



Netanyahu's foreign policy keynote speech – No progress in the peace process: instead, old wine in new bottles

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1. Since Barack Obama's Cairo speech, Benjamin Netanyahu has been under major political pressure. He must decide whether he wants to be a partner on the road to a two-state solution with the Palestinians, or rejects such a development.
2. The foreign policy keynote address at Bar-Ilan University is Netanyahu's answer: he uses new peace rhetoric as packaging for the old intransigence about the final-status questions: no end to settlement activities, and no division of Jerusalem.
3. The great majority of the population, and practically all of Israel's political parties, support Netanyahu's positions. The rightward shift in Israeli society that became clear in the February Knesset elections is reflected in the manifesto embodied in this speech.
4. The Arab world and the Palestinians reject the speech as unacceptable. President Obama indicated his satisfaction, but called for further steps, while in the EU and its member countries, skepticism and criticism predominated.
5. In the short term, the speech is a political success for Netanyahu. The population and government in Israel are resolutely behind him, the relations with the USA have calmed down. But the speech is in no way an offer to negotiate with the Palestinians in order to try to achieve peace.

In the speech to the Muslim world that Barack Obama gave in Cairo on June 4, there was not the slightest indication of doubt that for the US President, peace in the Middle East can only be achieved in the Israeli-Palestinian peace process via the two-state solution. As a result, he called upon Israel – as a first step in this direction – to completely halt all settlement activities in the West Bank. He called upon

Hamas to turn its back on violence and to recognize Israel. He made it clear that, unlike his predecessor George Bush Jr., the Middle East conflict was right at the top of his political agenda.

Since Barack Obama's Cairo speech, Benjamin Netanyahu has been under considerable political pressure. This applies both to the relationship with the USA, Israel's most important ally

and friend, and also on a domestic political level in respect of his right-wing coalition partners and his own Likud party's right wing, led by Benjamin Begin, Menachem Begin's son. While President Obama is keen to see concrete steps and results leading to a two-state solution soon, Netanyahu's allies reject concessions to the Palestinians and their Arab neighbors, instead arguing for a continuation of the settlement policy and the non-recognition of the two-state solution. Netanyahu is faced with the option of becoming the US Administration's partner along the peace solution route, or pursuing a conflicting policy.

Political balancing act between Washington and Jerusalem

This constellation requires a political balancing act. Netanyahu knows that no Israeli prime minister can in the long run refuse to steer a political course set by Washington. If he takes genuine steps in the direction of a two-state solution, it is very likely that his government coalition will break up. If he does not, he risks a conflict with the USA and growing political pressure from Washington. But President Obama is also running a not inconsiderable risk. His Cairo speech generated major expectations, both in the Arab world and among the Palestinians. Henceforth these expectations, as well as his political credibility, will be judged by concrete changes and on the spot results. However, Obama has limited influence only on the achieving of these changes, because to this end he needs partners in the region. On the Israeli side, until further notice this partner is called Benjamin Netanyahu.

On June 14, precisely ten days after Obama's speech in Cairo, Netanyahu gave an address at Bar-Ilan University's Begin-Sadat Center for Strategic Studies. His keynote speech on his government's future policy in the Middle East peace process was keenly

anticipated. The venue was carefully selected, and was designed to make it clear with whom Netanyahu wishes to be compared: Menachem Begin and Anwar Sadat, who in 1979 negotiated the historic conclusion of peace between Egypt and Israel.

Peace rhetoric but intransigence over the end-status questions

Netanyahu began his speech with the warning that the greatest danger for Israel, the Middle East, and the world as a whole emanates from Iran, given the threat posed by that country, with a combination of radical Islam and nuclear weapons. He then went in detail into the Israeli-Palestinian relationship, and made the offer to begin immediately with bilateral negotiations without preconditions. With regard to the core issues of the peace process, the end-status questions, he made the following statements, putting into words his own clearly expressed conditions.

1) Two-state solution:

Netanyahu had previously refused to make the two-state solution a policy goal, instead always talking about "economic peace" as a prerequisite for what might later perhaps be a possible political peace. Now, for the first time since assuming office, he used the formula of a "demilitarized Palestinian state" side by side with Israel. As far as he is concerned, the prerequisite for this consists of the following two conditions: a) clear guarantees for demilitarization and for Israel's security needs, and b) recognizing Israel as the state of the Jewish people.

2) Jerusalem's future:

"Jerusalem must remain the undivided capital of Israel." With this statement, Netanyahu makes it impossible for Jerusalem to also be the capital of a future Palestinian State.

3) *Settlements:*

On the immediate stop to all settlement activities called for by President Obama, Netanyahu simply said, "We do not intend to build new settlements or expropriate land for new settlements." In this way he made it clear that he is not willing to renounce the expansion of existing settlements, in other words what is called "natural growth." He put his support for the settlers on record by saying that they are "not enemies of peace." The speech does not contain any notice of the evacuation of existing settlements or outposts.

4) *Refugee question:*

Ruling out in advance any kind of negotiations on this question, he called upon the Arabs to solve the Palestinian refugee problem the same way that Israel did previously by absorbing Jewish refugees from the Arab countries. He went on to say, "Therefore justice and logic dictate that the problem of the Palestinian refugees must be solved outside the borders of the State of Israel."

Netanyahu embedded this position on the final status issues in a very moderate tone, referring time and time again to peace. He began his speech with the word peace, and then used it another forty times, and concluded the speech with it. The question, however, is whether in practice this openness to peace is really an offer of peace to the Palestinians that should be taken seriously, and whether it can stand up to the demanding comparison with the courageous peace accord between Begin and Sadat exactly thirty years ago. Or instead, did he not in this speech above all repeat the positions that he had presented earlier, which now, in light of the strong pressure from Washington and a changed regional dynamic; he was simply selling in new packing, just like old wine in new bottles?

Broad-based support in Israel

Two days after the speech, the *Haaretz* left-wing liberal newspaper published the results of a survey about how the Israeli population had reacted to Netanyahu's speech. These showed that 71% of Israelis agreed with his statements. He has the support of just 49% of the supporters of Tzipi Livni's opposition Kadima party. In his own party, the Likud, 90% of members agree with his speech. In the population, after the speech, his rating shot up by 16%, to 44% approval.

At the same time, the mass-circulation newspaper *Israel Hayom* reported that 58% were against the stop to construction in the settlements demanded by the USA, and that 63% did not believe that a peace agreement could be achieved with the Palestinians. This is the reason why the great majority of Israelis support the conditions stated by Netanyahu for peace and for the creation of a Palestinian State. His speech reflected a wide-ranging consensus in Israeli society: the people want peace, but after the failure of the Oslo process, the violence of the second Intifada, and Hamas' rocket bombardment from the Gaza Strip, they have lost any belief that peace is actually possible. In Israeli society, willingness and hence the ability to enter into the compromises needed to conclude peace with the Palestinians are in decline. Netanyahu is picking up on this atmosphere and tendency. He can count on solid backing in the population if he refuses to stop settlement activities and to divide Jerusalem as a capital with the Palestinians. In the meanwhile, a majority of Israelis have come to believe that only the Israeli Right with its intransigent positions can undertake promising peace negotiations, while the Left does not understand the language of the Middle East. Netanyahu's speech constitutes a clearly worded political pro-program for the rightward shift in Israeli society which became clear

during the Knesset elections held this February.

Another reason why the speech went down so well in Israel is its ostensibly moderate tone and its constant repetition of a call for peace, while at the same time the Palestinians are presented as those who are responsible for the repeated failure to achieve peace.

But not only had the population applauded Netanyahu for his speech. The representatives of practically all of Israel's political parties – with the exception of the Arab ones – also welcomed it. Neither opposition leader Tzipi Livni nor representatives of the Labour Party voiced any criticism. They all basically agreed with the positions that Netanyahu put into words. Public criticism was expressed by just a few representatives of the Left and critical intellectuals, such as former Meretz chairman Yossi Sarid or writer David Grossman. Sarid confirmed Netanyahu's failure, and called the speech a "hesitant, tortuous, and fearful vision of a future," with which the goal of a "Palestinian state" could never be achieved.

No Jewish state even in 1000 years

The reactions in the Arab world were all, without exception, negative. Egypt's President Hosni Mubarak is quoted as follows: "Nobody in Egypt or elsewhere can accept Netanyahu's demand to recognize Israel as the state of the Jews." Whereupon Netanyahu, according to reports, immediately called Mubarak in order to explain the content of the speech to him. And the Jordanian newspaper *Al-Arab Al-Yawm* wrote that the definition of Israel as a Jewish state indicated the intention to drive one and a half million Palestinians (meaning the Palestinians in Israel, R.H.) into exile.

The leading PLO representatives vehemently and unanimously rejected

Netanyahu's speech. Chief negotiator Saeb Erekat said that even in a thousand years, the Arabs would not recognize Israel as a Jewish state. Yasser Abed Rabo, secretary of the PLO executive committee, called Netanyahu a liar and cheat. However understandable the negative reaction of leading Palestinians, they need to consider what their own outlook is, and what practical counter-proposals they can offer to Netanyahu's policy. The Palestinian leadership is also confronted by the challenge of developing realistic policy goals and following new paths.

Thus Abdallah Frangi, for example, for many years the PLO's representative in Germany and now head of Fatah's foreign policy division, analyzes Netanyahu's speech in a rather more discriminating fashion in a contribution to the *Süddeutsche Zeitung*. Overall, he called it bluff, but admitted that the magic words "Palestinian state" had been uttered. Nevertheless, he continued, the speech was unacceptable. For him and the Palestinians, given the fact that Israel has over 20% Arab citizens, both Muslims and Christians, the formula of the "Jewish character" of the Israeli state is unacceptable. The same applies to the statements about Jerusalem. To unilaterally declare the Holy City, one of the trickiest subjects for negotiation, the "eternal and undivided capital of the State of Israel" is not acceptable to any Palestinian leadership. And while the settlements make any idea of a viable state of their own impossible for the Palestinians, for Netanyahu the settlers are not an obstacle on the path to peace. Negotiations solely about the desire for peace, but on unacceptable terms, said Frangi, are not a step in the right direction.

Obama satisfied, Europe skeptical

Barack Obama reacted in a guardedly positive fashion to Netanyahu's

speech. He said, "I thought that there was positive movement in the prime minister's speech," and went on to observe that he saw the possibility of restarting serious peace talks. He repeated the necessity of halting the building of settlements, but at the same time called upon the Palestinians to comply with their obligations in order to advance the peace process. A White House spokesman also announced, "The president believes that there's a long way to go and many twists and turns in the road to get there, but is pleased thus far with the progress that's being made, and I think yester-day's speech certainly is a big part of that."

The reactions from Europe sounded very different from this moderately positive assessment from Washington. On the very day following Netanyahu's speech, the EU foreign ministers met in Luxembourg in order to take a decision on upgrading ties with Israel. Following the Gaza war at the beginning of the year, this cooperation was put on ice and was due to be discussed again. The EU is making its decision dependent on progress in the Israeli-Palestinian peace process. Although the foreign ministers considered Netanyahu's speech to be a "step in the right direction," they decided that the statements made were not sufficient and called for additional Israeli measures. The Swedish foreign minister, Carl Bildt – Sweden is due to assume the EU presidency on July 1 – expressed doubts as to whether what Netanyahu had described could be called a state. Italy's foreign minister, Franco Frattini, was bothered that Netanyahu did not mention a halt to settlements and called Jerusalem the united capital of Israel. Javier Solana, the EU's foreign policy chief, also expressed himself cautiously: "The fact that for the first time a Likud government has officially acknowledged the two-state solution is a step in the right direction." German Chancellor Angela Merkel said in Berlin about Netanyahu's speech,

"This was a first and important step in the direction of the two-state solution." Overall, the EU states disagree about upgrading ties with Israel. Thus for example the Czech Republic, Germany, Romania and Italy favor such an upgrade, while Belgium, Sweden, Portugal, and Ireland are opposed to any such step as long as Israel does not stop building settlements and does not relax the sanctions on the Gaza Strip.

No willingness to make compromises

If Netanyahu's statements on the individual final-status questions are examined in substance, it becomes clear that he has in fact accommodated the Palestinians on just one point. By using the formula of a "demilitarized Palestinian state," he has for the first time recognized that an independent Palestinian state must be an integral part of a Middle East peace process. At the same time, however, while offering to initiate talks without preconditions, he has laid down conditions on the issue of Jerusalem, the settlements, and the refugee question which make it very difficult for the Palestinians to react positively to the speech and to accept it as a basis for starting negotiations. At the beginning of his speech, Netanyahu compared himself with Begin and Anwar el-Sadat. But unlike these two men, he is not – or not yet? – prepared and capable of going to his negotiating partners and offering them genuine compromises. He does not see the settlements as an obstacle to peace, and claims Jerusalem as an undivided capital for Israel. He will not in this way achieve the peace referred to so often in his speech.

Moreover, Netanyahu's speech contains no references whatsoever to the peace initiative proposed by the Arab League in 2002, which in respect of its essential features has in the meanwhile also received the support of the USA, and could provide a

possible basis for a peace solution for Netanyahu. The latter is refuting the new regional dynamic bound up with the Arab peace initiative, and instead is continuing to bank on a bilateral negotiation process between Israelis and Palestinians. However, following the failure of the Oslo process, the violence of the second Intifada, the lack of results from Annapolis, and lastly the Gaza war, there can hardly be any doubt that the Israelis and Palestinians on their own are not capable of achieving peace. Their conflict is part of the Middle East conflict, and can only be solved on a regional basis. The regional starting point of the Arab peace initiative opens a very promising path for such a solution.

The crux of this initiative involves the twenty-two member countries of the Arab League offering Israel peace and diplomatic recognition in return for withdrawal from the Palestinian territories occupied since 1967. Additional central points in the plan entail the creation of a Palestinian state with East Jerusalem as its capital, and a "just solution" to the refugee problem. So far, Israel has consistently rejected this initiative. The main argument was that the refugees' return would destroy the Israeli state's Jewish character, making the Jews a minority in their own country. This, however, ignores the initiative's new and creative element. Unlike all the other approaches, it no longer demands the unconditional right of return, but a "just solution" for the refugees – which would make compensation payments possible.

Conclusion

In the short term, the speech is a political success for Netanyahu. The preconditions for creating a Palestinian state defined by him – demilitarization and recognizing Israel as a Jewish state – are supported by the overwhelming majority of the

population and almost all the political forces of his country. His government is behind him, and he has managed to reassure the USA for the time being. In his reaction to the speech, Barack Obama also made it clear that he now expects concrete measures from the Israelis. Netanyahu gave a speech in which he referred time and time again to peace and for the first time conceded a state of their own to the Palestinians. However, he did not make them a single new negotiating offer toward peace. Probably, however, they were in any case not his addressees, who were first and foremost the US president, Israel's population, and the Jewish community in the USA.

Thus Netanyahu has overcome the first hurdle. But now comes the next, far harder step: turning this speech into practical policy. Then he will have to take decisions, such as on the evacuation of what are called the "illegal settlement outposts." Not only the USA and the European partners are urging this: in 2003 Israel itself committed to doing so when it agreed to the road map. It will then become clear where Netanyahu's priorities lie: with the stability of the existing coalition, or with the relationship to the USA. If a crisis were to develop in his government and with the Likud right wing, Netanyahu would have the option of including Kadima or parts of it in his coalition.

The reactions from Washington and Brussels show that the previous differences when it comes to dealing with Israel – criticism from Europe and understanding from the USA – clearly no longer exist. Right now, the Americans' and Europeans' positions on dealing with Israel are very similar. This is a new situation.

The reactions from Washington and Europe also show that in the weeks to come, Israel's settlement policy will probably be at the center of political attention. Netanyahu has intimated

that he is willing to risk conflict with the USA over this question. He knows that Obama is also under pressure to succeed, and needs him in order to achieve progress. He will try to make the best possible use of this leeway. In doing so, he will put forward the broad support of Israel's population as well as almost all its political forces as a weighty argument. What might perhaps await him is expressed in the following blunt words by George Mitchell, Obama's special envoy to the

Middle East, as cited by Israel's *Maariv* daily. "Our policy is simple. The Israelis have lied to us all the time in the past years, but this is over now."

In the coming weeks and months, it will become clear how serious the Americans are about this new policy. But right now it's up to Netanyahu. Following his speech, he has to adopt concrete measures. The first thing expected of him will be substantial steps on the settlement question.

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