

# Changes in the Israeli Government

May 2016

## Political context - stabilising the coalition

- The Summer assembly of the 20th Knesset's second session is due to open on Sunday May 22nd with the Likud-led coalition holding a narrow 61 seats in the 120 seat plenum. Since the March 2015 elections, Prime Minister Benjamin Netanyahu has discussed expanding the existing coalition, which in addition to Likud (30 seats), includes centre party Kulanu (10), national religious party the Jewish Home (8) and the Ultra-Orthodox parties Shas (7) and United Torah Judaism (6).
  - The fragile nature of the coalition has been amply demonstrated in recent months. In February 2016, the United Torah Judaism (UTJ) Party reportedly threatened to leave the coalition over plans to enforce secular education in the ultra-Orthodox school system as well as due to a Supreme Court ruling over access to ritual baths. Meanwhile, in April 2016, two Likud MKs, David Amsalem and Avraham Neguise, refused to vote with the government until the issue of bringing the remaining members of the Ethiopian Falash Mura community to Israel was resolved. Renegade Likud MK Oren Hazan has also threatened to destabilise the coalition, announcing that he did not consider himself to be bound by coalition discipline.
  - Motivated by the priority of passing the budget during the Knesset's summer session, and the wish to limit the leeway of each party within the coalition to make demands over components within it, Netanyahu saw expanding the coalition as an important part of governing.
- although both parties were quick to deny them. However, talks between the two parties have materialised in recent weeks with discussions focused on ministerial positions and potential diplomatic moves to help advance the political process with the Palestinians.
- Reports in the Israeli media suggest that former-Prime Minister Tony Blair played an important role in trying to broker an agreement between Likud and Zionist Union. On Tuesday, Egyptian President Abdel Fattah al-Sisi—who Blair advises on economic and energy matters – gave an unexpected televised speech describing an opportunity to write a new chapter of peace and entreated the “parties in Israel” to join in promoting the peace process. His comments were welcomed by both Netanyahu and Herzog in a move that was seen as signalling a national unity government that would take advantage of what Herzog termed a “rare regional opportunity.” Indeed many Arab states - fearful of an increasingly hegemonic and aggressive Iran and suspicious of the Obama Administration's apparent strategic retrenchment away from the Middle East – see their interests aligning with Israel, but only if significant progress can be made on the Palestinian issue.
  - However, many MKs within the Labour party were strongly opposed to the potential alliance with Netanyahu. Shelly Yachimovich, the former Labour leader, as well as several other senior Zionist Union MKs and leader of the party's Hatnuah faction Tzipi Livni all severely criticised the negotiations. Both Likud and Zionist Union's 2015 electoral campaigns had emphasised ‘it's either us or them.’

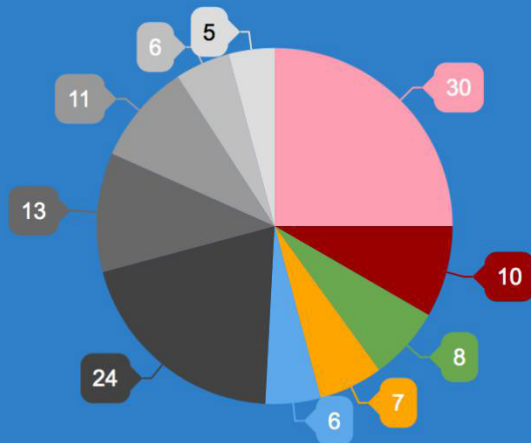
## Negotiations with the Zionist Union

- Rumours of secret negotiations between Likud and Zionist Union (24 seats) surfaced in April 2016
- Some reports have indicated that the lack of solid support from within Herzog's party was a key factor in the breakdown of talks with Netanyahu.

# MAKE UP OF THE ISRAELI PARLIAMENT

120 Knesset seats | 61 seats = majority

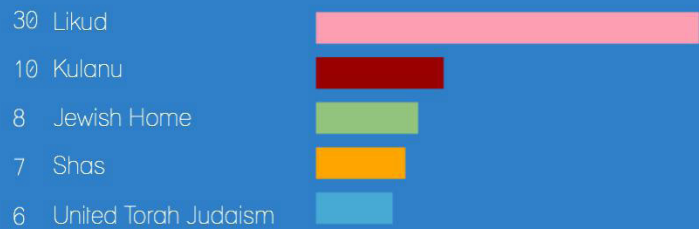
## Knesset total



61 Coalition total

59 Opposition total

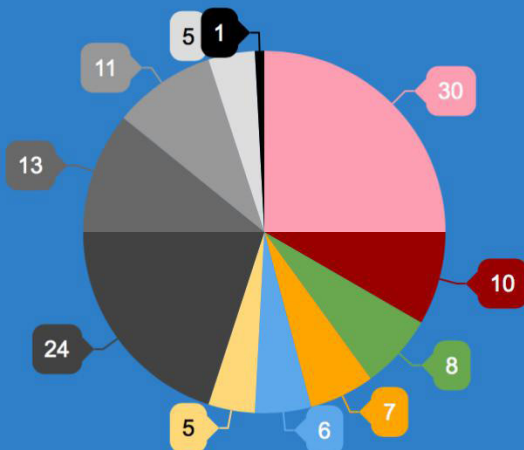
## Previous Coalition



## Previous Opposition



## New Knesset total

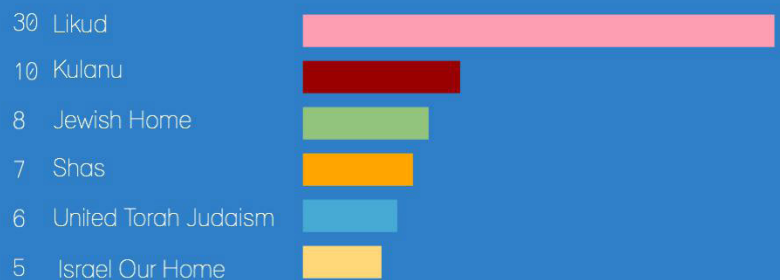


66 Coalition total\*

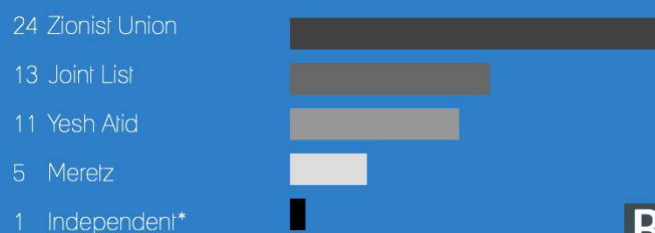
54 Opposition total

\*One Israel Our Home MK, Orly Levy-Abekasis, refused to join the government and resigned from the party.

## New Coalition



## New Opposition



Others point to the inability of the sides to agree on policy towards the Palestinians.

### Bringing in Lieberman and his Israel Our Home party

- **What happened?** As negotiations with Zionist Union began to break down, reports aired on Wednesday that Netanyahu sought to bring Avigdor Lieberman's party (6 seats) into the coalition, offering him the Defence Ministry and the Immigrant Absorption Ministry, currently held by Likud's Zeev Elkin. In the cabinet reshuffle, Elkin is expected to be appointed Economy Minister. The bigger news is that Lieberman has been appointed Defence Minister replacing Likud MK and former Chief of Staff Moshe Yaalon.
- **Why did it happen?** It remains unclear whether Netanyahu ideally wanted Zionist Union but was unconvinced that Herzog could deliver his party or whether he always preferred Israel Our Home. Bringing Herzog into the coalition would have reduced international pressure on Israel but would have simultaneously caused tension with some members of Likud and coalition partner Jewish Home. Lieberman is more ideologically aligned with Netanyahu and a better 'fit' for the coalition but Likud and Israel Our Home compete over the same constituency at the ballot box.
- While Yaalon is generally considered to have been a good Defence Minister, an increasing number of points of friction have recently arisen between him and the majority of Likud MKs— most notably regarding different approaches on how to best respond to the current wave of Palestinian violence and the balance between deterrence and gestures to the Palestinian civilian population. Ultimately Yaalon was clearly seen to be expendable in order to boost the strength of the coalition.. While rumours surfaced that Netanyahu would offer him the vacant Foreign Ministry position, Yaalon is reported to have resigned from the Defence Ministry and the Knesset on Friday morning.

### What can we expect to see next?

- Isaac Herzog's position as leader of the Zionist Union as Head of the Opposition is on very shaky ground with several within his party unhappy with his handling of the negotiations and looking to replace him. It seems only a matter of time until

there is a leadership contest.

- Most analysts believe that in expanding his coalition with parties that are naturally considered to be in the 'nationalist camp' PM Netanyahu has ensured more stability for the government. Indeed it seems likely that the government will have a significantly easier time passing the budget, the natural gas deal and other bills during the upcoming Knesset session..
- However, there is a possibility that the rivalry that has followed Lieberman and Netanyahu through their three decades of interactions will continue, this time from around the cabinet table. Israeli journalist Nachum Barnea wrote that "One of the accepted rules in Israeli politics is that a prime minister must never appoint a defence minister who wants to succeed him... Lieberman doesn't fit that bill." In 2014, it was jostling between leaders of different parties within the coalition that led to Netanyahu calling elections. The same thing may ultimately happen again.
- It is too early to know how the expanded coalition will affect Israeli policy. Lieberman has hawkish positions on the Palestinian issue, has been opposed to returning the bodies of dead terrorists during the current wave of Palestinian violence and criticised Netanyahu for not toppling Hamas during Operation Protective Edge. At the same time, he is a firm proponent of the option of pursuing a regional peace with Israel's Arab neighbours. It remains to be seen what influence these positions will have around the cabinet table and amongst the IDF General Staff, and what the ramifications of such policies might be.

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