

# CRS Report for Congress

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## Israel's Proposal to Withdraw from Gaza

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### Summary

In December 2003, Israeli Prime Minister Ariel Sharon proposed that Israel withdraw its 7,500 settlers and 21 settlements from the Gaza Strip. President Bush has endorsed the plan, which is not part of the "Road Map" peace plan. Most Israelis support Sharon's proposal, but some Israelis oppose withdrawing from Gaza for religious or nationalist reasons. Opponents in the Likud-led coalition cabinet have quit the government rather than vote for the plan, leaving Sharon with a minority government. The report will be updated as needed.

### Background: the Gaza Strip

The Gaza Strip is 140 square miles (362 square kilometers), about twice the size of Washington, D.C., with a population of approximately 7,500 Israeli Jews living in 21 settlements and 1,325,000 Palestinian Arabs. The Gaza area was occupied by Egyptian forces at the end of the 1948-1949 war. From 1949 to 1967, Egypt administered but did not claim the territory. Israel occupied the Gaza Strip during the 1967 war and administered the area until the 1994 agreement recognized Palestinian sovereignty over 70% of the strip.

Shortly after the 1967 conflict, Israeli civilian settlers began establishing settlements in the West Bank, the Sinai, the Golan Heights, and the Gaza Strip. The future of West Bank and Gaza settlements is supposed to be a subject of final negotiations between Israel and the Palestinians.<sup>1</sup> The Israeli military used force to remove some of the Israeli settlers from the Sinai settlements in 1982 when Israel withdrew in accordance with the 1978 Camp David Agreement and the 1979 peace treaty with Egypt.

Israeli settlers want to remain in Gaza for two primary reasons; either they are seeking the economic and personal advantages of less expensive housing, living space, and a pleasant setting for their homes and businesses, or they believe that Gaza is a part

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<sup>1</sup> *Declaration of Principles*, Article V, Number 3. September 13, 1993.

of traditional Israel and they are fulfilling a religious and historical duty by claiming the land for a Jewish state.

## Sharon Proposal

In early December 2003, Deputy Prime Minister Ehud Olmert announced that Israel would give up its Gaza settlements.<sup>2</sup> On December 18, 2003, Sharon stated if the Palestinians were not meeting their commitments as outlined in the “Road Map” peace proposal,<sup>3</sup> Israel would disengage unilaterally from the Palestinians “within a few months.” Sharon said Israel would reduce the number of settlements in predominantly Palestinian areas and would relax some of the restrictions on Palestinian movement in the occupied territories. In mid-January 2004, Sharon said he would present his disengagement plan to the Israeli parliament (Knesset) for a vote, and in early February said the plan would call for withdrawing from 17 of the 21 settlements in Gaza<sup>4</sup> and from four small settlements in the northern West Bank.

The proposal has not remained static. Sharon apparently decided against retaining the three or four northern Gaza settlements, and added them to the 17 settlements to be abandoned. At first, all buildings and infrastructure were to be left intact for use by the Palestinians, then the plan changed to leaving only the official buildings and destroying houses. The original plan called for a one-phase withdrawal beginning in June 2004, but the plan changed to a four-stage withdrawal spaced out over one year. That later changed to a phased plan beginning in September 2005. More recently, the plan appears to start the withdrawal process in the near future, ending in September 2005, when the Israeli military or police would use force to remove any remaining settlers. Israel published an official version of the Sharon proposal on April 18, 2004 and a revised version on June 6, 2004.<sup>5</sup>

The official Israeli government document states that areas of the West Bank will become part of Israel, including Israeli population centers, towns, villages, security areas, and places of special interest. The last presumably could include Jewish religious and historical sites, such as Joseph’s tomb in Nablus. The official version also states that Israel will retain control over the air space over Gaza, control over the Gaza sea coast, and control over the boundary between Gaza and Egypt (the so-called Philadelphi road).

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<sup>2</sup> King, Laura, “Aide’s Views Roil Sharon Camp,” *Los Angeles Times*, December 8, 2003.

<sup>3</sup> The “Road Map,” created by the “Quartet” of the European Union, Russia, the United Nations, and the United States, based on President George W. Bush’s 24 June 2002 speech, called for a three-phase plan over four years to lead to final negotiations. See [<http://www.state.gov/r/pa/prs/ps/2003/20062.htm>].

<sup>4</sup> Anderson, John Ward, “Sharon Says He Wants Plan to Remove Gaza Settlements,” *Washington Post*, February 3, 2004.

<sup>5</sup> [<http://www.mfa.gov.il/MFA/Peace+Process/Reference+Documents/Revised+Disengagement+Plan+6-June-2004.htm>].

## Why Withdraw from Gaza?

The withdrawal proposal is the subject of Israeli discussions. Some Israelis note that withdrawing the settlers from Gaza saves the economic and military costs as well as the politically unpopular image of sending young Israeli soldiers in harm's way.<sup>6</sup> Another possible reason for the unilateral withdrawal suggested by some is that Israel hopes that the Palestinians will reciprocate with a peaceful gesture that could lead to serious peace talks. Others speculated that Israel hoped the United States would respond to the Gaza withdrawal by acquiescing in Israel's annexing parts of the West Bank, a goal apparently realized in part on April 14, 2004 when President Bush said the peace should recognize the "realities on the ground." Israeli officials denied that they offered to withdraw from Gaza in exchange for U.S. approval of Israeli annexation of West Bank settlements.<sup>7</sup>

On October 6, 2004, Dov Weisglass, an advisor to Prime Minister Sharon, implied that disengagement was intended to end the peace process. The press quoted Weisglass as saying: "The significance of the disengagement plan is the freezing of the peace process. And when you freeze that process, you prevent the establishment of a Palestinian state, and you prevent a discussion of the refugees, the borders, and Jerusalem."<sup>8</sup> Weisglass continued that disengagement and ending the peace process had the "blessing" of the U.S. President and the "ratification" of both houses of Congress. But despite the Weisglass statement, official U.S. policy continues to support the peace process.

## Cost

Israel will offer compensation to the settlers, but the amount and the source of the funds are uncertain. It is estimated that the 1,500 Israeli settler families in Gaza would receive between \$200,000 and \$750,000 each to move into Israel.<sup>9</sup> The payments would be compensation for their homes and businesses, but also may include additional funds for new housing allowances, business and household relocation, or other expenses. In addition, the Defense Ministry estimates that it will cost more than \$200 million to move the military installations from Gaza to Israel.<sup>10</sup> The bill passed by the Knesset on November 3 will provide \$900 million for withdrawing from Gaza.<sup>11</sup>

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<sup>6</sup> As many as 3,000 Israeli troops are needed to protect the 7,500 settlers at a cost "tens of millions of dollars per year." Hammer, Joshua, "Guns Over Gaza," *Newsweek*, April 5, 2004.

<sup>7</sup> "Israeli Vice Premier: Not Seeking US OK for Gaza Pullout," *Dow Jones International News*, March 26, 2004. Kessler, Glenn, "U.S. Views Gaza Proposal as Possible Interim Step," *Washington Post*, February 26, 2004.

<sup>8</sup> Shavit, Ari, "Top PM Aide: Gaza Plan Aims to Freeze the Peace Process," *Haaretz*, October 6, 2004. [<http://www.haaretz.com/hasen/spages/485491.html>].

<sup>9</sup> Alon, Gideon, "Some Settlers Will Get up to \$750,000 in Compensation," *Haaretz*, November 2, 2004.

<sup>10</sup> Israel Army Says Gaza Pullout to Cost \$200 Million, Reuters, 24 June 2004. Farrell, Stephen, Gaza Settlers Split as Opposition Grows to Sharon Pullout, *The Times* (London), June 14, 2004.

<sup>11</sup> Gaza Withdrawal Plan Takes Step Forward, *Agence France Presse*, November 3, 2004.

Observers have speculated that Israel will request supplemental aid from the United States to pay for the retreat from Gaza, and there have been reports in the Israeli press that Israel requested additional funds. But Israeli embassy spokesmen have stated that Israel has not requested additional funds, and has no intention of doing so.

## Validation

A recurring concern since the Prime Minister announced the withdrawal scheme was the need for a vote (in the cabinet, the Knesset, or a national referendum) to validate the Prime Minister's proposal. In early December 2003, Prime Minister Sharon said that he would make no concessions on the settlements without a cabinet vote. On January 12, 2004, Prime Minister Sharon said he would submit the withdrawal plan to the Knesset, presumably for a vote of approval. But no vote was held; perhaps the Prime Minister feared that a vote against his plan would lead to a vote of no confidence against his government and new elections. Also, President George W. Bush endorsed the withdrawal plan during an April 14 meeting and Prime Minister Sharon may have believed that no further endorsement was necessary. Whatever the case, the Likud Party decided, over Sharon's objections, to hold a vote of its 193,000 members. On May 2, 2004, about one half of the members voted, rejecting the proposal by a margin of 60% to 40%.

On June 7, the cabinet voted 14 to 7 to approve Israeli disengagement from Gaza. Prior to the cabinet vote, Sharon fired two ministers who were going to vote against him and replaced them with two ministers who favored the plan. Two more ministers quit after the vote, and two political parties, representing 13 seats in the Likud-led coalition, pulled out, leaving Sharon with 55 seats in the 120 seat Knesset. On August 18, the Likud Party convention voted to support the withdrawal from Gaza. On October 25, the Knesset voted 67 in favor, 45 opposed, with seven abstentions and one absent, to authorize the withdrawal from the Gaza Strip. Shortly after the vote, Finance Minister Binyamin Netanyahu and three other Ministers said they would resign from the government unless there were a national referendum on the question of withdrawing from Gaza. Sharon refused to hold a national referendum, and eventually the Ministers withdrew their threats to resign. On November 3, the Knesset voted 64 to 44, with nine abstentions in favor of a first reading of a bill to finance the Gaza withdrawal.<sup>12</sup>

## Reaction to the Proposal

**Israel.** According to public opinion polls, a majority of Israelis favor the Sharon proposal for a unilateral withdrawal from Gaza.<sup>13</sup> Opponents include some Israeli Orthodox Jews who reject the withdrawal proposal because they believe the territories (Gaza Strip, West Bank, and Golan Heights) are part of the land of Israel (promised by God) and may not be surrendered to the Palestinians. Some conservative and nationalist Israelis want to expand the state for economic or military reasons. The religious and nationalist Israelis became the core opposition to the Sharon withdrawal proposal. Some, including a former chief rabbi, claim that Sharon's surrendering Israeli land (Gaza) is a

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<sup>12</sup> Knesset bills are read and voted on three times before passage.

<sup>13</sup> Plett, Barbara, "Israeli Settlers' Extreme Devotion," *BBC News*, October 1, 2004. Pollak, Eli and Yisrael Medad, "The Polling Game," *Jerusalem Post*, 8 August 2004.

crime under Jewish law punishable by death, a point that reminded many of the 1995 assassination of then Prime Minister Yitzhak Rabin.<sup>14</sup> The threat of violence against the Prime Minister and the prospect of settler armed resistance to removal from Gaza appear to be a cause for concern among many Israelis.<sup>15</sup> Israelis remember the 1982 withdrawal from Sinai and the confrontation between the settlers and the IDF, and fear that the Gaza withdrawal will create more Israeli v. Israeli violence.

**Palestinians.** For the most part, Palestinians accepted the Sharon plan, but only because they saw the Israeli withdrawal from Gaza as a first step to full Israeli withdrawal from all the territories occupied since 1967. Most Palestinians distrust Sharon and the Israelis and do not believe that Israel will adhere to the timetable, and most Palestinians are concerned that Israel's unilateral steps will bypass the peace process.

**United States.** One early U.S. reaction to the Sharon proposal was to seek "concrete steps" that would conform to the Israeli commitments to follow the "Road Map" outlined by President Bush in June 2002 and adopted by the "quartet" in November.<sup>16</sup> The United States approved the Israeli disengagement plan, but sought Palestinian assurances that the Palestinians could maintain order during the transition. The fear, according to press reports, was that Hamas or other Islamic militants would seize control of Gaza as the Israelis withdrew and stop the peace process.<sup>17</sup>

President Bush endorsed the Sharon proposal at his April 14, 2004 White House meeting with the Israeli Prime Minister, calling the withdrawal plan "bold and courageous." The President also repeated that Israel had a right to defend itself, and added that Israel would continue to control the air space over Gaza, the territorial waters around Gaza, and the land bridge between Gaza and the West Bank, that the Palestinian refugees should be settled in the Palestinian areas, and not in Israel, and that the peace should recognize the "realities on the ground," which many interpreted as a U.S. approval of Israel annexing parts of the West Bank. According to some observers, the President's 14 April statement appeared to change the U.S. positions that a solution to the refugee problem, future boundaries of Palestine, and the future of settlements should be negotiated. According to press reports, Secretary of State Colin Powell telephoned Arab leaders after the April 14 statements to reiterate that the United States favored negotiations, and did not endorse a particular outcome to talks, and that the Sharon proposal would result in the Palestinians regaining part of their territory.<sup>18</sup>

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<sup>14</sup> Gorenberg, Gershom, "Reasonable Doubt," *Jerusalem Report*, August 23, 2004. See also The Assassination of Yitzhak Rabin in the Jewish Virtual Library, [<http://www.jewishvirtuallibrary.org/jsourc/History/rabinass.html>].

<sup>15</sup> Blanche, Ed, "The Enemy Within ... ," *The Middle East*, issue number 350, November 2004.

<sup>16</sup> Zacharia, Janine, "Washington Wants 'Concrete Steps'," *Jerusalem Post*, February 3, 2004.

<sup>17</sup> Kessler, Glenn, "U.S. Seeks Safeguards for Israel's Gaza Pullout," *Washington Post*, February 18, 2004.

<sup>18</sup> "Powell Working to Placate Arab Leaders," *Dow Jones Newswire*, April 16, 2004.

## Next Steps

The Israeli withdrawal from Gaza may meet its September 2005 schedule, but could be delayed if Sharon's minority government falls, and Israel opts for early elections.

Palestinian militants may view the pending Israeli withdrawal as a sign of weakness and increase their attacks on Israeli targets, triggering more Israeli retaliation and prolonged warfare. Or, in an opposite vein, a new Palestinian President elected on January 9, 2005, may take actions, such as collecting weapons or moving against terrorist groups, that would serve as the response sought by Israel as preliminary to reopening negotiations.

The Bush Administration may maintain its present low profile, or seek a more active role in peace negotiations, either through a direct U.S. engagement or by encouraging others, such as the EU, Egypt, or the U.N., to engage in the peace process.

Congress may consider or be asked to consider additional foreign assistance to fund the Israeli withdrawal from Gaza, direct funding for the Palestinian Authority<sup>19</sup>, or U.S. endorsement of an international presence in Gaza.

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<sup>19</sup> Entous, Adam, "Bush Plans to Give Aid to Palestinians - Sources," *Reuters*, November 18, 2004.