City Research Online

City, University of London Institutional Repository

Israeli Foreign Policy in Historical Perspective: State, Ethno Nationalism, Globalization

Dr. Amnon Aran, Department of International Politics, City University London.

amnon.aran.1@city.ac.uk

Introduction

This paper suggests a new approach to examine periods in Israel's foreign policy from 1948 to the present, which uses the concepts of state, ethno nationalism and globalization, as analytical tools. I argue that Israeli foreign policy encompasses three major periods: statist (1948-1973), ethno nationalist and statist (1973-1985), and globalization, ethno nationalism and declining statism, (1985-present). Of course, the analytical concepts of state, ethno nationalism and globalization cannot explain every decision and action in Israel's foreign policy since 1948. However, these concepts can be considered ideal types that capture the salient trends in Israel's foreign policy in relation to three issues: composition of the domestic arena; social make-up of the foreign policy elite; and the conflicting approaches that shape the conduct of Israel's foreign affairs. Israel's external environment is conspicuously absent not because I see it as unimportant, but because the underlying assumption in this paper is that the effects produced by changes in the external environment depend on how domestic actors interpret and comprehend them. Therefore, this paper is informed by an emphasis on *innenpolitik*, understood to be the primacy of domestic factors in explaining foreign policy.

In examining Israel's foreign policy this paper tries also to account for change. Drawing on Krassner and others, the account is informed by the assumption that there is an intimate link between crisis and institutional change.[1] Two crises are considered significant for explaining changes in Israeli foreign policy: the 1973 Yom Kippur war and its aftermath, and the economic crisis that resulted in the Economic Emergency Stability Plan (EESP) being

---

[1] Stephen D. Krasner, 'Approaches to the State: Alternative Conceptions and Historical Dynamics', in *Comparative Politics*, 16(2), (1984), 223-46.

adopted in 1985. The framework proposed is used to prompt some reflections upon the linkage between trends in Israeli foreign policy and its covert diplomacy.

Contrasting approaches to Israeli foreign policy

The framework proposed to explain continuity and change in Israeli foreign policy since 1948 is situated in relation to three alternative analytical approaches. The *regional* approach, which explains Israel's foreign policy in terms of the political and military make-up of the Middle East, comprises two strands. Some, e.g., Inbar, emphasize the unremitting hostility of the Middle East towards the very idea of Israel's existence. It is argued that this compelled Israel to predicate its foreign policy on military force and subordinate it to its defence requirements. In this approach realisation by the Arab states—Egypt and Jordan—and the Palestinian Liberation Organization (PLO) that Israel could not be eradicated by force, enabled a reformulation of Israeli foreign policy vis-à-vis these entities.[2] However, the regional approach has also produced studies of a different nature. While conceiving of the military and political make-up of the Middle East as the key determinant of Israel's foreign policy, scholars, like Morris, see the impact as more complex. Whilst they acknowledge that the Middle East's political and military make-up presents Israel with formidable challenges, they conceive of Israeli foreign policy as having more latitude than scholars such as Inbar

---

[2] E.g., Efriam Inbar, 'Arab-Israeli Coexistence: The Causes, Achievements and Limitations', in Efraim Karsh (ed.), *Israel: The First Hundred Years* (London: Frank Kass, 2000), 256-271.

would concede. In these accounts Israel's foreign policy is seen as a mixed bag of successes and missed opportunities.[3]

The second approach explains Israel's foreign policy in terms of *domestic* factors. The key players identified include the political parties - especially Alignment and Likud,[4] the settler movement,[5] and the Israeli Defence Force (IDF).[6] They argue that each of these actors, to varying degrees, manipulated Israeli foreign policy and its implementation. Explaining Israeli foreign policy in terms of a *Zionist ideology* or identity constitutes the third approach.[7] The most cogent account in this strand is Avi Shlaim's work. It explains Israel's foreign policy in terms of Ze'ev Jabotinsky's doctrine of the iron wall, which advocated the erection of an iron

---

[3] Benny Morris, *Righteous Victims: A History of the Zionist-Arab Conflict, 1881-2001*(New-York: Vintage Books, 2001).

[4] E.g., Efraim Inbar, *War and Peace in Israeli Politics*: *Labour Party Positions on National Security* (London: Lynne Rienner, 1991); Ilan Peleg, *Begin's Foreign Policy*, 1977-1983*: Israel's Move to the Right* (New York, NY: Greenwood Press, 1987).

[5] Ian S. Lustik, *For Land and Lord* (New York, NY: Council on Foreign Relations Press, 1994); Akiva Eldar and Idit Zartal, *The Lords of the Land: The Settlers and the State of Israel 1967-2004* (Or Yehuda: Kineret-Zmora-Bitan, 2005).

[6] E.g., Yoram Peri, *Between Battles and Ballots: Israeli Military in Politics* (Cambridge: Cambridge University Press, 1983); Yagil Levy, *The Other Army of Israel: Materialist Militarism in Israel* (Tel-Aviv: Yediot Achronot, 2003) (in Hebrew); Oren Barak and Gabriel Sheffer, 'Israel's Security Network: An Exploration of a New Approach', in *International Journal of Middle East Studies*, 38, (2006), 235-261.

[7] Avi Shlaim, *The Iron Wall* (London: Penguin, 2000).

wall of Jewish military force against the perceived implacable Arab hostility to the Zionist project. Shlaim and his followers offer a 'revisionist interpretation of Israel's foreign policy towards the Arab world during the first fifty years following statehood'.[8] They argue that establishment of military force and its deployment has become an Israeli foreign policy *end,* which differs contrasts with Jabotinky's doctrine of attaining military supremacy as a *means* for enabling political engagement with the Arab side and an end to conflict.

Statist period

In what follows I examine Israeli foreign policy from 1948 to the present in terms of the state, ethno nationalism, globalization and crises. The concept of the state in this paper derives from what could be termed a neo-Weberian institutional approach in which the state is seen as 'a set of administrative, policing and military organisations headed, and more or less well coordinated, by an executive authority'.[9] In this formulation the state is an 'actual organization' possessing relative autonomy and the capacity to act in the internal and external spheres. The state's relative autonomy in both contexts derives from its unique positioning to deal with the exigencies imposed by international security competition, an ongoing need to extract finance, e.g., via taxation, to fund its endeavours, and its capacity for surveillance. States use surveillance of civil society to both pacify and mobilize its resources. The state-civil society relationship is one of competition in which the state has relative autonomy.[10]

---

[8] Shlaim, *The Iron Wall,* xvi and 14.

[9] Theda Skocpol, *States and Social Revolutions: A comparative analysis of France, Russia and China* (Cambridge: Cambridge University Press, 1979), 29.

[10] Halliday, *The Middle East in International Relations*, 46.

In Israel, the salience of the state in determining foreign policy from 1948 to 1973 was reflected and advanced by the predominant ideological edifice of *Mamlachtiyut*.[11] *Mamlachtiyut* was developed by Israel's first Prime Minister, David Ben-Gurion, when he was leader of the ruling party *Mapai*. *Mapai* led every coalition and owned the premiership until it merged with *Ahdut Ha-Avoda* on the eve of the 1965 elections to form the Labour Alignment. Constructing the state around the notion of *Mamlachtiyut* was a very political act that identified the state with *Mapai*. Ben-Gurion and *Mapai* used the notion of *Mamlachtiyut* to realign internal politics and de-legitimize political rivals such as Menachem Begin's *Herut* party.

Mamlachtiyut, however, was more than a product of and part of Ben-Gurion's and *Mapai's* political agenda. It portrayed the state as the epitome of Jewish historical revival; it elevated the state to a supreme symbol, making it and its institutions the objects of loyalty and identification. *Mamlachtiyut* introduced values and symbols that emphasized state legitimacy and the shift from sectoral interests (characteristic of Yishuv) to a collective interest (typifying the statist era).[12] For instance, the political economy of Israel derived from a collectivist ethos highlighting the challenges of arming and defending the country, settling the waves of new immigrants, penetrating the frontier regions where Arabs were living or

---

[11] On *Mamlachtiyut* see, inter alia, Shmuel Sandler, *The State of Israel, the Land of Israel: The Statist and Ethnonational Dimensions of Foreign policy* (London: Greenwood Press, 1993), 97-98; Charles S. Liebman, and Eliezer Don Yiyheh, *Civil Religion in Israel* (Berkeley CA: University of California Press, 1983), 81-131.

[12] Yoav Peled and Gershon Shafir, 'The Roots of Peacemaking: The Dynamics of Citizenship in Israel, 1948-1993', *International Journal of Middle East Studies* 28 (1996): 398.

which bordered Arab countries, and developing an economic infrastructure to cope with the immigrants and eventually eliminate Israel's dependence on charity and loans.[13]

Mamlachtiyut, thus, endowed an aura of supreme political universality of a state with interests beyond politics, which rendered competing social and political-bureaucratic actors powerless to challenge its authority. The state mobilized the citizenry to serve its goals, presented as the common good, through what Lissak terms *regimented voluntarism*.[14] The IDF ethos of the warrior (*lochem*) was the ultimate individual 'voluntaristic' act[15] above all other forms of individual activity in the political, economic, social and cultural spheres. The IDF was central in the ideological construct of *Mamlachtiyut* and its espoused regimented voluntarism. Consequently, although the initial development of *Mamlachtiyut* was geared towards consolidating Ben-Gurion's and *Mapai's* power, over time it became associated with the institutions of the state at the expense of identification with a political party.

The significance of *Mamlachtiyut* and the centrality it afforded to the state in relation to society, had some important implications for Israel's foreign policy. First, it left little room for societal actors, e.g., political lobby groups, political parties, the media, financial players,

---

[13] Michael Shalev, 'Liberalization and the Transformation of the Political Economy', in Gershon Shafir and Yoav Peled ,*The New Israel* (Boulder, CO: Westview Press, 2000), 130.

[14] Lissak, Moshe, 'The Ethos of Security and the Myth of Israel as a Militarised Society' in *Democratic Culture,* 4, 5 (2001): 189 (in Hebrew).

[15] On the ability to portray military service as the ultimate voluntary act, and its roots, see Yagil Levy, *The Other Army of Israel*, 65.

to challenge the state, generally or specifically, on foreign policy issues. It was also an obstacle to external actors making inroads into Israeli foreign policy. It allowed the state—especially the IDF and the prime minister's office—to develop relative autonomy from society and the external sphere in formulating and implementing foreign policy.[16] Second, as Baruch Kimmerling argues, for three decades Israel was led by a distinguishable elite—Ashkenazi, secular, nationalist men. This elite perceived its duty as presiding over the Zionist project.[17] *Mamlachtiyut* encompassed its credo of creating new Jews, Sabras and Warriors, in *Eretz Israsel*, which had the effect of legitimizing the elite's leadership and expanding the already wide space for manoeuvre to conduct Israel's foreign affairs.

It would be a mistake, however, to regard Israel's leadership during the statist phase as unified. From the early 1950s on, Israel's foreign policy exhibited rivalry between the activist approach represented by David Ben-Gurion, and the non-activists stance represented by Moshe Sharett. The activist school was based on the assumptions of Israeli self reliance; vigorous and repeated use of military force as the key foreign policy tool; and deep suspicion towards the international community. The non-activist school was predisposed to more restrained use of military force; greater willingness to rely on diplomacy; and a recognition that in the definition of Israel's foreign policy, the international community was important.[18]

---

[16] For a theoretical angle on the impact of societal actors on foreign policy see David Skidmore and Valerie Hudson, eds., *The Limits of State Autonomy: society groups and foreign policy formulation* (Boulder, CO: Westview 1993).

[17] Baruch Kimmerling, *The End of Ashkenazi Hegemony* (Jerusalem: Keter, 2001).

[18] Avi Shlaim 'Conflicting Approaches to Israel's Relations with the Arabs, Ben Gurion and Sharett, 1953-1956', *Middle East Journal*, 37 (2), (1983): 180-185.

The third effect produced by *Mamlachtiyut* should be understood against the backdrop of these contrasting approaches. The key tenets upon which Mamlachtiyut was predicated, especially centrality of the IDF and the ethos of *lochem,* created a state structure that supported domination of the Ben Gurion-led activist approach over Sharett's non-activist stance. This had significant implications for Israel's foreign policy behaviour during this period. For example, the response to infiltrations across the borders from the Gaza Strip and Jordan was generally not confined to tit-for-tat raids. Rather, reprisals tended to escalate at least one rung, at the expense of exploring diplomatic initiatives. This dynamic can be seen in the events surrounding the Gaza raid, Operation Kineret, and the run up to and outbreak of the 1956 war.[19] From the perspective in this paper the mutually reinforcing relationship between *Mamlachtiyut* and the activist approach played role in the victory of the activist stance. Consequently, the institutions under the control of the activists, e.g., the Prime Minister's office and the IDF, gained greater influence over Israel's foreign policy-making than Ministry of Foreign Affairs, which was dominated by Sharett, the champion of non-activism.

A number of interesting connections between Israel's covert diplomacy and the evolution of Israeli foreign policy during the statist period might be suggested at this point. First, covert diplomacy, like foreign policy-making more broadly, was crafted and implemented within the state, which possessed a relative autonomy from its society and the external environment. Second, Israel's covert diplomacy was largely a matter dealt with by the foreign policy elite and was informed by the two dominant foreign policy schools of thought: activists and non-

---

[19] Avner Yaniv, *Deterrence Without the Bomb: The Politics of Israeli Strategy* (Washington, DC: Lexington Books, 1987): 164-166.

activists. Arguably, conducting coercive diplomacy formed part of state capacity and nation building in the early formative years of the State of Israel.

The rise of ethno nationalism

Ethnonationalists do not regard the state as the main political vehicle for organizing the community, but rather that a political community derives from what is perceived to be a homogenous and descent group. Its members bear the distinct markers of a nation—culture, history, language, attachment to a particular territory—which are inscribed into their identities. From this perspective, community and state are not seen as separate; the community is expressed in and embodied by the state—in this case a Jewish state.[20]

Ethnonationalism was never wholly absent from Israel's foreign policy, but at least up to the 1967 war its impact was secondary to the state factor embodied in *Mamlachtiyut*. Israel's spectacular military victory in the 1967 war triggered the process that ultimately would shift the balance between state and ethnonationalism. The victory provoked an eruption of nationalistic feeling in the Israeli Jewish public. It saw it as the return of the Jewish people to their biblical cradle: Judea, Samaria, and most notably Jerusalem.[21] At the same time,

---

[20] For an overview of ethnonationalism against other expressions of nationalism see Anthony D. Smith, *Nationalism and Modernism: A Critical Survey of Recent Theories of Nations and Nationalism* (London: Routledge, 1998): 170-196; for the application of this concept to the Israeli case see Gershon Shafir and Yoav Peled, *Being Israeli: The Dynamics of Multiple Citizenship* (Cambridge: Cambridge University Press), 6.

[21] Morris, *Righteous Victims*, 311.

however, the spectacular performance of the state in the 1967 war reinforced some of the key tenets of *Mamlachtiyut*—centrality of the IDF, the warrior ethos, and the notion of the state as a focus for citizens' loyalty. This hampered the ability of domestic actors to translate the eruption of ethnonationalistic sentiment after the 1967 war into a political force that could challenge the state.

The conditions favouring a domestic challenge to the state and the centrality of *Mamlachtiyut* were created by the crisis prompted by the 1973 war. This development is in line with the link between institutional change and crises described earlier. Although Israel was ultimately victorious, the 1973 war as perceived as a massive blunder and resulted in close scrutiny of the state and its political-military elite from the public, rival generals and politicians and, finally, the government-appointed Agranat commission, which was charged with investigating the war.[22] The combined effect of the military and economic price to Israel of the 1973 war, the public protest against the state, and the overt conflict within the state's military-political circles, severely dented *Mamlachtiyut* and the leadership it upheld. The state was unable to maintain an image of being 'beyond politics' or its status as a focus for citizen loyalty and regimented voluntarism, which undermined *Mamlachtiyut* and its statist ethos. This is not to argue that *Mamlachtiyut* and the institutional edifice it supported at whose centre was the IDF, became insignificant, but to show that the weakening of *Mamlachtiyut* was a key political development in the process that shifted the balance from the state towards ethnonationalism in foreign policy.

---

[22] On this aspect of the war see Morris, *Righteous Victims*, 415-417.

Next we explore the implications of this shift in terms of the changes and continuities to the three aspects of Israel's foreign policy examined in the previous section: Israel's foreign policy elite, the domestic actors affecting Israel's foreign policy, and conflicting approaches to the conduct of Israel's foreign relations. Israel's foreign policy elite changed from being dominated almost exclusively by Ashkenazi, secular, nationalist, males, to an elite bearing the imprint of ethnonationalism. This shift can be seen most strongly in the inroads made by the Jewish Settler movement to the locus of Israel's foreign policy-making: the Prime Minister's office and the IDF.[23]

The concurrent weakening of *Mamlachtiyut* created the political conditions for societal actors other than the Jewish settler movement to exert their influence on Israel's foreign policy. Against this backdrop emerged the Peace Now movement, which levelled a powerful critique against Likud's settlement policy and the 1982 invasion of Lebanon. The movement's impact should be seen not so much in material terms but as an alternative ideational framework to that of Likud. For instance, Hermann shows that the two-state paradigm to end the conflict with the Palestinians, grew steadily to become the preferred option among the Israeli centre left. By presenting this alternative political framework Peace Now made an important contribution to the ideational foundations for subsequent negotiation with the PLO.[24]

We need now to examine the extent of the changes in the approaches to the conduct of Israel's foreign affairs. The 1948-1973 period was characterized by conflict between the

---

[23] For a detailed account of this process see Eldar and Zertal, *Lords of the Land*, 83-161.

[24] Tamar S. Hermann, *The Israeli Peace Movement: A Shattered Dream* (Cambridge: Cambridge University Press), 79-108.

activist and non-activist stances. Following the 1967 and 1973 wars and the rise of ethnonationalism, we see the emergence of the Hawk and Dove approaches. In some respects the divide between Hawks and Doves reflects the debate between activists and non-activists, e.g. in the disagreement over the balance Israel should strike between diplomacy and use of military force to achieve foreign policy goals. The Doves, like the non-activists, wanted more active peace initiatives from the Israeli government towards the Arab states. The Hawks, like the activists, maintained that military force should continue to be the central Israeli foreign policy tool. Following the rise of Likud, which was untainted by the 1973 debacle, government enjoyed greater manoeuvrability to apply the Hawkist policy. The use of military force to eliminate the potential nuclear threat from Iraq was successful,[25] but its use to put in place a pro-Israeli Christian government in Lebanon backfired.[26]

Yet in other respects change was notable, e.g. in the debate over the degree of Israel's self reliance, which perhaps most strongly reflected the enduring (though secondary) influence of the state factor. From the vantage point of the state two events during the 1973 war illustrated that in the political and military context of the Cold War, Israel no longer had the capacity, assumed after the 1967 war, to 'go it alone'. These events were the US airlift, which enabled the Israeli counter-offensive that reversed the course of the war in its favour, and the

---

[25] On the bombing of the Iraqi reactor see Shlomo Nakdimon, *First Strike: The Exclusive Story of how Israel Foiled Iraq's Attempt to get the Bomb* (New-York: Summit Books, 1987.

[26] On the invasion of Lebanon and its aftermath see Zeev Schiff, and Ehud Ya'ari, *Israel's Lebanon War* (New York, NY: Simon and Shuster, 1984).

worldwide alert issued by the US in the final two days of the war, to deter the USSR from intervening on the sides of Egypt and Syria.[27]

Subsequent events illustrate that the activist stance of self reliance was severely eroded. This reflected most strongly in the attitude of consecutive Israeli governments—Alignment and Likud—to consolidate the relationship with the US. Consequently, successive memoranda were signed between Israel and the US. The first, under Yitzhak Rabin's leadership, was signed in 1975 as part of the Sinai II agreement with Egypt. During the Likud government led by Menachem Begin, the memorandum was upgraded as part of the Israeli-Egyptian peace agreement. Finally, with Ronald Reagan's election to the US presidency in November 1980, Israel was seen as a 'formidable strategic asset'[28] in the context of the Cold War, and a memorandum of understanding on strategic cooperation was signed on 30 November 1981 by the two states. This was suspended in December after Israel annexed the Golan Heights, but was reactivated in 1983.[29]

---

[27] Yaniv, *Deterrence Without the Bomb: The Politics of Israel's Strategy*, 214.

[28] William B. Quandt, *Peace Process: American Diplomacy and the Arab-Israeli Conflict Since 1967* (Washington DC: Brookings Institution Press, 2001), 246.

[29] The 1975 memorandum see Israeli Ministry of Foreign Affairs web site
http://www.mfa.gov.il/MFA/Foreign%20Relations/Israels%20Foreign%20Relations%20since%201947/1974-1977/112%20Israel-United%20States%20Memorandum%20of%20Understanding accessed 13/8/07
For the full text of the 1979 memorandum see
http://www.mfa.gov.il/MFA/Peace%20Process/Guide%20to%20the%20Peace%20Process/US-Israel%20Memorandum%20of%20Agreement, accessed 13/8/07.

The significance of these memoranda in the context of this paper lies in both the political, military and economic support guaranteed to Israel and in their globalizing effects. Previously, Israel could only achieve secondary and tertiary alliances or bonds that ensured a continuing and adequate flow of weapons and strategic materials and provided parallel efforts that coordinated Israel's efforts to contain Arab states. Israel's alliances with France and the Kennedy administration exemplify this.[30]

The deepening strategic relationship with the US after 1973 was more than a mere secondary or tertiary alliance. The memoranda effectively embedded Israel into what I have termed elsewhere a global cluster of states, built around the Western alliance against the USSR. Israel's military and political incorporation into this global cluster is reflected in its agreement to deploy the IDF to missions *unrelated* to the defence of Israel and the description of the USSR in Israeli official documents as a confrontation state.[31] Israel, therefore, like other states in the global cluster, no longer had exclusive monopoly over use of the means of violence. Its state authority and use of legitimate monopoly over the use of political force was pooled within the global cluster, at least in terms of use in the external sphere. In this respect, the consecutive memoranda had the effect of inducing a process of military and political globalization for Israel.

Settlement of the debate over Israel's self reliance constituted a significant change compared to the disagreement between the activists and non-activists on this issue. However, the most

---

[30] On Israel's secondary and tertiary alliances see Yaniv, *Deterrence Without the Bomb*, 71-72, 123-125, and 183-184.

[31] On this latter point see Shlaim, *The Iron Wall*, 392.

significant difference between pre and post 1973 debates on the conduct of foreign policy was the disagreement over the significance of territory. The Doves were willing to relinquish almost all the territories captured in 1967 in exchange for 'real peace' with the Arabs. They opposed the assumption of faits accomplis in the territories because it limited future options for peace. The most extreme Hawks reflected the rise of ethnonationalism and demanded annexation of all the territories captured in the 1967 War. Although this goal was not attained, the influence of the Hawkish stance was significant. They were instrumental in allowing government agents and private entrepreneurs to acquire Arab lands in the occupied territories to facilitate the de-freezing of their ownership and permit the establishment of Jewish settlements in the territories—the first step towards establishment of sovereignty over the area.[32] This meant that from the Hawkish perspective the land occupied in the 1967 war, especially the West Bank and the Gaza Strip, could not be collateral for peace. As a result, the 'territorial' factor hampered the prospects of realizing Alignment's preferred option to deal with the Palestinians: the Jordanian option. It also impacted on the peace negotiations with Egypt resulting in Israel refusing to relinquish its control over the Gaza Strip.

What might the shift from the statist era to the ethno nationalist and statist period have entailed as far as Israeli secret diplomacy is concerned? In some respects, e.g., building state capacity, the role of Israeli secret diplomacy remained constant in relation to the previous period. However, some changes occurred. First, the conduct and implementation of Israeli covert diplomacy was informed by the Dove-Hawk rivalry, not the activist non-activist debates. Second, because domestic actors had a greater impact than before on foreign policy-making, there was a greater chance that covert diplomacy would become public knowledge.

---

[32] Baruch Kimmerling, *Zionism and Territory* (Berkeley CA: University of California Press, 1983), 154-155.

In fact, in some cases secret diplomacy-made-public knowledge constituted part of the political rivalry between the Hawks and the Doves. This was strongly exemplified as the public gained insights into Israeli covert diplomacy in Lebanon, particularly from the early 1980s[33] Third, Israeli covert diplomacy had to take into account the US factor to a far greater degree than before.

Enter globalization

Although the term 'globalization' has been in academic use since the 1970s, no serious attempts were made to theorize it until the late 1980s. By the end of the 1990s the hyper-globalist, global sceptic and transformationalist theses defined the debate on globalization.[34] More recently, a fourth approach to globalization – the mutually constitutive thesis—has been proposed, which includes two critiques of the debate on globalization relevant to this paper.[35] The first is against the hyper globalist and transformationalist view of globalization

---

[33] On this aspect of Israeli foreign policy see Kirsten E. Schulze, *Israel's Covert Diplomacy in Lebanon* (London: Palgrave Macmillan, 1997).

[34] For the hyper-globalist, transformationalist, and global sceptics classification, David Held et al., *Global Transformations: Politics, Economics, and Culture* (Cambridge: Polity Press, 1999), 1-29.

[35] The proposed critique is derived from, inter alia, Aran, *Israel's Foreign Policy towards the PLO*, pp. 2-7; Tarek Barkawi, *Globalization and War* (Lanham: Rowman & Littlefield, 2006), pp. 1-59; Ian Clark, *Globalization and Fragmentation: International Relations in the Twentieth Century* (Oxford: Oxford University Press, 1997); Ian Clark, *Globalization and International Relations Theory* (Oxford: Oxford University Press, 1999); Martin Shaw, 'The State of Globalization: Towards a Theory of State Transformation' *Review of International*

solely in terms of economics, technology or the impact of spatio-temporal factors. This conception underestimates the role politics and, by extension, foreign policy might play in globalization.[36] Instead, argues the mutually constitutive thesis, Globalization should be considered a multi-centric, multidimensional and dialectical process constituted of political and military factors alongside other factors—e.g., economic, technological, ecological, social elements. Thus, globalization can be defined as *a multi dimensional contested process that involves increasing embedding of political, military, economic, social and cultural activities in politically unified (quasi)global spheres of activity*.[37]

The second critique is on the globalization-state relationship. Hyperglobalists see the state rendered increasingly irrelevant by globalization; transformationalists take the more moderate view that it compels states to transform. Thus, hyperglobalist and transformationalist theses converge around the assumption that the state is external and counter-positioned to contemporary globalization. This conceptualization is rejected by the mutually constitutive thesis that conceives of globalization as 'predicated on and producing state

---

Political Economy, 4 (3), 1997, pp. 497-513; Martin Shaw, *Theory of the Global State*: *Globalization as an Unfinished Revolution* (Cambridge: Cambridge University Press, 2001); Michael Mann, 'Has Globalization Ended the Rise and Rise of the Nation-State?', *Review of International Political Economy*, 4(3) 1997, pp. 472-496; Michael Mann, 'Globalization and September 11', *New Left Review* 12, (2001): pp. 51-72.

[36] Chris Hill, *The Changing Politics of Foreign Policy* (London: Palgrave, 2003), 193-194.

[37] I justify this in Amnon Aran, *Israel's Foreign Policy towards the PLO: The Impact of Globalization* (Sussex: Sussex Academic Press, 2009), 7.

transformations'.[38] In other words globalization, the state and, by extension, foreign policy, are in a mutually constitutive relationship.

I next try to account for the rise of globalization as a vital factor in Israel's foreign policy building on the argument that changes in Israel's foreign policy are linked closely to crises. The rise of globalization is related to the brewing crisis in Israel's economy since the 1973 war. The crisis was provoked by the state acting as the central pivot of the economy. This resulted in it becoming increasingly indebted to powerful actors in the internal sphere, including the burgeoning bureaucratic sector, workers' committees in the employ of the state, and the *Histadrut*. Economic policy became increasingly undisciplined, allowing excessive public sector deficit spending, frequent recourse to corrective devaluations, and government lending policies that favoured borrowers over the state. For example, during 1973-1985 inflation rose to 440% annually; GNP rose by an average 0.81% per annum and from 1981 to 1986 by only 2%; in 1973 to 1985 the import surplus grew from $1.5 billion to $3.97; and state foreign indebtedness rose by a factor of 6 between 1970 and 1986.[39] Thus, by 1985, 'the economic crisis had come to pose tangible threats to the state itself—its fundamental legitimacy andits economic viability'.[40]

---

[38] Shaw, 'The state of globalization', p. 498.

[39] For data and an account of the economic role military exports played in the context of the economic crisis see Stewart Reiser, *The Israeli Arms Industry* (London: Holmes and Meier, 1989), 121 and 123.

[40] For a critical evaluation of the magnitude of the crisis from a historical perspective see Michael Michael Shalev, 'Liberalization and the Transformation of the Political Economy',

The then Likud-Labour national government responded to this crisis by launching its Economic Emergency Stabilisation Plan (EESP), which involved shedding state obligations to social groups and economic sectors and devolving responsibility to the market. This *wilful* withdrawal of the state was compounded by measures that embedded various spheres of the Israeli economy in global arenas.[41] Most significant for this discussion was the globalization of trade, finance and capital markets. Before the EESP the private sector was dependent on government-allocated credit which, as Shafir and Peled observe, ultimately rendered it 'for all practical purposes another branch of government'.[42] However, the globalization of trade and finance allowed Israeli businesses to obtain capital from the global economy, greatly reducing their dependence on state and government allocated credit.[43] Indicatively, 'the share of direct or indirect government loans to the private sector fell from 57.6% to 29.7% in just three years, from 1987 to 1990'.[44]

---

in Gershon Shafir and Yoav Peled (eds.), *The New Israel* (Boulder, CO: Westview Press, 2000),132-134.

[41] Shalev, 'Liberalization and the Transformation of the Political Economy', p. 148; Emma Murphy, 'Structural Inhibitions to Economic Liberalization in Israel', *Middle East Journal*, 48(1), (1994): 70-71.

[42] Shafir and Peled 'Introduction' in, *The New Israel*, 8.

[43] Gershon Shafir and Yoav Peled, 'The Globalization of Israeli Business and the Peace Process', in Yoav Peled and Gershon Shafir, *The New Israel* (Boulder, CO: Westview Press, 2000), 255-256.

[44] Gershon Shafir, 'Business in Politics: Globalization and the Search for Peace in South Africa and Israel/Palestine', in *Israel Affairs,* 5(2), (1999): 114.

A large body of research agrees that the EESP was much more than an economic measure; in hindsight, it triggered the globalization of Israel's economy, society and culture.[45] The implications of this process for Israeli foreign policy-making were profound. Its domestic make-up changed as new societal actors encroached on Israel's foreign policy-making. For instance, the vibrant Israeli business community became independent of the state and more influential. Businessmen joined the inner circle of the decision-makers, most notably Ariel Sharon's and Ehud Olmert's.[46] The business community had an impact on Israeli policy, e.g., supporting the Rabin government during the early years of the Oslo Process and cementing relations with the rising powers in Asia: India and China.[47]

The media also became more influential in Israel's foreign policy-making. The availability of multiple local and global media channels affected Israel's foreign policy making in a number of ways. Israeli national media organizations felt they were losing in the commercial competition with the global news corporations that characterized the media landscape and

---

[45]Peled and Shafir, *The New Israel*, Op. Cit. Guy Ben-Porat, Global liberalism, Local Populism: Peace and Conflict in Israel/Palestine and Northern Ireland (Syracuse: Syracuse University Press, 2006); Uri Ram, *The Globalization of Israeli* (New York: Routledge, 2008).

[46] Sharon's close decision-making circle included his son and a group of advisors from the business sector: Dov Wesglass, Lior Horev, Reuven Adler. Olmert's close circle included former businessmen also, e.g., Dr. Yoram Tubovich.

[47] On the impact of business on the peace process see Pen-Porat, *Global Liberalism, Local Populism*, 152-201; on India see, Efraim Inbar, The Israel-India Entente, BESA, http://www.biu.ac.il/Besa/Inbar.pdf, accessed 3 May 2011.

also the discrepancies between the Israeli and global news coverage was damaging the former's credibility. Therefore, there were demands for a revision of the censorship agreements, resulting in new agreements being signed in 1989 and 1996 which progressively relaxed the censorship rules. [48]

This more open and competitive environment reduced the government's ability to set the agenda for foreign policy debate and promoted media leaks. The risk of a leak affected Israel's decision-making structures. For instance, when testifying to the Winograd Commission, Prime Minister Olmert admitted that he had established a forum of seven individuals responsible for decision making during war. This structure was set up to avoid decisions taken within the forum of the whole government being leaked to the media. [49]

Finally, the ability of government to use the IDF as a foreign policy tool was rendered more difficult. Although the media still carried patriotic and jingoistic statements about the military, these were increasingly complemented by damning reports about the army's activities. The army was portrayed as an inefficient and wasteful, unprofessional organization, damaging to civil society, chauvinistic towards female soldiers, and not sufficiently alive to the needs of combatants. These reports significantly weakened the social and political status of the IDF[50] and, by implication, complicated the use of the IDF as a foreign policy tool. This was compounded by the growing pervasiveness of images pictures

[48]Yoram Peri, 'The changes in the security discourse in the media and the transformations in the notion of citizenship in Israel', in *Democratic Culture*, 4 (5), (2001). 247-249.

[49] Ehud Olmert, 'Testimony before the Winograd Commission', p. 36-38.

[50] Peri, 'Changes in the Security Discourse in the Media and the Transformations in the Notion of Citizenship in Israel, op cit; Levy, *The Other Army of Israel,* p. 210.

transmitted globally. Almost two decades earlier Shimon Peres had succinctly captured the impact of using the military as a foreign policy tool in today's media environment:

> In contemporary wars, there is no longer a need for Trojan horses because the media provides ''real time coverage'' of wars to every house in ''our global village''. Every one of us therefore has a Trojan horse in their private backyard. This may shorten the time that is available for small and medium states—which are situated in regions in which world powers have vested interests—to use military force. International pressure or military intervention will be swiftly employed, in order to put an end to any attempt to destabilize the system.[51]

It would be wrong, however, to think that the domestic make-up of Israel's foreign policy was subsumed to the forces driving Israel's globalization. In fact, the steady rise of ethnonationalism since 1973 proved enduring. From the early 1990s the ongoing impact of the Jewish settler movement and Likud was compounded by the emergence of two other societal actors: *Shas*, the Sephardi Ultra Orthodox party, and *Israel Our Home*, a nationalist secularist party. The scope of this paper does not allow in depth examination of the rise of these political actors; suffice to say that enabled the Sephardi observing Jews and immigrants from the former Soviet Union to produce political representatives from their own ranks.[52] The Jewish settler movement, *Likud*, *Shas* and *Israel Our Home* comprise an ethno-religious-nationalist coalition. They have opposed the concessions Israel made towards the PLO and, later, the Palestinian Authority (PA). The religious elements of the coalition oppose the growing impact of globalization. These groups see globalization as an attack on Jewish

---

[51] Peres, *The New Middle East,* 53.

[52] On Shas see Yoav Peled (ed.), *Shas: The Challenge of Being Israeli* (Tel-Aviv: Yediot Achronot, 2001); On the immigrants from the former USSR see Moshe Lissak and Elazar Leshem (eds.), *From Russia to Israel: Culture and Identity in Transition* (Tel-Aviv: Ha-Kibutz Ha Meuchad, 2001) (in Hebrew).

tradition, roots and the Jewish character of the state, which could lead to the assimilation of Israel into the gentile world.[53]

The rise of societal actors supporting the globalization of Israel and the enduring importance of ethnonationalism raises questions about the degree to which statism remains influential. The Israeli state was not rendered uninfluential as a result of global trends on the one hand and ethnonationalist-religious trends on the other. Yet these forces certainly eroded the key tenets of *Mamlachtiyut*—collectivism, the warrior ethos, and the status of the state as the focus of identification. Thus the impact of the state is currently derived from its unique position to deal with the ongoing security challenges faced by Israel—from terrorism to the prospect of a nuclear Iran. The ability of the state to deal with these exigencies retains its influence, primarily via Israel's security network.[54]

The aforementioned trends in the societal arena have affected the social make-up of Israel's foreign policy elite. From the late 1990s Israel's leadership increasingly has reflected the increased influence of societal actors such as businessmen, Shas and Israel Our Home, exemplified in the nomination of Avigdor Liemermann for Foreign Minister, all indicative of the trend towards the demise of the Ashkenazi, secular, nationalist male elite. This shift is the most significant change in the social make-up of Israel's foreign policy-making since the victory of Likud in the 1977 elections.

---

[53] See Shlomo Ben-Ami, *A Place For All* (Tel-Aviv: Ha-Kibutz Ha-Meuchad, 1998), 336-338.

[54] On this see Barak and Sheffer Op Cit; Yoram Peri, *Generals in the Cabinet Room: How the Military Shapes Policy in Israel* (Washington: United States Institute for Peace, 2006).

Having looked at the changes in the range and impact of societal actors and the social make-up of Israel's foreign policy-making, I shall move to look at the contours shaping Israel's foreign policy behaviour. On the one hand there is continuity with earlier phases. As in the past, the decisions and actions of Israel's government have consistently been impacted by the security factor, as articulated by the IDF.[55]   At the same time, however, there have been changes in the contours the approaches defining Israel's foreign relations.

One stance privileges *globalization and security* as the key determinates of Israel's foreign policy. Thus, Rabin's and Peres' decision to recognize the PLO and signing the Oslo agreements were inextricably linked to the perception that these steps would further embed Israel into political, military, and economic spheres of activity.[56]   Sharon, in turn, linked the unilateral withdrawal from Gaza with deepening Israel's economic embeddedness in global frameworks and maintaining its political and military global standing. His comments at on 30 June 2005, in a speech he delivered to an important annual gathering of Israel's economic elite, the Caesarea Conference, are illuminating:

---

[55] The most cogent empirical account of this phenomenon remain Peri, *Generals in the Cabinet Room, Op. Cit.*

[56] For the global impulse in Rabin's and Peres's thinking see, Peres, *The New Middle East*, Op Cit.; Efraim Inbar, *Rabin and Israel's National Security*, (Washington, DC: Woodrow Wilson Centre Press, 1999), 8-23, 84-113, 119-124, 137-139, and 159-163. For the impact of globalization on the Sharon government see Aran, *Israel's Foreign Policy towards the PLO*, chapter 5 especially.

I believe that Disengagement will be one of the most successful, economically influential steps carried out in Israel. It is sufficient to examine the influence which the Disengagement has had on the growth of the Israeli economy even before it is carried out. I believe that your experts estimated that benefits of Disengagement at 2% GNP per annum. There is no doubt that the dramatic increase in tourism, foreign investment and consumption originate primarily in optimism in the political arena. It is no accident that in the past two years [since 2003] we have seen renewed growth and the return of foreign investors.[57]

Unlike Rabin, Peres, and Sharon, Benjamin Netanyahu did not attribute much significance to the interrelationship between foreign policy change and globalization. In *A Place Among the Nations*¸ which is widely considered to be the blueprint of Netanyahu's beliefs, he does not devote any attention to the interrelationships between foreign policy and globalization.[58]

---

[57] For Sharon's speech see,

http://www.mfa.gov.il/MFA/Peace+Process/Guide+to+the+Peace+Process/Israeli+Disengagement+Plan+20-Jan-2005.htm#39, accessed 16 September 2008. Sharon made a similar argument meetings he had with the Israeli export forum and Israel's manufactures association. See, respectively,

http://www.mfa.gov.il/MFA/Government/Speeches+by+Israeli+leaders/2004/PM+Sharon+speech+to+Conference+for+Advancement+of+Export+11-Nov-2004.htm, accessed 16 September 2008;

http://www.mfa.gov.il/MFA/Peace+Process/Guide+to+the+Peace+Process/Israeli+Disengagement+Plan+20-Jan-2005.htm#doc15., accessed 16 September 2008.

[58] Benjamin Netanyahu, *A Place Among the Nations: Israel and the World* (London: Bantam Press, 1993).

Also, when asked whether he shared Peres' vision of a New and globalized Middle East, he replied that 'the notion was characteristic of people who live under continuous siege and want to change what is happening beyond their walls by imagining a different reality'.[59] Thus, rather than being propelled by a drive towards globalization, the first and second Netanyahu government were characterized by what might be termed as the *ethnonationalism-security* nexus. This factor was key in the first Nenayahu's government's efforts to unpick the Oslo Process. In Netanyahu's second term, the ethnonationalism-security factor has been a central contributing factor to the ongoing stalemate with the Palestinians.[60]

In some senses the rise of globalization as an influential factor in Israeli foreign policy, alongside the ongoing salience of ethno nationalism and declining statism, has not changed the role of Israeli secret diplomacy in the broader matrix of Israeli foreign policy. Employing secret diplomacy as a way to increase Israeli state capacity is as important today as it was during the previous periods examined by this chapter. However, the context in which it is employed is different in a number of ways. The combination of new means of technology and global media communications means that it is much more difficult than before to avoid decisions taken within government forums—inluding those referring to secret diplomacy— from being leaked. The WikiLeakes episode mentioned in the Introduction to this book illustrates this point most clearly. Consequently, Israeli covert diplomacy has greater *global*

---

[59] Quoted in Shlaim, *The Iron Wall*, p. 574.

[60] For a good account of the first Netanyahu government see Neil Lochery, *The Difficult Road to Peace* (Reading: Itacha Press, 1999). The decision not to continue the settlement freeze in return for a very generous US offer epitomizes the affect of ethnonationalism in Netanyahu's second term.

material implications than in erstwhile periods. The debates over whether or not Israel shall attack Iran, and the alleged covert diplomacy Israel is employing in this context—e.g., cyber attacks, assassinations, sabotaging Iranian installations—epitomize the trend of Israeli covert diplomacy 'going global'. Concurrently, as the state has increasingly retreated from the erstwhile roles it played in the economy, society, and culture, covert diplomacy plays less of a role in Israeli identity formation than in the past. Other forces—religious, economic, ethnic—have encroached upon the salient place reserved for Israeli 'secret operations' in the process of nation building.

Conclusion

This paper proposes a historical-analytical approach to examine Israel's foreign policy, based on the state, ethnonationalism and globalization as determinants of Israel's foreign policy. We account for changes in Israel's foreign policy by linking it to crises: the political-military crisis following the 1973 war, and the economic crisis faced by Israel in 1985. The degree of change is explored in relation to the nature and impact of societal actors on Israel's foreign policy, the social make-up of the foreign policy elite, and shifts in the contours defining Israel's foreign policy. Although this approach privileges the domestic over the external sphere, I justify this by acknowledging the significance afforded to domestic factors in determining how external change might be interpreted. The proposed approach is contrasted with the regional, domestic, and ideological approaches. The focused view presented in this paper does not examine Israel's foreign policy in the same degree of detail as in these alternative stances. However, this limitation is perhaps compensated for by the benefits of the approach proposed in this paper in terms of breadth.

In this context the it might be appropriate to conclude by emphasizing three contributions. First, the approach in this chapter emphasizes the rise of new actors in distinct historical periods and how their waxing and waning are linked to changes in the conflicting approaches to Israel's foreign policy. Thus we saw how increasingly more domestic actors create inroads into Israel's foreign policy-making, at the expense of the salience of the state. Second, the paper focused upon how to explain change and, in particular, the role of crises in shift in Israel's foreign policy. The effects generated by the 1973 and 1985 crises were noted, respectively, in relation to the changing stances shaping the conduct of Israel's foreign affairs. The concern for security has remained constant in Israel's foreign policy. However, from the 1948-1973 activist-non activist debate to the 1973-1985 Hawk-Dove debates, and

from these to the debate on globalization vs. ethnonationlism, crises are at the heart of the changes this paper has examined. Thirdly, the paper proposed some reflections on the implications broader trends in Israeli foreign policy might have for the crafting and conduct of Israeli secret diplomacy. These included: the decline in the relative autonomy of the state's ability to employ covert diplomacy; the changing context of the debates informing the crafting and conduct of Israel's secret diplomacy; the diminishing role secret diplomacy plays in Israeli identity formation; and the increasingly global remit entailed by Israeli secret diplomacy. At the same time, Israeli secret diplomacy has exhibited consistency in terms of its importance for Israeli state capacity building.