

The Israeli Government: Accomplishments and Prospects

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Accomplishments of the Current Israeli Government

The current Israeli government has presided over three important historical achievements:

Oslo and the Peace Process. Prior to the current government's ascension to power in 1996, the Oslo process belonged to the Israeli left. Over the last three years, however, the Binyamin Netanyahu government has taken its right wing constituency and brought it to accept the Oslo process; his government signed both the Hebron agreement and the Wye Memorandum. Although there continues to be debate about the size of redeployments and various security concerns, the peace process has become the property of all Israelis, right and left.

The Economy. Over the last ten years Israel has embarked on a policy of "exposure," transforming what had once been a strongly socialist economy into a modern free-market economy. Although this government did not begin the process, it has advanced the policy it inherited and made the changes irreversible. The current government has made major breakthroughs in privatization, removing entire industries like telecommunications from government control. At the same time, Israel signed free-trade agreements with Turkey, Canada, the Czech Republic, Poland, Slovenia, Slovakia, and Mexico, in addition to pre-existing free-trade agreements with the United States and the European Union. Such agreements must also be extended to Jordan, even though that will require some one-sided concessions by Israel at the outset. In addition to signing free-trade agreements, the Netanyahu government also removed many protectionist mechanisms, abolishing within only one month over 300 standards and non-tariff barriers.

Immigrant Relations. The most important accomplishment of this government has been the improvement of relations between new immigrants and native Israelis. The Eastern Europeans who built the state had romantic ideas about creating a society free of the shackles of diaspora life, so they thought it appropriate to tell immigrants how and where to live, where to work, where to school their children, and even what to name them. The result of these practices has been a lingering resentment among the descendants of the Sephardic immigrants even though Sephardim are as well represented in all parts of Israeli society as any one else. The current government and Yisrael B'Aliyah, in particular, rejected this paternalism because they were convinced that the only way to integrate new immigrants without creating resentment was to involve immigrants in their own integration. Since taking office, this government has placed the integration of Russian immigrants in the hands of Russian immigrants. Over the last three years, this policy has proven very successful. Polls show that new immigrants feel closer to and better integrated into Israeli society. New immigrants are now extraordinarily well-represented in municipal offices; fifteen cities, including Haifa, Beersheva, Rehovot, and Rishon L'tzion, have new immigrants in the office of deputy-mayor.

Relations with Russia

Russian Anti-Semitism. Russian officials, particularly members of the Federal Security Service (FSB), have expressed serious concern about rising anti-Semitism and anti-Semitic rhetoric. As power continues to devolve upon local power centers, FSB officials worry that such rhetoric will only increase; local demagogues will find it allure too tempting to resist, and the result could be violent episodes that will threaten to tear apart Russia's entire ethnic fabric. To prevent this horrific scenario, the FSB has agreed to work closely with Israel to quickly deal with any problems that might arise. Moscow Jews are aware of the situation and have expressed a new interest in leaving Russia for Israel. If the situation in Russia continues to deteriorate, Israel could expect to see a considerable increase in immigration.

Technology Transfers to Iran. Although the Russian government has probably not been actively helping Iran with the development of its missile and nuclear programs, it has done little to stop the flow of technological information from Russian institutes and firms to the Iranians. To some extent this is inevitable; Russia has many other problems with which to deal, and it cannot be expected to devote the resources desired by Israel and the United States to halt transfers to Iran. However, the current situation is also partly attributable to the United States which has neither put enough pressure on Russia nor been sensitive enough to its problems.

There is enormous room for economic and technological cooperation between Israel and Russia. Israel could serve as a bridge between Russia and the West. There are more than one million people living in Israel who speak

languages of the former Soviet Union. Moreover, Israel's Russian immigrants worked in practically every part of Russian society and industry and thus share much of the business culture of the Russians--a culture that in some ways differs from that prevalent in the West. Israel is currently discussing including Russian institutes in the work of the U.S.-Israel Science and Technology Commission. This type of cooperation would not only build better economic relations, but could help counterbalance the allure of technology sales to Iran.

Palestinians and the Peace Process

The signing of the Oslo agreements represented a major breakthrough. Yet, it also brought with it dangerous expectations. When the process proceeded more slowly than expected, many people were frustrated and disappointed. This frustration and those unmet expectations, however, cannot determine the speed of peace. Peace must be achieved through careful negotiation and reciprocity.

Another danger in the peace process is the myth that Palestinian Authority chairman Yasir Arafat is weak. From the beginning of the process, there has been a notion that Arafat is too weak to implement his part of the deal and thus must be forgiven when he does not fulfill his requirements. At Wye, it was clear that the Americans bought into this myth, constantly asking Israel to soften its demands to meet what they believed Arafat could deliver. The claim that he is weak is the strongest card in Arafat's hand.

The Wye memorandum reinforced the need for reciprocity. Yet, the language of the agreement was purposely vague and thus very hard to implement. The agreement can still be implemented, but only a national unity government in Israel will be strong enough to either make concessions or enforce provisions when necessary.

This Special Policy Forum Report was prepared by Harlan Cohen.