

## Following Latest Mideast War, Look to Natural Gas Negotiations

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For more than a week Israel and Hamas have been battering each other with rocket fire coming from Hamas in Gaza and airstrikes coming from Israel. The destruction and loss of human life are appalling – from both sides of the conflict. Gaza, whose economic possibilities always take a backseat to Hamas’s military desires, has been set back a decade – yet again. Barely recovering from the last major conflict in 2014, and under constant economic restrictions from both Israel and Egypt due to its Hamas priorities, the densely populated strip must now again dig out from the rubble. When it is done burying its dead, it must try to reestablish its antiquated power and utility systems, and rebuild large swaths of housing, other buildings, and its infrastructure in general. This was destroyed over the last week by the Israelis as they bombed Hamas’s extensive tunnel network that provided its fighters with mobility but Gaza’s citizens with little else.

Regionally, the 2021 War has to be regarded as a huge disappointment for Hamas. It succeeded in three ways: it showed that it would act when the Palestinian street felt that its claims to Jerusalem were being marginalized; it showed that it could continue to fire rockets at Israel throughout the conflict, no matter how much damage Gaza sustained; and it caused internal ruptures in Israeli society as traditionally mixed Arab-Jewish Israeli cities like Lod and Akko suffered devastating sectarian riots. Within the larger Middle East, however, Hamas got nothing but lip service, and precious little of that. There were some riots along the Israeli/Lebanese border and a couple of rockets fired at Israel from both Lebanon and Syria, none of which struck Israel, but there were few large-scale anti-Israeli protests in the Arab or Muslim world. Those mostly were reserved for London, Paris, and Toronto.

Has the Arab world moved on from the Palestinians? Or at least have the Arab states gotten so exasperated with the Palestinians eternal refusal to accept half-a-loaf (as Israel did in 1948) in order to establish an independent Palestinian state that the other Arabs no longer feel bound to limit their policies to placate the Palestinians?

One indicator that might come in the very near future will be natural gas negotiations that have been underway intermittently between Israel and Lebanon.

As reported frequently here, the discovery of large natural gas fields in the Mediterranean has been an energy, economic, and political game changer in the Middle East. Israel, which watched for decades as the Arab world played the “Oil Card”, now has key energy resources of its own, which it has developed and about which it has entered key partnerships with Greece, Cyprus, and Italy. Israel’s northern neighbor, Lebanon also has these resources, worth an estimated \$6 billion. They are a lifeline for a country that can’t

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produce enough electricity to provide its own people with consistent power. Unlike Israel, however, Lebanon has been unable to develop these resources because of historic Lebanese internal paralysis and because of a continuing dispute with Israel over the demarcation line for each country's international maritime boundary.

Lebanon and Israel technically are still at war. Lebanon has never recognized Israel, and no border has ever been established. The maritime boundary remains an area of contention. During the late 2010's, the two sides

negotiated fruitlessly over the demarcation line. In 2020, following a massive explosion in Beirut that wrecked much of the city and laid bare the incompetence of Lebanese politics, Lebanon

agreed to return to the negotiating table with Israel. That process came to an abrupt halt in mid-April when, in typical Lebanese style, Lebanon suddenly changed its negotiating position. Claiming "Lebanon is within its rights to evolve its position," President Michel Aoun demanded that Israel immediately cease all of its natural gas development in the "Karish" field, and

claimed for Lebanon an additional 1,430 square kilometers of maritime territory over and above the original 860 square kilometers that were the subject of negotiation.

Two weeks later, Lebanon did another about-face and

dropped the entire demand for additional territory. Directly contradicting his earlier statement, Aoun stated that the negotiations should go on with no preconditions and that Lebanon should retain the original claim to 860 square kilometers.

Clearly, Aoun's shifting positions reflect political tensions in Lebanon, where Iranian-proxy Hezbollah holds ultimate power. However, the current Lebanese economic situation has become so dire that even Hezbollah recognized the need to bring some prosperity to Lebanon. That need was reinforced when Hezbollah mostly stayed out of the Israel-Hamas war, despite maintaining a rocket arsenal much larger and more sophisticated than Hamas's.

Whatever the outcome of the Israel-Hamas fighting, the economic situation in Lebanon won't be improved. If within a short period after the bombings end Lebanon returns to the table with Israel, it will clearly show how economic realities can change political stances. For Hamas, that means that it will be more isolated than ever, with nobody but the Mullahs in Iran to truly rely on. For Hezbollah, it means that its hold on Lebanese politics and society remains so tenuous that it not only sat back and watched its ally get pummeled, it then allowed a return to the negotiating table with the sworn enemy who did the pummeling.

For the larger Arab world, and the world in general, it means the picture is much brighter. This would show that there really may be hope for peace at some time in the future, as those parties whose platform relies solely on hatred of others have lost out – at least temporarily – to those who appreciate the demands of their people for a better life.

#### **ATTORNEYS MENTIONED**

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