

Israel's new government and the Obama visit

By Yossi Alpher

■ Executive summary

Israel's elections took place on January 20th 2013. Shortly thereafter newly re-elected U.S. president Barack Obama apparently sought by announcing his March 20th Middle East visit to affect the subsequent composition of Israel's new governing coalition. Israeli prime minister Binyamin Netanyahu parried in ways that partially accommodated, but also reduced the impact of U.S. pressure.

Throughout this interplay the new Israeli government that emerged trumped any hopes Obama might have had that the elections would produce a genuinely moderate Israeli approach to the Palestinian issue. Indeed, it demonstrated that the West Bank settlers have become a mainstream demographic factor in Israeli elections, and that religious-secular and socioeconomic issues such as burden sharing and the distribution of national assets are more important to the Israeli public than a two-state solution. While Secretary of State John Kerry has pursued an Israeli-Palestinian breakthrough since the Obama visit, his chances of success are poor and Obama seems to be reconciled to this fact.

The Obama visit did register three clear achievements: radically upgrading Obama's acceptability among the Israeli public; ensuring near-term close U.S.-Israeli co-ordination regarding Iran; and, most urgently for all concerned, coalescing a loose and preliminary regional coalition comprising Israel, Turkey and Jordan that can collaborate with the U.S. in mitigating the negative spillover of the gathering chaos in Syria.

The past few months have witnessed a unique interaction between Israel's Knesset (parliamentary) elections and the Netanyahu government's relations with the Obama administration. This update looks at this dynamic and asks what the near future holds for Israel's Middle East policies, particularly in their U.S. context.

Election outcome

Now that Prime Minister Netanyahu's government has taken office, the outcome of the election and the nature of the Knesset it produced take on a clearer perspective. First and foremost, this election was not about the peace process: only two Zionist parties, HaTnua (The Movement) and Meretz, campaigned actively on a two-state platform

and together received only 10% of the vote (six mandates each out of a total of 120 members of the Knesset). This apparently indicates that the public was influenced little if at all by Obama's leaked remark, published by Jeffrey Goldberg less than a week before the Israeli elections, to the effect that "Israel doesn't know what its own best interests are". Goldberg added that, "With each new settlement announcement, in Obama's view, Netanyahu is moving his country down a path toward near-total isolation".

The leak was evidently calculated to play on the Israeli public's recognition that U.S. support is vital for the country's leadership. But it failed to take into account that Netanyahu, who is closely allied with Republicans and Evangelicals in the U.S. and can command a broadly compliant U.S. Jewish lobby, had persuaded the Israeli public that his influence and support in the U.S. were so strong that he could bypass the president.

True, the Netanyahu-Lieberman combined Likud Beitenu list, which was in effect the target of Obama's leaked comment, did suffer a significant electoral setback, dropping from 42 mandates in the outgoing Knesset to only 31 in the incoming. But it did not lose votes to the Israeli peace camp, but rather to a new centrist party, Yesh Atid (There Is a Future), which aspires to represent primarily secular middle-class needs and values, and to a rejuvenated right-wing national orthodox settler-oriented party, HaBait HaYehudi (Jewish Home).

Together these two parties, both under dynamic young leadership, gained the same number of mandates as Likud Beitenu. They then combined their negotiating strengths to determine the composition of the government. What made them attractive to voters was the emphasis they placed on two issues: "burden sharing" and the redistribution of government assets to benefit the country's burgeoning middle class. In doing so, the two parties' leaders, Yair Lapid (Yesh Atid) and Naftali Bennet (HaBait HaYehudi) demonstrated that they read correctly the real impact of the mass "social justice" demonstrations in Tel Aviv in the summer of 2011. The party that read these protests wrongly was Labour, which ran on a platform of benefits and entitlements for the lower socioeconomic strata, registered only modest electoral gains, and ended up leading the opposition.

All three of these political parties that derived their socioeconomic platform from the social justice movement essentially either ignored the Palestinian issue or sought to make a virtue of its alleged insolvability by advocating what can only be described as a form of apartheid in the West Bank (HaBait HaYehudi). All actively campaigned among the settlers for votes, as did Likud Beitenu and the ultra-orthodox parties, thereby demonstrating that the settlers – several hundred thousand strong – are now a legitimate demographic in Israeli elections even as the issue they represent is largely ignored.

Lapid's and Bennet's campaign attacks broadly targeted the Israeli ultra-orthodox or Haredi sector, both the Sephardic and Ashkenazic branches, who ended up the real losers of these elections, despite the 18 mandates registered by their two parties. The Haredis' lifestyle had made them in recent decades a convenient coalition partner for Netanyahu and his predecessors from the left and centre. In return for generous entitlements that enabled them to maintain institutions of religious study and shelter their youth from secular education, military service, and productive employment, the Haredim had toed virtually whatever coalition line the prime minister dictated on all other political issues, including questions of war and peace.

The burden-sharing campaign was directed against them, demanding that their entitlements be cut, their education system be forced to accommodate a core curriculum of topics like mathematics and English, and their youth serve in the army. The "national orthodox" settlement-based HaBait HaYehudi targeted them even though many of their number live in (virtually exclusive) West Bank settlements. Here it is vital to distinguish between Israel's national orthodox and ultra-orthodox: the former spearhead the settlement movement, but by any other social standard, including military service, are part of the Israeli mainstream; the latter are beyond the mainstream, but are gaining in number due to government-subsidised birthrates, to a point – their youth represent some 20% of the Jewish population – where secular and national orthodox Israelis increasingly consider them a threat rather than a curiosity.

The Haredim claim that they sacrifice many worldly benefits in order to maintain vital Jewish values that less pious Jews should treasure. This election seemed to demonstrate that most Israelis not only value middle-class worldly benefits, but that a Zionist ethos of burden sharing and supporting and protecting the country is alive and well in Israel. By combining forces during coalition negotiations, Lapid and Bennet ensured that Netanyahu would form a government with them and without the Haredim.

Netanyahu, for his part, may have lost ground in these elections, but when it came to negotiating a new coalition he demonstrated survival and manipulative skills that Lapid and Bennet, both political newcomers, do not possess. For example, he ensured that Likud Beitenu would retain a majority in the cabinet, despite its minority status in the coalition. Nor did Netanyahu's coalition efforts ignore the pressure implied by Obama's surprise announcement in early February, when coalition talks were just beginning, that he would visit Israel on March 20th. Thus, Netanyahu's first act in building a coalition was to bring in a former foreign minister and peace negotiator, Tzipi Livni, and HaTnuva with its six mandates and award her the task of negotiating with the Palestinians.

For Livni, a failed opposition leader in recent years and a mediocre campaigner in these elections, the justice portfolio and the negotiations mandate were a political

lifesaver. For Netanyahu, this quick response to Obama's declared visit was a way of signalling that Israel's new government would ostensibly be more sensitive to the need for a two-state solution than its predecessor – ostensibly, because the government, even more than its predecessor, remains a settlers' coalition dedicated to swallowing the West Bank and East Jerusalem. Bennet, together with a significant settler lobby within Likud Beitenu that is backed by the ideological inclinations of both Netanyahu and Lieberman, have ensured that virtually all key ministries that can contribute to settlement building, such as housing, transportation, defence and commerce, are now in settler or pro-settler hands. Meanwhile, Lapid at the Finance Ministry confronts a huge budget-cutting challenge, but in view of his alliance with Bennet and his indifference to the two-state issue, he is unlikely to target the settlements' huge entitlements any more than other sectors.

Besides bringing in Livni, it seems probable that Netanyahu also deliberately delayed forming his coalition for the full six weeks allotted constitutionally to the task, obtaining Knesset approval on the last day permissible – just two days before Obama's arrival. This enabled Netanyahu to respond, whenever it suited him, to Obama's "I came to listen" by noting that his government had not yet begun to formulate policy, for example on the Palestinian issue.

One additional Netanyahu appointment proved to be very relevant to the Obama visit: the appointment of Moshe "Bogie" Yaalon as minister of defence. At the strategic level, Yaalon is the opposite of Ehud Barak, whom he replaced: Barak was hawkish on Iran and dovish on settlements and a two-state solution; Yaalon is much more cautious on Iran, but a total sceptic regarding a two-state solution. This also renders it more likely that Livni will be Netanyahu's apologist and "responsible adult" vis-à-vis Washington this time around – a task filled by Barak over the past four years. The politically extreme Lieberman, for whom the Ministry of Foreign Affairs has been left open until (and assuming) he overcomes legal proceedings for abuse of trust, has never been considered a viable partner for co-ordinating strategy with the U.S.

Obama's visit

This, then, was the freshly anointed government that greeted Obama on March 20th: heavily weighted in favour of settlements, but with Livni as a fig leaf; and more cautious than its predecessor on Iran. But most urgent of all, the new Israeli government was – and is – concerned about violent overflow from the chaos in Syria. Both Obama and Netanyahu acknowledged that Iran, Syria and the Palestinians were the three strategic issues of substance on their shared agenda for the visit. From Obama's standpoint, co-ordination regarding Iran appeared to be the most important issue and regarding Syria the most urgent.

Predictably, Obama made no attempt to present concrete ideas about Israeli-Palestinian progress during the visit. He

left this thankless task to his new secretary of state, John Kerry, who was not burned by the mistakes and frustrations of the past four years. Obama appears to believe that the prospects for real progress are virtually non-existent, thanks to both Netanyahu's dedication to the destructive settlement enterprise and Palestinian political fragmentation and adherence to extreme "narrative" positions like the "right of return". But he understands that the mere existence of a "process" could be helpful to Washington elsewhere in the region.

In a gesture of doubtful practicality, Obama also referred the Palestinian issue to the Israeli public, which he urged to pressure its leadership. In this way, Obama managed to avoid serious public controversy with Netanyahu while merging the Palestinian issue with an additional agenda item through which he sought to outflank Netanyahu: winning over the trust and allegiance of the Israeli public. This he did brilliantly, not only through a speech to a hand-picked audience of Israeli students, but by means of 48 hours of gestures and comments, some in carefully rehearsed Hebrew, designed to win over a reluctant Israel.

Obama apparently continues to place a high premium on international engagement at the public level – to the extent that he bypassed the Knesset, the symbol of Israel's sovereignty that is addressed by most visiting heads of state. Still, he demonstrated, however belatedly, a keen appreciation of the Israeli public's almost desperate desire for validation of its roots and authenticity. Every gesture he made seemed orchestrated to perfection. When he stated at the Yad Vashem Holocaust memorial, "Israel does not owe its existence to the Holocaust, but its existence prevents another one from happening", and when he emphasised Israel's 3,000-year-old roots in the region, Obama was consciously making amends for remarks made in his June 2009 Cairo speech that implied the contrary and that offended many Israelis. When he told the prime minister that his two sons "got their good looks from Sarah", he was consciously cultivating Netanyahu's influential and legendarily meddling wife, Sarah.

The breakthrough regarding Turkey was also carefully orchestrated, against a backdrop of shared Israeli, Turkish and U.S. concerns regarding Syria. Netanyahu had in any case planned – once the elections were behind him and the political repercussions would be manageable – to offer Ankara a long-awaited apology regarding the May 2010 *Mavi Marmara* incident (in which nine Turkish Islamists were killed by Israeli naval commandos boarding a Turkish ship bound for Gaza). It made sense to give Obama the credit insofar as this would obligate Washington to ensure that something of substance emerged from the rapprochement beyond Turkish prime minister Erdogan's inevitable triumphalism. This also enabled Obama to continue to pursue the cause of broad co-ordination regarding Syria during his ensuing visit to Jordan. Indeed, the most solid short-term achievement of the Obama visit was almost certainly the progress it registered in co-ordinating U.S.

policy with that of Israel, Jordan and Turkey in an effort to contain some of the worst spillover effects of the chaos in Syria.

This leaves Iran's nuclear programme. Netanyahu had in any case begun to defer to Obama and the U.S. position about a year ago, when the Israeli prime minister understood that neither the Israeli public nor his own security establishment supported his threatening posture. An effort to ensure close U.S.-Israeli co-ordination regarding Iran from the outset of Netanyahu's new term was undoubtedly one key reason for Obama's early visit. It remained for the Israeli and U.S. leaders to publicly pronounce that they were in full agreement regarding the intelligence picture, even if they disagreed on its interpretation – meaning where and when to draw the red line regarding Tehran's military nuclear posture. Beyond this, it was enough for Obama to reiterate his commitment to prevent the emergence of an Iranian nuclear weapon to persuade Netanyahu simply to step aside, at least for the near future.

The months ahead

Looking at the structure of the new Israeli government and the outcome of the Obama visit, it seems fairly safe to predict that the months ahead will witness close U.S.-Israeli regional co-ordination regarding Syria, even if the Israeli-Turkish rapprochement produces nothing else. Israel will maintain a quiet posture regarding Iran, at least through the June presidential elections there and the ongoing negotiations between Iran and the P5 + 1.

Kerry will seek to bring about some sort of breakthrough toward at least a renewal of negotiations on the Palestinian issue. Netanyahu, through Livni, will be accommodating as long as issues of substance such as Jerusalem, territories and refugees are not addressed in depth. Jordan could again be a convenient venue for talks, thereby bolstering King Abdullah II's image and prestige during difficult times, although Turkey's Erdogan is also seeking a role that emphasises his patronage of the Palestinians and particularly Hamas.

At a purely speculative level, one vehicle for getting this dynamic started that Netanyahu might conceivably not object to is the 2002 Arab Peace Initiative (API). Both Kerry and Netanyahu are apparently eyeing the API as a possible

framework for talks, wherein Israel would not agree in advance to all the API's demands and the Saudis would play a "breakthrough" role that could enable Netanyahu to rationalise minor initial concessions. All this would occur against the backdrop of shared Israeli-Saudi-Emirate concerns regarding Iran.

Netanyahu knows that any substantive progress on the Palestinian issue will cause the hawkish Bennet and Likud settler faction to revolt. On the other hand, if progress appears possible, but is stymied by the hawks, Livni could abandon the coalition, leaving it with only 62 members in the Knesset, including Lapid's 19 moderates, and possibly exposing it to Israeli public and U.S. administration pressure. While Netanyahu might then conceivably try to put together a less hawkish coalition with the Haredim, a genuine two-state solution also clearly contradicts his own ideological leanings.

Nothing that took place during Obama's visit indicates any genuine improvement in his notoriously suspicious relationship with Netanyahu. Still, Netanyahu must now factor into his calculations Israeli public affection for the U.S. president. From Netanyahu's standpoint, the best way forward is to co-operate with U.S. peace efforts up to a point, and if necessary and feasible blame the highly factionalised Palestinians for their failure. Meanwhile, he will continue expanding the settlements and hope that Obama, following the triumph of his dramatic visit, will not turn this issue into a showdown that could again sour U.S.-Israel relations.

This seems a reasonable hope from Netanyahu's standpoint, insofar as Iran and Syria are more urgent issues and the Obama administration appears to be lowering the U.S. profile in the Middle East in favour of what are perceived in Washington to be higher priorities. Accordingly, assuming Kerry eventually fails in his effort to generate a genuinely substantive two-state process, it will conceivably be recognised retroactively that the real objective of Obama's March 2013 trip to Jerusalem and Ramallah with regard to the Palestinian issue was to be able eventually to tell Israel and the Palestinians, with a high degree of credibility in both U.S. Jewish and Arab-world eyes and without damaging higher-priority U.S. engagement in issues like Iran: "We tried. Now you'll have to stew in your own juice." ■

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