What factors will shape Israel's decisionmaking, and how would unilateral annexation affect its relations with the Palestinians, Arab neighbors, Europe, and U.S. legislators?
On June 18, The Washington Institute held a virtual Policy Forum with David Makovsky, Ghaith al-Omari, Dana Stroul, and Dennis Ross. Makovsky, the director of the Institute’s Project on Arab-Israel Relations, previously served as senior advisor to the U.S. special envoy for Israeli-Palestinian negotiations. Omari is a senior fellow at the Institute and a former member of the Palestinian Authority negotiating team. Stroul is the Institute’s Kassen Fellow and a former senior professional staff member with the Senate Foreign Relations Committee. Ross, the Institute’s counselor and William Davidson Distinguished Fellow, served as a key U.S. official in the peace process for decades. The following is a rapporteur’s summary of their remarks.

DAVID MAKOVSKY

The Israeli public is not passionate about annexation—in one recent poll, for example, only 4 percent of respondents listed the issue as their top priority. This attitude is reinforced by the fact that there are so many uncertainties about annexation, including the territory involved and the government’s lack of military and legal preparedness.

Currently, three Israeli camps are engaged on the issue: the national security community, the settler movement, and the political class. Officials in the first camp, which includes many retired generals, see no strategic advantage in moving forward with unilateral West Bank annexations this summer. They do see many potential disadvantages, however: the collapse of the PA; inflation of tensions with Jordan; distraction from the Iran debate; damage to relations with Arab governments who regard normalization and annexation as irreconcilable; further erosion of Israel’s legitimacy abroad, particularly amid a brewing International Criminal Court investigation (ICC); damage to relations with the European Union; fraying of American bipartisan support for Israel; and a slide toward a one-state reality.

For its part, the settler community is split on the matter. Leaders of the large settlement blocs—which lie closer to the West Bank security barrier and are home to around 77 percent of the settlers—tend to support annexation because their main goal is to live within an Israeli state. Yet more ideological non-bloc settlers oppose the annexation currently being considered because it would presumably remain within the limits laid out in the Trump administration’s peace plan, which envisioned Israel gaining around 30 percent of the West Bank. In other words, they do not want the remaining 70 percent to become a Palestinian state on their doorstep, since they view even a highly conditional, territorially diffuse state as a threat. These divisions emerged in part because Prime Minister Binyamin Netanyahu has yet to lay the groundwork for territorial compromise. But if he is forced to choose between President Trump and the non-bloc settlers, he will choose Trump.

As for Israel’s political class, Washington’s own divisions on annexation have empowered Defense Minister Benny Gantz and Foreign Minister Gabi Ashkenazi, who are nearly alone in emphasizing the Trump plan’s vision for a Palestinian state. By focusing on the need for Israeli consensus on any territorial moves, Washington is making it difficult for Netanyahu to unilaterally implement the 30 percent annexation scenario laid out in the Trump plan. Intelligence officials in the Shin Bet have quietly assessed the various downsides to annexation, and if these views filter into the public discourse, then Gantz and Ashkenazi’s Blue and White Party will be bolstered. The question is, will this leverage be enough for them to reach a broader understanding with the Palestinians or defer annexation altogether? Or will they feel enough public pressure to go along with whatever proposal Netanyahu puts forward?

GHAITH AL-OMARI

By essentially killing a two-state solution, annexation would threaten the PA’s political raison d’etre. To stave off this scenario, the PA has been trying to create a sense of crisis by using international diplomatic levers, threatening to end security cooperation with Israel, and refusing to engage in civilian components of the bilateral relationship (e.g., tax revenues), thus giving Israeli officials a sense of what would occur if the PA collapses.
Hamas has taken a different approach, attempting to depict annexation as proof that the Oslo Accords failed. The group does not want to spur uncontrolled escalation in its Gaza stronghold, but it would welcome the collapse of security in the PA-controlled West Bank. Accordingly, its members have been more energetic in conducting terrorist activity and pushing the public to take action. They have also been presenting themselves as a diplomatic alternative to the PA; for example, Hamas chief Ismail Haniyeh recently sent letters to forty Arab leaders calling for a summit on annexation.

Jordan’s leadership has a particularly deep national security interest in preserving a two-state solution, since a PA collapse would raise questions about the kingdom’s western front and the “Jordan is Palestine” concept. The Jordanian public—including the East Banker community—is intensely opposed to annexation. Of course, King Abdullah must balance this opposition with important strategic interests, from security links and water/gas projects with Israel to the bilateral relationship with Washington. Yet if annexation does occur, Amman will almost surely downgrade diplomatic relations with Israel, freeze nonessential civilian relations, and help Saudi Arabia build an Arab coalition that seeks to impose costs on Israel by reaching out to Europe and international organizations.

In this vein, the op-ed that Emirati ambassador Yousef al-Otaiba recently published in an Israeli newspaper laid out the Gulf position succinctly. Although the Gulf states are genuinely interested in pursuing openings with Israel, annexation would cross a line for them. They will not sacrifice key strategic interests with Israel, particularly on security, but they will hold back on diplomatic and civilian openings. Indeed, shared strategic interests and a general aversion to further regional conflict mean that the sky is unlikely to fall the day after annexation. But there will be costs.

**DANA STROUL**

U.S. congressional votes reveal how the political landscape on Israel has shifted in recent years. In January 2017, the Senate introduced Resolution 6, which reaffirmed that “a peaceful resolution to the Israeli-Palestinian conflict must come through direct, bilateral negotiations without preconditions for a sustainable two-state solution.” Although the measure did not pass, it gained 78 cosponsors, demonstrating bipartisan consensus for direct negotiations. Two years later, the House passed Resolution 326, which discouraged both sides from taking unwelcome steps, “including unilateral annexation of territory” and “efforts to achieve Palestinian statehood status outside the framework of negotiations with Israel.” That resolution passed with 266 votes, but almost all of them came from Democrats, with only 5 Republican votes—a sign of eroding bipartisan support for Israeli-Palestinian negotiations.

Amid the current talk of annexation, Senate Democrats have not coalesced around a message regarding the stakes of Israel’s decision or the best U.S. response. On the Republican side, Ted Cruz is the only senator to publicly argue that Israel should make the decision for itself.

Interestingly, the potential for ICC action against Israel has shown that senators can still come together on baseline language about direct negotiations. Last month, 69 senators gave bipartisan support to a letter expressing concern about the court’s brewing intervention: “Establishing the boundaries of any future Palestinian state...must be determined through negotiations between Israel and the Palestinians,” it read. In the House, momentum is building behind a letter that articulates the strategic and security rationale against annexation while still expressing commitment to the U.S.-Israel relationship.

In short, Congress is sending mixed messages on direct negotiations and a two-state solution, and its expressions of concern do not carry as much weight when the body does not legislate in a bipartisan manner. In the absence of a coherent congressional signal against annexation, Israeli officials may conclude that moving forward will not substantially harm U.S.-Israeli relations.
As for how these issues affect the American presidential campaign, Joe Biden has been clear about his commitment to a strong relationship with Israel. At the same time, the Democratic Party is discussing how to address annexation in its final convention platform, and how a potential Biden administration might respond if Israel actually implements the policy.

Ultimately, while annexation might not cause any immediate ruptures with Washington, there will be medium-to-long-term effects. American voices on the right and left continue to talk about U.S. “over-investment” in the Middle East, and the domestic appetite for large foreign expenditures may be further constrained by the challenge of recovering from the coronavirus pandemic. The focus on great power competition with China and Russia is another common argument for deprioritizing the Middle East. Even so, many still believe that a strong U.S. presence in the region is important to Israel’s security.

DENNIS ROSS

Historically, Prime Minister Netanyahu has been risk-averse when it comes to national security. Yet he also seems to view annexation as his “Ben-Gurion moment”—a chance to ensure that parts of the West Bank become Israel’s forever, and to shift the international baseline for any future negotiations on a Palestinian state from 100 percent of the territory to 70 percent.

These beliefs may prove illusory, however. Even if the Trump administration allows a unilateral annexation to proceed without public opposition, no other government is likely to recognize it. Moreover, a Biden administration could reverse the U.S. stance, while some European states may respond by recognizing a Palestinian state along the 1967 lines. The latter development would be worse for Israel than today’s international consensus, which centers on adjusting the 1967 lines by swapping settlement blocs for other territory.

Drilling down on some of the risks that Netanyahu refuses to see, annexation would deepen divisions in the Democratic Party and fuel the narrative of Israel as a victimizer. Most U.S. officials have treated Israel’s position in the West Bank as legitimate because it is tied to negotiations, however distant such talks appear today. But that legitimacy will increasingly be called into question if annexation happens. Unilateral moves also violate the central premise of Oslo: that neither side is permitted to alter the ultimate political status of the territories.

To minimize these consequences, Netanyahu may try to announce a smaller annexation of areas that negotiators have generally ceded to Israel in past peace discussions. He might then argue that Israel is not walking away from negotiations on the future of the West Bank, perhaps recalling how Menachem Begin extended Israeli law to the Golan Heights without precluding his successors from negotiating over that territory. Additionally, he may announce that even as Israeli law is extended to annexed areas of the West Bank, comparable portions of Area C will be transferred to Area B, giving the Palestinians more control over local planning, zoning, and law/order decisions.

Yet any such moves would require intensive Israeli diplomacy with Europe, Arab states, and—most important—Washington. Although Arab officials might sway Israel’s calculus somewhat by clearly communicating that they will take normalization steps if it puts aside annexation, the United States will have far greater influence on the decision.

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