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CHANGE OF GOVERNMENT IN ISRAEL AND THE MIDDLE EAST PEACE PROCESS

INTRODUCTION

Binyamin Netanyahu's victory in May 1996 parliamentary elections and his taking over as the new PM of Israel have given rise to some very pertinent questions as to the ongoing peace process in the Middle East. The whole region is now in a state of flux and the election results seem to have engendered forces which are likely to substantially change the region's political, cultural and economic characters. Already the Likud Party victory over Shimon Peres and his Labour alliance has not only shaken up the entire Arab World, but also the Western powers including US. A rather "unusual" united Arab stand against Israel, followed by the pressure on the new government of Israel from the G-7 summit in France and subsequent developments including the Washington summit in October 1996, only symbolizes the fear and uncertainty that are gripping the world leaders on the prospect for a durable peace in the Middle East as per Oslo accords.

Multifarious repercussions are anticipated if, for example, Netanyahu decides to proceed according to his election promises and if he fails to get rid of his spirit of jingoism. It would shatter the dream of gradual expansion of peace throughout the Middle East which has been a turbulent region since the dawn of civilization. But the lingering

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question is whether Netanyahu can jettison the peace initiatives outright. It seems it is Netanyahu who can make and unmake peace in this region because his party was the strongest opponent of Labour's initiative regarding peace in Israel. But now doubts and apprehensions boggle the mind because the long sought after peace process was set in motion through an arduous process and the process was at best half way through when the current change has come across.

The changing international climate, like the end of the Cold War and the transformation of intra-Arab politics following the end of the Gulf War left no other options for PLO and Israel than joining hands in the peace process. Negotiation towards finding a permanent solution for the problem began under the auspices of International Conference on West Asia in Madrid on October 31, 1991. For the first time, all parties to the Arab-Israeli dispute, Israel, Syria, Lebanon and a joint Jordanian-Palestinian delegation sat for talks. It was also for the first time that the Israelis came face to face with the Palestinians across the conference table. The Madrid Conference established a new framework for continuing negotiations, replacing the 1973 Geneva Conference as the benchmark for future discussions. The process initiated in Madrid continued through various obstacles and dilemmas e.g. terrorist attacks and military raids in occupied territories, elections and change in governments in US and Israel. Nine rounds of talks were held between the Israelis and Palestinians in between October 1991 and April 1993. Both sides put forward their draft proposals, but peace was still a far cry. At last the breakthrough came with the secret peace deal struck between Israel and PLO in Oslo outside the framework of the Madrid Conference through a "textbook case of unofficial diplomacy". The secret channel was proposed in June 1992 by Terje Roed Larsen, a Norwegian social scientist who had been doing research in occupied territories and had established contact with moderate Palestinians and dovish Israelis. Informal talks began in late 1992 in London and then were shifted to Norway. The highly-secret negotiations ended with the much-coveted signing of the "Declaration

of Principles for Palestinian Self-rule" at Washington on 13 September 1993. It was Peace Accord based on mutual recognition. Both the sides publicly announced that they had given up the policy of total rejectionism and non-recognition through accepting each other's existence. It is step-by-step peace settlement beginning with a five-year interim period of Palestinian self-rule in the Gaza strip and the city of Jericho in West Bank. The Accord does not confer sovereignty on the PLO but vests police powers and municipal functions such as health, sanitation and education with the Palestinians self-rule authority. There is no mention of an end to the occupation.¹ According to Articles I and V of the DOP, the permanent status negotiation must begin after two years (May 1996), with the final disposition of the territories settled by the end of the five-year period (May 1999).

The accord, it should be mentioned, is not Camp David-type formula. Rather it involves an arduous process and depends much on effective negotiation. The crux of the peace formula is "land for peace", which is implemented through Israeli withdrawal from occupied Arab lands with the unstated but understood goal of eventual establishment of an independent Palestinian state with its capital in East Jerusalem which forms a part of territories occupied by force in 1967.² The principle of vacating territories occupied by force would also apply to the Golan Heights, which was a part of Syria, which was also occupied by Israeli aggression in the June 1967 war. The implementation of UN Resolutions 242, and 338 require these principles to be honoured to enable durable peace to be established in this region.³ According to the 1995 agreement the Palestinian Authority got control over the West Bank cities.

1. See, Dr. Shashi Shukla, "Palestinian Self-rule : Prospects for Peace", *Foreign Affairs Reports*, vol. XLIV, nos 1 & 2, Jan-Feb. 1995, New Delhi, pp. 5-6; T.G. Fraser, "The Arab-Israeli Peace Process: A House Built on Sand", *The South African Journal of International Affairs*, vol. 3, no. 1, Summer 1995, pp. 99-100.
2. Dr. Maqbool Ahmad Bhatti, "Middle East portents", *Dawn*, July 6, 1996, Karachi, Pakistan.
3. *Ibid.*

But after Likud has formed the government, the peace process has reached an uncertain stage. Any deviation from the principle of land for peace could force the entire region into the another cycle of tensions. Netanyahu's Cabinet is one of the most right-wing Cabinets in the Israel's history, which includes some well-known hawks like Ariel Sharon and Rafael Eytan, and it is expected that the new government will champion the biblical concept of "Greater Israel" even though formally it still pledges to pursue the peace process with its neighbours.

At this juncture of time, an attempt has been made in the present article to visualize the unfolding scenario in the post-Oslo peace process situation. This paper seeks to assess the changing context in the peace process arising out of the Israel's recent parliamentary election. Can Netanyahu stick to his election rhetoric or he has to conform? His meeting with Arafat may have raised some hope. On the other hand, he must keep his election promises unaltered and will have to quell the party hardliners. Because of his persistence of hardlining policies and statement, possibly his dilemmas are not apparent now. But compulsions for peace will also come to the forefront. An examination of the factors that may force Netanyahu in the peace track as well as the sources his real strength to deviate from the will constitute the subject matter of the present analysis. The first section of the article identifies the causes of Netanyahu's victory. Section two focuses on the changes and continuity of the peace process including the recent Likud initiatives that may shatter the peace process. The next section discusses the dynamics of Israel's internal situation following the Likud victory. Section IV is devoted to the Palestinian perspectives, especially Arafat and his dilemmas. Regional and external factors of peace are discussed in section V. The penultimate section sheds light on the compulsions for peace, certainly from a Israeli perspective.

I. NETANYAHU'S VICTORY : TRACING THE CAUSES

In the newly introduced dual voting system in Israel, the Likud leader Binyamin Netanyahu won by a narrow margin of 29,000 votes

to become Israel's youngest prime minister. For the first time, in this election the voters voted separately for the Knesset and the prime ministership. Interestingly enough, the elections to the 120-member parliament, the Knesset, resulted in a major blow to both the two large parties - Labour and Likud. Under the old system, as followed in most of the countries following parliamentary democracy, leader of the party that won the most seats in the Knesset was traditionally asked to form a government. But now it was Netanyahu, as the winner of the Prime Minister's race, who brought the party to power through a hair-breadth victory.

Likud won 32 seats in the 120-member House, its previous share was 40. Labour also dropped from 44 to 34. To get 61 to win the confidence vote Netanyahu had to count on the support of the ultra-religious and orthodox groups which have done remarkably well in the polls. As Labour has more seats in the Knesset than Likud but Netanyahu did not consider the support of Labour because they could veto the government policies. Among the religious parties the Shephardi Torah Guardians (Shas) won 10 seats, the United Torah Judaism four and the National Religious Party nine. Yisrael Ba-Aliya, the party of Russian immigrants headed by Nathan Sharansky, has captured seven seats and the breakaway Labour faction, the Third Way, has got four. The rest of the seats have gone to the Arab parties and to other formations further to the left. Meretz got nine, Hadash five, United Arab List four and Moledet two.⁴

Netanyahu's victory was apparently unanticipated. The Israeli voters had two options. One, to uphold the dream of Nobel Peace Prize winning Labour leader Shimon Peres, who promised a New Middle East full with compromises. Second, to pay attention to the warnings of Netanyahu, who mentioned the word fear 11 times in the candidates' 30 minute debate to remind voters that Israel must first defeat the terror still hunting their streets. Netanyahu manipulated the

4. See, *Keesings Record of World Events*, May, 1996, Cartemill Publishing, UK.

voters' concern after the suicide-bomb attack by Hamas early 1996 that killed 59 men, women and children. One political commentator mentioned in a Israeli newspaper "for the time being, the fear of the dangers of peace is far greater than the hope of peace." On the other hand, Peres' attempt to boost his image by ordering bombardment in Lebanon that killed as many as 200 civilians also went against him and alienated many more Israeli Arab voters than it earned him Jewish votes. Both sought votes through toughness, Netanyahu saying more or less what he meant. He was threatening to put the peace process into reverse gear in the West Bank (he and his party do not care about Gaza).

A series of Palestinian Islamist suicide bombings in Israel in February and March 1996 seriously damaged Peres' popularity and increased support for the more hawkish Netanyahu. But the hypothesis that the suicide bombings by Palestinian militants turned voters against peace process is only partially true. After suicide bomb attacks in Israel by radical Palestinians, party stalwarts asked for Peres' replacement. According to the Centre for Peace Studies, Tel Aviv University, support among Israelis for the Oslo process was 73.1 percent after Rabin's assassination in November 1995 but dropped to 60.3 percent by the end of January 1996. The main reason is Peres' vacillation.⁵ Sometimes hawkish, then moderate, then a promoter of peace and then attacking the civilians - all these at best proved that he has no character, specifically no principle at all.

Looked minutely, however, the Likud victory was not at all unexpected. The local level elections were sending signals of increasing popularity of hardlining candidates. In fact Likud was slowly coming to the power structure, the results of the 1993 municipal elections, mayoral elections and opinion polls being indicative.

5. Siddharth Varadarjan, "Israel in Crisis, Haunted by the Spectre of Peace", *Times of India*, June 20, 1996.

Netanyahu won more than 55% of Jewish votes. It was presumed that Peres would lose Jewish votes because most of the ultra-Orthodox rabbis endorsed Netanyahu. Israeli Arabs account for 11% of the electorate. More than 80% of them turned out to vote. But their support could not save Peres. Shimon Peres failed to attract voters like religious groups and new immigrants. Incidentally, new immigrants from Russia constitute more than 15 per cent of the total population.

By displaying telegenic style, Netanyahu successfully boosted his image which is a very significant factor in today's elections. In terms of election campaign, Netanyahu followed American election campaign techniques by hiring American political communication experts which paid him off. As an ostentatious politician he could comprehend media's role and manoeuvred it to gain popularity at home by becoming Israel's most engaging and articulate advocate abroad. He is the first Israeli politician to master "sound-byte" politics and the use of electronic media to project his message, where Peres was, however, a traditional one. Economic issues were not the factors that affected the election outcome. The phenomenal growth of the economy over the past decade has shut out any debate over the virtues of the privatisation-liberalisation schemata that Israel has followed. One economic issue that had some relevance for the 1992 election i.e. the absorption of new immigrants - had faded out even at that time.⁶

Research findings with empirical evidence show that, Israeli Jews have a negative image and think that a Palestinian state would present a threat to Israeli security. The way Peres was proceeding, a great number of people was fearing that he was too hasty to consider the reality of a Palestinian state. Most Jews are convinced that a Palestinian state would not be democratic and would seek to annex parts from Israel. Also the vast majority of Jews think that a Palestinian state would be of Islamic character.⁷

6. *Frontline*, May 31, 1996.

7. Majid Al-haz, Elihu Katz, and Samuel Shye, "Arab and Jewish Attitudes: Toward a Palestinian State", *The Journal of Conflict Resolution*, vol. 37, no. 4, December 1993, pp. 619-632.

Ironically Shimon Peres never quite won the confidence of the Israeli people. As a four time loser against Likud, he is considered an intellectual and called a "visionary", which "in hardbitten Sabra politics, is a euphemism for highbrow schlemiel".⁸ His much-touted vision of a 'New Middle East,' where Jews and Arabs live peacefully was considered ahead of time. Netanyahu's truculence, inborn hatred towards Arabs, his initial allergy to even meet Yasser Arafat was conceivably a safer road to victory than Peres' stated intention to trade the Golan Heights for peace with Syria and his optimism toward a Palestinian state.⁹

II. LIKUD GOVERNMENT: MORE CHANGES THAN CONTINUITY IN THE PEACE PROCESS

The principle of the Oslo accords was that the autonomy period would be a five-year transition to greater self-determination. Netanyahu wants to stop here. Planned in Oslo in 1993 and recorded in various agreements in 1993, 1994 and 1995, the peace process was supposed to bring a comprehensive solution to the Israeli-Palestinian dispute by May 1999. Now the chances for gradual expansion of peace process are grim.

Neither in his Inaugural Address, nor in his new government's policy guidelines did Netanyahu pledge to abide by the Oslo Peace accords, leaving the interested parties apprehensive about the future of Israeli-Palestinian relations. From the Israeli PM's utterings thus far, it seems that he is prepared to give the Palestinians at best a very "generous autonomy", but not a Palestinian state. Netanyahu also believes that Israel, which made peace treaty with Egypt and Jordan, had already given land captured in the Arab-Israeli war in 1967. He did not accept the formula of land for peace. He suggested that all parties should return to the spirit of the 1990 Madrid treaty for peace

8. Joe Klein, "Israel, Beautiful Bibi", *Newsweek*, May 27, 1996, p. 19.

9. *Ibid.*

talks, in which neither side imposed preconditions. He also said that Jewish settlers in various occupied lands have to be lifted nearly 500,000 in number. He first expressed his unwillingness to meet Yasser Arafat, whom he still considered a terrorist. As far as Israel's neighbours are concerned, he wanted to resume talks with Syria and Lebanon, but without any preconditions. Since Netanyahu has ruled out returning the occupied Golan Heights, hopes for an Israeli-Syrian peace treaty are also dashed.

In short, Netanyahu's policies indicate revival of the confrontational policy that characterized the period during which the destruction of Israel was a formal PLO objective. However, following the Palestinian elections early this year, the PLO had officially abandoned that objective. Particularly notable policies are the following¹⁰:

i) Likud has voiced opposition to the establishment of an independent Palestinian state in the occupied territories, whether as a separate entity, or in confederation with Jordan.

ii) The new government has also expressed total opposition to relinquishing or sharing sovereignty over any part of Jerusalem.

iii) The notion of withdrawals from occupied territories, including the Golan Heights, is rejected. Likud obviously does not contemplate progress towards Palestinian self-determination beyond the assumption of local administration, with defence and foreign policy remaining vested with the Israeli state.

iv) As already mentioned, Netanyahu envisages further Jewish settlements in the occupied territories, to accommodate the continuing influx of Jews from East Europe, and also rejects any obligation towards Palestinian refugees, whether about any right to return or to compensation.

More often than not, both sides accuse the other of violating the Israeli-PLO peace accords, and the complex separation of security

10. Maqbool Ahmad Bhatti, *op. cit.*

powers in the territory. The peace accords specifically confine Palestinian security forces to pockets of territory controlled by the PLO on the West Bank. Violation of agreement is alleged by Netanyahu. According to him the Palestinian Authority had set up branch offices in Jerusalem in explicit contravention of the accords. The Palestinian security police had been patrolling Jerusalem and arresting people there which constitutes another violation, according to the Israeli government.¹¹

Another allegation is concerned with amendment of PLO Charter. It is well-known that the charter of the Palestinian National Council - the PLO's parliament-in-exile - had called for the destruction of Israel. The Israel-PLO peace accords stipulated that the Council must delete those sections of its PLO constitution. While PLO claims it has abandoned the pledge and the constitution has been amended with what has been known as "the greatest ideological change of the century", the Israelis are not fully convinced that the charter had in fact amended. The Israeli watchdog group Peace Watch quotes an internal PLO document to argue that the concerned provision of the charter was at best frozen, not annulled. Likud subscribes to this view, but this is strongly protested by PLO. Besides, Netanyahu said the Palestinians had violated the Israeli-PLO agreements by failing to dismantle the Islamic militant group the Hamas and by conducting official government activity in Jerusalem. Palestinians want to share Jerusalem as capital, but Israelis insist that it is theirs alone.

PLO also complained of a lot of violations that include the absence of a safe passage connecting the West Bank and Gaza Strip to Israel's failure to withdraw its troops from most of Hebron. What is significant, under the Peres government, both sides appeared willing to overlook some violations in order to maintain the momentum of the peace process and understanding other party's limitations. But Netanyahu's government already has explicitly hinted it would take a

11. *The Economist*, July 13th -19th, 1996.

harder line. Evidence that Netanyahu means business is not difficult to come by. Many of the key positions in Likud cabinet have gone to hardliners, and a peace reversal is most likely. Likud has inherent reluctance, as the above discussion suggests, to make major concessions in the Israeli-Palestinian negotiations that opened early May 1996 regarding their final status.

Likud's words are not mere election rhetoric. In July 1996 the new government of Israel has delayed the signing of an agreement between the United States and the Palestinian Authority to improve water use in the West Bank. The US\$46.5 million project would provide American technical assistance and consultation to the Palestinians on increasing access and effective use of existing water resources in the West Bank. Under the Israel-PLO accords, Israel's approval is needed on such projects. Israel gets more than a third of its water from the West Bank and insists on retaining control over springs even in areas where the Palestinians have autonomy. The Palestinians want control of the water resources. Palestinians are in the midst of huge water shortage and delaying of the treaty would only aggravate the situation.

If ideological difference is analyzed, we find that Likud is opposed to separation and past Likud governments have looked for ways of integrating the Palestinians into Greater Israel. On the contrary, Labour Party is an ardent advocate of separation between Israel and the Palestinians. When Likud first came to power in 1977, Israelis who had settled in Gaza and the West Bank following Israeli occupation of those areas in the 1967 war numbered fewer than 5,000. When Likud left office in 1992, this number had grown to about 110,000. (These figures do not include areas incorporated within the expanded post-1967 boundaries of Al Quds.) While Likud is not solely responsible for settlements, policies pursued by Likud and Labour are different. In conformity with its acceptance of the principle that Israel should withdraw from territories occupied in 1967 in return for peace, the location of settlements under Labour (with the exception of the Al Quds area) was determined primarily by security considerations. Most

of those settlements are in largely unpopulated areas that labour envisaged keeping under Israeli control in a peace treaty. By contrast, Likud policy was to build settlements throughout the West Bank and to increase their numbers dramatically, consistent with Likud doctrine that all of former Palestine is an alienable part of the land of Israel.¹² Likud's recent decision to build two roads in the West Bank and widen two bridges to the Golan Heights would exacerbate the peace process. It got sharp reaction from the US, Egypt and the PLO.

But the entire peace process came to the verge of collapse by Israel's opening up an ancient tunnel that runs alongside the site of Al Aqsa mosque in Jerusalem. Unprecedented violence erupted in the occupied territories in three decades that left 73 people killed, 58 of them Palestinian, and 1500 injured in the last week of September.¹³ It was widely described as the return of the *intifada*. A summit was held in Washington under the auspices of the United States among President Arafat, President Clinton, King Hussein of Jordan and Israeli PM Netanyahu in the wake of the violence with an attempt to revive the peace process. But it ended with no tangible results other than agreeing to take steps to stop violence and to start talking.

Although it may be too early to evaluate the course of events that are likely to follow, it seems from the post-election policies and utterings of Netanyahu that he will proceed with peace very slowly. No doubt, there are doves in Netanyahu's side which include David Levy, well-known as a moderate. But Netanyahu has made his position clear that as a directly elected Prime Minister, his say will prevail. Defeated Peres still hopes that Netanyahu will face difficulties and chances of his coming to the limelight as the Labour Chief are still cherished. Although, hope for a Likud-Labour unity government is in the air,¹⁴ this may be considered as a wishful thinking at this stage.

12. Alfred Leory Atherton, "Israeli return to settlement policy could unsettle Mideast peace process", *Dawn*, Karachi, June 13, 1996.

13. *The Economist*, October 5-11, 1996.

14. *The Economist*, September 7-13, 1996.

The new government can take some economic policies to quell the Palestinians and to prevent the making of another *intifida*, without giving them more concessions.

III. CHALLENGES FOR ISRAEL

The election results paradoxically also pose serious challenges for Israel and it is apprehended that some fundamental changes are likely to take place in the nature of Israeli society. Needless to say, the Arab-Israeli peace process is also likely to be affected significantly. Saliency of the religious parties and Russian immigrants gained will have their repercussions. It may lead to further fragmentation of power. Netanyahu is a new comer to both national and regional politics and his ability to steer the Israeli nation remains to be seen. Some of these challenges are discussed below.¹⁵ Moreover, another formidable challenge for Israel i.e. threat of terrorism and individual security is also to be mentioned. A separate section has been devoted to analyze Israel's compulsions to continue the peace process.

Increased strength of religious parties : The strength of religious parties has increased. The National Religious Party, the party of the religious Shephardic Jews (Shas) and the flag of the Tora parties gathered 23 seats - up from 16 members in the outgoing Knesset. Naturally this party would demand enhanced role of religion in the functioning of state, leaving the possibility of polarization between religious Jews and secular Jews as well as the Arabs. In the process, Likud may become more dependent on the ultra-orthodox groups for its survival in power, which may result in abandoning the peace process. In fact, Netanyahu signed coalition with religious parties and two centre-right groups. The vision of the future Israeli society is another likely issue -- a secular one as visualized by the Labour socialist founders of the Israeli state, or a religious one. This debate

15. For a brief discussion see, Shai Feldman, "Netanyahu's Victory Opens a New Mideast Era", *International Herald Tribune*, June 1-2, 1996. Some of the points of this section have been taken from the above-mentioned article.

manifested in questions such as whether public transport should operate on the days of Sabbath and what should be the nature of the educational system, intensified when a religious Jew assassinated Rabin.

Israel's secular majority is being marginalised. The rabbis already control all issues to do with marriage and divorce. A new tradition has been introduced in the justice ministry: a daily lesson in the Talmud, the ancient source of Jewish law.¹⁶ Furthermore, religious agenda of the Orthodox and ultra-Orthodox parties, which include tightening of religious control over daily life, are also drawing fire from women's groups and mainstream Likud members, as well as from Russian Jews. Needless to mention that these are signs of inconsistency in Israel between state and religion, and managing this tension might be onerous for the ruling party in near future.

These factors are compounded by the Arab people, which constitute 18% of the total population. About 8,50,000 Arabs are now in Israel. Israeli authorities claim that confidence among Arabs has been increasing because of the peace process. It is only partially true. Admittedly, there are reports that economic and social conditions and provisions for Arab education are improving but there are growing frustration as well in such areas like, human resource development, resource allocation and quality of lives.

Fragmentation of power : The elections to the 120-member parliament and the subsequent increase in the relative power of the smaller parties, resulted in raising their bargaining power in the coalition formation process. It has decreased the PM's manoeuvring capability in the new cabinet. Netanyahu had to negotiate away half the available portfolios, and more than half of the Knesset committee chairmanship, to smaller coalition partners. He had to satisfy not only the religious parties and Natan Sharansky but also David Levy and Rafael Eitan, who had fought on the combined Likud slate, and party

16. *The Economist*, July 20-26, 1996.

veterans like Ariel Sharon. The religious and ultra-Orthodox parties got more than their fair share of the portfolios. Moreover, Netanyahu's desire to leave Sharon to one side was ruined by Levy's refusal to serve in the cabinet unless Sharon was included.¹⁷

The rise of sectarian politics : The parties that are enjoying increased strength represent narrow sectarian interests. The religious parties seek greater support for their educational institutions, the Russian immigrants' party want better housing and better jobs for its constituents and the Third Way party wants to prevent withdrawal from the Golan Heights. In the future other interest groups may rise with their individual demands.

Threat of terrorism and individual security : Whosoever responsible, terrorism is individually the prime concern in Israeli society and polity. "Militants on both sides see the peace process as a dangerous threat to the achievement of their objectives as evidenced by the Hizbollah rockets, Hamas bombings and the actions of the right-wing Israeli underground. Ironically, the moves of one extremist benefit the other. Terrorism inevitably leads to calls from many quarters to roll back the agreements, slow the negotiations or cancel upcoming aspects of implementation."¹⁸ Banking on this issue Likud virtually has come to power. The suicide bombings in Jerusalem and Tel Aviv by members of the Hamas movement led Likud to highlight the issue of more security in their election agenda. The creation of the Netanyahu government that might slow Arab-Israeli peacemaking may serve the interests of the fundamentalists in both sides.

As a state Israel does not have any considerable security threat. Operation Grapes of Wrath (Israel's bombardment of Lebanon) has

17. Jonathan Marcus, "Toward a Fragmented Polity? Israeli Politics, the Peace Process, and the 1996 General Election, *The Washington Quarterly*, vol. 19, no. 4, Autumn 1996, pp. 31-32.

18. Geoffrey Kemp and Jeremy Pressman, "The Middle East : continuation of the Peace Process", *SIPRI Yearbook 1995*, p. 195.

only affirmed the fact that there is no regional force which can threaten Israel's existence. There is the additional factor with the end of the Cold War and the collapse of the Soviet Union that there is no extra-regional force that can threaten Israel's existence either. But the security of the individual Israeli citizen is of great concern now. This threat originates from two sources. The Palestinians and the Syrians and Syria-backed forces. The activities of Hamas and Hizbollah, often in retaliation of the Israeli brutality, pose a massive security concern for individual Israeli citizen. For instance, recent immigrants from Russia and Eastern Europe are gripped by a paranoid concern about insecurity. They are concerned about the future of the settlements which are their homes. The militants of the Hamas and the Islamic jihad as well as the Hizbollah in southern Lebanon have made their lives vulnerable. This perception of threat has also gripped the ordinary citizens living in the territory of Israel proper or as mentioned among Jewish settlers living on what is legally Palestinian or Syrian territory.¹⁹ The successive governments have proved that Israel has the military strength to secure their security environment but with this question that whether that strength will be used to impose Israel's terms on its neighbours, it can be also be said that this military might may not be very instrumental in ensuring personal security of the common lives.

A less experienced leadership : As a tyro in regional politics Netanyahu lacks the vision which their predecessors possessed for a permanent peace in this region without hampering Israel's interests. The reason is very simple, Netanyahu has not passed through political apprenticeship. Netanyahu did not hold any executive post before which seriously questions his ability to translate his rhetoric in reality. As an hardcore opponent of every policy in the parliament he has grown up politically, but the Arab-Israeli conflict is one of the most protracted conflicts, and a settlement certainly merits experience, courage and dedication. Already Netanyahu has started proving these

19. *Frontline*, *op. cit.*

concerns. The cabinet formation drama, inconsistency in his words and actions, have at least baffled his friends and foes alike. He has marginalised the role of Foreign and Defence ministries. In Israel commentators are believing that the recent showdown with Palestinians and Netanyahu's attitudes did not stem from his belief that Israel could win peace without paying the price in land, but simply from his inexperience. One journalist Nahum Barnea wrote in the *Yediot Ahronot* newspaper, "The mistakes in recent weeks do not stem from ideology, they stem from the government's arrogance, its thick-headedness, its blindness".²⁰ Another Israeli politician said about Netanyahu, "he has not quite gotten up to speed in terms of what a prime minister of Israel has to do".²¹ These remarks have become authentic with Netanyahu's decision to open the tunnel which is viewed in his country as a product of inexperience and brashness. Netanyahu himself admitted that the timing of his decision to open the tunnel was less than propitious.²²

IV. THE PALESTINIAN PERSPECTIVE : ENDANGERED ARAFAT?

Arafat's leadership is now more vulnerable after Netanyahu's victory because of the slow down of the peace process. Operations and counter-operations between settlers and Palestinians may start soon. And it will activate the Hamas with renewed vigor. Arafat must prove that his peace concessions have not gone in vain.

But the Palestinians are really frustrated. They were glad to see Israeli army and administration out of their cities. But self-rule still remains a lesser form of Israeli occupation in Gaza. Israel is continuing control of entry points, Israeli settlements, roads and areas. The 1995 agreement gave the authority control over the West Bank's cities (except Hebron). The deal also gave it semi-control over 450

20. *The Morning Sun*, August 31, 1996.

21. *Ibid.*

22. *The Economist*, September 28- October 4, 1996.

towns and villages, though in these Israel's army retains and exercises, "overall security authority".

Even though Arafat and the Palestinian Authority (PA) have consolidated power through the January 1996 elections (among the 88- person legislative council the breakdown of seats of parties are, Fatah 50, Independents 36, other parties 2 and Arafat became the president, or *rais* of the executive authority securing 88% of the votes), making PLO's writ felt as per the accord is yet to be achieved. Based on the four pillars of social support e.g., the police and security apparatus, employing approximately 28,000 personnel; the PA state bureaucracy, employing a similar number; the old landed elite; and Arafat's own reconstructed Fatah party, the regime has faced four different sources of instability.²³

Question is : what the Palestinians are really getting out of the peace process? For instance, the Oslo II, or Taba, Agreement, signed in Washington in September 1995, gave the Palestinians direct control of just 7% of the West Bank, with shared Palestinian-Israeli control of a further 24%. The remaining 69% is still occupied, although it calls for three unidentified future withdrawals from some areas. Now the West Bank is a patchwork, divided into over 100 separate cantons of varying degrees of Palestinian control. The so-called autonomous but essentially powerless Palestinian entity is economically dependent on Israel and militarily wrapped as a Israeli client state. So it is very difficult to sell the peace process to the Palestinian people.

Secondly, internal-external dichotomy is another complex issue among the PLO rank and file. The Palestinians from the West Bank and Gaza who produced the *intifada*, it was the 'external PLO' in Tunis, led by Arafat, who made the deal and now rule Palestine. Most of the key jobs, including the security related jobs, have gone to these outsiders. Tunis-based leadership was fully ignorant of the conditions

23. For further analysis of these points see, "The Politics of Palestine", *Strategic Comments*, IISS, vol. 2 no. 3, 12 April, 1996.

of the Palestinians living under Israeli control. It is often rightly mentioned that the PLO headquarters in Tunis was more interested in the politics of negotiations than in the practical consequences. PLO does not possess adequate information and data to rule their areas. The lack of qualified advisers has a lot to do with the endemic cronyism of Arafat and the PLO. It is always alleged that within the PLO, advancement has usually been based more on personal loyalty than on professional skill. The creation of a bureaucratic meritocracy has never been one of Arafat's preferences. In a highly revealing comment in Tunis in mid-November 1993 Arafat stated that the Palestinian entity "will not be governed by the bureaucrats and technocrats." This mind-set has already led to confrontations with potential donor countries that do not want to see their money wasted.²⁴

Thirdly, the absence of a isthmus between the West Bank and Gaza is another source of tension. During the closure, travel between the two areas is banned. Even prior to the closure, however, travel from the West Bank to Gaza was impossible for Palestinians, and travel from Gaza to the West Bank was very problematic. Only high-ranking PA officials were granted permission. Extending the PA's authority from Gaza to the West Bank in autumn 1995 was difficult in part because of the lack of contact between the two sides. As a result, West Bankers are often alienated and a voice is in the air about Gazan occupation.

Finally, Arafat's consolidation of power in Palestine has been hampered by pressure from Israel and the US on security issues. PA had adopted some harsh measures to respond to Israeli and US concerns about Hamas that included adopting security courts of sham trials, arrest without charge, imprisonment without trial, and the systematic torture of security detainees. Though Hamas may be blamed for the acts of violence, Arafat is increasingly seen as a surrogate for Israeli and US interests in the eyes of the ordinary Palestinians.

24. Jim Lederman, "How to Help the Israelis and Palestinians Reach Peace", *Middle East Quarterly*, vol. 1, no. 1, March 1994, p. 10.

In addition, economy of West Bank and Gaza is now in shamble. Most Gazans and many West Bankers are worse off economically now than when the Oslo process had begun. GNP per capita fell from US\$750 in 1992 to US\$585 in 1995. Unemployment has risen from 15 per cent to about 25 per cent of the work force. The problems are most acute in Gaza Strip, where unemployment is at least 40 per cent. Peace process could not boost investment. But the main reason of the economic decline has been the Israeli government's policy of sealing off Gaza and the West Bank in response to attacks. About 25 per cent of Palestinian GNP comes from remittances from those with jobs in Israel: payments immediately lost when the border is closed. Furthermore, the domestic economy grinds to a halt as goods are denied access to Israeli and international markets and firms are unable to import raw materials.²⁵ Though only recently Netanyahu removed the blockade, which was imposed earlier to prevent the Palestinians to go to their jobs, several thousand workers from eastern Europe and Asia have already been imported to work in Israel. These Palestinians are finding that their work no longer exists. Netanyahu has slightly eased the closure allowing 10,000 workers from self-ruled areas into Israel, raising the total number of work permits to 32,000. But according to World Bank officials, at least 50,000 Palestinians must have permanent work in Israel just to stop the economy shrinking further. Moreover, Netanyahu has allies who have advocated the imposition of a special tax on Israelis who employ Arabs so that they will be deterred from doing so.

The resurgence of Hamas' activities in view of the Netanyahu's intransigence is another perplexing problem for Arafat. Hamas already accused Yasser Arafat's PA of "selling out to Israeli occupiers' and depriving Palestinians of their rights" by serving the interest of the Jerusalem state. Arafat arrested hundreds of Hamas members under pressure from Israel after the spate of the suicide bombings. It is

25. See, Toby Ash, "Netanyahu govt may boost Gaza economy", *Dawn*, July 6, 1996.

demanding release of their members in jail. Hamas' call for "total confrontations" with Israeli army after the tunnel dispute further weakened Arafat's position.

V. EXTERNAL FACTORS OF PEACE

The Syrian Track

Discussion of the Arab-Israeli conflict remains incomplete without Syria which is an important party in the entire ME peace process. Syria demands that Israel return the Golan Heights, seized from Syria in 1967, as a basic condition of peace. Peres had strongly hinted that in return for full peace and normal relations with Damascus, including an exchange of ambassadors and open borders, Israel might be willing to give up the Golan Heights, a strategic plateau overlooking the Sea of Galilee. On the contrary, Netanyahu said he would never do so because it would jeopardize Israel's security. He rejected a broad territorial compromise under which Israel would return the occupied Golan Heights in exchange for peace and normal relations such as trade and diplomatic ties. Instead, he said, his government would employ a new bargaining strategy that seeks to achieve incremental agreements in limited areas like water-sharing, economic links and cease-fire in southern Lebanon, where Israeli forces are battling Hizbollah activists operating with Syrian support.

In fact Israelis have problems as well. An Israeli withdrawal from the Golan could theoretically expose those in the Galilee Valley and expose them once again to the dangers of Syrian shells flying into their homes and farmsteads from the Heights.²⁶

But it is equally true that Israel's dealing with Syria is considered as a very important factor in the Middle East peace process and it is an essential step in unwinding the tensions of the region. Syria is the last substantial military power bordering the Jewish state to remain hostile

26. *Frontline*, *op. cit.*

after peace treaties with Egypt and Jordan. Furthermore, Syria can hinder the peace process. There are about 700,000 Palestinian refugees living in Syria and Lebanon. Those refugees could be trained and encouraged to oppose the agreement. Netanyahu's perception is that Syria's position is weakened by the collapse of Soviet Union and growing relations between Israel and other Arab countries.

Lebanon: Israel's Achilles Heel

Israel maintains troops in southern Lebanon and continues to support a proxy militia, the Army of South Lebanon (ASL), along a narrow stretch of territory contiguous to its border. The ASL's enclave encompasses this self-declared security zone and about 20 kilometers north to the strategic town of Jezzine. In the mid-1980s, Peres pulled most Israeli troops back to a 15-km-wide (nine-mile-wide) strip in southern Lebanon, which was to act as buffer zone against guerrilla attacks on northern Israel. As of December 1993, Syria maintained about 30,00-35,000 troops in Lebanon. These troops are based mainly in Beirut, North Lebanon, and the Bekka Valley. Syria's deployment was legitimized by the Arab League early in Lebanon's civil war and in the Ta'if Accord. Citing the continued weakness of the Lebanese Armed Forces (LAF), Beirut's requests, and failure of the Lebanese government to implement all of the constitutional reforms in the Ta'if accord, Damascus has so far refused to withdraw its troops from Beirut.²⁷ Israel believes that military action in Lebanon would secure their northern border. Israelis are very sensitive to the vulnerability of their northern region and there are some arguments in their favour. They claim that before 1967, Syria shelled civilians from the Golan Heights; since then the North has been tormented by Palestinians and after 1982, the Lebanese Shiite Hizbollah guerrillas backed by Iran. But Israeli military operations have never brought permanent peace in the north. Instead they have created new generations of Arab militants against them. Lebanon's Shiites welcomed Israeli troops in

27. *The World Factbook 1995*, Central Intelligence Agency, Washington DC, p. 241.

1982 when Israel drove the PLO out of Lebanon. That welcome turned to warfare when Israel occupied the "security zone" in southern Lebanon that included many Shiite villages. In the end, that zone has provided Hizbollah an excuse for rocket attacks against Israel, while providing Israel precious little security. Lebanon has become Israel's Achilles Heel. It has faced tremendous casualties inflicted by Hizbollah movement.

The outgoing Labour government responded to rocket attacks on northern Israel with blanket air and artillery bombardments, but kept ground troops inside the security zone. Netanyahu supported the assault launched by Peres in April, code named "Operation Grapes of Wrath". But he criticized the US brokered cease-fire, saying that it legitimized attacks against Israeli soldiers in southern Lebanon.

Israel wants to settle the Lebanese issue first with Syria, but Syria rejects such an approach. In effect Syria is maintaining a transparent hegemony in Lebanese affairs. Hizbollah may globalise its responses to Israel with attacks against Israeli and Jewish targets abroad.

There are thinking that the Lebanese track is derivative of the Syrian track, which may not necessarily be true. There is no territorial dimension in the Lebanese track which is very important. Israelis demand some kind of guarantee for their northern settlements and the Lebanese pose of needing the withdrawal of all foreign forces. The track may come to a closure.²⁸

The Jordanian Track

Israel signed a peace treaty with Jordan in 1994, giving the country a large buffer to the east. Jordan is seeking an overall Arab-Israeli settlement, made more difficult by the election of Netanyahu, to cement its 1994 peace treaty with Israel, which is also opposed by

28. Dr. Thomas Miller, Symposium: Where to Go from Here to Ensure Success in Israeli-Palestinian Peacemaking, *Middle East Policy*, vol. 2, no. 3, 1993, p. 3.

many Jordanians. The peace agreement with Jordan in 1994 was based on a common interest in preventing the Palestinian entity from becoming strong enough to threaten Israel or Jordan.

The Palestinians, always suspicious of King Hussein's interest in the West Bank feared that Netanyahu would draw Jordan into a role in the West Bank. The "Jordanian option" has been advocated by the Israeli to prevent a Palestinian state from coming into being. PLO is now seeking reassurance that Jordan would stand firm again any Israeli attempt to sell "the Jordanian option" - restoring Jordanian control over the West Bank as an alternative to the Palestinian Authority.

Netanyahu would try to involve Jordan to become a partner in the final arrangements between Israel and the Palestinians. King Hussein's public welcome of Netanyahu's victory did not arrive out of the blue. The two had several meetings before the elections, which led to King's refusal to help Peres' campaign by joining him in Washington in April 1996 or by inviting him to Amman. The King clearly prefers an Israeli government suspicious of Arafat and more apprehensive about Palestinian aspirations. He shares the Likud wish - also shared by many in Labour - for containment of Palestinians' national drive while granting them some form of self-determination.²⁹

Turkey: Shifting Alliance?

In February 1996, Turkey has completed a military accord with Israel, that provides for joint training and manouevers and some intelligence sharing between the two countries. The reason for a new relationship with Israel is its security concerns about Syria. With Syria, Turkey is frequently at odds over water rights, disputed border territory and Syria's alleged support for Kurdish rebels seeking self-rule in Turkey. Moreover Syria has lately annoyed Turkey by warm-

29. Ehud Ya'ari, "Very Slowly is How Netanyahu Will Make Peace", *International Herald Tribune*, June 5, 1996.

ing up with Greece, Turkey's rival in the Aegian. Turkey's increased military cooperation with Israel is viewed by Syria to be a threat to Arab security. Leaders of Syria, Egypt and Saudi Arabia sent a strong note to Turkey over its deal with Israel which allows Israeli warplanes to fly over Turkey. This agreement extends Israel's military arm closer to Iraqi, Iranian, and Saudi jugulars. Both of them possess the same view about Iran for the latter's alleged involvement in terrorism. Israel is saying that Iran is helping guerrillas who attack their soldiers in southern Lebanon. Turkey, in the same manner is saying that Iran helping the Kurdish guerrillas.

But the whole calculus may change as the new Prime Minister is Necmettin Erbakan of the Refah Party. It is expected that there might be a foreign policy swing, indications are already available for that. But the reality is that Erbakan need to be on good terms with Turkish army, which likes links with Israel. "Turkey's army considers that it should have diplomatic and defence ties with Israel for Turkey's own interest. And his government had to sign another defence technology cooperation pact with Israel in August 1996. His party's fairly controlled sort of Islamic revivalism does not necessarily make it natural ideological friends of the Middle East's authoritarian regimes.³⁰

The US sees Turkey as NATO's front-line against Islamic revivalism and Russian influence in Central Asia. "Turkey has been a keystone of Western security policy, to an even greater extent than what Iran was under the Shah. It has half a million men in the military and is viewed by the US and most of its allies as a bastion against nationalism in Russia, Islamic revivalism in Iran and potentially troublesome governments in Syria and Iraq. The scope for conflict were Turkey, like Iran, to go Islamic would be immense."³¹ Erbakan's move to boost trade and political relations with Iran, Iraq and Syria

30. *The Economist*, June 29th-July 5th, 1996.

31. John Hooper, "Turkey's Islamic government is pragmatic", *Dawn*, August 9, 1996.

angered Washington. Washington has been unnerved by Turkey's attempt to strengthen its relationship with the Muslim countries before relations with the US. Turkey's pro-Islamic PM, Necmettin Erbakan, signed a US\$20 billion natural gas deal in Tehran which is an ominous signal for US in the region.

Egypt's New Role

Egypt is gaining its historic role in the Arab World. Egypt's response to the developments has caused a certain discomfort in Washington. It is now Egypt's chance to become real power broker in the Middle East. By calling the Arab summit she has made her position clear *vis-a-vis* Israel with whom she signed Sinai agreement. Egypt now re-emerging as the leader of the Arab world, finds itself in growing conflict with a plethora of American policies. America has promoted an alliance between Israel and Turkey, which Egypt see as an unfair way to put pressure on Syria. Egypt feels indignant about the US decision to veto a second term for the Egyptian Secretary General of the UN, Boutros Boutros-Ghali. And it was appalled when the CIA sent a shot across Egypt's bow during the Arab summit by leaking news that Egypt had imported Scud missiles parts from North Korea, although it was a 30 year-old story.³² President Mubarak also angered Washington by not joining the Washington summit, called by President Clinton for the continuation of the ME peace process, saying it would not serve any purpose. This step has been highly appreciated and it further boosted Egypt's image in the Arab world and embarrassed Israel.

These factors also made Israel uneasy about Egypt's future role in the region. Following Israel's unexpected and provocative brutalization of Lebanon in April 1996, President Mubarak sensed Tel Aviv's renewed aggressiveness. He held successive meetings with

32. *The Economist*, June 29th-July 5th, 1996.

Arab leaders, and succeeded in holding an Arab summit in Cairo. The summit conveyed in no uncertain terms Arab expectation of the Israeli-Arab 'peace process,' and abhorred attempts at dividing the region into militarized camps. The US is likely to keep Cairo under constant pressure to conform. Egypt's challenge is to combine tactical flexibility in relations with the US with steadfast strategic independence in pursuing regional policies.³³

US : Dual Containment Doctrine

US is now pursuing "dual containment" doctrine in this region, developed by former Clinton Middle East aide and current US Ambassador to Israel Martin Indyk. According to the new doctrine, Washington will attempt to keep Iran and Iraq weak through a combination of American military power and international diplomatic and economic sanctions; at the same time it will continue to be a "full partner" in the peace process and a strategic partner of Israel.³⁴ In the words of Martin Indyk, the United States should "help the people and governments of the Middle East to confront this emerging threat [of radical Islamic fundamentalism], in part by pursuing peace with vigour, in part by containing extremism throughout the region, and in part by holding out an alternative vision of democratic political development and free market economic development"³⁵ No doubt, this doctrine also envisages maintaining good relations with pro-US states in the Persian Gulf for unhindered access to oil. But to what extent this dual containment doctrine is successful is a question of profound importance.

33. Eqbal Ahmed, "Return of the 'northern tier'", *Dawn*, July, 14, 1996, Karachi.

34. Leon T. Hadar, "America's Moment in the Middle East", *Current History*, vol. 95, no. 597, January, 1996, p. 2.

35. Martin Indyk, Address to The Washington Institute for Near East Policy, May 18, 1993, quoted in Jonathan S. Paris, "When to Worry in the Middle East", *Orbis, A Journal of World Affairs*, vol. 37, no. 4, Fall 1993, p. 553.

Turkey's, Iraq's and Iran's recent roles only reflect serious flaw in the doctrine.

However, questions have surfaced about the role being played by US in bringing Netanyahu in the peace track. Apart from asking Netanyahu to revive the peace process it has not done anything tangible that might force Israel to discard its anti-peace policies, leaving enough room for doubts and skepticism in the common Arab psyche. It is certainly compounded by the recent missile strikes in Iraq. Despite US' attempt to maintain *status quo* in the Middle East, it is true that the post-Gulf war realities no longer exist. Turkey, a close ally of US is not in her side. France and Russia have been pressing to lift the UN sanctions on Iraq, which has placed US in a real embarrassing situation.

Without bringing Iraq and Iran in the broader canvas, which is rather unrealistic at this stage, a comprehensive peace is rather unlikely. "The absence of Iran and Iraq limits the degree of arms control possible. Israel, and even some of the Arab countries, will not accept new restrictions and prohibitions that do not apply to Iran and Iraq. The need for arms control progress in the Middle East increases the need to bring Iran and Iraq into the political negotiations in some fashion."³⁶

VI. PEACE: ULTIMATE "STRATEGIC CHOICE" OF ISRAEL?

Optimists and doves in Middle East politics believe that Netanyahu may find it difficult in implementing his election commitments for various compulsions. According to them, peace is the ultimate "strategic choice" of Israel for several reasons.

First, US opinion is somewhat divided about Israel's new leader. US already took it seriously as Likud tries to disregard its interests in this region. US initiated the present 'peace process' because of its desire to remain the key player in Middle East politics. A *Pax Americana*

36. Geoffrey Kemp and Jeremy Pressman, *op. cit.*, p. 195.

has been established in the Middle East. It wanted to settle the Palestinian issue in a manner that would not dissatisfy Israel as well the pro-US Arab states like Jordan, Egypt and Saudi Arabia. Western powers backed Peres in the election, fearing that Netanyahu's win could jeopardize the peace process. Moreover, the US knows that any delay in materializing Palestinian aspirations will only encourage 'mediation' efforts by other big powers. US was profoundly shocked by the French, German and Russian bargaining on Lebanon's behalf early 1996.

Looking back to history, President Bush put on hold a 410-million housing loan guarantee to Israel, criticizing the settlements policy of Likud Prime Minister Yitzhak Shamir, that probably contributed to the defeat of Likud and Rabin came in 1992. The Rabin government agreed to apply brakes to the establishments of new settlements, and the US housing loan guarantee was approved. Though the settlement was not totally stopped, it became slow and Rabin had to keep earlier commitments of the previous government. According to William Pfaff, "It is a simple reality of political life that Israel cannot expect indefinitely to enjoy large public subsidies from the US if Israel rejects the Middle Eastern peace process recommended and fostered by leadership of both the main American political parties, and favoured by the greater part of American public opinion. In the long run, something will crack."³⁷

Secondly, the economic benefits Israel has derived from the peace process are considerable. Since 1994, when many Arab countries dropped their boycott and stopped blacklisting third country companies which do business with Israel, foreign investment has trebled to nearly \$2 billion a year. Annual exports have increased by 60 percent in three years to reach \$18 billion, mostly because of new markets in the developing world. If Israel is to keep the benefits intact,

37. William Pfaff, "Israel and America: A Peace Consensus is Shaken", *International Herald Tribune*, June 3, 1996.

they must not discard the peace process outright. Business sector is well out of diplomatic and political front.³⁸ Even Netanyahu had to tell Oman and Qatar, the only two Gulf Arab states to establish trade links with the Jewish state, that he was committed to ME peace process. These two countries have said that they would not proceed further if the agreements with P.A. are not respected. Egypt also said that they can postpone the economic conference with Israel, scheduled to be held in November this year.

Third, Netanyahu's deviation will certainly unite the Arab World, may throw Israel into international isolation and unprecedented violence and insecurity can erupt. Arab states said that they may "reconsider" normalization with Israel if Israel deviates or retreats or even "procrastinates" in its own policy. The differences between Syria, PLO and Jordan appeared to have mellowed down in the summit. The Arab leaders met in Cairo to draw international support against Israel's renunciation of the original terms of the Middle East peace process. Furthermore, it was an attempt to overcome difference in the Arab World though Arab World is divided for many reasons. First, Iraq's invasion of Kuwait is one of the factors that caused Arab world to split. Secondly, some of them have their common border disputes. Israel further divided Arabs by dealing with their governments individually, concluding separate peace treaties with PLO and Jordan. There are other disputes as well. Mubarak accuses Sudan of harbouring the men who tried to murder him in 1995. But the most positive outcome in the victory of Netanyahu is the unity among the Arab countries.

Arab leaders are warning that if Israeli PM Netanyahu refuses to relinquish the occupied Arab lands or allow the establishment of a Palestinian state and proceeds as per promised expansion of Israeli settlements in the occupied West Bank with no discussion of Jerusalem, the peace process will be destroyed. Henry Kissinger observes,

38. Siddharth Varadarajan, *op. cit.*

"Israel needs to recognize that perhaps the most important benefits to Israel so far have been the gains in international legitimacy enabling Israel to participate in global diplomacy to an unprecedented degree and thus to avoid isolation in international forums. This asset should not be squandered, it should make Israel very solicitous about carrying out agreements already reached."³⁹

Fourthly, in Middle Eastern politics oil consumers of Asia, America, Europe all will have a combined pressure on Netanyahu, which would be difficult to avoid.

There are other reasons as well. In Israel also there is a strong lobby to continue the peace process. Having come to power through a wafer-thin majority, and relying on a tentative base of support the burden of the price of non-peace and the resulting second *intifada* can seriously jeopardize Netanyahu's leadership in the eyes of the people despite his charismatic presence and articulation.

The ascendancy of Islamism as a political ideology in many Middle Eastern and North African countries is challenging Europe's and NATO's security. Already, extremists like Hamas are threatening to halt the peace process because of the Palestinian Authority's inability to act as per their commitments. In order to prevent a spiraling conflict in the country and beyond, Netanyahu has only one option left, i.e. to work with moderates like PLO. So, Netanyahu may find very difficult to shrug off western strategy to counter threat of escalating conflict through peace process.

CONCLUDING REMARKS

Needless to predict Netanyahu is trying to redefine the peace process which is not at par with Palestinian perceptions. Analysts believe that Netanyahu would stick to "two governments" formula, instead of "two states" formula, offered by Labour. If there is a little difference

39. Henry Kissinger, "Peace process: not the end but revitalisation", *Dawn*, July 1, 1996, Karachi.

over the question of sovereignty, as in both instances, PLO will not have an army and will be dependent on Israel's mercy, but it is safe to say that on the question of power sharing and dominance Netanyahu would be more stringent. Much tougher days are ahead. Peace process would certainly decelerate as is evident from the recent eruption of violence with regard to opening up the tunnel.

International pressure might not be the only factor that could obstruct Netanyahu in the implementation of his campaign agenda. Before Washington summit Netanyahu had another talk with Arafat. But after meeting with Arafat, Netanyahu had to face incisive criticism from Likud Party faithful. Netanyahu promised that there would never be a Palestinian state. He reaffirmed his commitment saying Jewish settlement in Judea and Samaria (the West Bank) will live, will thrive, will exit forever. Much depends on the Israeli-Syrian track, because extremists of both sides will continue to stall the peace process as long as the two sides do not settle their disputes. But he made it categorically that there would not be any possibility of an independent Palestinian state.

Though US is pressing Netanyahu to respect the peace process, but US itself is very much engaged this year in its internal affairs, i.e. US presidential election. As evident in the Washington summit Clinton failed to put pressure on Israel when he was under pressure not to do so from his Republican rival Bob Dole who demanded "our friend Israel" must not be asked to make concessions.⁴⁰ The pressure from the capitalist Jews who supposedly finance US elections is another factor. Situation may turn from bad to worse if Republicans come to power in the United States. Netanyahu's connections to American conservatives are very strong and he can manoeuvre it. Clinton almost blatantly supported Peres in the Israeli election which certainly annoyed Netanyahu and a Republican President would be more acceptable to him. Leading Republicans in Congress, including Senate Foreign

40. *The Economist*, October 5-11, 1996.

Relations Committee Chairman Jesse Helms (R-S.C.), are opposed to foreign aid and multilateralist military engagements and sympathetic to the Israeli Likud Party's perception; they have expressed hostility to the proposal that the United States send troops to the Golan Heights to secure a peace accord between Syria and the Israel. And despite pressure from Labour government in Israel and its official lobby in Washington, they were not interested to provide Jordan and the PNA with the economic aid promised by the Clinton administration, including \$76 million it requested for the West Bank and Gaza for the 1996 fiscal year.⁴¹ But it is equally true that American interest to protect the interests and security of Israel is beyond anything, it is deep, historical and more or less consistent, irrespective of any domestic political change.

For Arafat and the PLO, the harsh reality is that they have no more cards to play. The Palestinians are living in a semi-autonomous limbo under Israeli military and economic domination and are the most vulnerable of Israel's peace partners and most fearful about the implications of Likud victory. They have accepted the existence of Israel, had denounced armed violence until recently, have dropped their insistence on full Israeli withdrawal and full Palestinian jurisdiction over the occupied territories etc. Now PLO has no option other than relying on the mercy of the new Israeli government whether they deserve further measures of self-determination or not.

Neither Palestinians nor Israelis are satisfied now. Israelis believe that the peace process has opened the door to terrorism; Palestinians believe that they have been blackmailed. Hemi Shalev, a columnist for the newspaper *Ma'ariv*, wrote: "Half of the public in Israel is now going around with a feeling that redemption is at hand, and the other believes that it is trapped in a hell on earth. Some rejoice others weep."⁴² A plethora of complex issues are yet to be resolved which must be settled in the coming three years: the status of Palestine, its

41. Leon T. Hadar, *op. cit.*, pp. 3-4.

42. *International Herald Tribune*, June 1-2, 1996.

final borders, the future Jewish settlements, compensation or repatriation for Palestinian refugees, the division of water resources, the status of Jerusalem. Though Netanyahu had promised that to continue the timetable as laid down in the declaration of principles in 1993 but at the same time he does not want to give any territorial concessions. If the new government resumes large-scale settlement building in Palestinian territory, said Simon Peres in the Knesset on June 18th any hope of progress will evaporate. These are, however, not healthy signs and there are reasons to believe that the long cruel era of wars, violence and disbelief in the region is likely to continue.

Only rapid economic and social benefits can ensure the peace process. The first big test for Netanyahu is how he deals with the Sharon and other Likud leaders whose thinking is moulded by the long Arab-Israeli struggles. Netanyahu has the political mandate and executive freedom of action never before possessed by an Israeli leader - at a time when the Knesset has become more representative and coalescable.

Finally, specifying events or forecasting the likely scenario is dangerous for Middle Eastern analysts, because, "in the Middle East always expect the worst but bear in mind that, more often than not, it will take longer to happen than you expect, it will not be quite so bad as you anticipate and it will differ from your forecasts."⁴³

43. Quoted in Anthony Parsons, "Prospects for Peace and Stability in the Middle East", *Conflict Studies* 262, June 1993, risct, UK, p. 28.