

The New Israeli National Unity Government

May 2020



The new Israeli government is set to be sworn in by the Knesset, ending over 500 days - Israel's longest period in its history - without a permanent government. Last week the Supreme Court [authorised](#) Prime Minister Benjamin Netanyahu to form a government whilst under criminal charges, and ruled that the coalition agreement between the Likud and Blue and White was acceptable albeit with minor changes. This BICOM briefing will analyse what the new government looks like, explain the main guidelines and assess where discord may arise in the future.

Introduction: Why did Gantz and Netanyahu agree now?

There are several reasons why Blue and White leader Benny Gantz and Netanyahu agreed to form a coalition government now rather than after the April 2019 or September 2019 elections. The public health crisis and the economic downturn from [the coronavirus pandemic gave Gantz a justification to break his campaign promise of refusing to join with Netanyahu](#). All three elections showed Gantz that he did not have enough MKs to form a government and therefore he was left with the choice to head toward a fourth election or opt to join with Netanyahu in a unity deal. He chose the latter option because [Blue and White's prospects at a fourth election looked bleak](#). Given the risks of a fourth election, entering a unity government with a rotating premiership provided Gantz his best shot of becoming prime minister. [Gantz was also able to agree a deal that allowed his party and its political allies to control a disproportionately large number of ministerial portfolios](#), including key ministries such as Defence, Foreign and Justice, despite entering the coalition with only 19 of the 73 MKs in the government. As a result, Gantz believes that he can fulfil his primary election

promise of fighting the ostensible corruption and anti-democratic practices in Israeli politics from inside government.

For Netanyahu, the coronavirus pandemic and his Likud party's strong showing at the March 2020 elections provided him the leverage to sign an agreement that meets many of his goals. Most important, the [agreement allows Netanyahu to remain Prime Minister during his corruption trial, slated to begin on 24 May](#). Netanyahu has also kept some of the most important ministries under his purview, such as Finance, Interior, Health, Education, and the Knesset speaker. He has also managed to keep his natural allies of the ultra-Orthodox happy. [Signing with Gantz now also allows Netanyahu to share some of the potential criticism directed toward him as the economy struggles to cope with the coronavirus pandemic](#). In the end, the two sides found compromise better than the alternatives.

What is the structure of the new “emergency national unity government”?

[The new government will be a rotation government, although in practice this will only apply to the Prime Minister and a few ministerial posts](#). The last rotation government in Israel was between Yitzhak Shamir and Shimon Peres in 1984 and together held 97 of the 120 seats in the Knesset. However, the “alternate prime minister” in the new government will enjoy many of the same benefits of the prime minister (such as private security and an official state-funded home) and will have considerably more power than an “acting prime minister”.

In the new government, [Netanyahu will serve as prime minister for the first 18 months](#),

after which Gantz will automatically rotate in to become prime minister in November 2021. Then, if both sides agree, Netanyahu will return to the Prime Minister position for six months in May 2023 before vacating again for Gantz for the last six months of the government's term. Whilst an alternating government is not unprecedented in Israel, in a political first both Netanyahu and Gantz will be sworn in together and Gantz will first serve as both Defence Minister and "Alternate Prime Minister".

In the initial six months the government will have 34 ministers, later rising to 36. It will be the largest government ever assembled in Israel. In comparison, the 2015 government was sworn in with 21 ministers, whilst the 2013 government had 22 ministers and eight deputy ministers after Yesh Atid leader Yair Lapid called for a smaller cabinet than the 29 ministerial post inherited from the government before. In addition to the full cabinet, there will be three smaller sub-committees: the regular, inner security cabinet and socio-economic cabinet, and a new reconciliation committee.

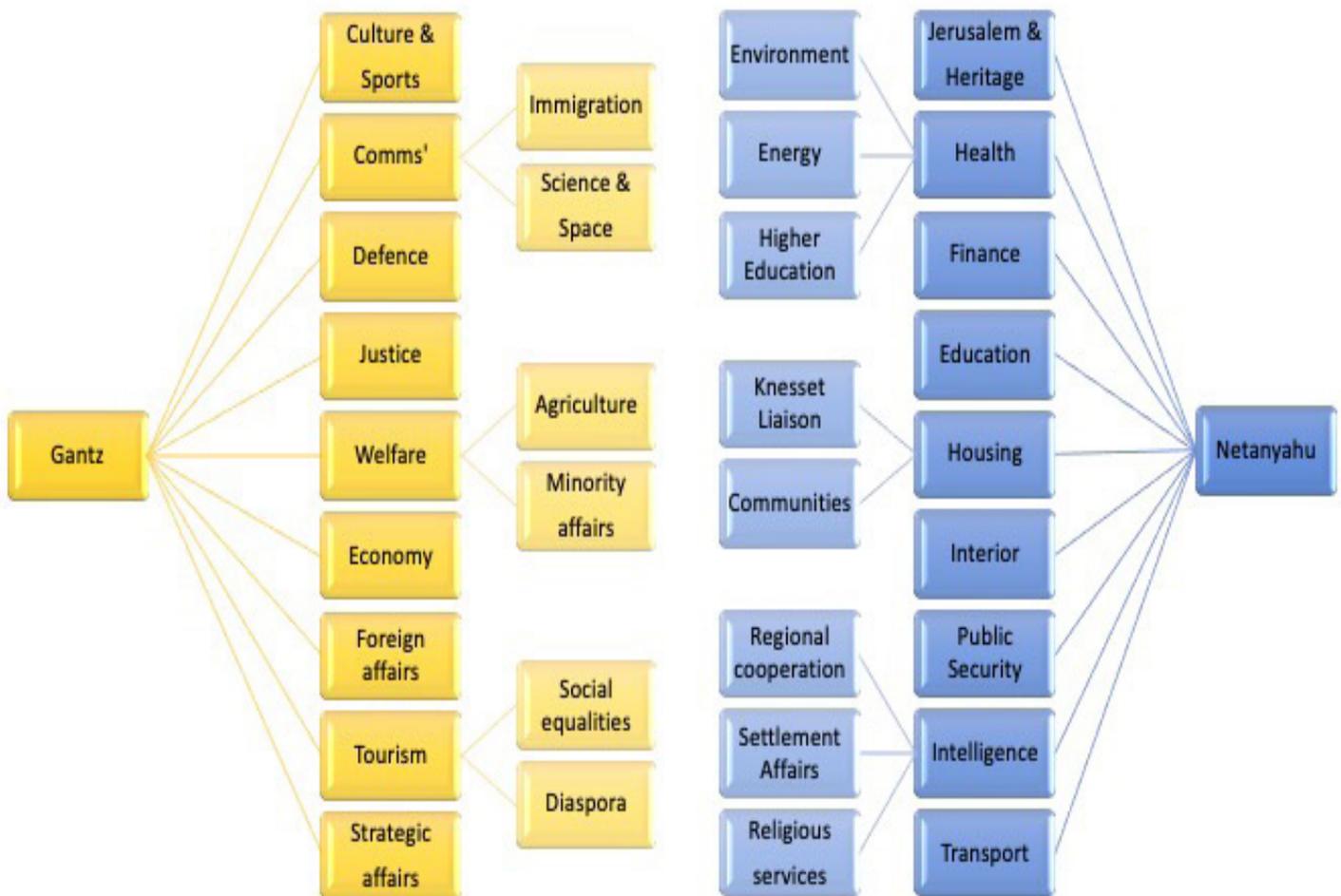
The government's structure is shaped by two blocs. The Netanyahu-led bloc consists of 54 MKs (Likud with 36 MKs, Shas with 9, United Torah Judaism [UTJ] with 7, Orly Levy-Abekasis and Rafi Peretz) and the Gantz-led bloc consists of 19 MKs (Blue and White with 15 MKs, as well as Derech Eretz's Zvi Hauser and Yoaz Hendel, and Labour's Amir Peretz and Itzik Shmuli). According to the agreement, Gantz and Netanyahu are each granted authority over their "blocs." Each can fire a minister from his bloc, a power usually reserved for the prime minister alone. And neither — even if they happen to be a prime minister — can fire a minister from the other's

bloc without the consent of both the prime minister and alternate prime minister.

The allocation of ministries will be divided between the two blocs (as shown in the graph below). The Knesset speaker will be a member of the Likud for the entire duration of the government. Blue and White MK Gabi Ashkenazi will serve as foreign minister for the first 18 months before being replaced by someone from the Likud. The Ministry of Energy or the Ministry of Environmental Protection will also switch from the Likud in the first half of the government to Blue and White in the second half. The Israeli ambassador to the US will be appointed by whoever is prime minister, whilst other senior ambassadorial positions, including the UK and UN, will be appointed by Netanyahu and will not change when Gantz takes over. Thus, senior Likud MK Gilad Erdan has been appointed to a dual role of Ambassador to the UN and the US until Gantz takes over, (after which the new Prime Minister will appoint his own ambassador in Washington).

During coalition talks, the Likud wanted to ensure that the Right had veto power on the 9-person Judicial Appointments Committee, whilst Gantz refused to substantially alter the workings of the committee. The next six appointments to the 15-member Supreme Court all come up for a vote in the lifespan of the next government and these judges could play a major role in the [Netanyahu corruption trial](#) if it goes to an appeal. Under a 2002 law, seven out of the nine members (three Supreme Court justices, two representatives of the Knesset [traditionally one from the coalition and one from the opposition], two cabinet ministers, and two representatives of the Israel Bar Association) are required in order to confirm a judge.

The two-bloc Cabinet*



Netanyahu and Gantz agreed to a compromise whereby Blue and White MK Zvi Hauser, a conservative minded MK and former cabinet secretary under Netanyahu, has been appointed to the panel as the member customarily reserved for the opposition. This manoeuvre gives Netanyahu the flexibility to strongly influence future appointments, despite Hauser being considered by Blue and White to be a defender of the court's independence. However, the decision to exclude a member of the opposition could be challenged in the Supreme Court when the committee is formed.

The coalition agreement has caused several temporary amendments to the Basic Law: The Government and Basic Law: The Knesset. Immediately after the signing of the agreement, eight petitions were filed to the Supreme Court questioning the legality of the

measures required to bring that agreement into effect. As a result, the proposed six-month freeze on legislation unrelated to the coronavirus crisis and on appointing senior civil servants was scrapped by the Likud and Blue and White. The option of extending the "state of emergency" period by three months at a time was also discarded and the period will be restricted to six months. The coalition parties also announced that the new government will be able to extend its term from three to four years, with a six-month rotation happening in the fourth year.

In its ruling the Supreme Court said there was no reason to intervene "at this time," leaving the door open to ruling on the new petitions on the legislation underpinning the coalition agreement has been approved by the Knesset.

The Government's main guidelines

The most noticeable aspect of the coalition agreement is the absence of a clear legislative agenda. Instead, Likud and Blue and White have released the policy principles of the new government, as instructed by the High Court of Justice ahead of the swearing-in ceremony. The document said the new government will deal with the coronavirus pandemic and formulate a plan to extract Israel from the economic crisis, while rolling out a “socioeconomic safety net” and special programmes for citizens who are struggling financially. The new government “will strengthen national security, will strive for peace, will guarantee the wellbeing and safety of all citizens of the state,” as well as “act substantively and practically to bridge between all parts of the public”.

For the first six months the new government will operate in “emergency” mode, where

it will prioritise legislation to handle the coronavirus crisis. During that time, the sides will attempt to negotiate a broader legislative agenda but refrain from making new appointments that require cabinet approval for the first 100 days. At the same time, Likud and Blue and White will have the right to veto legislation throughout the government's full term. Both sides also agree to set up a team with an equal number of members to draw up rules for appointing senior officials who must be approved by the cabinet. This clause gives Netanyahu influence over choosing the next state prosecutor, police commissioner and attorney general, at a time when he would have a vested interest in these appointments. The attorney general, for example, could be asked to decide a future plea deal for Netanyahu and the state prosecutor would be involved in Netanyahu's legal proceedings.

Israel Democracy Institute's President, Yohanan Plesner, argues that there will

Annexation: will it happen?

Both sides have agreed that as of 1 July 2020, the government “will be able to bring the agreement reached with the US on the application of sovereignty to cabinet and government debates and approval by the government and / or the Knesset”. The joint US-Israel committee, established following the release of the [Trump plan](#) in January 2020, is expected to complete their mapping of the West Bank soon. Whilst Gantz has been accused of giving the Right a “free-hand” to apply Israeli sovereignty to areas of the West Bank, the coalition agreement states that the Prime Minister and deputy Prime Minister will do “... all of this while pursuing the security and strategic interests of the State of Israel, including the need for maintaining regional stability, the preservation of peace agreements and the pursuit of future peace agreements”.

The Trump administration has reportedly conditioned its recognition of annexation in areas of the West Bank on three steps:

1. The completion of a map by the joint US-Israel committee;
2. Israel agreeing to suspend construction in parts of the West Bank that are not designated to fall under Israeli sovereignty; and
3. The Prime Minister communicating to the Palestinians that he will negotiate, in good faith, on the basis of US President Donald Trump's peace plan – i.e. a two-state solution.

Netanyahu will have to decide if he really wants annexation or not. Right-wing politicians and settlement leaders have been calling on Netanyahu not to miss the “historic window of opportunity” available to him with US President Trump in the White House, and caution that that window may close after the summer due to the US presidential election in November. For Gantz, conditioning any move as part of the Trump plan – which calls for a future Palestinian state – as well as keeping the “preservation of peace agreements and the pursuit of future peace agreements,” was the best he could achieve because of a majority in favour of annexation in the Knesset.

It remains to be seen how deep the US will permit Israel to apply sovereignty in the West Bank without prejudicing the overall objective of the Trump plan. Another major factor that will determine whether Netanyahu brings the issue to vote in the cabinet and/or the Knesset is the reaction of key Israeli allies, in particular Jordan.

likely be a “democratic ceasefire” over the government’s term, in which the status quo will continue on issues such as religion and state and the “Jewish vs. liberal” debate about the nature of the state. The main project of the government, he claims, will likely be the economic and social project.

In an apparent victory for the ultra-Orthodox, the government (and not the Knesset) will decide the quotas for IDF conscription among ultra-Orthodox males. The ultra-Orthodox parties Shas and UTJ will have significant influence on these quotas in cabinet discussions, but the exact number will not be legislated on. The failure to agree on exact quotas was one the main reasons that led to the breakup of the government in December 2018.

What happens if one bloc backtracks on its coalition commitments?

The agreement has several mechanisms in place to dissuade Netanyahu or Gantz from backtracking on the agreement. Were either side to dissolve the Knesset or not vote in favour of the state budget, the prime minister from the other party will assume office of a transitional government and only

after six months would elections be held. Similarly, were the Supreme Court to decide that Netanyahu cannot serve as alternate Prime Minister (due to the indictments he is facing) within the first six months of the new government, new elections will automatically be held.

The agreement allows Netanyahu to resign before the end of his 18 months, let Gantz complete his 18 months, and then return to complete the remainder of his term. This would mean that Netanyahu will remain interim Prime Minister when the government ends and new elections are held. Alternatively, there is nothing in the agreement that stops Netanyahu from toppling the government one day after Gantz becomes prime minister, but he would then head into the election as Alternate Prime Minister.

Under the coalition agreement, neither Gantz nor Netanyahu could name themselves as prime minister in an alternative government as part of a no confidence motion. While generally the Knesset can be dissolved by a 61-vote majority, under the new agreement, if 12 members of the prime minister’s bloc support dissolving the parliament, then he must step down in favour of Gantz. But

the moment Gantz becomes prime minister, lawmakers could dissolve the Knesset anew and the country would have to hold a new election.

The politics behind the scenes

Over the last two weeks, Netanyahu was forced to negotiate within his own right-wing bloc in order to deliver on his rotation agreement. The two primary issues involved the allocation of ministries within his own Likud party, and whether to concede to the demands of the Yamina party in order to guarantee their inclusion in the new government.

The allocations of Likud ministers was made more challenging due to two reasons: the nature of the coalition agreement only allowed Netanyahu to pick 10 of current 15 Likud ministers to serve as ministers in the next government; and the competing demands from several Likud MKs for ministerial posts. A breakthrough occurred earlier this week when Public Security Minister Gilad Erdan agreed to become the Israeli Ambassador to the US and the UN, holding the position of both posts for the first time since Eban in 1950. Netanyahu has decided to promote loyalists over more seasoned and experienced MKs like Gideon Sa'ar, who was fifth on the Likud party list (but who challenged and lost to Netanyahu in a leadership contest last December) or Nir Barkat, who was publically promised to be the next Finance Minister by Netanyahu in February 2020 were he to form a government.

Netanyahu failed to include Yamina into the new government, but he has split the party by enticing outgoing Education Minister Rabbi Rafi Peretz to join the government as the new Jerusalem Affairs Minister. The failure to

include the rest of Yamina results in Naftali Bennett joining the Opposition for the first time since entering politics in 2011. Yamina rejected a Likud proposal that they receive the Education Ministry and the Jerusalem and heritage portfolio, another deputy minister and a chair of a Knesset committee. Yamina demanded four portfolios, including the health and transportation portfolios, and the chair of the Constitution, Law and Justice Committee. Netanyahu charged that Yamina's six seats did not warrant four ministerial posts, especially when Shas's and UTJ's 16 seats received only three ministers and the chair of one committee. The end result leaves Netanyahu with two right-wing parties in the opposition, Yamina and Yisrael Beiteinu, a situation he has tried to avoid in the past, preferring instead to position himself in the centre of his cabinet. He will be wary of being outflanked by Bennett and Avigdor Lieberman in the opposition

What to expect next?

For the first six months the government will operate under "emergency" mode, concentrating primarily on the coronavirus and ensuring that Israel will emerge from the crisis with the least damage to the economy and public health. The new government will also continue to implement the current security agenda, such as its 'Campaign between the Wars' strategy in Syria which both Netanyahu and Gantz support, and respond when necessary to threats. The more contentious issues, such as the balance between religion and state, the role of the judiciary, finding a solution to prayer at the Western Wall for non-Orthodox Jews, will all be pushed aside during the government's term.

One of the government's key first tasks will be to pass a budget to tackle the economic effects of Covid-19. Before the coronavirus outbreak Israel's economy was growing and the unemployment rate was at a record low. However, the number of unemployed has crossed the one million mark – standing at 27 per cent at the end of April. Shira Greenberg, the treasury's chief economist, has estimated that Israel's economy could shrink between 5.4 to 6.5 per cent this year, which would be the biggest downturn in its history.

Beyond that, the government may struggle to function as a coherent machine. The "bloc" structured policymaking process could leave ministries and the ministers who lead them a free hand to pursue their own policies without any coordination from the Prime Minister's Office.

Blue and White understand the necessity of rebuilding bipartisan support in the US and will have a more open mind to a Democratic presidency than Netanyahu. Joe Biden, the Democratic nominee for US president, is a longstanding supporter of Israel, but a growing number of Democratic politicians and supporters have become more critical of Israel over the past few years. Biden's campaign team has stated it will not undo certain moves (such as moving the embassy to Jerusalem) made by the Trump administration should he win the November Presidential election. In November 2019 Biden criticised calls by some progressive to leverage aid to Israel to pressure it to make concessions, calling it a "gigantic mistake" and "absolutely outrageous". However, there would be tension with Netanyahu on two key issues: the Israeli-Palestinian conflict and the Iran nuclear threat. A campaign aide has said Biden could reopen the American Consulate in East Jerusalem to reengage with and

resume US assistance to the Palestinians. On the nuclear issue, Biden has stated that he would re-enter the JCPOA nuclear deal if Iran moves back into compliance.

Both Gantz and Netanyahu have made commitments to their respective allies that could cause future tension in the next government. The agreement Blue and White signed with the Labour Party to ensure the latter's participation in the new government commits the state to provide financial aid to same-sex couples incurring surrogacy costs overseas, and that the Welfare Ministry will look into simplifying the surrogacy process. This proposal is likely to be met with staunch opposition from the ultra-Orthodox parties. Meanwhile, Netanyahu's commitment to keep the decision of ultra-Orthodox conscription numbers within the Cabinet and not the Knesset could create new tensions between the two-blocs.

The make-up of the new National Unity Government

Position	Name	Profile	Party, bloc
Prime Minister	Benjamin Netanyahu	Heading his fourth consecutive government, and fifth overall. Israel's longest ever serving Prime Minister	Likud, right wing bloc
Alternate Prime Minister, Minister of Defence	Benny Gantz	Leader of Blue and White, former IDF Chief of Staff.	Blue and White
Foreign Minister	Gabi Ashkenazi	Former IDF Chief of Staff, this is first ministerial position, will rotate out after 18 months.	Blue and White
Finance Minister	Yisrael Katz	Outgoing Foreign Minister, veteran Likud figure, loyal to Netanyahu. He has led the Likud's recent election campaigns.	Likud, right wing bloc
Justice Minister	Avi Nissenkorn	A former head of the Histadrut, Labour Union. He is expected to show far less resistance to the legal establishment, compared to his predecessor.	Blue and White
Health Minister	Yuli Edelstein	Number two on the Likud list. Former Knesset Speaker who resigned in March under controversy, when he failed to enact Supreme Court decision to hold vote on his successor. With coronavirus, the Health ministry is currently a particularly high profile position.	Likud, right wing bloc
Education Minister	Yoav Galant	A former Maj Gen in the IDF, he first entered politics with the Kulanu party and served as housing minister.	Likud, right wing bloc
Public Security Minister	Amir Ohana	A former lawyer and Netanyahu loyalist. The first openly gay right wing politician. He served as a controversial temporary Justice Minister due to friction with the legal establishment over their activism.	Likud, right wing bloc
Interior Minister	Arye Deri	Has served in the role since 2016. Having also served in that position in the 1990s before going to prison for bribery, fraud and breach of trust.	Shas, right wing bloc
Transportation Minister	Miri Regev	A former IDF Spokesperson. Considered a Netanyahu loyalist and populist politician. She had served as Culture Minister in the last government and controversially clashed with left wing artists and performers.	Likud, right wing bloc
Energy Minister	Yuval Steinitz	A former finance minister, with a PhD in Philosophy, he has held this post since 2015. He is focused on eliminating the use of coal, favouring natural gas and renewable energies.	Likud, right wing bloc

Economy Minister	Amir Peretz	Veteran politician, having first being elected in 1988. He served as defence minister in 2006. In September 2019 he shaved his iconic moustache for the first time in 47 years to make an election pledge, "Now eve-rybody can read my lips, I will never to join a Netanyahu-led govern-ment."	Labour, Blue and White bloc
Housing Minister	Yaakov Litzman	Until recently health minister, controversially ignored his own instructions and caught coronavirus. He wanted this new position to deal with the lack of housing for his ultra-Orthodox constituency.	United Torah Judaism, right wing bloc
Environmental Protection Minister	Gila Gamliel	She was the first female chair of the Israeli National Union of Students. In the last government she was the Minister for Social Equality.	Likud, right wing bloc
Agricultural Minister	Alon Schuster	Former head of the Sha'ar Hanegev regional council that borders the Gaza Strip, for over 16 years.	Blue and White
Communications Minister	Yoaz Hendel	A former head of communications for Netanyahu. He entered politics as part of Yaalon's Telem faction, before splitting to join the government.	Derech Eretz, Blue and White bloc
Culture and Sports Minister	Hili Tropper	A former educator and social worker, considered close to Gantz.	Blue and White
Welfare Minister	Itzik Shmuli	One of the leaders of the 2011 social justice campaign. A member of the LGBTQ community and a campaigner for surrogacy rights.	Labour, Blue and White bloc
Social Equality Minister	Merav Cohen	A social activist, particularly focused on rights for the elderly.	Blue and White
Strengthening and Promoting Communities	Orly Levy-Abekasis	A former MK with Yisrael Beteinu, she ran in the last election with Labour and Meretz but has since become a one person faction. She campaigns on a range of social issues. This is a brand new ministry.	Gesher, right wing bloc
Immigrant Absorption Minister	Pnina Tamano-Shata	Moved to Israel as young child from Ethiopia. She will become the first ever Ethiopian-born minister. She was part of Yesh Atid faction, but switched to Blue and White as she favoured a national unity deal.	Blue and White
Strategic Affairs Minister	Orit Farkash-Hacohen	She is a former chair of the Israel Electricity Authority. She was strongly against the states monopoly of natural gas.	Blue and White
Intelligence Minister	Eli Cohen	Formerly economy minister, joined the Likud list following the merger with the Kulanu Party.	Likud, right wing bloc

Diaspora Affairs Minister	Omer Yankelevich	The first female, ultra-Orthodox MK. A social activist focused on integration and unity.	Blue and White
Tourism Minister	Assaf Zamir	He served on the Tel Aviv-Jaffa municipal council and was the youngest ever deputy major in Israel. In the 2018 local elections he ran for mayor against Ron Huldai, but lost.	Blue and White
Higher Education & Water Resources Minister	Zeev Elkin	Former minister for environmental protection.	Likud, right wing bloc
Settlement Affairs Minister	Tzipi Hotovely	A former deputy foreign minister, she is part of the ideological right wing.	Likud, right wing bloc
Minister within the Defence Ministry, responsible for civil affairs	Michael Biton	A former mayor of Yerucham, a development town in southern Israel.	Blue and White
Regional Cooperation Minister	Ofir Akunis	He served as Netanyahu's media adviser during his first term as prime minister in the 1990s. More recently he has served as minister in other minor portfolios.	Likud, right wing bloc
Religious Affairs Minister	Yaakov Avitan	Shas's Council of Torah Sages accepted Aryeh Deri's recommendation to select the Rabbi, even though he is not an MK. He was the deputy mayor of Ashkelon.	Shas, right wing bloc
Science and Technology Minister	Yizhar Shai	A former businessman and high tech entrepreneur.	Blue and White
Jerusalem Affairs and Heritage Minister	Rafi Peretz	Dramatically split from Yamina to join the government. He is the former education minister and former IDF chief rabbi.	Jewish Home, right wing bloc
Knesset Liaison Minister	Dudi Amsalem	A former Likud party activist. A strong vocal defender of Netanyahu and as former coalition chairman, an efficient enforcer of government discipline.	Likud, right wing bloc

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