

# Israel: Background and U.S. Relations

Updated July 1, 2022

**Congressional Research Service** https://crsreports.congress.gov RL33476



# Israel: Background and U.S. Relations

Since Israel's founding in 1948, successive U.S. Presidents and many Members of Congress have demonstrated a commitment to Israel's security and to close U.S.-Israel cooperation. Strong bilateral ties influence U.S. policy in the Middle East, and Congress provides active oversight of the executive branch's actions. Israel is a leading recipient of U.S. foreign aid and a frequent purchaser of major U.S. weapons systems. The two countries signed a free trade agreement in 1985, and the United States is Israel's largest trading partner. Legislation in Congress frequently includes proposals to strengthen U.S.-Israel cooperation.

Israel has a robust economy and an active democracy. Israel has experienced a period of unprecedented political instability since April 2019. During this time, the country has held four elections with then-Prime Minister Benjamin Netanyahu facing criminal prosecution on political corruption charges. After the coalition government that replaced Netanyahu in June 2021 broke down in June 2022, another election—the fifth round in four years—is scheduled to take place on November 1, 2022. With the collapse of the coalition, Israel's prime minister changed from Naftali Bennett of the Yamina party (who had held the office since June 2021) to Yair Lapid of the Yesh Atid party. Lapid is to serve in a caretaker capacity along with Israel's other cabinet ministers until a new Knesset installs a new government. The elections and the subsequent government formation process are likely to be a showdown between Netanyahu's Likud party and the parties inclined to support him, and Prime Minister Lapid and others across the political spectrum who oppose Netanyahu leading another government. Domestic debates in Israel have centered on policies regarding the Palestinians and Israel's Arab citizens, as well as issues regarding the economy, religion, and the judiciary's role.

Israel's political impasse with the Palestinians continues. Biden Administration officials have said that they seek to preserve the viability of a negotiated two-state solution to the Israeli-Palestinian conflict, while playing down near-term prospects for direct Israeli-Palestinian negotiations. Israel has militarily occupied the West Bank since the 1967 Arab-Israeli war, with the Palestinian Authority exercising limited self-rule in some areas since the mid-1990s. The Sunni Islamist group Hamas (which the United States has designated as a terrorist organization) has controlled the Gaza Strip since 2007, and has clashed at times with Israel from there while also supporting unrest and violence elsewhere in the Israeli-Palestinian arena. Jerusalem and its holy sites continue to be a flashpoint, and the Trump Administration controversially recognized Jerusalem as Israel's capital and moved the U.S. embassy there. In March 2022, Congress enacted legislation providing \$1 billion in supplemental funding for the Iron Dome anti-rocket system after Israel heavily relied on Iron Dome during a May 2021 Gaza conflict. Israel may face challenges in improving difficult living conditions for Palestinians in the West Bank and Gaza while ensuring its own security. Concerns about both points have shaped some debates in Congress about how Israel uses U.S. aid. Approximately 660,000 Israelis live in residential neighborhoods or "settlements" in the West Bank and East Jerusalem. These settlements are of disputed legality under international law.

Concerns about Iran strongly affect Israel's strategic calculations. The Israeli government has previously sought to influence U.S. policy on Iran's nuclear program, and its officials have varying views about a possible U.S. return to the 2015 international agreement. Meanwhile, Israel has made common cause with some Arab states to counter Iran's regional activities, reportedly including growing cooperation on air defense. Israeli observers who anticipate the possibility of a future war similar in magnitude to Israel's 2006 war against Iran's ally Lebanese Hezbollah refer to skirmishes and covert actions since then involving Israel, Iran, and Iran's allies as "the campaign between the wars." A threat along Israel's northern border persists from Hezbollah's rocket arsenal and Iran-backed efforts to use Syrian bases and territory to bolster Hezbollah.

Growing Israeli cooperation with some Arab and Muslim-majority states led to the Abraham Accords: U.S.-brokered agreements in 2020 and 2021 to normalize or improve Israel's relations with the United Arab Emirates (UAE), Bahrain, Morocco, and Sudan. Palestinian leaders decry Arab normalization with Israel that happens before Palestinian national demands are met, and the Biden Administration has stated it wants further Israeli-Arab state normalization to occur alongside progress on Israeli-Palestinian diplomacy.

U.S. officials regularly engage with Israeli interlocutors regarding their concerns about China and Russia (including Russia's invasion of Ukraine). Israel seeks to address these concerns while expanding economic relations with China and avoiding Russian disruptions to Israeli military operations in Syria.

## **SUMMARY**

#### RL33476

July 1, 2022

Jim Zanotti Specialist in Middle Eastern Affairs

# Contents

Overview	1
Country Background	3
Government and Politics	
Israeli Political Instability and Fall 2022 Election	4
Major Domestic Issues	
Arab Citizens of Israel	
Other Issues	
Economy	
Military and Security Profile	
General Overview	
Presumed Nuclear Capability	
U.SIsrael Security Cooperation	. 12
Israeli-Palestinian Issues and U.S. Policy	. 13
Overview of Disputes and Diplomatic Efforts	. 13
The Biden Administration: Diplomacy and Human Rights Considerations	. 16
Settlements	. 18
Overview	
Implications	
U.S. Policy	
Jerusalem	
East Jerusalem Controversies	
The "Status Quo": Jews and Muslims at the Temple Mount/Haram al Sharif	. 28
Background.	
Tensions in 2021 and 2022	
Reopening of U.S. Consulate in Jerusalem?	
Regional Threats and Relationships	
Countering Iran	
Iranian Nuclear Issue and Regional Tensions	
Syria	
Hezbollah in Lebanon	
Palestinian Militants and Gaza	
Arab States	
The Abraham Accords	
Arab-Israeli Regional Energy Cooperation	
Turkey	
China: Investments in Israel and U.S. Concerns	. 42

# Figures

Figure 1. Israel: Map and Basic Facts	1
Figure 2. Population of Israeli West Bank Settlements	. 19
Figure 3. Map of West Bank	. 20
Figure 4. Greater Jerusalem	. 26
Figure 5. Jerusalem: Key Sites in Context	. 27

Figure 6.	Old City of Jerusalem	 	 

Figure C-1. Map of the Golan Heights	4	19
--------------------------------------	---	----

# Tables

Table 1. Israeli Caretaker Government: Key Positions	5
Table 2. Security Forces in Israel	11
Table 3. Jewish Population in Specific Areas	8

# Appendixes

Appendix A. Historical Background	44
Appendix B. Main Israeli Parties and Their Leaders	46
Appendix C. Golan Heights	49
Appendix D. Examples of U.SBased, Israel-Focused Organizations	51

# Contacts

Author Information	5	1
--------------------	---	---

# Overview

U.S.-Israel defense, diplomatic, and economic cooperation has been close for decades, based on common democratic values, religious affinities, and security interests. On May 14, 1948, the United States was the first country to extend de facto recognition to the state of Israel (see **Figure 1**). Subsequently, relations have evolved through legislation, bilateral agreements, and trade.



Figure 1. Israel: Map and Basic Facts

**Sources:** Graphic created by CRS. Map boundaries and information generated using Department of State Boundaries (2017); Esri (2013); the National Geospatial-Intelligence Agency GeoNames Database (2015); DeLorme (2014). Fact information from International Monetary Fund, World Economic Outlook Database; CIA, *The World Factbook*; and Economist Intelligence Unit. All numbers are estimates for 2022 unless otherwise specified.

**Notes:** According to the U.S. executive branch: (1) The West Bank is Israeli occupied with current status subject to the 1995 Israeli-Palestinian Interim Agreement; permanent status to be determined through further negotiation. (2) The status of the Gaza Strip is a final status issue to be resolved through negotiations. (3) The United States recognized Jerusalem as Israel's capital in 2017 without taking a position on the specific boundaries of Israeli sovereignty. (4) Boundary representation is not necessarily authoritative. Additionally, the United States recognized the Golan Heights as part of Israel in 2019; however, U.N. Security Council Resolution 497, adopted on December 17, 1981, held that the area of the Golan Heights controlled by Israel's military is occupied territory belonging to Syria. The current U.S. executive branch map of Israel is available at https://www.cia.gov/the-world-factbook/countries/israel/map.

U.S. officials and lawmakers often consider Israel's security as they make policy choices in the Middle East. Congress regularly enacts legislation to provide military assistance to Israel and

explicitly support its security. Such support is part of a regional security order—based heavily on U.S. arms sales to Israel and Arab countries—that has avoided major Arab-Israeli interstate conflict for nearly 50 years. Israel has provided benefits to the United States by sharing intelligence, military technology, and other innovations.

While Israel is the largest regular annual recipient of U.S. military aid, some Members of Congress have sought greater scrutiny of some of Israel's actions. Some U.S. lawmakers express concern about Israel's use of U.S. military assistance against Palestinians, in light of entrenched Israeli control in the West Bank and around the Gaza Strip, and diminished prospects for a negotiated Israeli-Palestinian two-state solution. A few seek oversight measures and legislation to distinguish certain Israeli actions in the West Bank and Gaza from general U.S. support for Israeli security.<sup>1</sup>

Since U.S. aid to Israel significantly increased in the 1970s in connection with Israel's peace treaty with Egypt, developments in international trade have impacted Israel's relations with the United States and other global actors. During that time, Israel's economy has gone from that of a developing nation to one integrated into and on par with economies in Western countries, fueled by a booming high-tech industry and other scientific fields that attract worldwide investment and trade. Leveraging its military power, arms export capacity, and economic and technical strengths, Israel has deepened its relations with India and China as well as other countries in Asia, Africa, and Latin America.

After the Cold War ended, the Middle East became more central to U.S. policy, especially after the September 11, 2001, Al Qaeda terrorist attacks on the U.S. homeland. Consequently, U.S.-Israel ties focused more on regional challenges—including those from various terrorist groups and Iran. Some changes in U.S. military posture and political emphasis in the region could affect Israeli assessments regarding the need for action independent from the United States. The United States helped Israel negotiate the Abraham Accords in 2020 and 2021 to normalize or improve Israel's relations with various Arab and Muslim-majority states (see "The Abraham Accords"), and Israel has taken some steps without direct U.S. involvement to strengthen relations with other Abraham Accords states such as the United Arab Emirates (UAE). Within this context, President Biden has reemphasized the longtime U.S. commitment to Israel's security (see "U.S.-Israel Security Cooperation").

Iran continues to be a top Israeli security concern (see "Countering Iran"). Israel has sought to influence U.S. policy on Iran, including the approach to Iran's nuclear program and deterrence of Iran-backed actors in Syria, Lebanon, Iraq, the Gaza Strip, and Yemen. Israeli officials welcomed the U.S. withdrawal in 2018 from the international agreement on Iran's nuclear program (known as the Joint Comprehensive Plan of Action, or JCPOA) and accompanying reimposition of U.S. sanctions on Iran's core economic sectors. They seek to coordinate with U.S. counterparts on future action to prevent Iranian progress toward a nuclear weapon, whether or not the United States reenters the JCPOA or negotiates a separate international agreement. Low-level Israel-Iran conflict and covert rivalry persists in various settings—Iran itself, countries bordering Israel, cyberspace, and international waters.

In the Israeli-Palestinian conflict, political disputes persist over key issues including security parameters, Israel-West Bank borders, Jewish settlements, Palestinian refugees, and the status of

<sup>&</sup>lt;sup>1</sup> Rebecca Kheel, "Progressives ramp up scrutiny of US funding for Israel," *The Hill*, May 23, 2021. One bill, the Two-State Solution Act (H.R. 5344), would expressly prohibit U.S. assistance (including defense articles or services) to further, aid, or support unilateral efforts to annex or exercise permanent control over any part of the West Bank (including East Jerusalem) or Gaza.

Jerusalem (see "Israeli-Palestinian Issues and U.S. Policy"). Polls suggest widespread skepticism among the Israeli public about prospects for a negotiated end to the conflict.<sup>2</sup> This skepticism fuels speculation and debate about Israeli alternatives such as indefinitely controlling or annexing West Bank areas, improving Palestinian living conditions and economic prospects to reduce tensions, or focusing more on building relations with Arab states.

Israel seeks to balance various considerations regarding China and Russia. Its leaders have taken some steps to address U.S. concerns regarding China's possible misuse of Israeli technology or access to Israeli infrastructure (see "China: Investments in Israel and U.S. Concerns"), and Russia's invasion of Ukraine (see text box below). Yet, many leading Israeli government and business figures also favor maintaining a strong economic relationship with China, and Israeli security decisionmakers have an interest in avoiding Russian disruptions to Israel's ability to act militarily in Syria.

#### **Russia's Invasion of Ukraine**

The Israeli government has publicly condemned Russia's 2022 invasion of Ukraine through statements and votes in international fora. Meanwhile, it has sought to provide political support for Ukraine and humanitarian relief for Ukrainians—including allowing around 35,000 Jewish and non-Jewish refugees to enter Israel—without alienating Russia.<sup>3</sup> About 1.2 million (around 15%) of Israel's population are Russian speakers with family origins in the former Soviet Union.<sup>4</sup>

Since 2015, Russia's military presence and air defense capabilities in Syria have given it influence over Israel's ability to conduct airstrikes there (see "Syria"). Israel has used access to Syrian airspace to target Iranian personnel and equipment, especially those related to the transport of munitions or precision-weapons technology to Iran's ally Hezbollah in Lebanon.<sup>5</sup> To date, Israel has refrained from providing lethal assistance to Ukraine or approving third-party transfers of weapons with proprietary Israeli technology.<sup>6</sup> Under some Western pressure, Israel has contemplated providing defensive equipment, personal combat gear, and/or warning systems to Ukraine's military, partly to project to existing arms export clients that it would be a reliable supplier in crisis situations.<sup>7</sup> Israel announced an initial shipment of helmets and flak jackets to Ukrainian rescue forces and civilian organizations in May 2022.<sup>8</sup>

# **Country Background**

## **Government and Politics**

Israel is a parliamentary democracy in which the prime minister is head of government (see text box below for more information) and the president is a largely ceremonial head of state. The unicameral parliament (the Knesset) elects a president for a seven-year term. The current

<sup>&</sup>lt;sup>2</sup> See, e.g., Tamar Hermann and Or Anabi, "What Solutions to the Conflict with the Palestinians are Acceptable to Israelis?" Israel Democracy Institute, August 3, 2021.

<sup>&</sup>lt;sup>3</sup> Isabel Kershner, "Israelis Debate How Many, and What Kind of, Refugees to Accept," *New York Times*, March 24, 2022; Bret Stephens, "Naftali Bennett's Exit Interview," *New York Times*, June 21, 2022.

<sup>&</sup>lt;sup>4</sup> Lilly Galili, "Russia-Ukraine war: For Israel's Russian speakers conflict is painful and personal," *Middle East Eye*, February 25, 2022.

<sup>&</sup>lt;sup>5</sup> Zev Chafets, "Why Israel Won't Supply the Iron Dome to Ukraine," *Bloomberg*, March 11, 2022.

<sup>&</sup>lt;sup>6</sup> Barak Ravid, "Scoop: Israel rejects U.S. request to approve missile transfer to Ukraine," Axios, May 25, 2022.

<sup>&</sup>lt;sup>7</sup> Yaniv Kubovich and Jonathan Lis, "Israeli Officials Inclined to Increase Ukraine Aid in Face of Russian Atrocities," haaretz.com, May 3, 2022; Anna Ahronheim, "Israel to increase military, civilian aid to Ukraine – report," jpost.com, May 4, 2022.

<sup>&</sup>lt;sup>8</sup> "In first, Israel sends 2,000 helmets, 500 flak jackets to Ukraine," *Times of Israel*, May 18, 2022.

president, Isaac Herzog, took office in July 2021. Israel does not have a written constitution. Instead, Basic Laws lay down the rules of government and enumerate fundamental rights. Israel has an independent judiciary, with a system of magistrates' courts and district courts headed by a Supreme Court.

The political spectrum is highly fragmented, with small parties exercising disproportionate power due to the relatively low vote threshold for entry into the Knesset (3.25%), and larger parties needing small-party support to form and maintain coalition governments. In 2014, however, the Knesset tightened the conditions for bringing down a government through a dispersal or no-confidence vote.<sup>9</sup>

#### Primer on Israeli Electoral Process and Government-Building

Elections to Israel's 120-seat Knesset are direct and proportional based on a party list system, with the entire country constituting a single electoral district. All Israeli citizens age 18 and older may vote. Turnout in elections since 2001 has ranged between 62% and 72% of registered voters (before that it generally ranged between 77% and 80%). Elections must be held at least every four years, but are often held earlier due to difficulties in holding coalitions together. A Central Elections Committee headed by a Supreme Court justice, with representatives from parties in the Knesset, is responsible for conducting and supervising the elections.

National laws provide parameters for candidate eligibility, general elections, and party primaries—including specific conditions and limitations on campaign contributions and public financing for parties.<sup>10</sup> Since 2007, a "cooling-off law" requires that senior Israeli military officers wait at least three years before entering civilian politics.<sup>11</sup>

Following elections, Israel's president gives the task of forming a government to the Knesset member the president believes has the best chance to form a government as prime minister. The would-be prime minister has 28 days to assemble a coalition, and the president can extend this period for an additional 14 days, with provisions allowing the president to authorize others to form a government if the initial selectee is unsuccessful in the task. The government and its ministers are installed following a successful vote of confidence in the Knesset. Thereafter, the ministers determine the government's course of action on domestic issues, while a "security cabinet" (formally known as the Ministerial Committee on Defense) largely directs military and national security actions. The security cabinet consists of a group of key ministers—some whose membership is set by law, others who are appointed by the prime minister—who number no more than half of all cabinet ministers.<sup>12</sup>

A number of factors distinguish Israel from the United States and other developed countries, including the regional threats it faces, its unique historical experience, and its population's relatively higher level of direct military service.<sup>13</sup> In Israel's domestic politics, right-of-center parties skeptical of compromise with the Palestinians and influenced by religious nationalism have supplanted the center-left, more secular Labor movement as the dominant force in the country. See **Appendix A** for historical background.

#### Israeli Political Instability and Fall 2022 Election

Israel has experienced a period of unprecedented political instability since April 2019. During this time, the country has held four elections with then-Prime Minister Benjamin Netanyahu facing

<sup>&</sup>lt;sup>9</sup> Knesset News, "Analysis: Israel's new constructive vote of no-confidence," March 18, 2014.

<sup>&</sup>lt;sup>10</sup> For additional details on Israel's campaign finance laws, see Ruth Levush, "Campaign Finance: Israel," Law Library of Congress, July 25, 2012.

<sup>&</sup>lt;sup>11</sup> The law was reportedly intended to counter Israeli military officers' cultivation of civilian political connections and influence in anticipation of their possible career transitions. Gideon Alon, "Knesset Okays 3-year Cooling-off Period for Security Officials," haaretz.com, March 12, 2007.

<sup>&</sup>lt;sup>12</sup> See, e.g., Isabel Kershner, "Israeli Law Vesting War Power in 2 Top Leaders Faces Criticism," *New York Times*, May 3, 2018; Dan Williams, "Netanyahu's new security cabinet may hesitate on any Iran war," *Reuters*, March 19, 2013.

<sup>&</sup>lt;sup>13</sup> Military service remains compulsory for most Jewish Israeli young men and women, and most Jewish Israeli men remain on reserve duty until the age of 40 (for soldiers) or 45 (for officers).

criminal prosecution on political corruption charges. After the coalition government that replaced Netanyahu in June 2021 broke down in June 2022 (as discussed below), another election—the fifth round in four years—is scheduled to take place on November 1, 2022. With the collapse of the coalition, Israel's prime minister changed from Naftali Bennett of the Yamina party (who had held the office since June 2021) to Yair Lapid of the Yesh Atid party. Lapid is to serve in a caretaker capacity along with Israel's other cabinet ministers (see **Table 1**) until a new Knesset installs a new government. Bennett, as alternate prime minister, is to maintain significant responsibility for Iran-related issues, but he has announced that he will not run in the fall election.

Name	Party
Yair Lapid	Yesh Atid
Naftali Bennett	Yamina
Benny Gantz	Kahol Lavan
Avigdor Lieberman	Yisrael Beitenu
Gideon Sa'ar	New Hope
Ayelet Shaked	Yamina
Merav Michaeli	Labor
Omer Bar Lev	Labor
Nitzan Horowitz	Meretz
	Yair Lapid Naftali Bennett Benny Gantz Avigdor Lieberman Gideon Sa'ar Ayelet Shaked Merav Michaeli Omer Bar Lev

#### Table 1. Israeli Caretaker Government: Key Positions

Over these past four years, Israel's efforts at establishing political leadership have unfolded as follows. Netanyahu was selected by Israel's president as the Knesset member best situated to form a government after both the April 2019 and September 2019 elections, but was unable to do so in either case—the first time such a stalemate had occurred in Israel. After the March 2020 election, Netanyahu formed a power-sharing government in May 2020 with Benny Gantz's Kahol Lavan party, but the government collapsed later that year over a failure to pass a national budget.

The resulting election in March 2021 led to the replacement of Netanyahu's government by a wide-ranging but fractious coalition of parties in June 2021 (see **Appendix B**). While Bennett—a right-of-center figure—served as prime minister of this power-sharing government, the centrist Lapid played a leading role in arranging the coalition.

In June 2022, the Netanyahu-led opposition in the Knesset withheld its support for a bill to renew the application of certain aspects of civilian law to Israeli settlers in the West Bank, and the bill failed to pass after two members of Bennett's Yamina party left the coalition in hopes of bringing a more right-leaning government to power. To trigger an automatic renewal of the civilian laws' application to West Bank settlers, Bennett and Lapid got the Knesset to dissolve the coalition and vote for the election now scheduled for the fall. Under the government's power-sharing agreement, once the Knesset voted for a new election, Lapid (see text box below for a brief biography) became Israel's caretaker prime minister because members of Bennett's party were responsible for the coalition's demise.

#### Prime Minister Yair Lapid: Biography



Lapid, born in 1963, transitioned from a successful media career to politics in 2013, when he founded the centrist, pro-secular Yesh Atid (There is a Future) party. His father Tommy was also a media personality-turned-politician who led the Shinui (Change) party in the Knesset from 1999-2006 and served briefly as justice minister.

In the 2013 election, Yesh Atid had a surprising second-place finish and Lapid served as finance minister in the Netanyahu-led government from 2013 to 2015. Subsequently, Lapid has avoided allying with Netanyahu, and Yesh Atid appears to have displaced the Labor party as the leading political option for Israelis who do not support right-of-center parties.

Lapid and Yesh Atid joined a combined list with Benny Gantz's Kahol Lavan to oppose Netanyahu for three straight elections beginning in April 2019, but split from Kahol Lavan when Gantz formed a power-sharing government with Netanyahu in May 2020. After Yesh Atid's second-place finish in the March 2021 election, then-Israeli President Reuven Rivlin chose Lapid as the Knesset member best positioned to form a government. He established a power-sharing government in June 2021 featuring eight parties across Israel's political spectrum, serving as foreign minister and alternate prime minister as part of a rotation agreement with Prime Minister Naftali Bennett of the Yamina party. Under the power-sharing agreement, Lapid became caretaker prime minister in July 2022 after members of Yamina caused the government's dissolution. In conducting Israel's foreign policy since June 2021, Lapid, Bennett, and Gantz have avoided major military conflict to date while supporting efforts to counter Iran, including in coordination with the United States and various Arab countries.

While he is constrained from major political initiatives while serving in a caretaker capacity, Lapid favors a twostate solution to the Israeli-Palestinian conflict,<sup>14</sup> and has expressed opposition to West Bank settlement construction that could impede such a solution—particularly in isolated areas away from settlement blocs closer to Israel.<sup>15</sup> In past public statements, Lapid has said that he would not accept dividing Jerusalem with the Palestinians.<sup>16</sup>

The elections and the subsequent government formation process are likely to be a showdown between Netanyahu's Likud party and the parties inclined to support him, and Prime Minister Lapid's Yesh Atid party and others across the political spectrum who oppose Netanyahu leading another government. The previous coalition achieved little consensus on controversial subjects—the Palestinians, how to balance judicial review and majority rule, and religion's role in the state. Nevertheless, Lapid and Bennett maintain that this coalition competently addressed important issues such as Iran, the budget, and the COVID-19 crisis.<sup>17</sup>

Netanyahu's trial is ongoing and may continue for years without legally preventing him from leading a government. Some observers speculate that he might be open to political compromises with other parties in return for measures to end or disrupt his prosecution, even though Netanyahu denies this.<sup>18</sup> Such compromises could include efforts to increase formal Israeli control over parts of the West Bank and reduce the judiciary's power over legislation or government action.

Itamar Ben Gvir and his Otzma Yehudit (Jewish Power) party are possible Likud coalition partners—perhaps as part of a broader Religious Zionism electoral list—and have links with a

<sup>15</sup> Tovah Lazaroff, "Lapid, Gantz now control the fate of settlers in Israel's West Bank," jpost.com, June 20, 2022.

<sup>&</sup>lt;sup>14</sup> Josef Federman, "Lapid, set to be Israel's next premier, faces critical test," Associated Press, June 21, 2022.

<sup>&</sup>lt;sup>16</sup> Noa Landau, "Yair Lapid Says Jerusalem Is Non-negotiable Even if It Means No Peace," haaretz.com, December 25, 2017.

<sup>&</sup>lt;sup>17</sup> Stephens, "Naftali Bennett's Exit Interview"; "Lapid says Bennett has shown responsibility, thanks him for friendship: 'I love you very much," *Times of Israel*, June 20, 2022.

<sup>&</sup>lt;sup>18</sup> Patrick Kingsley and Isabel Kershner, "As Government Collapses, Netanyahu Makes Case to Lead Israel Again," *New York Times*, June 22, 2022.

Jewish ultra-nationalist movement based on the ideology of Meir Kahane (1932-1990).<sup>19</sup> Kahane served in the Knesset from 1984 until 1988, when his party was banned from elections after Israel passed legislation disqualifying those who incite racism. The U.S. government has designated a Kahanist group (Kahane Chai) as a Specially Designated Global Terrorist entity, even though the government de-listed the group as a Foreign Terrorist Organization in 2022 due to its inactivity.<sup>20</sup>

The following could be significant factors regarding the elections and government formation process:

- Another stalemate? Initial polling suggests that Likud will probably win more votes than any other party, but pro- and anti-Netanyahu blocs may both have difficulty achieving Knesset support to form a government.<sup>21</sup> In such an event, Lapid and other caretaker officials might continue in their positions through multiple election rounds, as Netanyahu did when serving in a caretaker capacity from December 2018 until May 2020.
- **Potential game changers.** The electoral math could change if some parties near the electoral threshold fall beneath it, or, alternatively, run with one or more other parties as a combined list. Other changes could come from key political figures entering or departing the political scene, or making new alignments. The political future of the Yamina party without Bennett is in question.<sup>22</sup> Also, Gadi Eizenkot, a prominent retired general and former Israel Defense Forces chief of staff, is reportedly considering running alongside Lapid.<sup>23</sup> Leaders of the Kahol Lavan, New Hope, and Yisrael Beitenu parties all currently oppose sitting in government with Netanyahu, but also have a history of working with him.
- Arab-led parties. As in the previous government, Arab-led parties could be decisive in determining future political outcomes. The Islamist United Arab List (UAL or Ra'am) was the first independent Arab party to join an Israeli government when it joined the Lapid-Bennett coalition in June 2021.<sup>24</sup> The Joint List (made up of three smaller parties with socialist or nationalist leanings) has stayed aloof from the pro- and anti-Netanyahu blocs to date. Voter turnout among Arab citizens of Israel has fluctuated between 45% and 65% in the past four elections,<sup>25</sup> and could determine whether UAL reaches the electoral threshold, while also generally affecting Arab-led parties' ability to influence government formation or critical legislation.<sup>26</sup>

<sup>&</sup>lt;sup>19</sup> David B. Green, "Israel Election Results: Who Was Meir Kahane, and Why Is His Racist Legacy Relevant Again," haaretz.com, March 26, 2021.

<sup>&</sup>lt;sup>20</sup> State Department, "Revocation of Five Foreign Terrorist Organizations Designations and the Delisting of Six Deceased Individuals as Specially Designated Global Terrorists," May 20, 2022.

<sup>&</sup>lt;sup>21</sup> Michael Horovitz, "Polls point to return of dreaded deadlock in next elections, unless alliances shift," *Times of Israel*, June 21, 2022.

<sup>&</sup>lt;sup>22</sup> Yossi Verter, "Israel's Government of Change Nears End Along With Bennet's Political Career," haaretz.com, June 21, 2022.

<sup>&</sup>lt;sup>23</sup> Ibid.

<sup>&</sup>lt;sup>24</sup> Aaron Boxerman, "History made as Arab Israeli Ra'am party joins Bennett-Lapid coalition," *Times of Israel*, June 3, 2021.

<sup>&</sup>lt;sup>25</sup> Arik Rudnitzky, "The Arab Vote in the Elections for the 24th Knesset (March 2021)," Israel Democracy Institute, April 27, 2021.

<sup>&</sup>lt;sup>26</sup> "Israel's electoral threshold: Will it change and who will be affected?" jpost.com, June 26, 2022.

## **Major Domestic Issues**

The following subjects generate domestic debate in Israel.

## Arab Citizens of Israel

While most Arabs living in Israel—many of whom identify as Palestinians—are citizens with the right to vote and organize politically, they are largely segregated from Jewish communities.<sup>27</sup> Their neighborhoods have comparatively higher levels of crime and lower levels of income, education, and infrastructure and service provision. Arab Israelis were subject to martial law from Israel's founding in 1948 until 1966, and unlike their Jewish, Druze, or Circassian counterparts in Israel, they do not have a compulsory military service requirement.<sup>28</sup> Leading Arab political figures strongly opposed Israel's controversial 2018 Basic Law defining Israel as the national homeland of the Jewish people,<sup>29</sup> while observers have debated the law's symbolism and substance.<sup>30</sup>

Due partly to the influence of UAL leader Mansour Abbas within the previous government coalition, the 2021-2022 budget includes an agreement to allocate more than \$10 billion over the next five years to address Arab-Jewish disparities in Israel and other concerns Arabs face.<sup>31</sup> Arabled parties also side with Arab Bedouins who claim that the government does not properly account for the long-established Bedouin way of life by implementing land use policies seeking to uproot Bedouins from villages not formally recognized under Israeli law in Israel's southern Negev desert.<sup>32</sup>

Violent crime in largely Arab-populated cities has become an increasing concern. While it most directly impacts Arab residents, unrest in these cities during the May 2021 Israel-Gaza conflict demonstrated the potential for violence to affect Arab-Jewish interactions as well. The government's \$10 billion funding plan for Arab issues includes \$760 million toward security and economic measures to deter criminals, while also addressing socioeconomic root causes. Yet, some Arab leaders express skepticism that these measures can significantly stem the illegal weapons trade that fuels crime.<sup>33</sup> In October 2021, the government said that Israel's military and the Israel Security Agency (Shin Bet or Shabak) (see **Table 2**) would participate in efforts to reduce crime in Arab-populated areas. Arab Israeli leaders have publicly disagreed about involving these national security branches, which are subject to less constraint and oversight than the police.<sup>34</sup>

<sup>&</sup>lt;sup>27</sup> Kali Robinson, "What to Know About the Arab Citizens of Israel," Council on Foreign Relations, June 14, 2021.

<sup>&</sup>lt;sup>28</sup> Military service is required for Jewish men and women, and Druze and Circassian men. Law Library of Congress, *Israel: Military Draft Law and Enforcement*, November 2019. State Department, International Religious Freedom Report for 2020, Israel, West Bank, and Gaza.

<sup>&</sup>lt;sup>29</sup> Text of law available at https://perma.cc/9PZN-DJGY.

<sup>&</sup>lt;sup>30</sup> Loveday Morris, "Deluge of opposition to Israel's nation-state law builds with new court petition," washingtonpost.com, August 7, 2018. In a July 2021 ruling, Israel's Supreme Court rejected petitions challenging the Basic Law's constitutionality. Ruth Levush, "Israel: Supreme Court Affirms Constitutionality of Basic Law: Israel – Nation State of the Jewish People," Global Legal Monitor, Law Library of Congress, October 4, 2021.

<sup>&</sup>lt;sup>31</sup> Afif Abu Much, "Arab-Israeli party celebrates budget passage," *Al-Monitor*, November 8, 2021.

<sup>&</sup>lt;sup>32</sup> Nati Yefet, "Arab Parties' Fight for Political Control in Israel's Negev Reaches Boiling Point," haaretz.com, February 16, 2022.

<sup>&</sup>lt;sup>33</sup> Danny Zaken, "Arab-Israeli city takes battle against violence into its own hands," *Al-Monitor*, January 24, 2022.

<sup>&</sup>lt;sup>34</sup> Afif Abu Much, "Arab-Israelis split on Shin Bet's role in fighting surging violence," *Al-Monitor*, October 6, 2021; Alex Lederman, "Betting on the Shin Bet," Israel Policy Forum, October 20, 2021.

#### **Other Issues**

- **Relationship between religion and state.** Secular and religious Jewish Israelis have traditionally differed on how to apply Jewish religious law in various aspects of Israeli society. A major issue for several years has been whether to require military conscription for the majority of Haredim (ultra-Orthodox Jews) who claim exemptions for religious study. A draft Knesset bill, if passed, would generally preserve exemptions for Haredim who agree to vocational training.<sup>35</sup> The previous coalition had contemplated liberalizing state kashrut (kosher certification and supervision) and conversion practices,<sup>36</sup> with some kashrut reforms phasing in during 2022 as part of the 2021-2022 budget deal.<sup>37</sup> Other proposals, such as providing access to civil marriage or public transportation on the Sabbath, are likely to remain unresolved at least until a new government comes into office. Additionally, the government has not agreed to date on a compromise for a mixed-gender prayer space at the Western Wall plaza in Jerusalem's Old City.<sup>38</sup>
- Judicial and other checks on majority rule. Many right-of-center political figures in Israel have publicly bemoaned checks on popular opinion and majority rule, including in connection with legal proceedings against former Prime Minister Netanyahu. During Netanyahu's time in office, his government proposed a law in 2018 to limit judicial review over legislation.<sup>39</sup> The previous coalition made some efforts at the committee level to explore drafting a Basic Law that would provide clearer constitutional guidance for Israel, including on judicial review of laws and possible Knesset override authority.<sup>40</sup>

## Economy

Israel has an advanced industrial, market economy in which the government plays a substantial role. Despite limited natural resources, the agricultural and industrial sectors are well developed. The engine of the economy is an advanced high-tech sector, including aviation, communications, computer-aided design and manufactures, medical electronics, and fiber optics. Israel still benefits from loans, contributions, and capital investments from the Jewish diaspora, but economic strength has lessened its dependence on external financing.

Aside from a moderate 2020 slump and robust 2021 recovery during the COVID-19 pandemic, over the past five years Israel's economy has shown steady growth (around 3-5% annually). International Monetary Fund (IMF) growth projections remain in a similar range for the next five years, with inflation and unemployment expectations remaining generally low.<sup>41</sup>

<sup>&</sup>lt;sup>35</sup> Knesset News, "Foreign Affairs and Defense Committee discusses Haredi draft bill ahead of final votes in the Knesset Plenum," February 9, 2022.

<sup>&</sup>lt;sup>36</sup> "What's in the coalition agreements Yesh Atid signed with 'change bloc' partners," *Times of Israel*, June 11, 2021.

<sup>&</sup>lt;sup>37</sup> Alan Rosenbaum, "Are Israel's kashrut, conversion reforms moving forward?" jpost.com, April 14, 2022.

<sup>&</sup>lt;sup>38</sup> Judy Maltz, "Why the Western Wall Deal Still Isn't Happening," haaretz.com, December 9, 2021.

<sup>&</sup>lt;sup>39</sup> Jeffrey Heller, "Israeli Legislation Reining in Supreme Court Wins Preliminary Approval," *Reuters*, May 6, 2018.

<sup>&</sup>lt;sup>40</sup> Gila Stopler, "Basic Law Legislation: The Basic Law That Can Make or Break Israeli Constitutionalism," ConstitutionNet, August 16, 2021.

<sup>&</sup>lt;sup>41</sup> Based on data from the International Monetary Fund's World Economic Outlook Database, April 2022.

#### **Bilateral Trade**

The United States is Israel's largest single-country trading partner,<sup>42</sup> and—according to 2021 data from the U.S. Census Bureau and Bureau of Economic Analysis—Israel is the United States's 24<sup>th</sup>-largest trading partner.<sup>43</sup> The two countries concluded a Free Trade Agreement (FTA) in 1985, eliminating all customs duties between the two trading partners. The FTA includes provisions that protect both countries' more sensitive agricultural sub-sectors with nontariff barriers, including import bans, quotas, and fees. Qualifying Industrial Zones (QIZs) in Jordan and Egypt are considered part of the U.S.-Israel free trade area.<sup>44</sup> In 2021, Israel imported approximately \$12.8 billion in goods from and exported \$18.7 billion in goods to the United States.<sup>45</sup> The United States and Israel have launched several programs to stimulate Israeli industrial and scientific research, for which Congress has authorized and appropriated funds on several occasions.<sup>46</sup>

Although Israel's overall macroeconomic profile and fiscal position appear favorable, its relative poverty levels are the fifth highest within the 37-country Organisation of Economic Cooperation and Development (OECD).<sup>47</sup> Israeli Haredim (ultra-Orthodox Jews) and Arabs are particularly at risk, with nearly half of both groups living in material poverty.<sup>48</sup>

# Military and Security Profile

#### **General Overview**

Israel maintains conventional military superiority relative to its neighbors and the Palestinians. Shifts in regional order and evolving asymmetric threats have led Israel to update its efforts to project military strength, deter attack, and defend its population and borders. Israel also has developed advanced missile defense systems and reported cyber defense capabilities.

According to estimates from *Janes*, Israel's military (see **Table 2** for descriptions of various Israeli security forces) features total active duty manpower across the army, navy, and air force of approximately 180,000, plus 445,000 in reserve—numbers aided by mandatory conscription for most young Jewish Israeli men and women, followed by extended reserve duty. Israel's overall annual defense budget is approximately \$17.6 billion, constituting about 3.7% of its total gross domestic product (GDP).<sup>49</sup>

<sup>&</sup>lt;sup>42</sup> According to the European Commission's Directorate-General for Trade, for 2021 the countries of the European Union accounted for 29.9% of Israel's total trade volume, while the United States accounted for 16.4% and China 10.1%. Document available at https://webgate.ec.europa.eu/isdb\_results/factsheets/country/details\_israel\_en.pdf.

<sup>&</sup>lt;sup>43</sup> Monthly U.S. International Trade in Goods and Services, December 2021, available at https://www.census.gov/foreign-trade/Press-Release/ft900/ft900\_2112.pdf.

<sup>&</sup>lt;sup>44</sup> See https://www.trade.gov/qualifying-industrial-zones.

<sup>&</sup>lt;sup>45</sup> Statistics compiled by Foreign Trade Division, U.S. Census Bureau, available at http://www.census.gov/foreign-trade/balance/c5081.html.

<sup>&</sup>lt;sup>46</sup> CRS Report RL33222, U.S. Foreign Aid to Israel, by Jeremy M. Sharp.

<sup>&</sup>lt;sup>47</sup> OECD Economic Surveys: Israel, September 2020.

<sup>48</sup> Ibid.

<sup>&</sup>lt;sup>49</sup> "Israel - Defence Budget," *Jane's Defence Budgets*, April 4, 2022. For purposes of comparison, *IHS Jane's* reports that the U.S. defense budget totals close to \$759 billion annually, constituting approximately 3.3% of total GDP. The World Bank, citing data from the Stockholm International Peace Research Institute, states the following figures for defense spending as a percentage of GDP in other key Middle Eastern countries as of 2020: Egypt-1.2%, Iran-2.2%, Iraq-4.1%, Jordan-5.0%, Lebanon-3.0%, Saudi Arabia-8.4%, Turkey-2.8%, United Arab Emirates-5.6%. https://data.worldbank.org/indicator/MS.MIL.XPND.GD.ZS.

Israel has a robust homeland security system featuring sophisticated early warning practices, thorough border and airport security controls, and reinforced rooms or shelters engineered to withstand explosions in most of the country's buildings. Israel also has proposed and partially constructed a national border fence network of steel barricades (accompanied at various points by watch towers, patrol roads, intelligence centers, and military brigades) designed to minimize militant infiltration, illegal immigration, and smuggling from Egypt, Syria, Lebanon, Jordan, and the Gaza Strip.<sup>50</sup>

Some observers cited in State Department reporting on human rights characterize certain Israeli security measures, including administrative detentions that affect many Palestinians, as violations of human rights or due process norms.<sup>51</sup> Israeli authorities justify administrative detention to prevent imminent attacks or to detain suspects without releasing sensitive information,<sup>52</sup> and the practice is subject to Israeli legal standards.<sup>53</sup>

Unit (and Supervising Ministry)	Current Leader	Key Sub-units (if applicable)
Israel Defense Forces (Defense Ministry)	Lieutenant General Aviv Kochavi	<ul> <li>Ground forces (including Oz Brigade commando units – Maglan, Duvdevan, and Egoz)</li> </ul>
		<ul> <li>Navy (including Shayetet 13 commando unit)</li> </ul>
		Air force (including Shaldag commando unit)
		<ul> <li>Intelligence directorate (Aman) (including Sayeret Matkal commando unit)</li> </ul>
		• Unit 8200 (decryption and signals intelligence)
Institute for Intelligence and Special Operations (Mossad) (Prime Ministry)	David Barnea	
Israel Security Agency (Shin Bet or Shabak) (Prime Ministry)	Ronen Bar	• Yamas (undercover counterterrorism unit formally part of border police but subordinate to Shin Bet)
Israel Police	Kobi Shabtai	Border police (Magav)
(Public Security Ministry)		<ul> <li>Regular units deployed at checkpoints and in rural areas, the West Bank, and Jerusalem</li> </ul>
		$\circ$ Yamam (special counterterrorism and rescue unit)
		• Yasam (riot and crowd control unit)
Israel Prison Service	Katy Perry	
(Public Security Ministry)		

Table 2. Security Forces in Israel

<sup>&</sup>lt;sup>50</sup> Judah Ari Gross, "A wall of iron, sensors and concrete': IDF completes tunnel-busting Gaza barrier," *Times of Israel*, December 7, 2021; Gad Lior, "Cost of border fences, underground barrier, reaches NIS 6bn," *Ynetnews*, January 30, 2018.

<sup>&</sup>lt;sup>51</sup> State Department, 2021 Country Report on Human Rights Practices: Israel, West Bank and Gaza.

<sup>&</sup>lt;sup>52</sup> "Israel weighs extending administrative detention of sick Palestinian teen," *Times of Israel*, January 10, 2022.

<sup>&</sup>lt;sup>53</sup> State Department, 2021 Country Report on Human Rights Practices: Israel, West Bank and Gaza.

## Presumed Nuclear Capability

Israel is not a party to the Nuclear Nonproliferation Treaty (NPT) and maintains a policy of "nuclear opacity" or *amimut*. One report estimates that Israel possesses a nuclear arsenal of around 90 warheads.<sup>54</sup> The United States has countenanced Israel's nuclear ambiguity since 1969, when Israeli Prime Minister Golda Meir and U.S. President Richard Nixon reportedly reached an accord whereby both sides agreed never to acknowledge Israel's nuclear arsenal in public.<sup>55</sup> Israel might have nuclear weapons deployable via aircraft, submarine, and ground-based missiles.<sup>56</sup> No other Middle Eastern country is generally thought to possess nuclear weapons.

# **U.S.-Israel Security Cooperation**

U.S.-Israel security cooperation—a critical part of the bilateral relationship—is multifaceted. U.S. law requires the executive branch to take certain actions to preserve Israel's "qualitative military edge," or QME over neighboring militaries, and expedites aid and arms sales to Israel in various ways. Israel relies on advantages in equipment and training to compensate for neighboring countries' advantages in population and territorial size.

U.S. military aid has helped transform Israel's armed forces into one of the most technologically sophisticated militaries in the world. Congress's authorization for Israel to use a portion of this aid for off shore procurement (OSP) from Israeli defense companies (OSP is currently being phased out and is scheduled to end in FY2028) has helped Israel build a domestic defense industry, and Israel in turn is one of the top exporters of arms worldwide.<sup>57</sup> The United States and Israel also regularly conduct joint exercises and consultations, and often cooperate in developing military technology, with the U.S. military using or adapting a number of Israel-origin items.<sup>58</sup>

#### Sensitive Technology and Intelligence Issues

Arms sales, information sharing, and technical collaboration between the United States and Israel raise questions about what Israel might do with capabilities or information it acquires. The United States and Israel have regularly discussed Israel's dealings on sensitive security equipment and technology with various countries, such as in the past with China. Sources have reported that the United States has established de facto veto power over Israeli third-party arms sales.<sup>59</sup> In at least three cases since the 1980s, U.S. courts have convicted U.S. government employees of disclosing classified information to Israel or of conspiracy to act as an Israeli agent.<sup>60</sup>

<sup>59</sup> Barbara Opall-Rome, "U.S. OKs Israel-China Spy Sat Deal," *Defense News*, October 12, 2007.

<sup>&</sup>lt;sup>54</sup> Hans M. Kristensen and Matt Korda, "Israel nuclear weapons, 2021," *Bulletin of the Atomic Scientists*, Vol. 78, No. 1, 2022, pp. 38-50.

<sup>&</sup>lt;sup>55</sup> Eli Lake, "Secret U.S.-Israel Nuclear Accord in Jeopardy," Washington Times, May 6, 2009.

<sup>&</sup>lt;sup>56</sup> Kristensen and Korda; "Strategic Weapon Systems," *Janes Sentinel Security Assessment – Eastern Mediterranean*, November 16, 2021; "Operation Samson: Israel's Deployment of Nuclear Missiles on Subs from Germany," *Der Spiegel*, June 4, 2012.

<sup>&</sup>lt;sup>57</sup> According to a March 2022 report, Israel was the 10<sup>th</sup>-largest arms exporter in the world between 2017 and 2021, with 37% of Israeli weapons exported during that period reportedly going to India, 13% to Azerbaijan, and 11% to Vietnam. Stockholm International Peace Research Institute, *Trends in International Arms Transfers, 2021*, March 2022.

<sup>&</sup>lt;sup>58</sup> See https://www.jewishvirtuallibrary.org/israeli-military-equipment-used-by-the-u-s.

<sup>&</sup>lt;sup>60</sup> The most prominent espionage case is that of Jonathan Pollard, who pled guilty in 1986 with his then wife Anne to selling classified documents to Israel. Israel later acknowledged that Pollard had been its agent, granted him citizenship, and began petitioning the United States for his release. Pollard was released on parole in November 2015 and permitted to move to Israel in 2020. The other two cases are of Department of Defense analyst Lawrence Franklin (pled guilty to disclosing classified information in 2006) and Ben-Ami Kadish (pled guilty in 2009 to conspiracy to act

The possible use of spyware from the Israel-based company NSO Group by numerous countries throughout the world became a major controversy in 2021 and is an ongoing subject of international concern.<sup>61</sup> The U.S. Commerce Department's Bureau of Industry and Security added NSO to its "Entity List" for engaging in activities that are contrary to the national security or foreign policy interests of the United States.<sup>62</sup> In December 2021, Israel altered its export licensing policy for cybersecurity software, requiring purchasers to pledge they will not use Israeli equipment to commit "terrorist acts" or "serious crime," as defined by Israel's Defense Exports Control Agency.<sup>63</sup>

U.S. officials routinely express their commitment to Israel's security. The United States and Israel do not have a mutual defense treaty or agreement that provides formal U.S. security guarantees. They do, however, have a Mutual Defense Assistance Agreement in effect (TIAS 2675, dated July 23, 1952) regarding the provision of U.S. military equipment to Israel, and have entered into a range of stand-alone agreements, memoranda of understanding, and other arrangements varying in their formality. The U.S.-Israel Enhanced Security Cooperation Act (P.L. 112-150) of 2012 and U.S.-Israel Strategic Partnership Act (P.L. 113-296) of 2014 encouraged continued and expanded U.S.-Israel cooperation in a number of areas, including defense, homeland security, cyber issues, energy, and trade. The latter act designated Israel as a "major strategic partner" of the United States—a designation whose meaning has not been further defined in U.S. law or by the executive branch.

A 10-year bilateral military aid memorandum of understanding (MOU)—signed in 2016 commits the United States to annually provide Israel \$3.3 billion in Foreign Military Financing (FMF) and \$500 million on joint missile defense programs from FY2019 to FY2028, subject to congressional appropriations. The MOU anticipates possible supplemental aid in emergency situations such as conflict. In March 2022, Congress appropriated \$1 billion in supplemental funding through FY2024 for the Iron Dome anti-rocket system as a response to the system's heavy use during a May 2021 conflict between Israel and Gaza Strip-based groups such as Hamas and Palestine Islamic Jihad (PIJ) (both of which are Sunni Islamist groups allied with Iran and U.S.-designated terrorist organizations).

Specific figures and comprehensive detail regarding various aspects of U.S. aid and arms sales to Israel are discussed in CRS Report RL33222, *U.S. Foreign Aid to Israel*, by Jeremy M. Sharp. That report includes information on conditions that generally allow Israel to use its military aid earlier and more flexibly than other countries in each fiscal year.

# Israeli-Palestinian Issues and U.S. Policy

# **Overview of Disputes and Diplomatic Efforts**

The Biden Administration and the 117<sup>th</sup> Congress have continued longstanding U.S. engagement on the Israeli-Palestinian conflict, which has been a persistent subject of international concern for decades since the first Arab-Israeli war in 1948. Israel gained control of the West Bank (including East Jerusalem) and the Gaza Strip during the June 1967 Arab-Israeli war (also known as the Six-

as an unregistered agent of Israel).

<sup>&</sup>lt;sup>61</sup> For more information, see CRS Report RL33222, U.S. Foreign Aid to Israel, by Jeremy M. Sharp. See also Ronen Bergman and Mark Mazzetti, "The Battle for the World's Most Powerful Cyberweapon," New York Times Magazine, January 28, 2022.

<sup>&</sup>lt;sup>62</sup> Available online at https://www.commerce.gov/news/press-releases/2021/11/commerce-adds-nso-group-and-other-foreign-companies-entity-list.

<sup>&</sup>lt;sup>63</sup> "Israel Issues Stricter Guidelines for Use of Its Cyber Tech Exports," *Reuters*, December 6, 2021.

Day War). For historical background on the conflict, see CRS Report RL34074, *The Palestinians: Background and U.S. Relations*, by Jim Zanotti.

In the 1990s, after the end of the Cold War and first Gulf War, Israel and the Palestine Liberation Organization (PLO) agreed to work toward a diplomatic resolution of key issues of Israeli-Palestinian dispute, including security parameters, borders, Jewish settlements, Palestinian refugees, and the status of Jerusalem. Per the Oslo agreements, the PLO came out of exile and accepted limited self-rule in parts of the West Bank and in the Gaza Strip in the form of a new Palestinian National Authority, or Palestinian Authority (PA), that formally adopted democratic means of governance. In the almost 30 years since, the two sides have engaged in a mix of interactions that include occasional U.S.-brokered negotiations, a combination of practical coordination and political contention, and competing efforts to enlist international support. To date, the key issues of dispute remain unresolved.

Within a context of overarching Israeli control, multiple outbreaks of violence have occurred between Israelis and Palestinians in the West Bank and Jerusalem. After some PA authorities became directly involved in violence against Israel during the 2000-2005 second Palestinian *intifada* ("uprising") under the rule of iconic Palestinian leader Yasser Arafat (who died in 2004), Israel heightened security measures in and around the West Bank and sensitive parts of Jerusalem. These measures have included the controversial construction of a partial West Bank barrier (see "Settlements").

With U.S. help, Israel cultivated closer security cooperation with the PA after the second intifada under Arafat's successor as president, Mahmoud Abbas. However, Abbas's public stance against using PA security forces against Israel may have increased his domestic political vulnerability, alongside widespread allegations that the PA has been corrupt and repressive under his leadership. Groups willing to use violence, including Hamas and PIJ and some from Abbas's own Fatah movement, have sought to portray themselves as more authentic reflections of Palestinian nationalism.<sup>64</sup> When Israeli-Palestinian tensions spike, these groups often publicly encourage the use of violence as a means of reinforcing their popularity.

In 2007, two years after Israel's military withdrew from Gaza, Hamas forcibly displaced the PA as the de facto authority there. Hamas has controlled the territory since then, subject to Israeli and Egyptian access restrictions and occasional conflicts in which Hamas and other militants have fired rockets from Gaza while Israel has carried out airstrikes and other military operations in and around Gaza (see text box below).

<sup>&</sup>lt;sup>64</sup> For additional information on Palestinian groups, see CRS Report RL34074, *The Palestinians: Background and U.S. Relations*, by Jim Zanotti.

#### Gaza and Its Challenges

The Gaza Strip—controlled by Hamas, but significantly affected by general Israeli and Egyptian access and import/export restrictions—faces difficult and complicated political, economic, and humanitarian conditions.<sup>65</sup> Palestinian militants in Gaza clash at times with Israel's military as it patrols Gaza's frontiers with Israel, with militant actions and Israeli responses sometimes endangering civilians in both places. These incidents occasionally escalate toward larger conflict, as in May 2021. Hamas and Israel reportedly work through Egypt and Qatar to help manage the flow of necessary resources into Gaza and prevent or manage conflict escalation. Since 2018, Egypt and Hamas (perhaps with implied Israeli approval) have permitted some commercial trade via the informal Salah al Din crossing that bypasses the formal PA controls and taxes at other Gaza crossings.<sup>66</sup>

With Gaza under Hamas control, the obstacles to internationally supported recovery from the May 2021 conflict remain largely the same as after previous Israel-Gaza conflicts in 2008-2009, 2012, and 2014.<sup>67</sup> Because of the PA's inability to control security in Gaza, it has been unwilling to manage donor pledges toward reconstruction, leading to concerns about Hamas diverting international assistance for its own purposes.<sup>68</sup> Before the 2021 conflict, Qatar had provided cash assistance for Gaza, but due to Israeli concerns about the potential for its diversion, Qatar began an arrangement in September 2021 to provide money transfers to needy families through the United Nations.<sup>69</sup> In November 2021, Qatar and Egypt agreed on a new mechanism—with Israel's tacit approval—to restart assistance toward Gaza civil servants' salaries that had been on hold since the May 2021 outbreak of conflict.<sup>70</sup>

Traditionally, the PLO/PA has relied on political and financial support from Arab countries and other international actors while seeking Palestinian statehood via a peace agreement with Israel. In the 2002 Arab Peace Initiative, the League of Arab States (Arab League) agreed to certain reference points on issues of Israeli-Palestinian dispute in an effort to elicit Israeli diplomatic compromise.<sup>71</sup> Over the past decade, however, many Arab governments have become preoccupied with domestic survival and regional threats from Iran and non-state actors, and also have begun adjusting to a changing global order with a less dominant U.S. role in the Middle East. Thus, through the Abraham Accords and other developments, some Arab leaders have sought closer relations with Israel—due to its strong and technologically advanced military and economy—despite Palestinians' unresolved national demands. Some Arab states also have significantly reduced financial support for the PA.<sup>72</sup>

Israel has taken some steps to improve Palestinians' economic and living circumstances, including through loans and work permits.<sup>73</sup> However, some critics charge that the measures

<sup>&</sup>lt;sup>65</sup> CRS Report RL34074, The Palestinians: Background and U.S. Relations, by Jim Zanotti.

<sup>&</sup>lt;sup>66</sup> Ahmad Abu Amer, "Egypt, Qatar agreement with Israel, Hamas provides boost for Gaza economy," *Al-Monitor*, November 23, 2021; Neri Zilber, "New Gaza Crossing Raises Questions About Blockade Policies," Washington Institute for Near East Policy, October 23, 2019.

 <sup>&</sup>lt;sup>67</sup> David Makovsky, "Why Blinken Will Have a Tough Sell," Washington Institute for Near East Policy, May 25, 2021.
 <sup>68</sup> Ibid.

<sup>&</sup>lt;sup>69</sup> Aaron Boxerman, "UN to begin dispensing Qatari cash to needy Gazan families Monday under new deal," *Times of Israel*, September 12, 2021.

<sup>&</sup>lt;sup>70</sup> Yaniv Kubovich, "Egypt, Qatar Reach Breakthrough on Hamas Civil Servants Salaries," haaretz.com, November 29, 2021; Abu Amer, "Egypt, Qatar agreement with Israel, Hamas."

<sup>&</sup>lt;sup>71</sup> The Arab Peace Initiative offers a comprehensive Arab peace with Israel if Israel were to withdraw fully from the territories it occupied in 1967, agree to the establishment of a Palestinian state with a capital in East Jerusalem, and provide for the "[a]chievement of a just solution to the Palestinian Refugee problem in accordance with UN General Assembly Resolution 194." The initiative was proposed by Saudi Arabia, adopted by the 22-member Arab League (which includes the PLO), and later accepted by the 56-member Organization of the Islamic Conference (now the Organization of Islamic Cooperation) at its 2005 Mecca summit. The text of the initiative is available at http://www.bitterlemons.org/docs/summit.html.

<sup>&</sup>lt;sup>72</sup> Adnan Abu Amer, "Why has Gulf aid to PA declined in recent years?" Al-Monitor, March 11, 2021.

<sup>&</sup>lt;sup>73</sup> Thomas Grove and Fatima AbdulKarim, "Israel Offers Economic Help to Palestinians in Bid to Stem Influence of

mirror past Israeli efforts to manage the conflict's effects unilaterally rather than address its causes through negotiation with Palestinians.<sup>74</sup>

In this context, PLO/PA leaders have supported diplomatic efforts and actions within international organizations aimed at applying pressure on Israel to return to negotiations or end controversial practices associated with its control over Palestinians. PA President Abbas (who also chairs the PLO) and other leading Palestinian figures have warned that time may run out for Israeli-Palestinian negotiations, threatening to pursue more robust international political, economic, and legal means to advance Palestinian human rights and self-determination claims.<sup>75</sup> Egypt and Jordan, which made peace with Israel in previous decades and are direct neighbors of Israel and the Palestinians, continue to express interest in facilitating Israeli-Palestinian peace.

# The Biden Administration: Diplomacy and Human Rights Considerations

Biden Administration officials have said that they seek to preserve the viability of a negotiated two-state solution to the Israeli-Palestinian conflict, while playing down near-term prospects for direct Israeli-Palestinian negotiations.<sup>76</sup> In doing so, they seek to help manage tensions, bolster Israel's defensive capabilities, and strengthen U.S.-Palestinian ties that frayed during the Trump Administration. As mentioned above, these officials regularly speak out against steps taken by Israelis or Palestinians that could risk sparking violence and undermining the vision of two states—including settlement expansion and settler violence, demolitions, evictions, incitement to violence, and payments for individuals imprisoned for acts of terrorism.<sup>77</sup>

Some international bodies have subjected alleged Israeli human rights violations against Palestinians to further legal and political scrutiny. In March 2021, the International Criminal Court (ICC) prosecutor began an investigation into possible crimes in the West Bank and Gaza.<sup>78</sup> The investigation might draw from the findings of an ongoing commission of inquiry established by the U.N. Human Rights Council in May 2021 after a major Israel-Gaza conflict.<sup>79</sup> The Biden Administration responded skeptically to the creation of the "open-ended" commission of inquiry.<sup>80</sup> Like its predecessors, the Administration has criticized the Human Rights Council for

Hamas," *Wall Street Journal*, February 8, 2022; Aaron Boxerman, "Israel set to raise work permit quotas for Gazans to 20,000," *Times of Israel*, March 26, 2022.

<sup>&</sup>lt;sup>74</sup> Neri Zilber, "Israel's new plan is to 'shrink,' not solve, the Palestinian conflict," CNN, September 16, 2021.

<sup>&</sup>lt;sup>75</sup> Transcript of Abbas's September 24, 2021, speech before the U.N. General Assembly available at https://estatements.unmeetings.org/estatements/10.0010/20210924/7gIp44D6mxWV/8xz66G7sjKRg\_en.pdf.

<sup>&</sup>lt;sup>76</sup> White House, "Remarks by President Biden Before the 76<sup>th</sup> Session of the United Nations General Assembly," September 21, 2021.

<sup>&</sup>lt;sup>77</sup> State Department, "Secretary Antony J. Blinken and Israeli Prime Minister Naftali Bennett After Their Meeting," Jerusalem, March 27, 2022.

<sup>&</sup>lt;sup>78</sup> CRS Report RL34074, *The Palestinians: Background and U.S. Relations*, by Jim Zanotti.

<sup>&</sup>lt;sup>79</sup> U.N. document, A/HRC/RES/S-30/1, May 27, 2021. The Council mandated the commission "to investigate in the Occupied Palestinian Territory, including East Jerusalem, and in Israel all alleged violations of international humanitarian law and all alleged violations and abuses of international human rights law leading up to and since 13 April 2021, and all underlying root causes of recurrent tensions, instability and protraction of conflict, including systematic discrimination and repression based on national, ethnic, racial or religious identity." The commission of inquiry issued its first report in June 2022. U.N. General Assembly, A/HRC/50/21, Report of the Independent International Commission of Inquiry on the Occupied Palestinian Territory, including East Jerusalem, and Israel, 13 June-8 July 2022.

<sup>&</sup>lt;sup>80</sup> U.S. Mission to International Organizations in Geneva, "Press Statement: UN Human Rights Council Session on the

what it characterizes as a disproportionate focus on Israel.<sup>81</sup> In March 2022, 68 Senators signed a letter urging Secretary of State Antony Blinken to lead a multinational effort to end the commission.<sup>82</sup> That same month, the U.N. Special Rapporteur for the "situation of human rights in the Palestinian territory occupied since 1967" reported to the Council that Israel is practicing "apartheid" in that territory.<sup>83</sup> Proposed legislation to reduce U.S. contributions to the U.N. budget, based on a portion of the amount budgeted for the commission of inquiry, has been introduced in the Senate and House (S. 4389 and H.R. 7223).

Members of Congress have taken varying positions on human rights-related concerns. Some Members have increased their scrutiny over Israel's use of U.S. security assistance, contributing to debate on the subject.<sup>84</sup> Some other Members have stated their opposition<sup>85</sup> to a State Department proposal to fund one or two organizations to "strengthen accountability and human rights in Israel and the West Bank and Gaza."<sup>86</sup>

#### **Violence and Controversy in 2022**

Since March 2022, a wave of Israeli-Palestinian violence has resulted to date in the deaths of 19 Israelis or foreigners in Israel and more than 40 Palestinians,<sup>87</sup> amid the following:

- Protests and violent altercations around Jerusalem holy sites, including during religious holidays and other sensitive times commemorating historical events (see "Tensions").
- Heightened Israeli and PA security measures to counter alleged Palestinian lawlessness and militancy in West Bank cities such as Jenin.<sup>88</sup>

In May 2022, prominent *AI Jazeera* journalist Shireen Abu Akleh (a Palestinian Christian from East Jerusalem who was a U.S. citizen) was killed by a gunshot in an area of Jenin where Israeli security forces were trading fire with Palestinians. Her death triggered a major international outcry, as did images of Israeli police disrupting her funeral in East Jerusalem. In condemning Abu Akleh's killing and an injury suffered by one of her colleagues, the State Department spokesperson called for an immediate and thorough investigation and full accountability, and said that Israel has "the wherewithal and the capabilities to conduct a thorough, comprehensive investigation."<sup>89</sup> Some evidence suggests that the shot may have come from Israeli forces,<sup>90</sup> with the PA claiming that its investigation proves Israeli forces deliberately targeted Abu Akleh, but Israel denying any such intent.<sup>91</sup> It is unclear whether

<sup>83</sup> U.N. document A/HRC/49/87 (Advance Unedited Version), March 21, 2022. The international advocacy groups Amnesty International and Human Rights Watch also have labeled Israeli practices as "apartheid." For general information on Israeli human rights practices regarding Palestinians, see State Department, 2021 Country Report on Human Rights Practices: Israel, West Bank and Gaza.

<sup>84</sup> See footnote 1.

Israeli-Palestinian Situation," May 27, 2021.

<sup>&</sup>lt;sup>81</sup> U.S. Mission to International Organizations in Geneva, "Secretary Blinken: Remarks to the 46<sup>th</sup> Session of the Human Rights Council," February 24, 2021. For more on Israel and the U.N. Human Rights Council, see CRS Report RL33608, *The United Nations Human Rights Council: Background and Policy Issues*, by Luisa Blanchfield and Michael A. Weber.

<sup>&</sup>lt;sup>82</sup> The text of the letter is available at https://www.portman.senate.gov/sites/default/files/2022-03/2022-03-28%20Letter%20to%20Sec%20Blinken%20on%20UNHRC%20Commission%20of%20Inquiry%20on%20Israel.pdf.

<sup>&</sup>lt;sup>85</sup> Omri Nahmias, "Rescind \$1-million grants to anti-Israel NGOs,' Republican senators tell Blinken," jpost.com, May 24, 2022.

<sup>&</sup>lt;sup>86</sup> State Department Funding Opportunity Announcement, Bureau of Democracy, Human Rights, and Labor, "DRL Strengthening Human Rights and Accountability in Israel and the West Bank and Gaza," February 11, 2022.

<sup>&</sup>lt;sup>87</sup> David S. Cloud and Anas Baba, "Israeli Work Permits Ease Gaza Tensions," Wall Street Journal, May 28, 2022.

<sup>&</sup>lt;sup>88</sup> Ahmad Melhem, "Israeli forces find tough resistance in Jenin camp," Al-Monitor, May 25, 2022.

<sup>&</sup>lt;sup>89</sup> State Department Press Briefing, May 11, 2022.

<sup>&</sup>lt;sup>90</sup> Josef Federman, "Bellingcat probe suggests Israeli fire most likely killed journalist; but not 100%," May 16, 2022.

<sup>&</sup>lt;sup>91</sup> "Palestinian officials: Israel killed Al Jazeera reporter," Associated Press, May 26, 2022.

and how Israel, the PA, or other parties might further investigate the matter, and whether U.S. authorities could be involved.<sup>92</sup> Some Members of the House and Senate have sent letters to the executive branch requesting that the State Department and Federal Bureau of Investigation conduct an independent investigation.<sup>93</sup> In April 2022, some advocacy groups and lawyers had filed a complaint with the ICC alleging that Israel has systematically targeted Palestinian journalists for years.<sup>94</sup>

# Settlements

#### Overview

Israel has approximately 132 official residential communities in the West Bank (known internationally and by significant segments of Israeli society as "settlements"), and approximately 141 additional settlement outposts unauthorized under Israeli law.<sup>95</sup> It also maintains other military and civilian land-use sites in the West Bank. Taken together, Israel's footprint in these areas significantly constrains Palestinian claims, movement, and access in the West Bank. In addition, Israeli authorities and Jewish Israeli citizens have established roughly 14 main residential areas (referred to variously as "settlements" or "neighborhoods") in East Jerusalem.<sup>96</sup> All of these residential communities are located beyond the 1949-1967 Israel-Jordan armistice line (the "Green Line") in areas that Palestinians assert are rightfully part of their envisioned future state.

#### Table 3. Jewish Population in Specific Areas

Area	Jewish Population	% of Total Population of Israel	% of Population of That Area
West Bank (not counting East Jerusalem)	432,000	4.8%	12.6%
East Jerusalem	227,100	2.5%	38.2%

(all amounts approximate)

Sources: Based on figures from the CIA World Factbook and Israel Central Bureau of Statistics (ICBS).

The first West Bank settlements were constructed following the 1967 war, and Israel initially justified them as residential areas connected to personnel involved with the military occupation. Major West Bank residential settlement building began in the late 1970s with the advent of the pro-settler Gush Emunim ("Bloc of the Faithful") movement and the 1977 electoral victory of Menachem Begin and the Likud party. Subsequently, Israelis have expanded existing settlements

<sup>93</sup> Text of letters available at https://carson.house.gov/sites/carson.house.gov/files/ Carson%20Shireen%20Abu%20Abkleh%20signed.pdf and

https://www.vanhollen.senate.gov/imo/media/doc/Final%20Abu%20Akleh%20Letter%20(PDF).pdf.

<sup>&</sup>lt;sup>92</sup> Joseph Krauss, "US has not been asked to help in probe of reporter's killing," *Associated Press*, May 25, 2022; Lazar Berman, "PA refers Abu Akleh death to International Criminal Court prosecutors" *Times of Israel*, May 23, 2022.

<sup>&</sup>lt;sup>94</sup> International Federation of Journalists, "Palestine: ICC case filed over systematic targeting of Palestinian journalists," April 26, 2022.

<sup>&</sup>lt;sup>95</sup> Data available at https://peacenow.org.il/en/settlements-watch/settlements-data/population.

<sup>&</sup>lt;sup>96</sup> For information on the planning and permitting process for settlement construction, see http://peacenow.org.il/wp-content/uploads/2017/10/Planning-Process-Chart.pdf.

and established new ones. Israelis who defend the settlements' legitimacy generally use some combination of legal, historical, strategic, nationalistic, or religious justifications.<sup>97</sup>



Figure 2. Population of Israeli West Bank Settlements

(not including Jewish Israeli East Jerusalem residential communities)

#### Source: ICBS.

Most countries consider these settlements to be illegal transfers of civilian populations to occupied territory, though U.S. stances on this issue since 1967 have varied (see "U.S. Policy").<sup>98</sup> U.N. Security Council Resolution 2334, adopted in December 2016 with the United States as the lone abstention, stated that settlements established by Israel in "Palestinian territory occupied since 1967, including East Jerusalem," constitute "a flagrant violation under international law" and a "major obstacle" to a two-state solution and a "just, lasting and comprehensive peace." Israel, in contrast, asserts that the West Bank is "disputed territory" rather than "occupied territory," and that building civilian settlements or applying Israeli law in the territory does not violate international law.<sup>99</sup>

<sup>&</sup>lt;sup>97</sup> For more information on the history of the settlements and their impact on Israeli society, see Idith Zertal and Akiva Eldar, *Lords of the Land: The War for Israel's Settlements in the Occupied Territories, 1967-2007*, New York: Nation Books, 2007; Gershom Gorenberg, *The Accidental Empire: Israel and the Birth of the Settlements, 1967-1977*, New York: Times Books, 2006. Some Israelis refer to the West Bank as "Judea and Samaria" based on their identification of the land with Jewish historical and religious narratives.

<sup>&</sup>lt;sup>98</sup> The most-cited international law pertaining to Israeli settlements is the Fourth Geneva Convention, Part III, Section III, Article 49 *Relative to the Protection of Civilian Persons in Time of War*, August 12, 1949, which states in its last sentence, "The Occupying Power shall not deport or transfer parts of its own civilian population into the territory it occupies."

<sup>&</sup>lt;sup>99</sup> See, e.g., Dore Gold, "The debate over the future of the territories," israelhayom.com, June 17, 2020; Israel Ministry of Foreign Affairs, Israeli Settlements and International Law, November 30, 2015; Britain Israel Communications and Research Centre, "Extending Israeli sovereignty in the West Bank," June 2020. Israel argues that the previous occupying power (Jordan) did not have an internationally recognized claim to the West Bank (only a few countries recognized Jordan's 1950 annexation of the territory), and that in view of the demise of the Ottoman Empire at the end of World War I and the end of the British Mandate in 1948, no international actor has superior legal claim to Israel's. After Israel's 1967 capture of the West Bank, its government has accepted some responsibilities for the territory and its inhabitants in line with the Geneva Conventions.

Israel has largely completed a separation barrier that roughly tracks the Green Line, but departs from it in a number of areas that include significant settlement populations (see **Figure 3**).<sup>100</sup> Not counting East Jerusalem, one source states that 77% of Israeli settlers live within the barrier's perimeter.<sup>101</sup> Counting East Jerusalem, the figure grows to 84%.<sup>102</sup>

Israeli officials state that the barrier's purpose is to separate Israelis and Palestinians and prevent terrorists from entering Israel. Palestinians object to places where the barrier runs beyond the Green Line because it cuts Palestinians off from East Jerusalem and, in some places, bisects their landholdings and communities. Many Palestinians decry it as an Israeli device to integrate occupied territory into Israel proper.<sup>103</sup>



Figure 3. Map of West Bank

**Note:** Under the Oslo agreements, the West Bank (not including East Jerusalem) is subject to a tiered system of shared control between Israel's military and the PA in Areas A, B, and C, subject to overarching Israeli security prerogatives. Areas A and B are under PA administration, while Area C is under Israeli administration.

Source: U.N. Office for the Coordination of Humanitarian Affairs occupied Palestinian territory, 2018.

 <sup>&</sup>lt;sup>100</sup> In a July 2004 International Court of Justice advisory opinion, the barrier's construction was deemed illegal. The text of the opinion is available at http://www.icj-cij.org/docket/index.php?pr=71&code=mwp&p1=3&p2=4&p3=6.
 <sup>101</sup> Information as of 2022 accessed from Washington Institute of Near East Policy's "Settlements and Solutions" interactive map at https://www.washingtoninstitute.org/westbankinteractivemap/?widget=Information.
 <sup>102</sup> Ibid.

<sup>&</sup>lt;sup>103</sup> "Israeli barrier: Defensive measure or illegal land grab?" Associated Press, April 26, 2017.

## Implications

Settlers affect the political and diplomatic calculus in various ways. They influence key voting blocs in Israel's coalition-based parliamentary system. Additionally, some initiate public protest and even violent resistance against government efforts to limit or regulate their actions. Also, they claim a significant symbolic role in a country where there is substantial support for historical narratives of national survival based on self-sufficiency and pioneering spirit in the face of adversity.

As Israel has expanded settlements in the West Bank since 1967, it has integrated many of those settlements and their residents into the political and economic life of Israel proper. As reflected in these settlements' highly functional infrastructure, local self-governing councils, and transportation and communications links with Israel, there is little to distinguish some of them from towns in Israel proper other than the military's formal responsibility for their administration. Additionally, some norms of Israeli law already apply to West Bank settlements, "either through application of personal jurisdiction over the settlers, or through military decrees that incorporated Israeli law into the law applicable to all or parts of the West Bank."<sup>104</sup> Since 2016, various Knesset members have reportedly proposed bills that would apply Israeli law, jurisdiction, administration, and formal sovereignty in specified West Bank areas.<sup>105</sup> Some observers have characterized the means used or proposed for integrating settlements with Israel proper, along with restrictions on Palestinian building and land use in surrounding areas, as "creeping annexation" or "de facto annexation."<sup>106</sup>

Some Israelis caution that the demand to provide security to settlers, along with other services and transportation links to Israel, could perpetuate Israeli military control in the West Bank even if other rationales for maintaining such control eventually recede. The protection of settlers is complicated by altercations between some settlers and Palestinian West Bank residents, and some settlers' defiance of Israeli military authorities. An early 2022 report cited increases in West Bank violence between settlers and Palestinians, and settler harassment of Palestinian communities.<sup>107</sup>

When ordered by Israel's court system to dismantle unauthorized outposts, the government has complied. In some cases, the government has placated settlers by relocating displaced outpost residents within the boundaries of settlements permitted under Israeli law.<sup>108</sup> In 2020, Israel's Supreme Court invalidated a 2017 law that had sought to retroactively legalize about 4,000 homes built on privately owned Palestinian land.<sup>109</sup>

<sup>&</sup>lt;sup>104</sup> Yuval Shany, "Israel's New Plan to Annex the West Bank: What Happens Next?" Lawfare Blog, May 6, 2019. See also https://fmep.org/wp/wp-content/uploads/Annexation-Policies.pdf.

<sup>&</sup>lt;sup>105</sup> Shany, "Israel's New Plan to Annex the West Bank: What Happens Next?"

<sup>&</sup>lt;sup>106</sup> See, e.g., Noa Landau, "Israeli Annexation Explained: What Is Netanyahu Planning for the West Bank and What Does It Mean?" haaretz.com, May 26, 2020.

<sup>&</sup>lt;sup>107</sup> Patrick Kingsley, "Attacks by Settlers Raise Alarm in a More Violent West Bank," *New York Times*, February 13, 2022.

<sup>&</sup>lt;sup>108</sup> See, e.g., Joel Greenberg, "Israeli settlers evacuated from West Bank outpost following court order," *Washington Post*, September 2, 2012.

<sup>&</sup>lt;sup>109</sup> Rami Ayyub, "Israel's Supreme Court strikes down law legalising settlements on private Palestinian land," *Reuters*, June 9, 2020.

## **U.S. Policy**

U.S. policy on settlements has varied since 1967. Until the 1980s, multiple Administrations either stated or implied that settlements were contrary to international law.<sup>110</sup> President Reagan later stated that settlements were "not illegal," but "ill-advised" and "unnecessarily provocative."<sup>111</sup> Since then, a common U.S. stance has been that settlements are an "obstacle to peace." Additionally, loan guarantees to Israel currently authorized by U.S. law are subject to possible reduction by an amount equal to the amount Israel spends on settlements.<sup>112</sup>

A former U.S. official wrote in 2014 that U.S. Administrations are "not entirely sure what to do with the fact that Israeli prime ministers of all political stripes have continued Israeli settlement building on the West Bank and construction in parts of east Jerusalem that we'd like to see become the capital of a Palestinian state."<sup>113</sup> An April 2004 letter from President George W. Bush to then Israeli Prime Minister Ariel Sharon explicitly acknowledged that "in light of new realities on the ground, including already existing major Israeli populations [sic] centers, it is unrealistic to expect that the outcome of final status negotiations will be a full and complete return to the armistice lines of 1949."<sup>114</sup> President Obama signed trade and customs legislation (P.L. 114-26 and P.L. 114-125) opposing punitive economic measures against Israel (such as measures advocated by a non-governmental boycott, divestment, and sanctions [BDS] movement). However, he asserted in a presidential signing statement for P.L. 114-125 that certain provisions treating "Israeli-controlled territories" (i.e., West Bank settlements) beyond the Green Line in the same manner as Israel itself were not in line with U.S. policy.<sup>115</sup>

The Trump Administration said that the expansion of settlements beyond their current borders may not be helpful to peace,<sup>116</sup> but later reversed a 1978 State Department legal advisory letter that had characterized settlements as "inconsistent with international law."<sup>117</sup> The Administration took additional steps in 2020 that could be interpreted as legitimizing Israeli settlements in the West Bank, including changing product labeling guidance to have products from settlement areas labeled "Made in Israel,"<sup>118</sup> and removing geographic restrictions that had previously prevented three U.S.-Israel binational research foundations from operating beyond the Green Line.<sup>119</sup> The Administration also proposed a peace plan in 2020 that anticipated incorporating settlements into Israel, pending further Israeli-Palestinian negotiation.<sup>120</sup>

<sup>&</sup>lt;sup>110</sup> Daniel Kurtzer, "Do Settlements Matter? An American Perspective," *Middle East Policy*, vol. 16, issue 3, fall 2009.

<sup>&</sup>lt;sup>111</sup> Nicholas Rostow, "Are the Settlements Illegal?" The American Interest, March/April 2010.

<sup>&</sup>lt;sup>112</sup> For more information on this issue, see CRS Report RL33222, U.S. Foreign Aid to Israel, by Jeremy M. Sharp.

<sup>&</sup>lt;sup>113</sup> Aaron David Miller, "The Inside Story of U.S. Meddling in Israel's Elections," *Daily Beast*, December 4, 2014.

<sup>&</sup>lt;sup>114</sup> Text of letter available at https://georgewbush-whitehouse.archives.gov/news/releases/2004/04/20040414-

<sup>3.</sup>html#:~:text=In%20light%20of%20new%20realities,state%20solution%20have%20reached%20the.

<sup>&</sup>lt;sup>115</sup> See, e.g., a presidential signing statement for P.L. 114-125 (H.R. 644) at https://www.whitehouse.gov/the-pressoffice/2016/02/25/signing-statement-hr-644. For more information, see CRS Report R44281, *Israel and the Boycott, Divestment, and Sanctions (BDS) Movement*, coordinated by Jim Zanotti.

<sup>&</sup>lt;sup>116</sup> White House Office of the Press Secretary, Statement by the Press Secretary, February 2, 2017.

<sup>&</sup>lt;sup>117</sup> State Department, "Secretary Michael R. Pompeo Remarks to the Press," November 18, 2019. Text of the 1978 letter is available at https://www.justsecurity.org/wp-content/uploads/2016/12/hansellopinion.1978.pdf.

<sup>&</sup>lt;sup>118</sup> U.S. Customs and Border Protection, "Country of Origin Marking of Products from the West Bank and Gaza," 85 FR 83984, December 23, 2020.

<sup>&</sup>lt;sup>119</sup> U.S. Embassy in Israel, "BIRD/BARD Speech at Ariel University – As Delivered," October 29, 2020.

<sup>&</sup>lt;sup>120</sup> White House, *Peace to Prosperity: A Vision to Improve the Lives of the Palestinian and Israeli People*, January 2020.

The Biden Administration has not taken specific action regarding the Trump Administration policies mentioned above, but has regularly criticized settlement expansion as a unilateral activity that could undermine prospects for a two-state solution.<sup>121</sup> Some Israeli settlement construction plans for East Jerusalem and the West Bank have advanced,<sup>122</sup> but in 2021 Israel reportedly delayed the process for plans in the controversial "E-1" area (see **Figure 4**) and another settlement flagged as particularly damaging to the two-state vision by the Biden Administration or some Members of Congress.<sup>123</sup> In May 2022, Israel advanced plans for nearly 4,500 additional housing units for West Bank settlements,<sup>124</sup> drawing statements of strong opposition from the Administration.<sup>125</sup> Israel had reportedly advanced fewer units than originally planned in response to U.S. and domestic political concerns,<sup>126</sup> while Foreign Minister Lapid insisted that Israel did not need U.S. permission to build.<sup>127</sup> Israel may seek to advance plans for E-1 later in 2022.<sup>128</sup>

# Jerusalem

Israel officially considers Jerusalem to be its capital (see Figure 4 below),<sup>129</sup> including

- The western part of Jerusalem that Israel has controlled since 1948, which has served as the official seat of Israel's government since shortly after its founding as a state.
- The eastern part that Israel unilaterally incorporated into itself after seizing the West Bank in the 1967 Arab-Israeli war. In doing so, Israel, expanded the city's municipal boundaries to encompass some neighborhoods and villages not part of the city during Jordan's 1948-1967 rule.

U.N. Security Council Resolution 478 (1980) affirmed that a Knesset law effectively annexing East Jerusalem violated international law.<sup>130</sup> Largely because the U.N. General Assembly conferred a special international status on Jerusalem in the partition plan it adopted in 1947 (Resolution 181(II)), most countries do not recognize Israeli sovereignty over any part of the city and have their embassies to Israel located elsewhere.<sup>131</sup>

<sup>&</sup>lt;sup>121</sup> State Department, "Secretary Antony J. Blinken and Israeli Prime Minister Naftali Bennett After Their Meeting," Jerusalem, March 27, 2022.

<sup>&</sup>lt;sup>122</sup> Hagar Shezaf, "Israel Advances Thousands of Settlement Homes Despite Harsh U.S. Rebuke," haaretz.com, October 27, 2021.

<sup>&</sup>lt;sup>123</sup> "Israel stops plan for contentious east Jerusalem settlement," *Associated Press*, December 6, 2021; "Plans to move forward with E1 settlement construction reportedly on hold," *Times of Israel*, January 6, 2022.

<sup>&</sup>lt;sup>124</sup> Hagar Shezaf, "Israel Advances over 4,000 West Bank Housing Units for Jews," haaretz.com, May 12, 2022.

<sup>&</sup>lt;sup>125</sup> State Department Press Briefing, May 6, 2022.

<sup>&</sup>lt;sup>126</sup> Lahav Harkov and Tovah Lazaroff, "Bennett cut down on settler housing plans to appease US, coalition members," jpost.com, May 8, 2022.

<sup>&</sup>lt;sup>127</sup> Lahav Harkov and Tovah Lazaroff, "Lapid: Israel doesn't need permission from the US to build in settlements," jpost.com, May 10, 2022.

<sup>&</sup>lt;sup>128</sup> Jacob Magid, "Israel puts E1 settlement project back on agenda, weeks ahead of Biden trip," *Times of Israel*, May 31, 2022.

<sup>&</sup>lt;sup>129</sup> In 1980, under the first Likud party government, the Israeli Knesset passed the Basic Law: Jerusalem—Capital of Israel, which declares "Jerusalem, complete and united, is the capital of Israel." See http://www.mfa.gov.il for the complete text of the Basic Law. Israel had first declared Jerusalem to be its capital in 1950.

<sup>&</sup>lt;sup>130</sup> See footnote 98.

<sup>&</sup>lt;sup>131</sup> See, e.g., Scott R. Anderson and Yishai Schwartz, "How to Move the U.S. Embassy to Jerusalem," foreignpolicy.com, November 30, 2017.

Departing from the decades-long practice of the United States and other countries, the Trump Administration recognized Jerusalem as Israel's capital in 2017 and moved the location of the U.S. Embassy in Israel from Tel Aviv to Jerusalem in 2018 (see **Figure 5**). Palestinian leaders condemned these actions. The President pointed to the Jerusalem Embassy Act of 1995 (P.L. 104-45) as a significant factor in the policy change.<sup>132</sup> The Palestinians claim East Jerusalem as their future national capital—though the Trump Administration did not take a position on the boundaries of Israeli sovereignty in the city. The Biden Administration has said that the embassy will remain in Jerusalem.<sup>133</sup> Following the U.S. embassy move in 2018, a few other countries have opened embassies (Guatemala and Honduras) or embassy branch offices (Hungary and Czech Republic) in Jerusalem.

## **East Jerusalem Controversies**

Various controversies surrounding Israel's administration of Jerusalem stem from its being under Israeli domestic jurisdiction, while (as mentioned above) most countries view the entire city's status as still subject to negotiation and consider East Jerusalem to be occupied territory (based on its capture from Jordan in the 1967 war).<sup>134</sup> Israel's national government and the municipal government for Jerusalem apply Israeli law in the city. Most Arabs in East Jerusalem have permanent resident status in Israel, but identify as Palestinians and are not Israeli citizens,<sup>135</sup> and do not participate in Jerusalem municipality elections.<sup>136</sup> They can lose their residency status if Israeli authorities determine that East Jerusalem is no longer their primary residence.<sup>137</sup>

Within the context of competing national and religious narratives regarding Jerusalem. Israelis have routinely used their influence with municipal and national authorities to advance Jewish objectives in the city, while Palestinians with marginal direct influence over Jerusalem's formal administration have engaged in protests and occasionally violence, attracting international attention.<sup>138</sup> For 2021, the State Department reported that "the Jerusalem municipality and other authorities failed to provide sufficient social services, education, infrastructure, and emergency planning for Palestinian neighborhoods, especially in the areas between the [separation] barrier and the municipal boundary. Approximately 117,000 Palestinians lived in that area, of whom approximately 61,000 were registered as Jerusalem residents, according to government data."<sup>139</sup>

2018.

<sup>&</sup>lt;sup>132</sup> The act called for the establishment of the U.S. embassy in Israel in Jerusalem by May 31, 1999, and provided for the holding back of 50% of the applicable fiscal year's "Acquisition and Maintenance of Buildings Abroad" budget for the State Department until the embassy's relocation. Before the relocation in 2018, Administrations from Clinton to Trump had exercised the act's presidential waiver every six months (beginning in 1999) to suspend the budgetary limitation after determining that doing so was necessary to protect U.S. national security interests.

<sup>&</sup>lt;sup>133</sup> Niels Lesniewski, "White House confirms Biden will keep embassy in Jerusalem," Roll Call, February 9, 2021.

<sup>&</sup>lt;sup>134</sup> The international law debate on East Jerusalem essentially mirrors the debate on the West Bank (see footnote 98 and footnote 99).

 <sup>&</sup>lt;sup>135</sup> Nir Hasson, "Israel Eases Path to Citizenship for 20,000 East Jerusalem Palestinians," haaretz.com, November 25, 2020. A naturalization process does permit some non-Jewish residents of East Jerusalem to obtain Israeli citizenship.
 <sup>136</sup> Eetta Prince-Gibson, "Why There's No Palestinian Protest Vote in Jerusalem," foreignpolicy.com, November 19,

<sup>&</sup>lt;sup>137</sup> Robinson, "What to Know About the Arab Citizens of Israel."

<sup>&</sup>lt;sup>138</sup> See, e.g., Patrick Kingsley, "Evictions in Jerusalem Become Focus of Israeli-Palestinian Conflict," *New York Times*, May 7, 2021.

<sup>&</sup>lt;sup>139</sup> State Department, 2021 Country Report on Human Rights Practices: Israel, West Bank and Gaza.

Ongoing East Jerusalem controversies that have attracted U.S. and international attention include

- Threats to Palestinian contiguity. Israeli plans to build or expand Jewish neighborhoods could significantly affect geographical contiguity between Palestinian neighborhoods in East Jerusalem and the West Bank.<sup>140</sup>
- Evictions and demolitions. The status of some Palestinian residents in the Old City and other neighborhoods (such as Sheikh Jarrah, Silwan, and Walaja) is precarious. Israeli evictions and demolitions (or ongoing threats of such action) affecting these people fuel protests and legal action,<sup>141</sup> and the Biden Administration has criticized these actions—sometimes with regard to specific cases.<sup>142</sup> The State Department has highlighted the non-reciprocal nature of Israeli law as applied to East Jerusalem property disputes. The law authorizes Israeli suits to reacquire East Jerusalem land based on pre-1948 ownership claims, and generally prohibits Palestinian suits to reacquire land on the other side of the Green Line based on similar pre-1948 ownership claims.<sup>143</sup>
- **Treatment of non-Jewish communities.** According to the State Department, the PA and some civil society groups claim that the Israeli government and settler organizations encourage greater Jewish property ownership in East Jerusalem at least partly to emphasize Jewish history in Palestinian neighborhoods.<sup>144</sup> Whether the Israel Antiquities Authority gives proper attention to researching non-Jewish periods in the archaeological record has been a subject of debate.<sup>145</sup> Two private organizations working toward greater Jewish control and settlement in Jerusalem's historical basin are Ateret Cohanim ("Crown of the Priests") and the Ir David ("City of David") Foundation, also known as Elad.<sup>146</sup> In 2020, the leaders of 13 Christian denominations in Jerusalem protested that a controversial legal ruling transferring some Old City property from the Greek Orthodox Patriarchate to Ateret Cohanim represented a systematic attempt "to weaken the Christian presence in Jerusalem."<sup>147</sup>

<sup>&</sup>lt;sup>140</sup> See, e.g., Aaron Boxerman, "Committee advances plans for new Jerusalem homes beyond Green Line," *Times of Israel*, January 17, 2022.

<sup>&</sup>lt;sup>141</sup> In a March 2022 ruling that narrowly applied to one prominent property case in Sheikh Jarrah, Israel's Supreme Court halted the eviction of four families pending an examination by the Israeli Ministry of Justice that could take years. Mai Abu Hasaneen, "Israeli court cancels eviction of Palestinian families in Sheikh Jarrah," *Al-Monitor*, March 10, 2022.

<sup>&</sup>lt;sup>142</sup> State Department Press Briefing, August 5, 2021; see footnote 77.

<sup>&</sup>lt;sup>143</sup> State Department, 2021 Country Report on Human Rights Practices: Israel, West Bank and Gaza.
<sup>144</sup> Ibid.

<sup>&</sup>lt;sup>145</sup> State Department, International Religious Freedom Reports for 2020 and 2021, Israel, West Bank, and Gaza.

<sup>&</sup>lt;sup>146</sup> "In east Jerusalem, a battle over 'every inch' of land," Agence France Presse, December 20, 2020.

<sup>&</sup>lt;sup>147</sup> State Department, International Religious Freedom Report for 2020, Israel, West Bank, and Gaza.



Figure 4. Greater Jerusalem

Note: All locations and lines are approximate.



Figure 5. Jerusalem: Key Sites in Context

Note: All locations and lines are approximate.

## The "Status Quo": Jews and Muslims at the Temple Mount/Haram al Sharif

## Background

The status of Jerusalem and its holy sites has been a long-standing issue of political and religious contention between Jews and Muslims. A number of violent episodes occurred in Jerusalem during the 1920s and 1930s, and control over the city and key areas in and around it was a major strategic consideration in the Arab-Israeli wars of 1948 and 1967.

Notwithstanding Israel's 1967 takeover and subsequent annexation of East Jerusalem, it allowed the Jordanian *waqf* (or Islamic custodial trust) that had been administering the Temple Mount/Haram al Sharif (the "Mount/Haram") and its holy sites before the war to continue doing so, and established a "status quo" arrangement that has been Israel's proclaimed policy since then.<sup>148</sup> The Mount/Haram contains some of the most important sites for Abrahamic religions: the foundation of the first and second Jewish temples, the Dome of the Rock, and Al Aqsa Mosque (see **Figure 6**).<sup>149</sup>

<sup>&</sup>lt;sup>148</sup> The status of Jordan's Hashemite king—who traces his descent to the Prophet Muhammad—as custodian of Muslim holy sites in Jerusalem can be traced to (1) a 1924 decision by Arab authorities in Jerusalem during the British Mandate for Palestine (the Grand Mufti and Supreme Muslim Council) to accept the Hashemite dynasty as custodian of the sites after the formal end of the Ottoman sultan's claim to the Islamic Caliphate, and (2) Jordan's control over East Jerusalem from 1948 to 1967. It was codified in Jordan's 1994 peace treaty with Israel, and reinforced in a 2013 agreement with the PA. Many Christian leaders in Jerusalem also recognize the king to be custodian over Christian holy sites.

<sup>&</sup>lt;sup>149</sup> State Department, International Religious Freedom Report for 2020, Israel, West Bank, and Gaza.



Figure 6. Old City of Jerusalem

Under the Israeli status quo policy, Muslims can access the Mount/Haram and worship there, while Jews and other non-Muslims are permitted access but not allowed to worship. The policy is largely based on past practices dating from the 19<sup>th</sup> century (while the Ottoman Empire ruled Jerusalem) until the 1948 war.<sup>150</sup> Jewish worship is permitted at the Western Wall at the base of the Mount/Haram. The waqf and many other Muslims have a different understanding of the status quo, insisting that only Muslim worshippers should have unrestricted access to the Mount/Haram

<sup>&</sup>lt;sup>150</sup> The application of the term "status quo" to Jerusalem's holy sites dates back to an 1852 Ottoman Empire ruling about the rights of different Christian churches to worship at the Church of the Holy Sepulchre and other Christian sites. The Muslim sites on the Mount/Haram (most notably Al Aqsa Mosque and the Dome of the Rock) were eventually informally incorporated into the status quo arrangement. After the fall of the Ottoman Empire, the League of Nations Palestine Mandate of 1922 gave legal recognition to the status quo. Marlen Eordegian, "British and Israeli Maintenance of the Status Quo in the Holy Places of Christendom," *International Journal of Middle East Studies*, Vol. 35, No. 2, May 2003.

and rejecting any limits on the waqf's authority there.<sup>151</sup> Israeli police manage entry for non-Muslims to the Mount/Haram through one gate, while the waqf manages several other gates permitting entry for Muslims under police supervision. Aside from providing guidance on who can enter and worship at the Mount/Haram and how to conduct security, status quo arrangements also address other matters like construction and archaeological preservation and excavation.<sup>152</sup>

In times of tension around the holy sites, U.S. officials routinely call on all parties to maintain the status quo.<sup>153</sup> The status quo is criticized and challenged by some rabbis and other individuals or groups who assert that Israel should advance Jewish historical and religious claims to the Mount/Haram, despite rulings from government-appointed rabbis proscribing Jewish visits there.<sup>154</sup> Past events fueling concerns among Palestinians about possible Israeli attempts to change the status quo have included

- September 1996 clashes leading to the deaths of 54 Palestinians and 14 Israeli security personnel after Israel opened a passage leading to/from the Western Wall esplanade through a tunnel (known as the Hasmonean or Kotel Tunnel) that archaeologists had uncovered and restored.<sup>155</sup>
- A September 2000 Mount/Haram visit by Likud party leader (and future prime minister) Ariel Sharon just prior to the outbreak of the second Palestinian intifada. Shortly after the intifada began, Israel and the Jordanian waqf agreed to close the Mount/Haram completely to non-Muslims.<sup>156</sup>
- Israel's August 2003 reopening of the Mount/Haram to non-Muslims despite the waqf's objections. Since then, the waqf has restricted non-Muslims from entering the Dome of the Rock and Al Aqsa Mosque, marking a change from close daily Israel-waqf coordination regarding the status quo to minimal, irregular coordination.<sup>157</sup>
- Various developments from 2014-2017, including temporary Israeli restrictions on Mount/Haram access for some Muslims during a wave of Israeli-Palestinian violence, U.S.-brokered Israel-Jordan negotiations about security cameras on the Mount/Haram (which were not ultimately installed), and abortive efforts by Israel to install metal detectors at Muslim access points.<sup>158</sup>

Over the past two decades, Jewish Israelis have increasingly sought to visit the Mount/Haram, with over 33,000 visits reported in 2021, triggering debate about the possible erosion of the status quo. Millions of Muslims visit the site annually.<sup>159</sup> Because Israeli practices call for police to

<sup>&</sup>lt;sup>151</sup> State Department, International Religious Freedom Report for 2020, Israel, West Bank, and Gaza.

<sup>&</sup>lt;sup>152</sup> Dov Lieber, "Israeli-Palestinian Clashes Increasing Focus on Holy Site," Wall Street Journal, April 22, 2022.

<sup>&</sup>lt;sup>153</sup> State Department, International Religious Freedom Reports for 2020 and 2021, Israel, West Bank, and Gaza. <sup>154</sup> Ibid.

<sup>&</sup>lt;sup>155</sup> Wendy Pullan et al., *The Struggle for Jerusalem's Holy Places*, Routledge: New York, 2013, p. 37.

<sup>&</sup>lt;sup>156</sup> Nir Hasson, "Report: Israel, Jordan in Talks to Readmit Non-Muslim Visitors to Temple Mount Sites," haaretz.com, June 30, 2015.

<sup>&</sup>lt;sup>157</sup> "Understanding 'Status Quo' on the Temple Mount/Haram al Sharif," *Terrestrial Jerusalem*, December 29, 2015; Hasson, "Report: Israel, Jordan in Talks."

<sup>&</sup>lt;sup>158</sup> Luke Baker, "Muslim men over 50 pray at Jerusalem's Aqsa mosque amid tight security," *Reuters*, October 31, 2014; "Jordan cancels plan for security cameras on Temple Mount," *Times of Israel*, April 18, 2016; Jane Onyanga-Omara, "Israel removes metal detectors from contested Jerusalem shrine," *USA Today*, July 25, 2017.

<sup>&</sup>lt;sup>159</sup> Nir Hasson, "Al-Aqsa Won't Become a Synagogue. There Are Real Reasons to Fight the Occupation," haaretz.com, April 21, 2022.

escort visiting Jewish groups, the increase in visits has led to more frequent police measures limiting access for some groups of Muslims and Jews during religious holidays and other sensitive times. While Israeli authorities insist that they do not permit Jewish worship, some sources have provided evidence suggesting that at least sometimes the police do not prevent Jewish visitors from praying.<sup>160</sup> In April 2022, Israeli Diaspora Affairs Minister Nachman Shai admitted that some Jews' prayer on the Mount/Haram has led to "a certain deterioration of the status quo."<sup>161</sup>

Some Muslims allege that Israel seeks changes to the Mount/Haram that will eventually displace Muslim worship and access, while Israeli officials generally reject this characterization and say they remain committed to the status quo and countering both Jewish and Muslim extremists.<sup>162</sup> They criticize Hamas and other Islamist groups for allegedly inciting unrest and efforts to disrupt Jewish visits to the Mount/Haram.<sup>163</sup>

#### Tensions in 2021 and 2022

Unrest at the Mount/Haram during Ramadan in May 2021, combined with disputes about the possible eviction of several Palestinian families in East Jerusalem, contributed to an environment vulnerable to the broadening of conflict. After Hamas claimed it was defending Jerusalem by firing rockets toward the city from Gaza, its ultimatum for Israeli troops to leave the Mount/Haram factored into the start of a major 11-day Israel-Gaza conflict.

During an overlap between the Ramadan and Passover holidays in April 2022, Israeli police and Muslims clashed over tensions regarding the status quo—including a few instances in which the police entered Al Aqsa Mosque.<sup>164</sup> A committee of Arab foreign ministers meeting in Jordan rejected "all illegal Israeli practices aimed at changing the legal and historical status quo."<sup>165</sup> In calls with Israeli Prime Minister Bennett and Jordanian King Abdullah II, President Biden took note of efforts to reduce tensions.<sup>166</sup> The White House reported that during the call with King Abdullah, President Biden "underscored the need to preserve the historic status quo at the Haram al-Sharif/Temple Mount, and recognized the Hashemite Kingdom of Jordan's role as the custodian of Muslim holy places in Jerusalem."

In May 2022, the Jerusalem Magistrate's Court ruled that Israel did not have a sufficiently compelling reason to prevent three Jewish teenagers from praying at the Mount/Haram, triggering concern about deterioration of the status quo from Jordanian and PA officials.<sup>167</sup> The Israeli prime minister's office released a statement saying it would not change the status quo and that the

<sup>&</sup>lt;sup>160</sup> Lieber, "Israeli-Palestinian Clashes Increasing Focus on Holy Site."

<sup>&</sup>lt;sup>161</sup> Jacob Magid, "Status woe: Temple Mount is an enduring thorn in Israel's ties with Jordan," *Times of Israel*, April 25, 2022.

<sup>&</sup>lt;sup>162</sup> Lahav Harkov, "Israel will not change status quo in Jerusalem - Lapid says," jpost.com, April 20, 2022.

<sup>&</sup>lt;sup>163</sup> Jacob Magid, "Arab FMs: End Jewish prayer on Temple Mount; Lapid: Israel committed to status quo," *Times of Israel*, April 21, 2022.

<sup>&</sup>lt;sup>164</sup> "Israeli police, Palestinians clash anew at Jerusalem's Al-Aqsa mosque compound," France24, May 5, 2022.

<sup>&</sup>lt;sup>165</sup> "Arab ministerial committee tackles 'dangerous' escalation in al-Aqsa," *Jordan News Agency (Petra)*, April 21, 2022.

<sup>&</sup>lt;sup>166</sup> White House, "Readout of President Biden's Call with Prime Minister Naftali Bennett of Israel," April 24, 2022; and "Readout of President Biden's Call with His Majesty King Abdullah II of Jordan," April 25, 2022.

<sup>&</sup>lt;sup>167</sup> "Jordan: Court support for Jewish prayer at Temple Mount breaches international law," *Times of Israel*, May 23, 2022.

court's ruling only applied to the specifics of the one case.<sup>168</sup> Later in May, the Jerusalem District Court overturned the Magistrate's Court ruling upon the government's appeal, ruling that freedom of worship on the Temple Mount "is not absolute, and should be superseded by other interests, among them the safeguarding of public order."<sup>169</sup>

## Reopening of U.S. Consulate in Jerusalem?

Biden Administration officials have said that they plan to reopen the U.S. consulate in Jerusalem that had previously functioned as an independent diplomatic mission in handling relations with the Palestinians, without specifying when the consulate might reopen.<sup>170</sup> The Trump Administration merged the consulate into the U.S. Embassy in Israel in March 2019, with the consulate's functions taken over by a Palestinian Affairs Unit (PAU) within the embassy. Competing Israeli and Palestinian national narratives influence this issue, with both sides appealing to U.S. officials about the importance of Jerusalem and its holy sites to their domestic constituencies.<sup>171</sup>

Reestablishing the consulate would require Israeli cooperation, given the need for Israeli authorities to issue visas to and help protect U.S. diplomats.<sup>172</sup> In a November 3, 2021, hearing before the House Foreign Affairs Committee, Deputy Secretary of State for Management and Resources Brian McKeon said that "the practical reality is we would need privileges and immunities, which only the state of Israel can provide."<sup>173</sup> Several top Israeli officials, including Prime Minister Bennett and Foreign Minister Lapid, have voiced strong opposition to a proposed reopening in Jerusalem.<sup>174</sup> During a visit to the White House in August 2021, Bennett reportedly sought to convince President Biden to open a consulate somewhere in the West Bank near (but not within) Jerusalem, such as Ramallah or the town of Abu Dis.<sup>175</sup> In late 2021, Members of Congress introduced bills in both houses (S. 3063 and H.R. 6004) that would oppose reopening a consulate in Jerusalem to handle relations with the Palestinians, and prohibit funding for any diplomatic facility in Jerusalem other than the U.S. Embassy in Israel.

A December 2021 media report claimed that controversy on the issue led the Biden Administration to effectively shelve plans to reopen the consulate. It also said that the PAU was communicating directly with State Department officials in Washington, rather than working through other embassy channels.<sup>176</sup> In June 2022, the PAU was re-branded as the Office of Palestinian Affairs (OPA), with the OPA operating under the auspices of the embassy while reporting directly to Washington.<sup>177</sup> This type of direct communication was a core aspect of the

<sup>168</sup> Ibid.

<sup>&</sup>lt;sup>169</sup> "Israeli Appeal Court Quashes Ruling on Jewish Prayer at Al-Aqsa Compound," *Reuters*, May 26, 2022.

<sup>&</sup>lt;sup>170</sup> State Department Press Briefing, May 31, 2022.

<sup>&</sup>lt;sup>171</sup> Barak Ravid, "U.S. and Israel to form team to solve consulate dispute," *Axios*, October 20, 2021; Jack Khoury and Jonathan Lis, "Palestinian Officials Say U.S. Seeks to Reopen Consulate Serving East Jerusalem After Israel Approves Budget," haaretz.com, October 3, 2021.

<sup>&</sup>lt;sup>172</sup> Shira Efron and Ibrahim Eid Dalalsha, "Reopening the U.S. Consulate in Jerusalem: Subject to Israeli Discretion?" Israel Policy Forum, January 14, 2021.

<sup>&</sup>lt;sup>173</sup> Transcript available at http://www.cq.com/doc/congressionaltranscripts-6386943?16.

<sup>&</sup>lt;sup>174</sup> "Next test for Israel PM: US plan for Palestinian mission," Agence France Presse, November 8, 2021.

<sup>&</sup>lt;sup>175</sup> Jack Khoury and Jonathan Lis, "Palestinian Officials Say U.S. Seeks to Reopen Consulate Serving East Jerusalem After Israel Approves Budget," haaretz.com, October 3, 2021.

<sup>&</sup>lt;sup>176</sup> Jacob Magid, "US holding off on reopening Jerusalem consulate amid strong pushback from Israel," *Times of Israel*, December 15, 2021.

<sup>&</sup>lt;sup>177</sup> Barak Ravid, "State Department separates Palestinian office from U.S. Embassy to Israel," Axios, June 9, 2022.
previous consulate general's independent status. Nevertheless, PA President Abbas reportedly continues to press for the reopening of the consulate.<sup>178</sup>

# **Regional Threats and Relationships**

# **Countering Iran**

Israeli officials cite Iran as one of their primary concerns, largely because of (1) antipathy toward Israel expressed by Iran's revolutionary regime, (2) Iran's broad regional influence (including in Syria, Iraq, Lebanon, and Yemen), and (3) Iran's nuclear and missile programs and advanced conventional weapons capabilities. Iran-backed groups' demonstrated abilities since 2019 to penetrate the air defenses of countries like Saudi Arabia and the United Arab Emirates through coordinated drone and missile attacks have implications for Israeli security calculations.<sup>179</sup> Israeli observers who anticipate the possibility of a future war similar or greater in magnitude to Israel's 2006 war against Lebanese Hezbollah refer to the small-scale military skirmishes or covert actions since then involving Israel, Iran, or their allies as "the campaign between the wars."<sup>180</sup>

### Iranian Nuclear Issue and Regional Tensions

Israel has sought to influence U.S. decisions on the international agreement on Iran's nuclear program (known as the Joint Comprehensive Plan of Action, or JCPOA). Then-Prime Minister Netanyahu strenuously opposed the JCPOA in 2015 when it was negotiated by the Obama Administration, and welcomed President Trump's May 2018 withdrawal of the United States from the JCPOA and accompanying reimposition of U.S. sanctions on Iran's core economic sectors. Since this time, Iran has increased its enrichment of uranium to levels that could significantly shorten the time it requires to produce fissile material for nuclear weapons.<sup>181</sup> Reported low-level Israel-Iran conflict has persisted in various settings—including cyberspace, international waters, and the territory of Syria, Lebanon, and Iraq—with implications for regional tensions.<sup>182</sup> In June 2022, then-Prime Minister Bennett characterized some operations inside Iran in the past year as targeting the "head of the octopus" to counter a range of Iranian military capabilities.<sup>183</sup>

As the Biden Administration engages in international diplomacy and considers the possibility of reentering or revising the JCPOA, Israel is reportedly still seeking to influence diplomatic outcomes. Prior to the November 2021 resumption of international negotiations with Iran, then-Prime Minister Bennett stated that Israel would not be bound by a return to the JCPOA.<sup>184</sup> A

<sup>183</sup> Dion Nissenbaum, et al., "Israel Widens Covert Actions to Rein in Iran," Wall Street Journal, June 21, 2022.

 <sup>&</sup>lt;sup>178</sup> Barak Ravid, "Scoop: U.S. sending senior diplomat to Ramallah to reassure Palestinians," *Axios*, June 8, 2022.
 <sup>179</sup> Farnaz Fassihi and Ronen Bergman, "Drone Strike on Iranian Military Facility Is Deemed an Attack," *New York Times*, May 28, 2022; Anna Ahronheim, "How serious is the drone threat against Israel?" jpost.com, March 11, 2022.

 <sup>&</sup>lt;sup>180</sup> See, e.g., Seth J. Frantzman, "Iran and Hezbollah analyze Israel's 'war between the wars," jpost.com, November 14, 2021.

<sup>&</sup>lt;sup>181</sup> David E. Sanger and William J. Broad, "Iran Nears an Atomic Milestone," New York Times, September 13, 2021.

<sup>&</sup>lt;sup>182</sup> Ben Caspit, "IRGC colonel's assassination highlights Israel's shift in tactics against Iran," *Al-Monitor*, May 24, 2022; Dion Nissenbaum, "Israel Steps Up Campaign Against Iran," *Wall Street Journal*, April 11, 2022; Arie Egozi, "With missile attack and alleged espionage, Israel-Iran 'shadow war' slips into the open," *Breaking Defense*, March 16, 2022.

<sup>&</sup>lt;sup>184</sup> Israeli Prime Minister's Office, "PM Bennett's Remarks at the Security and Policy Conference of the Institute for Policy and Strategy Conference, Reichman University," November 23, 2021.

January 2022 report suggested that some leading Israeli security officials might prefer an international deal to no deal because an agreement could provide "increased certainty about the limitations on Iran's nuclear program, and it would buy more time for Israel to prepare for escalation scenarios."<sup>185</sup> During his time as prime minister, Bennett opposed the deal,<sup>186</sup> but largely abstained from involvement in U.S. debates on the issue.<sup>187</sup>

As international discussions around the JCPOA continued in March 2022, Bennett and Lapid issued a joint statement arguing against reports that the United States might remove Iran's Islamic Revolutionary Guard Corps (IRGC) from its Foreign Terrorist Organizations list in exchange for a promise not to harm Americans.<sup>188</sup> In an April 26, 2022, Senate Foreign Relations Committee hearing, Secretary Blinken said that he could only envision the IRGC's de-listing if Iran takes steps necessary to justify it.<sup>189</sup> On May 4, 62 Senators voted in favor of a motion that any Iran nuclear deal must address Iran's ballistic missile program, support for terrorism, and oil trade with China, and not lift sanctions on or de-list the IRGC.<sup>190</sup> Later in May, Bennett claimed that President Biden told him in April that he would not de-list the IRGC.<sup>191</sup>

Various sources document reported Israeli covert or military operations targeting Iran's nuclear program,<sup>192</sup> and some U.S. officials have reportedly differed with Israeli counterparts on the overall effectiveness of such operations.<sup>193</sup> In between his August 2021 White House meetings with then-Prime Minister Bennett, President Biden said that the United States will first use diplomacy to "ensure Iran never develops a nuclear weapon," but if that fails, "we're ready to turn to other options."<sup>194</sup> In a September 2021 interview, Defense Minister Gantz suggested that he would be prepared to accept a U.S. return to the JCPOA, while also calling for a "viable, U.S.-led plan B" to pressure Iran in case negotiations are unsuccessful, and alluding to Israeli military contingency plans.<sup>195</sup>

As of May 2022, one source reported that divisions persist among Israeli officials over which approach or combination of approaches—among options including international diplomacy, U.S.-led sanctions, and Israeli military and intelligence operations—may be likelier to prevent or slow Iranian nuclear advances.<sup>196</sup> Some sources allude to upgrades in Israeli military capabilities,<sup>197</sup> but

<sup>&</sup>lt;sup>185</sup> Barak Ravid, "Scoop: Israel's military intel chief says Iran deal better than no deal," Axios, January 5, 2022.

<sup>&</sup>lt;sup>186</sup> Jonathan Lis, "Bennett Announces Laser-based Missile Defense System 'Within a Year," haaretz.com, February 1, 2022.

<sup>&</sup>lt;sup>187</sup> "Bennett says he won't pick public fight with US over Iran nuclear deal," *Times of Israel*, March 21, 2022.

<sup>&</sup>lt;sup>188</sup> Israeli Prime Minister's Office, "Joint Announcement from PM Bennett and Foreign Minister Yair Lapid," March 18, 2022.

<sup>&</sup>lt;sup>189</sup> Transcript available at http://www.cq.com/doc/congressionaltranscripts-6518577?11.

<sup>&</sup>lt;sup>190</sup> H.R. 4521, Roll Call Vote #155: Motion Agreed to 62-33, R 46-1, D 15-31, I 1-1, May 4, 2022; *Congressional Record*, S.2321, May 4, 2022.

<sup>&</sup>lt;sup>191</sup> Jacob Magid, "Bennett: Biden notified me last month of decision to keep Iran Guards on terror list," *Times of Israel*, May 25, 2022.

<sup>&</sup>lt;sup>192</sup> "Iran foils Israel-linked 'sabotage' plot at nuclear plant," Agence France Presse, March 15, 2022.

<sup>&</sup>lt;sup>193</sup> David E. Sanger et al., "Israeli Attacks Spur Upgrade of Iran Sites," New York Times, November 22, 2021.

<sup>&</sup>lt;sup>194</sup> White House, "Remarks by President Biden and Prime Minister Bennett of the State of Israel Before Expanded Bilateral Meeting," August 27, 2021.

<sup>&</sup>lt;sup>195</sup> Neri Zilber, "Israel Can Live with a New Iran Nuclear Deal, Defense Minister Says," foreignpolicy.com, September 14, 2021.

<sup>&</sup>lt;sup>196</sup> Ben Caspit, "Israeli leadership divided on Iran deal," Al-Monitor, May 27, 2022.

<sup>&</sup>lt;sup>197</sup> "Israel makes dramatic upgrades to military plans to attack Iran," jpost.com (citing Walla!), June 8, 2022.

questions apparently remain about military readiness for a major operation against Iran's nuclear program.<sup>198</sup>

### Syria

In the early years of the Syria conflict, Israel primarily employed airstrikes to prevent Iranian weapons shipments destined for Hezbollah in Lebanon. Later, as the government of Bashar al Asad reacquired control of large portions of Syria's territory, Israeli leaders expressed intentions to prevent Iran from constructing and operating bases or advanced weapons manufacturing facilities in Syria. According to a March 2022 report, since 2017 Israel's air force has struck at least 1,200 targets in Syria using around 5,500 munitions.<sup>199</sup> In 2021, the deployment of some Iranian air defense systems in Syria prompted Israel to start sending larger aircraft formations to reduce the chances of having an aircraft downed.<sup>200</sup> In 2021, Iran-backed forces attacked the small U.S. military base at Al Tanf in southern Syria, ostensibly in response to Israeli airstrikes.<sup>201</sup> The base is in a position to block supply lines to Hezbollah in Lebanon and otherwise disrupt Iran's regional operations.<sup>202</sup>

After several years of conflict in Syria, in 2019 the United States recognized Israeli sovereignty over the Golan Heights, a territory Israel captured from Syria during the 1967 Arab-Israeli war. For more information, see **Appendix C**.

Russia's advanced air defense systems in Syria could affect Israeli operations there.<sup>203</sup> Russia has reportedly shown some capacity to thwart Israeli airstrikes against Iranian or Syrian targets,<sup>204</sup> but has generally refrained via a deconfliction mechanism with Israel.<sup>205</sup> This deconfliction has apparently continued to date even with Russia's war in Ukraine, but Russia has criticized some Israeli strikes.<sup>206</sup> In May 2022, a Russian-origin S-300 air defense system in Syria reportedly fired on Israeli jets for the first time, raising questions about the status of Israel-Russia deconfliction.<sup>207</sup>

### Hezbollah in Lebanon

Lebanese Hezbollah is Iran's closest and most powerful nonstate ally in the region. Hezbollah's forces and Israel's military have sporadically clashed near the Lebanese border for decades—with the antagonism at times contained in the border area, and at times escalating into broader

<sup>&</sup>lt;sup>198</sup> Amos Harel, "Israel's Saber-rattling on Iran Lacks One Critical Element," haaretz.com, May 20, 2022.

<sup>&</sup>lt;sup>199</sup> Anna Ahronheim, "Thousands of airstrikes carried out by Israel in past five years," jpost.com, March 29, 2022.

<sup>&</sup>lt;sup>200</sup> Anna Ahronheim, "Iran has used advanced air defense batteries against Israel in Syria," jpost.com, March 7, 2022.

<sup>&</sup>lt;sup>201</sup> "Iranian Attack on U.S. Base Was Vengeance for Israeli Attacks in Syria, Report Says," haaretz.com, November 19, 2021.

<sup>&</sup>lt;sup>202</sup> Seth J. Frantzman, "Why the attack on America's Tanf base in Syria matters – analysis," jpost.com, October 21, 2021.

<sup>&</sup>lt;sup>203</sup> Paul Iddon, "Is Russia Helping Syria Intercept Israeli Missile Strikes?" forbes.com, July 30, 2021.

<sup>&</sup>lt;sup>204</sup> Arie Egozi, "Israel Shifts to Standoff Weapons in Syria as Russian Threats Increase," *Breaking Defense*, July 27, 2021.

<sup>&</sup>lt;sup>205</sup> Jacob Magid, "Russia says military coordination with Israel in Syria will continue as usual," *Times of Israel*, February 27, 2022.

<sup>&</sup>lt;sup>206</sup> Anna Ahronheim, "Israel to increase military, civilian aid to Ukraine – report," jpost.com, May 4, 2022.

<sup>&</sup>lt;sup>207</sup> Dan Parsons and Tyler Rogoway, "S-300 Surface-To-Air Missile Fired at Israeli Jets over Syria for First Time: Report," *The Drive*, May 16, 2022.

conflict.<sup>208</sup> Speculation persists about the potential for wider conflict and its implications, including from incursions into Israeli airspace by Hezbollah drones.<sup>209</sup>

Israeli officials have sought to draw attention to Hezbollah's buildup of mostly Iran-supplied weapons—including reported upgrades to the range, precision, and power of its projectiles—and its alleged use of Lebanese civilian areas as strongholds.<sup>210</sup> In early 2022, Hezbollah's leadership and Israel's defense ministry both publicly cited Iran-backed efforts by Hezbollah to manufacture precision-guided missiles in Lebanon.<sup>211</sup>

### Palestinian Militants and Gaza

Israel faces an ongoing threat from the Gaza Strip, mainly from the militant groups Hamas and PIJ, which both receive assistance from Iran.<sup>212</sup> Although Palestinian militants maintain rocket and mortar arsenals, Israel's Iron Dome defense system has diminished the threats they pose.<sup>213</sup> Systematic Israeli efforts, with some financial and technological assistance from the United States, have largely neutralized tunnels that Palestinian militants used somewhat effectively in a 2014 conflict with Israel.<sup>214</sup> Additionally, in December 2021 Israel completed an above- and below-ground barrier running the length of its boundary with Gaza to complement a border fence that Egypt built along its border with Gaza in 2020.<sup>215</sup>

### **Arab States**

### The Abraham Accords

In late 2020 and early 2021, Israel reached agreements to normalize or improve its relations with four members of the Arab League: the UAE, Bahrain, Morocco, and Sudan. The Trump Administration facilitated each of these agreements, known as the Abraham Accords, and (as mentioned above) provided U.S. security, diplomatic, or economic incentives for most of the countries in question.<sup>216</sup> In connection with the agreements, the UAE and Sudan formally ended

<sup>&</sup>lt;sup>208</sup> CRS Report R44759, *Lebanon*, by Carla E. Humud; CRS In Focus IF10703, *Lebanese Hezbollah*, by Carla E. Humud.

<sup>&</sup>lt;sup>209</sup> Orna Mizrahi and Yoram Schweitzer, "Hezbollah's Efforts to Restore its Domestic Standing: The Israeli Card," Institute for National Security Studies, March 9, 2022.

<sup>&</sup>lt;sup>210</sup> See, e.g., "Hezbollah says it has doubled its arsenal of guided missiles," *Associated Press*, December 28, 2020; Ben Hubbard and Ronen Bergman, "Who Warns Hezbollah That Israeli Strikes Are Coming? Israel," *New York Times*, April 23, 2020.

<sup>&</sup>lt;sup>211</sup> "Hezbollah claims it's making drones and missiles in Lebanon; chief offers export opportunity," *Associated Press*, February 16, 2022; Israeli Government Press Office, "DM Gantz Signs Seizure Order Against Lebanese Companies Supplying Hezbollah Project," February 6, 2022.

<sup>&</sup>lt;sup>212</sup> For more information, see CRS Report RL34074, *The Palestinians: Background and U.S. Relations*, by Jim Zanotti.

<sup>&</sup>lt;sup>213</sup> Sebastien Roblin, "How Hamas' Arsenal Shaped the Gaza War of May 2021," forbes.com, May 25, 2021. For more on Iron Dome, see CRS Report RL33222, *U.S. Foreign Aid to Israel*, by Jeremy M. Sharp.

<sup>&</sup>lt;sup>214</sup> CRS Report RL33222, U.S. Foreign Aid to Israel, by Jeremy M. Sharp.

<sup>&</sup>lt;sup>215</sup> Gross, "'A wall of iron, sensors and concrete': IDF completes tunnel-busting Gaza barrier"; Adam Khalil, "Egypt building new wall along Gaza border," *Middle East Eye*, February 18, 2020.

<sup>&</sup>lt;sup>216</sup> These incentives included possible U.S. arms sales to the UAE and Morocco, possible U.S. and international economic assistance or investment financing for Morocco and Sudan, and U.S. recognition of Morocco's claim of sovereignty over the disputed territory of Western Sahara. Some reports suggest that the Trump Administration linked Sudan's removal from the U.S. state sponsors of terrorism list to its agreement to recognize Israel.

their participation in the decades-long Arab League boycott of Israel.<sup>217</sup> Morocco and Bahrain had previously done so. In 2021, Israel opened embassies in the UAE and Bahrain, and both countries reciprocated. Israel and Morocco also reopened the liaison offices that each country had operated in the other from the mid-1990s to 2000. Saudi Arabia reportedly supported the UAE and Bahrain in their decisions to join the Abraham Accords, even allowing the use of Saudi airspace for direct commercial airline flights between those countries and Israel.<sup>218</sup>

Trade, tourism, and investment ties have generally deepened since the signing of the Accords including a May 2022 Israel-UAE free-trade agreement (pending Israeli ratification) and a major Israel-UAE-Jordan initiative focused on desalinated water and solar energy.<sup>219</sup> One exception is that implementing Israel-Sudan normalization appears to be on hold following the Sudanese military's seizure of power in October 2021.<sup>220</sup> As a sign of mutual high-level commitment to the Accords, Secretary of State Blinken met Israeli Foreign Minister Lapid and the foreign ministers of the UAE, Bahrain, Morocco, and Egypt at a March 2022 summit in Israel's southern Negev desert.

U.S. and Israeli officials seek to expand the Abraham Accords to include other Arab and Muslimmajority countries. Commemorating the one-year anniversary of the Israel-UAE-Bahrain agreements in October 2021, Secretary Blinken said that "we're committed to continue building on the efforts of the last administration to expand the circle of countries with normalized relations with Israel in the years ahead."<sup>221</sup> However, the Biden Administration appetite for offering major U.S. policy inducements to countries in connection with normalization efforts remains unclear.<sup>222</sup> The Biden Administration also has sought to avoid portraying Israeli normalization with Arab and Muslim-majority states as a substitute for efforts toward a negotiated two-state solution to the Israeli-Palestinian conflict.<sup>223</sup> Palestinian leaders denounced the initial announcement of UAE normalization with Israel as an abandonment of the Palestinian national cause, given Arab League states' previous insistence that Israel address Palestinian negotiating demands as a precondition for improved ties.<sup>224</sup>

<sup>&</sup>lt;sup>217</sup> Jon Gambrell, "UAE formally ends Israel boycott amid US-brokered deal," *Associated Press*, August 29, 2020; "Sudan officially annuls 63-year Israel boycott law," *Times of Israel*, April 19, 2021.

<sup>&</sup>lt;sup>218</sup> Barak Ravid, "Scoop: Jake Sullivan discussed Saudi-Israel normalization with MBS," Axios, October 20, 2021.

<sup>&</sup>lt;sup>219</sup> "Israel-UAE economic relations grow further with free trade agreement," *Al-Monitor*, May 31, 2022; "Israel, Jordan sign huge UAE-brokered deal to swap solar energy and water," *Times of Israel*, November 22, 2021.

<sup>&</sup>lt;sup>220</sup> Testimony of Assistant Secretary of State for African Affairs Molly Phee, "Sudan's Imperiled Transition: U.S. Policy in the Wake of the October 25<sup>th</sup> Coup," Senate Foreign Relations Committee, hearing, February 1, 2022.

<sup>&</sup>lt;sup>221</sup> State Department, "Secretary Antony J. Blinken and Israeli Alternate Prime Minister and Foreign Minister Yair Lapid and United Arab Emirates Foreign Minister Sheikh Abdullah Bin Zayed Al Nahyan at a Joint Press Availability," October 13, 2021.

<sup>&</sup>lt;sup>222</sup> Michael Koplow et al., "Biden has an opportunity to put his own stamp on Arab-Israeli relations," *The Hill*, October 14, 2021.

<sup>&</sup>lt;sup>223</sup> State Department, "Secretary Antony J. Blinken Joint Press Statements at the Conclusion of the Negev Summit," March 28, 2022.

<sup>&</sup>lt;sup>224</sup> Walid Mahmoud and Muhammad Shehada, "Palestinians unanimously reject UAE-Israel deal," *Al Jazeera*, August 14, 2020.

#### The Pathway to the Abraham Accords

Before the Abraham Accords, Egypt and Jordan had been the only Arab states with formal diplomatic relations with Israel.<sup>225</sup> In 1981, Saudi Arabia's then-Crown Prince Fahd bin Abd al Aziz Al Saud proposed a formula—later enshrined in the 2002 Arab Peace Initiative—under which Israel was expected to make certain concessions, including on Palestinian statehood, before Arab states would normalize their relations with it.<sup>226</sup> After Israel started negotiating directly with the Palestinians in the 1990s, it established limited diplomatic relations with Morocco, and informal ties with a number of other Arab states, including the UAE and Bahrain.<sup>227</sup> These countries downgraded their ties with Israel after the onset of the second Palestinian initifada in 2000.

However, since the early 2010s discreet Israeli links with Arab states became closer and more public on issues including intelligence, security, and trade. Israel has worked with some Arab states to counter common geopolitical concerns, such as Iran's regional influence and military capabilities and Sunni Islamist populist movements (including various Muslim Brotherhood branches and affiliates).<sup>228</sup> Controversy surfaced in 2021 over the possible past use of spyware from the Israel-based company NSO Group by several countries throughout the world, reportedly including the UAE, Bahrain, Morocco, and Saudi Arabia (all four countries publicly said that allegations of spyware use were unfounded).<sup>229</sup>

To cement its normalization of relations with the UAE, Israel agreed in August 2020 to suspend plans to annex part of the West Bank, with one source stating that the UAE received a commitment from U.S. (Trump Administration) officials that they would not approve Israeli annexation until at least January 2024.<sup>230</sup> Palestinian leaders claimed that the UAE legitimized Israel's annexation threats by bargaining over them, and thus acquiesced to a West Bank status quo that some observers label "de facto annexation."<sup>231</sup> UAE officials countered that by significantly delaying Israeli declarations of sovereignty over West Bank areas, they preserved prospects for future negotiations toward a Palestinian state.<sup>232</sup>

Other Arab state leaders considering entering into or maintaining normalization with Israel might gauge whether expected benefits would outweigh concerns about popular criticism or unrest they might face for possibly undermining the Palestinian cause.<sup>233</sup> Normalization efforts to date have not triggered significant unrest, but outside insight is limited into public opinion, its drivers, and how popular reactions are shaped by the nature of authoritarian Arab regimes.

**Prospects for Saudi normalization.** As Israel has drawn closer to some Arab states, the likelihood of a future normalization between Israel and Saudi Arabia may be increasing. Given Saudi Arabia's importance as an economic and military power in the region, the kingdom's history of firm opposition to such normalization, and its status as the custodian of Islam's most holy and foundational sites, such a development could boost any precedent that the Abraham

<sup>&</sup>lt;sup>225</sup> Egypt and Israel signed a peace treaty in 1979, and Jordan and Israel did the same in 1994.

<sup>&</sup>lt;sup>226</sup> See footnote 71.

<sup>&</sup>lt;sup>227</sup> Miriam Berger, "Israel's relations in the Middle East, explained," washingtonpost.com, August 15, 2020; Adam Entous, "Donald Trump's New World Order," *New Yorker*, June 11, 2018; CRS Report 95-1013, *Bahrain: Issues for U.S. Policy*, by Kenneth Katzman.

<sup>&</sup>lt;sup>228</sup> Steve Hendrix, "Inside the secret-not-secret courtship between Israel and the United Arab Emirates," washingtonpost.com, August 14, 2020; CRS Report 95-1013, *Bahrain: Issues for U.S. Policy*, by Kenneth Katzman.

<sup>&</sup>lt;sup>229</sup> Ronen Bergman and Mark Mazzetti, "The Battle for the World's Most Powerful Cyberweapon," *New York Times Magazine*, January 28, 2022; "Saudi Arabia And UAE Deny Pegasus Spyware Allegations," *Agence France Presse*, July 22, 2021; "Morocco says it will investigate 'unfounded allegations' on spyware," *Reuters*, July 21, 2021; Thomas Brewster, "NSO iPhone Spyware Hacks Bahrain Activists In The U.K., Report Claims," forbes.com, August 24, 2021.

<sup>&</sup>lt;sup>230</sup> Jacob Magid, "US assured UAE it won't back Israel annexation before 2024 at earliest, ToI told," *Times of Israel*, September 13, 2020.

<sup>&</sup>lt;sup>231</sup> Walid Mahmoud and Muhammad Shehada, "Palestinians unanimously reject UAE-Israel deal," *Al Jazeera*, August 14, 2020.

<sup>&</sup>lt;sup>232</sup> "UAE minister: We bought lot of time on annexation; Palestinians should negotiate," *Times of Israel*, August 14, 2020.

<sup>&</sup>lt;sup>233</sup> See, e.g., Jared Malsin and Amira al-Fekki, "Egypt's 'Cold Peace' a Harbinger for Region," *Wall Street Journal*, December 17, 2020.

Accords may set for other Muslim-majority countries considering cooperation with Israel.<sup>234</sup> In June 2022, Secretary Blinken said that Saudi Arabia is a "critical partner" of the United States in dealing with regional challenges from extremism and Iran and in "continuing the process of building relationships between Israel and its neighbors both near and further away through the continuation, the expansion of the Abraham Accords."<sup>235</sup>

While senior Saudi officials say that full Israel-Saudi normalization still remains contingent on progress with Palestinian issues,<sup>236</sup> the two countries are reportedly engaging in serious talks in the meantime to build business ties and coordinate on regional security matters. Top Israeli and Saudi officials say that the countries could take certain incremental steps toward eventual normalization irrespective of the Palestinian question.<sup>237</sup> Future steps could include the expansion of Israel's transit privileges through Saudi airspace, and Saudi Arabia's full assumption of control and security responsibility for the Red Sea islands Tiran and Sanafir from Egypt.<sup>238</sup> One Israeli journalist has argued that in talks regarding the two islands, U.S. officials are essentially encouraging Israel to agree to a weakening of security protocols from the 1979 Israel-Egypt peace treaty in exchange for a future and still unclear hope of Israeli-Saudi normalization.<sup>239</sup>

**Security cooperation.** In January 2021, President Trump determined that U.S. Central Command (CENTCOM), which commands U.S. military forces in most countries in the Middle East, would add Israel to its area of responsibility, partly to encourage military interoperability as a means of reinforcing closer ties between Israel and many Arab states.<sup>240</sup> Israel had previously been under the purview of U.S. European Command. CENTCOM formalized Israel's move in September 2021,<sup>241</sup> and in October an Israeli Defense Forces liaison was stationed at CENTCOM headquarters.<sup>242</sup> Since then, Israel has joined military exercises with the United States and the other Abraham Accords states, as well as other CENTCOM partners such as Saudi Arabia, Oman, Jordan, Egypt, and Pakistan.<sup>243</sup>

Following a string of missile and drone attacks against the UAE in early 2022, apparently by Iran-allied forces in Yemen (known as the Houthis), the UAE government has reportedly expressed interest in closer security cooperation with Israel.<sup>244</sup> Earlier, both Morocco (November 2021) and Bahrain (February 2022) signed MOUs with Israel on security cooperation.<sup>245</sup> These

<sup>&</sup>lt;sup>234</sup> Dion Nissenbaum, "Saudis Expand Talks with Israel," Wall Street Journal, June 7, 2022.

<sup>&</sup>lt;sup>235</sup> State Department, "Secretary Antony J. Blinken at the Foreign Affairs Magazine Centennial Celebration," June 1, 2022.

<sup>&</sup>lt;sup>236</sup> "Saudi foreign minister reiterates Kingdom's position on Israel," Arab News, May 24, 2022.

<sup>&</sup>lt;sup>237</sup> Nissenbaum, "Saudi Arabia Moves Toward Eventual Ties with Israel."

<sup>&</sup>lt;sup>238</sup> Ibid.; Barak Ravid, "Scoop: U.S. negotiating deal among Saudis, Israelis and Egyptians," Axios, May 23, 2022.

<sup>&</sup>lt;sup>239</sup> Amos Harel, "In UAE, Bennett Inches Closer to the Biggest Prize of All," haaretz.com, June 10, 2022.

<sup>&</sup>lt;sup>240</sup> Jared Szuba, "Trump orders US Central Command to include Israel amid strategic shift," *Al-Monitor*, January 15, 2021.

<sup>&</sup>lt;sup>241</sup> U.S. Central Command, "U.S. Central Command Statement on the Realignment of the State of Israel," September 1, 2021.

<sup>&</sup>lt;sup>242</sup> Judah Ari Gross, "IDF liaison sets up shop in US CENTCOM offices in Florida, solidifying move," *The Times of Israel*, October 29, 2021.

<sup>&</sup>lt;sup>243</sup> "UAE, Bahrain, Israel and U.S. forces in first joint naval drill," *Reuters*, November 11, 2021. Participant list for 2022 International Maritime Exercise available at https://www.dvidshub.net/graphic/18822/imx-ce-22-participant-list.

<sup>&</sup>lt;sup>244</sup> Arie Egozi, "Amid attacks, UAE quietly asks Israel about defense systems: Sources," *Breaking Defense*, January 25, 2022.

<sup>&</sup>lt;sup>245</sup> Ben Caspit, "Gantz says Israel, Morocco 'leap together' in historic agreement," *Al-Monitor*, November 26, 2021; Rina Bassist, "Israel signs security cooperation agreement with Bahrain," *Al-Monitor*, February 3, 2022. During the

MOUs appear to anticipate more intelligence sharing, joint exercises and training, and arms sales. In his February 8, 2022, confirmation hearing before the Senate Armed Services Committee, then-nominee as CENTCOM Commander (then-) Lieutenant General Michael Kurilla testified that Israel and other regional countries were cooperating on integrated air and missile defense and in other security areas. At the March 2022 Negev summit, Israeli leaders and their Arab counterparts reportedly discussed a range of possible cooperative measures, such as real-time intelligence sharing on inbound drone and missile threats and acquisition of Israeli air defense systems.<sup>246</sup> Speculation about specific measures has continued since then,<sup>247</sup> and Defense Minister Gantz said in June 2022 that a "Middle East Air Defense Alliance" is already working together with the United States.<sup>248</sup>

**Selected congressional actions.** In January 2022, some Members of the Senate and House formed bipartisan caucuses to promote the Abraham Accords.<sup>249</sup> In March, Congress enacted the Israel Relations Normalization Act of 2022 (IRNA, Division Z of P.L. 117-103). Among other things, the IRNA requires the Secretary of State to submit an annual strategy for strengthening and expanding normalization agreements with Israel, and an annual report on the status of measures within Arab League states that legally or practically restrict or discourage normalization efforts with Israel or domestic support for such efforts.

In June 2022, several Members in the Senate and House introduced the Deterring Enemy Forces and Enabling National Defenses (DEFEND) Act of 2022 (S. 4366 and H.R. 7987). The bill would require the Secretary of Defense to submit a strategy and feasibility study on cooperation with Gulf Cooperation Council states, Iraq, Israel, Jordan, and Egypt for an integrated air and missile defense capability to counter Iran-related threats. Later in June, similar provisions were added to the Senate and House Armed Services Committee-approved versions of the FY2023 National Defense Authorization Act.

**Outlook.** Common cause between Israel and other Abraham Accords states could intensify, dwindle, or fluctuate depending on global and regional political and economic trends. Questions include

- What types of military cooperation do Arab states seek with Israel as they consider the benefits and drawbacks of either deterring or accommodating Iran?
- What other political and economic factors, including the regional roles of China and Russia, could influence the future of the Abraham Accords and cooperation among its participants?
- How might the Abraham Accords countries influence Palestinian issues?

same visit in which Israeli Defense Minister Benny Gantz signed the MOU with Bahrain, he and Bahrain's defense minister made a public visit to the U.S. Navy's 5<sup>th</sup> Fleet base there to emphasize the level of collaboration among all parties involved.

<sup>&</sup>lt;sup>246</sup> "Israel reportedly working on air defense pact with regional allies," *Times of Israel*, March 29, 2022.

<sup>&</sup>lt;sup>247</sup> "Israeli radars to be used in UAE to detect Iran missiles, drones – report," jpost.com, June 28, 2022; "Israel to ask Biden for okay to provide air defense laser to Saudi Arabia – report," *Times of Israel*, June 28, 2022.

<sup>&</sup>lt;sup>248</sup> Patrick Kingsley and Ronen Bergman, "Israel Grows Military Role with Alliance Against Iran," *New York Times*, June 21, 2022.

<sup>&</sup>lt;sup>249</sup> For more information, see https://www.rosen.senate.gov/sites/default/files/2022-01/ Senate%20Abraham%20Accords%20Caucus%20Mission%20Statement.pdf.

• How likely are Saudi Arabia and other countries to normalize relations with Israel, and under what conditions? What benefits and drawbacks might result from U.S. incentives for normalization?

### Arab-Israeli Regional Energy Cooperation

Israel's offshore natural gas deposits have provided additional opportunities for it to build economic connections with its Arab neighbors. Israel's 15-year export deals with Egypt and Jordan—using gas from its Leviathan field—took effect in 2020.<sup>250</sup> These deals have reinforced a longstanding dynamic in which Egyptian and Jordanian government-to-government cooperation with Israel occurs amid some degree of popular domestic opposition, due to the history of Arab-Israeli conflict and the Palestinian issue.

Some of the gas covered by Israel's export agreement with Egypt is flowing via pipeline to Egypt's two LNG liquefaction facilities.<sup>251</sup> Israel appears to be seriously considering new onshore and subsea pipelines that could increase supply to the LNG facilities.<sup>252</sup> These could help make Egypt a hub for regional exports to Europe.<sup>253</sup> In June 2022, Israel signed a trilateral MOU with Egypt and the European Union stipulating that the parties will work together to send natural gas to EU member states via Egyptian LNG infrastructure.<sup>254</sup>

## Turkey

Israel and Turkey have shown signs of improving ties over the past year. The two countries maintain diplomatic relations but have not had ambassadors stationed in each other's country since 2018. Their relations have been troubled since the late 2000s, based on disagreements over Palestinian issues and Turkey's support for Hamas, though the countries have continued to expand trade ties.<sup>255</sup>

Israeli openness to rapprochement with Turkey may stem from a confluence of factors, including

- Potentially greater Turkish willingness to reduce its support for Hamas in hopes of better political and economic relations with Israel and other key U.S. partners in the region (Sunni Arab governments such as the UAE and Saudi Arabia)— partly to improve Turkey's image in Washington. Some reports from early 2022 hint at Turkey's willingness to expel Hamas members allegedly involved in militant operations from its territory.<sup>256</sup>
- Increasing Israeli focus on how relations with Turkey and other regional countries might help counter Iran.

<sup>&</sup>lt;sup>250</sup> Aidan Lewis and Ari Rabinovitch, "Israel starts exporting natural gas to Egypt under landmark deal," *Reuters*, January 15, 2020; Suleiman Al-Khalidi, "Jordan gets first natural gas supplies from Israel," *Reuters*, January 1, 2020.

<sup>&</sup>lt;sup>251</sup> "Israel to boost natural gas export to Egypt by up to 50 pct this month," *Bloomberg*, February 15, 2022.

<sup>&</sup>lt;sup>252</sup> Ron Bousso and Ari Rabinovitch, "Israel considering new pipeline to boost gas exports to Egypt," *Reuters*, October 21, 2021.

<sup>&</sup>lt;sup>253</sup> David O'Byrne, "No magic tap for Europe to replace Russian gas via Turkey," Al-Monitor, March 17, 2022.

<sup>&</sup>lt;sup>254</sup> Rina Bassist, "Israeli energy minister inks deal to export gas to Europe via Egypt," *Al-Monitor*, June 15, 2022.

<sup>&</sup>lt;sup>255</sup> Kemal Kirisci and Dan Arbell, "President Herzog's visit to Ankara: A first step in normalizing Turkey-Israel relations?" Brookings Institution, March 7, 2022.

<sup>&</sup>lt;sup>256</sup> Ariel Kahana, "Report: Israel, Turkey working to deport Hamas officials from Ankara," *Israel Hayom*, February 15, 2022; Ofer Bengio, "Turkey Finds Israel Useful Again," *Tablet*, March 13, 2022.

• The 2021 leadership change from the Netanyahu government to the Bennett-Lapid power-sharing government.

In March 2022, Israeli President Herzog visited Turkey. In May, Turkish Foreign Minister Mevlut Cavusoglu visited Israel (and the West Bank), and Israeli Foreign Minister Lapid visited Turkey in June. The two countries anticipate future bilateral meetings and steps to improve political and economic relations. Turkish President Recep Tayyip Erdogan and other top Turkish officials have made public statements expressing interest in energy cooperation with Israel. However, Israeli officials reportedly remain skeptical about prospects for a subsea Israel-Turkey natural gas pipeline.<sup>257</sup> While Israel has pursued greater high-level interaction with Turkey, it may be cautious about significant near-term improvements in bilateral relations, and appears to remain committed to close strategic ties with Greece and the Republic of Cyprus<sup>258</sup>—countries with which Turkey has long-standing historical, ethnoreligious, territorial, and maritime boundary disputes.

# China: Investments in Israel and U.S. Concerns<sup>259</sup>

U.S. officials have raised concerns with Israel over burgeoning Chinese investments in Israeli high-tech companies and civilian infrastructure.<sup>260</sup> Israel-China investment ties have grown since China announced its Belt and Road Initiative in 2013,<sup>261</sup> with Israel as an attractive hub of innovation for Chinese partners, and China as a huge potential export market and source of investment for Israeli businesses.<sup>262</sup>

Closer Israel-China economic relations have led to official U.S. expressions of concern,<sup>263</sup> apparently focused on the possibility that China might gather intelligence or acquire technologies with the potential to threaten U.S. national security in such fields as cybersecurity, artificial intelligence, satellite communications, and robotics. Previously, China-Israel defense industry cooperation in the 1990s and 2000s contributed to tension in the U.S.-Israel defense relationship and to an apparent de facto U.S. veto over Israeli arms sales to China.<sup>264</sup> Partly due to U.S.

<sup>&</sup>lt;sup>257</sup> Lazar Berman, "FM's visit shows Turkey eager to accelerate reconciliation, but Israel more cautious," *Times of Israel*, May 24, 2022. While such a pipeline may be the most feasible pipeline option for transporting Eastern Mediterranean natural gas to Europe, political and economic obstacles may make liquefied natural gas (LNG) exports from liquefaction terminals in Egypt a more practical option. "Turkey best option for East Med gas transit to Europe: Experts," *Daily Sabah*, March 10, 2022; Sean Mathews, "Russia-Ukraine war: Conflict boosts hopes for East Mediterranean energy, experts say," *Middle East Eye*, April 5, 2022.

<sup>&</sup>lt;sup>258</sup> "Summit in Ankara: Turkey is wooing a reluctant Israel," Americans for Peace Now, March 14, 2022.

<sup>&</sup>lt;sup>259</sup> For background on past U.S. concerns regarding Israeli defense transactions with China, see CRS Report RL33476, *Israel: Background and U.S. Relations*, by Jim Zanotti; CRS Report RL33222, *U.S. Foreign Aid to Israel*, by Jeremy M. Sharp.

<sup>&</sup>lt;sup>260</sup> Shira Efron et al., *Chinese Investment in Israeli Technology and Infrastructure: Security Implications for Israel and the United States*, RAND Corporation, 2020; Shira Efron et al., *The Evolving Israel-China Relationship*, RAND Corporation, 2019; Jewish Institute for National Security of America, *Countering Chinese Engagement with Israel: A Comprehensive and Cooperative U.S.-Israeli Strategy*, February 2021.

<sup>&</sup>lt;sup>261</sup> For more information on the Belt and Road Initiative, see CRS Report R45898, U.S.-China Relations, coordinated by Susan V. Lawrence.

<sup>&</sup>lt;sup>262</sup> Danny Zaken, "Chinese-operated port opens in Israel despite American concerns," Al-Monitor, September 9, 2021.

<sup>&</sup>lt;sup>263</sup> Ron Kampeas, "Breaking China: A rupture looms between Israel and the United States," *Jewish Telegraphic Agency*, June 2, 2020.

<sup>&</sup>lt;sup>264</sup> Efron et al., *The Evolving Israel-China Relationship*, 2019, pp. 15-20. In late 2021, three Israeli companies and 10 suspects were indicted on charges of exporting cruise missiles to China without a permit. "10 Israelis set to be Indicted for Illegally Exporting Missiles to China," *Times of Israel*, December 20, 2021.

concerns regarding China's involvement in Israel's economy, Israel created an advisory panel on foreign investment in Israel in late 2019.<sup>265</sup> However, this panel reportedly does not have the authority to review investments in sectors such as high-tech that accounted for most of China's investments in Israel in the previous decade.<sup>266</sup> According to a 2021 study by Israel's Institute for National Security Studies

Chinese investments, especially in the high-tech sector, did indeed show progressive growth both in number and scale, especially between 2014 and their peak in 2018. However, in 2019 and 2020 the pendulum swung again, as China slowed its penetration into the Israeli economy, just as it did elsewhere in the world. The reasons for this were a combination of changes in domestic Chinese priorities regarding the export of capital out of the country and external causes, such as the coronavirus pandemic and a less inviting climate for Chinese investments due to American pressure.<sup>267</sup>

Additionally, U.S. officials have made notable efforts to discourage Chinese involvement in specific Israeli infrastructure projects. After reported warnings from the Trump Administration, Israeli officials apparently blocked Chinese companies from working on Israeli communications infrastructure such as 5G.<sup>268</sup> U.S. concerns may have influenced Israel's finance ministry to reject a bid in 2020 from a Hong Kong-linked company to build a major desalination plant.<sup>269</sup>

Additionally, the U.S. Navy reportedly reconsidered its practice of periodically docking at the Israeli naval base in Haifa, because a state-owned Chinese company (the Shanghai International Port Group) secured the contract to operate a new terminal at Haifa's seaport for 25 years.<sup>270</sup> This terminal opened in September 2021.<sup>271</sup> Biden Administration officials have reportedly pressed Israeli counterparts to regularly check heavy machinery at the port for technology that could be employed to spy on the nearby Israeli naval base.<sup>272</sup> Other state-owned Chinese companies are developing a new port in Ashdod (which also hosts an Israeli naval base), and taking part in construction for Tel Aviv's light rail system and road tunnels in Haifa.<sup>273</sup>

In early 2022, an Israeli official was cited as saying that Israel has agreed to "update Washington about any major deals with Beijing, especially in infrastructure and technology," and "would reconsider any such deals at America's request."<sup>274</sup>

<sup>&</sup>lt;sup>265</sup> Arie Egozi, "Israelis Create Foreign Investment Overseer; China Targeted," Breaking Defense, November 13, 2019.

<sup>&</sup>lt;sup>266</sup> Efron et al., Chinese Investment in Israeli Technology, 2020, pp. 24-25.

<sup>&</sup>lt;sup>267</sup> Doron Ella, *Chinese Investments in Israel: Developments and a Look to the Future*, Institute for National Security Studies, February 1, 2021.

<sup>&</sup>lt;sup>268</sup> Hiddai Segev and Assaf Orion, "The Great Power Competition over 5G Communications: Limited Success for the American Campaign against Huawei," Institute for National Security Studies, March 3, 2020.

<sup>&</sup>lt;sup>269</sup> "Amid US pressure, Israel taps local firm over China for \$1.5b desalination plant," *Times of Israel*, May 26, 2020.

<sup>&</sup>lt;sup>270</sup> Roie Yellinek, "The Israel-China-U.S. Triangle and the Haifa Port Project," Middle East Institute, November 27,

<sup>2018.</sup> Reportedly, the Israeli government planned to limit sensitive roles at the port to Israelis with security clearances. Jack Detsch, "Pentagon repeats warning to Israel on Chinese port deal," *Al-Monitor*, August 7, 2019.

<sup>&</sup>lt;sup>271</sup> Galia Lavi and Assaf Orion, "The Launch of the Haifa Bayport Terminal: Economic and Security Considerations," Institute for National Security Studies Insight No. 1516, September 12, 2021.

<sup>&</sup>lt;sup>272</sup> Arie Egozi, "US Presses Israel on Haifa Port amid China Espionage Concerns: Sources," *Breaking Defense*, October 5, 2021.

<sup>&</sup>lt;sup>273</sup> Efron et al., *The Evolving Israel-China Relationship*, 2019, p. 38.

<sup>&</sup>lt;sup>274</sup> Lahav Harkov, "Israel Agrees to Update US About China Trade to Avoid Tension," jpost.com, January 3, 2022.

# Appendix A. Historical Background

# In General

The modern quest for a Jewish homeland gathered momentum after the publication of Theodor Herzl's *The Jewish State* in 1896. Herzl was inspired by the concept of nationalism that had become popular among various European peoples in the 19<sup>th</sup> century, and was also motivated by European anti-Semitism. The following year, Herzl described his vision at the first Zionist Congress, which encouraged Jewish settlement in Palestine, the territory that had included the Biblical home of the Jews and was then part of the Ottoman Empire.

During World War I, the British government issued the Balfour Declaration, supporting the "establishment in Palestine of a national home for the Jewish people." Palestine became a British Mandate after the war and British officials simultaneously encouraged the national aspirations of the Arab majority in Palestine, insisting that its promises to Jews and Arabs did not conflict. Jews immigrated to Palestine in ever greater numbers during the Mandate period, and tension between Arabs and Jews and between each group and the British increased, leading to frequent clashes. Following World War II, the plight of Jewish survivors of the Holocaust gave the demand for a Jewish home added urgency, while Arabs across the Middle East concurrently demanded self-determination and independence from European colonial powers.

In 1947, the United Nations General Assembly developed a partition plan (Resolution 181(II)) to divide Palestine into Jewish and Arab states, proposing U.N. trusteeship for Jerusalem and some surrounding areas. The leadership of the Jewish Yishuv (or polity) welcomed the plan because it appeared to confer legitimacy on the Jews' claims in Palestine despite their small numbers. The Palestinian Arab leadership and the League of Arab States (Arab League) rejected the plan, insisting both that the specific partition proposed and the entire concept of partition were unfair given Palestine's Arab majority. Debate on this question prefigured current debate about whether it is possible to have a state that both provides a secure Jewish homeland and is governed in accordance with democratic values and the principle of self-determination.

After several months of violent conflict between Jews and Arabs, Britain officially ended its Mandate on May 14, 1948, at which point the state of Israel proclaimed its independence and was immediately invaded by Arab armies. During and after the conflict, roughly 700,000 Palestinians were driven or fled from their homes, an occurrence Palestinians call the *nakba* ("catastrophe").<sup>275</sup> Many became internationally designated refugees after ending up in areas of Mandate-era Palestine controlled by Jordan (the West Bank) or Egypt (the Gaza Strip), or in nearby Arab states. Palestinians who remained in Israel became Israeli citizens.

The conflict ended with armistice agreements between Israel and its neighboring Arab states: Egypt, Jordan, Lebanon, and Syria. The territory controlled by Israel within these 1949-1950 armistice lines is roughly the size of New Jersey. Israel has engaged in further armed conflict with neighbors on a number of occasions since then—most notably in 1956, 1967, 1973, and 1982. Since the 1950s, Israel also has dealt with the threat of Palestinian guerrilla or terrorist attacks. In 1979, Israel concluded a peace treaty with Egypt, followed in 1994 by a peace treaty with Jordan, thus making another multi-front war less likely. Nevertheless, security challenges persist from Iran and groups allied with it, and from other developments in the Arab world.

<sup>&</sup>lt;sup>275</sup> CRS Report RL34074, *The Palestinians: Background and U.S. Relations*, by Jim Zanotti.

# Political and Societal Evolution

Israel's society and politics have evolved since its founding. In the first decades, Israeli society was dominated by secular Ashkenazi (Eastern European) Jews who constituted the large majority of 19<sup>th</sup>- and early 20<sup>th</sup>-century Zionist immigrants. Many leaders from these immigrant communities sought to build a country dedicated to Western liberal and communitarian values. From 1948 to 1977, the social democratic Mapai/Labor movement led Israeli governing coalitions.

The 1977 electoral victory of Menachem Begin's more nationalistic Likud party helped boost the influence of previously marginalized groups, particularly Mizrahi (Eastern) Jews who had immigrated to Israel from Arab countries and Iran. This electoral result came at a time when debate in Israel was intensifying over settlement in the territories occupied during the 1967 Arab-Israeli War. Begin and his successor in Likud, Yitzhak Shamir, helped drive the political agenda over the following 15 years. Although Labor under Yitzhak Rabin later initiated the Oslo peace process with the Palestinians, its political momentum slowed and reversed after Rabin's assassination in 1995.

Despite Labor's setbacks, its warnings that high Arab birth rates could eventually make it difficult for Israel to remain both a Jewish and a democratic state while ruling over the Palestinians gained traction among many Israelis. However, after the initial peace process negotiations collapsed in 2000, the second Palestinian intifada (from 2000 to 2005) and conflicts with Hezbollah and Hamas after Israeli withdrawals from southern Lebanon and the Gaza Strip strengthened the right-of-center figures. They have led Israel since 2000 and have supported separation between Israelis and Palestinians, while either opposing or placing significant conditions on negotiations.

Given the fragmentation of Israeli political parties under its electoral system, compromise among diverse groups is a necessity for forming and maintaining a governing coalition. The system generally gives smaller parties disproportionate influence on key issues important to their constituents. For example, two Haredi (ultra-Orthodox Jewish) parties have joined several governments in exchange for support on specific demands (i.e., subsidies and military exemptions to support traditional lifestyles). Special treatment for Haredim is anathema to many voters espousing more secular agendas, but the group comprises about 12% of the population and current forecasts project it will grow to 32% by 2065.<sup>276</sup>

Arab Israelis make up nearly 20% of the population. Their experiences are generally different from Jewish Israeli citizens in where and how they live, are educated, and socialize. While they had been historically excluded from governing coalitions, the inclusion of the United Arab List (UAL or Ra'am) in the current government suggests that Arab-led parties may have greater leverage to seek benefits for their base constituents in exchange for joining future coalitions.

<sup>&</sup>lt;sup>276</sup> OECD Economic Surveys: Israel, September 2020.

# Appendix B. Main Israeli Parties and Their Leaders

RIGHT









## Likud (Consolidation) – 30 Knesset seats

Israel's historical repository of right-of-center nationalist ideology; skeptical of territorial compromise; has also championed free-market policies.

#### Leader: Benjamin Netanyahu

Born in 1949, Netanyahu served as prime minister from 2009 to June 2021, and also was prime minister from 1996 to 1999. Netanyahu served in an elite special forces unit (Sayeret Matkal), and received his higher education at MIT. Throughout a career in politics and diplomacy, he has been renowned both for his skepticism regarding the exchange of land for peace with the Palestinians and his desire to counter Iran's nuclear program and regional influence. He is generally regarded as both a consummate political dealmaker and a security-minded nationalist.

#### Yisrael Beitenu (Israel Our Home) - 7 seats

Pro-secular, right-of-center nationalist party with base of support among Russian speakers from the former Soviet Union. Part of the 2021-2022 coalition.

#### Leader: Avigdor Lieberman

Born in 1958, Lieberman is Israel's finance minister, and has previously served as defense minister and foreign minister. He is generally viewed as an ardent nationalist and canny political actor with prime ministerial aspirations. Lieberman was born in the Soviet Union (in what is now Moldova) and immigrated to Israel in 1978. He worked under Netanyahu from 1988 to 1997. Disillusioned by Netanyahu's willingness to consider concessions to the Palestinians, Lieberman founded Yisrael Beitenu as a platform for former Soviet immigrants. He was acquitted of corruption allegations in a 2013 case.



#### Yamina (Right) – 6 seats

Right-of-center merger of three parties: New Right, Jewish Home, and National Union; base of support among religious Zionists (mostly Ashkenazi Orthodox Jews); includes core constituencies supporting West Bank settlements and annexation. A majority of its members were part of the 2021-2022 coalition.

#### Leader: Ayelet Shaked

Born in 1976, Shaked had a brief career as a software engineer before entering politics and working under Netanyahu from 2006 to 2010. She was first elected to the Knesset in 2013 and has been a close political colleague of former Prime Minister Naftali Bennett, serving previously as justice minister and now as interior minister. She resigned her Knesset seat shortly after becoming interior minister in June 2021. She favors the eventual annexation of most West Bank settlements and autonomy short of statehood for the Palestinians. She also supports a greater role for Jewish nationalism in law and society and a reduced role for the judiciary.



#### **New Hope** (Tikva Hadasha) – 6 seats

New Hope is a party formed in 2020 as an alternative to Prime Minister Netanyahu and Likud for mainstream right-wing voters. Part of the 2021-2022 coalition.

#### <u>Leader: Gideon Sa'ar</u>

Born in 1966, Sa'ar serves as justice minister. He served as cabinet secretary in the 1990s (for Prime Minister Netanyahu) and early 2000s (for Prime Minister Ariel Sharon). He became an influential and popular member of Likud, first elected to the Knesset in 2003. He served as education minister from 2009 to 2013 and interior minister from 2013 to 2014. After leaving the Knesset in 2014, he returned in 2019 but left Likud to form New Hope a year later.



#### **Religious Zionism** (HaTzionut HaDatit) – 6 seats

Grouping of right-of-center parties including Religious Zionism/National Union-Tkuma, Otzma Yehudit, and Noam that formed for the March 2021elections.

Leader: Bezalel Smotrich

Born in 1980, Smotrich has headed the underlying party that leads Religious Zionism since 2019. A trained lawyer, he has engaged in regular activism to promote Jewish nationalist and religiously conservative causes.

#### LEFT



#### Labor (Avoda) – 7 seats

Labor is Israel's historical repository of social democratic, left-of-center, pro-secular Zionist ideology; associated with efforts to end Israel's responsibility for Palestinians in the West Bank and Gaza. Part of the 2021-2022 coalition.

#### Leader: Merav Michaeli

Born in 1966, Michaeli is transportation minister. She became Labor's leader in 2020 and was first elected to the Knesset in 2013. Before entering national politics, she founded and headed an organization that supports victims of sexual assault, and was a regular national media presence and university lecturer.



#### Meretz (Vigor) – 6 seats

Meretz is a pro-secular Zionist party that supports initiatives for social justice and peace with the Palestinians. Part of the 2021-2022 coalition.

#### <u>Leader: Nitzan Horowitz</u>

Born in 1965, Horowitz is health minister. He became Meretz's leader in 2019 and was first elected to the Knesset in 2009. He had a long career as a prominent journalist before entering politics.

#### CENTER

Yesh Atid (There Is a Future) - 17 seats

Yesh Atid is a centrist party in existence since 2012 that has championed socioeconomic issues such as cost of living and has taken a pro-secular stance. Part of the 2021-2022 coalition.

Leader: Prime Minister Yair Lapid (biography in text box in the main body of the report)



#### Kahol Lavan (Blue and White) - 8 seats

Centrist party formed in 2018 as an alternative to Likud that claimed itself more committed to preserving long-standing Israeli institutions such as the judiciary, articulating a vision of Israeli nationalism more inclusive of Druze and Arab citizens, and having greater sensitivity to international opinion on Israeli-Palestinian issues. Part of the 2021-2022 coalition.



ULTRA-ORTHODOX		
	<b>Shas</b> (Sephardic Torah Guardians) – 9 seats Mizrahi Haredi ("ultra-Orthodox") party; favors welfare and education funds in support of Haredi lifestyle; opposes compromise with Palestinians on control over Jerusalem.	
ישם	<u>Leader: Aryeh Deri</u> Born in 1959, Deri led Shas from 1983 to 1999 before being convicted for bribery, fraud, and breach of trust in 1999 for actions taken while serving as interior minister. He returned as the party's leader in 2013. In January 2022, he resigned his Knesset seat in connection with a criminal plea deal involving tax-related offenses, but maintained his leadership of the party.	
	<b>United Torah Judaism</b> – 7 seats Ashkenazi Haredi coalition (Agudat Yisrael and Degel Ha'torah); favors welfare and education funds in support of Haredi lifestyle; opposes territorial compromise with Palestinians and conscription of Haredim; generally seeks greater application of its interpretation of traditional Jewish law.	
יהדות התורה 🗈	<u>Leader: Moshe Gafni</u> Born in 1952, Gafni was educated in a yeshiva (traditional Jewish school) and headed a kollel (institute for advanced rabbinic study). He was first elected to the Knesset in 1988.	
	ARAB	
القائمة المشتركة المشتركة	Joint List – 6 seats	
	Electoral slate featuring three Arab parties that combine socialist and Arab nationalist political strains: Hadash (Democratic Front for Peace and Equality), Ta'al (Arab Movement for Renewal), and Balad (National Democratic Assembly).	
	<u>Leader: Ayman Odeh</u> Born in 1975, Odeh is the leader of Hadash, an Arab Israeli socialist party, and of the Joint List. An attorney, he served on the Haifa city council before becoming Hadash's national leader in 2006.	
	<b>United Arab List</b> (UAL or Ra'am) – 4 seats	
	Islamist Arab party that embodies conservative social values while seeking state support to improve Arabs' socioeconomic position within Israel. Part of the 2021-2022 coalition.	
	<u>Leader: Mansour Abbas</u> Born in 1974, Abbas has led the UAL since 2007 and is a qualified dentist. He led the UAL into the previous coalition in June 2021 after receiving promises that the government would focus more resources and attention on socioeconomic help for Arab Israelis.	

Sources: Various open sources.

**Notes:** Knesset seat numbers based on results from the March 23, 2021, election. Yamina expelled Knesset member Amichai Chikli in April 2022.

# **Appendix C. Golan Heights**

On March 25, 2019, President Trump signed a proclamation stating that the United States recognizes the Golan Heights (hereafter, the Golan) to be part of the State of Israel.<sup>277</sup> The proclamation stated that "any possible future peace agreement in the region must account for Israel's need to protect itself from Syria and other regional threats"<sup>278</sup>—presumably including threats from Iran and Lebanese Hezbollah. Israel gained control of the Golan from Syria during the 1967 Arab-Israeli war, and effectively annexed it unilaterally by applying Israeli law to the region in 1981 (see **Figure C-1**).<sup>279</sup>





Source: CRS, based on data from ArcGIS, U.S. State Department, ESRI, and United Nations.

**Notes:** The DMZs could influence future border demarcation. The United States recognized the Golan Heights to be part of Israel in 2019 without specifying boundaries; however, U.N. Security Council Resolution 497, adopted on December 17, 1981, held that the area of the Golan Heights controlled by Israel's military is occupied territory belonging to Syria.

President Trump's proclamation changed long-standing U.S. policy on the Golan. Since 1967, successive U.S. Administrations supported the general international stance that the Golan is Syrian territory occupied by Israel, with its final status subject to negotiation. In reaction to the

<sup>&</sup>lt;sup>277</sup> White House, "Proclamation on Recognizing the Golan Heights as Part of the State of Israel," March 25, 2019.
<sup>278</sup> Ibid.

<sup>&</sup>lt;sup>279</sup> The area under Israel's control known as the Golan Heights is actually the western two-thirds of the geological Golan Heights—a plateau overlooking northern Israel. The eastern third remains under Syria's control, other than the zone monitored by the U.N. Disengagement Observer Force (UNDOF). For background information on the Golan Heights, see Central Intelligence Agency, *Syria-Israel: The Golan Heights in Perspective*, January 1982, available at https://www.cia.gov/library/readingroom/docs/CIA-RDP83B00851R000400150002-5.pdf.

U.S. proclamation, most other countries engaged with the issue maintained that the Golan's status had not changed.<sup>280</sup> The Syrian government denounced the 2019 U.S. policy change as an illegal violation of Syrian sovereignty and territorial integrity, and insisted that Syria was determined to recover the Golan.<sup>281</sup>

From 1967 until 2011, various Israeli leaders had occasionally entered into indirect talks with Syria aimed at returning some portion of the Golan as part of a lasting peace agreement. However, the effect of civil war on Syria and the surrounding region, including an increase in Iran's presence, may have influenced then Prime Minister Netanyahu to shift focus from negotiating with Syria on a "land for peace" basis to obtaining international support for Israel's claims of sovereignty. At certain stages of Iran's entrenchment in conflict-ridden Syria, some Iranian missiles have targeted Israeli positions in the Golan.<sup>282</sup>

Since 1974, the U.N. Disengagement Observer Force (UNDOF) has patrolled an area of the Golan Heights between the regions controlled by Israel and Syria, with about 1,250 troops from nine countries stationed there as of November 2021.<sup>283</sup> During that time, Israel's forces in the Golan have not faced serious military resistance to their continued deployment, despite some security threats and diplomatic challenges. Periodic resolutions by the U.N. General Assembly have criticized Israel's occupation as hindering regional peace and Israel's settlement and de facto annexation of the Golan as illegal.<sup>284</sup>

As of 2019, about 23,900 Israeli settlers and 22,000 Druze lived in the Golan.<sup>285</sup> Most of the Druze, who are concentrated in the northern part of the Golan, retain Syrian citizenship while having the option to apply for Israeli citizenship.<sup>286</sup> In December 2021, the Israeli government announced a plan to double Israeli settlement in the Golan.<sup>287</sup>

<sup>&</sup>lt;sup>280</sup> U.N. Security Council statement, "Security Council Members Regret Decision by United States to Recognize Israel's Sovereignty over Occupied Syrian Golan," March 27, 2019.

<sup>&</sup>lt;sup>281</sup> "Syria: Trump's recognition of annexing the occupied Syrian Golan to Zionist entity represents highest degrees of contempt for international legitimacy," Syrian Arab News Agency, March 25, 2019.

<sup>&</sup>lt;sup>282</sup> CRS In Focus IF10858, *Iran and Israel: Tension Over Syria*, by Carla E. Humud, Kenneth Katzman, and Jim Zanotti.

<sup>&</sup>lt;sup>283</sup> See https://undof.unmissions.org/ for general information on UNDOF, and https://peacekeeping.un.org/en/mission/ undof for information on troop numbers and contributing countries.

<sup>&</sup>lt;sup>284</sup> See, e.g., The Occupied Syrian Golan – GA Resolution (A/RES/76/81), December 9, 2021, which the United States opposed.

<sup>&</sup>lt;sup>285</sup> Israeli settler population estimate from CIA World Factbook, "Israel"; Druze population estimate from "Druze on Golan Heights reject Trump backing for Israeli sovereignty," *Reuters*, March 22, 2019.

<sup>&</sup>lt;sup>286</sup> Eetta Prince-Gibson, "Druze in the Golan Heights have long been 'on the fence' between Syria and Israel. Syria's civil war has changed things," *GlobalPost*, November 16, 2017.

<sup>&</sup>lt;sup>287</sup> "Israel plans to double settlement in Golan Heights," Associated Press, December 26, 2021.

Appendix D. Examples of U.SBased,
Israel-Focused Organizations

Organization	Website
American Israel Public Affairs Committee	https://www.aipac.org
American-Israeli Cooperative Enterprise/Jewish Virtual Library	http://www.jewishvirtuallibrary.org
American Jewish Committee	http://www.ajc.org
American Jewish Congress	http://www.ajcongress.org
Americans for Peace Now	http://www.peacenow.org
Anti-Defamation League	http://www.adl.org
Christians United for Israel	https://cufi.org
Conference of Presidents of Major Jewish Organizations	http://www.conferenceofpresidents.org
Endowment for Middle East Truth	https://emetonline.org
Foundation for Middle East Peace	http://www.fmep.org
Hadassah (The Women's Zionist Organization of America, Inc.)	http://www.hadassah.org
Israel Bonds	http://www.israelbonds.com
Israel Institute	http://www.israelinstitute.org
Israel Policy Forum	http://www.israelpolicyforum.org
J Street	http://jstreet.org
Jewish Federations of North America	http://www.jewishfederations.org
Jewish Institute for National Security of America	https://jinsa.org
Jewish National Fund	http://www.jnf.org
Jewish Policy Center	http://www.jewishpolicycenter.org
MirYam Institute	https://www.miryaminstitute.org
New Israel Fund	http://www.nif.org
S. Daniel Abraham Center for Middle East Peace	http://www.centerpeace.org
U.S. Israel Education Association	https://www.usieducation.org
Zionist Organization of America	http://www.zoa.org

# **Author Information**

Jim Zanotti Specialist in Middle Eastern Affairs

## Disclaimer

This document was prepared by the Congressional Research Service (CRS). CRS serves as nonpartisan shared staff to congressional committees and Members of Congress. It operates solely at the behest of and under the direction of Congress. Information in a CRS Report should not be relied upon for purposes other than public understanding of information that has been provided by CRS to Members of Congress in connection with CRS's institutional role. CRS Reports, as a work of the United States Government, are not subject to copyright protection in the United States. Any CRS Report may be reproduced and distributed in its entirety without permission from CRS. However, as a CRS Report may include copyrighted images or material from a third party, you may need to obtain the permission of the copyright holder if you wish to copy or otherwise use copyrighted material.