



RAMIFICATIONS OF WEST BANK ANNEXATION: SECURITY AND BEYOND

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SUMMARY SEPTEMBER 2018

IN PARTNERSHIP WITH **ISRAEL POLICY FORUM**

About the Study

The following pages encapsulate the main findings of a year-long study conducted by dozens of Commanders for Israel's Security (CIS) members, all retired generals of Israel's various security agencies, reinforced by the nation's leading private sector and academic experts as well as senior veterans of other government institutions.

The study, which is unprecedented in its scope on this topic, is designed to provide decision-makers with a comprehensive analysis of the entire spectrum of ramifications of pending annexation legislation initiatives. It is to urge them to undertake thorough staff-work and conduct an open dialogue with the public prior to making decisions on the subject.

The study also serves as the basis for an extensive public education campaign with a view to alerting the Israeli public of the potential imminence of annexation legislation and the full range of its implications for Israel's security, the wellbeing of its citizens, as well as the character and future of the state.

This project is made available in English for policymakers and communal leaders in the United States as part of the ongoing strategic collaboration between CIS and the Israel Policy Forum.

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Preface

After fifty years of Israeli presence in Judea and Samaria (the West Bank), and 25 years since the Oslo Accords, the Israeli government still has no clear policy regarding the future of the area. While this issue does not head the list of Israel's security threats at this time, it has a crucial impact on the future of the State of Israel.

The future of the West Bank, with its Palestinian population of almost three million, is closely intertwined with Israel's national security. Yet decisions about it are dominated by sectoral interests, beliefs, and emotions, rather than serious strategic analysis.

The plans to annex Judea and Samaria, which until recently were regarded as the illusions of an extremist minority, have recently taken the form of Knesset bills and ministerial proposals for action.

During its tenure, the current government (Israel's 34th) has not only accelerated the creeping annexation in the West Bank, particularly in Area C, but has also prepared the legal infrastructure for annexation by way of legislation.

To the best of our knowledge, these steps are taking place without a comprehensive analysis of the security, diplomatic, economic, legal, and social ramifications, and without instructing the relevant government professional bodies to present assessments of possible outcomes.

These steps also ignore the aspiration of most Israelis to maintain the state's Jewish majority and Zionist character in line with the spirit and values of Israel's Declaration of Independence.

It is noteworthy that in a poll commissioned by CIS in January 2018, it was not only an overall majority that rejected annexation, but also a majority among voters of each and every political party – left, right, and center; religious and otherwise – with the sole exception of the Jewish Home party, which was equally split between supporters and opponents.

A comprehensive study conducted by Commanders for Israel's Security (CIS), summarized in this document, shows that as a determined political annexationist minority accelerates moves toward annexation – both creeping and legislated – the ensuing shockwaves threaten to undermine Israel's security, its Jewish-democratic character, its relations with its neighbors, its relationship with the Jewish Diaspora, and the attitude of the international community toward the country.

This document details the security, diplomatic, economic, legal and socio-political ramifications of a process that is liable to lead to the end of the Zionist vision of Israel as a secure, democratic state with a firm Jewish majority for generations to come.

The central goal of this document is to sound the alarm of a failing on the national level and to provide a professional foundation for discussions by decision-makers and by the public over this critical issue.

In the spirit of the CIS' "Security First" plan, while blocking reckless annexation initiatives liable to lead to the end of the Zionist vision, the government of Israel should initiate steps toward civilian separation from the Palestinians, without altering the IDF and Shin Bet current deployment and overall responsibility for security in Judea and Samaria, all pending a viable two-state agreement.

Maj. Gen. (Ret.) Amnon Reshef
Chairman
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Introduction

After fifty years of Israeli presence in Judea and Samaria (the West Bank), and 25 years since the Oslo Accords, the Israeli government still has no clear policy regarding the future of the area. While this issue does not head the list of Israel's security threats at this time, it has a crucial impact on the future of the State of Israel.

The last definitive statement on this matter was made nine years ago by Prime Minister Benjamin Netanyahu in his speech at Bar Ilan University:

“The right to establish our sovereign state here, in the Land of Israel, arises from one simple fact: Israel is the birthplace of the Jewish People ... But, friends, we must state the whole truth here. The truth is that in the area of our homeland, in the heart of our Jewish Homeland, now lives a large population of Palestinians. We do not want to rule over them. We do not want to run their lives. We do not want to force our flag and our culture on them. In my vision of peace, there are two free peoples living side by side in this small land, with good neighborly relations and mutual respect, each with its flag, anthem, and government, with neither one threatening its neighbor's security and existence...”

This vision of separation from the Palestinians has not been translated into practical policy and strategy. Indeed, in practice, the Knesset and the government have been promoting a contrary reality – one that prevents future separation.

Discussion of the future of Judea and Samaria is driven by sectoral interests, beliefs, and emotions, without in-depth analyses as required when making decisions that affect the security and future of a people and a nation.

In the absence of a national strategy, policy is made piecemeal, reflecting the bargaining power of the far right in Israeli society. Consequently, its drive to expand Israel's presence on the West Bank has undermined the fragile stability there and has made it that much more difficult for it to be sustainable well into the future.

The West Bank is home to 2.6 million Palestinians who live under limited autonomy (a further 330,000 Palestinians live in East Jerusalem). Their daily lives are structured in a way that prevents them from becoming a burden on the Israeli economy and without Israel being required to provide for their health, education, employment, welfare, and infrastructure services. No less important, the Palestinian security agencies maintain security coordination with the Israeli security forces, thereby enabling Israel to keep a relatively limited military presence in the West Bank.

Geographical separation between the Jewish and Palestinian populations has given Israelis a sense of protection. However, this is a fragile reality.

Since the second Oslo Accord (1995), the West Bank has been divided into areas under full or partial Palestinian responsibility (Areas A and B, encompassing 40% of the West Bank) and areas under complete Israeli responsibility (Area C, encompassing the remaining 60%). This created a degree of geographic and demographic separation between the Jewish and Palestinian populations and reduced the friction between the two populations. The completion of the security barrier has also created physical separation between the Jewish settlement blocs to the west of the barrier and the main Palestinian population centers to its east, leaving most Israeli settlers outside the zone of friction between the two populations.

This reality has created an interim situation that gives Israelis a sense of protection. Moreover, with limited IDF deployment required, most of them do not have to cope with the burden of reserve duty there.

This reality is fragile, however, as was evidenced during the Second Intifada and during rounds of less destructive violence since. Security cooperation with the Palestinians has contributed to hundreds of cases where terror attacks were prevented and operatives detained. However, to be sustainable, Palestinian security officers and troops, along with their relatives and social circles, must have a sense that their work serves the Palestinian national interest and is not solely an act of collaboration with the occupation.

For that to happen, a political horizon is a must. In practice, Israel's decisions have repeatedly challenged the durability of this cooperation. Accelerated annexation, driven by extreme elements, threatens to lead to its demise.

Over recent years, through action on the ground and legislative initiatives, the government has accelerated the creeping annexation of parts of Area C and created the legal infrastructure for more extensive legislated annexation.

Ideas and plans to annex all or parts of the West Bank that were regarded for years as an impractical whim confined to an extreme minority within the Israeli body politic have recently emerged as concrete legislative initiatives due to the prominent representation of this minority in Israel's coalition government. This change has been accelerated by external and internal developments that are perceived by the leaders of this coalition and their supporters as an "historic opportunity."

While the most extreme elements in the coalition and among the settlers urge the government to seize the moment by annexing all of Judea and Samaria, some of the more level-headed among them worry about the diplomatic, security, economic, social, and legal fallout.

Consequently, these circles promote partial annexation schemes – in the territorial, functional, and personal realms – within Area C. These alternatives include "confining" the annexation to settlement blocs, extending sovereignty to the territory of Israeli settlements, or applying Israeli legislation to Israeli residents of the West Bank.

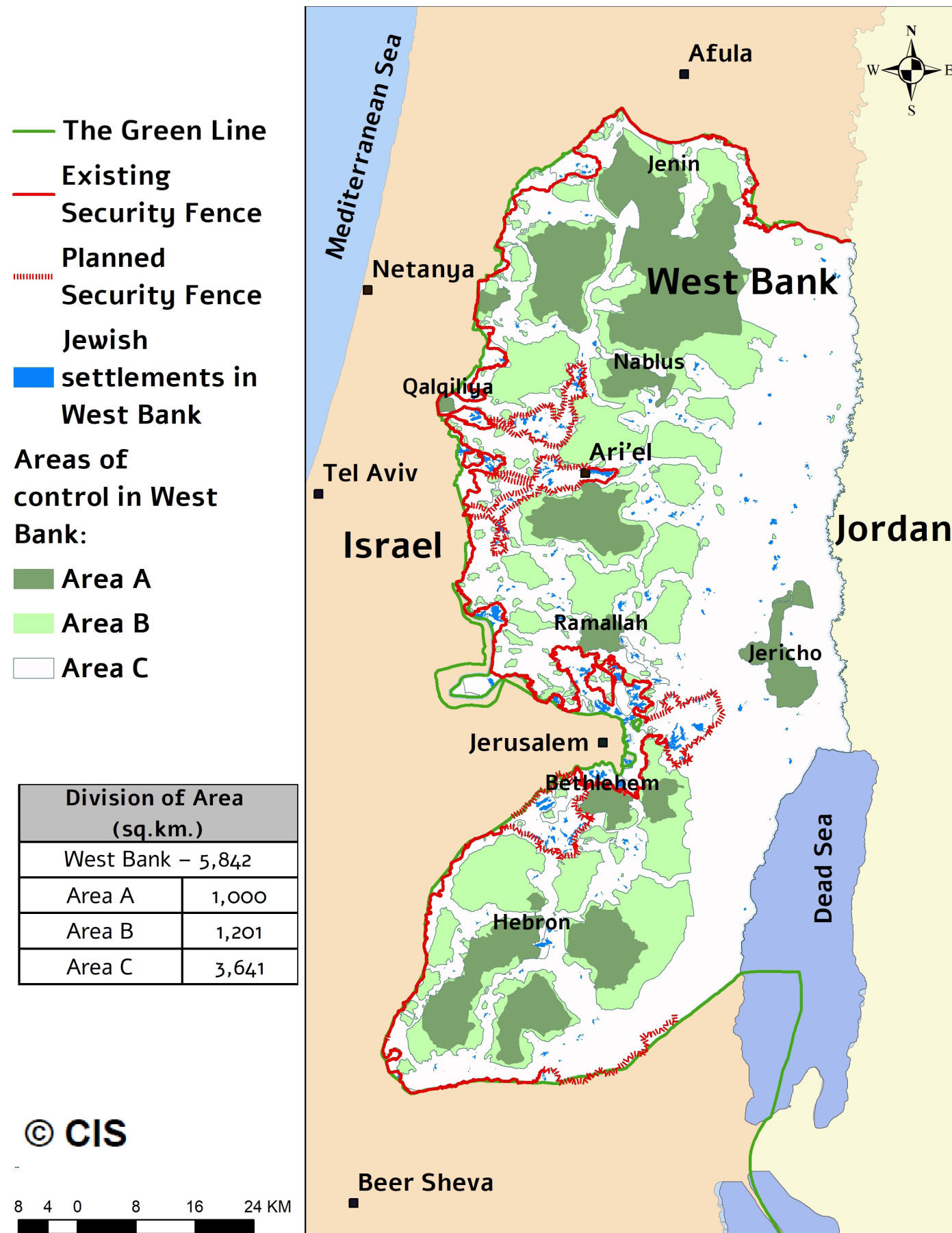
Informed decisions on the national level must be preceded by coordinated, comprehensive staff-work, so as to identify all short- and long-term ramifications. This certainly must apply to the dramatic departure with past policies and international norms of legislated annexation.

To the best of our knowledge, the government has not undertaken staff-work of this type, has not held a structured decision-making process, has not consulted with professionals in the security, diplomatic, and socioeconomic spheres, and is implementing policy guided by considerations that are at least partially concealed from the public. **These steps contradict the preference of the majority of Israelis and have never been presented for a decision by the electorate.**

Against that backdrop, Commanders for Israel's Security (CIS) has conducted an in-depth, comprehensive analysis of the relevant annexation scenarios in order to provide a professional evaluation of their ramifications with a view to inform decision-makers' and the public discourse.

The study also challenges decision-makers and supporters of annexation to clarify to the public the considerations that guide them in inching their way toward annexation, as well as their solutions to the entire spectrum of troubling adverse consequences detailed in this study – all before taking another, potentially irreversible, step away from separation and toward annexation.

Map 1: West Bank – Areas of Control – Current Situation



**Part A: The Domino Effect
From Annexation of Area C to a One-State Scenario:**

Most annexationists believe that they can realize their strategic objective – the annexation of most of the area, while minimizing the scale of the annexed Palestinian population – if it is implemented piecemeal. They correctly identify at each stage the tolerance level among domestic and external opponents of annexation and avoid violating it.

An analysis of the political dynamics among annexationists, and their representatives in the political system, as well as in the relevant strategic environment, suggests that the expectation that they will be able to control the process through gradualism is an illusion. There are three main reasons for this conclusion:

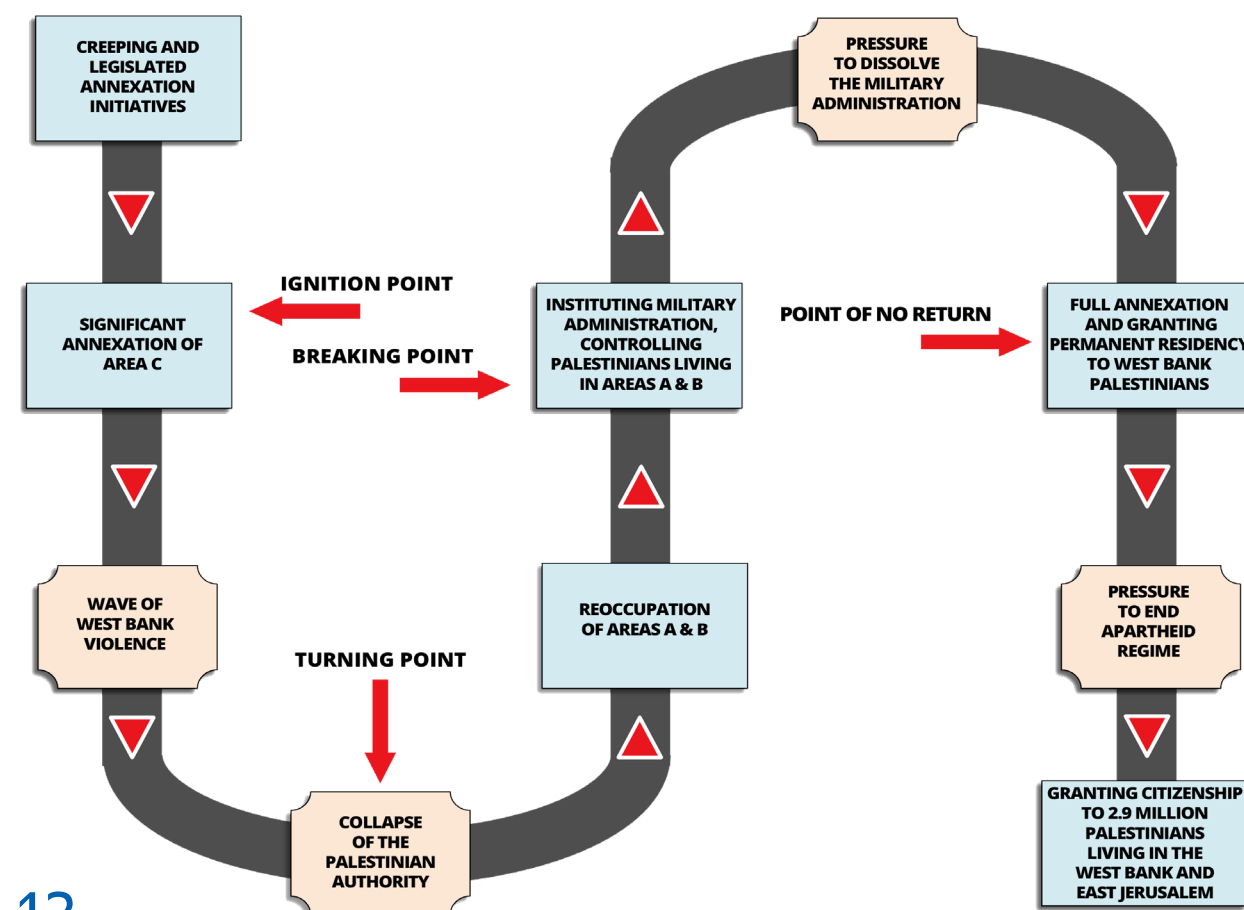
- **First, domestic Israeli factors:** the more restrained the reaction from the external environment – Palestinians, countries of the region, and the international community – the greater the pressure the determined and efficient annexation lobby will apply on its representatives in the Knesset and the government to accelerate the annexation process in order not to miss their window of opportunity.
- **Secondly, regarding the expected response of the international community:** Pessimistic observers anticipate a harsh reaction that will block annexation in response even to an initial legislative initiative for limited annexation. More optimistic observers anticipate a possible harsher response – but only after a significant escalation in annexation steps. However, both groups emphasize that the architects of annexation cannot anticipate the tolerance level and the restraint cut-off point in the international community. Consequently, the annexationists will continue the annexation efforts until a full-force response is manifest.
- **Third, and crucially – testing the resilience of the Palestinian system.** It is impossible to state for certain, or even to assess, the point at which Israel’s unilateral steps will lead to the termination of security coordination by the PA or its collapse. In either scenario, the result would be loss of control over the annexation process, since the Israeli defense system would be forced to respond to the security and civil-affairs vacuum created and the accompanying side-effects, including a wave of violence. Since the annexationists cannot predict the breaking point, they cannot be expected to apply brakes of their own accord, neither should it be expected that political pressure in the opposite direction – to halt the move – will crystallize in time. Once the breaking point is passed, Israel will have no choice but to seize control of the entire area and manage its population.

For these three reasons, we predict a chain reaction or **domino effect**, whereby each Israeli move sparks the next, as follows:

- The shift from creeping annexation to annexation through legislation will constitute an **ignition point**. Assuming the process is advanced cost-free, it will lead to more significant annexation steps, ultimately reaching the next level of escalation.
- With the history of Palestinian violence erupting in response to perceived evidence of Israeli intransigence (see below). The **turning point** will come with the outbreak of armed violence in the West Bank, termination of cooperation with the Palestinian security agencies (and possibly their involvement in the uprising), and the collapse of the PA, whether through a proactive decision and/or under pressure from the Palestinian public.
- These developments will oblige the IDF to seize control of Areas A and B and to impose a Military Administration representing a **breaking point**.
- A **point of no return** will come with the annexation of the remainder of the area, along with its population, and the granting of permanent residency status to 2.6 million Palestinians, whether as a result of internal social pressure and/or pressure from regional players and from the international community to end the Military Administration.
- Lastly, with increased international and domestic pressure over time, Israel will face heightened pressures to grant citizenship to millions of Palestinian residents of the West Bank, inevitably leading to the emergence of a single bi-national state.

As is detailed below, even if the remainder of the area is not annexed and remains under Military Administration, the damage to Israel's security, its regional and international

Graph 1: Annexation – Domino Effect



Turning Point: Violence and the Dismantling of the Palestinian Authority

Our assessment is that Palestinians react differently to steps taken by the US and evidence of Israeli intransigence, as evidenced by the 1st & 2nd Intifadas [failure of the Jordanian Option and post Camp David II, respectively] as well as the Lone-Wolf violence post attempt at changing Temple Mount status quo. Legislated annexation falls in that category. Consequently, the response of the Palestinian public and leadership will trigger the turning point that will end the seemingly controlled process of annexation and spark a chain of events that will spin out of Israel's control.

We are unable to pinpoint that moment. However, **the annexation of a significant portion of Area C will make it clear to the Palestinian public and leadership that the door is shut on a viable, contiguous Palestinian state; thus on the two-state solution.** This will fatally damage the PA's legitimacy, accelerate its weakening, and heighten the risk of its collapse – whether through a decision by the Palestinian leadership to terminate the PA (and possibly relocate the PLO outside the territories), or as a result of a popular uprising against it.

With that, the Oslo Accords, which provided the basis for the establishment of the PA and its security forces, will no longer be relevant. Indeed, it is our assessment that **coordination between the Palestinian security agencies and the Israeli security system will diminish and ultimately be discontinued even before the PA ceases to exist.**

In the face of public frustration; with the PA gone and in the absence of security coordination, **a wave of violence risks engulfing the West Bank, seeping into Israel's sovereign territory, with the Gaza Strip not lagging far behind.** In such a scenario, it can be anticipated that the trained and armed former personnel in the Palestinian security agencies, as well as armed members of the Tanzim (Fatah's armed militia) will join the fighting. Hamas's armed militias, which carried out the most brutal terror attacks against Israelis during the Second Intifada, will seek to stoke further violence and exploit the vacuum to strengthen Hamas' activities throughout the West Bank .

With that, **the IDF will be obliged to retake control of all the PA areas (Areas A and B), with their 2.6 million inhabitants.**

Seizing control of the cities and villages in Areas A and B through military combat is likely to take a relatively long period. Assuming that the seizure of control follows the format of Operation Defensive Shield (2002), it will involve regular and reserve forces on a scale of 3–5 divisions, including the drafting of approximately 30,000 reserve duty soldiers. This process will take several months, including some 45 days of combat.

Breaking Point: Establishing a Military Administration; Acceptance of Responsibility for 2.6 Million Palestinians

In the absence of a central government authority in the form of the PA, **the responsibility for the lives and well-being of 2.6 million Palestinians will fall on Israel. Israel will be forced to reestablish the military government, with all this implies: the activation of infrastructure systems; management of the education, health, and welfare systems; as well as the development of employment opportunities and of the economy.**

On the basis of the current trend, and in order to realize the objectives of annexation, the Israeli government can be expected to accelerate expansion of existing settlements and to establish new ones in the annexed area, including the provision of incentives to encourage populating them.

It will be impossible to separate hundreds of thousands of Palestinians in the annexed area – who, as noted, can be expected to receive permanent residency status – from the millions of Palestinians in the area of the Military Administration. It will also be impossible to move from one Palestinian community to another within the Military Administration areas (Areas A and B) without passing through the (by then) sovereign territory of the State of Israel (Area C). Accordingly, the Israeli security system will have to cope with the challenge of controlling the movement of all Palestinians within sovereign Israeli territory.

Heightened friction between the Israeli and Palestinian populations will exacerbate the security threats and hamper the work of neutralizing and preventing them.

Until a new security fence is constructed along the new borderline around the annexed territories – a project that is unlikely to be implemented due to its scope and the personnel and budgetary resources required for its construction and management – entry from the Military Administration areas into Israel will be easy. This carries the risk of a drastic rise in security threats.

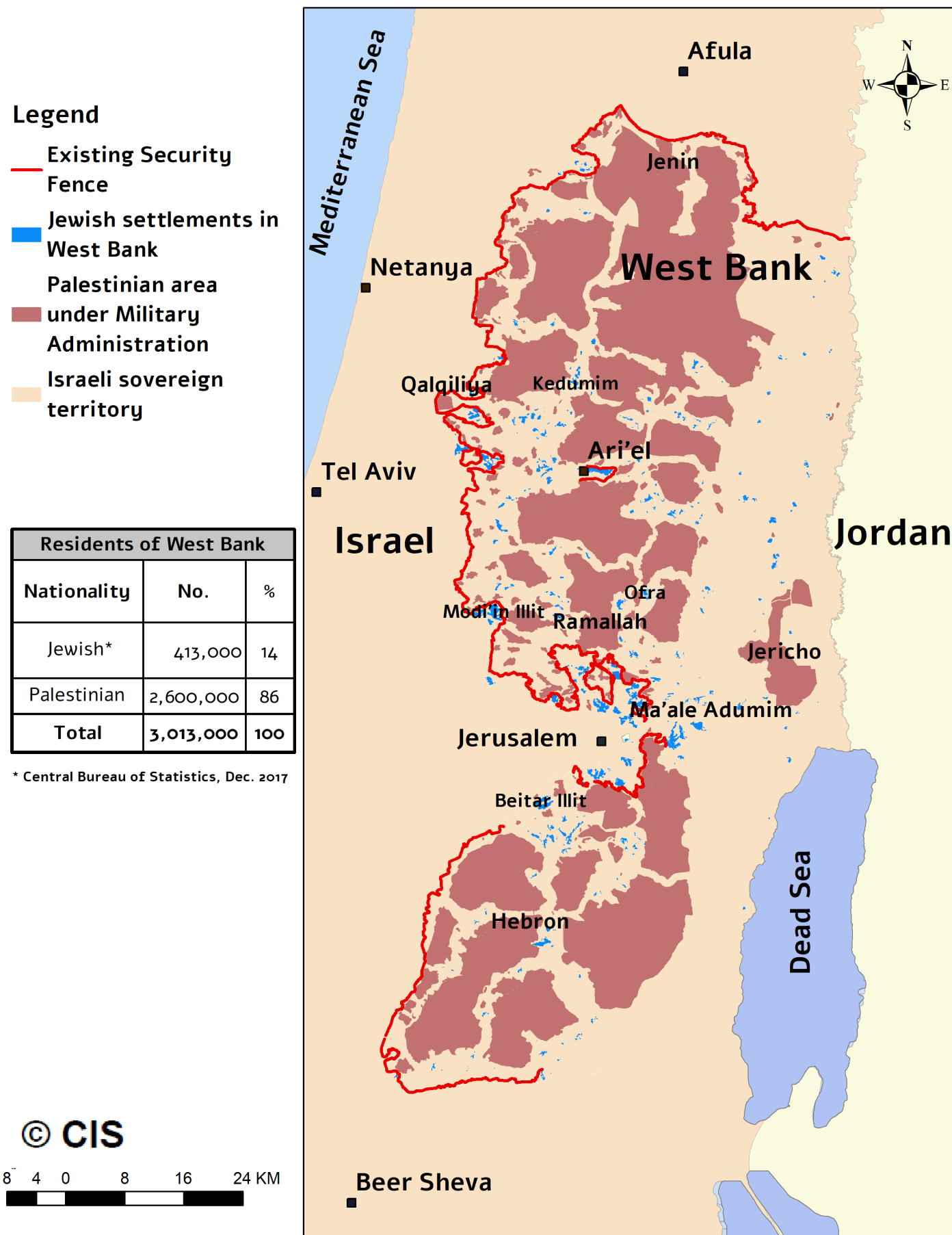
In order to thwart these threats, the IDF will need to reinforce its presence in the West Bank significantly and permanently. It will be forced to upscale its activities and to separate the population physically through such means as segregated roads, checkpoints, and other means – all at the expense of its readiness on other fronts.

Given all the above, expected reactions will include a harsh response by the international community, to the point of imposing economic sanctions, a grave diplomatic crisis with Egypt and Jordan, and serious damage to the security cooperation with these countries and other countries in the region. **The loss of the strategic depth provided by Israel's close security cooperation with Jordan will become fully apparent.** Particularly if the reaction of the Palestinian population in Jordan destabilizes the regime in the kingdom.

This situation – whereby Israel imposes its sovereignty on parts of the West Bank, expands construction in Jewish settlements and builds new ones, and imposes a Military Administration regime on the remainder of the area with its 2.6 million Palestinian inhabitants – will not last forever.

The confluence of domestic political pressure to expand the Israeli stronghold in Judea and Samaria with external pressure to end the state of military rule and the denial of civil rights to millions of Palestinians may lead Israel to abolish the Military Administration and impose its sovereignty on the entire West Bank.

Map 2: Annexing Area C and Implementing Military Administration



Point of No Return: Annexing the Remainder of the West Bank; Implementing the One-State Vision

The annexation of the entire West Bank will constitute the irreversible abandonment of the trend toward separation and the *de facto* adoption of the one-state solution.

Assuming that the Palestinian residents of the West Bank receive permanent residency status, rather than Israeli citizenship, approximately 25 percent of the residents of the state will be denied full civil rights. If, in response to the new situation, the Knesset enacts laws and regulations restricting Palestinians' freedom of movement in order to prevent their entry to areas within the historical Green Line, Israel will effectively be implementing a discriminatory, apartheid-style policy.

This process of full annexation, and the discriminatory policy that can be expected to accompany it, will severely undermine Israel's security, its other national interests, and will lead the country toward a pariah status in the international community. Israel will face the gravest strategic crisis in its history and will be forced to choose between a rogue state status, similar to that of Apartheid South Africa, or abandoning its Jewish character and redefining itself as a state of all its citizens.

This scenario illustrates the domino effect and the inherent risks presented by even a partial annexation to Israel's security, identity, and character as a Jewish and democratic state in the spirit of its Declaration of Independence.

In the following sections, we will present the security, diplomatic, economic, social, and legal ramifications of the domino effect that begins with partial annexation and ends with a control of the entire area and all its inhabitants.

Part B: Ramifications of Annexation Security–Military Ramifications

Security cooperation with the PA is vital for Israel's security. Annexation steps leading to the termination of security coordination, hence, to the military seizure of the West Bank, will force the IDF to attend to extensive field security and policing tasks in the area. The scale of forces needed for this purpose will impair preparedness for war on other fronts and will require the establishment of defense and civilian infrastructures on a large scale.

Since the Oslo Accords, the IDF's and Shin Bet's operational approach in Judea and Samaria has assigned significant weight to cooperation with the PA security agencies. This cooperation was created under the Accords and is the main component of the agreements that is still strictly observed by both sides. The cooperation includes the exchange of intelligence and relatively close operational coordination in counter-terrorism activities. It has been credited with saving countless Israeli lives.

Any step toward annexation by legislation, however limited, will significantly impair security cooperation with the PA for several reasons. First, halting security cooperation is one of the few means the Palestinians have to respond to hostile moves by Israel. In the past, the Palestinian leadership reduced the level of security cooperation in response to far less significant events than legislated annexation. Consequently, responding to annexation by going further, even to the point of terminating the cooperation, cannot be ruled out. Second, annexation will erode the motivation of Palestinian security personnel to cooperate with Israel, so that even if cooperation formally continues, in practice it will no longer be as effective. Third, Israel's actions will demonstrate its determination to prevent the establishment of a Palestinian state, thereby positioning the Palestinian security agencies as collaborators with the occupation, rather than as the defenders of Palestinian national interests. In these conditions, peer and public pressure to end security cooperation is liable to lead to threats, demonstrations, and even physical attacks against members of the security agencies.

Annexing a significant part of Area C is liable to lead to a violent uprising characterized by extensive terror activity. The Palestinian security forces and the Tanzim may join the armed struggle. Hamas will certainly be there.

Annexation will raise the level of motivation among Palestinians to use violence against Israel. The organizations that advocate continuous terror actions against Israel, particularly Hamas, will enjoy greater legitimacy and freedom of action; recruitment to these organizations will rise as will the number of volunteers to partake in terror actions. This will apply both to Palestinians inside the annexed areas and elsewhere. Accordingly, it will be necessary to prepare for a rise in attempted terror attacks from all parts of the West Bank as well as East Jerusalem and the Gaza Strip. In addition, **an increase can be expected in less violent popular resistance** in the form of demonstrations, stone-throwing, and so forth.

One of the unknowns in this situation is the extent to which the well trained and armed Palestinian security forces and the *Tanzim* will be involved. The greater the shock the annexation causes to the Palestinian public, the greater the probability that they will join the armed struggle. Just as it was impossible to predict the character and timing of the First Intifada, and as the Second Intifada had a different and more violent character than the first, so too the nature and timing of future uprisings cannot be predicted. One thing is certain: if the Palestinian security forces and *Tanzim* join the uprising, it will be more violent than both its predecessors.

The IDF will be forced to double its presence in Judea and Samaria. IDF training will be cut dramatically, and preparedness for confrontation on the Northern, Eastern, and Southern fronts will be severely impaired.

In an annexation scenario, the IDF will have no alternative but to reinforce its presence in Judea and Samaria significantly, perhaps even doubling it, in order to compensate for the termination of security cooperation with the Palestinian security agencies, including in the intelligence field, and in order to confront the entire spectrum of heightened threats detailed above.

IDF training programs will be cut dramatically, and its preparedness for confrontation on the Northern (Syria and Lebanon), Eastern, and Southern (Gaza) fronts will be severely impaired. The expected rise in violence and the escalation on the ground will require the IDF to upscale its activities and to create physical separation between the two populations, including by means of segregated roads, checkpoints, and otherwise, similar to its M.O. during the Second Intifada. It will also be necessary to move Border Police companies (part of the Israel Police) from inside the Green Line in order to reinforce police work in the Jerusalem District. This will impair the level of security along the security fence and inside Israel.

The collapse of the PA and the absence of an alternative government authority will force Israel to seize control of Areas A and B and to impose upon them a Military Administration regime.

In our assessment, it will not be possible to implement a “quiet” seizure of control. Israel will have to engage in combat in order to take the cities and villages in Areas A and B. This process may be quite protracted. The assumption is that the seizure of control by force will follow the pattern of Operation Defensive Shield (2002). Accordingly, regular and reserve forces on a scale of 3–5 divisions will be required, including the drafting of approx. 30,000 reserve soldiers, in order to complete the task and stabilize the situation. This process will take up to three months, including some 45 days of combat, with all the security, diplomatic, and economic ramifications this entails.

The annexation of significant areas will make it clear to the Palestinian public and leadership that the two-state solution is no longer viable. With this, the primary justification for the continued functioning of the PA will be gone. This will fatally damage whatever is left of the PA’s legitimacy, accelerate its weakening, and in all probability lead to its collapse – whether through a decision by the Palestinian leadership or as a result of a popular uprising against it.

In the absence of a central government authority in the form of the PA, the burden and responsibility of running all affairs of the 2.6 million Palestinians will fall on Israel; specifically on its Civil Administration. We expect that following several months dominated by resistance and adaptation, some government units will continue to function despite the PA collapse.

This scenario will require a significant change in the Civil Administration’s organization and its substantial reinforcement, including the establishment of Military Administration functions, infrastructures, and facilities. In addition, the Shin Bet, the Israel Police, the military justice system, and the Israel Prison Service will also require enhancement, the scope and duration of which will depend on the security situation and is liable to continue over the years. We anticipate that the transitional period pending stabilization on the ground may take several months. During this period, the Civil Administration will be reinforced by Military Administration units and recruiting permanent officers and personnel for the government ministries will begin, along with the acquisition of equipment and establishment of various enforcement bodies. The scope of this enhancement will be a function of the extent to which public order is restored.

With time, government intervention in the form of a Military Administration will be needed to ensure law and order and a reasonable routine for the 2.6 million Palestinians.

This process will comprise two stages. The first will include securing control over vital facilities, reviving the functioning of local systems according to an order of priority based on their importance in meeting humanitarian needs, providing humanitarian support with the cooperation of international organizations (though it is doubtful that they will cooperate), and activating vital infrastructure systems. The second stage will include recruiting local personnel, developing employment and economic sources, running the education system; maintaining and rehabilitating infrastructure systems, reviving the management of the Population Registry, and ensuring control and management of land and assets. As a rule, public services will be provided by local personnel whenever possible.

It can be assumed that the Palestinian civilian [“blue”] police will cease functioning, whether because of the collapse of the Palestinian system that operates the force or due to concern that its personnel would be regarded by the Palestinian public as collaborators with the occupation.

It should be noted that it is unreasonable to expect the Israel Police, which will be forced to confront various new challenges throughout Israel, to be able to allocate forces for deployment in law and order functions in Areas A and B. Once the security system in these areas stabilizes, the Military Administration will seek to recruit local police personnel to this end. It is uncertain how many, if any, will agree.

A violent uprising will seep into Jerusalem, the Arab sector inside Israel, and possibly the rest of the country, siphoning all the capabilities of the Israel Police and its Border Guard units.

As the situation stabilizes, it is reasonable to expect that the Judea and Samaria Division's and the Regional Brigades' organizational frameworks will prove adequate to the new reality. However, it will be necessary to deploy a greater number of combat formations across the West Bank. It is difficult to estimate the scale of the required reinforcement, which will depend on the scope of the threats, but it could be as high as dozens of companies, in addition to the force needed to maintain the new border fence. This will have ramifications for the defense budget, the IDF's preparedness to meet overall security challenges, the scope of IDF training, and the degree of combat – readiness of the standing and reserve systems.

Over time, the increased friction between the Israeli and Palestinian populations will exacerbate security threats and impede preventative and defensive actions. If the Palestinian population in the annexed area enjoys the status of permanent residents and thus cannot be separated from the Israeli population, this will enable hostile segments of the population to exploit their unfettered interface with the Israeli population, including for the purpose of violence and terror.

The annexation will force the IDF to relax passage arrangements across the current security barrier between the annexed territories and Israel. Until a new obstacle is built to separate those annexed (and enjoying free movement as permanent residents) from residents of Areas A and B, the latter (over two million) will enjoy unauthorized yet equally easy entry into Israel, with a potentially dramatic increase in security threats.

Absent a new border fence around the annexed area, millions of Palestinians from within the Military Administration zone will enjoy (unauthorized) unfettered access to the heart of Israel.

A decision to create a physical barrier between the annexed area and the remainder of the West Bank will require the relocation of the existing security fence to a new line, over two times as long (1,787 km compared to approximately 766 km planned). It will also require the introduction of numerous routine and functional arrangements incurring enormous costs in budget and personnel.

The construction cost is estimated at 7.6 billion USD, while maintenance will cost approximately 1.1 billion USD a year and will require some 90 companies (doubling present deployment), on top of additional personnel that will be required (see next section). Israel will not be able to meet these personnel and budget costs without substantially damaging other spheres of life. Accordingly, it is unlikely that a new border fence will be built. This, in turn, will have serious ramifications for preventing unauthorized Palestinians from entering Israel.

Annexing Area C will affect Palestinians living in Areas A and B.

Area C, which encircles the 169 “islands” of Areas A and B, includes land, infrastructures, and other property belonging to Palestinians who live in Areas A and B. Family ties, commercial links, and other needs also require passage through Area C, since there is no way to get from one point to another within Areas A and B without crossing Area C (see Map No. 1). Denying Palestinian rights in the area and restricting their movement will disrupt the basic fabric of life, raise frustration and anger – all **fueling agitation for violence**, and provoking **substantive claims of human rights violations**.

The annexation of Area C will require numerous routine and functional arrangements. Movement by Palestinians from one city or village to another, that are separated by Area C – whether for employment, commerce, or family ties – will require special permits, since it constitutes passage through sovereign Israeli territory. Palestinian farmers in need to work land in parts of Area C that are annexed to Israel will also require special permits. Hundreds of crossings (including agricultural gates) will be needed, requiring permanent staffing and control. **Staffing these crossings and gates will require over 2,000 operators, along with hundreds of security personnel.**

As noted, if Israel refrains from building a fence around the new border, the result will be freedom of movement for all Palestinians from across the West Bank into the heart of Israel, without inspection and control – a situation that constitutes an unacceptable security risk.

Israel's security cooperation with neighboring countries will be jeopardized and is liable to reach crisis points, including destabilizing the regime in Jordan.

Security cooperation with Egypt and Jordan has reached an unprecedented depth. It is based on common interest in fighting terror, maintaining stability, and confronting Iran. Security calm and stability with the PA, while maintaining the feasibility of the two-state solution, makes it easier for Egypt and Jordan to maintain this security cooperation, despite public hostility toward Israel in both countries.

Any annexation step will spark a diplomatic crisis with both countries, severely impairing this ability to sustain security cooperation. The move might destabilize Jordan due to the reaction among its Palestinian population, and may also raise the level of threat faced by Israel from Islamic and Palestinian elements in Jordan.

An extreme scenario in which the annexation destabilizes the Hashemite regime presents a major security threat for Israel. As will be recalled, in the distant past (Black September, 1970), Israel took forceful action to protect the regime in Jordan, and all Israeli governments since have been careful to strengthen the regime, based on the realization that **Israel's eastern security border is effectively the Kingdom's eastern border with Iraq.**

All US administrations have also followed this approach. US forces are stationed in the east of Jordan, providing a deterrence both against Iran and against terror organizations such as the Islamic State.

Civil war?

In the most extreme scenario, in which Israel ends up annexing the West Bank and granting permanent residency status to its 2.6 million Palestinians (in addition to over 300,000 East Jerusalemites), **Israel will face a domestic security problem on a scale never experienced.**

Historical precedents around the world leave little room for optimism concerning cases when one people is forced to accept the dominance of another, to acquiesce to the oppression of its national aspirations, and to show loyalty to a state imposed on it.

This reality is as acute in the Israeli-Palestinian context. The two populations have experienced a bloody conflict extending over more than a century. **The Jewish population faces the possibility of losing its majority in a binational state, leading to the loss of control over government institutions.**

In these conditions, **the likelihood that the Jewish public, or the government institutions under its control, will actually implement the equal rights of the "new" citizens – residents of the annexed territory – however egalitarian the legislation on this matter, is extremely low.**

Thus, the need to enforce Israeli sovereignty throughout the area between the Jordan River and the Mediterranean Sea and to impose Israeli law and order on millions of embittered and even hostile Palestinians, is likely to prove too demanding. In a reality where **the populations and their communities are intertwined to an extent that makes security separation impossible**, it will create security friction and is bound to ignite (see Map 3). **This reality is liable to confront the Israeli defense establishment (and the Jewish population as a whole) with the challenge of a civil war.** As neither side is likely to abandon its identity or its national aspirations, such a war could last for years, at varying degrees of intensity. It would cost the lives of thousands of people on both sides, and – absent a powerful international intervention that imposes an alternative solution – **would end only when the two sides are resigned to the need for – and accept the price associated with – separation.**

Some of Israel's strategic allies are liable to downgrade security ties with Israel.

As mentioned, the international community can be expected to object forcefully to acts of annexation. **The annexation will seriously affect Israel's relations with key countries, including security cooperation.** An example of this is Germany, which is Israel's sole source for maritime military platforms, including **submarines** of strategic importance. Germany even contributes to the cost of these platforms. The relationship between Chancellor Angela Merkel, a prominent supporter of Israel, and the Netanyahu government is already poor, due to a loss of confidence in Netanyahu's willingness to move toward a two-state solution. An annexation step during Merkel's tenure, and even more so in its wake, is liable to lead to a change in Germany's position and to have a grave impact on these Israeli security capabilities.

The Trump administration is an exception in the sense that it is difficult to predict its reaction to a limited annexation. However, **future administrations – or even a shift in the balance of power between the parties in Congress during the current administration – are liable to exhibit hostile reactions to annexation, undermining Israel’s most important security relations.**

Diplomatic Ramifications

Annexationists are trapped in a dangerous misconception about a “historic opportunity.” They underestimate the international and regional reaction to an act of legislated annexation.

External factors accelerating the annexation plans include the noted exceptional support of the Trump administration for Israeli government policies, as well as its overall foreign policy orientation. Current US policy on the Middle East features sweeping declarations without the strategy to implement them. Regarding the Israeli–Palestinian conflict, too, Trump’s campaign slogan of a “Deal of the Century” still drives policy. However, the transfer of the US Embassy to Jerusalem, the cut in aid for the PA and UNRWA, the closure of the PLO Mission in Washington, DC, and attempts to shape a negotiation course that is clearly biased in Israel’s favor have combined to entrench the diplomatic freeze. This has weakened the PA and the Oslo derived infrastructure and created room for radical initiatives such as a Hamas–controlled Palestinian mini–state in Gaza or the annexation by Israel of parts of the West Bank.

The shockwaves of the Arab Spring that have divided the Arab world are also perceived as providing a tailwind for the annexation initiatives. Arab rulers are concerned mainly with bolstering domestic control and preventing further waves of revolution and are less interested in the Palestinian issue. Moreover, the challenge presented by destabilizing elements such as Iran and the Islamic State has created a confluence of interests and a desire to forge security cooperation between Israel and leading Arab countries. This interest, which is perceived as existential, has accelerated the tendency to sideline the Palestinian issue. At the grassroots level, too, under the influence of social networks, the goals of improving living conditions and defending rights under authoritarian regimes is a higher priority than protecting Palestinians’ rights. **As a result, the Israeli–Palestinian conflict has become a much less important issue for the leadership and much of the public in the relevant Arab countries.**

This combination of circumstances invites annexationists to argue that Israel faces substantially fewer regional constraints than ever before.

On the broader international arena, too, various trends ostensibly favor the annexationists. The shifting of the global economic center of gravity to China and other Asian markets has opened up opportunities for Israel, enabling it to diversify its export markets and attract investments from countries for whom the Israeli–Palestinian conflict is a secondary consideration. Europe is less inclined to engage meaningfully with the Palestinian issue, as it struggles with waves of immigration, economic crises in some EU countries, the need to protect the integrity of the EU following Brexit, and the challenge posed by the rise of illiberal regimes in Hungary and Poland as well as by Russian strategic subversion. As if all these were not enough, the Israeli foreign policy success in securing the support of several EU members (Poland, Hungary, and the Czech Republic) has prevented consensus on decisions that might be challenging for Israel and has paralyzed the EU structure, which along with several of its key members (e.g. Germany, the UK, and France) longs to be involved in the Israeli–Palestinian conflict.

Israeli annexationists identify these trends and (wrongly) conclude that even though Europe is hostile to Israeli annexation, its ability to prevent it or to impose meaningful sanctions is and shall remain weak.

When viewing the UN and other international organizations, here too, annexationists can ostensibly draw encouragement from current trends. The Trump administration regards the UN as a wasteful, ineffective, and biased body, and has dramatically cut its contribution to its institutions. This approach, combined with the overtly pro–Israeli approach of the US ambassador to the UN, has largely paralyzed the Security Council and other UN institutions. Abu Mazen’s consistent attempts to internationalize the conflict by securing UN recognition of Palestine have secured only symbolic gains. **Warnings that Israel would face a “diplomatic tsunami” have proved exaggerated, encouraging the annexationists, who simplistically assume that anything that has not happened will not happen.**

The annexationists’ prove unable to distinguish between the current situation, in which players respond to creeping annexation, and the situation that would emerge once any of the annexation plans are legislated.

For example, our assessment is that the annexation of a single settlement bloc such as Ma'ale Adumim (including the E1 area) – thereby bisecting the West Bank into two parts and dooming territorial contiguity of a future Palestinian state – can be expected to lead to a strong international and regional diplomatic reaction. Even the Trump Administration may find it difficult not to react to such a step, whereas the core EU countries, and even Eastern European ones that are currently more friendly toward the current Israeli government, can be expected to respond fiercely and to take tangible action, including diplomatic and even economic sanctions. In this scenario, the non-Western permanent members of the Security Council – Russia and China – can also be expected to take punitive steps and to cool their bilateral relations with Israel.

A “diplomatic tsunami” can be expected to strike Israel’s shores, leaving the US and Israel helpless to halt the process.

Egypt and Jordan will not be able to maintain their business as usual approach. They have withdrawn their ambassadors from Israel in the past over much less significant issues. Street pressure and other considerations will demand firm reaction as annexation by legislation is viewed as final proof that Israel has shut the door on the two-state solution. This will probably lead to the freezing of diplomatic relations with Israel and enhanced cooperation with Israel’s adversaries on the international scene in order to build a broad anti-Israeli coalition. Saudi Arabia and the Gulf states will also be forced to respond harshly, suspending all contacts with Israel – including clandestine diplomatic exchanges, due to fear of embarrassing leaks exploited by their adversaries: Iran, Qatar, and Turkey – and supporting punitive measures by international bodies. The long-predicted “diplomatic tsunami” that has thus far not materialized can be expected to arrive on Israel’s shores regardless of the extent of territory involved in legislated annexation.

As dynamics on the ground deteriorate into violence, the ensuing collapse of the PA and the system of Oslo agreements, and an Israeli seizure of the entire area to follow is bound to be met with increasingly harsh reaction and punitive measures imposed by the international community. The US and Israel will be left powerless to check that process.

Full annexation of the West Bank will cause extreme damage to all Israel’s interests and will push it toward an international pariah status.

Once the domino effect drives Israel to move from partial to a complete annexation of the West Bank, trends and developments outlined above will accelerate and intensify, causing harm to Israel’s most important strategic interests:

- Israel’s relations with the relevant Arab world, including Egypt and Jordan as well as states in the Gulf, will enter a state of deep freeze.
 - This will open opportunities for Iran, Turkey, and the Islamist movements to intensify their destabilizing efforts on the West Bank, in East Jerusalem and Gaza, as well as among Israel’s Arab citizenry.
 - Should Iranian involvement in Syria and Lebanon still pose a security challenge, Russia might prove less tolerant of Israel’s military effort to contain it.
- Israel’s relations with the international community, including the US, can be expected to deteriorate. The Security Council may adopt resolutions, including the imposition of sanctions. While under President Trump, the US can be expected to veto such resolutions, this is not expected to be the case in a Post Trump era.
- Israel’s relations with key countries in Europe will face an unprecedented crisis and delegitimization of Israel as an apartheid state will reach new levels.
- Even traditionally friendly Asian countries such as China and India will significantly cool and scale back their bilateral ties with Israel.
 - The process of distancing from Israel of its most reliable ally – world Jewish communities, most significantly the American one – which is already apparent, will certainly accelerate with the potential for irreversibility among the young.
- Less significant but still noteworthy: the BDS movement will be given an unprecedented boost.

The international consensus around the “two states for two peoples” concept will be undermined. As time passes, Israel will face increasing pressure to justify its claim of being a democracy by granting equal rights to all its citizens – Arabs and Jews alike. It can be assumed that this demand will enjoy global support, presenting Israel with the most serious strategic crisis in its history.

Israel will have to choose between a rogue nation status, similar to that of Apartheid South Africa, or abandoning its Jewish character and redefining itself as the state of all its citizens.

Economic Ramifications

Additional annual budget required for:

- Annexation of Area C and imposition of Military Administration in remainder of West Bank **2.35 billion USD**
- Annexation of entire West Bank **14.5 billion USD**
- Damage to Israeli economy due to falling foreign investments **2.5 billion USD**

Long-term damage::

- If annexation results in a wave of violence lasting several years (similar to the Second Intifada), damage to Israeli economy could total **11–21.5 billion USD**

One-time expenses:

- Occupying Areas A + B; building new fence along annexation border **9 billion USD**

If the entire domino scenario detailed above transpires, Israel will have to prepare to cover additional annual expenses totaling some 14.5 billion USD, as well as a one-time cost of 9 billion USD. This is in addition to the serious damage to the Israeli economy due to falling GDP, reduced foreign investments, and anticipated damage from boycotts (in addition to security, diplomatic, and other ramifications as detailed above).

It is important to note that **these estimates include items that are based on exact information as well as estimates that are less precise. The distinction among them is spelled out in the detailed presentation below.**

These estimates are also based on several assumptions, including:

- The annexation scenario is not halted at an early stage due to external pressure or other developments
- A new fence is built along the annexation border
- Damage to GDP reaches the assumed levels (based on figures for the Second Intifada)
- The reduction in foreign investments reaches the assumed levels (based on the experience during the Second Intifada)

The relevant assumptions underlying each cost component are noted in the detailed discussion below.

The additional annual budget required for the annexation and the imposition of a Military Administration in the non-annexed area will be around 2.35 billion USD if all of Area C is annexed, or around 1.1 billion USD in the case of partial annexation.

Once the Palestinians in the annexed area are given permanent residency status, they will be entitled to all rights granted by law to Israeli citizens, with the exception of the right to participate in general (national) elections. These rights include, among others, national insurance benefits, membership of an HMO, budgeting for the education system, etc. Our study found that the cost of these civilian services (after offsetting direct and indirect taxes) will be **1.6 billion USD a year**, if Israel extends permanent residence status to all the 300,000 Palestinians living in Area C, and around 360 million USD a year, if the annexation only incorporates 66,000 of them.

The study also found that the cost of applying a Military Administration on the remainder of the West Bank (Areas A and B) will not impose a burden on the state budget, provided that Israel manages to collect direct and indirect taxation totaling around 2.8 billion USD from these Palestinians, and providing that the Military Administration provides them with services on a similar scale to those provided under the PA. However, the additional regular budget costs for the Military Administration apparatus and for reinforcing the IDF's field security units – totaling 750 million USD a year – will be borne in full by the Israeli taxpayer.

The additional annual budget required for the annexation and the imposition of a Military Administration in the remainder of the area will be around 2.35 billion USD, if all of Area C is annexed, or around 1.1 billion USD in the case of partial annexation. This represents a permanent budgetary addition of 1.9% or 0.9%, respectively. This burden will not have a particularly dramatic impact.

Table 1: Cost of Area C Annexation

Expenditure/Income Component	Expenditure/Income – USD millions
National Insurance social benefits	923.8
Education budget	471.3
Health budget	519.7
Additional government expenses	173.9
Addition to the defense budget	750.3
Total fixed expenditure	2,839.0
Expected income	- 491.6
Total annual budgetary cost	2,347.4

Based on a Palestinian population of 300,000.

*Assuming collection of direct and indirect taxes on a similar scale, the cost will not pose a burden to the state budget.

Establishing the new border fence around the annexed area will cost taxpayers around 7.5 billion USD, with a further 1.1 billion USD a year for maintenance.

In addition, once Area C is annexed, the cost of **establishing a 1,787 km long new border fence around the annexed area will be around 7.5 billion USD, with a further 1.1 billion USD a year for maintenance.** Given the high costs, and the required addition of some 45 IDF companies, 2,000 staff, and hundreds of security personnel, the feasibility of establishing the new border fence is low. On the other hand, the absence of a fence will have serious security ramifications (as detailed in Security Ramifications above).

Damage to the Israeli economy due to armed violence.

The second unknown, and one that is even more significant, is the scale of the damage to the Israeli economy in a case of armed violence as described above. This could lead to the downgrading of Israel's credit rating, a slowdown in economic activity, and a reduction in the scope of direct foreign investments in Israel.

On the basis of studies that examined the scope of the damage to the Israeli economy during the Second Intifada, we estimate the **damage to GDP will be in the range of 11– 22.5 billion USD a year.**

Protracted violence will cut per capita private consumption expenditure by 19–37%.

With prolonged violence, **per capita private consumption will be reduced by 19–37%. This implies a significant fall in the quality of life for all Israeli citizens.**

Israel stands to lose considerable income due to the fall in direct foreign investments.

As seen during the Second Intifada (2000–2005) and Operation Protective Edge (2014), the conflict with the Palestinians has a significant impact on foreign appetite for investing in the Israeli economy. Based on total direct foreign investments of 11.9 billion USD in 2016, and on past figures, **the loss can be estimated at 2.5 billion USD.**

Although reduced investment is not a direct burden on the budget, it constitutes a significant indirect cost to the Israeli economy. The burden on state funds will be double-edged. First, Israel can expect to lose considerable income from taxation due to the fall in direct foreign investments. Second, in order to stimulate the economy, Israel will need to increase its direct investment in the economy.

Economic sanctions will further affect GDP, restrict access to international financial markets, and lead to deteriorating credit conditions for Israeli companies.

The third unknown is the scope of economic sanctions, if any, that will be imposed on Israel by the international community in response to annexation, the nullification of the Oslo Accords, and the dismantling of the PA.

An example of possible ramifications of an international boycott is the one imposed on Russia since 2014 in response to its annexation of the Crimean Peninsula. Damage to Russian GDP due to the sanctions is estimated at 2.4% through 2017. Although the Russian case – including its dependence on oil exports – differs from the Israeli situation, a similar impact on the Israeli economy cannot be ruled out. **A 2.4% fall in GDP in Israel's case is equivalent to 8.2 billion USD.** It would seriously affect various economic parameters, including consumption, savings, and investment. It is also impossible to rule out damage to foreign currency trading and a significant devaluation of the shekel, **leading to capital flights, restricted access to international financial markets, and deteriorating credit conditions for Israeli companies.**

The additional annual budget for the annexation of the entire West Bank, including granting Permanent Resident status to 2.6 million Palestinians, will total 14.5 billion USD a year.

If Israel imposes its sovereignty on all of Judea and Samaria and grants permanent resident status to the 2.6 million Palestinians who live there, they will be legally entitled to extensive rights: national insurance benefits (birth grant, child allowance, savings account for each child, income equalization, unemployment and disability benefits, and benefits for senior citizens), health services (including membership of one of the HMOs), budgeting of the education system, welfare services, etc.

These costs will total around 13.9 billion USD a year, after offsetting expected income. Together with the anticipated additional defense budget, this totals annual expenditure of around 14.5 billion USD constitutes an increase of 12.8% over the 2018 budget.

Table 2: Cost of Full Annexation

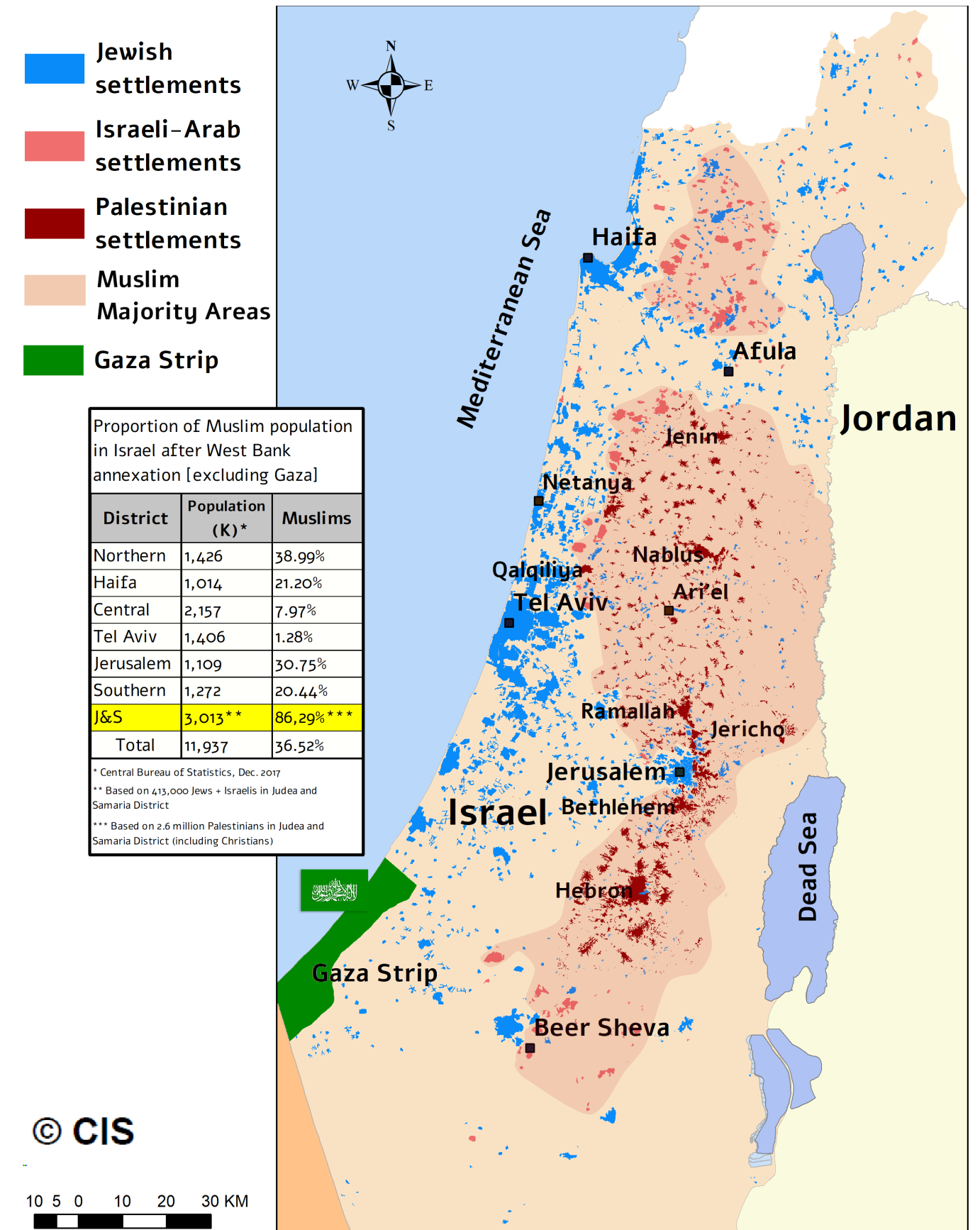
Expenditure/Income Component	Expenditure/Income – USD millions
National insurance social benefits	8,129.4
Education budget	4,084.5
Health budget	4,504.2
Additional government expenses	1,509.2
Addition to the defense budget	558.7
Total fixed expenditure	18,789.0
Expected income	- 4,263.1
Total annual budgetary cost	14.9

Based on a Palestinian population of 300,000.

Annexing Judea and Samaria and granting permanent residency status to 2.6 million Palestinians will also affect quality of life in Israel. The burden on each Israeli family will average 7,190 USD a year.

Permanent residency status includes eligibility for full health services, including membership of an HMO and the right to choose a specific attending physician and hospital. It is safe to assume that Palestinians will prefer to receive medical services at the main hospitals in Israel rather than at hospitals in the West Bank. Even now, the total proportion of hospital beds is falling and currently stands at around 1.8 beds per 1,000 people. Average occupancy has risen to 95% (in winter, average occupancy in internal departments is around 120%). After the annexation, the proportion of beds will fall to around 1.5 per 1,000 people. A similar impact can be expected in terms of the per capita number of MRI and CT machines (already below OECD average).

Map 3: Israel After Annexation



Legal Ramifications

The seizure of the West Bank and the annexation moves will lead to steps against Israel in international judicial institutions. The international and even domestic legitimacy of Israel's judicial system will be severely undermined.

The international community will regard annexation as a violation of the Palestinians' right to self-determination.

The accepted position in the international arena is that the occupation of a territory does not establish rights and that the occupier is prohibited from unilateral annexation. The status of the area is to be agreed between the parties to the conflict. Pending such an agreement it continues to be considered occupied territory.

Moreover, the laws of occupation continue to apply. Residents of the area continue to enjoy all their rights by virtue of these laws, even in the case of annexation.

The international community will regard annexation as a violation of the Palestinian' right to self-determination. The greater the scope of the annexation, preventing the possibility of establishing a contiguous Palestinian state, the greater the violation of the right to self-determination.

A tangible manifestation of the international community's opposition to the idea of annexation appears in Security Council Resolution 2334 (2016), which emphasizes that **the Council "will not recognize any changes to the 4 June 1967 lines, including with regard to Jerusalem, other than those agreed by the parties through negotiations."**

There is no court in the international arena empowered to impose a binding decision on states without their consent. The International Criminal Court (ICC) is only empowered to reach decisions with the states' agreement. However, it is empowered to grant consultative opinions at the request of bodies such as the UN General Assembly. These opinions constitute recommendations rather than binding decisions.

The ICC does pursue criminal proceedings against individuals, including heads of state, on charges of war crimes, crimes against humanity, genocide, or aggression. The ICC has already undertaken a preliminary examination regarding the "crime of the settlements," including the violation of Palestinian rights. In all probability, the annexation of the area does not fall under the definition of a war crime.

The probability of criminal proceedings against senior Israelis will rise and trends toward anti-Israeli boycotts and sanctions will accelerate.

In our assessment, the legislated annexation of any area will lead to severe international legal criticism of Israel's conduct and of its violation of international law. **Proposed anti-Israel resolutions can be expected at the Security Council and in other UN bodies.**

It is reasonable to assume that the UN General Assembly will ask the International Court of Justice in the Hague to provide a consultative opinion concerning the illegality of the annexation.

The prospects of criminal proceedings at the International Criminal Court will rise. These can be expected to focus on the senior echelons of the IDF and policymakers, including heads of state and government ministers.

Trends toward boycotts and sanctions against Israel in general, and against the Jewish communities in the West Bank, will intensify. Israel will be forced to choose between foregoing various international and bilateral agreements, with their associated benefits, due to demands that these not apply to the annexed area, or continuing the current practice of admitting the distinction between different areas of the country.

Annexation can be expected to deter signature and implementation of bilateral and international agreements with Israel in various fields. For example, membership of various international bodies, such as FIFA, will be conditioned on the agreement not applying to the annexed areas. International cooperation in law enforcement, anti-terror activities, and so forth will also be forfeited or not apply to the annexed area.

If the PA ceases to function in response to Israel's annexation of all or part of Area C, and if Israel is therefore required to seize control of (but not to annex) Areas A and B, from the standpoint of international law, Israeli presence in these territories will constitute occupation. The laws of occupation will apply in full, with all the obligations they impose on the protected population in the area. Israel will bear full responsibility for the management of these areas and the lives of their residents. In practical terms, this means the resumption by the Civil Administration of the management of all areas of life, requiring the revival and reactivation of legislation that applied prior to the establishment of the PA, while adapting this to the new reality; the establishment of various institutions and apparatuses; the reactivation of criminal and civil judicial authority in all fields, etc.

The greater the gulf between citizens and residents, and the larger the population involved, the more the reality will be one of apartheid.

It is reasonable to assume that Palestinians living in the annexed area will receive **permanent residency** status, as did Palestinian East Jerusalemites following the annexation of the area in 1967.

Perpetuating the status of residents on a long-term basis is extremely problematic. The greater the gulf between the citizens and residents, and the larger the population involved, the more the reality will be one of apartheid.

It is wrong to assume that since the international community accepted, on a one-time basis, Israel's action in 1967 regarding East Jerusalemites this means that it will be possible to extend Permanent Residency status to hundreds of thousands of Palestinians in Area C, or to 2.6 million Palestinians in the West Bank as a whole without encountering a fierce international response.

Another issue that can be expected to arise concerns is the **freedom of movement of Palestinian** residents of the annexed area. As a general rule, it will not be possible to restrict their movement inside Israel, since they will be Residents of the state. On the other hand, practical difficulties will arise, particularly in the initial stage, in restricting their movement in the non-annexed areas, where they have affinities in the fields of employment, services, relatives, etc.

Annexation contradicts Israel's undertakings in international law.

The Supreme Court will face the need to choose between swallowing the pill of annexation, or ruling on the basis of its legally problematic nature. Likewise it will be required to adopt a policy regarding its intervention in cases of human rights violations. Recent assaults on the court's decisions and legitimacy, orchestrated by annexationists in the government, the Knesset and beyond, indicate that if it chooses to intervene, it will be subjected to intensified efforts to undermine its domestic credibility and castrate its powers including via legislation. If it does not do so – its status as a gatekeeper and a defender of human rights in Israel will be tarnished thus depriving the state of an important shield which prevented external investigations due to the international reputation of the Israeli Supreme Court.

In the final analysis, such damage is relevant to all areas of government. The struggle that surrounded the Nation-State Law, and the attempts to prevent the Supreme Court from intervening regarding its constitutionality, should be seen as a prelude for far more fierce clashes that can be expected to follow annexation.

The application of Israeli law in the area will reduce the scope of judicial review as compared with the current situation when extensive review is applied to legislative actions of the Commander of IDF Forces in the area and his subordinates. Primary Knesset legislation is subject to more restricted judicial review.

The greater the damage to the PA's functioning and its cooperation with Israel, the greater the need for the IDF to expand its direct actions vis-à-vis Palestinian residents, including in the non-annexed areas. This friction can be expected to create numerous challenges in the legal arena, among others.

Socio-Political Ramifications

Annexing the West Bank's 2.6 million Palestinians will threaten Israel's identity as a democracy with a firm Jewish majority.

The Israeli-Palestinian conflict is accompanied by an internal conflict within Israeli society concerning the nation's collective identity. Some of its effects can already be detected: efforts to cause secular Israelis to embrace religion concurrent with religious extremism among Jews and Arabs, challenges to the legitimacy of the legal and justice systems, sustained attacks against the principles and institutions of democracy, a growing rift between politicians and professional civil servants, particularly the senior ranks of the IDF, Shin Bet, and Israel Police; sharp disagreements between non-Orthodox Jewish communities and institutions in the US and the Israeli government, and so forth.

Among Israeli Arabs, tensions grow between two social trends: "Israelization" and identification with the Palestinian national struggle.

Annexation of the entire West Bank is liable to bring some of these divides to a new level. Important segments of the Israeli-Arab political system may encourage West Bank and East Jerusalem Palestinians to file applications, demand, and even struggle to receive Israeli citizenship. This process will enjoy the support of large sections of the Israeli Arab citizenry, who will sense a historic and one-time opportunity to correct the impact of the 1948 War, what they term the *Nakba*. This process is also expected to enjoy the support of significant parts of the international community, which will replace support for the two-state solution with advocacy of a single democratic state embracing the "one man, one vote" principle.

A protracted and systemic delay in granting citizenship to the Palestinian residents of the West Bank – or an outright decision to deny them equal rights – will mean that some 3 million people (including East Jerusalem's 300,000) will be second-class citizens. Moreover, the application of sovereignty to the entire West Bank will invite social and political merger between the Arab citizens of Israel on the one hand and the Palestinians in East Jerusalem and the West Bank on the other. The international community may also regard them as a single entity and end its practice of distinguishing Israeli Arabs from other Palestinians.

Lack of national consensus will exacerbate internal divisions and undermine Israeli solidarity.

As long as its rule of the West Bank is perceived as temporary, Israel can view itself – and is regarded around the world – as a democracy. Once occupation is perceived as permanent, the fig-leaf of a temporary situation will vanish. Annexation will impair Israel's democratic character, thereby exacerbating political rifts and internal divisions. The annexation will create new areas of conflict and give birth to new political groups. The two most obvious examples are:

- In the National-Religious sector, once the sense is that the issue of the territories has been resolved, the all-too-sensitive issue of the Temple Mount will move to center stage.
- On the radical left, a movement can be expected to promote the full integration of Palestinians in Israeli society, including the granting of full political rights in line with the concept of a state of all its citizens.

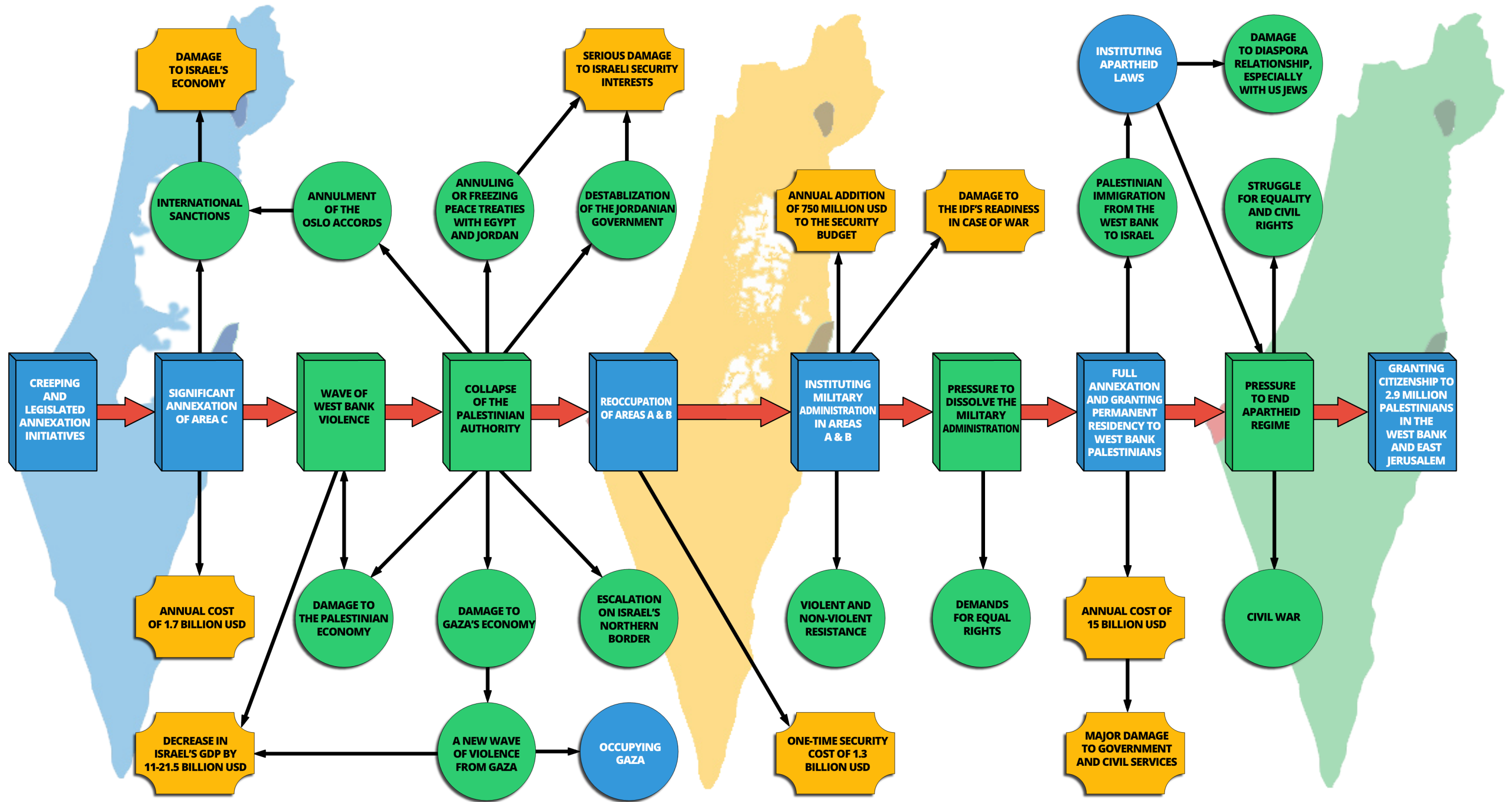
The rift within Israeli society will widen and deepen, and the end result may be a country with a different identity, composition, economy, status, and system of government than the one established in 1948 and that lasted through annexation.

The government, Knesset, and Israeli society will face a historic choice: a binational democracy or an apartheid state.

The first of these options implies the gradual establishment – perhaps over a generation – of a single, binational, democratic state. By the end of the process, millions of Palestinians will have become Israeli citizens with equal rights, including the right to vote for and be elected to the Knesset. This will be a very different Israel than the one established by the founding fathers in 1948. Jewish opposition to this process will be unyielding to the extent of rendering this option unrealistic.

The alternative is a gradual – or more rapid – process that enshrines a reality of two classes: Jews enjoying full civil rights, and Palestinian-Arabs denied at least some of these rights. This will be rejected out of hand by the Palestinians and the international community, which will consider Israel an apartheid state. The crisis will not only be between Israel and the enlightened world, but also between Diaspora Jewry and Israel. Hence, it is equally unlikely that this scenario will be sustainable over time.

Graph 2: Developments in the Annexation Process and Implications



LEGEND

- Israeli Annexation (Blue box)
- Primary Implications (Green circle)
- Secondary Implications (Yellow box)

Recommendations

Aspiring to be the democratic nation-state of the Jewish people in accordance with the values and ethics enshrined in its Declaration of Independence, Israel's relevant interests are:

- **An ability to cope** in military, diplomatic, and socioeconomic terms with any external or internal threat
- **Delineating secure and recognized borders** for Israel
- **A firm Jewish majority** within Israel
- **Equal civil rights for all** populations in the state
- **Taking national decisions by democratic means** enjoying the confidence of a broad majority while **protecting minorities' rights**
- **Economic prosperity** and wellbeing for all strata of society

In the context of the Israeli-Palestinian conflict, the following interests can be identified:

- **An ability to cope in military, diplomatic, and socioeconomic terms with any threat** from the Palestinian entity
- **An ability to cope with any scenario entailing the collapse of the agreement with the Palestinians; the collapse of the Hashemite Kingdom of Jordan, changes in Israel's peaceful relations with Egypt, and the emergence of hostile regional coalitions**
- **A firm Jewish majority** within the borders of the sovereign State of Israel;
- Formulating and managing policy enjoying **broad national consensus** among the Israeli public while protecting minority rights
- **Minimizing friction** between the Jewish and Palestinian populations
- **Delineating safe and recognized borders** between Israel and the Palestinian state/entity in the West Bank and Gaza Strip
- Creating conditions for **economic prosperity** for Israelis and for Palestinians
- Creating conditions for the development of an **open and democratic Palestinian society** that maintains peaceful relations with Israel

Accordingly, we recommend:

- **Israel should refrain from any act of annexation – creeping or through legislation** – based on the mistaken assumption that it will be possible to contain the Palestinian, Arab, and international reactions. Our assessment is that annexation legislation, however partial, will lead to the collapse of the PA and the re-occupation of the entire West Bank
- Before contemplating such drastic departure with past practice, **Israel should undertake comprehensive, professional analyses of consequences**, led by the National Security Staff with full participation of the IDF and other defense agencies, the Foreign Ministry, the Finance Ministry, the Ministry of Justice, and other professional bodies
- **Any such step must be decided upon on the basis of broad national consensus**, including its presentation to the public in a referendum or national elections
- **The public must be given a clear and transparent picture** of all the ramifications of annexation steps
- **Annexation can only be implemented as part of a broader diplomatic framework** and within a diplomatic process
- **A Palestinian population must not be annexed unless it receives full civil rights**; any attempt to grant partial right will expose Israel to the consequences of being perceived as an apartheid state
- Annexation steps in the West Bank cannot be based on the assumption of insulation between the West Bank and the Gaza Strip; **any move in the West Bank will create strong reactions in Gaza.**
- The illusion of the status quo is highlighted by the humanitarian crisis in the Gaza Strip. **Israel must prepare for the possible collapse of the PA**
- Instead of annexation steps liable to lead to the annihilation of the Zionist vision, **Israel should take the initiative to separate from the Palestinians, while the IDF maintains West Bank security pending an agreement**, in the spirit of the CIS Security First plan

Conclusion

The extensive study undertaken by Commanders for Israel's Security, as summarized in this document, raises the following findings:

Partial annexation is expected to lead to the termination of security coordination and the dismantling of the PA, leading to the occupation by the IDF of the entire West Bank and the imposition of a Military Administration, possibly culminating with the annexation of the entire area and the absorption of its 2.6 million Palestinian residents.

The damage to Israel's interests in the security, diplomatic, economic, legal, and domestic spheres will be unprecedented.

This process will jeopardize the viability of the Zionist vision.

None of this should happen before Israeli decision-makers and the public are fully informed of the potentially devastating consequences once the domino effect detailed in this study goes into motion.



Commanders for Israel's Security (CIS) is a non-partisan movement. Its members are retired generals and equivalents in Israel's security services (the IDF, the Shin Bet, Mossad and Israel Police) who are motivated solely by concern for the future of Israel.

CIS took a decision to promote a security-political initiative that will extricate Israel from the current impasse as an interim step toward implementing its vision.

The movement's vision is centered around the need to reach a permanent agreement with the Palestinians, to normalize relations and enter into security arrangements with pragmatic Arab states, and thus to secure Israel within final, recognized boundaries while ensuring its future as the democratic state of the Jewish people.

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ISRAEL POLICY FORUM

Founded in 1993 to build support in the American Jewish community and in Washington for the diplomatic vision of the late Prime Minister Yitzhak Rabin, Israel Policy Forum advances the goal of a two-state solution and Israel's security by developing in-depth policy analysis, engaging with the American Jewish community, and mobilizing policymakers and communal leaders for action on pragmatic solutions.

Israel Policy Forum works to shape the discourse and mobilize support among American Jewish leaders and US policymakers for the realization of a viable two-state solution consistent with Israel's security.

israelpolicyforum.org/annexation