

Israel:

Between the Gulf Crisis and the Peace Process

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Brief Analysis

The assassination of Yitzhak Rabin was a watershed event for Israel, and the country has not settled down since. This event had implications for the political system, the role of the ultra orthodox, and the public mood as well as the peace process. Israel at fifty is a country coming out of infancy, just beginning to mature. A different type of Israel is emerging at every level.

The Political System. Binyamin Netanyahu came into office after Rabin's assassination under a new electoral system. As a directly elected Prime Minister, he has more personal power and less reliance on the party structure than any other Israeli leader in history. Netanyahu himself was the only person in the country who understood this. Observers saw him seemingly jeopardize his standing in the Knesset by alienating natural allies like Dan Meridor and Benny Begin, but in fact he was establishing himself as a political power in his own right. Netanyahu won the election by one half of one percent, while the Likud lost fully a third of its electoral power in the Knesset. As a result, the Prime Minister was forced to create a broad coalition with fractious parties whose agendas often conflict with one another.

The Role of the Ultra Orthodox. The average Israeli is pre-occupied with domestic affairs. Some 170,000 Israelis are unemployed, the middle class is suffering, and the health care system is in decline due to an influx of 600,000 Russians, many in need of extensive care. Out of 66,000 immigrants a year some 45,000 are over the age of 65, and with this comes the need for more hospital beds and old-age homes. Education in Israel is under serious strain. In any classroom, a quarter of the students will be Russians with little knowledge of Hebrew, a quarter will be extremely bright, and quarter will need more of the teacher's attention than the others. Books, meals, and extra-curricular activities all cost extra and this can prove to be quite a burden for the average Israeli family. In contrast, schools operated by Shas (the Sephardic religious party) are flush with cash and are very appealing to many families. Children are picked up at eight in the morning and fed three hot meals, and are then driven home in the evenings. Unlike public schools, these schools require no additional fees. A Shas school is also a stepping stone to not having to serve in the army, since they feed into the Yeshiva system. Sectarian schooling becomes the only option for many parents with multiple children. Shas is growing as the party based on outreach to the community and response to the public's needs.

> Israel is becoming more dependent on technology. However, today there are more students in the Yeshiva system than in all of Israel's institutions of higher learning combined. Between the poor school system and fewer people entering university, Israel will find it hard to keep itself at the edge of high tech. For a country that needs to keep a qualitative edge vis-a-vis its enemies and trading partners, the implications are profoundly serious for a country that has no natural resources except the ingenuity of its people.

The Public Mood. The Israeli public mood has never been more demoralized. The contempt of senior officials for their colleagues expressed through the media is unprecedented. Backstabbing is not new among Israeli politicians, but the primary institutions of the country's defense have historically been above this type of criticism. Of note are the recent scandals involving the Mossad. The Mossad has made plenty of mistakes in the past, but never before

have people in the Mossad leaked information to the press as a way to embarrass, and ultimately get rid of, the chief of the organization. A troubling phenomenon has been the recent open criticism of the Chief of Staff and head of Military Intelligence. The leadership squabbles, combined with poor management, a fractious Knesset, real pressure on the middle class via declining standards of health care and education, and the rise of Jewish fundamentalism, represent major problems for the country. Privatization of the economy has also proved quite painful. People in their fifties and sixties are being left behind in a rather serious way. Despite the troubles, there is an emerging wealthy class of Israelis that include industrialists, lawyers, and people in technology and real estate.

Israeli Attitudes Toward the Peace Process. The peace process is not high on anyone's list of urgent national priorities in Israel. Even on foreign affairs, there is more concern about Iraq, Iran, and the disappointment in relations with Egypt and Jordan. Netanyahu is bound by international agreements, but he will implement them only on his terms, which are virtually impossible for the Palestinians to accept. His agenda is based on the premise that Oslo is a terrible agreement. The question is, how can Israel live with the treaty and at the same time not undermine relations with Jordan, Egypt, and the United States. Netanyahu's message has begun to penetrate. The average Israeli wants to see movement by the Palestinians on some of their obligations to Oslo. Israelis do not see much prospect of a strong Palestinian reaction. Arafat handled the recent pro-Iraq demonstrations by condemning them and yet not clamping down, and nobody seemed to care or notice. Har Homa is going along as planned and did not turn out to be as pivotal as the Palestinians made out. Neither the Israelis or Palestinians believe that there will be a new intifada.

Netanyahu's Prospects. If there were elections tomorrow, Netanyahu would win. The frequency of Netanyahu-bashing in the Israeli media has caused people to begin to feel sympathy for him. The public sees Netanyahu as able to survive anything that comes his way. Netanyahu is more popular today than he was months ago, and other politicians have been relegated to the side lines. Ehud Barak, the head of the Labor opposition party, has not managed to penetrate the public's consciousness. When Netanyahu loses popularity, the votes don't go to Barak, rather they fall in the undecided category. Barak has said nothing substantive on the peace process that is different from what Netanyahu is doing at any level. The real threat to Netanyahu is Ehud Olmert, the Likud mayor of Jerusalem who knows the party well and has great ambition to be prime minister.

This Special Policy Forum Report was prepared by Jonathan Lincoln.

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