

Israel under Netanyahu

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At the end of May 1996, with a slender margin of only 30,000 (less than 1% of the Israeli vote but with a clear majority of 11 percent of the Jewish votes cast), Binyamin (Bibi) Netanyahu defeated Shimon Peres, thereby becoming Israel's first directly elected Prime Minister.

Once again, and for the fifth time in his political career, Shimon Peres failed to receive the backing from the Israeli public and the election results illustrated clearly the already well-known fact, namely that Israeli society was deeply divided over the future of the peace process.

Few would have predicted, though, that it was split so evenly down the middle.

Netanyahu's victory marks a remarkable political comeback and a dramatic reversal of personal fortunes. In the opinion polls at the turn of the year, Shimon Peres held what appeared to be an unassailable lead of 30 percent over him. The assassination of Yitzhak Rabin at the beginning of November 1995 resulted in a spontaneous outpouring of national grief and in an unprecedented level of public support for his policies and for the peace accords with the Palestinians. Publicly castigated for helping foster the political atmosphere that had led to Rabin's death, Netanyahu's political standing plummeted and, for all his charismatic qualities, he appeared to be Likud's biggest electoral liability.

By the beginning of the May, however, Netanyahu had begun to claw back his popularity, helped in no small part by the wave of Hamas suicide bombings in February- March which had shattered the confidence of many Israelis in the peace process. By the end of the election campaign the two prime ministerial candidates were running neck and neck, though most commentators, perhaps more on the basis of hope than fact, felt that Peres would just scrape home. Indeed, on the night of the 29 May the early indications, based on exit polls and first returns, pointed to a slim victory of Peres. One half of the country heaved a collective sign of relief, a sentiment echoed around the capitals of

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the world. Analysts hastened to put their finishing touches to Netanyahu's political obituaries which they had begun to pen six months earlier, while Labour politicians started to talk confidently about their plans for the next four years. However, as votes were being counted through the night, victory was slipping through the fingers of Shimon Peres, and as morning broke, Israel awoke to a new reality and a new Prime Minister. Those who only hours later had looked on in dejection were now jubilant at this dramatic twist of events. The rest of Israeli society was left to contemplate its worst fears and the prospect of a new government dominated by hard- liners and religious parties.

Netanyahu's Victory

Netanyahu's victory arose from a brilliantly orchestrated electoral strategy. The tactic was simple yet remarkably effective: to play on Israeli fears and insecurities about the peace process with the Palestinians, and to exploit the public's long- standing doubts and the lack of confidence in Shimon Peres as leader of the nation. Netanyahu's campaign focused on the lack of security the Oslo accords had brought to Israel, promising instead that he was less specific about he would achieve this. He also portrayed Peres as a leader lacking in caution who was prepared to sacrifice everything, including Jerusalem, for the sake of peace. The message was hammered home repeatedly and consistently throughout the campaign. Accused of lacking policies of his own or of possessing a viable alternative to the peace process, Netanyahu simply hijacked the centre ground and campaign agenda.

But this was an election which Peres lost as much as Netanyahu won. Labour's campaign was unconvincing, sending out a set of confusing signals to the Israeli public. It's tactics fell between two stools, consisting of neither positive nor negative campaigning. Conflict in the certitude of victory, its campaign team was poorly organized, suffering from a complacency which bordered, at times, on arrogance. At the same time, Press and Labour appeared reluctant, if not frightened, to present their message and their vision of the future to the public.

Seemingly scared of alienating the wavering voter, Labour chose to keep the election campaign as dull as possible. Prior to the campaign many believed that Labour would evoke the image and legacy of Yitzhak Rabin.

Yet the party's most potent asset, even in the death, was conspicuous only by its absence. At no point did Labour confront Netanyahu and the Likud directly, forcing them to spell out their policies. The contrast between the two campaigns came most sharply into focus during the television debate between the two candidates, now seen as the final death- knell for Press. Looking tired, apprehensive and clearly under- prepared, Peres cut an hesitant figure while Netanyahu exuded confidence and conviction.

Before the reality of defeat had time to be fully absorbed, a quick hunt for scapegoats was under way, with party leaders and activists hastening to exchange recriminations. This quick- fire swapping of accusations has little, however, to do with any level- headed analysis of Labour's political demise. Rather it marks the Staff and Haim Ramon, who had headed Labour's campaign team, for the future leadership of the party. But a simple change of leader, nor awaiting the failings of a Netanyahu government, will suffice if Labour is to regain political power. Labour's downfall represents more than just a vote of no- confidence in Shimon Peres' sectors of Israeli society, most notably the religious communities- the traditional Sephardi as well as the ultra- Orthodox- remain alienated by Labours' socio- economic policies and the elitist image conveyed by the party's leadership. Labour returned to power in 1992 on the tailcoats of Yitzak Rabin's popularity, papering over the need to deepen the process of internal party reforms and broaden the base of its public support. The redefining of the party's role in Israeli society, the building of a coherent social ideology and orientation and for the forging of new coalitions, a process long overdue but assiduously avoided, is vital if Labour is not to be banished to the political wilderness. The experience, so far, is that the Labour party has been slow to draw this lesson from its defeat in May. Rather, as in the past, the party's energies have been consumed by the personal rivalries aimed at filling the political vacuum once Shimon Peres steps down as leader next June. Taking its cue from the success of Netanyahu, image and personalities rather than ideology have dominated its thoughts.

Whilst all Israeli elections are dubbed as being the most critical in the country's short history, the 1996 election was unique on two counts. For the first time, Israelis cast two votes: one for the direct election of the Prime Minister; and the other for the party of their choice in the Knesset, the 120-seat Israeli parliament. This had an immense impact on the nature of the election campaign and on the voting patterns of Israeli public. Second, the election was held in the midst of the peace process. As such, the public would be trusting a leader to continue and bring to a successful completion to the on- going negotiations with the Palestinians and Syria. In this respect, the Israeli electorate was presented with a clear choice between two leaders with sharply differing views on and conceptions of the outcomes of these negotiations, and of Israel's future relations with its Arab neighbors.

One of the purported aims of the new electoral system was to reduce the political clout of the smaller parties and weaken their leverage over the political system. Paradoxically, it had the opposite effect. It has enhanced rather than diminished their size and influence.

In order to become Prime Minister, both Netanyahu and Peres needed to cultivate the support of the various constituencies within Israeli society prior to the elections to be assured of their support on election day. It was here that Netanyahu prospered at Peres' expense. As an initial step, Netanyahu, with the considerable efforts of Ariel (Arik) Sharon- a dept that he has been

slow to repay- persuaded David Levy, (who had broken away from the Likud to form his own movement), and Rafael (Rafal) Eitan, the leader of Tsomet, to drop out of the race for the premiership, thus allowing him to become the sole candidate of the Israeli right. Netanyahu paid a heavy price for their support, offering them a third of the secure seats on the Likud list and promises of senior cabinet portfolios. It was a deal that may yet come to haunt him.

With Peres assured of the Arab vote, though not its size, Netanyahu was aware that he required the unreserved endorsement of the religious and Haredi (ultra- Orthodox) parties if he were to win the election. The National Religious Party immediately swung behind Netanyahu, the ultra orthodox parties though were more cautious in passing judgment. Throughout the campaign both Netanyahu and Peres jealously courted the spiritual leaders of the ultra- Orthodox communities in the hope of receiving their blessing. Eventually, only days before the election, Agudat Yisrael's Council of Torah Sages called on its followers to vote for the candidate "whose party [would be] more likely to work in the spirit of religion and Jewish tradition." The wording was ambiguous, but had only one interpretation- Netanyahu. The Council of Toran Sages' announcement came shortly after Rabbi Eliezer Schach, the nonagenarian spiritual mentor and erstwhile leader of the Ovadia Yosef, the spiritual leader of Shas, the ultra- Orthodox party which represents the Sephardi Jews of Asian and North African origin, refrained from endorsing either candidate. But the sympathies of the followers of Shas have always been with the Likud. Netayahu was also granted a priceless photo-opportunity and received the blessing of Rabbi Yitzhak Kedourie, the ageing mystic and kabbalist sage.

The total mobilization and blanket support of the ultra- Orthodox camp for a secular politician, let alone one thrice married and who had publicly confessed to the sin of adultery, was not only unprecedented in Israeli politics but was also instrumental in bringing Netanyahu to power.

One reason was their shared hard- line views on the peace process. But equally important, if not more so, was the intense loathing by the Haredi community of Meretz, the overtly anti- religious and stridently secular, junior partner in the previous government, and their resentment of Labour's willingness to accommodate those positions.

The new Knesset

Although most opinion polls were remarkably accurate in forecasting the narrow margin of the prime minister contest, none came close to foreseeing the composition of the new Knesset. After the 1992 election, political analysts spoke confidentially of the gradual demise of the smaller parties and the emergence of a quasi- two- party (or two block) system. The adoption of the new electoral system it was believed would hasten this process. Indeed, the decision by David Levy's Geshet movement and Tsomet to run under the umbrella of Likud rather than as separate lists reflected this wide range

perception. To the surprise of everyone, the new electoral system produced the opposite effect, and it was the smaller parties, especially the religious ones who had most feared its introduction, which emerged as the principal victors of the 1996 elections. Israelis quickly realized that they were getting two choices to the price of one: they could vote for their preferred candidate to lead the country whilst simultaneously choosing the party which best reflected their concerns and interests. The voters deserted the two main parties in droves. Labour, which entered the elections with 44 seats, emerged as still the largest party, but now with only 34 members in the new Knesset. Similarly, the Likud- Geshet- Tsomet alliance fell from a combined total in 1992 of 40 seats, to secure only 32 mandates, barely a quarter of the total vote. In contrast, the turnout for the religious parties rose dramatically, with the three parties securing just short of 6,000,000 votes, giving them a total of 23 members in the Knesset, an all- time high. The National Religious Party, achieved a similar feat by winning 9 seats. Only the Yahdut Ha'Torah (United Torah Judaism) party failed to increase its power although it retained its 4 seats.

Two other parties, making their first appearance on the Israeli political scene, also made their mark. Yisrael Ba'Aliya, the Russian immigrant party headed by Natan Sharansky, the former Soviet dissident, won seven seats, a performance way beyond all expectations. The Third Way, a party established by former Labour hawks who split from the party primarily over policy differences about the Golan Heights and negotiations with Syria, obtained four seats. The two Arab parties, Hadash and the United Arab List, performed far better than in the previous years, winning five and four seats respectively. On the left, Meretz dropped from 12 to 9, a result slightly better than the polls had predicted, while on the far right, Moledet, which advocates a policy of transfer of the Arabs from the occupied territories, fell from 3 to 2 seats.

It is convenient to apportion blame for the demise of Labour and Likud on the shortcomings of the new electoral system, as many have already done. True, the new system allows the electorate to split their vote between candidate and party, enabling them to distribute their preferences more widely. But it does not explain why they chose to do so.

Part of the explanation can be found in the electoral strategies adopted by the two main parties. Both campaigns focused on the same question- the peace process- and by doing so they became largely one- issue parties.

In the battle to win over the centre ground of the political arena the platforms of the two sides coalesced, with both parties adopting the same message of peace and security. Their campaigns focused more on personalities than politics. As a result, both Labour and Likud neglected completely economic and social issues, allowing the smaller parties, representing specific interests, to fill the void.

The results of the 1996 elections underline a more long- term and on- going crisis of confidence in the traditional functioning of the Israeli political

system¹. Elements of Israeli society (such as Oriental Jews, the ultra-Orthodox, the Russian immigrants and Israeli Arabs), frustrated at having failed to find expression to their goals and aspirations within the traditional arena of government, mobilized through extra-parliamentary groupings and through the creation of their own organizational frameworks. With such a base already established, the new electoral system opened the way for them to give vent to their frustrations through the ballot box and in so doing highlight the communal, cultural, religious and economic cleavages prevalent in Israeli society.

These groups have now gained power and having entered the political establishment (apart from the Israeli Arabs) they, too, will be expected to deliver to their own constituencies. Failure to do so may well lead to electoral punishment next time around. For their part, both Labour and Likud in the coming years must develop strategies and policies to bring these groups back to their fold. The outcomes in these two areas will determine to a large degree whether the 1996 election was indeed a Ma'Hapach (Upheaval²) resulting in a fundamental redrawing of the Israeli landscape or 'just another change in government'.

Forming the new Government

The new electoral law did spare the Israeli public from the ugly spectacle of political horse-trading which has in recent times become the prime future of Israeli coalition negotiations. Under the new electoral law, only one elected prime minister is empowered to form a government, thereby removing the possibility of parties maneuvering between alternative candidate. Should the Prime Minister not succeed in forming a government, or should the Knesset at any point pass a vote of no-confidence by majority of at least sixty-one, then the new elections for both the prime minister and for the Knesset will be called. This effectively limits the options available to prospective coalition partners and lessens their leverage over the prime minister.

Natanyahu's coalition partners chose themselves- the three religious parties, (Shas, Yahdut Ha' Torah, The National Religious Party), the Russian immigrants' party (Yisrael Ba' Aliya), and the Third Way- giving him a clear majority of sixty-six. The new electoral system weakens the bargaining power of the smaller parties but does not eliminate it together. Netanyahu needed the support of all the smaller parties just as much as they needed him. His only other option was to turn to the Labour Party and form a government of national unity. A channel of communication was opened up to Labour but Netanyahu had no desire to pursue seriously this avenue. Furthermore, it was unlikely that Labour would respond positively to any overture unless they were given a real say In the continuation of the peace process, an issue which Netanyahu would have been unwilling to concede.

The coalition negotiations and the drawing of the government guidelines proceeded relatively smoothly. Netanyahu's only real headache was in diving

up the spoils of government, many of which were coveted by more than one party. Restricted by the new law to only 18 ministers and 6 deputy ministers, Netanyahu discovered that he had too many promises which he could not fulfill. In his haste to put a government he granted his partners what they wanted, leaving little for his own party.

Senior members of the Likud angrily discovered that they would have to settle for few minor ministers, whilst there would be no place at all in government for Ariel Sharon. The claims of those who had loyally stood by Netanyahu, especially in the months after Rabin's death, were simply overlooked. During the weekend before the opening of the Knesset senior party members began to flex their muscles, forcing Netanyahu to retract his offer of the Finance Ministry to Ya'acov Frenkel, the highly respected governor of the Bank of Israel, and give it to Dan Meridor instead. Moshe Katsav accepted the Ministry of Tourism after being offered the additional, albeit symbolic, position of deputy Prime Minister. The Likud members also displayed their pleasure with Netanyahu by refusing his request to postpone the election of the Knesset speaker in order to allow Ovadia Eli, his preferred candidate, to enter the Knesset and take up the post³.

Then, in a cleverly calculated move only hours before Netanyahu was due to present his cabinet to the Knesset, David Levy informed Netanyahu that he would not join the government unless a suitable post was found for Ariel Sharon. In a hastily conceived solution, a new custom-made Ministry of Infrastructure was created for Sharon. While all members of the cabinet believed that Sharon ought to be apart of the government, they were less forthcoming in giving up part of their new portfolios on his behalf. Hoping that time would weaken Sharon's position, Netanyahu showed little interest and entrusted Ya'acov Ne'eman, his new justice minister, to mediate between Sharon and the ministers involved⁴. Negotiations dragged on for over two weeks and it was not until David Levy again forced the issue, on the eve of Netanyahu's maiden trip to Washington as prime minister, by renewing his threat to resign, that Netanyahu gave this matter full attention, and finally brought Sharon into the government.

Centralizing Power

The new electoral law has created the unique Israeli mixture system of presidential and parliamentary systems. In this hybrid system the relationship and balance of power between the Prime Minister, the cabinet and the Knesset is undetermined. Netanyahu's conception of his own role is based closely on the American presidential system and he has set about modeling the Prime Minister's office in the image of the White House. On taking office he announced that his was the only voice empowered to speak on matters of defence and foreign policy. When David Levy declared that Israel would have to meet Syria 'half-way', Netanyahu quickly brought him into line. When Benny Begin dared to criticize the meeting between Dore Gold, Netanyahu's leading policy advisor, and Yasser Arafet, he was publicly rebuked.

Netanyahu's original aim was to concentrate power in his own hands and centralize policy making through transferring major sources of power from different ministries to his own office. Here he has been only partially successful. Whilst he has taken on responsibility for overseeing economic reform and privatization, Netanyahu was thwarted in his efforts to dislodge control of the treasury's powerful budgetary division from the Finance Ministry. Similarly, he has been forced to relinquish control of the all-important Israel Lands Authority (which he had intended to move from Housing Ministry to the prime minister's office) to the new Ministry of Infrastructure. Netanyahu also announced on taking power that he intended to establish two new bodies in the prime ministers office- a National Security Council (NSC) and a Council of Economic Advisors (CEA), which would have been headed respectively by David Ivri, the long serving director- general of the Defence Ministry, and Ya' acov Frenkel, the Governor of the Bank of Israel. The original intension was that the NSC would be responsible for the overseeing strategic planning, an integral part of the defence and foreign policy and oversee the peace process. The idea of creating a National Security Council was not original but had always encountered strong opposition by the defence and intelligence establishments. It was first suggested following the Yom Kippur War and was actually mandated by law in the early 1990s but never put into practice. Due to the opposition of both the defence establishment and the treasury, Netanyahu failed to establish either of these two new bodies and both ideas have been quietly dropped from the political agenda.

Whilst he has been unsuccessful in transferring the bureaucratic instruments of power to the Prime Minister's office, Netanyahu has confided the discussion and implementation of governmental policy to a small inner- group of personal advisers, many of whom possess no previous experience of government. Distrustful of both the military and the foreign ministry, institutions which he regards as representing the positions and interests of the labour party, he has excluded them from the decision making process. Netanyahu has also shown himself to be equally distrustful of members of his own party and coalition partners. Whilst all prime ministers in Israel have controlled the central levers of power, Netanyahu's personal style of leadership has alienated many of his supporters, especially within his own party, many of whom have not forgiven him for the cavalier way he overlooked their interests when forming the government in June. Many members of the cabinet have aired their concern and frustration at the lack of consultation and information surrounding the negotiations with the Palestinian and, in particular, over the details concerning the withdrawl of Israeli troops from Hebron.

The prime minister has always held the sway of power in Israel, in practice if not in theory. The new electoral law now affords Netanyahu a greater degree of constitutional autonomy and freedom of action than before. All Israeli

prime ministers in the past, however dominant, have been dependent on control over and the support of their own party.

Netanyahu's experience so far indicates that this "law of Israeli politics" still remains in place and that he will not succeed in breaking the mould. Netanyahu presides over a coalition of eight parties, within which his own party, the Likud, is a minority. Whilst broad consensus surrounds a number of general areas of policy, the government consists of a coalition made up of parties with specific interests and a variety of competing agendas. Netanyahu has found himself being constantly pulled back and forth by his partners as they vie for resources and political patronage. With his freedom of maneuver severely curtailed, Netanyahu has discovered that his range of policy options and freedom of maneuver have been limited.

Negotiations with the Palestinians

Shimon Peres lost the election because ultimately he failed to win the trust of the Israeli people. Admired abroad, he was perceived by the wavering voter at home as a more risky prospect than Binyamin Netanyahu.

Netanyahu's portrayal of the Middle East as an uncertain hostile environment wherein the Arab states have yet to reconcile themselves fully to living peacefully with Israel, was more reflective of Israel thinking than the vision offered by Shimon Peres. The Israeli party voted not against the continuation of the peace process but out of the desire for a more considered and balanced one. Netanyahu assured them that he would deliver peace without sacrificing Israel's security and that he would be more wary and hard-headed in his dealings with Israel's Arab neighbors.

Negotiations would be contacted from a position of strength and further concessions to the Palestinians would be conditional on their fully honoring their obligations. Netanyahu's campaign speeches were high on generalities but short on details. At no point was he confronted by the Labour party and compelled to translate his slogans into politics and specify how he intended to move the peace process forward.

Netanyahu's election marks more than just a change in style; it represents a fundamental shift in Israel's strategic calculations and its policies towards its Arab neighbors. Absent is talk of a new Middle East, and of Israel's integration, politically and economically, within the region. In its place Netanyahu has focused on the dangers of terrorism in the Middle East and of the primacy of security in Israel's relations with its Arab neighbors. Whereas Peres and Rabin saw the threat of terrorism and violence as an obstacle to be overcome in the pursuit of peace, Netanyahu has made its curtailment his point of departure, with the adoption of effective measures to control terrorism seen as a pre-requisite for progress in future negotiations. This has become evident not just in his approach to the continuation of negotiations

with the Palestinians, but also in the line he has publicly adopted towards Syria.

The party platforms of both Labour and Likud took the continuation of the Oslo process with the Palestinian Authority as their starting points. The Likud accepted the Oslo Accords as an irreversible *fait accompli*, but with little enthusiasm. Its platform stated that it would abide by international agreements but that it reserved the right to 'act to reduce the dangers to the future and security of Israel resulting from these agreements'. While Netanyahu may have accepted, in principle, the implementations of the Oslo process, he made little secret of his disdain for the agreements reached with the Palestinians, starting during the election campaign, that unlike Rabin and Peres, he would not commit himself to meet with Yasser Arafat. It quickly became apparent that he was unwilling to embrace the Palestinian Authority as his true partner at the negotiating table.

During his first three months in office, Netanyahu continued to profess his commitment to the peace process and Oslo Accords. But his words were not matched by deeds. By steadfastly refusing to commit himself to meeting with Yasser Arafat and failing to develop channels of communication between his government and the Palestinian Authority, Netanyahu appeared intent on discrediting the authority of the Yasser Arafat and understanding the legitimacy of the Oslo process. Although the two leaders did eventually meet at the beginning of September, this meeting provided to be largely symbolic. No substantive progress was made towards the lifting of the economic closure of Gaza and the West Bank imposed after the wave of terrorist attacks in February- March, or for the redeployment of Israeli forces from Hebron as stipulated within the Oslo accords. Believing that he would not encounter any real pressure from the United States in the lead up to the Presidential elections at the end of November, Netanyahu was steadfastly biding his time and determined on redefining the terms of the Oslo process and the relationship between Israel and the Palestinian Authority.

Netanyahu quickly discovered that time was not an elastic commodity for Arafat and the Palestinians and that changing the rules of the game between Israel and the Palestinians was not an issue over which he had sole possession. Palestinian resentment and frustrations with the lack of progress and Netanyahu's dismissive approach boiled over at the end of September following the opening in the middle of the night of the Hasmonean tunnel in the old city of Jerusalem. This unilateral Israeli action led to widespread rioting throughout Gaza and the West Bank, including armed clashes between Israeli and Palestinian forces, and resulted in the death of 64 Palestinians and 15 Israelis. The bloodshed did, however, alert the international community to the dangers inherent in the stagnation of the peace process. Although the emergency Washington summit, (convened by President Clinton in the immediate aftermath of the rioting in order to prevent the crisis between Israel and the Palestinians from further escalating), failed to bridge the rift between the two sides, it did lead to the partial lifting of the economic closure

of the occupied territories and to the initiation on negotiations between Israel and the Palestinians over the withdrawal of Israel forces from Hebron.

After nearly two months of exhaustive and seemingly never-ending negotiations, Netanyahu and Arafat by the end of the year were finally on the verge of reaching an agreement for the redeployment of Israeli troops from Hebron. Although the security considerations of both sides were tangible issues, the final points of disarrangement between the two sides were minimal and not difficult to overcome. The Israeli withdrawal from the Hebron, important as it is as for both sides, was not the critical point on the agenda during the latter part of these discussions. Rather it was the continuation of the Oslo process and the future pace of peace process that was at stake, once the Israeli withdrawal from Hebron had been completed. In this sense, the protracted negotiations over Hebron mark the prenegotiation stage for the continuation and the next phase of the Oslo process.

The Palestinians have been particularly fearful that no sooner is the ink dry on the Hebron agreement than Netanyahu would revert to his policy of procrastination and would, once again, try to freeze the Oslo process. In this respect, they have been seeking written guarantees that Netanyahu will abide by the timetable outlined in the Oslo Accords for the further redevelopments of Israeli troops in the West Bank and that negotiations would proceed for the implementation of the long-delayed release of women prisoners from Israeli jails, the opening of an airport and seaport in Gaza and the opening of a safe passage between Gaza and the West Bank⁵. The Palestinians have also been wary that the Hebron withdrawal will be followed by an expansion of Israeli settlements within the West Bank. Palestinian fears began to be realized in the middle of December with the decision of the Israeli cabinet to reinstate financial subsidies, which the previous government had withdrawn to all settlers and to reinstall the settlements in the West Bank as an area of national priority. This decision brought a fierce and immediate response from the international community, forcing Netanyahu to backtrack and announce that he had no intentions of creating any new settlements until agreement had been reached over the final status of the territories.

Netanyahu's procrastination and inconsistent rhetoric has resulted in not just a breakdown of trust with the Palestinians but has led to a broader disillusionment within the Arab world over his true intentions and policies. President Mubarak of Egypt, tired of hearing good intentions from Netanyahu, refused to attend the Washington Summit and has been increasingly acrimonious with Israel openly accusing Egypt of playing an obstructive and negative role in the negotiations over Hebron. Of equal concern has been the deterioration of relations with Jordan, which have in recent months become decidedly cool. King Hussein of Jordan left the Washington Summit disillusioned and bitterly disappointed with the attitude adopted by Netanyahu. Fearful of being seen as too closely associated with Netanyahu, the King has begun to publicly distance himself from Israel. Negotiations

between Israel and Syria have been replaced by an escalating war of words, with the threat of hostilities between the two sides becoming increasingly more real. Other Arab states such as Morocco, Tunisia, Qatar and Oman, which had been quietly developing commercial links with Israel, have put those ties on hold, awaiting positive developments in negotiations between Israel and the Palestinians, whilst the multilateral talks have been effectively suspended.

Prospects for the future

The decision to honour the terms of the Oslo agreement and the withdrawal from Hebron marks an important turning point for the right-wing in Israel.

Netanyahu and the Likud have traveled a long way over the past year.

From vituperative opposition to the Oslo Accords, they now find themselves locked in negotiations with the PLO and implementing further territorial concessions in the West Bank, especially from a town resonating with biblical significance. But the real meaning of the Oslo process lies beyond the redeployment of Israeli forces in Gaza and the West Bank and the transfer of authority to the Palestinians, important as those achievements have been. Israel's decision to enter into negotiations with the PLO was seen by many observers, including supporters of the Oslo accords, as a tactical choice born of necessity, and one driven by pragmatic considerations. Yitzhak Rabin's reluctance to grasp Yasser Arafat's outstretched hand underlined this perception. The signing of the Declaration of Principles signaled the transformation in the relationship between Israel and the Palestinian people from one an Israeli concern about finding a solution for the Palestinian problem, to a search for a resolution to the conflict with the Palestinian people. Since September 1993 and the handshake on the White House lawn, Israel and Yasser Arafat have gradually emerged as partners bound together in the pursuit of peace.

Negotiations between the previous Israeli government and the Palestinians gradually evolved from a tactical decision to a strategic imperative for both sides. The inability of the Labour party to grasp fully that reality, and convey its importance to the Israeli people during the election campaign, was one of its greatest shortcomings.

It has not been an auspicious first six months in office for Netanyahu, and he may well care to forget them. For all his tough talking, Netanyahu has made a hesitant and uncertain start as prime minister. In an effort to be "all things to all people" and please his various constituencies, he has simply succeeded in alienating all of them.

Netanyahu gives the impression of being a prime minister distrustful of all but a few close advisers. He has failed to cultivate allies within his own government and has been unwilling to co-opt members of the coalition into

the heart of the decision- making process and the negotiations with the Palestinians. Netanyahu won power by capturing the centre ground from Labour. Maintaining that stance and making the transition from leader of the opposition to holding the reigns of power has been a difficult experience for him. In particular, Netanyahu has been prone to making hasty and contradictory statements and largely symbolic gestures, such as the opening of the Hasmonean tunnel and the reintroduction of financial incentives to the settlers, actions which have affected little change on the ground but have enacted high diplomatic price for Israel. Netanyahu has yet to demonstrate the ability to articulate a consistent set of policies and to display the determination necessary to ensure their implementation. Many of Netanyahu's early mistakes can be explained by his lack of political experience and as he has amply demonstrated in the past he can be quick to learn from them. But a number of critics, including members of his own party, have begun to openly question his leadership skills and increasing calls from all quarters of the political establishment for the formation of a National Unity government.

The negotiations over Hebron have been tortuous and painstaking

But negotiation is more than just a process of bargaining whereby two sides converge incrementally, via a series of mutual concessions, to arrive at an agreed outcome. It is also a process of learning and readjustment of understandings and expectations whereby the parties move from conflictual perceptions of behavior to ones of potential cooperation, leading (if successful) to a discussion of the terms of a final agreed outcome. Rabin and Arafat spent three years together traveling along that road. Forced by circumstances and pushed by external and domestic pressures, Netanyahu, Rabin's fiercest critic, now finds himself that he has no alternative but to sit down with Yasser Arafat and that his own fortunes, as well as those of the peace process, are inextricably linked with those of his one- time arch enemy.

The realities of power have brought Netanyahu to accepting the Oslo process, albeit reluctantly and painfully. But he has yet to show that he has fully embraced Yasser Arafat and the Palestinian Authority as his true partner in the pursuit of a just and lasting peace. If he is truly intent on forwarding the peace process after Hebron, and securing the trust of the Palestinians and the Arab world, he will have to display a greater commitment and determination than hitherto. In doing so, he will have to confront his supporters on the right who brought him to power, including many of his own colleagues within the Likud party. Netanyahu may well discover that his freedom of maneuver under the present government is too constrained and that he will have no alternative but to turn to Shimon Peres and the Labour Party. It remains to be seen whether Netanyahu is ready and has the courage to overcome his ideological preferences and political constraints. Much depends, for both Israel and the Palestinians, on whether Netanyahu possesses the qualities of statesmanship to meet the challenges that lie ahead.

NOTES

¹ See Keith Klye and Joel Peters (eds.) *Whither Israel: The Domestic Challenges*, (London: The Royal Institute of International Affairs, 1994)

² This phase is associated in political terms with the Likud's capture of power in 1977.

³ Ovadia Elli was placed number 38 on the Likud list and therefore was not elected to the Knesset. He would have become a member of the Knesset, thereby becoming an eligible candidate for the post of Speaker, had the so- called Norwegian Law been immediately adopted. This law requires all cabinet ministers to resign from the Knesset and be replaced by candidates next in line on their respective party lists.

⁴ Ne'eman resigned in August pending charges for corruption and was replaced as Minister of Justice by Tzachi Hanegbi.

⁵ See David Makovsky, 'After Hebron', *Jarusalem Post*, 13 December, 1996