of a rotation agreement, has said Israel will continue to veto political negotiations as long as the current coalition is in office – in other words, until November 2025. Defence Minister Benny Gantz said at the February 2022 Munich Security Conference that Palestinians should not expect a

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5 After PA President Mahmoud Abbas came to his home in Israel on 28 December 2021, Gantz tweeted that the meeting “emphasised the importance of deepening security coordination and preventing terror and violence – for the well-being of both Israelis and Palestinians”. Tweet by Benny Gantz, Israel defence minister, @gantzbe, 5:34pm, 29 December 2021.

6 Since taking office, Bennett has said “there will be no diplomatic process with Palestinians”, and: “I oppose a Palestinian state – it would be a terrible mistake”. Bennett also famously penned a New York Times op-ed in 2014 in which he ruled out a two-state solution. See Jack Khoury, “Why Bennett could usher in a one-state solution”, Haaretz, 12 September 2021; “Bennett says he won’t meet Mahmoud Abbas, Palestinian state a ‘terrible mistake’”, The Times of Israel, 14 September 2021; and Naftali Bennett, “For Israel, two-state is no solution”, The New York Times, 5 November 2014. An Israeli political analyst said Bennett backs Israeli support for the PA but has made clear that he will not engage in dialogue with Palestinian leaders as long as the PA is taking legal action against Israel before the International Criminal Court in The Hague and paying the families of Palestinian prisoners in Israeli jails. Crisis Group interview, Jerusalem, March 2022. Even if Bennett were to speak directly to the PA, his explicit rejection of a two-state solution would forestall any meaningful progress on a negotiated way forward.

7 Lapid said: “This government is composed of a range [of people], from [New Hope MK] Ze’ev Elkin and [Yamina MK] Ayelet Shaked to [Ra’am leader] Mansour Abbas. I think it’s good that today’s foreign minister and the person who will serve from August 2023 as prime minister is a man who believes in the two-state solution. But even after the rotation, the coalition’s makeup will remain the same, and I will adhere to every agreement that I made with my partners”. Quoted in Ariel Kahana, “Without peace talks, 2022 will likely see Israel designated apartheid state”, Israel Hayom, 4 January 2022.
state but rather an “entity”. The government has taken some positive steps in an effort to maintain calm. But these have been small and overshadowed by other measures that have kept tensions high, erected more obstacles to Palestinians pursuing self-determination and likely accelerated the countdown to the next cycle of violence.

III. Progress or Window Dressing?

Israel has taken a number of actions to underpin its narrative that it has matters firmly under control and is pursuing “shrinking the conflict” on its own terms. In August, Israeli officials resumed high-level contacts with their PA counterparts for the first time in almost seven years. Gantz met with President Mahmoud Abbas in Ramallah on 29 August to discuss matters related to security, economy and civil affairs in what they described as an effort to restore stability in the occupied territories by bolstering the PA. Gantz offered a 500 million shekel ($155 million) loan to the PA from tax revenues it collects on the PA's behalf; the PA received these funds in September and is expected to repay the loan by June 2022.

Gantz met with Abbas again just before the end of the year, this time hosting him in his home in Israel on 28 December, in Abbas's first high-level meeting inside Israel since 2010. The two sides offered contrasting accounts of the meeting. The defence ministry described it as focused on strengthening security cooperation and preventing terror attacks in the West Bank. Gantz reportedly told Abbas that he intends to continue pursuing what he calls confidence-building measures, among them an additional 100 million shekel ($30 million) loan to the PA from Palestinian tax revenues, as well as legally formalising the residency status of thousands of Pal-

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8 “Eventually we will find ourselves in a two-entity solution, in which we respect Palestinian sovereignty and governance, but we will be respected for our security needs”, Gantz said on the panel in Munich, explaining that there will be no return to the 1967 borders. Tovah Lazaroff, “Palestinians will have ‘an entity’, not a state, says Gantz”, Jerusalem Post, 20 February 2022.

9 The intent to “shrink the conflict” was the core message that Bennett conveyed to the Biden administration during his visit to Washington in August. Crisis Group/USMEP telephone interview, U.S. source briefed on the Bennett meetings, August 2021.

10 “Palestinian president meets with Israeli defense minister”, Reuters, 30 August 2021. The stated goal of the Gantz-Abbas meeting – along with the notion of strengthening the PA – was to build confidence by showing support for existing Israel-PA coordination and encouraging further dialogue. Crisis Group telephone interview, Israeli official, November 2021. A month later, Regional Cooperation Minister Issawi Freij and Health Minister Nitzan Horowitz, both of the Meretz party, also met with Abbas, stressing the need to keep the two-state solution alive. “Meretz ministers meet Abbas: We will block ‘steps on the ground’ to kill two-state solution”, Haaretz, 3 October 2021.

11 Crisis Group telephone interview, Palestine Monetary Authority official, 10 March 2022.

12 On 16 December, Palestinian gunmen shot at a car of Israeli settlers near the West Bank settlement of Homesh (evacuated during the disengagement in 2005 but repeatedly reinhabited by Israelis, in violation of Israeli law), killing one Israeli and injuring two others. Settlers marched in response, and Israeli officials called for regulations that would allow the settlement’s re-establishment, triggering clashes between settlers and residents of the adjacent Palestinian village of Burqa. These incidents, together with continued protests in the Palestinian village of Beita against the Evyatar settler outpost, have raised tensions in the West Bank, putting Israeli security officials on alert for renewed violence. Tovah Lazaroff, “Warnings of Palestinian intifada as IDF remains on alert in West Bank”, Jerusalem Post, 3 January 2022.
estinians in the West Bank and Gaza. The official Palestinian account of the meeting was different. Hussein al-Sheikh, a senior adviser to Abbas, asserted that it focused instead on the need for a “political horizon that leads to a political solution” and that now is “the last chance before the explosion”. Abbas also mentioned concerns about settler attacks and potential escalation of violence at the Holy Esplanade.

While high-level dialogue is important to keep channels of communication open in case there is an acute crisis, the Gantz-Abbas talks were not aimed at restarting the peace process or working to resolve specific issues pertaining to the conflict. Prime Minister Bennett, who said he gave full approval for the meeting, stressed that its focus was security and the economy, not politics. As far as Israel is concerned, such meetings have long aimed to ensure the PA can maintain a modicum of governance in the West Bank and assist Israeli security forces in exercising control. Israel opposes reconciliation between the PA and Hamas; it also opposes elections that could bring Hamas into government. Instead, Israeli officials say, they want to build up the PA to protect it from Hamas. They would like to see the PA replace the Hamas government in Gaza, however unrealistic this prospect may seem in the near term.

Israel has made some cooperative gestures. For example, it ratified the residency status of 1,200 Palestinians who have been living in the West Bank for decades; approved address changes for 2,800 Palestinians who moved from Gaza to the West Bank before 2007; granted several West Bank factories a standards association certification for the first time, which should make it easier for them to market their products in Israel and abroad; and approved plans for 1,300 housing units for Palestinians (although only 170 homes have received final clearance so far).

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13 “Gantz hosts Abbas at his home, in PA leader’s first meeting in Israel in a decade”, Times of Israel, 28 December 2021; and “Gantz announces series of gestures to Palestinians after Abbas meeting”, Times of Israel, 29 December 2021. Concerning the two loans amounting to $185 million: Crisis Group telephone interview, Palestine Monetary Authority official, 10 March 2022.
14 Tweets by Hussein al-Sheikh, Palestine Liberation Organization executive committee member, @HusseinSheikhpl, 6:19pm and 9:50pm, 28 December 2021. A week before the Abbas-Gantz meeting, Abbas convened about 70 Fatah party faithful and security personnel in Ramallah, telling them he would be giving Israel and international actors an ultimatum. Crisis Group telephone interviews, former senior Palestinian security personnel who attended the event, 5 January 2022. Palestinian civil society activists dismissed talk of an ultimatum as “rhetorical brinksmanship” at a time when Abbas’s popularity is waning and the PA on the verge of collapse. Crisis Group telephone interviews, 5 January 2022.
15 “Abbas said to warn Gantz changes on Temple Mt. could lead to ‘unstoppable’ violence”, Times of Israel, 30 December 2021.
16 “Bennett: I gave my ‘full approval’ to Gantz-Abbas meeting”, Times of Israel, 2 January 2022.
17 An Israeli official said: “In the choice between Hamas and the PA, Israel has an obvious political, economic and security interest in strengthening the PA. They have to prove that they want to and are able to govern as the entity responsible for the Palestinians”. Crisis Group telephone interview, 17 November 2021.
19 Crisis Group interviews, Israeli officials, Jerusalem and Tel Aviv, March 2022. An Israeli official contended that “Israel is supporting the PA in order to prevent Hamas from flourishing”. “We can’t have Hamas in the West Bank”, he said. Crisis Group interview, Jerusalem, March 2022.
20 See “Israel legalizes 4,000 Palestinians’ residency in West Bank”, Haaretz, 19 October 2021. On West Bank factories’ standards certification, see tweet by Gal Berger, @galberger, 1:36pm, 28 October 2021 (Hebrew). See also email update from Gisha, Israeli human rights organisation, 20 October
But these measures are far from the whole of Israeli West Bank policy. For the small number of Palestinians affected, they might be welcome. But they are a drop in the bucket, and need to be set against the fact that Israel’s Civil Administration, the administrative arm of its military rule in the West Bank, is demolishing Palestinian homes and structures in areas it controls at higher rates than in previous years.21 With the $185 million Gantz provided the PA, Israel has loaned the Palestinians money that is rightfully theirs – another reason the meetings have faced intense criticism from Palestinian factions, further isolated Abbas’s Fatah party and sparked no optimism among Palestinians, who also consider the Abbas team’s claims of a political horizon, denied by Israel, to carry no credibility.22

The Bennett-Lapid approach to “shrink the conflict” thus far appears no different from the failed policies of old. It is premised on the apparent belief that greater economic prosperity will encourage social calm and reduce drivers of protest in the occupied territories. Alleviation of severe economic hardship under certain circumstances might be able to buy time – and is appreciated by the individuals who benefit – but does nothing toward guaranteeing Palestinian rights or resolving the conflict. It entrenches a reality that respected global human rights organisations now designate as meeting the international legal definition of the crime of apartheid.23 Overall, Palestinian demonstrations and uprisings have been motivated primarily by the persistence of Israel’s occupation, manifested for instance in movement restrictions and punitive military actions, rather than by economic woes.24 Israel’s pursuit of economic good-will gestures arguably gives cover to its settlement expansion, changes in the historical Status Quo in East Jerusalem and joint Israeli-PA repression.

In parallel with the notion of “shrinking the conflict”, Lapid has proposed starting “a large, multi-year process of economy for security” in Gaza, to “create stability on
both sides of the border”, a strategy he sees “as part of a comprehensive view of the Palestinian issue”.25 In the aftermath of the eleven-day war in May 2021, Israel took a number of steps in Gaza to relieve the pressure generated by its siege. It extended the range in which it permits fishing to 22km off the coast. It increased the quantity and variety of materials, including dual-use goods, entering the territory; allowed in equipment to rehabilitate the communication sector; increased the supply of water from Israel; issued a few thousand permits for family reunification; assented to renewal of Qatari funding ($35 million); and, most importantly, issued more permits to Gazans wanting to work in Israel, starting with 5,000 and more recently upped to 12,000 workers, which greatly helps the local economy. Cumulatively, these measures return the situation to something resembling the pre-May period (in other words, a level of closure that contributed to the escalation).26

Lapid’s plan foresees that Israel would take additional steps over the next few years to restore infrastructure in Gaza, but only if Hamas commits to disarm. Yet this premise is improbable, as it posits that Hamas would agree to cease its armed struggle while Israel’s siege on Gaza and overall occupation continue unabated.27 Such a policy amounts to collective punishment of the civilian population.28 Hamas rejects Israel’s strategy as aimed at reducing support for its resistance in Gaza and “bartering security for food and medicine”.29

Relief efforts are piecemeal, and rebuilding following the massive destruction is starting only slowly. Israel has limited the entry of humanitarian goods and reconstruction materials, including electronic devices and communications equipment, branding these and other items as dual-use.30 Israel claims it wants to ensure that economic development in Gaza does not have the effect of harming its security or bolstering Hamas. But the more likely reason is that Bennett, who does not want to appear weak to his already small base and critics to his right, cannot afford politically to loosen the siege of Gaza. Options for Gaza remain restricted absent a broader shift in Israel’s approach – its claim of wanting the PA back in control of Gaza cannot be squared with its opposition to Palestinian reconciliation and elections and its negation of any political horizon.31 The status quo also serves Israel: Palestinians are di-

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26 “Israel approves 10,000 work permits for Gazans”, Britain Israel Communications and Research Centre, 22 October 2021.

27 “FM Lapid addresses World Summit on Counter Terrorism”, op. cit.

28 An Israeli official said: “Ultimately, Hamas has to choose if they want terror or welfare and economy for their people. That is their dilemma. … We are working hard on the Lapid plan to make the economy in Gaza better with the security of Israel in mind”. Crisis Group telephone interview, 17 November 2021.

29 “Al-Zahar to Al-Mayadeen: We cannot give up our weapons”, Al-Mayadeen News, 14 September 2021 (Arabic).

30 Dual-use goods are those with both civilian and military applications. See section 2 in “Trading in the Dark”, Gisha, 6 October 2021.

31 Lapid made clear in his statement accompanying the announcement of Israel’s humanitarian rehabilitation plan for Gaza that “the intention is not to negotiate with Hamas, and that Israel considers the Palestinian Authority the representative body of the Palestinians, not Hamas”. “FM Lapid
vided, Gaza is isolated and Hamas is preoccupied with the challenges of daily service provision.

Tensions persist. In August, Palestinian factions in Gaza launched incendiary balloons into Israel and staged marches in which protesters threw stones at Israeli army posts along the Israel-Gaza border.\(^{34}\) In one instance, they shot and killed a border police officer; during the same clashes, Israeli forces using live fire killed two Palestinian protesters and wounded 41.\(^{33}\) Hamas and Israel held Egyptian-mediated proxy talks in Cairo about a more sustainable Gaza ceasefire and a possible prisoner exchange, another Israeli precondition for progress on addressing Gaza’s deeper predicament. Prospects for a deal on the prisoner question, which is highly emotive, are dim, and Egyptian mediation efforts have been frozen.\(^{34}\) The blockade on Gaza is the underlying factor for most escalations in the vicinity over the last decade and a half. Although neither the Israeli government nor Hamas seems to want another cross-border conflict at this time, if Israel maintains the siege, a return to violence in the near future is a real possibility.\(^{35}\)

IV. An Uptick in Repression, Further De Facto Annexation

Israel’s leaders, who represent a diverse coalition whose members hold different perspectives and are subject to different pressures, have not articulated a clear strategy due to their internal divisions. As a result, the general trajectory is along what an Israeli commentator referred to as “the path of least resistance” – more of the same. “Politicians may see where this is going”, the commentator said, “but they care more about their current careers and will make sure that this unsustainable situation won’t break down on their watch”.\(^{36}\)

Since the Bennett-Lapid coalition’s formation, some foreign leaders have signalled dread that Netanyahu, who remains leader of the opposition, may return heading a more robust and confrontational right-wing government or that such a government may otherwise come into being.\(^{37}\) President Biden called Bennett immediately after the latter assumed his duties as premier (having delayed a call with Netanyahu until a month into his presidency), and the European Union (EU) invited Lapid to an informal lunch during a 12 July Foreign Affairs Council meeting, something it had not

\(^{32}\) “Hamas operatives launch incendiary balloons into Israel”, Associated Press, 4 September 2021.
\(^{33}\) “Israeli policeman dies of gunshot wound from Gaza protest”, Associated Press, 30 August 2021; and “Israeli police officer shot at Gaza border protest dies”, Al Jazeera, 30 August 2021.
\(^{34}\) Crisis Group interviews, Hamas officials, Gaza, 7 November 2021 and 14 March 2022; Doha, December 2021.
\(^{35}\) Crisis Group interviews, Hamas officials, Gaza, 7 November 2021. See also “FM Lapid addresses World Summit on Counter Terrorism”, op. cit.
\(^{36}\) Crisis Group interview, Jerusalem, March 2022.
\(^{37}\) See, for example, Jacob Magid, “Memory of Netanyahu era gives Bennett leverage over Biden, at least for now”, Times of Israel, 27 July 2021.
done for almost a decade. Such gestures of support can only feed the Bennett government’s perception that its foreign partners will not demand redress for or even strongly object to its further erosion of Palestinian rights. The government also has been able to cite the coalition’s internal ideological differences as evidence that taking major steps on the Israeli-Palestinian conflict might break it apart. Arguably, it is engaging in practices from which its predecessor might have shied away, fearing external pressure, especially with President Donald Trump no longer in the White House.

Several steps over the past months highlight this trend. On 22 October 2021, Defence Minister Gantz designated six veteran Palestinian civil society organisations operating in the occupied territories as “terrorist” groups (on the grounds that they “belong to and constitute an arm of the organization[s] leadership” of the Popular Front for the Liberation of Palestine, the PFLP). On 16 December, the six groups made an official request to the Israel Defense Forces (IDF) commander in the West Bank to disclose the evidence against them; then, on 3 February 2022, following Israel’s repeated refusals to supply such evidence, five of them filed a procedural objection to cancel the decision based on it being devoid of due process.

Gantz’s move could do serious harm. It certainly hampers these groups’ ability to document and put a spotlight on Israel’s human rights conduct to hold it to account

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38 “It took Biden a month to call Netanyahu, two hours to call Bennett”, Haaretz, 15 June 2021; and “FM Lapid addresses meeting of EU Foreign Affairs Council”, Israeli Ministry of Foreign Affairs, 12 July 2021. From his side, Bennett was quick to offer himself as a mediator between Presidents Vladimir Putin and Volodymyr Zelenskyy following the Russian invasion of Ukraine. Whatever merits his diplomacy may have – it was widely derided by Israeli commentators – it will likely help further prevent overt Western criticism of his government’s policies in the occupied territories.

39 Upon formation, the coalition agreed to put aside the most contentious issues, primarily the conflict with the Palestinians. In August, Bennett told The New York Times: “This government will neither annex nor form a Palestinian state, everyone gets that”. Quoted in “New Israeli leader backs hard line on Iran but softer tone with U.S.”, The New York Times, 24 August 2021. See also “Israel moves towards coalition deal that could sideline Netanyahu”, The New York Times, 30 May 2021.

40 Security official: Israel told U.S. it would classify Palestinian NGOs as terror groups in advance”, Haaretz, 23 October 2021. Gantz’s designation applied only within Israel. Two weeks after the decision, the chief of the Israeli army’s central command extended the order to the West Bank, making the six organisations’ operations formally illegal there. The six organisations are Al-Haq; Defence for Children International-Palestine; Addameer Prisoner Support and Human Rights Association; the Bisan Center for Research and Development; the Union of Agricultural Work Committees; and the Union of Palestinian Women’s Committees. In the case of Al-Haq, a widely respected human rights group that has been active for more than four decades, the defence ministry order of 19 October (updated two days later) states that “the Al-Haq institution has been declared as a terror organization because it constitutes an inseparable arm of the ‘Popular Front’ terror organization and not because of its said civil activities”. “Designation No. 373 of the Minister of Defense in accordance with the Anti-Terrorism Law, 2016”, 21 October 2021. Two Israeli officials insisted that they have facts to back up the designation but declined to present them. One merely asserted: “These [organisations] are terror groups. The world should stop being hypocritical. Terror is terror, period. This is calling a spade a spade”. Crisis Group telephone interview, 17 November 2021.

(for example, at the International Criminal Court), as well as to deliver social services.\footnote{For example, Al-Haq’s co-founder noted that Al-Haq has supplied evidence to the International Criminal Court for its investigation of war crimes by Israel during the 2014 Gaza war, and that Gantz, who issued the order banning the six organisations, could be named in the court’s indictment, as he was the Israeli military’s top commander in 2014. Raja Shehadeh, “What does Israel fear from this ‘terrorist’?”, \textit{The New York Review of Books}, 2 December 2021. Defence for Children International-Palestine highlighted Israeli human rights violations in 2021 by naming it the deadliest year for Palestinian children since 2014, with 78 killed at the hands of Israeli security forces or settlers as of 20 November. See tweet by Defence for Children International, @DCIPalestine, 9:04am, 20 November 2021.}

It also sends a chill through Palestinian civil society, threatening all its activities, and intimidates outside donors (mainly the EU and member states).\footnote{For the measures Israel could take against the six organisations, see its Counter-Terrorism Law, updated on 14 February 2018.}

The designation’s ill effects do not stop there, however. It exposes the six organisations’ staff to arrest and blocks the groups from receiving additional funding. It implicates anyone in Israel who publicly expresses identification with or support for them (thus also affecting Israeli and international human rights organisations).\footnote{Crisis Group telephone interview, Sha’wan Jabarin, director, Al-Haq, Ramallah, 7 March 2022.}

The lawyer for one of the affected organisations, Al-Haq, which enjoys great international respect for its four decades of meticulous human rights documentation, said the designation might as well be “a death sentence” for the six organisations, since it targets their funding.\footnote{He predicted, however, that Israel would fail in its attempt to shut down the organisations. Crisis Group interview, Sha’wan Jabarin, director, Al-Haq, Ramallah, 7 March 2022.}

Meanwhile, some of the organisations have continued normal operations, but with the sword of Damocles hanging over them. Al-Haq’s director noted that Israel does not need to shut down the groups’ offices or detain their staff when driving away their foreign funders may very well achieve the same result – and in a less visible way.\footnote{Crisis Group telephone interview, Union of Agricultural Work Committees representative, 27 October 2021.} Gantz’s decision evoked only modest consternation overseas; far more determined international action would be needed to force him to rescind it.

Even in the unlikely event that Israel walks back the decision, it will have already harmed the Palestinian population’s well-being by further undermining freedoms of association and expression that allow Palestinian civil society to breathe, and stymie attempts to revive stagnant socio-economic development in the West Bank.\footnote{Crisis Group interview, Union of Agricultural Work Committees representative, 27 October 2021.
society, providing services and acting as an alternative mode of mobilisation and resilience in the face of Israeli appropriation of land and resources, particularly in the absence of a functioning PA that is seen as legitimate.48 The designation will hurt these organisations’ operations in Gaza, where they provide essential services to the civilian population; it can only compound the already worsening humanitarian crisis.49

Meanwhile, settlement expansion continues apace. On 27 October 2021, the Civil Administration in the West Bank authorised the construction of over 3,000 housing units in 25 Israeli settlements, most of them isolated and deep inside the territory.50 At the same time, Gantz has not evacuated settler outposts considered illegal under Israeli law, most prominently Evyatar, with Israel’s outgoing attorney-general in February 2022 removing any legal restrictions on plans for authorising a new settlement at the location.51 This settlement’s establishment in May 2021 provoked recurrent protests by Palestinians in Beita, a neighbouring village, in which the Israeli military killed at least seven demonstrators.52

Israel is also advancing settlement construction. In early January, local authorities approved 3,557 housing units in occupied East Jerusalem, including a new neighbourhood that will complete a southern ring that will “block the potential Palestinian continuum between Palestinian neighbourhoods in East Jerusalem and Bethlehem [in the West Bank]”.53 In addition, the government threatened to revive dormant plans to build in E1, an area in the West Bank adjacent to the large settlement of Ma’ale Adumim to Jerusalem’s east, which would divide the West Bank in half, severing north from south (that plan has been shelved for now, partly thanks to U.S. pressure).54 In the nine months since the Bennett-Lapid coalition assumed power, in addition to advancing new settlement plans, Israel began construction of a new settlement in Hebron, allocated significant new funds to settlements and started work on a new underpass designed to enable settlements’ growth by streamlining travel between them and Israel.55

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48 Crisis Group telephone interviews, directors, SHAMS-Human Rights and Democracy Media Centre, executive director, Palestinian Farmers Union, 5 November 2021. The last interviewee said Israeli attacks on livelihoods are bound to push Palestinians to the brink of desperation – and possibly violence as a last resort. The Palestinian Farmers Union, which works to protect farmers in the West Bank’s Area C, says it has 45,000 beneficiaries there.
49 Crisis Group telephone interview, representative of Union of Agricultural Work Committees’ Gaza branch, 27 October 2021.
51 “In last days in office, Israel’s attorney general okayed settlement at illegal outpost”, Haaretz, 2 February 2022. An Israeli official asserted that Gantz has approved construction for both Israelis and Palestinians, and that none of the plans for Israeli construction include new settlements. Crisis Group telephone interview, November 2021.
53 “Plans for 3,557 units in East Jerusalem were approved at the Local Committee”, Peace Now, 5 January 2022.
The government has built on its predecessors’ legacy of West Bank settlement, propelled by a powerful settler movement that has been able to expand Israeli settlements, due to official support but also lack of effective opposition, and even without cabinet consensus behind a specific settlement plan. This dynamic finds its expression in master plans for roads and infrastructure, including piped water and sewage, that in turn enable construction of more settler housing in the West Bank and especially in and around Jerusalem, making a two-state solution increasingly difficult to envision.56 An Israeli expert on the master plans described them, overall, as “a one-state plan based on a single grid with integrated infrastructure. ... A single sovereign takes all decisions in the territory between the [Jordan] river and the [Mediterranean] sea, and has integrated its bureaucracy in order to do so”.57 Tellingly, the plans’ issuing authority is Israel’s transport ministry, which has no jurisdiction in the occupied territories under international law; in the past, Israel’s military-civil government handled infrastructure development there.

At the same time, the West Bank has seen an increase in settler aggression against Palestinians and their property, including during the October-November olive harvest.58 Settlers have acted with apparent impunity as the Israeli army largely stands by.59 Between 3 and 16 October 2021, the Israeli rights group Yesh Din recorded at least eighteen incidents of settler violence or vandalism, while B’tselem documented the destruction of at least 1,500 trees, mostly olive trees.60 The army has also periodically barred Palestinians from access to their land by declaring certain areas closed military zones.61 On 21 January 2022, a group of settlers armed with clubs attacked Palestinian villagers and Israeli rights activists who were planting trees in the West Bank village of Burin, leaving at least seven people injured. Israeli Public Security Minister Omer Bar Lev, deviating from Prime Minister Bennett’s undivided support of settlers, called the incident “organised activity by a terror group” (and was castigated by most governing coalition members for doing so).62

Occupied East Jerusalem’s Sheikh Jarrah neighbourhood continues to be a major flashpoint, with frequent confrontations between Palestinian residents, on one side, and settlers and Israeli police, on the other, as Israeli efforts to uproot Palestinians continue. In October 2021, Israel’s Supreme Court, apparently understanding the
gravity of the protests and the intense international pressure, postponed ruling on a lower court’s eviction order and instead offered the families concerned a “compromise”, allowing them to remain in their home as tenants for fifteen years but without ownership rights. The families rejected the proposed deal; in early March, the court suspended the evictions. In January 2022, in another part of Sheikh Jarrah, Israeli forces evicted a family and demolished their home to make way for a court-approved municipal plan to build a school. In a third case, a family faced a court eviction order that was scheduled to be carried out in March, but in February the Jerusalem Magistrate Court froze it, ostensibly following police concerns about the timing, just ahead of Ramadan and amid persistent tensions.

In view of potential unrest during Muslim and Jewish holidays in April-May 2022, an Israeli official characterised Israel’s approach in Jerusalem and the West Bank as “putting ice on the situation”.

Related events in Sheikh Jarrah have added fuel to the fire, however. In mid-February, far-right Knesset Member Itamar Ben Gvir reopened a makeshift office in the neighbourhood, claiming he was there to protect the settlers amid police passivity. Ben Gvir’s action provoked renewed protests and clashes, including a physical altercation between Joint List MK Ahmad Tibi and Jerusalem’s pro-settler deputy mayor, Arieh King. Israeli police used skunk water, tear gas and stun grenades to disperse Palestinian protesters, injuring at least fourteen, conducting arbitrary arrests and attacking journalists for trying to report on events at the scene. Police also arrested several Israeli settlers. A few days later, police forcibly dispersed Palestinians and Israelis protesting the evictions. In nearby Silwan, a hundred Palestinian families are also under threat of eviction on similar pretenses.

Other practices that helped trigger the spring 2021 violence also continue. At Jerusalem’s Holy Esplanade, the erosion of the historical Status Quo continues. Israel is allowing increasing numbers of Jewish citizens, under police protection, to pray on the Holy Esplanade, including certain types of worshipful gestures, such as whisper-

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63 Nir Hasson and Chen Maanit, “Israel’s top court proposes compromise to prevent Sheikh Jarrah eviction”, Haaretz, 5 October 2021.
64 On 2 November 2021, four Palestinian families in Sheikh Jarrah rejected the Supreme Court’s “compromise” deal. “Sheikh Jarrah families reject ‘unjust’ deal with Israeli settlers”, Al Jazeera, 2 November 2021. On 1 March 2022, the Court ruled that the families could stay until the justice ministry had re-examined their claim. Aaron Boxerman, “High court says 4 Palestinian families can stay in Sheikh Jarrah homes, for now”, The Times of Israel, 1 March 2022.
67 Crisis Group interview, Israeli official, March 2022.
68 Arrests made as Israeli lawmaker visits East Jerusalem flashpoint”, Al Jazeera, 13 February 2022.
70 Oren Ziv, “Police is heating up Sheikh Jarrah, beating protesters with batons”, Local Call, 19 February 2022 (Hebrew).
ing prayers.\footnote{Patrick Kingsley, “In shift, Israel quietly allows Jewish prayer on Temple Mount”, *The New York Times*, 24 August 2021.} Israel is permitting this activity notwithstanding the Israeli public security minister’s assertion of the need to preserve the Status Quo, which has been in force in more or less its current form since 1967 (and with deeper roots), and which prohibits Jewish prayer at the site.\footnote{Bar-Lev said at a meeting of government officials in Jerusalem in October: “It’s important to preserve the Status Quo, and follow the conditions set by Israel’s government in 1967, immediately after the end of the Six-Day War, and affirmed by all Israeli governments since”. Quoted in Josh Breiner, “Israel’s public security minister insists on maintaining Status Quo on Temple Mount”, *Haaretz*., 17 October 2021. See also Crisis Group Middle East Report N°159, *The Status of the Status Quo at Jerusalem’s Holy Esplanade*, 30 June 2015.} The police still behave brutally around the Damascus Gate, a main entrance to the Old City and a centre of clashes in April–May. Police have been filmed detaining and beating Palestinians, many of them minors, often without apparent provocation.\footnote{Josh Breiner, “Israeli cop filmed hitting Palestinian with club suspended for five days”, *Haaretz*, 14 October 2021. Police have also been given more freedom to use batons with Palestinians. “Israel police revive use of batons after police chief eases rules”, *Haaretz*, 21 June 2021. An additional flashpoint in East Jerusalem arose in October over the Jerusalem municipality’s decision to turn parts of the historic Al-Yusefiya Muslim cemetery, also known as Maqbara Bab al-Asbat (the Lion’s Gate Cemetery), which spans more than 14 dunams (1.4 hectares) of land near the walls of the Old City, into a Jewish “national park” set to open in mid-2022. Samah Dweik, “Palestinians vow to defend graves in Jerusalem cemetery”, *Al Jazeera*, 31 October 2021. The municipality demolished part of the cemetery during construction, exposing remains of Arab soldiers killed in the 1967 war. Ahmad Melhem, “Israel demolishes Muslim cemetery near Al Aqsa Mosque to build park”, *Al-Monitor*, 2 November 2021. The Jerusalem municipality is constructing a grassy trail of 30m×10m on part of the cemetery’s land. Some of the graves are located outside the cemetery’s walls; the city decreed these graves illegal, setting the stage for them to be torn down to make way for new construction. Aviv Tatarsky, a Jerusalem field researcher with Israeli NGO Ir Amim, said: “You could say the city wants to make the area greener, but you can also see it as part of the Judaisation of areas around the Old City basin, which Israel has been implementing through various parks and archaeological projects”. Crisis Group telephone interview, 2 November 2021. These events spurred clashes between residents and relatives of those buried at the cemetery, on one side, and Israeli police on the other. In retaliation, Israeli authorities barred the head of the Islamic Cemeteries Care Committee, Haj Mustafa Abu Zahra, from entering Jerusalem for ten days. It was not the first time Israeli authorities had altered the Al-Yusefiya burial site. In 2014, the municipality prevented Jerusalem citizens from burying their relatives in the cemetery’s northern area and removed twenty graves of Jordanian soldiers killed in 1967. In December 2020, it demolished a stairway and a fence in the cemetery. Images of Palestinians clinging to family members’ graves as Israeli forces arrested, beat and attempted to pull them away have widely circulated on social media. Dweik, “Palestinians vow to defend graves in Jerusalem cemetery”, op. cit. Israeli authorities restricted access to the cemetery and installed surveillance cameras, preventing dozens of Jerusalemites from entering the grounds to visit relatives’ graves. Melhem, “Israel demolishes Muslim cemetery near Al Aqsa Mosque to build park”, op. cit.}

In Israel’s southern Negev/Naqab desert, too, frictions have grown. In mid-January 2022, the Jewish National Fund protected by Israeli forces planted trees on land belonging to the Bedouin al-Atrash tribe in Sawa village, preventing the villagers, who have lived on the land since before the establishment of Israel in 1948, from cultivating the wheat they had planted there a month earlier. Local Bedouin saw the tree planting as a de facto land grab, part of a longstanding government effort to expel them from the area. The al-Atrash tribe plants wheat and other crops each year. It
has a standing ownership claim on 105 dunams (25 acres) of land, filed in the 1970s, that the state has never discussed or recognised.\textsuperscript{75} Israeli security forces used riot control means, including rubber-coated bullets, to disperse protests, wounding dozens and arresting at least 100 people, including minors, over the course of several days.\textsuperscript{76}

In turn, these events triggered a political battle at the Knesset, with the United Arab List, the conservative Arab party in the governing coalition with a strong Bedouin voter base, boycotting parliamentary voting. In joining the coalition, party leader Mansour Abbas had promised to get the government to recognise Bedouin villages considered illegal by the state, which has consistently displaced Bedouin citizens, depriving them of basic services such as water and electricity.\textsuperscript{77} These events, which came on top of violence in Israel’s “mixed cities” in April-May, alarmed Israeli security officials, who have repeatedly spoken of the need to prepare the police and army for further domestic strife and intercommunal rioting, and have included such scenarios in war drills. Former IDF Chief of Staff Gadi Eisenkot has said the biggest threat to Israel is internal dynamics.\textsuperscript{78}

V. Reinforcing a Faltering Palestinian Authority

U.S. and European diplomats suggest that the PA is severely ailing, but they say it must be kept “on life support” lest the two-state solution die.\textsuperscript{79} Yet it is not their governments that are ensuring the PA’s survival, but Israel, though Israel’s motive in doing so is different. It aims to have a junior security partner in the West Bank strong enough to suppress Palestinian dissent but sufficiently weak not to challenge Israel’s freedom of action, or to become the foundation for a viable Palestinian state alongside Israel, which Bennett, like Netanyahu before him, is on record as opposing.\textsuperscript{80} Western diplomats see the Palestinian president as the main obstacle to the PA’s long-overdue democratic reform. He opposes elections – “Mahmoud Abbas doesn’t want elections he can’t win”, as one diplomat put it – and his presence blocks even the possibility of launching conversations about alternatives to the two-state solution,


\textsuperscript{76} Israel police and Bedouin clash in tree-planting protests”, France 24, 13 January 2022; and “Israeli forces violently suppress Palestinian protest in Naqab”, Al Jazeera, 13 January 2022.

\textsuperscript{77} Aaron Boxerman, “Government legalizes 3 unrecognized Bedouin towns, fulfilling Ra’am’s pledge”, Times of Israel, 3 November 2021. The latest clashes are part of a struggle between the Israeli state and Naqab Bedouin going as far back as the establishment of the state. The Bedouin have faced continuous displacement through village destruction, land confiscation and withholding of basic services. Israeli security forces have suppressed the Bedouin’s frequent protests, often violently.

\textsuperscript{78} He said: “I think that the rifts in Israeli society, and the attacks from both sides, the decline in governance, the decline in faith in state institutions, in the courts, crime – all these are the greatest threats for the country’s future”. Quoted in Luke Tress, “Societal rifts a larger threat to Israel than foreign enemies, ex-IDF chief says”, Times of Israel, 21 January 2022.

\textsuperscript{79} Crisis Group interviews, Jerusalem, March 2022. One diplomat said “the PA is starved for funds and may not survive”.

\textsuperscript{80} Crisis Group interviews, Jerusalem, March 2022. A European diplomat said: “Europe must stick with the two-state solution because the two main protagonists – Israel and the PA – have not renounced it. It’s the glue holding things together”.
which looks increasingly elusive.81 Yet Abbas’s position on Palestinian elections aligns with one of the motives Israel and Western capitals share to keep the PA alive: to make sure Hamas will not come to power at the polls.

There is no question that the PA’s governing capacity would need significant boosting if it is to fulfill its limited, if vital, role as the primary provider of essential services such as health, education, security and critical infrastructure, including electricity, water and sanitation, to over five million Palestinians residing in the occupied territories. The PA is also the area’s largest employer. Its collapse, without alternative institutional mechanisms to fill the vacuum, would risk causing a humanitarian crisis and generating widespread instability.

Yet Israel’s use of the PA as its security arm in the West Bank is particularly troubling. Since its inception after the Oslo accords, the PA has played a critical role in tamping down resistance to Israel’s military rule as well as opposition to its own governance. At the same time, the PA itself has become less likely to push back against the occupation, because – having lost much of its legitimacy among Palestinians – its own survival is its almost exclusive concern and only Israel’s support can help ensure it.82 Resumption of financial and security support from Israel and the Biden administration has given Abbas little incentive to pursue reconciliation with Hamas and other political opponents or to address the PA’s legitimacy deficit through elections.83

Indeed, it encourages the PA’s repressive and corrupt tendencies and avoidance of accountability. PA security forces have continued their clampdown on Palestinian dissent, conducting sweeping arrests and, in one particularly notorious case, killing a prominent activist during his arrest in June.84 Activists have mounted protests in response, especially in Jenin, around Nablus and in refugee camps, which highlight the level of Palestinian frustration with the situation; the PA’s inability to restore order there and its intermittent reliance on Israeli security forces exposes both the lack of its reach and its dependent nature.85 Security expenditures continue to take up a disproportionate percentage of the PA’s budget and make up an increasing percentage of the international assistance it receives.86

While the new Israeli government considers reinforcing an unpopular and repressive PA as a package deal that it and the PA both understand to be in their common

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81 Crisis Group interviews, Jerusalem, March 2022.
82 Crisis Group telephone interview, former senior Fatah official, 5 November 2021; Crisis Group/USMEP telephone interviews, Palestinian politicians, November 2021.
83 The U.S. provides very few funds, and no budget support, to the PA due to Congressional restrictions. “Our hands are tied”, a U.S. diplomat said. “We give very little to the PA. It’s Israel that is keeping the PA alive”. Crisis Group interview, Jerusalem, March 2022.
84 “Rights activist ‘beaten to death’ in Palestinian Authority custody”, France 24, 24 June 2021.
85 The refugee camps have been notoriously out of bounds for the PA’s security forces since the PA’s inception in 1994, which is why it is usually the Israeli army that enters the camps to arrest suspects. There has also been an increase in the Israeli army directly making arrests across the West Bank, especially since October 2021, including during clashes following protests in towns and villages such as Jenin, Hebron, Beita, Burqa and Tubas. Crisis Group telephone interviews, officials of the Palestinian National Security Forces and Preventive Security Service, 6 December 2021.
interest, the approach is dangerous in both short and long term. Resuming high-level contacts with the PA is not a step toward restarting a political process, advancing the two-state notion or (re)building what has previously been referred to as Palestinian institutional state-readiness. It is ever more transparently a joint exercise in preventing a robust Palestinian popular challenge to the status quo, one that is managed by and benefits the Israeli government and the PA. It undermines Palestinians’ ability to have their say, adding to the pressure cooker atmosphere and preventing a renewal of Palestinian politics that could give Palestinians an accountable, empowered leadership, external actors a credible, capable interlocutor and Israel a unified negotiating address.

VI. Words Unmatched by Action

In the absence of a viable strategy for ending the conflict, the stratagem of “shrinking” it appears to suit international stakeholders, who have little if any ambition to resolve the conflict, who are under little pressure to do so and who have other foreign policy concerns – chiefly, now, the war in Ukraine – they regard as more pressing. They welcome the Bennett-Lapid government’s softer tone toward the U.S. and Europe in particular, a noteworthy shift from the belligerence of the Netanyahu era.87 U.S. officials say they do not want to “rock the boat” in their relations with Israel.88

Still, even while noting Israeli steps to improve conditions in the occupied territories, some question the substance of those efforts. A European diplomat said, for example: “The new Israeli government wants to make good-will gestures, but in practice we are not seeing much. It is picking the things it finds easiest to do. Plus, much of it is declaratory”.89

International actors have thus settled back into a business-as-usual approach, perhaps hopeful that the new government will ensure a significant lapse of time before another major escalation, which all deem inevitable in the absence of meaningful political steps. The Biden administration, pleased to see Netanyahu gone, expressed

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87 Lazar Berman, “Stressing new coalition’s liberal values, Lapid looks to revive ties with EU”, Times of Israel, 12 July 2021; and “Israel’s foreign policy has changed in tone, not in substance”, The Economist, 4 September 2021.
88 Crisis Group telephone interview, U.S. official, November 2021. An Israeli analyst contended that the incoming Biden administration instructed its staff in early 2021 “to keep the Israeli-Palestinian conflict in a box, to not let it explode”. Crisis Group interview, Jerusalem, March 2022. A U.S. official put it this way in January 2022: “We seek to undo a bit of the damage of the last decade and to rebuild muscle memory of Israelis and Palestinians talking to each other…. If we scream about every single [counterproductive Israeli action], it could get us in a conflict over smaller things. It’s better to keep things a bit quieter while some confidence-building measures can happen. We are trying to re-establish connections, and there have been more contacts [as a result]”. Crisis Group interview, Jerusalem, January 2022.
89 Crisis Group interview, Jerusalem, 22 October 2021. The picture looks different from a West Bank Palestinian’s perspective. Salem Barahmeh, executive director of the Palestine Institute for Public Diplomacy, said: “What’s frustrating is that a lot of Europeans are charmed by Lapid. There is this Lapid effect where he’s genuinely giving them a message that they are buying, and this means there is less accountability. The Europeans are giving the government a chance while the reality on the ground is getting worse. This discrepancy is very frustrating”. Crisis Group telephone interview, 21 November 2021.
support for the successor coalition government. In August 2021, Bennett made his first trip as prime minister to Washington and met with Biden, just as the Afghanistan crisis was exploding. Despite differences on Iran, Biden assured Bennett of his “unwavering” support for Israel. Apart from committing itself to reversing one of its predecessor’s decisions – reopening the U.S. consulate (for Palestinians) in East Jerusalem (a pledge it has yet to fulfil) – the Biden administration has assumed a low-key response to destructive Israeli actions. In response to the “terrorist” designation of the six Palestinian groups, the U.S. State Department merely alleged that Israel had not given it advance warning of the decisions and requested clarification. The only noteworthy pushback has come from progressive members of Congress.

The administration is particularly keen to work with the Bennett-Lapid government in managing the Iran file in ways that avoid political fallout, such as Israel playing Republicans off against the Democratic administration or playing wings of the Democratic party off against each other to the Republicans’ benefit, or both, as Netanyahu used to do. The Iran issue has greater salience for both governments at the moment than developments on the Palestinian front. National Security Advisor Jake Sullivan met with Bennett in Israel in December to reinforce the U.S. commitment to a “common strategy” on Iran talks in service of the two countries’ security interests.

Likewise, the EU and European governments have mostly limited themselves to declaratory diplomacy in the face of Israeli measures against the Palestinians. Israel has some supporters among European governments, and others see no political gain in pushing back against Israel, particularly not when the recognised Palestinian leadership itself is moribund but for Israeli support, and the EU wants to keep the PA alive as a bulwark against Hamas. Some member states, like Italy and the Netherlands, say they have refrained from adopting a strong stance or taking action, in part because they want to give a chance to this “post-Netanyahu government” and its economic initiatives in the occupied territories. They say they have no illusions about how

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90 See Jacob Magid, “Memory of Netanyahu era gives Bennett leverage over Biden, at least for now”, Times of Israel, 27 July 2021.
92 “US holding off on reopening Jerusalem consulate amid strong pushback from Israel”, Times of Israel, 15 December 2021.
93 Ben Samuels, “U.S. seeks clarification after Israel labels six Palestinian NGOs as terror groups”, Haaretz, 22 October 2021. A U.S. Congressional staffer privy to the information that Israel shared with the U.S. said it was unpersuasive and unlikely to convince the White House. Crisis Group/USMEP interview, 10 November 2021. A U.S. official confirmed that, as of March 2022, Israel had supplied no new persuasive information. Crisis Group interview, Jerusalem, March 2022.
94 Several progressive Democratic members of the U.S. Congress signed onto a resolution introduced by Minnesota Congresswoman Betty McCollum on 28 October, condemning Israel’s decision as “repressive”. “Progressive Democrats push resolution against Israel’s NGO terror designations”, Haaretz, 28 October 2021.
96 A senior European diplomat said: “The Europeans always use an excuse not to push the new Israeli government to carry out positive steps. Before it was the fragility of the coalition, and now it is the need to pass the Israeli state budget. What will be next? To wait for Lapid to become prime minister?” Crisis Group interview, Jerusalem, 4 November 2021. (The Israeli Knesset passed a two-year budget later that day.)
helpful these initiatives are likely to be to the Palestinian population as a whole. But nonetheless they say the measures could ameliorate some hardship. They would consider shifting to a stronger position only if the Israeli government were to take what they call an “irreversible step” – a rather elastic notion.97

No major EU member state seems to be willing to invest political capital at this stage. A senior European diplomat said:

The diagnosis is clear. We know that the status quo is not satisfactory, and that it can only get worse. But the situation here is no longer among the top European priorities. Why should a European foreign minister expose himself through an audacious policy that has almost no chance of succeeding? There is a lack of leadership in the U.S. and Europe regarding the conflict.98

Another diplomat referred to the EU as “super-reactive” and bereft of strategic planning, mainly because of “Israeli exceptionalism”: “You cannot criticise Israel lest you open yourself up to accusations of anti-Semitism”.99

In response to the listing of the six Palestinian organisations, EU High Representative for Foreign Affairs and Security Policy Josep Borrell noted that it was “a matter of serious concern” and said the EU would examine the allegations “very closely”.100 At the Ad Hoc Liaison Committee Meeting, which brings together Israel, the PA and European donor governments, on 17 November, he added that the EU has received no evidence that would substantiate the accusations.101 For his part, the EU spokesman expressed the Union’s concern regarding the designation of the six groups, at least some of which have received EU or European government funding, reaffirming its commitment to civil society’s crucial role in democratic life and asking for clarification, while underlining that Israel has never substantiated previous such allegations about misuse of EU funds.102 Such statements do not correspond with actual EU policy, however. The European Commission has halted EU funding to Al-Haq based on such allegations, despite an internal audit that had found no “breach of obligations or irregularities”.103

97 A senior European official said: “We are lucid. We have no illusions about the new government. We are far from being charmed. But after Netanyahu we are almost happy to have someone [Lapid] with whom we can talk and who can make some small gestures that could help at least some Palestinian families. This is where we are there in terms of ambition”. Crisis Group interview, European official, January 2022. Another said: “What is our policy in Israel-Palestine? We just must ensure that nothing irreversible happens”. Crisis Group telephone interview, December 2021.
98 Crisis Group interview, Jerusalem, 19 October 2021.
99 Crisis Group interview, Jerusalem, March 2022.
100 He added that civil society organisations are “a force in promoting international law, human rights, and democratic values, across the world and in Palestine”. “Palestine: High Representative/Vice President Josep Borrell met with Prime Minister Mohammad Shtayyeh”, European External Action Service, 27 October 2021.
101 “Israel hasn’t provided evidence on labeling of Palestinian NGOs, EU foreign minister says”, Haaretz, 16 November 2021.
The EU and member states also continue to call on Israel to cease home demolitions and expulsions, and to halt settlement expansion, pointing out that the latter is “completely inconsistent with efforts to lower tensions and to ensure calm”. But no European nation has matched words with action. Certainly, none has taken steps to challenge Israel’s rollout of road and infrastructure master plans in Jerusalem and other parts of the occupied West Bank.

Western governments’ approach, marked by reaffirmation of their commitment to a two-state solution but no discernible political investment, points to an absence of strategy. With no appetite for changing policy, challenging Israel or revisiting faith in the unreformed PA (and the Palestine Liberation Organization’s leadership bodies, which have likewise grown stale), they appear to support Israel’s confidence-building measures as better than nothing, even if they amount to little, hoping that these will reduce tensions and maintain short-term stability.

But their reticence to push Israel appears overblown and could backfire. On 4 November, the Israeli coalition passed a two-year budget without last-minute crises, overcoming one of the major challenges to its stability. The coalition’s functioning continues to be punctuated by periodic crises, and Israeli leaders may use this fragility as a reason in front of audiences abroad to deflect the need to address important questions on the Palestinian issue. Israel’s Western allies will only be able to ascertain the government’s flexibility on Palestine-related matters if they test it. Moreover, continued neglect by the outside world can only encourage Israel to advance its de facto annexation, thereby rendering the two-state option ever less relevant and increased violence ever more likely. As a by-product, it could even cause a coalition crisis generated by centre-left members.

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105 An Israeli expert pointed out that while external actors can criticise the construction of housing units in Israeli settlements, they face a greater difficulty in doing so in the case of infrastructure that enables additional such construction, as the road network is accessible to both Israelis and Palestinians. But he also pointed out that the roads, which connect the settlements, and the settlements with Israel, are built primarily to bypass Palestinian communities and attract new settlers, and that West Bank Palestinians are only collateral beneficiaries, as the roads provide limited entry points to them and do not directly connect their own towns and villages. As a result, the growing settlement contiguity breaks up the long-time contiguity of Palestinian communities. Crisis Group interview, Yehuda Shaul, Jerusalem, 5 March 2022.

106 For the usual reference to the two-state solution, see the French government’s phrasing: “Statements made by the Ministry for Europe and Foreign Affairs Spokesperson”, 25 October 2021.

107 After Gantz outlawed the six Palestinian civil society organisations and Housing Minister Ze’ev Elkin announced a plan to double Israel’s population in the Jordan Valley, Meretz Knesset members Gaby Lasky and Mossi Raz warned that these moves threaten the coalition’s stability. “Meretz MKs warn plan to double Jordan Valley settlers imperils coalition”, Times of Israel, 7 November 2021.
VII. Conclusion

International actors appear frozen in the face of Israel’s continued pursuit of repressive practices toward the occupied Palestinian territories. They have replaced passivity in the face of Netanyahu’s aggressive pushback with largely the same passivity in deference to the Bennett-Lapid coalition’s softer tone, the common theme being an absence of political investment or strategy, in particular with regard to the more powerful party. The variable, in other words, is less the Israeli governing coalition than it is outside parties’ unwillingness to hold Israel to account or push for PA political reform. Seeing no diplomatic path forward, they are unwilling to stand up to the coalition government, partly due to a likely overstated fear of unsettling it to the point of collapse, partly to other priorities, whether the Iran deal, the Ukraine crisis or the pandemic, and partly to the fact that Palestinians cannot mobilise or extract a cost for ignoring their situation. They also seem to accept the government’s narrative that it is trying to improve Palestinians’ lives but without making any political concessions.

The outside powers’ inaction helps the Israeli coalition government avoid some potential sources of internal tension, but it harms rather than helps the prospects of the two state-solution they claim to want. In other words, it looks as if the evolving status quo has been reaffirmed in Israel-Palestine, despite all the evidence that business as usual can only bring new and repeated outbursts of violence. Arguably, matters are worse than that, because the new government seems to have received a mostly free hand to step up its repression and is undertaking steps previous governments hesitated to enact – in accelerating evictions in East Jerusalem, in legalising far-flung settlements and stimulating settlement growth in highly sensitive areas, and in formally criminalising some of the most internationally respected Palestinian civil society organisations.

A firmer international line would make more sense. In the immediate term, foreign powers should press for a long-term truce in Gaza, a return to the Status Quo in the Holy Esplanade, a halt to eviction orders in East Jerusalem and home demolitions across East Jerusalem and the West Bank, and a stop to settlement expansion. They should support Palestinian elections under the freest and fairest conditions attainable, including with East Jerusalem Palestinians’ participation. It also remains important to revise the conditions the Quartet (the U.S., the UN, the European Union and Russia) has imposed on Hamas for the past fifteen years – recognising Israel, renouncing violence and accepting all previous Israeli-Palestinian agreements – in a manner that at least allows the group to participate in a unity government. More broadly, they should rethink international engagement in the Israeli-Palestinian conflict: the Bennett-Lapid government’s policies to date drive home again that with the peace process moribund and hope of a two-state solution shrinking, such a rethink is long overdue.

Jerusalem/Ramallah/Brussels, 28 March 2022

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108 Crisis Group (in partnership with USMEP), Beyond Business as Usual in Israel-Palestine, ibid.
Appendix A: About the International Crisis Group

The International Crisis Group (Crisis Group) is an independent, non-profit, non-governmental organisation, with some 120 staff members on five continents, working through field-based analysis and high-level advocacy to prevent and resolve deadly conflict.

Crisis Group’s approach is grounded in field research. Teams of political analysts are located within or close by countries or regions at risk of outbreak, escalation or recurrence of violent conflict. Based on information and assessments from the field, it produces analytical reports containing practical recommendations targeted at key international, regional and national decision-takers. Crisis Group also publishes CrisisWatch, a monthly early-warning bulletin, providing a succinct regular update on the state of play in up to 80 situations of conflict or potential conflict around the world.

Crisis Group’s reports are distributed widely by email and made available simultaneously on its website, www.crisisgroup.org. Crisis Group works closely with governments and those who influence them, including the media, to highlight its crisis analyses and to generate support for its policy prescriptions.

The Crisis Group Board of Trustees – which includes prominent figures from the fields of politics, diplomacy, business and the media – is directly involved in helping to bring the reports and recommendations to the attention of senior policymakers around the world. Crisis Group is co-chaired by President & CEO of the Fiore Group and Founder of the Radcliffe Foundation, Frank Giustra, as well as by former Foreign Minister of Argentina and Chef de Cabinet to the United Nations Secretary-General, Susana Malcorra.

Comfort Ero was appointed Crisis Group’s President & CEO in December 2021. Ero first joined Crisis Group as West Africa Project Director in 2001 and later rose to become Africa Program Director and Interim Vice President. In between her two tenures at Crisis Group, she worked for the International Centre for Transitional Justice and the Special Representative of the Secretary-General, UN Mission in Liberia.

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