



Israeli Coalition Politics and Foreign Policy

by Prof. Shmuel Sandler

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EXECUTIVE SUMMARY: Prime Minister Binyamin Netanyahu supported an upgrading of the referendum law in order to keep his coalition members on the Right in the government. However, Netanyahu has shown that he is not ready to close the door on the ultra-Orthodox parties he was forced to leave out of the coalition, and he will welcome them back – to weaken political rivals such as Yair Lapid, and/or if their votes are needed for an agreement with the Palestinians.

The resumption of Israeli-Palestinian peace talks led to an attempt by the Israeli government to upgrade the status of the 2010 referendum law – which requires a referendum to approve a withdrawal from territories under Israeli sovereignty – into a Basic Law. The advantage of a Basic Law is that the Supreme Court cannot find it unconstitutional, and only a majority of 61 members of Knesset (MKs) can abolish it. This law has relevance in case the current American-sponsored negotiations end in an agreement, and the Israeli-Palestinian territorial understandings include a division of Jerusalem and/or territorial swaps. While such an outcome is unlikely, the bargaining around the referendum law demonstrates the omnipresent linkages between foreign policy and domestic politics.

Keeping the Coalition Happy

Prime Minister Binyamin Netanyahu supported the change in the referendum law in order to limit the criticism coming from the hawkish faction in Likud and to signal to the US and the Palestinians the limits of the concessions he can make. The proposed change also allows Naftali Bennett, head of the hawkish Bayit Yehudi party and Minister of Economics and Trade, to continue to sit in the coalition and claim success for initiating the legal

upgrade. With a referendum down the road, Bennett can justify his remaining in the government even if there are meaningful negotiations on Judea and Samaria. Bennett seems unwilling to rush out of the government and repeat the mistake of his predecessors in the National Religious Party in 2005, when they left Ariel Sharon's government over the Gaza disengagement, while the ultra-Orthodox parties tacitly approved it.

Netanyahu and Bennett endorsed the same legislative process despite the bad blood between the two, which has existed since before the 2013 elections. Moreover, as result of Labor's refusal to enter a Likud-led government and the political alliance between Bennett and Yair Lapid, the leader of Yesh Atid, Netanyahu ended up with a coalition government not to his liking. His preferred partners – the ultra-Orthodox parties – were ousted from his coalition at Lapid's insistence, while Bennett silently approved it. Lapid, who has not hidden his aspirations for the premiership, is not a Netanyahu favorite, either.

Working With the Opposition Behind the Scenes

There are also constant rumors about Netanyahu scheming to alter the composition of the governing coalition by replacing Yesh Atid and Bayit Yehudi (31 MKs together) with the ultra-Orthodox and Labor parties (33 MKs together). Events in the domestic political arena indicate that Likud cooperates with the ultra-Orthodox on several issues, such as the July 2013 chief rabbi elections and the upcoming October municipal elections.

Netanyahu lent his support to the ultra-Orthodox Ashkenazi candidate, Rabbi David Lau, in order not to burn the bridges to the enraged ultra-Orthodox parties, who were angry at being left out of the coalition and losing access to state funds. Aryeh Deri, the new-old head of the Shas ultra-Orthodox party, is probably the dynamo behind the emerging political architecture. A similar "deal" has been forged in the coming Jerusalem municipal elections, where Deri and former Foreign Minister Avigdor Lieberman, a Netanyahu ally, joined hands to launch the campaign of Moshe Lion, a former director-general of the Prime Minister's Office under Netanyahu, for mayor of Jerusalem. This might be an attempt to revive the Likud-ultra-Orthodox alliance in Jerusalem that put Ehud Olmert in City Hall.

Deri, an accomplished political actor, has been known for his dovish positions on territorial issues and did not lead a campaign against the Knesset's approval of the Oslo agreements. He can carry the ultra-Orthodox parties into the coalition, allowing Netanyahu greater freedom of action in the negotiations with the Palestinians. Netanyahu might find it useful if he

decides on some form of a settlement freeze in the West Bank, or if he can reach an interim deal with the Palestinians that may require territorial concessions in the West Bank (that the referendum law cannot prevent). However, the return of the ultra-Orthodox parties to the coalition would be possible only when the Labor party follows suit and Yesh Atid leaves the government. Finance Minister Yair Lapid's position has been that he will not participate in any coalition that has an ultra-Orthodox element. In contrast, Netanyahu would be more comfortable with an ultra-Orthodox-Labor bloc replacing the Lapid-Bennett alliance for domestic and international motives. Labor may be tempted to go into the government under the pretext that it will help make peace.

Conclusion

While Netanyahu does not know what will happen in the talks with the Palestinians or in other areas that might threaten the stability of the present coalition, he seems to be preparing an alternative. This signals to his current partners, Bennett and Lapid in particular, that they cannot push him too hard because they can be replaced. In addition, the search for an alternative coalition signals to the Americans and the rest of the world that Netanyahu is serious about negotiations, even if he shares the widespread Israeli skepticism about the Palestinians being a serious partner. Politics – domestic and international – is all about keeping many doors open, and Netanyahu is holding onto all of the keys.

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