

**THE MIDDLE EAST IN 2015**  
**The Impact of Regional Trends on U.S. Strategic Planning**  
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**Chapter 5**  
**Israel: Reconciling Internal Disparities?**  
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For the next decade, Israel probably will remain the most militarily powerful and economically dominant non-oil power in the Middle East. While Israel's neighbors-Syria, Jordan, the Palestinians, Egypt, and Saudi Arabia-will experience a series of national leadership changes, none of these successions, individually or collectively, is likely to threaten Israel's well-being or bring about another Middle Eastern war. Regional powers' acquisition or production of weapons of mass destruction (whether chemical, biological, or nuclear) and the requisite delivery systems will pose the primary threat to Israeli security.(1) Political and economic turmoil that may cause unrest in surrounding Arab states and among Palestinians will have a marginal impact on Israel's economy but not on its existence. Israel's bipartisan foreign policy will remain focused on creating, sustaining, and broadening relationships with contiguous neighbors while trying to generate deeper interstate relationships with noncontiguous Arab and Muslim states. Most Arab states will continue to believe that Israel is not making concessions to

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the Arab side quickly enough and will try to find ways to slow or halt aspects of normalization with Israel. At the same time, Israel's participation in globalization in its many forms will make it an object of envy and fear to its neighbors. Israel's economic growth also will distance it from its neighbors, Generating further imbalances in gross national and gross domestic products. Israel will further expand its markets into Southern and Central Asia and sustain its trading relationships with Europe and the United States.

The irony for Israel is that as it seeks diplomatic normalization in the region and expands its trade areas-therby enhancing its national strength and security-enormous pressures are building within the country to resolve myriad domestic problems. As Israel enters its second 50 years, areas of domestic distress could be as troublesome and contentious to Israelis as were their earlier fears about their hostile Arab neighbors. Israelis, while possessing the intellectual ability, technology, and resources to identify their domestic problems, are nonetheless endlessly embroiled in protracted debates about how to resolve them. Over the next two decades, Israel is not likely to become any more efficient in resolving key internal and external issues than it was in the first half-century of its existence. Cleavages in Israeli society are profound and deep. A split between the left and right over how to deal with the Arabs hampers Israel politically. The Ashkenazi-Sephardi division is profound, while the ultra-Orthodox-secular gap seems almost unbridgeable. Israeli Jews and Israeli Arabs are growing farther apart, especially as Palestinian statehood is debated and the current wave of Israeli-Palestinian confrontation continues. Both events have prompted previously unraised questions about Israeli Arab loyalty to the state.

Finally, Israel's recently revised election system encourages division between the prime minister and the parliament. The procedure of casting separate ballots for both creates parallel lines of political legitimacy to both. With a parliament already fragmented and acting in a highly developed, contentious political culture, a prime minister cannot lead or take initiative except on very basic national consensus issues like the country's security. The downfall of Israel's last

two prime ministers (Benjamin Netanyahu in 1999 and Ehud Barak in 2001) occurred because both negotiated agreements with the Palestinians to which the Israeli parliament vigorously dissented, causing the marginal coalition governments to fall. With five prime ministers in little

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more than 5 years (November 1995 to February 2001), no stability in governance is achievable until the election system is changed. Without such a change, plans and actions to implement reform on the domestic agenda will remain paralyzed.

Furthermore, Israelis will tackle tough domestic issues and underlying social cleavages only if their lifestyles are immediately threatened. A wise Israeli leader would focus on resolving those issues that benefit most elements of society: reducing unemployment, improving transportation, protecting the environment, and assuring water supplies. Meanwhile, Israelis are seeking a sense of belonging that goes beyond an identity articulated by partisan or ethnic politics. They are in the midst of defining a national cultural identity that is Israeli but not Zionist, contemporary but linked to the Jewish past, Jewish but not prescriptive, identifiable but not ideological. This definitional process will be achieved neither easily nor quickly. Israelis understand that they need to define themselves by who they are or want to be rather than by what someone else tells them they are not. Israel remains, as it has since birth, in a struggle to make its immigrant melange into a workable mosaic. The definition that Israelis choose for themselves will be neither homogeneous nor static. They are a post-emancipation people living in the most powerful country in the Middle East, but they remain people bound to their geographic origins and Diaspora past who have yet to become comfortable with the role that Jews play in a Jewish state. Israelis, even in the midst of or despite a negotiating process, have security fears that remain indelibly imprinted on their national character. These fears will not dissipate simply because peace treaties are signed between the state of Israel and its Syrian, Lebanese, or Palestinian neighbors. Moreover, the renewed *intifada* with the Palestinians reinforces Israelis' unwillingness to trust fully their neighbors, a distrust that will linger even if peace comes tomorrow.

### Israel's Middle Eastern Environment

For much of its history, Israel has been able to make decisions free of Arab pressure because of individual Arab states' weakness and inter-Arab disunity. Arab succession issues only add to Israel's relative freedom to make national decisions without constraints imposed by Arab neighbors. Certainly, the succession process in several neighboring Arab states will influence the nature of Israel's relationship with

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those countries, but barring radical shifts among the front-line states away from a negotiated settlement and toward conflict, Israel will withstand the various political ripples from the succession shocks.

*Seeking Trends in Israel's Relations with Arab Neighbors.* Until the events that began the latest *intifada* in September 2000, most Israelis assumed that an Arab-Israeli negotiating process would transform the conflict into a series of disconnected and inconsistent relationships to accompany Israel's military and economic superiority. The Israeli public is as interested in foreign policy as the American public appears disinterested. On matters of national security, the Israeli population is split into thirds; one-third are hawks who do not trust the Arabs, one-third are doves who do not trust the Arabs, and one-third are in the middle, neither hawks nor doves, neither trusting nor distrusting the Arabs.(2) Within various ethnic and religious groups, one can find both hawks and doves. The extreme center in Israel likely will be where future Israeli political campaigns will be fought, even with the emergence of Russian Jewish, Israeli Arab, and Sephardi voting blocs. In an event, security matters were of primary concern in the February 2000 election and will remain the paramount issue for the foreseeable future.

According to a Gallup Poll released in November 1999, "It was already clear that national priorities as perceived by the public had undergone a transformation and social and economic affairs had taken the place of the diplomatic-security complex."(3) At that time, Israelis seemed

to have internalized an accommodation with the Palestinians that included, if necessary, the establishment of a Palestinian state. They also appeared to feel more confident about their personal and national security. Since 1987, Israelis have slowly accepted the notion that a Palestinian state will come into being by 2004. When the 1999 Israeli election campaign began, support for the Oslo Accords was close to 70 percent among Jewish Israelis. Eighty percent reported enhanced feelings of personal security since the beginning of the peace process; two-thirds thought that most Palestinians wanted peace. In January 2001-4 months after the *intifada* began-- two-thirds of the Israeli Jewish public still deeply favored a negotiated peace process. One month later, almost two-thirds of the Israeli Jewish public voted for Ariel Sharon. Israelis were not suddenly opposed to reaching agreements with their Arab neighbors, but they declined to have former Prime Minister Barak steward that process. Just as it had

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done before the May 1996 elections, Palestinian Arab violence prior to the 2001 elections greatly influenced the Israeli public to put the brakes on the negotiating process, as distinguished from breaking it off.

The earlier Gallup Poll also revealed that greater portions of Israelis were pessimistic for the long term. While two-thirds of Israeli Jews thought that the chances of peace would be sustained between 1999 and 2002, almost half thought that the probability of war between Israel and an Arab state in that period was high nonetheless. Fifty-four percent thought that the Golan Heights would be returned to Syria within 10 years. When asked in May 1998 about the next 50 years, two-thirds of the Israeli public believed that a Palestinian state and an Israeli state would be coexisting. Equally important, the same number were sure that the state of Israel would exist in 2048, but significantly, one-quarter of Jewish Israelis polled said the state of Israel would not be in existence in 50 years!(4)

Several factors-an inability to end the violent confrontation that began in September 2000, a return to a prolonged stagnation in the Palestinian-Israeli track, a break in Egyptian-Israeli or Jordanian- Israeli diplomatic relations-will cause U.S. foreign policymakers to yearn for the difficult days of the May 1996-May 1999 period. A complete breakdown of the peace process negotiations will force Israel to seek reassurance of American friendship and commitment to its security. This will make diplomatic life very difficult for the Department of State in particular and parts of the Executive branch in general, as officials find themselves trying to shape a policy that retains the U.S. role as an honest broker and preserves interests in the Arab world while protecting America's special relationship with Israel. Israel's advantage now, as it has been since the Johnson administration, is its influence on Capitol Hill. When the President is even slightly antithetical to Israel, the American Jewish community digs in, as they will again in such a scenario, defending Israeli security and national interests. The European Union (EU) will continue to be a diplomatic skirmish zone between Israel and the Arabs, particularly the Palestinians. Yet nothing indicates that the EU will supplant U.S. dominance of the peace process.

For Israelis, signing the Oslo Accords meant more than just recognizing that a portion of historic Palestine would be physically shared with the Palestinians. Israeli acceptance indicated an agreement to launch the Palestinian issue toward resolution and find ways

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to use recognition of the Palestine Liberation Organization (PLO) and Palestinian aspirations to open doors to Muslim and Arab states, both close and afar. Once Arafat made recognition of Israel acceptable, other Arab and Muslim states found it increasingly difficult not to follow in both official and unofficial fashion. Seven years after the Oslo Accords were signed, Israel had some contacts or relations with every Arab state except Iraq and Libya. Most of these ties were suspended when fighting broke out in September 2000 between the Israeli Defense Forces and Palestinian stone-throwers. If Israeli-Palestinian negotiations resume, Israel will try to rebuild bridges to these countries. Its leaders understand that a diplomatic and an economic price will be paid if stagnation in the negotiating process sets in as it did from 1996 to 1999 and in late 2000.

The task for Israeli leaders, then, will be to renew positive relations primarily with Egypt, Jordan, Syria, Lebanon, and the Palestinians, and to widen contacts with Arab and Muslim states beyond the contiguous territorial ring. They will at the same time need to focus increasingly on managing the domestic and cultural issues that dominate Israel's national agenda if their resolution proves impossible.

*The Palestinian-Israeli Track.* In the September 1999 Sharm el-Sheikh Agreement, Israeli and Palestinian negotiators agreed that a framework for final status talks would be established by February 2000. One year after that deadline and several months into violent confrontation with the Palestinians, the difficult issues-Jerusalem, water, borders, settlements, refugees' right of return, and the nature of the Palestinian entity/state-remain highly unlikely to be resolved in neatly arranged negotiating packages in the near term. Some probably will be partially negotiated, while others are intentionally postponed or linked to a future timeframe because of the dual problems of sensitivity and complexity.

Also likely is that Palestinians will be dissatisfied because of what is not achieved. If that is the unfolding scenario-as appears to be the case-then how will the variety of Palestinian voices in the West Bank, Gaza, and East Jerusalem respond to unfulfilled expectations about the final status deliberations? And how might the United States respond to the jagged edges strewn on the road of another incomplete Palestinian-Israeli understanding Core Palestinian negotiating objectives will not be met because Israeli leaders will make the ultimate

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decisions. Israelis will decide *without outside pressures* about what to relinquish, how fast, and under what conditions.

Water issues will be continuously monitored by joint Palestinian and Israeli committees, but Israel will not relinquish final control of water access to any joint body. Finally, while the populations will be politically separated, economic necessity will demand that at least one-third of the Palestinian labor force continue to work within Israeli borders. Implementation of proposed conclusions for all the final status issues will require coordination by both sides with the assistance of the United States.

What cannot be excluded is the possibility of Arafat's death before the implementation of final status negotiations. The scramble to succeed him may immediately influence the substance and pace of the negotiations. Those competing for his mantle are likely to want to show to the Palestinian public their unwavering commitment to core Palestinian positions. This, in turn, might cause a hardening of Palestinian negotiating positions and perhaps severely slow down the activities of the various final status committees. Progress (or lack of it) on the Syrian-Israeli front is not likely to impede implementation of Palestinian-Israeli understandings.

Nothing-not Arafat's longevity, the activation of a Syrian-Israeli track, or the American election cycle-will eliminate the need to provide economic assistance and investment capital from private and public sources for the Palestinian entity or state. Palestinian job creation, systematic dismantling of the refugee camps, and economic development can only support an unfolding agreement. In carrying out a Palestinian-Israeli agreement, constant care must be paid to how the final status issues affect the territorial integrity and economic well-being of Jordan. Therefore, Jordan will have to play some active, but not central, part in structuring industrial zones and trade agreements and in receiving its own basket of assistance.

### **Negative Domestic Trends**

The bad feelings present between Egyptians and Israelis before the Camp David talks did not vanish the day after the accords were signed. Many of those feelings have not dissipated in two decades. Israeli governments have long engaged in preemptive actions sometimes called "creating new facts," especially when trying to justify

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land seizures or settlement expansion in the name of "never again" putting Jewish lives in harms' way.(5) Moreover, since the Egyptian-Israeli Treaty, Israeli governments have believed

that *force majeure* would change political realities on the ground. Examples abound: the 1981 bombing of an Iraqi reactor, the 1982 invasion of Lebanon, the bombing of the PLO Tunis headquarters, and the building of settlements in the territories despite commitments in negotiations.

Absent a significant external threat, Israelis in the last decade of the 20th century reevaluated their identity and the value of their national institutions. The collectivity that generated a national communal drive to establish Zionism's success is being replaced by individualism. Patriotism has not diminished, but allegiance to the Zionist ethos is under intense scrutiny. Time is now available to discuss previously existing issues and problems that were displaced by more pressing security matters. National institutions, political practices, perceived ethnic harmony, the role of religion, and economic sacrifice—all of which were present during the state's formation and early years—are under microscopic scrutiny. These often debated and highly volatile issues now include protecting citizens' rights, writing a constitution, defining the nature of the political system, electoral reform, the future composition and mission of the Israeli Defense Forces, glaring economic disparities, the secular educational system, ethnic cleavages, and resource scarcity.

A cursory review of topics covered in opinion pieces in Israeli national newspapers today would reveal increasing discussion of internal issues related to governance, the education system, poverty, unemployment, the environment, ethnic disputes, and transportation needs. These topics share the national debate about the pace and nature of the Arab-Israeli peace process. All the domestic issues are straining Israel's social fabric. Some of these issues and problems are solvable, while others are too complicated to tackle. Collectively, they affect the national psyche by causing dissatisfaction with the national leadership. None of these issues is so severe that it will generate major or prolonged civil disturbance. When taken together, however, they weigh heavily on the political agenda of any prime minister and Israeli government. Security issues are paramount, but Israeli leaders already are being held accountable for not doing more to tackle topics of lifestyle, governance, and ethnic interactions.

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Characterizing a national mood, especially in as diverse a society as Israel's, is a dangerous endeavor. With that caveat, it is reasonable to state that a negative dynamism exists in Israel today. This sentiment is not all encompassing; it is internalized while Israelis go about their daily business. Israelis possess extraordinary levels of higher education, but they lack the political will or courage to confront the bureaucratic forces that shape and can obstruct their national agenda. Some noteworthy issues—air pollution, waste management, massive traffic congestion, interurban transportation system development, uncontrollable urban sprawl, ecological and environmental issues, and water scarcity—are not immediate threats to Israel's existence. However, they need national attention as urgently as do the religious-secular divide, ethnic friction, the vitality of national institutions, and governance.

Compounding the difficulty in resolving domestic issues, Israeli society is moving from a commitment to the national collectivity (*bisvilaynu*, or "for us") to a focus on the individual (*bishvili*, or "for me"). Israel's national expenditures on security and military requirements still dominate the annual budget and will remain high as long as Israel is in transition from a full conflict with regional governments to a series of uneven relationships. The move to lower expenditures on security requirements has not yet evolved, while public demand to resolve problems on the domestic agenda is intensifying. The slow shift to greater spending on the domestic agenda has not halted the intense competition between ethnic and special interest groups for greater allocations from the national budget. Competing interests were jostling for their piece of what could become a peace dividend, however elusive. In other words, even if Israeli leaders demonstrate political will, the country's collective ability to solve domestic issues will be severely retarded by financial constraints and unrealistic expectations, even despite an economy running, at almost full throttle.

### **Economy: Powerhouse with Inequities**

Israel's gross domestic product (GDP) is close to \$100 billion, and per capita GDP is close to \$17,000. For comparative purposes, Israel's per capita GDP in 1972 was \$3,200. *The Economist* ranks Israel sixth in the world of emerging economies.(6) In another

comparison, the current per capita GDP for Palestinians living in the West Bank or Gaza Strip is less than half of what it was for Israelis in

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1972. Furthermore, in 1998, donors promised the Palestinian Authority approximately \$800 million in economic assistance. In the same year, more than \$600 million was invested in Israel in venture capital funds alone.(7)

Israel's economy has the capacity to sustain annual growth rates between 3 and 5 percent. The continued influx of Jewish immigrants from the former Soviet Union will, as it has in the previous 15 years, inject into Israel streams of educated manpower necessary to maintain growth in various sectors, especially in the burgeoning high-tech sector. Any substantial cuts in subsidies to religious sectors of Israeli society will force these elements to become more engaged in the productive economy of the country and perhaps focused in the high-tech sector.

In the 1990s, Israel became a world leader in high-tech research industries. Venture capital investments in Israeli high-tech industries reached a record \$301 million in the third quarter of 1999.(8) The proliferation of high-tech industries and the concentration of a large amount of research power generate economic activity in other areas as well, such as services, finance, real estate, and conventional industries. Economic experts believe that should the negotiating process be concluded successfully, Israel could become one of the economic hubs of the Middle East. Its geographic location at the crossroads of the Middle East could transform this country into a gateway to a large area of vast economic potential stretching from Central Asia to the Mediterranean and Africa. Overseas investors could continue to find business opportunities based on its advanced technology and wide industrial financial and commercial base, the government privatization program, and laws for capital investment that have been on the books for 40 years.(9) Israeli economic prosperity, including that stimulated by international investment, will be affected by Israeli-Palestinian violence. The *intifada* has hurt Israeli export trade.

However strong, the Israeli economy is, the gap between rich and poor is ever widening. Pockets of poverty exist, particularly among the Sephardim, ultra-Orthodox, and Israeli Arab communities. According to *Ma'ariv* in November 1999, "The illusion that the former [Sephardim] would grow out of poverty in two generations has been refuted ... the ultra-Orthodox leadership must find gainful employment . . . And Israeli Arabs have suffered from years of discrimination and isolation and now constitute both a social and national powder keg."(10)

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A Gallup Poll from late 1999 showed that Israel's economy is the Achilles' heel of all Israeli prime ministers and that Barak was losing national support in large part because of his lack of attention to socio-economic issues.(11)

### Israel's Domestic Wars

*Ethnic Cleavages.* The face of Israel is changing. Descendants from the Ashkenazi (European-origin) generations that founded the state are a shrinking minority. In summer 1998, Dan Meridor, a Likud Knesset member, remarked that Israelis were faced with "the challenge of reconciling cultural individualism and pluralism within an Israeli democracy dominated by a Jewish majority." Today, Israel's population includes five million Jews and one million Israeli Arabs. Israeli Arabs comprise 16 percent of the population today and will be almost one-third of the population in 20 years. Jews from the former Soviet Union are 20 percent of the population and in 20 years will be a quarter of the total. More than half of Israel's Jewish population has its roots in an Oriental or Sephardi background; in 20 years, this figure will expand to almost 60 percent.

From its founding in 1948, Israel has been a country of immigrants, and it remains so today. Half of the exceptionally young population of 6.1 million Israelis was born elsewhere.(12) Israel has absorbed all but approximately 15 percent of Jews who lived in other Middle Eastern countries (Oriental/Sephardi origin), while 85 percent of Jews in Diaspora remain in Eastern

Europe (Ashkenazi origin). The flow of Jews from the former Soviet Union is likely to continue at least for the next several years, prolonging the problems inherent in immigrant absorption. The paradox for Israel is that while it enjoys a political system that encourages democratic values, most immigrants come from illiberal backgrounds in which the state often provided broad social and economic protection or from countries in which leaders were historically more authoritarian. Such political backgrounds raise expectations for what Government can and should do, and immigrants with such histories at times give blind, if not uncritical, support to political leaders, especially those who combine religious fervor with promised delivery of political services.

In its early years, Israel was based on a sense of community and consensus shaped by its overwhelming need for security for the Jewish people. Today, Israel's younger Jewish population has less

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historical connection to the state's roots. Qualities of commitment, dedication, improvisation, and heroism, which were prevalent in earlier Israeli generations, are not as evident in current Israeli society. Israelis under 40 did not fight in any of the country's major wars and instead did their military service in the Occupied Territories. Granddaughters and grandsons of Israel's founders, while proud Israelis, have less of an emotional connection to Zionism and more to Israeli nationalism. Half of Israel's Jewish population has no direct personal link to the state's active struggle with its Arab neighbors. Furthermore, the Americanization of Israeli culture has contributed to putting McDonalds before Maimonides, Michael Jordan attire ahead of Jewish practice, and individualism ahead of the community.

*Political Parties and Special Privileges.* The ideological domination enjoyed by the two largest Zionist blocs that founded the state of Israel has dissipated noticeably over the past few years. In its place, new parties are emerging that reflect specific styles of preferred political cum social life-Shinui/Meretz or Shas/United Torah Judaism. In a sense, the Likud Party in the late 1990s was similar to the Republican Party in the United States in the late 1980s: both lost the presence of a clear-cut adversary around which a foreign policy platform could be predicated, defended, and exploited for allegiance and votes.

Other trends in Israeli elections are evident. Voters opposed to special privileges, especially those for the ultra-Orthodox, have filled the vacuum created by the ideological demise of the major parties. Parties such as Meretz, Shinui, and One Israel voiced fierce opposition to religious coercion, demanding instead the protection of individual rights. The majority of secular Israelis welcomed, for example, Ehud Barak's pledge-unfulfilled-in the 1999 campaign that yeshiva (religious school) students would be subject to the military draft like all other segments of Israeli Jewish society. A majority of Israeli voters increasingly view national elections as a referendum on individual politicians. Personalities matter in Israeli voting preferences. But popular opinion is not always steadfast. Israeli political history is fraught with examples of yesterday's resigned or defeated politician returning at some future point in another guise (for example, Moshe Dayan, Yitzhaq Rabin, and Ariet Sharon).

Moreover, voting behavior and election results reflect fragmented interests. For example, in the 1999 election, 31 parties ran on specific parochial issues. By forming the One Israel Party, Barak and

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his strategists captured the essence of the Israeli public's longing to be a more unified society. Barak echoed the values of the early Zionist generation in calling for more equitable distribution of the national budget. The quest for a collective identity, however, came up against the downward spiral of sectoral and fractious interest groups. Shas won 17 seats, the third largest result for any party. Its growing strength reflected voter interest in the domestic services it provides. The parliament elected in 1999-the 15th Knesset-had more factions than its predecessor, making it even more difficult to institute electoral reform or consensus on peace process issues. Sharon's election in 2001 reflected Israeli desires for a more unified country and a national unity government.

The overarching proviso guiding Israeli voters, of course, is that nothing shall be done that

may prejudice Israeli national or political security. The Israeli voter who did not support the Oslo process in the 1996 election, which included a commitment to share the land of Israel with the Palestinians, understood that the major political party candidates-Netanyahu, Yitzhaq Mordechai, and Barak-held similar political views toward the Palestinians and campaigned on separation of the populations. This is Sharon's position, too.

The Israeli military will continue to provide a fertile pool of potential candidates for entry into Israeli politics. Former generals Yitzhak Mordechai and Amnon Shahak left the military to join the newly formed Center Party. Other prominent military leaders who became successful candidates include Moshe Dayan, Yitzhaq Rabin, Ha'im Bar-Lev, Sharon, and Barak. The Israeli public willingly accepts career military officers into politics, in part because they have not been tarnished by the typical verbal rancor characteristic of the Israeli political system. Former generals will play instrumental leadership roles in Israel's national governance in 2015 and beyond.

*The Religious Parties.* Israelis are striving to find ways to relate differently to their institutions and to one another. Whether the institutions are out of touch with the reality of the new millennium or groups within Israel believe that their special privileges are being jeopardized, there is unrest. Special interests want to protect their privileges and sinecures, underprivileged sectors want their part of the economic pie, and the disenfranchised demand a voice in the political system. Israelis of every political ilk want their priorities met, and they all seem to be making demands of their government a

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simultaneously. In the process of protecting interests and seeking to wrest privileges from others, civility is rare. Voices are raised, epithets are hurled, disdain between societal elements prevails, and threats of varying dimensions are heard.

The conflicts between religious and secular elements of Israel's Jewish population underscore the prevalence of the ferment in Israeli society. In early 1999, 200,000 ultra-Orthodox Jews (*haredim*) protested against Supreme Court rulings viewed as hostile to their way of life. Nearby, 50,000 secular Israelis organized a counter-demonstration. One of the issues concerned extending the law allowing military exemptions for students in the yeshivas. The rate of religious exemptions historically was about 4 percent of the annual number of enlistments. In 1998, the rate doubled to 8.2 percent. Over the last decade, the number of enlistments each year grew by an aggregate total of 50 percent, but the number of exemptions increased by 350 percent. For secular Israelis whose children complete their compulsory military service, the outrage is palpable. On the other hand, the *haredim* complain that the Israeli Defense Forces have a permissive atmosphere that, in their view, jeopardizes the beliefs of religious soldiers. The rabbis protest deviations from Jewish dietary laws and desecration of the Sabbath and of God's name caused by male and female soldiers serving in the same unit.(13)

The Likud-religious party alliance, built to protect their mutual interest in preventing territorial withdrawals from Judaea and Samaria, clearly invigorated religious party leaders after the June 1967 war. It led them and certain Orthodox rabbis to believe that not only could they wield religious influence in Israel but also could they alter temporal institutions as well. That the religious parties were able to direct hundreds of millions of shekels for religious schools and their religious networks only convinced Orthodox religious leaders that their views and privileges were untouchable. Some rabbis became intoxicated with their newfound power and influence. In the last quarter of the 20th century, the religious parties drifted more to the right on the Israeli political spectrum, widening, the gap between religious and secular Israelis and narrowing the political distance between the religious Zionist and ultra-Orthodox parties.

The ultra-Orthodox have become more nationalist, while the religious Zionists have become more extremist in their religious observance. Both disdain secular rule and secular judgments handed



Zionist training, and the rabbis of the ultra-Orthodox parties (Agudat Israel, Degel Hatorah, or Shas), who question the authority of both the Zionist state and its Chief Rabbinate, has become increasingly difficult. These leaders will inevitably rebel against any loss of privilege and threaten to bolt coalition governments, especially when their access to the government purse and special privileges is threatened. They will seek and create political alliances with whomever can promise them greater access to funds at the municipal or national political level.

The strength of ultra-Orthodox parties in Israel probably will increase, barring constitutional changes that would otherwise diminish the influence of smaller parties upon coalition formation. For example, a pronounced increase in the threshold percentage to obtain representation in the Knesset—from the present 1.5 percent to 5 percent, for example—would severely diminish the influence of the smaller parties in general and smaller religious parties in particular. However, the demographics are such that the voter base of the *haredi* parties is very young; they have a critical mass of voters coming of age in the next 20 years who have grown up with the idea of active participation in the political process. The ultra-Orthodox parties are politically savvy and cognizant of their ability to affect policy within the democratic process. They possess a focused ideological mandate and agenda and a well-honed mobilization machine. Controversy only serves to increase their voter base. Thus, United Torah Judaism, Aguda, and Degel HaTorah are poised to expand their influence, singly or in combination.

Public support for the National Religious Party (NRP) is likely to diminish in future elections. Its constituents—settlers and traditional religious Zionists—are wholly disaffected by the party's inability to articulate key issues effectively in recent years. Those who are serious about not compromising on land issues are moving toward the National Union or other rightist parties. And those who are more concerned with religious issues are going to United Torah Judaism and Shas, which have always dealt more effectively with religiously inspired legislation. The NRP has seen its traditional hold on the Ministries of Religious Affairs and Interior eroded by Shas and other parties. Moreover, the NRP does not have a new generation of leaders. Its traditional constituency is having a major crisis of confidence, and

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the party is doing little to articulate a clear policy preference and/or leadership on their core issue—the settlements. It cannot even decide where to stand on religious issues.

The rise of the Shas Party as a force in Israeli politics has been nothing short of extraordinary. Shas earned four seats in the 1988 election and six in 1992. Then in 1996, when Israelis cast a split ballot for prime minister and the Knesset for the first time, Shas won 10 parliamentary seats. In the 1999 election, it garnered 17 parliamentary seats. If projections are made now for future elections (the next parliamentary election is scheduled for 2003), barring a resurgent Likud Party, Shas could be the single largest voting bloc of any major party. In 2003, Shas could win as many as one-sixth or more of Israel's 120 Knesset seats.

Shas appeals primarily to the underclass and to underprivileged Jews of Oriental or Sephardi origins.<sup>(14)</sup> Shas provides an array of social services, including day-care centers, preschool education, cheap summer camps for children, food and clothing for the needy, and a vast socio-educational network. Secular Israelis passionately disdain the manner in which Shas Party functionaries and government civil servants over the last decade have siphoned off millions of shekels into the Shas educational network. Many Shas supporters reflect a sense of disenfranchisement or neglect by the government. Others have a sense of being overtaken in the struggle for economic advancement. Shas voters have reminded elected officials and bureaucrats that the Israeli government does not have the ability, interest, or timing to respond to the daily needs of many in the lower strata of Israeli society. If neither Shas nor Likud are part of a government coalition in the future, they will form a natural alliance to oppose it.

Shas represents more than the Sephardim. Some of its elite are Orthodox but are not in consort with all ultra-Orthodox views, such as holding onto the territories at all costs. Many Sephardim are deeply envious of recent Russian immigrants; two-thirds of those arriving in the past decade hold advanced degrees and have achieved rapid economic successes, but not all are Jewish or are profoundly secular if they are. Shas families, like those belonging to the Ashkenazi *haredim*, have higher birth rates and larger families than most secular Israeli families. Finally, Shas benefits from the fact that most of its supporters serve in the Israeli

Political allegiance to Shas could slip slightly among second- and even third-generation Sephardim who are more affluent, especially if the Likud Party reconstitutes itself in a serious fashion and fields a more secular program. The Shas leadership, though threatening to topple the coalition periodically, probably will be strategic enough over the next decade not to be so demanding that it cannot remain in the ruling government coalition. Regardless of who is prime minister, the Shas Party will need governmental allocations to fund its social and educational network and pay the salaries of thousands of employees in party-related functions.

Many in Israel see Shas as a very dangerous phenomenon. Said one editorial writer in the daily newspaper *Ha'aretz* in 1999:

Shas is a repulsive political party because it merges ethnicity and ultra-Orthodoxy, which, in effect, is hostile to Israeli democracy, favoring instead a theocracy, like Iran. Together with other ultra-Orthodox parties, Shas turns its back on Western culture and seeks to impose the rules and regulations of a religious ghetto on Israel's secularists.(15)

If any prime minister diverts funds from Shas to resolve the same social problems that the party attempts to address, and the Israeli bureaucracy supplants the Shas network in poor neighborhoods, a slow move away from traditional Shas support will occur. However, this scenario is unlikely. The secular parties that remain perturbed at the amounts of funds that are funneled into Shas operations will continue to be dismayed and to emphasize their secular objectives over those articulated by Shas. The secular Israeli-Shas cleavage will not dissipate in the foreseeable future. While the Shas Party occasionally will be instrumental in supporting the peace process, it will not support measures in the domestic realm that are contrary to its philosophy or party interests.(16)

*Russian Jewish Immigrants.* The Russian community in Israel came in two waves, first in the late 1970s and then after 1989. The first migration was more ideological, the second impelled more by economic motives. A division also exists between Zionist activists and less political settlers.

The 7 percent unemployment rate among immigrants who arrived in the early 1990s was below that of other Israelis. The once-gaping disparity in earnings is closing as Russians steadily move up the economic ladder. Most have bought their own apartments, and

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half of them own cars. One Israeli commentator, writing in *Ha'aretz*, likened the immigrants' arrival to a \$10 billion aid program from the former Soviet states. Economists regard Russian immigration as an infusion of highly trained human capital that Israel itself could never have generated so quickly.

Many Russian immigrants are ignorant of Judaism, and at least a quarter of them are not even regarded as Jewish. Their lack of religious identity has unleashed a firestorm of criticism from more religious groups in Israel, especially the leadership of the Sephardi community.(17) Nevertheless, the Russian immigrants are becoming part of the broad Israeli center in politics, supporting not an ideology but pragmatic group interests. They by no means form a monolithic voting bloc. In 2015, they will vote as they did in 2001, for their economic and social interests.

*Arabs.* The Israeli Arab population was more politically active in 2001 than at any time in Israel's 50-year history. Israeli Arabs constituted 20 percent of the population and approximately 15 percent of the voting public. They held 13 Knesset seats distributed across 3 parties. In 1999, an Arab Justice sat on the Israeli Supreme Court, and the winner of the Miss Israel pageant was an Israeli Arab. The Israeli Arab vote was sufficient in the May 1999 election to tip the balance in Barak's favor. By 2015, as their numbers grow and their representation in the Knesset increases, Israeli Arabs will constitute a significant demographic and civic challenge for Israel's Jewish majority. Their demands for better municipal,

educational, and social services will pull at an already squeezed domestic budget.

For many Israelis-Jewish and Arab-the question has become, "Can Israel be a democratic country and Jewish in orientation and favoritism?" On this issue, most Israeli Arabs, religious and secular, are united-they oppose Israel's continued existence as a Jewish state. Most believe that even if the country's Jews make an honest effort to achieve complete equal rights between Arabs and Jews, true equality will not materialize so long, as it is the state of the Jewish majority.(18)

## **U.S.-Israeli Relations**

Washington is not neutral toward Israel or in Arab-Israeli matters. The balance is and will continue to be tilted toward Israel. Washington has no reason to want an unfriendly Israel, and Israel will continue to

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want strong and deep relations with Washington. Neither another oil embargo nor soaring oil prices is likely to fray the bond in any significant and, most importantly, prolonged manner. The ties that bind are deep, varied, intertwined, incessant, sometimes exasperating, but usually mutually reinforcing. The United States will sustain its innate affinity for the state of Israel. A similar immigrant experience and shared democratic values bind the relationship. But these deep and broad connections have not always meant that Washington has understood Israel or Israelis. American engagement in Arab-Israeli negotiations has deepened Washington's understanding of the complexes and complexity that are uniquely Israeli.

Over the last quarter-century, Washington policymakers have learned the rules of engagement in dealing with Israel on Arab-Israeli negotiating matters. Those rules are now operative. They are:

- Israel prefers that negotiations concerning Arab-Israeli issues or its national security take place under U.S. auspices, preferably with the Congress and the executive branch-where it has influence. Israel does not want the United Nations, the European Union, or any European capital to act as central mediator, facilitator, or guarantor. Israel accepts the participation of others but does not want to transfer to anyone else its special feeling toward Washington nor lose its influence there.
- Israel does not want to be surprised by an unexpected policy initiative, such as the October 1977 U.S.-Soviet Declaration or the September 1982 Reagan Statement. Rather, it insists on consultation, similar to formulating the invitations to the 1991 Madrid Conference and working in concert to evolve the 1997 Hebron Agreement.
- Israeli leaders refuse to be told by outsiders, especially by Washington, and particularly in public, how to behave in their national interests.
- Israeli leaders will not allow any outside party to determine what security needs or concessions should be offered in present or future negotiations. The corollary to this is that Israelis do not function well when they perceive outside pressure.
- Israel will insist on its own timing on national security issues and in resolving domestic issues. Most Arab parties and sometimes Washington would prefer a neutral timeframe that considers the interests of all concerned.

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When American administrations see Israeli leaders moving forward in Arab-Israeli negotiations, there is less overt prodding of Israel to move to the next stage in talks. However, Israelis have accepted the reality that Washington will criticize-either quietly or publicly, depending on the diplomatic moment-any Israeli policy that aims to change the spatial, demographic, or settlement content of the West Bank.

In 2015, neither the President nor the U.S. Congress will have diminished support for

Israeli security or reduced Washington's involvement and participation in seeking, making, and keeping peace. There is no reason to believe that Israel's friends in the United States will be any less supportive of Israeli security. Not even a recrudescence of the "Who is a Jew?" issue, with all of the anger it stirs in the American Jewish community, can diminish American Jewish support for Israel or its security needs. In monitoring the Arab-Israeli negotiating process, the United States is likely to become more involved diplomatically, physically, and monetarily, just as it did when nurturing the Egyptian-Israeli treaty. American military or civilian personnel can be expected to participate in a monitoring and implementation function that will arise in a reopened Syrian/Lebanese-Israeli track. If negotiations unfold with Syria and reach critical turning points, Israel will seek closer defense ties with the United States. Israelis will not mind creating additional strategic links between the prime minister's office and the Oval Office, between military intelligence agencies, and between the Israeli Defense Ministry and the Pentagon. By 2015, these links could evolve into a defense pact either on the North Atlantic Treaty Organization model or in the form of the U.S.-U.K. special relationship.

## Notes

(1) For discussion of the dangers inherent in the proliferation of weapons of mass destruction, see chapter 10 of this book, "Arms Control: In the Region's Future?"

(2) The Gallup Institute for *Ma'ariv*, May 1, 1998, as quoted in *Mideast Mirror*, May 1, 1998. See also Asher Arian, *Israeli Public Opinion on National Security 1999*, memorandum no. 53 (Tel Aviv: Jaffe Center for Strategic Studies, August 1999).

(3) *Ma'ariv*, November 19, 1999.

(4) *Ibid.*

(5) The "never again" refers to the promise made by Israelis, in particular Prime Minister Begin, never to allow a holocaust-type action for Jews.

(6) *Ma'ariv*, October 20, 1999.

(7) Economic News, Information Division, Israel Foreign Ministry, Jerusalem, October 24, 1999, accessed at .

(8) *Yediot Aharonot*, October 21, 1999.

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(9) John Benaquen, "Israel, The Economic Engine of the New Middle East," *Mideast Mirror*, September 14, 1999.

(10) *Ma'ariv*, November 17, 1999.

(11) *Ibid.*

(12) Nearly all the ministers in Netanyahu's cabinet (1996-1999) were born outside of Israel.

(13) Ran Kislev, "The Rabbis Changed, Not the IDF," *Ha'aretz*, February 23, 1999.

(14) Sephardic Jews came to Israel over the centuries from countries in the Middle East and Southern Europe; Ashkenazi Jews originated in northern and western Europe and Russia.

(15) *Ha'aretz*, May 25, 1999.

(16) For an assessment of the Shas Party and its leader Eli Yishai, see Leslie Susser, "The Second Most Important Man in Israel," *The Jerusalem Report*, December 6, 1999, 14-18.

(17) *International Herald Tribune*, April 27, 1998.

(18) See Yisrael Harel, "Zionism is Racism," *Ha'aretz*, October 7, 1999; see also Eric Rozenman, "Israeli Arabs," *Middle East Quarterly* 6, no. 3 (September 1999), 15-24.

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