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## **BULLETIN**

## United Opposition: The "Government of Change" Against Netanyahu

Michał Wojnarowicz

On 13 June, a coalition formed of eight opposition parties won a vote of confidence in the Knesset. This marks the loss of power by Benjamin Netanyahu, who was replaced as prime minister by Naftali Bennett. The new cabinet has a slim parliamentary majority and includes parties with a very diverse ideological profile, which will reduce its effectiveness and stability. In matters of security, the government will maintain the current policies, and in foreign affairs it will pursue an improvement in relations with the Biden administration and the EU.

Establishment and Composition of the Coalition. The appointment of a unity government by the opposition is an attempt to end the period of political instability in Israel that began in 2019. In March, after early parliamentary elections, Netanyahu (Likud) received a mandate to create a cabinet. His attempts to build a right-wing religious coalition failed due to the opposition from the nationalist Religious Zionist Party to possible cooperation with Ra'am, an Arab party led by Mansur Abbas. As a result, the mission to form a government fell to opposition leader Yair Lapid from centrist Yesh Atid, who eventually managed to forge an agreement with virtually all parties outside the Netanyahu bloc. The attitude of Abbas turned out to be crucial, as he decided to enter the Israeli government—the first Arab party to do so since the 1970s. The stance of Bennett, the leader of the Yamina party, also was key. He rejected a coalition with Netanyahu and joined the opposition despite earlier declarations to exclude cooperation with the left-wing and Arab parties.

The new coalition has a minimum majority of 61 seats in the 120-seat Knesset. Next to Yamina (7 MPs, one outside the coalition), Ra'am (4), and Yesh Atid (17), the "government of change" consists of the right-wing New Hope (6), Israel Our Home (7), centrist Blue and White (8), the left-wing Labour Party (7), and Meretz (6). The cabinet will consist of 27 ministers and—like the former Blue-White and Likud government—it will be based on two internal

blocs and a rotation of prime ministers. Bennet will take office first, and Lapid is to replace him after two years; until then, he will be the foreign minister. Both leaders will have veto power over major political decisions and exclusiveness on appointments and resignations within the blocs (Bennett's Right and New Hope, the rest for Lapid). The cabinet's stability is to be guaranteed by changes in laws regarding how the government will function. For example, in case of a breach of the coalition agreement by the incumbent prime minister, he will automatically lose office.

After the formation of the "government of change", Likud entered the opposition along with the religious Shas and United Torah Judaism, the Religious Zionist Party and the alliance of three Arab parties—the Joint List. Netanyahu became the official leader of the opposition (a formal state function). The appointment of a new government coincides with the change of the president. In July, Isaac Herzog, a centre-left politician, who in the past several times was a minister, former leader of the Labour Party, and head of the Jewish Agency, will begin his seven-year term.

Internal Challenges. The Bennett government consists of parties representing the full spectrum of views on the Israeli political scene (excluding Orthodox). Maintaining the cabinet means cooperation between groups with divergent positions on economic, identity, and social issues (e.g., minority rights) or systemic reforms (e.g., changes in the judiciary). This could lead to the government suspension of

## PISM BULLETIN

decisions in the most sensitive areas in order to maintain the stability of the cabinet.

The main challenge facing the Bennett government remains the COVID-19 pandemic (vaccination levels in Israel are stalled at 63% of population) and the need to address its implications for the Israeli economy. The priority for the new coalition will be the preparation and adoption of a state budget, delayed since 2019. At the social level, one of the new government's main tasks will be to rebuild dialogue with Arab citizens (21% of the population), especially after the outbreak of sectarian violence in Israel during the recent escalation in Jerusalem and Gaza Strip. Support for this group, including investments, improving the level of security, or changes in the construction law, was Ra'am's condition to participate in the coalition. Limited reforms in religious matters (e.g., the conscription of yeshiva students, strengthening the position of liberal currents of Judaism), previously blocked by ultra-Orthodox parties, are also likely. From the strictly political aspect changes to prevent Netanyahu from returning to office are probable, for example, by limiting the terms of office for PMs or prohibition on holding the office for anyone indicted.

Security and Foreign Policy. Right-wing parties dominate the new cabinet, so it is very likely that the current political line in security and foreign affairs will be continued. The Bennett government will maintain a dialogue with the leadership of the Palestinian Authority (PA), but will not actively work towards reactivating peace talks (Bennett has declared himself an opponent of an independent Palestine and is a supporter of annexation). Support for the development of Jewish settlements in the West Bank and East Jerusalem and opposition to the planned ICC investigation will continue, which might generate tensions with the governing left-wing parties. Although this was an element of criticism of Netanyahu's rule, the new coalition is likely to maintain the current model of relations with the Hamas-ruled Gaza Strip, but will be forced to increase efforts on reconstruction after the recent escalation. The current strategy of Israel towards Iran, Syria, and Hezbollah will not change either.

The current directions of Israeli foreign policy will be continued: deepening the process of <u>normalisation with Arab states</u>, bilateral relations with major partners (e.g., Russia, India), and cooperation in the <u>Eastern Mediterranean region</u>. Lapid, head of the Ministry of Foreign Affairs, announced actions to improve relations with the U.S., in particular with the Democratic Party and American Jewry, as well as with the European Union. Problematic from the point of view of the new government

might be the U.S. withdrawal from some decisions from the Trump term and the tendency in the Democratic Party to be more conditional in relations with Israel. In addition, there may be discrepancies as to the desirable nature of relations with the countries criticised during the opposition including for "authoritarian tendencies" period, (Philippines, Brazil) or historical policies (Poland, Hungary). Within the framework of various decision-making centres (MFA, MOD, PM, new president), positions may clash in favour of maintaining a point of view beneficial to Israel of pragmatic cooperation with these countries or limiting bilateral relations.

**Perspectives**. Although the new coalition has a chance to implement reforms in previously neglected areas, the scale of discrepancies between the coalition partners will make it difficult to introduce deeper changes in Israeli policy. This will generate tensions between members of the government trying to implement their demands and the expectations of the electorate. In addition, the new cabinet will be the target of attacks by a strong right-wing religious opposition led by Netanyahu, who will use instrumentally issues such as the judiciary reform or non-Jewish migrants to fuel divisions in the government. At the same time, fearing a defeat in early elections (e.g., by Bennett's party), the members of the coalition will be willing to maintain the cabinet for as long as possible. Actions to secure additional votes in the Knesset are probable, for example, through cooperation with Joint List or religious parties.

The return of moderate political forces to power in Israel increases the chance to improve Israeli-EU relations. A valuable signal in this context could be a meeting of the ministerial Israel-EU Association Council, which has not been convened since 2012. New projects to strengthen the PA's economy are the subject of cooperation, over which the level of agreement between the new government and the EU (as well as the U.S. and Arab states) is quite high. At the same time, the EU should underline the primacy of human rights and international law in the Israeli-Palestinian conflict, and put pressure on the new government to improve the living conditions of the Palestinians in the Gaza Strip.

Israel's relations with Poland may deteriorate given criticism from Bennett, Lapid, and left-wing politicians of the Polish government during the diplomatic crisis in 2018. A chance to strengthen the dialogue is sectoral cooperation (e.g., innovation, tourism), as well as activities at the level of the EU and international organisations (e.g., during the upcoming Polish presidency of the OSCE in which Israel is officially a "partner for co-operation").