

Challenges and Opportunities for Gaza: A Mediterranean Perspective

Conference Summary, May 2020

The Gaza Strip constitutes a unique point of convergence of regional politics, a military and political conflict, a humanitarian crisis, international legal issues, environmental and energy challenges, and questions of development and cooperation. The coronavirus crisis has not bypassed Gaza. While it is intensifying threats, it is also providing new opportunities. Most people view Gaza as a Middle Eastern or Israeli-Palestinian issue, but the Gaza Strip is also part of the Mediterranean Basin. Exploring Gaza-related issues through the Mediterranean lens provides new insights and offers policy alternatives. On 4 May 2020, Mitvim - The Israeli Institute for Regional Foreign Policies, The School of Sustainability at the Interdisciplinary Center in Herzliya (IDC) and The Maritime Policy and Strategy Research Center at Haifa University conducted an online conference on the situation in Gaza from a Mediterranean perspective, with an emphasis on regional geopolitical and economic aspects. This document summarizes key points raised at the event, which was led by Prof. Shaul Chorev, Dr. Shiri Zemah Shamir and Dr. Roei Kibrik.

Prof. Shaul Chorev, Head of the Maritime Policy and Strategy Research Center at Haifa University: The coronavirus epidemic presents Israel with many economic and social challenges, along with important opportunities, which intensify as Israel's is practicing its exit strategy from the crisis. History is rife with missed opportunities alongside successfully seized opportunities. The Marshall Plan initiated by the US in 1946 for the rehabilitation of Europe in the wake of World War II is a good example of a seized opportunity. The maritime region of the Gaza Strip also provides many opportunities. One of them is the construction of an internationally funded deep-water port under Palestinian sovereignty with security terms dictated by Israel. The project need not be conditioned on an overall Israeli-Palestinian agreement. In fact, a bottom-up cooperation (similar to the approach for handling the medical aspect of the coronavirus epidemic) may result in economic improvement and eventually pave the way for a diplomatic solution.

Dr. Nimrod Goren, Head of the Mitvim Institute: The Mediterranean Basin is becoming increasingly central to Israeli foreign policy in recent years. Israel is forging new alliances there, collaborating in newly created regional mechanisms and advancing ties with neighboring Arab states within the Mediterranean framework. The Gaza strip, too, is part of the Mediterranean, and viewing it from this perspective creates diplomatic and economic opportunities to ease the humanitarian crisis in Gaza, avoid further escalation and advance peace. The solution to the Gaza problem must be diplomatic, focusing on the Palestinian Authority (PA) and not Hamas, and promoting political unity between Gaza and the West Bank – an essential condition for a future two-state solution. The Mediterranean perspective can encourage such an outcome, inter alia by advancing the construction of a Gaza seaport, developing Gaza's offshore gas field, and mobilizing Israel's alliance with Greece and Cyprus,

as well as the Israeli and Palestinian membership in the Cairo-based Mediterranean Gas Forum, to advance prospects of Israeli-Palestinian peace.

Member of Knesset Ram Ben-Barak, Yesh Atid-Telem: Israel's first goal in Gaza should be replacing Hamas with the PA. However, the blockade of Gaza is crippling Gaza's economic development and thus, along with efforts to replace Hamas, normal economic conditions must already now be developed in Gaza. A Gaza seaport could help in that regard. From a security standpoint, Hamas must be weakened; but from an economic standpoint, the population of Gaza must be strengthened so that the PA retakes the reins in Gaza when the time comes. Only then will regional arrangements be feasible to achieve. Cyprus should be part of an effort to establish a Gaza port.

Former Member of Knesset Ksenia Svetlova, Mitvim Institute and Institute of Policy and Strategy, IDC: There is no choice other than restoring the PA in Gaza. Only a broad peace process with the PA that is supported by the Arab states and the international community will provide a response to Gaza's residents' basic needs – water, power and sewage treatment. Everything begins and ends with the political issue. Many solutions can be created for Gaza, but until political problems related to the Israeli-Palestinian conflict are resolved, none of them will be relevant. I do not believe a sufficiently stable truce allowing the development of extensive projects is feasible with Hamas. Relatively short-term projects, for example on electricity, are possible, but a seaport and similar projects are not. The Qatari aid enables Gaza to survive, barely. Future progress requires a very different partner than Hamas, the PA. There were international corporations, including from Gulf states that were involved in the past in planning a Gaza port, but the minute Hamas came to power all the plans were shelved. Hamas, as many in Gaza also agree, is currently the greatest obstacle, not just to a port but also to providing power and treating sewage in Gaza.

Dr. Ido Zelkowitz, Yezreel Valley College, Mitvim Institute and Ezri Center at the University of Haifa: A port that opens up Gaza to the world has great significance, especially in light of the harsh economic reality in the Gaza Strip. The seaport idea was also included in the Oslo Accords in order to incentivize progress. Currently, there is very little feasibility for such a port. The Hamas movement understands this and its most important goal is its own survival. An agreement between Gaza and Israel is only an interim solution, which will not enable the construction of a port. An overall diplomatic agreement with the PA that restores its power in Gaza is required, whether through internal Palestinian discourse or as a result of an Israel-Hamas clash. As long as Hamas is in power, a port is unlikely. Israel and the PA would be reluctant to hand Hamas such a symbolic victory. If future conditions enable establishment of a port, China will most likely want to play a key role in its construction and management.

Tania Hary, Executive Director of Gisha: The only solution for Gaza is a diplomatic solution, which includes an end to the occupation, a lifting of the closure and freedom of movement for Gaza residents. The ongoing control of Gaza also imposes on Israel obligations to ensure normal life for its residents. Israel is trying to manage the Gaza issue, not to resolve it. Some 70 percent of the population in Gaza is under 30. The unemployment among these young people, prior to the coronavirus crisis, was 60 percent. Israel must offer these young people a horizon and hope. In response to the coronavirus crisis, Israel is finding ways to get the required equipment into Gaza. When it has an interest to do so, it does. Israel must enable maximal economic activity in Gaza during the crisis. Israel can and must allow essential products to enter Gaza for local industry and enable the exit of a wider variety of goods. It

must stop spraying defoliating chemicals on farmland near the fence. Once the coronavirus crisis is over, restrictions on movement of people and goods from and to Gaza must be lifted, pursuant to security checks only. A return to the unacceptable 'routine' in Gaza is not an option.

Amb. (ret.) Michael Harari, Mitvim Institute and Yezreel Valley College: The question of desired Israeli policy on Gaza has been on the table for a long time. In practice, Israel has chosen a policy of accommodation rather than toppling Hamas rule. This is a policy of containment along with an effort to improve Gaza's economy. Developments in the region in recent years provide Israel with a regional umbrella that could enable progress toward an arrangement. Its diplomatic expression is the Eastern Mediterranean Gas Forum formed a year ago in Cairo. The close relationship and convergence of interests with Egypt, and the new regional packaging could help develop the Palestinian gas field (Gaza Marine) off the Gaza coast. Development of Gaza Marine now, under a regional umbrella, could turn around the economies of the West Bank and Gaza, restore the PA to power in the Gaza Strip, help advance a long-term truce with Israel and add a visionary aspect to regional politics.

Rear Admiral (res.) Yossi Ashkenazi, The Maritime Policy and Strategy Research Center at Haifa University: Economic and geopolitical aspects set the tone in the regional arena and hone the question of whether discussions should even be conducted with the Palestinians on an international maritime passage to Gaza as a prelude to an agreement – or whether agreement deliberations should begin first followed by some form of maritime trade permitted within their framework. The seven existing alternatives to an international maritime passage to the Gaza Strip include a variety of parameters, among them project costs, aspects of Israeli security, emblems of Palestinian sovereignty, the extent of the solution's 'reversibility' (and its attendant price tag), the extent of involvement by international players in each alternative, and more. Israel should pick the alternative that maximizes the economic outcome for both Gaza and Israel, given that a solution with economic added value increases prospects of long-term solutions in other fields, too.

Yitzhak Gal, Mitvim Institute: An economic cooperation zone should be created to include the Gaza Strip and northern Sinai. It would operate within the framework of a Palestinian-Egyptian economic agreement under international auspices, without any change of sovereignty or status. The economic, legal, administrative and other arrangements would be based on successful experience gained over decades in other parts of the world. Economic synergy exists between the Gaza Strip and northern Sinai. They complement each other and together form an area with potential far greater than separately. The Gaza Strip, a large urban area with an educated workforce would serve as the financial and business hub of this economic cooperation zone. Water and power infrastructure, large international air and seaports and heavy industry centers would be built in the wide-open spaces of northern Sinai. The proposed economic cooperation zone would be a game changer, constituting a powerful growth engine for both Gaza and the Sinai Peninsula, and providing political and economic anchors in these two sensitive areas.

Dr. Sami Miaari, Tel Aviv University and Director of the Arab Economic Forum: Negative economic shocks in Gaza's labor market provided important motivations for the violence of the second *intifada*. The decline in private sector jobs resulting from a downturn in Palestinian trade with Israel in the second half of the 1990s was linked with a high level of violence in the second *intifada*. In addition, the decline in exports to Israel intensified the probability of violent breakouts in Palestinian communities relatively dependent on a specific sector. These research insights point to the importance of Palestinian trade with Israel in reducing the

probability of political violence, in Gaza too. On the other hand, this dependence on Israel suggests high exposure of the Palestinian private sector to Israeli economic upheavals, as was the case with the liberalization of Israeli commerce in the 1990s. Therefore, it is very important to enable the opening of the Palestinian markets in the West Bank and Gaza to diverse foreign markets.

Adv. Orin Shefler, The Maritime Policy and Strategy Research Center at Haifa University: The potential for natural resources in the Eastern Mediterranean has triggered an interest in Egypt and Israel to discuss delimitation of their maritime borders, which were not officially established in the Israel-Egypt peace agreement. The PA, wary that an Israeli-Egyptian delimitation agreement would overlook its interests, was hasty to unilaterally declare an exclusive economic zone, and submit their position to the UN under the principles of the UN Convention of the Law of the Sea (UNCLOS). The PA's interests run counter to those of Israel and Egypt, for various reasons. The political and economic struggle against the PA and Hamas, and the absence of agreement on maritime borders could challenge the development of some of the hydrocarbon reservoirs in the marine areas located between the borders of Israel, Egypt and Gaza. Given this state of affairs, it would be advisable to explore arrangements that would promote cooperation and a balance of interests allowing for the exploitation of offshore natural resources in these areas for the benefit of the State of Israel, Egypt and the Palestinians.

Dr. Shiri Zemah Shamir, School of Sustainability, IDC: The coronavirus crisis demonstrates the need for food security based on local production, to the extent possible, in order to improve the local economy. The Mediterranean could constitute a readily available source of quality protein in the near future, if regional cooperation is optimized. Cooperation among Israel, Egypt and Gaza (and perhaps additional states in the future) in preserving the health of the maritime ecological system will allow for recovery of this system and improve the quantity and quality of natural fishing. Cooperation in creating additional protein sources, such as maritime agriculture, could also provide additional jobs for local residents in the hope of normalization in the near future.