

The Institute for  
Policy and Strategy





## Taking Charge of Our Destiny

*Twenty-first century decision making in national security matters is exceedingly complex. Israel's dilemmas are particularly acute and often involve many conflicting and contrary considerations. Accordingly, the country's national leadership must be exposed to ongoing debate of the challenges ahead and the policy options available, in an integrative, interdisciplinary and bipartisan fashion.*

*The Institute for Policy and Strategy (IPS) was founded to serve as a premier convener of Israeli leadership for such debate, focusing on strategic issues that require long-term planning, over-the-horizon thinking and a multi-disciplinary perspective.*

*In pursuit of this end, IPS capitalizes on its smooth, unparalleled access to Israel's upper echelons to commission task forces, convene conferences, and host executive roundtables involving senior policy makers and seasoned specialists in Israeli and international business, economics and industry, politics and government, academia, military, intelligence, law enforcement, and other vital and relevant sectors. The cutting-edge research and state-of-the-art thinking provided by IPS to Israel's leaders has had concrete impact.*

*Foremost among IPS activities is the Edmond Benjamin de Rothschild Herzliya Conference Series on the Balance of Israel's National Security. This annual gathering, attended by Israel's policy-making elite and international guests, has become a key event on the national calendar, monitored closely by Israel's friends and foes alike.*

*At the root of IPS activity is one firm belief: that Israel must adopt a proactive policy orientation in determining its future, employing many different levels of statesmanship and national power to shape emerging trends and international processes to its own benefit. At the top of IPS's agenda for early 2003: an emergency summit on Israel's acute economic crisis.*

*IPS has attracted circles of friends and associates in Israel and abroad who support and participate in the Center's activities. IPS welcomes the partnership and philanthropy of these far-sighted individuals.*

Sincerely,

Dr. Uzi Arad

Founder and Director

*"The Institute for Policy and Strategy and its annual conference on national security have proved themselves to be central players in the development of Israeli policy across a range of fields, from defense and foreign affairs through economic policy and education. The IPS has a genuine impact on Israel's future".*



President of the Interdisciplinary Center Herzliya Prof. Uriel Reichman

*"The failure of the war of terror which was waged against Israel will hopefully open the door to a responsible political process based on an agreement to solve the dispute peacefully. In my speech at the Herzliya Conference last December, I outlined such a responsible political process."*

Prime Minister Ariel Sharon, addressing the Knesset on February 27, 2003 to present Israel's new government, refers to his 2002 Herzliya Conference diplomatic speech as the baseline for government policy



Innovative. Influential. Respected.

1. THE HERZLIYA CONFERENCES

The annual Herzliya Conference on the Balance of Israel's National Security is the flagship IPS enterprise. The conference is widely considered the most important gathering of its kind in Israel, bringing together Israel's senior policy-making elites for no-holds-barred debate.

2. HERZLIYA FORUMS

The IPS convenes priority symposia and roundtables on urgent issues that dominate the national agenda. Herzliya symposia have been held on Israel's Water Crisis; Relations with Israeli Arabs; Israel's International Advocacy and Media Challenge; European-Israeli Relations and Implications for Israel of a Second Gulf War.

3. HERZLIYA INDICES

The Herzliya Indices are a pioneering attempt at the construction of an "index" of Israel's national security; a quantitative assessment of the country's situation in the military, economic, social and political spheres. The indices are compiled and analyzed by expert teams, and published annually at the Herzliya Conference.

4. HERZLIYA TASK FORCES and PAPERS

Staffed by leading Israeli and international specialists, Herzliya Task Forces and Papers are assessments presented for deliberation to the annual Herzliya Conference or to Herzliya Forum symposia. Members are drawn from diverse backgrounds and sectors, rather than a single constituency, with the goal of producing policy recommendations that are comprehensive, integrative and forward-looking.

5. HERZLIYA SENIOR EXECUTIVE WORKSHOPS

Originally developed for senior Israel Air Force officers and commanders, IPS executive programs expose participants to dimensions of strategic thinking and policy planning across the security, intelligence and international spheres. The executive leadership program draws upon authoritative experts from the U.S., Europe and Israel as lead lecturers.



Israeli President Moshe Katsav  
Herzliya Conference 2001

*"The Herzliya Conference is the most important symposium in Israel; the place that anybody important has to be. It is the place where Israel's decision-makers meet to plan our future."*

Dan Margalit,  
Israel's preeminent  
television news anchor



Former Prime Minister  
Shimon Peres  
Herzliya Conference 2000



Former Prime Minister  
Binyamin Netanyahu  
Herzliya Conference 2001



Former Prime Minister  
Ehud Barak  
Herzliya Conference 2001



*"The meaning of the emerging mega-terror threat against Israel is policide against the state and the destruction of our nation's basic principles. Against such genocidal threats Israel possesses a wide and diverse range of abilities, which are best left undisclosed prematurely".*

Efraim Halevy  
National Security Advisor to the Prime Minister  
Immediate Past Director of the Mossad  
Herzliya Conference 2002



*"The U.S. and Israel stand together in the war of democracies against totalitarianism"*

James Woolsey  
Former CIA Director  
Herzliya Conference 2001

## The Grand Summit of Israeli Decision-Making Elite

The Edmond Benjamin de Rothschild Herzliya Conference – a grand convention of Israel's leaders and foremost thinkers – annually seeks to take stock of Israel's national security across a wide range of dimensions: the military balance, international diplomatic environment, economic health, social fabric, quality of education, government performance, and the Jewish world. The breadth and depth of the panoramic view offered by this annual exercise allows for an overall assessment of Israel's "chosen" – Hebrew for staying power or endurance.

The speakers and participants at the annual conference are a rare, diverse mix of Israeli elites: corporate leaders sit with social scientists; military commanders with Diaspora Jewish leaders; educators with politicians. Israel's president and prime minister come to address the summit, as do the defense and foreign ministers, opposition leaders, the IDF chief-of-staff, air force and navy commanders, intelligence community leaders, atomic energy commission heads, and Bank of Israel governor. Top diplomats, academics, corporate figures, journalists, international Mideast and strategic experts, and specialists from foreign think tanks round out the prestigious participant list. Israel's National Security Advisor traditionally opens the Herzliya Conference with an assessment of Israel's strategic environment, and the Prime Minister closes the three-day-long proceedings with a foreign policy address.

Demonstratively, the conference has real impact on the national agenda. The geo-political ramifications of demographic trends in Israel and the region were catapulted to public attention by the first Herzliya Conference. The Ayalon Report in 2002 on leveraging hi-tech industries for Israel's economic growth drew wide attention and is now being incorporated into the

government's economic recovery plan. Similarly, IPS was the first to integrate Diaspora Jewish concerns and viewpoints into a national policy conference – as a vital element in Israeli security. Taking its lead from IPS, Israel's National Security Council last year decided to begin regularly monitoring Diaspora Jewish affairs as part of its global assessments.

It is, then, no wonder that Prime Minister Sharon elected to deliver the most important foreign policy address in his fifty-year political career – commonly known today as "The Herzliya Speech" – at the annual IPS summit. That address is today the basis for national policy towards the Palestinians and for regional peace diplomacy.

Unsurprisingly, the Herzliya Conference has achieved global stature and recognition. The U.S. National Security Advisor and former CIA director have addressed the conference; U.S. presidential candidates and Israeli political contenders have come to see and be seen; ambassadors and military attaches, as well as Arab country advisors, meet in the corridors. The international press has given the conference widespread, often live, coverage.

Planning towards the 2004 Herzliya Conference is well advanced. Among other, it is expected to address Israel's media and public diplomacy strategy, the long-term deterioration in Israeli-European relations, Israel's strategy towards Iran, the strengthening of legal enforcement and the rule of law in Israel, Israeli energy policy and more.

## THE JERUSALEM POST

*"Rightly considered the most important conference in Israel; uniquely engages all the members of Israel's elites – political, military, economic and academic – and comprehensively deals with a wide spectrum of challenges and opportunities facing Israel..."*

The Jerusalem Post





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The Edmond Benjamin de Rothschild Herzliya Conference Series 2000-2002



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- 1 Ambassador *Ronald S. Lauder*, a key supporter of the Herzliya Conferences and U.S. Jewish leader (left) with Defense Minister Lt. Gen. (res.) *Shaul Mofaz* (2002)
- 2 Former Israeli Ambassador to the U.S. *Zalman Shoval*, chairman of the IPS Executive Council of the Institute of Policy and Strategy and a member of the Herzliya Conference Presidium (2000)
- 3 Jewish Agency and World Zionist Organization Chairman *Salai Meridor* (2001)
- 4 Mr. *Avraham Bigger*, Deputy Chair of the Caesarea Edmond Benjamin de Rothschild Foundation, a strategic partner and supporter of the Herzliya Conferences (2000)
- 5 Bank of Israel Governor Dr. *David Klein* (speaking) with Leumi Chairman *Eitan Raff* (2002)
- 6 IDF Spokesperson Brig. Gen. *Ruth Yaron* (left) with industrialist *Dan Propper* (2002)
- 7 French atomic arms expert *Therese Delpech* with IDF Navy Commander Maj. Gen. *Yedidia Yaari* (2002)
- 8 On the dais (from left): Israeli Foreign Ministry Acting Director-General *Yoav Biran*, former U.S. Ambassador to Israel *Martin Indyk*, and NRP Leader Brig. Gen. (res.) *Effie Eitam* (2002)
- 9 Meeting at Herzliya Conference 2001 (from left): IDC president Prof. *Uriel Reichman*, former Mossad director *Shabtai Shavit* (a member of the conference presidium), former IAF commander Maj. Gen. (res.) *Herzl Bodinger* and Ministry of Defense director general Maj. Gen. (res.) *Amos Yaron*
- 10 At dinner (from left): Israel Treasury Director-General Mr. *Ohad Marani*, defense expert *Tzvi Rafiach* and corporate leader *Benny Gaon* (2001)
- 11 An attentive audience at Herzliya Conference 2002
- 12 Herzliya Conference supporter *Sass Somekh* (left) with IPS director Dr. *Uzi Arad* (2000)
- 13 Former IAF Commander Maj. Gen. (res.) *Eitan Ben-Eliahu* (left) with U.S. Jewish community leader and Herzliya Conference supporter *Howard Berkowitz* (2002)
- 14 Labor Party leader *Amram Mitzna* being interviewed by CNN (2002)
- 15 Haifa University President *Yehuda Hayut* (left) in discussion with Herzliya Interdisciplinary Center President Prof. *Uriel Reichman* (center) and Herzliya Deputy Major *Chaim Peled* (2002)



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The Edmond Benjamin de Rothschild Herzliya Conference Series 2000-2002



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- 16,17 An attentive audience at Herzliya Conference 2002
- 18 Herzliya Conference Supporters: Howard Berkowitz (left) and Dr. Mordechai Segal shake hands, as Dalia Segal and Mati Kochavi look on (2001)
- 19 David Harris, Executive Vice President of the American Jewish Committee, a supporter of the Herzliya Conference from the very beginning, speaking at the 2001 conference on Israel-Diaspora relations
- 20 Haifa U. geographer Prof. Arnon Sofer (speaking) with Minister Natan Sharansky, former deputy prime minister (2002)
- 21 Felix Posen of the Posen Foundation, an educational leader and Herzliya Conference supporter, speaking "Secular Jewish Education" (2002)
- 22 Shinui Party leader Yosef (Tommy) Lapid, now Minister of Justice (2002)
- 23 Carole Solomon, newly-elected Chairman of the Jewish Agency (2002)
- 24 The late Prof. Ehud Sprinzak (left), founding dean of the Lauder School of Government, Diplomacy and Strategy at the IDC and one of the founders of the Herzliya Conferences
- 25 Business leader Alfred Akirov (left) and Leumi Chairman Eitan Raff (center) at dinner with former Prime Minister and current Finance Minister Binyamin Netanyahu (2002)
- 26 Economist Dr. Yaakov Sheinin (left), entrepreneur Yossi Hollander and IPS director Dr. Uzi Arad (2002)
- 27 Ambassador Ronald S. Lauder, a key supporter of the Herzliya Conferences (left), with the Chief Rabbi of Israel, Israel Meir Lau (2002)
- 28 Businessman Dan Halperin, Israel's former economic attaché in Washington; an active member of the Herzliya Conference Advisory Committee (2001)
- 29 Former Mossad director Maj. Gen. (res.) Meir Amit (a member of the conference presidium) with U.S. Ambassador Dr. Daniel Kurtzer (2002)
- 30 Bar-Ilan University Prof. Moshe Kaveh (2001)
- 31 Dr. Leora Meridor, chairperson of Bank Hapoalim Investment Group and former research director of the Bank of Israel; a member of the conference presidium, speaking at the 2002 conference

# The Herzliya Conferences: A Global News Story

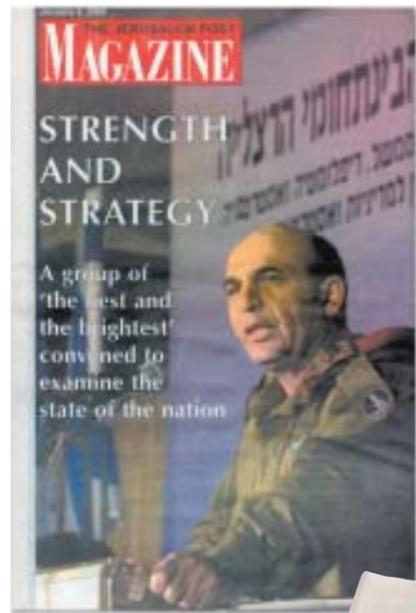


For three years in a row, the Herzliya Conference Series on Israel's National Security has made news. Israel's top policy makers, beginning with the Prime Minister, have chosen the Herzliya Conference dais to deliver major foreign and defense policy addresses, capturing global news attention. Israel's top journalists regularly cover the conference with front page stories, as have senior writers for the international prestige press. Indeed, the Herzliya Conference is watched closely both by Israel's friends and foes around the world.

"The Herzliya Conference is a unique and impressive convention of Israel's top security leaders and strategic thinkers, and an important event on the U.S.-Israel calendar".



Ambassador Martin Indyk, former U.S. Assistant Secretary of State and Ambassador to Israel; Director, The Washington Institute for Near East Policy



PRESS

# The Herzliya Indices of Israel's National Strength



## A Pioneer IPS Effort

The Composite Herzliya Indices Project is a pioneer IPS effort aimed at measuring the "balance" of Israel's national security situation in comprehensive perspective.

The IPS indices of national security – a quantitative approximation of Israel's situation in the military, economic, social and political spheres – are an important first attempt at crafting a multi-dimensional and sophisticated snapshot of Israel's national strength.

The indices are presented every year at the annual Herzliya Conference, along with a comprehensive survey of Israeli public opinion on national security issues (a "subjective" index of national strength). The overall "balance" of Israel's strength presented by the IPS each year is rounded out by an annual "state of the nation" address by the National Security Advisor to the Prime Minister.

*"The President has said that it is not possible to have good terrorists and bad terrorists; that is, you cannot fight Al-Qaida and hug Hamas or Hezbollah... The President has squarely called on Chairman Arafat to do what all responsible leaders must do, and that is to root out terrorism from its midst, to renounce terrorism as an instrument of any political motive..."*

Condoleezza Rice  
National Security Advisor to the President of the USA  
Herzliya Conference 2001



Commenting on the 2002 Herzliya Indices, IPS director Dr. Uzi Arad said:

*"The subjective index results make clear that the Israeli public is withstanding the continuous assaults on its personal security remarkably well. Nevertheless, the overall results suggest a decline in Israel's military and political position relative to its adversaries over the past two years - and this is an ominous trend. Furthermore, the damage to the Israeli economy over the past two years is considerable. This damage, in turn, has obvious implications for our ability to adequately sustain defense and security".*

### THE CIVILIAN SECTOR

### THE PUBLIC SECTOR

### THE MILITARY SECTOR

## The Herzliya Index Teams



Dr. Rafi Melnick of the IDC (speaking), head of the team that developed the Herzliya Indices in the civilian sector (economic, social and political). To his right: former Mossad director, Maj. Gen. (res.) Yitzhak Hoffi.



Prof. Gabriel Ben-Dor, Chair of Haifa U's National Security Studies Center, head of the team that produces the "subjective dimension" of the Composite Herzliya Indices by annually polling public opinion on national security issues.



IAF Col. (res.) Dr. Shmuel Gordon headed the team which developed the Israel military power index.



**Expert Authors. Multidisciplinary teams. State-of-the-Art Recommendations.**

The subjects covered by Herzliya Task Forces and Papers in recent years are wide-ranging in scope, multi-disciplinary in approach, and policy-oriented in prescription. Task forces have been led by experts and practitioners, most with government, corporate and academic experience, all of them outstanding in their disciplines. Their recommendations have concrete impact. Several reports have been adopted and implemented as government policy; other reports have been integrated into Israel's annual National Intelligence Estimate; while other reports have set the tone for public debate.

The Shoshani Task Force Report on "Maximum Utilization of Education Systems", for example, presented at Herzliya Conference 2000, was adopted in 2002 as national policy by the Ministry of Education. The Shahak Task Force Report of 2001, specially commissioned by the IPS, laid out the limitations of Israel's long-term deterrence strategy and spawned extensive public debate on the renewed importance of preemption in Israeli military planning. The Ben-Ami Task Force Report of 2001 on the expanding of Israel's strategic relations with India, Turkey, Russia and CIS republics heralded new directions in Israeli foreign policy.



*The Balance of National Strength and Security: A Compendium of "Herzliya Conference 2000" Policy Papers*  
(Arad, Uzi, editor. Hebrew, 575 pp., Tel Aviv: Yediot Ahronot Books, 2001)

**Recent Herzliya Publications (partial list):**

- **Achieving Economic Strength: Subsistence, Competitiveness and Accomplishment**  
Dr. *Orna Berry* (venture capitalist, Chief Scientist of the Ministry of Industry and Trade)
- **Advanced Technology as a Foundation of National Strength**  
Dr. *Shlomo Kalish* (CEO, Jerusalem Global Venture Capital)
- **Alternative Futures for the Middle East**  
*Max Singer* (founder and former director, The Hudson Institute)
- **Civilian and Military Indices of Israeli National Strength**  
Prof. *Rafi Melnick* (IDC) and Col. (res.) Dr. *Shmuel Gordon* (IAF, res.)
- **Demographic Shifts in the Jewish World: Forecasts and Implications**  
Prof. *Sergio DellaPergola* (Hebrew University)
- **Deterrence Capability: Missions and Possibilities**  
Lt. Gen. (res.) *Amnon Lipkin-Shahak* (former IDF C-o-S; former cabinet minister)
- **From Low Intensity Confrontation to Comprehensive Deterrence**  
Maj. Gen. (res.) *Eitan Ben-Eliahu* (former IAF Commander)
- **Future Architectures for Israeli Foreign Policy**  
Prof. *Shlomo Ben-Ami* (former Foreign Minister)
- **High-Tech As An Engine of Israeli Economic Growth**  
Mr. *Eli Ayalon* (CEO, DSP Group Inc.)
- **Information Policy for Israel in the Information Age**  
Mr. *Nahman Shai* (former IDF Spokesman; Senior V-P, UJC)
- **Israel in the New International Environment: Media and Legal Arenas**  
Brig. Gen. (res.) *David Tzur* (former IDF Chief Intelligence Officer)
- **Israeli Attitudes On National Strength Social Bases of Israel's National Security**  
Prof. *Gabriel Ben-Dor* (Chair, Haifa U. National Security Studies Center)
- **Maximum Utilization of Education Systems**  
Dr. *Shimshon Shoshani* (former Director-General, Ministry of Education)
- **Nationalism and Education**  
Dr. *Zvi Zamaret* (Director, Yad Ben-Zvi Institute)
- **New Strategies of Governance for Israel**  
Prof. *Uriel Reichman* (President, IDC)
- **The Home Front Command: Threats and Preparedness**  
Maj. Gen. (res.) *Herzl Shafir* ( former deputy IDF C-o-C and Commissioner of Police) and Maj. Gen. (res.) *Shmuel Arad* (former head of the IDF Home Front Command)
- **The Jewish People as a National Strategic Asset**  
Prof. *Art Naparstek* (Senior V-P, UJC)
- **Water in Israel: The Dry Facts**  
Dr. *Martin Sherman* (Research Fellow, IPS)





« The 2001 STRATIS Workshop Graduating Class in the Israel Air Force: Identifiable in the front row (from left): Maj. Gen. Amos Yadlin, Commander of the IDF Colleges; Carl Mueller, senior analyst at the Rand Corp. (a STRATIS lecturer); Maj. Gen. Dan Halutz, Commander of the Israel Air Force; Ted Harshberger, director of strategy and policy, RAND Air Force Project; Dr. Uzi Arad, director of the IPS; Dr. Martin Sherman, Ayala Garin and (standing) Thomas Steiner, research fellows at the IPS. and standind Thomas Steiner, research fellow at the IPS.



Exclusive. International. Original.

The IPS has developed a unique leadership program, known as STRATIS, that seeks to expose senior executives to the diverse dimensions of strategic thinking and executive policy planning across the intelligence, security, international and strategic spheres.

Designed initially for the senior commanders of the Israel Air Force, and now offered to other high-level executive groups in tailored configurations, these programs have become known for their rigorous intellectual level, true-to-life workshops and international flavor.

In order to transmit the most up-to-date currents in global strategic thinking and to make the participant think "out-of-the-box", the STRATIS programs draw upon authoritative experts from the U.S., Europe and Israel, including lecturers from Harvard, Yale and Georgetown universities, the Rand Corp, and the Center for Strategic Studies in Washington D.C.



*"Any diplomatic gains under the shadow of terrorism will be viewed (by the Palestinians) as an achievement for terror and will encourage more attacks."*

Lt. Gen. Moshe Yaalon  
Chief-of-the General Staff Israel Defense Forces  
Herzliya Conference 2002





# The Institute for Policy and Strategy



## The Herzliya Interdisciplinary Center

The Institute for Policy and Strategy is based at the Lauder School of Government, Diplomacy and Strategy at the Herzliya Interdisciplinary Center (IDC), one of Israel's leading institutions of higher education. Founded in 1994 by Prof. Uriel Reichman, the IDC is the first and only private, non-profit institution of higher learning in Israel, modeled on distinguished small colleges in the United States. Approximately 3,000 students are currently enrolled at the IDC, in bachelor's and master's degree programs at the IDC's several schools: the Radzyner School of Law, Lauder School of Government, Diplomacy and Strategy, Arison School of Business, Efi Arazi School of Computer Science, Raphael Recanati International School.

## The Edmond Benjamin de Rothschild Herzliya Conference Series

From its inception, the IPS and the Herzliya Conference Series has benefited from the generous philanthropic patronage of the Caesarea Edmond Benjamin de Rothschild Foundation, as well as the American Jewish Committee, the Jewish Agency for Israel and the World Zionist Organization, and Haifa University's National Security Studies Center. The Conference series also receives the intellectual backing and material support of Israel's National Security Council (in the Prime Minister's Office), the Foreign Ministry and the Defense Ministry.

### Herzliya Conference Strategic Partners

Mr. *Alfred Akirov*  
Mr. *Howard P. Berkowitz*  
Mr. *Raphael Benaroya*  
Mr. *Kenneth J. Bialkin*  
Mr. *Roger Hertog*  
Mr. *Yossi Hollander*  
Ambassador *Ronald S. Lauder*  
Leumi  
Mr. *Felix Posen*  
*Dalia and Mordechai Segal*  
*Eta and Sass Somekh*  
Mr. *Walter Stern*

### Herzliya Conference Presidium

Maj. Gen. (Res.) *Meir Amit*  
Mr. *Avraham Biger*  
Prof. *Rami Friedman*  
Maj. Gen. (res.) *Yitzhak Hoffi*  
Dr. *Leora Meridor*  
Prof. *Uriel Reichman*  
Mr. *Shabtai Shavit*  
Ambassador *Zalman Shoval*

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**Founder and Director:** Dr. *Uzi Arad*  
**Deputy Director:** *Miron Manor*  
**Senior Research Fellows:** Dr. *Shmuel Bar*, Dr. *Yitzhak Ravid*, Dr. *Martin Sherman*  
**Research Fellows:** *Avi Ifergan*, *Nancy Pomagrin*, *Tommy Steiner*  
**Coordinators:** Col. (res.) *Michael Altar* (External Relations), Mr. *Yoav Porat* (Production), Ms. *Ronen Tsachor* (Archives), Mr. *David M. Weinberg* (Spokesman/Press Relations), Ms. *Niva von Weisel* (Strategic Information Project), Ms. *Michal Wiener* (Publications), Ms. *Hani Ziv* (Internet Advocacy Project)  
**Secretariat:** Ms. *Rachel Doron* (Office Manager), Ms. *Ela Kendel*, Ms. *Einat Porat*, Ms. *Ilana Tal*

The Institute for Policy and Strategy  
Lauder School of Government, Diplomacy and Strategy  
Interdisciplinary Center Herzliya

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