



## THE HERZLIYA CONFERENCE 2000

### THE BALANCE OF NATIONAL STRENGTH AND SECURITY

#### MAIN POINTS

1. Israel is the country of the Jewish people. The security problems of the State and its need for national strength result from the Jewish-Arab conflict, which has accompanied the Zionist movement since its inception. The concepts “national strength”, “unity of purpose”, “collective memory”, and “mutual responsibility” refer to the members of the Jewish majority in Israel and not necessarily to the State in general. From the perspective of enhancing national security and strength, Zionist values and the Jewish Zionist collective memory must be promoted and embedded through the state education organs and manifested in national symbols.
2. From the socio-economic perspective, two separate populations exist in Israel: Four million people who mostly reside in a Western technological society, and two million Arabs, ultra-Orthodox Jews and foreign workers who mostly reside in a society with Third World socio-economic characteristics. One difference between these two populations is demographic: The birthrate among Israeli Arabs and ultra-Orthodox Jews is among the highest in the world. The birthrate of non-ultra-Orthodox Jews is only slightly higher than the average among Western countries. The high birthrate brings into question the future of Israel as a Jewish state. It also entrenches poverty and delays socio-economic development among these groups and exerts pressure on infrastructure and resources.
3. The present demographic trends, should they continue, challenge the future of Israel as a Jewish state. Israel has two alternative strategies: adaptation or containment. The latter requires a long-term energetic Zionist demographic policy whose political, economic and educational effects would guarantee the Jewish character of Israel. Similarly, there would be a need to work towards the institutionalization, enhancement and intensification of the relationship with the Jewish people worldwide, who constitute a vital home front and provide strategic depth for Israel.
4. Three potentially mutually amplifying circles of conflict confront Israel: The innermost circle consists of low-intensity conflict with the Palestinians (including within Israel itself) and the Lebanese, i.e., terrorism, guerrilla warfare and civil unrest. The second circle is made up of Syria, with possible support from Egypt, Iraq and maybe even Jordan, engaging in a high-intensity land, sea and air war. The third circle comprises the farthest parts of Syrian territory, and Iraq and Iran, conducting a war of attrition against the home front using ground-to-ground missiles, with the possibility of escalation to the use of non-conventional weapons. The IDF is seeking to achieve defensive and deterrence capability in the second circle, and defensive, deterrence and retaliation capability in the third circle as well. Today, as in the past, Israel is in the midst of a conflict in the internal circle, implementing a combination of military, economic and political means to achieve calm and to promote a political settlement. The ability to cope in a conflict of this sort demands patience and durability from the entire public.
5. The IDF is a large army, even in comparison with the armies of the European powers – Great Britain, Germany and France – but is significantly inferior in terms of its operational budget. Its durability is facilitated despite this, through several means, including the maintenance of low equipment inventories, based on the assumption that high-intensity wars in the region will be brief. Over the last generation, the primary task of military Research and Development (R&D) was enhancing the accuracy and range of the firepower factor in the battlefield, using precise guided armaments. In order to facilitate the acquisition of these R&D products despite the reality of defense budget cuts, obsolete fighting units have been cut from the alignment of forces. In addition, the process of constructing a fighting force encounters persistent problems due to the lack of guaranteed budgetary planning over the course of the requisite time for development.
6. The regional peace process, which began a decade ago in Madrid, appears to have run its course. A new plan for future negotiations must now be drawn up. Israel cannot shape the contour of the future on its own but it can determine whether it prefers to attempt, in conjunction with the United States and Europe, to construct a new multilateral framework for negotiations, or to focus on a bilateral channel. In any case, priority must be given to agreement frameworks that are controlled, verifiable and gradual.

7. Nevertheless, there is a significant likelihood that in this generation, and apparently in the next one as well, the Jewish-Arab conflict will swing between war and peace, with violent confrontations and diplomatic negotiations intermingled. Israel will need, on the one hand, to demonstrate its commitment to agreements and normalization with the Arab world and, on the other hand, to prepare for wars of varying levels of intensity. This pendulum-like movement between violence and calm requires Israel to preserve its deterrence capability over the long term, by fostering the Israeli qualitative advantage in personnel, technology, economy and societal strength.
8. Over the last decade, the hi-tech industry has driven Israeli economic growth and prosperity, but the current slowdown in the world information economy and regional uncertainty may interfere with the continuation of this trend. The hi-tech industry and the economy in general require an improved business climate through the enactment of liberal legislation, an easing of the tax burden, the development of transportation and communications infrastructure, and the enhancement of law enforcement. These matters are the responsibility of the government and it is within its ability to advance them if it is prepared to recognize them as economic and security priorities. The hi-tech industry is liable to have certain problems in fostering national strength: significant international mobility of personnel and companies; sensitivity of foreign investors to the security situation in Israel; and competition with the defense establishment for personnel.
9. The Israeli economy faces two primary problems in the employment market in comparison with other industrialized countries, a low rate of workforce participation and low labor productivity. One reason for this weakness is the socio-economic position of Arabs and ultra-Orthodox Jews relative to the general population. An increase in the rate of workforce participation from 50 to 60 per cent, and in labor productivity by a few percentage points, would be likely to accelerate growth and significantly increase the GNP over the next decade.
10. The Israeli society is complex and pluralistic, and it is difficult to mobilize it and control it through a directive from "above". A growing and prosperous economy is a central component of national strength, but there is no agreement regarding the means to achieve that end and to what degree they can be controlled or directed. In the 1960s and 1970s, military R&D, subject to government control and direction, was at the fore of advanced technological activity in the country and civilian R&D benefited from its successes – in terms of personnel, technology and management. Today, the tide has turned and military R&D relies on the abilities and resources of civilian R&D. The primary source of Israel's strength - from which the economy, the hi-tech industry and the IDF draw their advantages – is the human resource, which is fundamentally qualitative. Improving the education system, at all levels and frameworks, is indispensable for cultivating qualitative human resource.
11. In the foreseeable future, Israel must confront directly developments that manifest existential dangers. Failure in this confrontation or an attempt to avert it are liable to lead to the demise of the Zionist enterprise. Therefore, Israel is compelled to reinforce its strength and to adopt a strategy of augmenting all of its power components. This strategy also necessitates the stabilization and reinforcement of the socio-political order, the improvement of the government and the regime, the consolidation of the rule of law, and the dissemination of a spirit of service and national mobilization.