The new Israeli government that was formed in Jerusalem in early July has a fundamentally different foreign policy than that defended by Netanyahu. It is not only a difference of nuances or tactics; it is, I believe, a conceptual gap that exists between the visions of the governments of Netanyahu and Barak. Some of us would argue that Netanyahu's foreign policy frequently looked like an exercise in showmanship, and the politics of confrontation and fear. He believed that Israel, one of the most powerful nations in the Middle East both economically and militarily, is nothing but a secluded Jewish Ghetto surrounded by enemies committed to an apocalyptic confrontation with it. In order to survive we needed either to outsmart them or twist their arms, never to try and define some common interest with them. He only saw threats around, never opportunities. It is my opinion that Netanyahu was committed to a major strategic fallacy. He believed that peace with the surrounding Arab countries, and hence the high price we should pay for it, must come only after a system of national security had been established in the Middle East and existential threats such as that posed by Iran had been neutralized. He did not accept that the order of things was different, that is, that peace was a prerequisite for, not the outcome of, a regional order. The Russian policy of his foreign minister, Ariel Sharon, exemplified Netanyahu's strategic fallacy. They wanted to prove that Israel is free to conduct a Grand Strategy and that it can claim to have real maneuvering space in foreign policy even when the peace process is totally paralyzed. We maintain that their failure is not only that of performance; it was also the failure of a concept.

Consequently, a Barak government needed to start by putting straight the concepts and admitting that Israel cannot have a foreign policy that is not intimately linked to, and dependent on, the peace process. Foreign policy for Israel is not as Netanyahu and Sharon thought -- a way to avoid the price of peace -- but a system through which our peace with the Arab world becomes a major asset in Israel's international relations as well as a component in a vital regional order. Hence, the resurrection of the peace process was bound to become a key item in Israel's foreign policy agenda. This does not mean, however, that in this global village and economy in which we all live the space of our agenda should be limited to the immediate Middle East. Far from it.

Admittedly, part of our agenda is dictated by the existence of bilaterally and internationally accepted frameworks and procedures in the peace process. The new government had to respect binding agreements signed by the previous Israeli administration, the Wye River agreement for example, which was adapted in the Sharm Agreement to our concept of proceeding as expeditiously as possible to make clear whether or not the conditions are there for a final status agreement. The main objective should be that of negotiating a Declaration of Principles (DOP) for the permanent settlement. We do not believe it is not very helpful [sic] if the Palestinians decide unilaterally on a new deadline for the declaration of a Palestinian State. Palestinian self-determination is a category we have integrated into the platform of the Labor Party and it should be a vital article of the DOP to be negotiated. If agreement rather than a diktat is what we seek, then demilitarization, a readjustment of borders in order to accommodate legitimate security needs of both parties, as well as the necessity to integrate most of the settlers under Israeli sovereignty, require a serious effort to define what the Palestinians would consider as an acceptable compensation.

However, the commitment we made at Sharm al-Shaykh to reach a framework of agreement by February 2000 and a more detailed protocol in September may be hindered by the fact that the Palestinian State, a major potential concession by Israel in these negotiations, has been legitimized already worldwide as a natural and political right of the Palestinians. The Berlin Declaration by the European Union recognizing in advance what they see as an imminent Palestinian State, and more euphemistic expressions by the American administration, have eroded the drama and the meaning of the Israeli concession. This, in my view, is one of the major failures of Israel's foreign policy. It allowed itself to lose a key carrot in this game where sticks were in excessively high supply.

Negotiations in the final status should gear around a central trade-off between territory and sovereignty. The annexation of parts of the West Bank in order to serve both Israel's security needs and the concept of Blocs of Settlements will have to be reached in exchange for degrees of sovereignty Israel can allow the Palestinian State to have. Simultaneously we will have to recover through forceful diplomatic efforts the asset we lost: Europe and America should insist on the consensual creation of a Palestinian State, for this is a major condition for a durable settlement whereas unilateral Palestinian Statehood will leave the conflict open and unsettled. But, it is especially from America, the irreplaceable mediator, that we can and should expect to refrain from affording recognition to the Palestinian State should this be declared unilaterally.

For many of us the question is no more whether or not a Palestinian State should be allowed but whether it is
going to be a friendly or a hostile state. A unilateral declaration would be tantamount to the creation of a hostile Palestinian State Israel cannot accept.

The deep involvement of the American administration in the Palestinian track was the result of the failure of Netanyahu to build trust with Chairman Arafat. There may be reasons to believe that the Americans were not too happy either with such an intimate level of involvement and that they would have rather preferred the model of peacemaking defended by Rabin, that is the development of bilateral channels of trust and dialogue between the parties concerned with America as a facilitator rather than as a constant broker. The reconstruction of trust is then a major aspiration of the new Israeli government. I believe that the Americans will consider helping in creating the conditions that would enhance the chances of an Israeli-Palestinian peace through economic measures and facilities. Economic growth that has been paralyzed in Israel affected living conditions not only in Israel but also throughout the Palestinian territory. Economic growth in Israel should be seen as a valid leverage for lifting up the Palestinian economy as well. However, economic development should never be seen as a substitute for national dreams and political projects. The Barak government will have to show determination and creativity in its Palestinian policy and overcome the yawning gap of credibility opened by the Netanyahu government.

One should however bear in mind that a legacy of the last seven years is that Israelis have developed a strong aversion to ideological governments. A major dilemma in this peace process is the inextricable link between domestic considerations and foreign policy. Understandably, only an ideological government of the net left in Israel can meet the minimal requirements that the Palestinians would consider acceptable for a permanent settlement. But then such a settlement would lack broad national consensus.

The central dilemma of our society and leaders may soon be this: to what extent shall we be able to reach a settlement with the Palestinians through a wide national consensus, for the terms of peace will require so many painful compromises and concessions that consensus may not be possible at all. Real leadership may then be tested through the capacity to opt for decision instead of insisting on an impossible consensus. But, if a broad coalition proves incapable of reaching a final settlement, it can nevertheless make substantial and irreversible progress towards such a settlement while increasing the ripeness of Israelis for accepting and absorbing a higher price and more sacrifices down the road. Both Palestinians and Israelis must understand that a permanent and durable peace between them is not a question of strict deadlines; it is rather a process of trial and error whereby our respective societies come gradually to terms with the inevitable sacrifices that have to be made while at the same time enjoying the flavor of the fruits of peace. For such a process to be credible it must continuously create a sense of progress. It must also be based on a strict adherence to a code of conduct whereby on the one hand no settlements are expanded and no new ones are created, and on the other, the Palestinians work to dismantle the infrastructure of terrorism and refrain from their diplomatic war against Israel in international fora. A diplomatic armistice is necessary if the conditions are to be created for effective negotiations on the final settlement.

It is of course also about time that we understand that the argument about whether a Palestinian state should or should not exist is redundant and anachronistic. Such a state or semi-state exists already, and it will continue to exist even if no permanent status agreement is reached. Thus the real Israeli-Palestinian agenda now focuses on the borders of that state -- a variant of the territorial disputes with which the traditional study of international relations is replete -- and on its authority -- a central issue in the emerging study of trans-national and supra-national regional and international institutions. In spite of the domestic obstacles in Israel, I trust that the disarray of the Israeli right, especially of the extreme right, presents us with unique opportunities to move towards a digestible final settlement between Israel and the Palestinians, while at the same time safeguarding the most essential values and assets that form the basis of our national consensus on Judea and Samaria. These are:

a) No return to the 1967 borders.

b) No foreign army will be allowed to ever cross the Jordan River.

c) Settlements will be concentrated in "blocs."

d) And United Jerusalem will remain Israel's capital, while creative formulae will be elaborated to accommodate legitimate Palestinian rights in Greater Jerusalem.

Much depends on leadership. Rigidity was already shown to be an inadequate response to the challenge of a changing world order. The times call for a bold confrontation with the fundamental truths of the situation. The dilemma of the peace-maker is cruel and demoralizing, for he has to depend on the goodwill of another party whose real objectives may never be patently clear to him -- Syria is here a case in point.

If a clear-cut settlement with the Palestinians is hard to reach through a broad coalition, such a coalition is vital for reaching an agreement with Syria and for creating the conditions for a withdrawal from Lebanon. This does not mean, however, that I would advise progress only on one track. Progress should be decisively tried on the two tracks, otherwise dangerous instability from the paralyzed front can be expected.

Much depends of course on the Syrians. I have always been skeptical with regard to the chances of a breakthrough with Syria. The real question is not that of whether or not the new government accepts to resume negotiations from the point they were interrupted in 1996, whatever the nature of that point may be. The question, as far as Asad is concerned, is not the point of departure, but the nature of the end of the process, that is, the acceptance by Israel of the principle of full withdrawal. Yet, a major difficulty lies in the nature of Asad's
strategy. He understands that full peace may be an indigestible price to pay for a regime whose central rationale is domestic stability and the ideological conflict with Zionism. The question whether or not Asad is ready for peace is in fact closely dependent on another fundamental question: is he ready to see his dictatorial regime eroded and probably even democratized under the impact of open borders with Israel and the end of the politics of conflict? Asad does not seem to be excessively bothered by the future of the Golan; the future of his regime, a peaceful succession to his son, and domestic stability during the process of transition seem to be more vital concerns. Asad's capitulation on the subject of Ocalan is an excellent reflection of his fear that a confrontation with Turkey might lead to instability. Paradoxically, confrontation with Turkey can unleash processes in Damascus that are not essentially different than those that can be the result of peace with Israel. Both confrontation and peace are destabilizing categories.

An additional concern of Syria is, in my view, that peace with Israel may entail the loss by Syria of its regional and inter-Arab position as a power to be reckoned with. Seen in the proper perspective, the real powers in the Arab world now and in the foreseeable future are Egypt, Iraq, and Algeria. The regional weight of Syria is a direct result of its conflict with Israel not of its objective power. Syria lacks Israel's social and technological advantages; it does not possess the demographic and strategic assets that make Egypt an unquestionable power, and it lacks the financial resources of the Gulf countries or the natural potentialities of Iraq and Algeria. Make the Arab-Israeli conflict vanish and Syria declines to the position of a modest Middle Eastern State. Therefore, Asad's peace policy is an attempt to reach a settlement while maintaining, through an armed and symmetrical peace with Israel, Syria's position as the standard bearer of the ideological conflict with Israel without relinquishing altogether the option of an armed conflict. If this analysis is correct I then see serious difficulties in carrying through the Barak plan in Lebanon with Syria's consent. The plan will then have to be implemented either unilaterally and/or through pressure on Syria not to put obstacles on the way of Israel's pull out from Lebanon. The ideal aspiration is to be able to pull out from Lebanon as a step of CBM in the context of the negotiations with Syria on the Golan Heights and before a full peace agreement is reached between the two countries.

I have always been opposed to the idea of a unilateral pull-out from Lebanon, among other reasons because I saw, and still see, the potential of direct confrontation with Syria that such a measure could entail. Attacks by the Hizzbollah militia on Israeli civilian settlements after Israel had withdrawn to the international border could become a prelude to confrontation hard to prevent. Now, with Damascus's unwillingness to respond to Ehud Barak's unequivocal call for a generous and courageous peace, we will inevitably have to fulfill our electoral pledge to get rid of the Lebanese ulcer. This march of folly must be stopped. Syria will have to be aware of the consequences of a unilateral Israeli withdrawal as much as we should. We need to turn Lebanon from a Syrian playing-card to an Israeli leverage on the man in Damascus.

As to the wider perspectives, those of regional security, I would argue that this can be built in the best case simultaneously with visible progress in the peace process, and with a higher degree of certainty after the Arab-Israeli conflict had been solved. I am skeptical if such a system of regional security is possible before the vital issues of the peace process are tackled. And, in any case this will be a most difficult venture. The lack of stable regimes in the area, the absence of shared values among its components and, last but not least, the nonexistence of a common threat to all of them, make global security for the Middle East a highly problematic concept.

Furthermore, global security in the Middle East became an even more elusive concept with the disintegration of the Soviet Union and the emergence of independent Muslim republics in Central Asia. This may lead us to a redefinition of the political and strategic meaning of the Middle East. It is not at all impossible that these Muslim republics will move towards their own ethnic and religious roots in the Middle East, and may find themselves involved in the power game in the area. Revolutionary powers like Iran and Iraq seek to acquire advanced nuclear technologies in these republics. Nor is it possible to discard the emergence of secessionist movements along the borders of these republics with Middle Eastern countries. Freedom is being accompanied by a search for distinctive identity, and this may degenerate into a game of sheer power politics. History in the Middle East has not come to an end, to use that Hegelian [and] now very popular metaphor; it may be only beginning. The old forces of history -- nationalism, border disputes, fundamentalism, and ethnic rivalries -- are very much present. This and the newly expanded perspective of a Middle East that would include the ex-Soviet Muslim republics give to the challenge of global security in the area an extraordinarily complicated meaning.

It is only after the satisfaction of national aspirations and the solution of political conflicts that quasi-federal systems like the European Union, for example, can be created. Even wider and more amorphous global enterprises like the Helsinki Conference were made possible only after the major European conflicts had been solved.

Consequently, Israel should persist in its policy of rapprochement with its immediate neighbors, Jordan and Egypt; it should strengthen its special relations with Turkey and articulate a national and bipartisan policy towards Russia. Good neighborly relations with both Jordan and Egypt are dependent, however, on progress in the peace process. Moreover, as in the case of Syria, Egypt views the peace process not necessarily as a channel for establishing celestial relations with Israel but as the last phase in the struggle for hegemony in the Middle East. It is in Israel's interest to help neutralize the Nasserite option in Egypt's foreign policy. I would recommend developing more intimate and trustworthy relations between the two countries through a strategic dialogue aimed at defining the objectives of the peace process and the ways through which a reasonable balance of interests between the two countries can be established. I would even consider incorporating Egypt into a Regional Mechanism of Conflict Resolution that would enable the Egyptians to play a benign role in the peace process together with America and the European Union. Only thus could the conditions be created for a tangible contribution of Egypt to regional peace. The extremely positive role played by Egypt in the articulation of the Sharm al-Shaykh agreement is a
good start. Egypt could be less obstructive, however, with regard to Israel's requirement to reactivate the multilateral tracks.

However, too deep an intimacy between Egypt and the Palestinians raises an interesting strategic dilemma that Israel should address. The future Palestinian State is bound to become politically dependent on, or linked to, a more powerful Arab State. The Jordanian option may leave open the irridentist aspirations of the Palestinians with regard to the East Bank, but it also strengthens Israel's strategic link with a power, Jordan, that is more militarily benign while at the same time serving as a vital buffer between Israel's future military border, the Jordan River, and potentially unstable scenarios that might emerge from the kingdom's eastern borders. As to the Egyptian option, it is clear that it gives a foothold to a major regional power in a Palestinian State that even after and when our policy of Separation from it is applied [it] will remain linked to Israel in a variety of vital aspects.

As for Jordan, its stability and prosperity must be a vital consideration. This however is inextricably linked with progress in the Palestinian front. Difficulties in that front make it practically impossible for the king to market Jordan's peace with Israel among his subjects. Israel must also allow the new king to develop his inter-Arab relations while discreetly making clear that his rapprochement with Syria or Iraq should not reach the point where it changes in any substantial way the regional equilibrium of forces facing Israel. As to the bilateral level, I trust that we should do our utmost in terms of economic and financial cooperation. It must be observed that the king's demarches in the field of inter-Arab relations reflect the independence and creative vision of a man in search of a new regional role that, in my view, might end up loosening Jordan's connection to the Palestinian question, and its moderating influence in some of the more sensitive nerve centers of the issue of Jerusalem, Temple Mount for example.

Bulent Ecevit's Turkey will presumably persist in the policy of strategic cooperation with Israel. But, unlike some of his predecessors, Ecevit is committed to the Palestinian agenda in a way that he will see it difficult to separate his relations with Israel from progress in the Palestinian front. And, although I would expect Israel to further strengthen its intimate relations with Turkey while consolidating also our economic cooperation with her, it is desirable that this be done not as a way to avoid the peace process and seek allies that will help us evade it, but as an ingredient in a wider vision of regional security.

Netanyahu's policy vis-a-vis Russia was embarrassingly [sic] chaotic. Admittedly, also the policy of the Rabin government towards the Russians lacked seriousness and direction. In my view it is about time that Israel develops a national policy towards Russia. We must put an end to this ludicrous situation whereby relations with Russia became the fief of given political parties or semi-official institutions. Russia is too important. In the actual state of affairs in Russia this may sound too bold and presumptuous a statement, but in the not very long run this may nevertheless be true. Yalta might not have died, it might have moved eastward, and Israel must deploy its foreign policy in line with such a possibility. Nor do I believe that we should turn the issue of Russian nuclear or ballistic technologies in Iran into the central item in our dialogue with the Kremlin. Netanyahu played up this agenda for domestic purposes. At the same time he also used the Iranian nuclear threat in order to help resurrect aspects of the Cold War, that is, in order to create understanding with America, the same kind of understanding he was unwilling or incapable to build through the peace process. Iran was perceived by Netanyahu as an easy way out of the peace process. We need of course to be cautious in our rapprochement with Russia so as not to be put in a situation where we put at risk vital American interests. Russia sees Israel as an important regional power; and she expects to be treated by us as a power to be reckoned with.

Iraq and Iran are obviously the most serious strategic threat to Israel's security. We cannot accept the nuclearization of Iran, but I am afraid that we cannot do much about it. A world that has accepted the nuclearization of India and that of Pakistan can hardly prevent that of Iran. The real struggle may not be that of preventing proliferation, but that of promoting security systems. In my view, the Russians do not have any particular interest in preventing the nuclearization of Iran, for they are interested in a strong Iran in order to break in its favor the Pakistani-Iranian equation. Russia expects Iran to be a threat to Pakistan. The threat from Iran does not lie in the bomb, it lies in the nature of the regime. It is a competition in space and time: which will come first, the bomb or the victory of a Khatami, presumably moderate, style option in Tehran? The threat lies more in fundamentalism than in the bomb. An Iranian bomb, however, is a threat not only to Israel. It will increase regional instability, underline the fears from Iran in the Arab world, and encourage the nuclearization of additional regional powers such as Iraq and Egypt. It is my view that a Barak government should give credit to the critical dialogue between the West and Iran as the best way to enhance the processes of internal change in Iran that would eventually contribute to Iran coming to terms with the essential consequences of the Arab-Israeli peace process. This is no less important and vital than the populist struggle against Iran's nuclearization. Nor does it mean, however, that Israel should not intensify its strategic readiness to face the Iranian or any other challenge that entails ballistic or nuclear threats. In this context, the strategic dialogue and cooperation with the United States is as vital as ever. I trust that the new Israeli government will find a most forthcoming administration as far as the strategic dialogue is concerned.

America was never too happy to assume the role of too active broker in the Israeli-Palestinian track. She will be more than willing to act as a friendly supervisor of a process that the parties concerned will run on a basis of mutual trust. This, however, will not be easy, especially on the Syrian front. But, whatever the model of peacemaking that we might choose, the recovery of trust and intimacy between Israel and the American administration is vital. We likewise need to improve our performance in Europe. Europe has a valid and rich concept of security based on international cooperation, the development of the culture of a civil society, the improvement of the environment, the articulation of policies vis-a-vis immigration, the fight against drug traffic, etc., that in the long run will hopefully prevail and be no less relevant than a concept of security based on a
balance of power and threats. The proliferation of weapons of mass destruction, the demographic explosion, especially in third world countries, and the growing challenge of fundamentalism, have made the international system more potentially volatile than during the Cold War. One of the consequences of this situation is that indeed the very concept of "security" appears to be highly ambiguous, for it is no longer applied to strictly military threats but also to issues such as religious radicalism, drugs, environment, immigration, water resources, etc. "Security," therefore, cannot be separated from "cooperation" in tackling this wide variety of challenges to the international or regional order.

I have always been very skeptical as to the validity of the New Middle East Romanticism. This does not mean, however, that the agenda of economic cooperation should be ruled out altogether. The Barcelona project and its European and Mediterranean connection is worth being attentive to. It means, however, that the focus for Israel's potential economic integration should be the Mediterranean rather than the Middle East. Probably not all the members of the European Union share the Mediterranean convictions of the Southern members. But, the strategy agreed upon in Barcelona responds nevertheless to vital European interests: the need to secure the sources of energy, the freedom of maritime traffic, the movement of migratory trends, tourism as well as the need to protect European investments in the area. The high potential of instability in the Maghreb -- the Algerian case had for a while the effect of creating a kind of apocalyptic mood in some European countries -- is an additional factor, probably even a vital one, in the Mediterranean strategy of the European Union.

Nor should we, of course, forget that the world is moving in the direction of large economic blocs -- East Asia and the Pacific Zone (ASEAN, APEC), South and North America (NAFTA, MERCOSUR). Europe and the Mediterranean basin could become, if the Barcelona project is implemented, the widest free trade space in the world (between 600-800 million consumers). Obviously, this pretentious project calls for astronomical investments in order to adapt the economies and the societies of the region to the requirements of the new era in such domains as research and industrial cooperation, the protection of the environment, infrastructure and telecommunications, and financial services. It may also be necessary to promote the creation of smaller free trade agreements between the different countries in the region as a way to enhance the so far dramatically low level of internal trade in the area.

In October 1998, I published an article where I referred to Kissinger's praise for what he called Netanyahu's strategic accomplishment in slowing down the peace process. Allow me to quote a couple of paragraphs from that article as a summary of my view about the vitality of the peace process and indeed of the urgent necessity to resurrect it, which is the key item in the policy of the new government in Jerusalem:

"How is killing the peace process a strategic accomplishment? Did the total breakdown of talks with Syria improve our ability to stop the bloodshed in Lebanon? Is the growing closeness between Syria, which has despaired of the peace process, and Iran a strategic accomplishment for Israel? Does the death of the multilateral efforts to define rules of the game for this mad part of the world make us better prepared to cope with the nuclear domino developing in the region? Is the weakening of the Palestinian Authority's stature, and the consequent strengthening of Hamas -- which is gradually becoming the alternative Palestinian society -- 'good for the Jews'? Are the collapse of tourism to Israel and the dramatic drop in foreign investments (which flee from volatile regions) and, as a direct result, the severe rise in unemployment, the collapse of the fabric of life in this country and an unprecedented crime wave -- are all these actually strategic strengths that we are accumulating thanks to the 'slowdown' in the peace process?

"Do the decline of America's stature in the Middle East and its loss of the Arab world's trust add or detract from Israel's strategic strength? What is better for Israel: Facing the danger that the Muslim republics of the former Soviet Union will be drawn toward their strong ethnic and religious roots in the Arab Middle East when Israel is in the midst of a credible peace process with the Arab world, or when it is in open confrontation with this world?"

It is not really that important what Kissinger's answer would be. The argument was with Netanyahu. His path did not spring from any strategic assessment. It was more the consequence of intuition about the Arabs' hatred for us and a war of Gog and Magog -- not only us against the Arab world, but against all the gentiles.

We, the new government in Jerusalem, are committed to a sober, cautious but resolute, albeit not romantic at all, departure from this path of despair and hopelessness. We are motivated by a simple political vision. Israel's ultimate security and prosperity lie in the success of our drive to bring an end to our century-old conflict with the Arab world.