



The latest round of Israeli/Palestinian talks, 2013-14

Standard Note: SNIA 6854

Last updated: 28 March 2014

Author: Ben Smith

Section International Affairs and Defence

- Secretary of State John Kerry has made intense efforts to re-start the talks between Israelis and Palestinians on a two-state solution
- The two sides agreed to face-to-face talks in July 2013
- Israel agreed to release a number of Palestinian prisoners
- The Palestinian side agreed not to continue the drive for immediate recognition as a state or to seek legal redress against Israel for alleged war crimes
- Despite the talks, settlement construction in the Occupied Territories has continued
- There have been sporadic rocket attacks from Gaza; Palestinian officials claim that 57 Palestinians have been killed by Israeli security forces since the latest round of talks began
- The US set a deadline of the end of April 2014 for the two sides to agree a framework for settlement
- There has been little sign of progress in the talks
- The talks may collapse because the Israelis might not release the last tranche of Palestinian prisoners
- They may reach the deadline with no successful outcome
- The US administration is trying to persuade the Palestinian side to extend the deadline
- There are plenty of obstacles to any progress

Contents

1 2010-13: stalemate 2

2 John Kerry’s initiative 3

3 Why have the two sides started talking again? 3

4 How have the talks been progressing? 4

4.1 Prisoner releases 4

4.2 Violence 5

4.3 Settlements 5

4.4 Jewish state 5

4.5 Israeli security presence in the West Bank after the creation of two states 5

4.6 Borders 5

4.7 Jerusalem 5

4.8 Right of return 5

5 Outlook 5

1 2010-13: stalemate

From 2010, the peace process was moribund. Israel had abandoned the limited restrictions on settlement building that the Obama Administration had managed to obtain. Particularly controversial were settlements around East Jerusalem, in the E1 area, which looked to the Palestinian side as if they were designed to cement Israeli control over the whole city, dividing East Jerusalem from the West Bank.

Existing settlements continued to grow and new settlements were started. ‘Outposts’, or unlicensed settlements, were not removed. And it was not only the built up areas of settlements that were controversial. Large areas of the land around the settlements themselves were brought under the control of settlement municipalities. Human rights organisations say that this has given either settlers or the Israeli military unfair levels of control over planning, agriculture and, crucially, water, in much of the West Bank.

Together with the continued construction of the separation barrier, which isolates and divides the remaining Palestinian communities, these factors led the Palestinian side to conclude that Israel was undermining the prospect of a viable Palestinian state and demand a re-establishment of the settlement freeze as a condition for resuming negotiations.

Israel continued to offer the resumption of direct talks without setting their own pre-conditions, and to argue that the separation barrier is necessary to protect settlers from terrorist attacks. Israel denies that the settlements are an obstacle to peace.

Meanwhile, the split between Hamas (in control of Gaza) and Fatah (which runs the Palestinian Authority in the West Bank) was another serious obstacle to progress towards a solution. Upheavals in Egypt and Syria looked for a while as if they would lead to a reconciliation between the two Palestinian parties. (Mubarak in Egypt had supported Fatah while Bashar al-

Assad in Syria had backed Hamas.) In 2011 a reconciliation deal was signed under which a unity government would be formed and long-delayed parliamentary and presidential elections would be held.

The deal was never enacted, however. In 2013, there were renewed talks but they too faltered as both sides accused the other of being unwilling to offer concessions. Hamas supporters have argued that the 2013 military coup in Egypt has emboldened Fatah to resist further reconciliation moves.¹

Sporadic rocket attacks from Gaza continued to hit Israel and Israel continued to mount occasional attacks on Gaza during the period. In March 2014, there was a particularly significant rocket barrage from Gaza with dozens of rockets hitting Israeli targets, generally not far from the border. Militants from Islamic Jihad in Gaza said the attack was in retaliation for the death of three of its members in earlier Israeli raids.² There is a general ceasefire, however, and the level of violence is lower than in previous years.

2 John Kerry's initiative

John Kerry became US Secretary of State in February 2013 and quickly signalled that he would make a big effort to re-start the talks between Israelis and Palestinians.

He visited the Middle East six times during the first five months at the job and appointed Martin Indyk as mediator. It was announced in July that the two sides would be holding the first face-to-face talks for three years on 30 July 2013, in Washington, DC.

To get the talks going again, the Palestinians offered to stop efforts to gain immediate recognition as a state with international bodies, and not to take Israel to the International Criminal Court for alleged war crimes. Israel offered to release Palestinian prisoners.

The Palestinian side has denied that the resumption of direct talks is a tacit acceptance of the growth of settlements.

John Kerry set the end of April 2014 as a deadline for a framework agreement to be reached on the establishment of a Palestinian state. The US has said that it will release its own document if the two sides cannot agree. Neither the Israeli nor the Palestinian side has been at all optimistic about prospects for the talks.

3 Why have the two sides started talking again?

Israel's often-stated position is that the biggest threat to its existence would be a nuclear armed Iran. The Israeli government has criticised the deal between the permanent five members of the UN Security Council plus Germany and Iran, believing that it will make that outcome more not less likely. In a situation where Israel fears that it may need to conduct a military strike against Iran, it needs all the support it can get diplomatically (and maybe militarily), particularly from the US.

Israel's strategic position is also undermined by the violence in Syria, where radical Islamists may take over the state or at least certain parts of it close to Israel. The situation in Lebanon is even more unpredictable than usual. The coup against Mohammed Mursi in Egypt has at least reduced the threat to Israel from the west.

¹ 'What reconciliation? Hamas, Fatah trade blows', *al-Jazeera*, 14 September 2014

² 'Gaza militants fire rocket barrage at southern Israel', *BBC News Online*, 12 March 2014

Although rocket attacks from Gaza do not pose much of a threat, the situation would look a lot worse if Fatah fell in the West Bank and/or its leadership became as hostile as that of Hamas in Gaza.

Relations with the US administration have been strained over the lack of progress on the peace talks and the ongoing construction of settlements. Although the Democrats are looking weak at home, it is not clear that the next US Administration will have dramatically better relations with Israel. In a dangerous region, Israel may have decided to offer inducements to the Palestinian side and get talks re-started to repair relations with its most important ally.

The release of Palestinian prisoners may have been important in shoring up Abbas's weak position in Fatah. He is, in any case, dependent on progress towards a two-state solution; abandonment of it could leave Palestinians wondering what Abbas stands for, making those opposed to negotiations, including Hamas, look as if they were right all along. There is likely to have been strong pressure behind the scenes from the US, too.

The Obama administration, like previous US administrations, is committed to a two-state solution and many observers think that the opportunity to bring such a solution about is gradually reducing. This may be the last chance. Commentators say that President Obama wants to be remembered as a president who ended conflicts and, along with getting troops out of Iraq and Afghanistan and pushing for a deal with Iran, wants to see settlement of the Israel/Palestine question.

All the supporters of the two-state idea fear that the chances of it coming about are now getting very slim.

4 How have the talks been progressing?

As predicted by all sides, the talks have been very difficult and there have been no major breakthroughs. Talks are conducted in secrecy, although there have been leaks and rumours.

4.1 Prisoner releases

Israel released 26 Palestinian prisoners as an initial 'sweetener' in August 2013. This was to be one of four stages of prisoner releases. The Israeli side has so far stuck to that bargain and released three groups of prisoners, nominated by the Palestinian side. The fourth tranche was due to be released at the end of March 2014. The releases have been unpopular in the Israeli government, with hard-liners in the ruling coalition threatening to resign if the last batch of prisoners is released. This could threaten the delicate basis for the present coalition. Deputy Minister of Defence Danny Danon, who is a possible rival for Netanyahu's leadership of the Likud party, threatened to quit, saying: "We are suckers. Israel is releasing murderers and getting nothing in return. The bereaved families' representatives spoke very clearly."³

Popular ex-Fatah leader Marwan Barghouti is one of the Palestinian prisoners whose name has been mentioned for possible release but Israeli consent is thought to be unlikely.

³ 'Fourth stage of Palestinian prisoner release may be nixed', *Israel Hayom*, 19 March 2014

4.2 Violence

Violence has continued from both sides during the new round of talks. Palestinian officials claim that 57 Palestinians have been killed by Israeli security forces since July 2013.⁴ Rocket attacks have continued at a low level from Gaza.

4.3 Settlements

Settlement construction has continued during the talks. The Palestinian side has accused the Israelis of accelerating the programme as the deadline approaches.

4.4 Jewish state

Israel's demand that the Palestinian side should recognise the Jewish nature of Israel, has not been accepted. The Arab League issued a statement on 25 March that Arab leaders would "never accept" a declaration of Israel as a 'Jewish State'.⁵

4.5 Israeli security presence in the West Bank after the creation of two states

There are reports that Kerry has offered US troops to secure the Jordan Valley.⁶ The Jordan Valley is significant because it is the border between Israel/Palestine and the bulk of the Arab world. Israeli leaders have said that the presence would have to include their own troops.

4.6 Borders

Again, there appears to have been little progress. Reports suggest that the Israelis have offered the separation barrier as the border.⁷ This would be very far from anything acceptable to the Palestinian side, which continues to want to base the border on the 1967 Green Line.

4.7 Jerusalem

Israel still wants the whole of Jerusalem, while the Palestinians want occupied East Jerusalem as the future capital. The US has reportedly offered Beit Hanina, a suburb of Jerusalem, as an alternative.

4.8 Right of return

No dramatic developments have taken place concerning this difficult issue.

5 Outlook

The Palestinian side was reported in March 2014 to be preparing for the failure of the talks and has threatened to "go the South African way" and call for a full boycott of Israel in that event.⁸ They have also discussed resuming their push for recognition as a state by international bodies seeking legal redress for the actions of Israel in the Occupied Territories.

Israel might withhold tax revenues due to the Palestinian Authority and deny Palestinian work permits in retaliation for such moves. The last release of prisoners has also been called into question.

Divisions among Israeli politicians will continue to be an obstacle to further progress, with Naftali Bennett, the head of the Jewish Home nationalist and religious party, and economy

⁴ 'Israeli forces kill four Palestinians in West Bank shootout', *Guardian*, 22 March 2014

⁵ 'John Kerry meets Mahmoud Abbas in bid to rescue Middle East peace talks', *Guardian*, 26 March 2014

⁶ 'Israeli-Palestinian peace talks: Is Kerry offering up US troops?', *CS Monitor*, 3 January

⁷ 'Israel 'proposes separation barrier as border' as hopes for peace talks fade',

⁸ 'Palestinians eye full boycott of Israel', *Financial Times*, 20 March 2014

minister in the coalition government, particularly intransigent. The return in November 2013 of the hard-line foreign minister Avigdor Lieberman of the Zionist Yisrael Beiteinu party, after his acquittal on corruption charges, would not increase the likelihood of compromise.

The withdrawal of Jewish settlers from the Occupied Territories, which would in the end be essential, would be very difficult to handle.⁹ They are mostly very strong Zionists and do not accept that Palestinians should control land that they view as historically Jewish land. They have been increasingly politically active, opposing the two-state negotiations.

Also problematic is the Israeli insistence on maintaining a security presence in the Jordan Valley. Mahmoud Abbas has said that he could accept an Israeli military presence for a three-year transitional period.¹⁰ Some Israelis have suggested that it would need to be 40 years.

The division between Hamas and Fatah seems unlikely to be resolved in the near future. The upheavals among Arab governments make predictions difficult. Fatah may have gained some strength from the removal of the Mursi government in Egypt. But relations between the important Arab governments (including in the Gulf) and the US are in flux and pressure from that direction for a settlement is now uncertain. In any case, the effect of reconciliation on the peace process is unpredictable. Hamas could move further towards the position of Fatah than vice versa, or Fatah could give more ground. Unless there were dramatic changes on the ground, a comprehensive peace deal would have to include Hamas and those that share their views. This is difficult to imagine. There remains the alternative of a partial deal that excludes Gaza.

The question of Palestinian refugees still looms over the whole process. It is difficult to imagine as many as 5 million refugees (a figure which includes descendants of originally displaced Palestinians) being accommodated in a new state (as advocated by some Israelis), let alone returning to property that they or their forebears used to own within the borders of present-day Israel. Any negotiations on financial compensation would be very difficult, with both sides very far apart.

The Israeli government's insistence that Palestinians accept the Jewish nature of Israel and the Palestinians' refusal to comply relates to demographics and the high birth rate among Israeli Arabs and Arabs in the West Bank and Gaza. Some Arab strategists doubt that the two-state solution will ever come to pass and look forward to a time when Palestinians outnumber Jews in a single state. Even if two states are created, the number of Israeli Arabs is rising and some people, not just Palestinians, have talked of a 'demographic time bomb' meaning that Israel will become a bi-national state or have an Arab majority in the end. Others have questioned this. The birth rate is not the only factor, obviously, and Jewish immigration has so far compensated for Arab births.¹¹

⁹ 'Kerry attempts the improbable with peace plan for Middle East', *Financial Times*, 3 February 2014

¹⁰ 'Palestinian Leader Says He Can Accept Israeli Military in West Bank for 3 Years', *New York Times*, 28 January 2014

¹¹ For more on this see Uri Sadot, 'Israel's demographic time bomb is a dud', *Foreign Policy*, 18 December 2013