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**Benjamin Netanyahu's new government:
challenges of engagement and opportunities for peace**

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Introduction

In 1977, after being elected Israel's first Likud party prime minister, Menachem Begin, the head of Irgun in British-ruled Palestine, recruited former Labor party member Moshe Dayan to his new government. Dayan, a war hero whose trademark was a black eye-patch, was a respected figure in both Israel and abroad. By appointing him foreign minister, Begin wished to impress on the international community that they should not fear the new right-wing Likud government.

Coalition constraints forced the newly-elected prime minister of Israel, right-wing Likud party leader Benjamin Netanyahu, to appoint the controversial Avigdor Lieberman, head of the right-wing Yisrael Beiteinu party, as his foreign minister. However, he also brought Ehud Barak into his coalition, the chairman of Israel's centre-left Labor party. Barak, who served as prime minister from 1999 to 2001, is widely regarded as a peace-maker. He broke taboos with his efforts to strike peace deals with Arabs and Palestinians during his premiership, most notably in his peace offer to Palestinian leader Yasser Arafat at Camp David in July 2000.

In addition, to secure the Labor party's inclusion in his government, Netanyahu has made significant policy concessions on the peace process. The Likud-Labor coalition deal committed Netanyahu to abiding by all previous peace agreements signed by Israel: these include the 2003 Roadmap, in which Israel and the Palestinian Authority obligated themselves to a two state solution. The coalition agreement also gave Labor five ministerial positions, two deputy ministerial posts and established that the government will increase spending on pensioners and the unemployed. Many Labor members and MK's originally opposed to joining Netanyahu's Likud-led coalition, voted in favour of the move over the specific contents of the deal.

However, whilst Barak won the party's backing to join the coalition, seven of Labor's 13 MKs opposed their chairman's stance. Whilst this weakens Barak's authority somewhat, it will, if anything, force him to play the role that he insisted he would do, namely to "be a counterweight to

make sure there won't be a right-wing extremist government." There is already strong evidence that Barak is playing his part in dragging the coalition in a pro-peace direction, recently calling for both a regional peace plan and new negotiations with Syria.

By recruiting Barak and paying Labor a lot in terms of ministerial posts and policy commitments as a reward for joining the coalition, Netanyahu, like Begin in the 1970s, is signalling to the international community that his will be a reasonable government. Of course in assessing the politics of Israel's new government one cannot overlook the new political reality in Israel as expressed in the results of the latest general elections, namely that the Israeli public has moved sharply to the right and the left has suffered a crushing blow. This new reality, however, does not mean that the Middle East peace process is doomed, or "dead" as some commentators often put it. We should recall that it was a right-wing Likud leader, Begin, who was the first Israeli prime minister to strike a peace deal with an Arab country – Egypt in 1979. Begin removed Jewish settlements and returned the occupied Sinai to Egyptian hands after more than a decade of occupation. And it was prime minister Ariel Sharon, after spending most of his political career in Likud, who removed all Jewish settlements from the Gaza Strip and withdrew Israel's civilian and military presence in August 2005 following almost four decades of occupation.

Nonetheless, in assessing how Britain, along with the EU and the US, should assist in reviving the Middle East peace process one should be realistic about what the new Netanyahu government – the largest in Israel's history with thirty ministers – can and cannot do.

Looking back

Netanyahu is no stranger to political office or working with the international community, as this is his second term as prime minister. Although he is now more mature and experienced, looking back at his first tenure as prime minister may provide some clues as to how things could develop in the future.

Netanyahu's previous term as prime minister from 1996 to 1999 was, as far as the peace process is concerned, a mixed bag. He had little trust in the late Palestinian leader Yasser Arafat and found implementing the Oslo agreements that the previous Labor governments had signed with Arafat a bitter pill to swallow. Netanyahu, it is worth mentioning, regards the establishment of a Palestinian state as a danger to Israel's existence, but despite this he never really abandoned the peace process, generally keeping to his word. As he put it to me in a 1996 interview: "I'll honour formal commitments signed by previous governments." We can therefore assume that although he will be reluctant, it is very likely that Netanyahu *will* respect the commitments of previous Israeli governments and these, as we know, have agreed to a two state solution to the Israeli-Palestinian conflict.

Some of Netanyahu's decisions during his first tenure as prime minister infuriated the Palestinians, the Arab world and the international community. Less than three months after being elected he accepted the proposal of the then Mayor of Jerusalem, Ehud Olmert, to open a second entrance to an archaeological tunnel running alongside the western foundation of what is known as the Temple Mount by Jews and the al Aqsa Mosque by Muslims – the site of one of Islam's holiest mosques. This sparked off a battle between Israelis and Palestinians which endangered the whole peace process and forced an American intervention and a summit in Washington on 29 September 1996 to calm things down. Netanyahu also angered Arabs and Palestinians with his policy of building settlements on occupied land, most notably in Har Homa, East Jerusalem, which was regarded as an Israeli attempt to cut-off and isolate Jerusalem from the rest of the West Bank and make Palestinian access to the holy city more difficult.

On the other hand, Netanyahu did make progress on the peace process during his first premiership. It was Netanyahu who withdrew from the city of Hebron and divided it with the Palestinians as agreed by the previous government. This was, no doubt, a brave and bold move. Whilst Netanyahu's predecessors, the late Yitzhak Rabin and his

successor Shimon Peres, hesitated to pull out of Hebron, for fear of provoking Jewish settlers for whom Hebron is regarded as a holy place, Netanyahu took the bull by the horns and ordered the withdrawal despite strong opposition from his right wing supporters. He also signed the Wye Memorandum with Arafat in 1998 which included a pledge to transfer 13 percent of West Bank land to the Palestinians and which was aimed at giving new momentum to the stalled Israeli-Palestinian peace process.

Netanyahu, we now know, also went quite far in his attempts to strike a peace deal with Syria. In indirect negotiations with the late Syrian President Hafez el-Assad, employing the services of his acquaintance Ron Lauder, a prominent American businessman and Jewish community leader, Netanyahu offered Assad an Israeli withdrawal from the Golan Heights which Israel has occupied since 1967. Netanyahu proposed that the Israeli-Syrian border be created a short distance from the Sea of Galilee's eastern shore, allowing Israel to retain the source of approximately 35 percent of its fresh water supplies. Netanyahu was even willing to travel to Damascus in person to deliver a map showing the line of the suggested withdrawal. Those who stopped Netanyahu from proceeding with this daring initiative were two of his cabinet ministers, one of whom was Ariel Sharon, soon to be prime minister of Israel himself.

So, whilst Netanyahu's tone and certain policies during his first administration were quite hostile, the perspective of history also identifies some bold, positive moves, most notably, as shown, his withdrawal from Hebron, his signing of the Wye Memorandum with Arafat and a major peace offer he put to Assad of Syria, including an Israeli withdrawal from the Golan Heights.

Benjamin Netanyahu and Barack Obama

This background perhaps explains why officials in Washington, whilst regarding Netanyahu as difficult – if not hostile – also believe that he is someone who could be brought to the negotiating table. His personal relationship with President Barack Obama is unlikely to be easy – the two are simply too different – and it is unlikely that when they start working together we will witness warm

and personal relations on the level that existed between Netanyahu's predecessor, Ehud Olmert, and George W Bush. Thus far – and these words are written before the first Netanyahu-Obama meeting has taken place – dialogue between Jerusalem and Washington has been conducted via uncoordinated and often spiky public statements and meetings held with Obama's newly appointed Special Envoy for Middle East Peace, George Mitchell. Israel's new Foreign Minister Avigdor Lieberman – with or without Netanyahu's consent – has already swept aside the Bush-Rice Annapolis concept, at the heart of which lays the two state solution, announcing that only the 2003 Roadmap is binding because the Roadmap, unlike Annapolis, conditions Israeli-Palestinian peace negotiations on quashing Palestinian terror organisations. Obama, in reaction to this and other Israeli statements, made it crystal clear in a speech he gave on a recent visit to Turkey that the United States “strongly” supports a two state solution and that the Annapolis concept is alive and well, along with the Roadmap. Both US Vice President Joe Biden, in his speech to the 2009 American Israel Public Affairs Committee conference, and George Mitchell, in his recent visit to Israel, have also repeated the US commitment to a two state solution.

For now, although this might well change, it seems that Obama's order of priorities is to tackle the Israeli-Palestinian conflict first and then deal with the Israeli-Syrian dispute later. Whilst the noises coming from Washington are about a “comprehensive” Middle Eastern peace process where all issues are discussed in parallel and no priority is given to any particular track of negotiations, in reality, for Israel, concluding peace with more than one enemy at a time, or raising two flags at the same time as the late Yitzhak Rabin once put it, is much too difficult. True, negotiations on all issues and amongst all parties involved in the conflict can take place at the same time, and this is what Obama's envoy said the US will aspire to do, but when the moment comes to sign on the dotted line, priority is often given to one peace track, whilst the others are put temporarily on hold.

In his meeting with Prime Minister Netanyahu, scheduled for 18 May, President Obama is likely to raise the issue of the 2002 Arab Peace Initiative, in which leading Arab nations offered to end their conflict with Israel and establish normal relations with her in exchange for a full Israeli withdrawal to the 4 June 1967 lines, recognition of an independent Palestinian state with East Jerusalem as its capital and a just solution to the Palestinian refugee problem. Netanyahu will be reluctant to accept the Arab plan, not least because of the strong opposition of his main coalition partner, Foreign Minister Lieberman, who called it a “dangerous proposal, a recipe for the destruction of Israel”. To avoid a confrontation with Washington, Netanyahu might offer his own plan, as recently suggested by his defence minister Ehud Barak, which would be based on the Arab plan. The bottom line, however, is that Netanyahu is very likely to make clear to Obama that, whatever the chosen formula, there will be a need for tough negotiations over all aspects of any agreement.

Syria or the Palestinians

This brings us to two opposite schools of thought regarding how to sort out the prominent remaining disputes, namely the one between Israelis and the Palestinians and the one between Israel and Syria. Of course there is also the Israeli dispute with Lebanon and, generally speaking, Israel's conflict with the “Arab world,” but the assumption is that resolving the conflicts with the Palestinians and the Syrians will put an end to the entire Israeli-Arab conflict and there will be a general Arab acceptance of Israel's right to exist in the Middle East.

The first school of thought says that one should immediately deal with the Israeli-Palestinian conflict as the Palestinian front is more urgent and bloody than the relatively quiet Israeli-Syrian front. The other school of thought says that priority should be given to the Israeli-Syrian dispute. This latter approach is often referred to as “Syria First.” In the past, the Syria First approach had the upper hand and Israeli prime ministers from Rabin, through Peres, Netanyahu (during his first tenure) and Barak, all tried making peace with Syria first, only turning to the Palestinian peace track when peace attempts with Syria failed or

when international pressure to do something on the Palestinian front was mounting. Former US President Bill Clinton, who worked with all the above prime ministers and devoted much time to solving the Israeli-Palestinian-Arab conflict, agreed with the Syria First approach, which made sense given that the Israeli-Syrian conflict is less complicated than the Israeli-Palestinian conflict to solve. After all, on the Golan Heights there is no Temple Mount and no refugee problem. Also, the high mountains of the Golan have lost much of their strategic importance, allowing Israel to trade the land for peace. In the past, standing on the Hermon Mountain in the northern Golan Heights, one could see deep into Syria and prepare for any military attack emanating from Syrian soil; but now Israel can use satellites to see deep into Syria from space. Also, in the past, when tanks still comprised the backbone of the Israeli armed forces, one needed the Golan for manoeuvring and conducting land operations. Although tanks still play an important role in the Israeli army, nowadays the state has sophisticated "flying tanks" with its attack helicopters, which could compensate for any ceded territory.

Netanyahu's defence minister, Ehud Barak, is a strong believer in the Syria First approach and as the minister in charge of the armed forces would have to conduct the withdrawal from the Golan Heights if it was ordered. In addition, Netanyahu himself was willing in the past to negotiate a withdrawal from the Golan, thus providing a strong indication that the new Netanyahu government might well prefer attempting a peace agreement with Syria first, not least since such an initiative could relieve pressure on Netanyahu to deal seriously with the Palestinian problem. Netanyahu is acutely aware that any attempt to sort out the Palestinian conflict by dealing head-on with such sensitive issues as the future of Jerusalem, the rights of the Palestinian refugees, the future borders of a Palestinian state and the details of its sovereignty and powers, could result in the total collapse of the coalition, many of whose partners are not willing to discuss these issues at all.

There is also the practical issue of addressing the Israeli-Palestinian conflict first: it is not clear who

the Palestinian partner for negotiating peace would be. Since the Palestinian militant group Hamas won power from Fatah in the January 2006 elections and then took over the Gaza Strip by force in 2007, tensions between the two Palestinian factions have deepened. The Palestinian leadership is effectively split: Hamas is in control of the Gaza Strip and refuses to renounce violence, recognise Israel and respect previous agreements signed with her; and President Mahmoud Abbas' Palestinian Authority is in control of the West Bank (where Israeli forces also operate on the ground against Hamas and other militants). Article IV of the 1993 Oslo Accords between Israel and the Palestinians made it crystal clear that "The two sides [Israel and the Palestinians] view the West Bank and the Gaza Strip as a single territorial unit, whose integrity will be preserved ..." Alas, given the split between Gaza and the West Bank, this is practically impossible. Splits in movements fighting for independence are not an unusual phenomenon (the Zionist liberation movement in British-ruled Palestine was split between Haganah, Irgun and the Stern Gang) and it is likely that sooner or later Hamas and Fatah will reconcile and work together. For now, however, the ideological differences between the two factions and the physical split between the Gaza Strip and the West Bank are facts of life, meaning that there is no reliable Palestinian partner with whom Netanyahu – even if he so wished – could negotiate an endgame.

...and Iran?

Iran is a major obstacle to peace in the Middle East. Should Iran arm herself with nuclear weapons, this would certainly put an abrupt end to any Arab-Israeli peace talks. No Israeli prime minister – from the left or the right – would garner the necessary public support to give up land at a time when Israel is considered to be facing an existential threat. As long as the danger of nuclear bombs landing on Israeli cities exists, control of *more* land and the strategic depth it provides, will better guarantee Israel's security. As long as the Iranian threat to Israel exists Israelis will be reluctant to make concessions on the land it currently controls.

Before the elections Netanyahu said that “if I am elected, Iran will not acquire nuclear arms.” Elsewhere, he described Iran’s nuclear program as “an existential threat to Israel.” Netanyahu is sceptical about the power of diplomacy to stop Iran from gaining the bomb and he believes that halting Iran could only be achieved by the threat, or the actual use of military force. Israel’s security-strategic community is deeply divided on whether Israel should strike Iran militarily. There are those who believe that the Israeli Air Force could reach and destroy Iran’s nuclear facilities, delaying the nuclear programme by three to four years, thus providing Israel with the time to prepare for an Iranian attack. However, others in Israel think that such a mission is much too risky and might draw the entire Middle East into a devastating war, with Israeli towns and cities being hit by Iranian missiles and Israel acquiring a long-term enemy.

In his forthcoming first meeting with President Obama, Prime Minister Benjamin Netanyahu will link the Iranian threat to Israel’s existence and the Israeli-Arab-Palestinian peace process. He will insist, as explained, that it would be difficult – if not impossible – to promote peace and compromise with the Palestinians whilst under an Iranian nuclear threat. Netanyahu will not oppose peaceful negotiations with Iran, but he will insist on a clear deadline for negotiations between Iran and the US, lest Tehran purposefully prolongs the negotiations in order to gain time to proceed with its nuclear programme.

What to do?

UK policy makers must appreciate that the flexibility of the current Israeli government is quite limited and that nudging Netanyahu in the wrong direction might well be counter-productive. Given the current composition of the Netanyahu coalition, solving the Israeli Palestinian conflict in the near future is unrealistic. If Netanyahu does try to do so the coalition will collapse, in which case there will be further damage to the prospects for peace. Instead, the task of Britain and others should be to encourage the Netanyahu government to sensibly *manage*, rather than solve, her relations with the Palestinians on the West Bank *and* in the Gaza Strip. This could be achieved by, for

example, freezing the building of Jewish settlements on the disputed land and removing illegal outposts; removing checkpoints and roadblocks which make Palestinian lives difficult and have a severely negative effect on the Palestinian economy; reducing friction between the army and the Palestinians by transferring security responsibilities in West Bank towns and cities to the Palestinian Authority; protecting Palestinian lives in flash-points, notably in Hebron; and freezing the demolition of illegal Palestinian houses in Jerusalem, as has sparked violence in the past. It is of great importance to encourage Netanyahu to maintain the constant flow of goods – food, fuel and building materials – into the Gaza Strip which might, together with the deterrence achieved by Israel in Operation Cast Lead, discourage Hamas and other extremists from firing rockets into Israel.

Britain also has a role to play in persuading Washington to nudge Netanyahu in the direction of resolving the conflict with Syria, where it is more realistic to reach a lasting peace. Solving the Israeli-Syrian conflict will also have a positive effect on other fronts, most notably on the Israeli-Hezbollah and the Israeli-Hamas conflicts, as Syria supports both Hezbollah and Hamas, not least by hosting some of their leaders in Damascus.

For Israel to act positively on the peace process she must first feel safe and confident. This can only be achieved if she is not threatened, as she is now by Iran’s nuclear ambitions. Britain, as one of the most respected members of the international community and which also enjoys a special relationship with the US, must give its first priority to tackling the Iranian problem.

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