

# Countdown to Final-Status Talks: Israel's Domestic Politics and Regional Strategy

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## Brief Analysis

**B**arak, Rabin, and Peace Strategy: Israeli prime minister Ehud Barak, like the late Prime Minister Yitzhak Rabin, believes that Israel's peace strategy should be based on strategic, "old Middle East" assumptions, rather than those of the idealized "new Middle East" propounded by Shimon Peres. As foreign minister and then prime minister from 1992 to 1996, Peres believed Israel should help to foster a "new Middle East" based on regional cooperation. Barak's Rabin-like approach nevertheless leads him to moderate conclusions concerning the necessity of peace. For Barak, the strategic imperative of the peace process is based on three considerations:

1. Regional balance. The balance-of-power in the region, now in Israel's favor, could change quickly if the Iranians acquire nuclear capability or if the sanctions on Iraq end. Such possibilities lend urgency to peace efforts. In Barak's view, it is in Israel's interest to resolve the conflict with all its immediate neighbors so that if and when Iran and Iraq go nuclear, or if Iraq once again becomes a major actor in the region, the Arab-Israeli conflict is not a festering sore, and Israel is well positioned to deal with those new challenges.
2. Slide to ethnic conflict. The situation in the West Bank and Gaza will deteriorate if there is no progress in negotiations. The break-up of Yugoslavia is a warning as to the destructive potential of ethnic conflicts. It is in this context that Barak talks about Israeli-Palestinian "separation," an idea that he has not fully clarified. It is unlikely that Barak believes that total separation of Israelis and Palestinians can be achieved, even though he wants to build a physical fence to mark boundaries. For Barak, the principle of separation serves psychological purposes, promoting the notion that the Israeli and Palestinian states will be separate entities. Nevertheless, Barak favors Israeli-Palestinian interaction, especially economic, which anyway is inevitable. Barak recognizes that the Palestinians are dependent on the Israeli economy, and he believes Israel should support Palestinian economic development. Moreover, the economic link is useful to Israel as one of Israel's main levers in a post-final status period, since manpower is--and in the near future will remain--the Palestinians' major export. That means Palestinian economic development will, in large measure, depend on Israel's willingness to continue to employ Palestinian workers. Furthermore, the Palestinian area is Israel's second largest export market, after the United States.
3. Generational change. Veteran Arab leaders are aging and starting to pass from the scene. Three Arab leaders

passed away this year, and every new leader needs time to consolidate his rule. In Barak's view, it is much easier to cut a peace deal with the current leaders, like Syrian president Hafiz al-Asad or Palestinian Authority (PA) chairman Yasir Arafat, who have unique moral authority in their own societies. They can impose historic compromises on their own people that likely will be accepted by subsequent generations.

**Domestic Strategy:** Although sharing Rabin's strategic approach to the peace process and regional issues, Barak differs from him in domestic approach. For example, Rabin won passage of the Oslo II agreement by a mere one vote in the Knesset. To secure that victory, Rabin "convinced" an independent Knesset member to vote "yes" by offering him a deputy ministership. Barak is taking a fundamentally different course of action, trying to create a de facto consensus around the idea of peace in a society still polarized over the issue. As part of that effort, he has assembled a broad government coalition that spans the political spectrum from leftist Meretz to the National Religious Party. When Binyamin Netanyahu signed the Wye agreement in October 1998--as a Likud leader agreeing to territorial concessions--he helped to de-ideologize the peace process, and eighty percent of Israelis supported Wye when it was signed. That is the sort of peace process majority Barak is trying to capture.

Barak is also trying to learn from Rabin's mishandling of the settlers. He is maintaining dialogue with the settlers while focusing on preserving Israeli control over settlement blocs. He insists that Israel retain control over the majority of settlers--that is, those who live in the three bloc areas closest to the 1967 border--Gush Etzion, Ma'ale Adumim, and Ariel. He thereby hopes to win peace process support from that settler majority, while isolating the most ideological settler elements who tend to live in more distant and scattered settlements. Rabin, by contrast, incurred the enmity of most of the settlers, toward whom he showed virtually undifferentiated hostility.

Given Barak's focus on building a peace process consensus, he will probably have to subordinate his domestic policy agenda. That means, for example, there will be no reform of the patronage system long used by the religious parties.

**The Road Ahead:** There is an enormous agenda ahead in the peace negotiations, with ambitious deadlines set for February and September 2000. Formal talks are good for the media, but back-channel negotiations are the only way to achieve success. This is true despite the fact that back-channels are no longer a secret weapon. The stunned disbelief that greeted the original Oslo agreement is probably a thing of the past, and the public expects "real" talks to be held behind the scenes. In these "real" talks, the lead negotiator on the Israeli side will be Ehud Barak, who is temperamentally well-suited for the role. Secretive by nature, he has run a number of back-channel efforts over the years. Barak's plan is to make trade-offs among the big issues in the negotiations--something that cannot happen in committees or in front of cameras. Once the key trade-offs are established in authoritative channels, the official committees can follow up with discussions of the modalities.

On the Palestinian side, the lead "secret" negotiator may well be Abu Ala, speaker of the Palestinian Legislative Council, who has been crucial in past Israeli-Palestinian negotiations. Arafat himself does not possess the detail-orientation needed for the day-to-day cut-and-thrust of the negotiations. Abu Mazen, secretary-general of the PLO and a formidable intellect, gets easily upset, a trait that limits his effectiveness as a negotiator. Saeb Erekat, PA minister of local government, is thorough and knowledgeable, but he is not Arafat's contemporary and thus lacks Abu Ala's self-assuredness in delivering unvarnished reports, including bad news, to the Palestinian leader.

In his search for non-zero-sum solutions, Barak clearly wants to "monetize" final status. Barak hopes international financial support for a peace settlement, including such expensive items as water, desalination plants, refugee resettlement, and settler reallocation will facilitate Palestinian compromise. In that regard, Barak still has much to learn about working closely with the U.S. Congress, particularly in view of the problems that the Clinton administration had in securing funding for aid promised in the Wye agreement.

To achieve a final status agreement, both sides must accept that they will not get 100 percent of the West Bank. Since

Oslo was signed, the Israeli public has internalized the notion that there is going to be a Palestinian state and that some settlements will be dismantled--formerly fringe ideas. It is likewise important for Arafat to prepare his public for the fact that some settlement blocs will be annexed to Israel. This will be just one of the compromises the Palestinians will have to make if an agreement is to be signed and Palestinian statehood achieved.

This Special Policy Forum report was prepared by Heiko Stoiber.

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