



# *Israel Debates No. 14*

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## **The First 100 Days of the Third Netanyahu Government**

On 18 March 2013, the meanwhile third Israeli government led by Benjamin Netanyahu assumed its functions.<sup>1</sup> It had emerged from the early elections of 22 January this year. Apart from the right wing electoral alliance of Netanyahu's Likud and Avigdor Lieberman's Yisrael Beiteinu, the government – which holds 68 seats in the Knesset – is made up of three more parties: the center party Yesh Atid, which was founded in early 2012, the national religious party HaBayit HaYehudi, which is associated with the settler movement, as well as the secular centre party HaTnuah, founded only a couple of weeks prior to the elections.

While Netanyahu's Likud-Yisrael Beiteinu alliance emerged from the elections weakened, it turned out to be the strongest political force, nevertheless. His new political opponents were the winners of the elections, Yair Lapid, chairman of Yesh Atid and Naftali Bennett, the chairman of HaBayit HaYehudi, who also emerged from the elections in a much stronger position. In the course of the coalition negotiations Lapid and Bennett entered a political alliance based on common views in domestic reform policy. Politically under fire, Netanyahu agreed to their proposals for reform. The result was a double-faced government. In matters of foreign and security policy, Netanyahu maintained his impact and filled positions in the relevant ministries with hardliners and representatives of the settler movement. However, in economic, social and educational policy, it is the forces of reform that dominate. Its representatives occupy positions in those ministries that are responsible for the provision of government and public services: Finance, Economics, Social Affairs, Health, Housing, Education and Science.

The composition of the present government mirrors two apparently conflicting trends in Israeli politics: There is the desire for change, for policies that are more socially just, secular and inclusive, as manifested in the 2011 social protest movement and in the demand for an equitable draft law. At the same time, as far as foreign and security policy is concerned, and in particular, the Israeli-Palestinian Peace Process, it is the status quo that enjoys strong popular favor and support.

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<sup>1</sup> You can find a complete list of all cabinet members at the end of this Israel Debates' edition.

There are two key challenges to which the third Netanyahu government will have to provide answers, and these are:

- 1) Will the government find the strength and determination to enact economic, social and military law reforms as called for and endorsed by many Israelis? Will Finance Minister Yair Lapid and his party Yesh Atid, who throughout the electoral campaign spoke for the middle class voters, fulfill the high hopes placed in them?
- 2) Following Barack Obama's visit to Israel and US Foreign Minister John Kerry's intensive mediation efforts, what will this government do to contribute to the Peace Process? Will hardliners continue to set the course, opposing a Palestinian state, working towards the partial or total annexation of the West Bank? Or will Netanyahu seek to ally himself with the moderate political forces and take substantial steps forward in a peace settlement?

Since the new Benjamin Netanyahu government assumed its functions on 18 March, its domestic and foreign policy has been lively debated. Below we present the positions of two leading participants in the inner-Israeli debate on this issue and their analyses of the coalition's first 100 days of government.

**Akiva Eldar**, a senior columnist for many years for the Israeli daily Ha'aretz and now a journalist for the news portal Al-Monitor, says that on the grounds of its very different and often conflicting ideological positions, the present government does not possess a coherent political agenda, neither in matters of foreign nor of domestic policy. Where hardliners and representatives of the settler movement, such as Minister of Trade Naftali Bennett, are wholly opposed to the idea of a two-state solution, thus sabotaging US Foreign Minister Kerry's efforts at mediation, other members of government like Minister of Justice Tzipi Livni (HaTnuah) actively promote the Peace Process. The same phenomenon is observed in domestic politics, with conflicting ideological positions mirroring a coalition divided against itself. It is also reflected in the debates about a new military law and in the composition of the parliamentary bodies. As far as economic and social policy is concerned, the new budget submitted by Finance Minister Yair Lapid stands for the continuation of the previous government's neo-liberal policies, and is as such a departure from the task entrusted by those voters who, in the wake of the social protests in the summer of 2011, had demanded better living conditions and greater social justice. Eldar concludes that there is not much time before it becomes impossible for Prime Minister Netanyahu to govern in this way. He will have to decide one way or another to continue the policy of settlements and occupation with Naftali Bennett as his partner or, in cooperation with the Obama administration and moderate political forces in Israel, work towards a peace solution. By dismantling the settlements in Gaza, Eldar says, Ariel Sharon has shown the way.

From the viewpoint of **Dr. Yoaz Hendel**, Chairman of the Jerusalem based Institute for Zionist Strategies, nothing much has changed when one compares the new coalition's 100 days in government to the previous government. He notes the present government's limited scope of action and does not expect it to break new ground in matters of foreign or domestic policy. This view, he says, is based on the following observations: 1) very diverging to conflicting positions among the coalition members; 2) a Prime Minister who is

weakened within his own party but confronted with strong party chairmen (Lapid, Bennett) as his coalition partners; 3) developments in the region, as in Syria or Egypt, that present a threat to Israel and leave little political leeway. Hendel believes that at the time, chances to solve the Israeli-Palestinian conflict are low, all the more so as Mahmud Abbas is fighting a battle against Israel with aiming at delegitimizing Israel in the international arena. He says it is only the efforts of the Obama administration as well as the concern of the international community that are keeping the Middle East conflict on the international agenda; in Israel, on the other hand, hardly any progress is to be expected. Yoaz Hendel believes that progress will only be achieved through intermediate steps: the determining of temporary borders, the annexation of settlements by Israel, the recognition of areas A and B as a provisional demilitarized Palestinian state and then to postpone the core issues of the conflict to future negotiations. Only in matters of economic policy does Hendel observe a coherent government action. He also says that the budget cuts have shown that all coalition parties shared right wing economic perceptions.

Dr. Ralf Hexel, Head FES Office, Israel  
Herzliya, 17 July 2013

## One Hundred Days to Netanyahu's Third Government

by Akiva Eldar

The composition of Netanyahu's third government differs from his previous two governments. The dramatic drop in political power of the Likud-Yisrael Beiteinu bloc, forced Netanyahu to waive his traditional alliance with the ultra-Orthodox parties, Shas and Yahadut Hatorah, in order to facilitate the entrance of Yesh Atid under Yair Lapid, Bayit Yehudi under Naftali Bennett, and HaTnuah under Tzipi Livni. The Knesset members of these three parties, on whom the government's fate rests, reached the Israeli parliament by virtue of the party heads. They were not elected via primaries (preliminary elections) and thus are not committed to any specific ideology, platform or agenda. Many brought with them differing, if not conflicting, worldviews on such key issues as the two-state solution, the status of the settlements, the essence of democracy, the status of the non-Jewish minorities, and the place of halacha (Jewish law) and rabbis in Israeli society.

This enormous gap was expressed in Bennett's statement in the middle of June, regarding his views of the government's diplomatic direction; "The attempt to establish a Palestinian state in our land – is finished." Bennett added that, "anyone who circulates in Judea and Samaria knows that the things that are said in the corridors of Annapolis and Oslo are disconnected from reality ... the most important thing in Eretz Israel (the Land of Israel) is to build, build, and build some more...Our main problem is still the unwillingness of Israel's leaders to simply say that Eretz Israel belongs to the Nation of Israel. We have to tell ourselves and the entire world that this land is ours for 3000 years...No Palestinian state had ever existed here, and we were never occupiers. This is our home; we are the inhabitants here, not the occupiers."

Following Bennett's declarations, "brother" Lapid stood behind the two-state solution and Science Minister Yaakov Perry, one of the Yesh Atid heads, attacked Bennett sharply. Perry said that Bennett's proclamations sabotage peace efforts and damage the delicate relationship with the Palestinians and the attempts at establishing confidence-building measures between them and Israel. According to Peri, "the establishment of a Palestinian state is an existential Israeli interest. The two-state concept is the only solution that will prevent the establishment of a bi-national state and the end of Zionism."

Tzipi Livni, Chairwoman of HaTnuah, Justice Minister and in charge of diplomatic negotiations, warned at the beginning of July that if there will be no diplomatic progress, the European public will not limit themselves to a boycott on products from the settlements, but will boycott all merchandise made in Israel. Livni says that the Europeans perceive Israel as a "colonialist state." It should be noted that thirteen foreign ministers, all members of the European Union, announced (in April) their decision to label the products manufactured in the settlements, with the explanation that "we must ensure proper marking of products so that consumers will not be misled by false information." The toughening of the European stance toward the Netanyahu government stems from Israel's settlement policy in Area C, especially in the Hebron Hills area whose settlements are encroaching on the Palestinian population; simultaneously, the standstill in the diplomatic process continues. Meanwhile, Israeli diplomacy wages its holding-defense battle in Europe in the shadow of an ongoing boycott, and without a full-time minister in charge. That is because the foreign minister slot is being saved for Avigdor Lieberman, assuming that the verdict in his court case will allow his return to the ministerial post.

Netanyahu himself continues to dodge the raindrops, meanwhile succeeding in remaining relatively dry. He told Italian Prime Minister Enri-

co Letta, who visited Israel at the end of June, that he is "ready to sit in the negotiating tent until white smoke comes out." Statements such as these depict the prime minister as a moderate force in the public eye and help him convince public opinion that the Palestinian side is responsible for Secretary of State John Kerry's difficulties in renewing negotiations. These declarations also succeed in pushing aside the background noise of Netanyahu's coalition partners and even his colleagues in the Likud's highest echelons, headed by Defense Minister Moshe Ya'alon and his deputy, Danny Danon. Ya'alon, viewed as Netanyahu's possible successor in the next election campaign, delivered a speech at the Washington Institute for Near East Policy, walking distance from Kerry's chambers. In his speech Ya'alon said that the Arab Peace Initiative is nothing but "spin." Only a few days earlier Kerry met in his office with a representative of the Arab League, the Qatari Prime Minister, and congratulated him on the League's support for the concept of territorial exchange between Israel and the Palestinians. In the very midst of the American effort to jump-start the diplomatic process, Ya'alon said that there is no "instant solution" to the conflict, and instead proposed to settle for "managing the conflict".

In a newspaper interview, Danon portrayed Netanyahu's words as "spin." He claimed that the prime minister calls for dialogue with the Palestinians only because he knows that Israel will never reach an agreement with them. Danon says that even if there will be progress with the Palestinians, Netanyahu will encounter opposition in the Likud and the government for the two-state solution. Danon cited the well-known fact that this proposal had never been raised for discussion in the government and in Likud institutions. Danon can no longer be dismissed as the Likud's "disruptive child," now that in addition to being deputy defense minister he has received important additional titles: Chairman of the World

Likud Committee and Chairman of the Central Committee. These positions will enable Danon to exert influence on making changes to the Likud party constitution, to prevent a merger with Yisrael Beiteinu and to make life difficult for Netanyahu to progress in the diplomatic arena, should the prime minister decide to offer the Palestinians significant concessions (for example, Danon could stop Netanyahu from exchanging the Bayit Yehudi for the Labor party in the coalition).

Deputy Foreign Minister Ze'ev Elkin, who is also a member of the far-right hawkish Likud faction, was elected chair of the Likud's ideological committee. Another example of the Likud's takeover by this faction is the election of far-right Michael Kleiner to head the Likud's internal court. Kleiner received 1015 votes, in contrast to Netanyahu's candidate who received only 450. On top of this, Netanyahu lost the only three liberal ministers (Dan Meridor, Benny Begin and Michael Eytan) who were somewhat able to counterbalance his party's far-right wing.

In the course of the first 100 days of the new government, Netanyahu was privileged to welcome President Barack Obama on his first visit to Israel and the West Bank, as an American president. Netanyahu wanted to focus the discussions with Obama on the Iranian nuclear threat and the tension on Israel's northern border, due to the civil war in Syria and the involvement of Hezbollah in the battles against the opposition. The prime minister pointed to the very small "window of opportunity" remaining until Iran's equips itself with the bomb, and also claimed that the Palestinians are not ready to reach an agreement. Obama, on the other hand, focused on his concern that the peace process with the Palestinians would blow up. He mentioned the following issues: the possibility that the Palestinian Authority would dissolve; the clash between Israel and Turkey; and the danger that the conflict in the territories would deteriorate into a regional war.

Obama even turned directly to the Israeli public in an emotional speech, and called on it to urge their government representatives to bring about a peace arrangement that will put an end to the conflict. With regards to Iran, Obama repeated his commitment that the United States “will not tolerate a nuclear Iran” even if it has to use force. Nevertheless, Obama again rejected Netanyahu’s demand to create “red lines” true for diplomatic efforts and the sanctions policy. The victory of Hassan Rouhani in Iran’s presidential elections creates a challenge for Netanyahu, who must still make sure that the Iranian threat remains at the top of the international agenda. Netanyahu was quick to reprimand Western leaders who, he claims, “swallowed the bait” about Rouhani being a moderate, and were too quick in congratulating the election of a person who called Israel “the great Satan.” Since then, Netanyahu takes pains to remind us that the Supreme Leader (Ayatollah Ali Khamenei) is the one who sets Iran’s nuclear policy, and not the president.

Netanyahu is still unable to move President Shimon Peres – Israel’s most popular leader – from his opposition to a military strike on Iran without the agreement of the Americans. Many people in the highest echelons of the IDF and the armed forces support Peres’ position and strongly recommend to the cabinet members to avoid diplomatic-security “adventures” especially when the entire region – from Turkey to Egypt – is undergoing great systemic shocks. With regards to Turkey, Netanyahu acceded to Osama’s repeated requests to apologize to President Erdogan for the killing of Turkish civilians in the Marmora incident. Yet the negotiation regarding compensation to the families of the slain victims is still mired in difficulties, therefore Turkey has not yet returned its ambassador to Israel. Another problem that clouds relations between Jerusalem and Ankara is Erdogan’s public intentions to pay a visit to Gaza, in order to demonstrate his opposition to Israel’s blockade policy.

The first challenge of the new government with regards to legislation was the effort to translate the “equality in sharing the burden” slogan into an arrangement that would sharply decrease the exemptions granted to ultra-Orthodox men from military service. Such an arrangement should also avoid crossing the red lines of ultra-Orthodox society and those of the national-religious society (such as the Hesder yeshivas, in which the national-religious young men serve in the army but for a shorter time span). At the end of May, the Peri Knesset Committee (for equal sharing of the burden) submitted the main points of the draft reform bill. According to the proposal, ultra-Orthodox young men will be required to enlist by age 21, except for 1,800 “Torah prodigies” who will receive an exemption every year. The report revealed, for the first time, the opposing viewpoints and conflicts-of-interest among the coalition members. The Bayit Yehudi faction rose up against Article 39 that imposes criminal charges on those who evade military service, as long as the mandated yearly quotas are not filled for the transition period. Minister Uri Ariel from the Bayit Yehudi accused Peri of violating an agreement between the two parties and driving a wedge between the ultra-Orthodox society and the rest of the public. The tension between the factions even boiled over toward Likud-Beiteinu. Defense Minister Moshe Ya’alon argued that the recommendations of the Peri Committee (Knesset Committee for Promoting Equal Share of the Burden) are flagrant violations of the coalition agreement, and endanger this historic opportunity to bring about equality in military service and participation in the labor market. Another coalition disagreement relates to imposing the draft law on Israeli Arabs, a demand raised by MK Liberman and supported by Coalition Chairman Levin, Deputy Minister Danon and Minister Yitzhak Aharonovitz from Yisrael Beiteinu.

The fragility of the coalition was revealed in another bill called the Prawer Plan or Prawer-Begin

bill that would facilitate the eviction of 30,000 to 40,000 Bedouins from the lands on which they reside today, forcing them to resettle elsewhere. The bill was approved in its first Knesset reading with a bare majority (43 in favor, 40 against). No Likud minister agreed to represent the government's position in the plenum, so Welfare Minister Meir Cohen from Yesh Atid was recruited to do so. Arab Knesset members tore up the text of the law-formulation during the discussion, and one of them was evicted from the hall. Those who oppose the bill noted that the Ottoman and British governments recognized Bedouin ownership over those lands, as did a committee of experts established by the government in the 1960s. In the past, the UN called the plan "discriminatory and racist."

In addition to the problematic ideological puzzle, Netanyahu's coalition members display blatant violations of the Knesset's disciplinary code. A large number of Knesset members (48) are taking their first steps in political corridors while deviating from the coalition alignment and voting in violation of party lines. At the very beginning of the coalition's existence, it lost out on a vote electing Knesset representatives to the Committee for Appointment of Judges. Knesset member Yitzhak Herzog (Labor, in the opposition) won 78 votes; MK Yitzhak Cohen (Shas, also in the opposition) received 65 votes; while MK David Rotem from Yisrael Beiteinu (in the coalition) received only 61 votes. As a result, the two positions in the committee were taken by representatives from factions outside the coalition. This was the first such case in twenty years; usually, Knesset representatives to this important committee were split between coalition and opposition members.

The opposition gained another symbolic victory when the plenum approved a motion for the agenda, submitted by MKs Yitzhak Shmuli (Labor, opposition) and Menachem Eliezer Moses (Yahadut Hatorah, opposition) regarding impre-

cise forecasts of the Treasury regarding the state's revenues. The "Amar Law," crafted to permit the chief rabbi to have a second term of office, was shelved by the coalition from the Knesset's agenda after it became clear that, at the last minute, the law's backers were unable to recruit the necessary majority – despite a prior agreement on the issue between the Likud and the Bayit Yehudi.

Levin adopted a legislative initiative, together with Ayelet Shaked of the Bayit Yehudi, to create a "Basic Law: Israel as the Nation-State of the Jewish People" to strengthen the Jewish nature of the State of Israel and accord precedence to nationality over democracy. That bill also encountered difficulty. Ministers Lapid and Livni announced that they would veto the wording of the bill (in the Knesset's Legislative Committee), because it gives the Jewish people the right for self-determination in the State of Israel, and states that Eretz Israel (the Land of Israel) is not the homeland of other nations. Levin and Shaked then attempted to combine their proposal with a version from Ruth Calderon (Yesh Atid) called "Basic Law: Independence Scroll," based on the articles of Israel's scroll of independence. That attempt also failed.

In an interview with the media, Levin admitted that the government rests on a very fragile coalition and he is making efforts to widen its base of support. Levin said that "the current government and its make-up was shaped by the veto cast by Yesh Atid and Bayit Yehudi against the addition of more coalition partners. I feel now that some time has passed since the formation of the new government, people are beginning to understand that it [i.e. the veto] was a mistake; we need a much wider base of support than we have today to promote far-reaching changes, and to operate for the benefit of the state in general." Levin consoled himself with the advancement of the Governance bill that was initiated by the Yesh Atid party. The Ministerial Committee for Legislation

approved the bill which stipulates the following: it would raise a party's threshold for entering the Knesset from the current level of 2% of all votes cast, to 4% (3% in the upcoming elections and 4% in all subsequent elections); it would revoke the law that requires dissolving of the Knesset if the state's budget is not passed by the end of March; it would limit the number of ministers and deputy ministers; and it would raise the Knesset vote requirement for a no-confidence motion (that can topple the sitting government) to 65 votes (instead of the current 61 votes).

In addition to the instability of the coalition and the Likud party, Netanyahu is also forced to deal with political tremors and quakes in his nearby environs. Maj.-Gen.(res.) National Security Adviser Yaakov Amidror will leave his post in the near future. The prime minister's bureau claims that Amidror's date of resignation had been determined in advance, but there are rumors attributing the resignation of one of the prime minister's closest associates, to statements made by Amidror that were deemed by Netanyahu to be "too left wing." (This was mainly connected to the issue of an Israeli apology to Turkey, and Amidror's statement that "construction in the settlements causes Israel diplomatic damage.") Finally, there was a jurisdictional turf-war and confrontation in Netanyahu's bureau between Amidror and Yuval Steinitz, Minister of International Relations.

Amidror's case is not unique. At the beginning of July, Netanyahu's bureau chief Gil Sheffer announced his resignation, due to a complaint against him 15 years ago of sexual harassment. In February of this year, former bureau chief Natan Eshel was fired following the complaint of his secretary over a series of harassing incidents. Cabinet Secretary Zvi Hauser and Head of the National Information Directorate Yoaz Hendel sided with the complainant, thus losing Netanyahu's confidence who then fired them from their positions. Now Netanyahu is about to lose his

diplomatic advisor Ron Dermer, who is named the next Israeli envoy to the US.

Netanyahu is forced to deal with the severe phenomenon of violent racism towards Palestinian citizens of Israel. Jewish roughnecks scrawled malicious graffiti and destroyed property in communities considered symbols of coexistence, such as Abu Ghosh. Justice Minister Livni, Minister of Internal Security Aharonovitz, and Shin Bet Head Yoram Cohen all recommended to the government that Price Tag acts of vandalism be classified as acts of terror. Netanyahu decided to limit himself to a decision empowering the defense minister to declare the Price Tag entity an "illegal association," thus avoiding a clash with his far-right partners and the risk of a possible coalition crisis. As a result, the Arab victims will not be eligible to receive payment from the National Insurance Institute as victims of hostilities (terrorism), and will be forced to fund the damages caused them out of their own pockets. In addition, the police decided that the new unit that was formed to treat these kinds of cases would operate only by the Shai District Police, and not throughout the entire country. As a result, events such as the vandalism of Abu Ghosh residents' property would not fall under the unit's jurisdiction.

In the next few weeks, Netanyahu coalition will face the first round of public protest against its social-economic policy. Much of the public rage is directed against Lapid, whose electoral success is attributed to the sentiments created by the social justice protest of summer 2011. He raked in 19 mandates with his Yesh Atid party, thus becoming the big winner of the election campaign; one hundred days to Netanyahu's (third) government, we can safely say that the neo-liberal victory was absolute. Meanwhile, in its first hundred days the government has evinced no signs of making an attempt to heal the country's economic diseases that so infuriated the Israeli public: the concentration of re-

sources in the hands of a few tycoons; large social gaps; a high cost of living index incompatible with lower salaries; and, mainly, the fact that even hard-working people are not immune to lives of poverty.

Lapid's appointment to the role of finance minister suited his prior declarations of intent to focus on improving the quality of life of Israel's citizens. However, immediately after assuming his new role, Lapid announced that the deficit was deeper than he had thought and the government was forced to adopt painful steps to stabilize the economy. The state budget that was approved in the middle of June in its first reading shows that Lapid chose to accomplish this by continuing the neo-liberal policies that characterized Netanyahu's earlier governments. The new state budget of 388.3 billion shekel [about 106 billion dollars] includes cutbacks to the child allowances, erosion of the basket of health services, violation of the previous government's commitment to provide dental services to children, privatization of the employment service (the "Wisconsin Plan"), a VAT increase to 18%, an across-the-board income tax increase of 1.5% on all layers of the population; taxation of about 400,000 housewives who do not work outside the home, out of which 54% are in the three bottom deciles of the population. Critics of the economic policy argue that other measures could have been taken to deal with the deficit inherited by the new government. For example: raising income tax only for high-income earners and large corporations. The appointment of Professor Yaakov Frenkel to serve as the new Governor of the Bank of Israel matches this trend, as Frenkel was chosen over other candidates more closely identified with social justice values. This signals us that the Milton Friedman school of neo-liberal economic thought (identified with Chicago University, where Frenkel also taught), will continue to set the tone in the government.

Netanyahu succeeded in crossing the first hundred days of his third government on a faltering coalition ship, a limping party and a crumbling bureau. His heart yearns for a different coalition in which the Labor party, Shas and Yahadut Hatorah would replace the Bayit Yehudi and the Ya'alon-Danon gang. Such a coalition would enable him to exit the West Bank and come closer to a permanent settlement with the Palestinians. But to do this, Netanyahu would first have to break out of his close circle of advisors and associates and dismantle the Likud, as Ariel Sharon did after he made up his mind to leave the Gaza Strip.

One way or another, the moment of truth is approaching. Netanyahu will not be able to continue to expand the settlements, while maintaining a good relationship with Obama and his administration; to continue to refuse to display his map of Israel's permanent borders, and also avoid deterioration of Israel's position in Europe. Netanyahu cannot demand that the international community halt Iran's nuclear plans, while simultaneously ignoring the world's position toward the Israeli occupation. He cannot convince Bennett that he has no intentions of ceding a millimeter of land, while simultaneously convincing Livni that nothing is more important to him than partitioning the country between the State of Israel and Palestine.

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## **Nothing's new - The first hundred days of Netanyahu's third government**

by Dr. Yoaz Hendel

Now that the first hundred days of Netanyahu's third government have passed, we can announce that there is nothing new under the sun – in other words, no big surprises are in store for us. Despite its youthful, fresh ensemble, Netanyahu's new government continues the policy of the former one. That is the case for economics, foreign policy as well as security and defense. The only difference between the current and former governments is with regards to internal affairs, and even here, the differences are (so far) only declarative in nature. Thus, with regards to internal affairs, we adopt a wait-and-see position, and judge only by the results.

The main reasons that the new government cannot make many changes are rooted in reality and in recent history. Courageous leaders can make courageous proposals or adopt courageous decisions, but it is highly doubtful if anyone can change anything with regards to Israel's policies of defense or foreign affairs.

Without connection to the issue of courage, Prime Minister Netanyahu is weaker than he was in his previous term of office. His political alliance with the Yisrael Beiteinu party did not yield the expected results in the elections. The Likud, Netanyahu's party, lost much electoral power, thus the party's influence in the government decreased proportionally. In light of the conditions stipulated by Yair Lapid, senior partner in the coalition (and head of the Yesh Atid party), the government is also smaller in size. Thus Netanyahu found himself surrounded by party heads and their ministers who are not his natural allies, as opposed to past governments. The election results also led to the development of opposition within the Likud. Netanyahu's previous term of office had enjoyed a temporary state of political

peace and quiet, while the current term has been characterized by internal opposition from its very inception.

The greatest paradox of all is with regards to the two-state solution. Four years ago, Netanyahu as the leader of Israel's right-wing party announced that he accepts the idea of another sovereign state on the western side of the Jordan River, also known as the "two states for two nations" program. This was the first time that such words were expressly uttered by a leader of the right-wing camp. Netanyahu was attacked by the Left for not meaning what he said, and by the Right for giving his agreement to the program. Netanyahu was also the first prime minister who agreed to freeze construction throughout Judea and Samaria; his freeze even included areas slated to remain part of the State of Israel in any future agreement (according to the Clinton Guidelines for a territorial compromise agreement) such as the settlement blocs and the neighborhoods in Jerusalem. Yet despite all this, Netanyahu is still perceived as someone trying to stall for time.

Netanyahu's previous tenure boasted a clear-cut right-wing government; the recent elections led to a more centrist government, but one that is constrained due to the widely divergent opinions of its members.

Netanyahu is constrained on the Right by Naftali Bennett, leader of the Bayit Yehudi party. Bennett represents a large group of religiously moderate Israelis with a right-wing world-view. However, in the course of the election campaign Bennett agreed to his party's merger with Tekuma, a party representing the more right-wing stream of the settler movement. Despite past personal crises between Bennett and Netanyahu, Bennett joined the government as a high-level minister. The modus operandi of the Bayit Yehudi is to minimize disagreements surrounding the Palestinian issue, to act as if the issue does not

exist. They announced that they will tolerate negotiations with the Palestinians, but if it will lead to an agreement involving the evacuation of settlements, they will resign from the government. Since the Bayit Yehudi is composed of two parts, it is likely that the party would split into two, should such a scenario materialize.

There are two parties in the government that are to the political left of Netanyahu. One is that of Tzipi Livni (head of the HaTnuah party) who represents left-wing diplomatic policy; she ran in the elections under the banner of “peace with the Palestinians.” However, she has limited influence, so although she is involved in negotiations, her party cannot constitute a decisive factor. Livni’s lack of success in the elections is testimony to the little faith held by Israelis in the possible implementation of a peace plan.

The strongest party in the government after the Likud is the party of Finance Minister Yair Lapid. Prior to joining politics, Lapid was viewed as having a left-wing Zionist outlook; that is, he was in favor of territorial compromise. During the election campaign Lapid adopted a more centrist political platform. During the building of the coalition an alliance was formed between Lapid and Naftali Bennett, leader of the Bayit Yehudi – a process that dimmed Lapid’s diplomatic activism even more. Lapid will support Netanyahu in the negotiations with the Palestinians and the decision-making process, but is not expected to attack the prime minister if these processes will not succeed.

In fact, none of the parties in the coalition government have great expectations regarding a solution to the Palestinian issue (with the exception of Tzipi Livni’s HaTnuah party, of course). Yes, the subject is on the table – due to President Barack Obama’s visit, John Kerry’s shuttle diplomacy and the concern of the international community – but without grand hopes. The current Israeli government treats the Palestinian

issue like its predecessor and talks about the solution of two states for two nations, exactly as former Center-Left Israeli governments had done in the past.

There is no real change.

In order to understand the constraints and limitations of the current government, we first need to recognize the factors that historically influenced the balance of political forces in Israel.

1977 was the year of Israel’s first governmental changeover, from Left to Right. Quantitative and ideological equilibrium was maintained between the two camps. The conservative right-wing camp believed in the right of the State of Israel to retain the whole ‘Biblical’ territory captured in 1967 after the Arab nations forced Israel into war. The other, left-wing Israeli side believed in the need for territorial compromise in order to give the Arab residents of Judea and Samaria a state of their own. The question of the Palestinian state was the bone of contention between two Israeli camps that were almost equal in size. The ‘peace question’ – as it is called by the Left camp – was the focus of the dispute.

As aforesaid, the recent elections were fundamentally different than election campaigns we had seen previously. The fact that the Likud again became the government party was not the result of satisfaction with Netanyahu as prime minister, but mainly a direct product of reality. A confluence of factors, intra-Israeli and regional changes, led most Israelis to be very skeptical about the chances of attaining peace in the region.

Historically, the first and most important crisis took place with the eruption of the Second Intifada. Even as the Palestinian Authority under Yasser Arafat conducted a dialogue with Ehud Barak (then prime minister), the murderous Palestinian terror campaign hit the streets of Israel.

Behind the terror organizations stood Arafat's men – former partners to the peace process until only a few months earlier. The more the Israeli Left cleaved to the slogans of Peace Now vis-à-vis the terror, the more the Israeli public distanced itself from them. As a result of this process, Sharon as the head of the right-wing camp rose to power. In the course of this period, the terror was suppressed by military power. But then, the first strategic turnabout took place on Israel's political map.

Ariel Sharon, one of the great builders of the settlements, had declared that he would not evacuate the Gaza Strip; this was following the conservative party line of the Likud party that he led. But in 2005, Sharon did exactly that – he implemented a withdrawal plan from the Gaza Strip, the same plan that Israel's Left had demanded for many years.

The disengagement from the Gaza Strip caused a national trauma of epic proportions. It was the transfer of Jews from their homes, due to an appropriate decision adopted by a democratic state.

Most of the Israeli public accepted Sharon's arguments regarding the need to disengage from the Gaza Strip. The public accepted Sharon's explanation that the disengagement would allow Israel to sever relations with the Gaza Strip and enjoy relative peace and quiet. 'They are there, and we are here, and never the twain shall meet.'

It was at this point in time that reality entered the playing field as an important actor, for the very first time. The Gaza Strip underwent democratic elections. Hamas, a terror organization that does not recognize Israel's right to exist, rose to power. The Palestinian Authority people were ruthlessly eliminated and the Gaza Strip became an ongoing threat to Israel's south. The years that have passed since then have been characterized by thousands of rockets launched toward the communities in the South, by Israeli military operations to stop the rocket attacks and the at-

tendant casualties of the operations, and by Iran's involvement in Israel's southern border.

For the first time, this reality led most of the Israelis to the conclusion that there is a problem with the old land-for-peace formula. Especially in light of the fact that it is not clear who will rule those territories on the Day After (i.e, radical Islamic forces may take control of lands returned to the Palestinian Authority).

The Kadima party led by Ariel Sharon changed the political balance sheet; it connected Right to Left, and carried out the disengagement plan. Soon after, Sharon disappeared from the political scene and Ehud Barak became prime minister. Olmert had grown up in the Right but became an unmistakable Leftist, similar to Tzipi Livni who is now in the government. Olmert's program for peace with the Palestinians was the most compromising plan ever offered, but lacked popular support among the Israeli public and received no response from the Palestinian side.

The previous Netanyahu government was established when the balance of power between the political camps was almost equal.

From Netanyahu's point of view, the government he established four and a half years ago was an ideal one. In effect, he attained his position as prime minister due to the coalition he created with the ultra-Orthodox parties. Ultra-Orthodox Israeli parties are usually very preoccupied with issues relating to religion and state, and less involved in questions of foreign policy and defense.

Netanyahu views them as his natural allies. The current government was assembled without them, only after Netanyahu had no other choice.

Thus Netanyahu completed an entire term of office (his second), but then afterwards received a government that he is not happy about (his present, third term).

If we compare past and present, we reveal a reverse stereotype. Precisely when the previous

government was perceived as right-wing and Netanyahu was viewed as conservative, the prime minister changed his skin and accepted the two-state solution, a vision that sprouted in the Israeli Left. This was after years in which the Right refused to grant legitimacy to the establishment of a Palestinian state, due to the concern that such an entity would quickly become a terrorist state. After the painful Israeli experience with the disengagement of the Gaza Strip, it was Netanyahu who did an about-face in his Bar Ilan speech. His proclamation blurred the ideological boundary between Left and Right.

These blurred boundaries were also expressed in the current government. On the other hand, the potential for change has disappeared. The alliance between the various parties within the coalition is an aberration from the natural orientation of Israeli politics. The major differences are no longer between the vision and the concept, but between optimism and pessimism regarding the chances for a peace settlement.

From its very first day, the current government has had to cope with the regional changes and their results. The dust is beginning to settle on what was viewed in the past as the fog of war (the Arab Spring, the civil war in Syria, etc.), and therefore affects the Israeli decision-making process even with regards to the Palestinian question. Thus the Arab Spring, a code-name for changes taking place in the Middle East, was transformed over time from the great hope for democratization to threats on the Israeli democratic state.

Armed militias, composed of Islamic Jihad and Al Qaeda people, rose in Syria. These organizations are fighting against a clear enemy of Israel – Assad and his backers, Hezbollah and Iran. Israel has a pronounced interest in the weakening of Iran in the region, but an equally important interest in a stable Syria lest the Golan Heights border become a battleground. The average Is-

raeli views the events unfolding in Syria and recalls the various peace initiatives to hand over the Golan Heights to Syria in exchange for peace with Assad. Those same Israeli entities, who pushed for just such a risky agreement, are the ones today who support a peace agreement with the Palestinians at almost any price. According to recent polls, the Israeli public remembers the old argument that in today's world, 'territory has no significance when signing a stable peace agreement' – and this same public comes to its conclusions regarding the risks involved in transferring territory to the Palestinians.

Events transpiring in Egypt have a similar effect on Israeli readiness for the territory-for-peace formula. The chances are very slim that Egypt will return to its former status as a stable and moderate country in the Arab world. Israel's southern border is threatened by terrorist organizations from Sinai. Egypt can no longer serve as a mediating entity between Israel and the Palestinians, nor can it serve as an example of stable peace in the area.

The escalation currently taking place in the Palestinian territories also affects Israeli willingness. Recent months have seen a dramatic rise in stone-throwing, hurling of Molotov cocktails and attempts at terrorist acts. While Abu Mazen wages a battle mainly based on attempts to delegitimize Israel in the diplomatic arena, a violent struggle is taking place on the ground – largely uncontrollable by the Palestinian Authority. Twenty years have passed since the eruption of the First Intifada and despite the rivers of blood caused by lethal weapons and suicide attacks, rocks are still effective weapons in the region and yield explosive results. The Palestinians are developing economically, but with regards to violence, they still operate in the grey area.

The more the violence increases, the more the Israeli public is influenced by Right-wing elements to oppose a peace agreement. The more

Abu Mazen lobbies in the international arena to boycott Israel and de-legitimize the very existence of the Jewish state, the more Israel's political center becomes convinced of Abu Mazen's inability to reach a peace agreement.

Abu Mazen did not succeed in crossing the Rubicon in the days of Ehud Olmert as prime minister, despite Olmert's most generous diplomatic peace offer. Thus it is hard to imagine the same Abu Mazen agreeing to compromise on such issues as the refugees and Jerusalem, when Netanyahu is prime minister.

Despite the fact that the current government is more politically centrist than was its predecessor, that is not enough to change the facts on the ground. Even should Netanyahu decide to operate against his party and the constituents who elected him, he would still find himself politically constrained. The fact that the current coalition is comprised of several strong party heads and a weak prime minister deprives Netanyahu of the wiggle-room needed to negotiate controversial issues.

This takes us to the strategic issue that most preoccupied the previous government – Iranian nuclearization.

In his previous term of office Netanyahu succeeded in transforming Iran into an international issue and in removing the Palestinian issue from the agenda. But now, with Rouhani's election, the balance has changed. On the one hand, Rouhani's election to the new president of Iran says nothing about the nuclear arms race. The Iranians are not showing real signs of halting the process. On the other hand, Rouhani is perceived as a more liberal leader, "someone to make a deal with." The West, which has searched the whole time for a way to bury the Iranian problem while saving face, found it in the recent election of the more liberal Rouhani. As far as Israel is concerned, this is a problem. The

world returns to turning a blind eye to Iranian efforts to develop nuclear weapons.

An incisive discourse was held in the previous government around the question of an assault on Iran. Although the discussions were held behind closed doors, it became public when there were differences of opinion in the small team of ministers that dealt with the issue. The dissension leaked out when discussion was conducted in the international arena.

The election of Rouhani instead of Ahmadinejad will make it harder for Israel to create legitimacy for a military attack.

On the political plane Netanyahu finds himself alone in terms of making decisions about Iran. The previous cabinet contained veteran, seasoned ministers on whom Netanyahu relied for their guidance and discretion. Some of the ministers served to counterbalance former Defense Minister Ehud Barak, and Netanyahu himself. The current cabinet is very small and, except for Defense Minister Ya'alon, it contains young and inexperienced decision-makers. Lapid is learning the defense issue for the first time in his life and is exposed to material totally new to him; the same is true for Bennett. Their viewpoint regarding Iran is not clear-cut and fixed, and their personal relationships with Netanyahu are shaky. Under such circumstances it is hard for Netanyahu to really share the decision-making burden with others.

The only issue that the government succeeded in agreeing on in its first three months is the economic agenda. All the parties sitting in the coalition share an unmistakable right-wing economic platform. They confront a large deficit and cut-backs, but also share joint hopes to encourage competition in the economy.

If we take into the account the fact that evacuation of settlements in the past led to a budgetary bottomless pit and expenses that continue to this very day, we have another reason for lack of Is-

raeli grass-roots support for more evacuation initiatives.

In summary: When we examine the tensions, the various players and old challenges in the current government, it is hard to imagine that significant changes will take place in foreign and defense affairs. Other factors – such as the unrealistic, too-high expectations of the international community and the current government's search for a final peace agreement despite Palestinian inability and lack of Israeli grass-roots support – can make the situation even worse.

The only possibility for advancement lies in taking interim steps, steps that Palestinians as well as Israelis can agree on. This could involve the determination of temporary borders (annexation of settlement blocs to Israel, recognizing territories A and B as a temporary demilitarized state) while leaving core issues, and economic development, for future discussion. Netanyahu announces that he is ready for significant compromises, evidently he means what he says, but on the condition that such compromises are politically possible and defensively feasible. These two conditions do not exist, and they will not exist in the visible future. The main lesson to be learned from the present period is that even new politi-

cians and a new government cannot change a problematic reality and solve the religious conflict that exists in the Middle East. The Israeli government had best operate within its maneuvering space, and not within the international dream-world space.

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## List of ministries of the 33<sup>rd</sup> Israeli government

Funktion	Name	Partei
Prime Minister	Benjamin Netanyahu	Likud
Minister of Defense	Moshe Ya'alon	Likud
Minister of Internal Affairs	Gideon Sa'ar	Likud
Minister of Intelligence Minister of International Relations Minister of Strategic Affairs	Yuval Steinitz	Likud
Minister of Energy and Water Minister of Regional Cooperation Minister of the Development of the Negev and Galil	Silvan Shalom	Likud
Minister of Communications Minister of Home Front Defense	Gilad Erdan	Likud
Minister of Transportation, National Infrastructure, and Road Safety	Yisrael Katz	Likud
Minister of Culture and Sport	Limor Livnat	Likud
Minister of Foreign Affairs	Avigdor Lieberman (the ministry is under the leadership of Benjamin Netanyahu until the end of the ongoing judicial process)	Yisrael Beitenu
Minister of Internal Security	Yitzhak Aharonovitch	Yisrael Beitenu
Minister of Immigrant Absorption	Sofa Landver	Yisrael Beitenu
Minister of Agriculture and Rural Development	Yair Shamir	Yisrael Beitenu
Minister of Tourism	Uzi Landau	Yisrael Beitenu
Minister of Finance	Yair Lapid	Yesh Atid
Minister of Education	Shai Piron	Yesh Atid
Minister of Science, Technology, and Space	Ya'akov Perry	Yesh Atid
Minister of Health	Yael German	Yesh Atid
Minister of Welfare and Social Services	Meir Cohen	Yesh Atid
Minister of Economy Minister of Religious Services Minister of Jerusalem and Diaspora Affairs	Naftali Bennett	HaBayit HaYehudi
Minister of Housing and Construction	Uri Yehuda Ariel	HaBayit HaYehudi
Minister for Senior Citizens	Uri Orbach	HaBayit HaYehudi
Minister of Justice	Tzipi Livni	HaTnuah
Minister of Environmental Protection	Amir Peretz	HaTnuah