

Israel's Election Aftermath

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Dr Claire Spencer

Good afternoon, ladies and gentlemen. Sorry for the slight delay. We all had to get ourselves wired up in this format here. But I'd like to welcome you all to our meeting, which we have been planning for some time, but decided when the elections in Israel were held in March this year that the track record was it usually took some time for a government to be formed.

Now one of the questions I'll be asking my panel today is, was it a surprise that what is always a coalition government in Israel was formed quite so quickly, I think based on history, and is this a good sign or is it a sign that actually it was a coalition made in haste? I say quickly because I seem to remember there was a period in which it was right up against the wire, but I think sometimes these things get extended.

I'm also struck that today is the anniversary of the Magna Carta, so here we are celebrating rights. So it's right that we're talking about what is going on within what still sees itself as the only major democracy in the Middle East and what the repercussions are.

Before I introduce the panel, I should also add for those of you wondering, we did try very hard to get somebody from the new government or very close to the new government, and we had quite a lot of assistance from our colleagues at the embassy, for which we're very grateful. Unfortunately it's the timing that's wrong. There's a major conference taking place next week, many of you may be aware of, and key figures shall we say close to the government are going to be coming for that. So this was just a little bit too soon.

So I hope you see this as a more relaxed and, if you like, informed insight into the aftermath of the elections from those who look very closely at Israel from a number of perspectives. And in, I don't know what order we have our speakers in the panel in front of us, but in reverse order I think it is, we will start with Professor Yossi Mekelberg, who is an associate fellow here at the Middle East North Africa Programme, and also director of international relations and social sciences at Regents University London.

I will also introduce the others so as not to break in between their interventions. Dr Sara Hirschhorn, who is the Sidney Brichto fellow at the Oxford Centre for Hebrew and Jewish Studies. That must be a mouthful every time you introduce yourself. University lecturer in Israel Studies, Faculty of Oriental Studies at the University of Oxford.

And then last but very much not least, Sami Abdel-Shafi, who is with us at the moment as the Academy Asfari senior fellow, also attached to the Middle East and North Africa Programme here, but from Gaza where he is the manager, I believe, the director of the Carter Center in Gaza. So it's a voice, if you like, from the ground.

So I think we'll start – I should be telling everybody that this is on the record. Usual story, since we have all these mics everywhere, over mobile phones. I believe even if they're on silent, there's a risk that they may interfere, so if I hear any buzzing, I shall be pointing at you. But if you could turn your phones off, that would be great. Having said that, you're also invited to use the hashtag #CHEvents to tweet, so that's a bit of a contradictory

instruction there. Those of you who have got phones under control on silent, please feel free to tweet from the proceedings.

Right. I think that's as much as we need from me. I have a number of questions, but I'll leave them until we hear the opening comments. Yossi.

Professor Yossi Mekelberg

Thank you. Good afternoon. I wondered if this is the right time to do it, immediately after lunch, not to spoil everyone's good lunch, talking about anything that happens right now in the Middle East and whether we should already discuss the next elections, not the last elections. Because probably they're around the corner, too. Probably this is my concluding remarks considering that these March elections, probably in a way, people look at them as surprising and the results surprising, but they weren't really surprising. At the end of the day, we got the same prime minister, government which is probably a bit more right wing, but we should look at some interesting development that took place.

I think the most important thing is to look at the political system in Israel. I think what it confirmed is how fragmented is the Israeli political system, that elections produced results, but that are results that are inconclusive. The result of this inconclusive result is that there are unstable governments. We can't run away from that. Whatever we get, we sit on election night and we get all these sorts of figures and numbers and then we start with the number crunching.

At the end of the day, what do we get? Not much. Probably one and only words of sympathy towards Prime Minister Netanyahu, it's almost impossible to lead a government when it's nothing to do with your original idea during the election, not that I know exactly what were his ideas, because he doesn't exactly know what were his ideas because he changed them two days after the elections.

But having said that, it's almost impossible when you're starting building a coalition and you need at least four or five parties in order to form a coalition, so what is the creature that comes at the end of it? This is constant in modern Israeli politics and we have to learn to live with that. The result is governments that can do very little. They stay in power as long as they do nothing. The minute they have to do something out of the ordinary, they probably fall. That's what happened with the last government.

We see also shorter and shorter periods of governments in power. The last one was less than 20 months, which is not enough time to do anything. Sometimes it's good if you cause damage, rather be less time in power. But the result is very little.

So the result of it that [indiscernible] basically wins elections in Israel anymore, as it used to be until some time in the 1990s, you just have one party that positions itself best to form a coalition and this is a difficult one. The Likud party as we know, led by Netanyahu, got only a quarter of the seats, 30. If you need 61 to form a coalition, you need more members out of your own party in order to form a coalition. So you are a minority within your own government. This creates predicaments for [indiscernible] this government. Instead of victory, you can regard it as some sort of electoral success, but not a victory.

If you look actually at the right/left bloc in Israel, actually the left didn't do that badly. Actually, they closed part of the gap on the right. What happens, and what looked as a success for Netanyahu, because public opinion polls got it wrong. We know it because it happened in elections here too, so pollsters need to do a lot of work to see what goes wrong, whether their methodology is wrong or maybe just people don't tell them the truth before the elections, or they just change their mind last minute. A lot of methodological issues.

The result is that the public opinion polls don't give us good indications, but what happened is that Netanyahu managed to shift votes within his own bloc, but didn't gain votes from the left. Actually, the Labor party performed [indiscernible], not well enough to form a government, but increased its vote. The Meretz party, for instance, did quite well. Where the vote came is from The Jewish Home, the ultranationalist movement for Yisrael Beiteinu, Israel our home, the sort of right wing, Lieberman's party, but not from the other bloc.

Another party that did very well, surprised everyone, is the Arab party, for the first time, United Arab party did very well. There was almost a poetic justice that Lieberman nearly didn't get into parliament because he's the one that promoted increasing the threshold entrance into the Israeli Knesset in order to prevent Arab parties being represented in the Israeli parliament. At the end of the day, he nearly didn't pass. But I think the poetic justice right now is that he sits with them in the opposition, which I'll get to a little bit later.

Now what actually got Netanyahu into power is unfortunately the politics of fear and the politics of deception. In the days leading to the election, Netanyahu declared that he didn't support any more a Palestinian state. Not that many of us saw that he ever supported genuinely a Palestinian state, but just in case, he said it in the Bar-Ilan speech and then negotiated allegedly two state solutions through the Kerry initiative, but he said, 'No, forget it. It's not there.'

The other thing which is really worrying is the way that what he put on his Facebook the day of the election, says the Arabs were going to the polls in droves. It was pure racism, xenophobia, in portraying the Israeli Arab citizens as enemy invaders. He retracted his first comment and apologized for the second, but I leave you to think which – either his apology or retraction – are credible. I have my own doubts. The problem with this is how much credibility internationally was left when the prime minister is doing something like this. And of course, relations between the minority, the Arab minority in Israel and the rest.

Now, it still took six full weeks, a full six weeks to form a government. It left only 90 minutes before the end of the six weeks, so you could also just watch a football match between the end of the deadline and actually forming a government as long as there was no stoppage time. And all what you got is basically a 61 to 59 majority, which means everyone can bring this government and we saw already last week, when a member of Knesset is getting involved in sort of misdemeanour, and I won't mention what. This is for another conversation.

Then basically the government doesn't have a majority and they have to go to the Labor party and ask for them to withdraw one of their members in any election, and this shows you how shaky is this government, and that's the way forward.

61 to 59 means that every single member of parliament either can hold the government to ransom – and we saw it in the past – or alternatively they get into trouble, they are not there in the parliament to support the government and it can be brought down relatively easy.

You look at the government, it's [indiscernible], it's religious clerical, and economically right wing. The finance minister, Kahlon, from Kulanu, All of Us, he's originally from the Likud party, he harbours some centre-left leaning tendency in regards to the economy, but we have to see how much Netanyahu, that is very Thatcher right, is going to let him do some of the reforms. Probably the only positive news about this government is having Kahlon as the finance minister.

Of course we can't have a meeting like this without saying a few words about the peace process. Unfortunately, probably I can say only a very few words about something that doesn't exist. It doesn't exist. The peace process is basically dead in the water. Since the end of the Kerry initiative more than a year ago, you can talk about risk, you can talk peace process, but who is going to lead this peace process?

The settlements are expanding. Netanyahu and the government claim that there is no partner. They say Abu Mazen is too weak and Hamas is not a partner. So the idea, you don't sign a peace agreement with people that are weak, because there is no point. But you don't want a strong partner, because it might be more demanding. So in this case, you basically don't negotiate with anyone. You don't want a strong, you don't want the weak, you don't want anyone.

You look at the composition of this party with the Jewish Home party, which basically represents the settlers and their supporters with the justice minister from this party, Ayelet Shaked, that believes that all Palestinians without any exceptions are enemies, believe in collective punishment in the most extreme version of it... Is this a partner for peace on the Israeli side? I doubt it.

If they ever enter into honest negotiation, genuine one, can this government deal with all the nuts and bolts with the core issues of Jerusalem, refugees, security, settlements, all of this, and survive? Only if they negotiate and then reach an agreement and tell the Labor party, 'Can you join and support us and our parties?' but that's a question.

Let me just... Two points. One is about the relation with the United States, because I think there is no secret that the Obama administration really hoped for another government and this didn't happen. It's not that the situation, the position of Israel and the United States is as bad as bad in the sense of [indiscernible], because the Congress support is there, but as far as relations with the president, it's as bad as I can remember between Israeli government and American administration. We see signs; we can open it up in the Q&A.

The other thing is, as a result of the settlements, is a result of the stalemate in the peace process, there is no doubt there is a growing line within the international community that calls for sanctions against [indiscernible]. It's not that we support it or are against it. It's out there, something that was not part of the international discourse, it's right in the heart of the discussion whether in the European Union, even in the United States.

And we shouldn't also ignore – and I'll stop with this – we shouldn't ignore the domestic scene in the United States. In many ways, the economy in Israel in the macro level is very deceptive. Israel looks like doing very well, but from a semi-socialist country, with a country that has some ideas of social justice, it became a very capitalist society with great divisions, great gaps between rich and poor. For the first time in Israel there are 25 per cent living under the poverty line, roughly 30 per cent of children living under the poverty line.

It can't be ignored. This is something that is [indiscernible]. Between the high tech people and the poverty, this is going to create great tension in Israel, and without a viable peace process that will end the occupation in a way that also there is justice to everyone and peace for everyone.

I think Israel is going towards a split and rifts with the international community, unless this government doesn't survive [indiscernible] and we get new elections.

Dr Claire Spencer

Thank you very much, Yossi. I was about to say without any optimism at the end, but Sara, the challenge is yours.

Dr Sara Hirschhorn

Okay, well I have some good news and some bad news. Unfortunately mostly bad news. So hold onto your seats. All told, the number of ultranationalist seats... I'm going to speak mostly about the ultranationalist camp in the Israeli elections and coalition partners to the Netanyahu government.

All told, the number of ultranationalist seats has actually declined since the previous election, with the defection of the party of Yisrael Beiteinu, Israel Our Home, led by the former foreign minister, Mr Avigdor Lieberman, to the opposition. And leaving his six seats, which are now part of the opposition, which leaves Netanyahu with a very small majority of 61 seats.

But the bad news is that we've seen, despite the decline in real terms of ultranationalist seats within the Knesset, we've seen the penetration of ultranationalist ideology far more firmly within mainstream Israeli society and the political process. Let me explain how this has happened.

First is to see the evolution in the Likud in the last election. The Likud only gained one seat from 29 to 30 seats, but it certainly consolidated its power by taking votes off of parties further to the right, including the Jewish Home party, which declined from 12 to eight seats in the previous election. As Yossi mentioned, this was mostly accomplished by

race baiting in the late hours of the election, as well as repudiating or retracting any statements made in the Bar-Ilan speech as to the hopes for a Palestinian state.

As Yossi has mentioned, he has recanted on some of these and apologized on others, but certainly this helped draw votes from ultranationalist voters who may have thought of voting for parties further to the right, to rally around the Likud in the late hours of the election to ensure electoral victory and felt reassured by some of his promises in those hours.

Moreover, in the process of the run-up to the election, the Likud has managed to purge some of its more liberal elements. This not only took place in the last electoral cycle, but as well as the previous one, where we saw for example the exit of Moshe Kahlon, who now leads the Kulanu party, a member of the government but has defected to the left. Benny Begin, who was essentially thrown out of the Likud party, the irony being that his father, Menachem Begin, was the founder of the Likud party and apparently his son is too liberal for today's Likud. So he has left.

Though Netanyahu also managed to remove a thorn of his side of those who are somewhat farther to the right in some aspects, but libertarian in others, like Moshe Feiglin, an ultranationalist activist, who was purged in the early rounds of the primary voting.

Moreover, Netanyahu himself has been able to consolidate his reach through the allocation of ministries which mostly went to Likud members, his friends and most trusted allies, like Moshe Ya'alon, who will hold the Defence Ministry. Bibi himself will hold the prime ministership as well as the Foreign Ministry, and his deputy recently said on national television only days after her cabinet seat or her post was [indiscernible] that Israel and all of the West Bank and Jerusalem will remain part of Israel forever and ever. So certainly we have a sense of where this is going.

In the meantime, Netanyahu managed to reign in the power of the Jewish Home party which declined from 12 to eight seats in the previous election. Naftali Bennett, its rather charismatic leader, who himself is a traditional but not necessarily very observant activist. He's a multimillionaire entrepreneur who was quite a powerful figure in the previous election, but has somewhat slipped in his support amongst the Israeli public. But one of the notable achievements of this election, despite the decline in seats, was his ability to inject some of the values of the Jewish Home party into that of the homes of central Israel. Notably his electoral campaign on television where he dressed up as a Tel Aviv hipster and tried to explain to Israeli audiences – who do not necessarily identify with the settlements or views of the whole [indiscernible] Israel – into voting for a party which they may not otherwise have considered.

He was very successful in his 'we do not apologize' campaign. I think this is notable because we see this kind of message entering not only homes beyond the Green Line and into the settlements, but those within central Israel and a rise in ultranational support within the Green Line and amongst secular Tel Avivis who are sitting in cafes in central Tel Aviv, who may not otherwise have thought about voting for a party that represented these values.

His main ministers in this government, Ayelet Shaked, as Yossi mentioned, are also from the more secular hawkish [indiscernible] camp rather than the settler religious part of his camp. She is now holding the Justice Ministry and has promised, at least before the elections, to lead an effort to pack the Supreme Court with justices that would be disposed to ultranationalist viewpoints. Whether or not she'll be successful or not is up for grabs. Naftali Bennett himself will hold the Education Ministry and his colleague, Uri Ariel, will hold the Housing Ministry, which is often responsible for the growth of settlements.

Now in the meantime, Bennett faces a split within the ranks of his own party in that those who represent a more religious and even further right-wing point of view, those who make Bennett himself look like a martyr, have threatened to leave his party and join a new party led by Eli Yishai, a scion of the Mizrahi movement Shas, who had gone into somewhat of a rivalry with its own leader. So we see that actually Naftali Bennett's party itself is not... He doesn't have cohesion within the ranks. He's facing his own opposition within his own party, which actually will push Bennett closer to Likud, for better or for worse.

Meanwhile, on the parts of the party, I mentioned the Shas which represents the Mizrahi, primarily Mizrahi immigrants, but also those who are associated with the Mizrahi ultraorthodox, the national religious brand of the ultraorthodox, as well as the ultraorthodox party, the United Torah Judaism, has come into the Knesset as opposed to the last round of elections where they were kept out. This will have policy implications that I'll speak about in a moment.

The last member of Netanyahu's coalition is the Kulanu party which is led by Moshe Kahlon, who defected from the Likud in the previous round. He does have some more progressive ideas about reforming Israel's economic system for the middle class, but notably he and his fellow members of the 10 seats which he now holds are quite hawkish on some policy issues and have in fact been most responsible for injecting some ultranationalist values into the mainstream discourse.

For example, former Israeli ambassador to the United States, Michael Oren, has spoken quite openly about the possibility of Israel annexing Area C, should negotiations with the Palestinians not reach any successful agreement in coming years. I think that this is most likely quite a reality on the Israeli front. Despite the fact that many leading figures have disavowed this publicly, I think it is an alternative that Israel may consider in the next years, especially if there's no – as Yossi said – there's very likely to be any actual progress with the Palestinians themselves, so I think unilateral options are becoming more and more appealing and this may be a route that they will take.

What does this all mean, this new constellation of power? What I would suggest is that not only has ultranationalist ideology injected itself more forcefully within the body politic of the mainstream of Israeli society, you'll also have policy implications for what the coalition is able to achieve – or as Yossi mentioned, not achieve – in the upcoming months.

We certainly see the consolidation of the right wing in the Likud, which will bring some strength to Netanyahu, but not enough to overcome any difficulties with any one member of Knesset. As Yossi had mentioned, his majority in the Likud, 61 seats, may fall to 60

imminently if one of his members of Likud is forced to resign, due to scandals that he engaged in in Bulgaria. We see probably very likely very little traction on the peace process, an increase in the mainstreaming of unilateral options to resolve the armed Israeli conflict, an increase in settlement growth, which will be directed by Uri Ariel in the Housing Division, the possibility of the packing of the Supreme Court to achieve this agenda, and further conflict on the domestic side over education, housing and the draft.

The last permutation of the coalition kept the ultraorthodox out of power; there was some attempt to draft the ultraorthodox and create a different constellation of economic factors to bring those who do not serve in the army and are marginally involved in the economic system into the fold, but it's likely because the Haredim are back in government that it will be unlikely to push this through.

This has cascading impact down through the system, because the middle class are quite resentful of the fact that the sharing of the burden has not yet been achieved and they would like to push Moshe Kahlon and the Kulanu party to enact different kinds of economic reforms, that will face resistance from the Haredim.

There's also a sense that if the Likud is as strong as it is, and [indiscernible] will join with them, the solution to many of these economic problems, especially the crisis in housing in Israel, can always be solved by building more units for settlement in the West Bank. This of course is not exactly what the middle class is looking for in Israel, but maybe unfortunately one way to solve this Gordian Knot is just to build another 50,000 units in the West Bank for those Israelis that can't seem to find housing in Jerusalem and Tel Aviv.

We wait to see what will happen, but unfortunately it's a somewhat pessimistic outlook on the elections going forward.

Dr Claire Spencer

Thank you very much. I'm also struck how you, like Yossi, brought in the economy into this as well. I think that is an area we should be looking at, and perhaps relevant to what you're going to be saying, Sami.

Sami Abdel-Shafi

Thank you to my colleagues, Sara and Yossi, for sharing the podium. Thanks very much to Chatham House. It's an honour and a privilege to be here. Thanks to all of the audience. I'm sure as soon as you got the invitation to this event, your first instinct was not too much enthusiasm to come, because it's become an old story.

The situation is very stagnant and part of the reason is that – and this is also part of the expectation on the Palestinian side – is that the policy of continuously blocking all avenues will probably continue on the part of the Israeli government. This is both politically with the Palestinians, diplomatically with the international community, and also on a human level, by essentially as evidence shows, blocking the dreams and aspirations of ordinary Palestinians to develop, to seek their education, to build homes and factories.

I think this response, while old, it will expose itself more and more over time, especially that the Israeli government is not offering Palestinians any alternatives. Theoretically speaking, if you want to block something, it may be okay for your own purposes, but at least you ought to offer an alternative. Palestinians find themselves in a position where any position they take, any endeavour they pursue, they end up facing a block.

I want to connect this with a very, very intimate value in the Western world, certainly in the UK and the rest of Europe, which is the notion of fair play. This is not fair play by the assessment of many observers, certainly by mine as a Palestinian coming from Gaza. So I would like to highlight this continuation, this expectation that the policy of blocking progress will continue.

The second of three points I'd like to share with you is it will probably benefit the state of Israel and the friends of the state of Israel to contemplate the potential success of this constant policy of containing Palestinians. You contain Palestinians on the ground. If they go into an upheaval of some sort in protest of one policy or another, you contain them by military intervention. You blockade Gaza, even though they withdrew from it. They control the air space, sea and land. They blockade them. And then they protest, sometimes unfortunately in very contentious ways, you contain them by waging war.

I don't think this will prove successful in the long term beyond all of the incidents we've seen so far. Point of note in this context: the state of Israel is not hopeless and even the Netanyahu government is not hopeless and the most hawkish in Israel are not hopeless, because at the end of the day, they're still human beings.

Case in point is, the Israeli government after the war on Gaza in 2014, and because of the fact that there has been no progress whatsoever on the reconstruction of Gaza, and because of how the internal circumstances continue to simmer over and over for ordinary Palestinians in the Gaza Strip, the Israeli government and the military establishment decided to allow the entry of more consumer goods, of some construction materials. They are starting to contemplate easing the great shortage of useable water by human beings.

So Israel knows what the right thing to do is, but the problem is, it's not doing it most of the time. The positive aspect which I will continue to believe in is, there is a human being on the other side of the fence in Israel, and the government and the military establishment... But we need to get them to do the right thing.

The third and last point is the role of the international community, that is the US – which is less hopeful obviously than Europe. I realize that the EU is made up of 28 states, and all of them have differing foreign policies. You have all heard that. Yet I would like to highlight that it was the position of the European Union with acquiescence, if not the full agreement of all of the member states in Europe to support the peace process and as part of doing that, to support Palestinian development.

For 23 years now, they've been pouring a lot of money over an issue that is not improving at all, because of the blanket security policy of the state of Israel. As an analyst, and temporarily a researcher, even though I'm not an academic, while at Chatham House, I think that it's a clear case that this funding did not lead to any viable results. I think

Europe is at a juncture where it has to examine what it has been doing, and spending a lot of money on, versus its own values and principles.

The point here is there has got to be political intervention. By saying this, and also by being Palestinian, I'm not saying that I am against the security of the state of Israel, but I would have a great exception if this security overshadows my own chances and those of others. So I think we need to put those issues on the table. We need to discuss them in a very civilized and open fashion, because it is becoming very, very clear that this situation is not sustainable.

For all I know, to close, the state of Israel could continue building in the West Bank, could take over all of the geography in the West Bank. It could force the people of Gaza to perhaps leave and never come back, which is what 50 per cent of the youth in Gaza want. But I think this is unnatural, and I know this issue may not be resolved within our generations, but eventually it cannot continue like this.

I cannot believe, to be very honest, that the adults of today, those who are in the policy making circles of today, are actually accepting to give this very – I need to be very diplomatic – very, very problematic inheritance to the generations that are coming. I don't think politicians can be proud of themselves, because their grandchildren will be in deep trouble.

Lastly, if Area C is annexed, that is 61 per cent of the West Bank. Also, that's a great chunk of the total area of the West Bank of Gaza. So if Area C is annexed, the Palestinian Authority will end up controlling only 43 per cent of the West Bank in Gaza, and 43 per cent of the West Bank in Gaza, by the way, is equal to 31 per cent of the total area of the metropolitan area of the City of London. That is the area of the city inside the commuter belt of London, the total area of the Palestinian state, without the annexation of Area C, is 67 per cent of that. If Area C is annexed, we would have a state, if we ever do, over 31 per cent of the area of metropolitan London. Thank you.