



Israel's new government

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Section International Affairs and Defence Section

A brief summary of the new Israeli government and of the domestic and international issues facing it.

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1 Knesset

Following election on 22 January 2013, the new Israeli parliament was formed as follows:

Israeli Knesset 2013	
Political Group	Total
Likud Yisrael Beiteinu	31
Yesh Atid (There Is a Future)	19
Labour Party	15
Habayit Hayehudi (Jewish Home)	12
Shas	11
United Torah Judaism (Yahadut Hatorah)	7
Hatenua (The movement)	6
Meretz	6
United Arab List (Ta'al)	4
Hadash	4
National Democratic Alliance (Balad)	3
Kadima	2

Source: Interparliamentary Union

Leader of the Yisrael Beiteinu Avigdor Lieberman had resigned from his post of Foreign Minister but the party presented a common list with Binyamin Netanyahu's Likud party. The combined list performed disappointingly and lost 11 of its seats, although it remained the biggest party in the Knesset.

By far the strongest showing in the election was that of centrist Yesh Atid (There is a Future), of former television presenter Yair Lapid, which came from no-where to gain 19 seats and become the second largest party. Naftali Bennet's right wing Habayit Hayehudi (Jewish Home) party did not poll as strongly as some commentators had predicted.

Kadima, once the largest party, disintegrated and its erstwhile leader and former Foreign Minister, Tzipi Livni, formed another party, Hatenua (The Movement).

2 New government

After weeks of bargaining, the new coalition cabinet was announced. Mr Netanyahu continued to hold the foreign affairs post, as well as being Prime Minister and Minister of Public Affairs. Likud also took the defence ministry.

Senior ministers		
Benjamin Netanyahu	Likud	Prime Minister Minister of Foreign Affairs Minister of Public Affairs
Moshe Ya'alon	Likud	Minister of Defence
Yair Lapid	Yesh Atid	Minister of Finance
Shai Piron	Yesh Atid	Minister of Education
Gideon Sa'ar	Likud	Minister of the Interior
Naftali Bennet	Habayit Hayehudi (Jewish Home)	Minister of Trade, Industry & Labour Minister of Religious Services Minister for Jerusalem & Diaspora Affairs
Tzipi Livni	Ha'Tnuah	Minister of Justice
Yael German	Yesh Atid	Minister of Health

Source: Jewish Virtual Library

Yair Lapid was rewarded for his party's success with the job of Minister of Finance, an important post given the increasing focus on economic issues in the country. Naftali Bennet became Minister of Religious Services and Trade Minister.

Economy. The new finance minister, Yair Lapid, has submitted a budget that raises new taxes and imposes austerity measures in the face of a looming fiscal crisis. The economy has come back onto the agenda in Israel, especially since mass demonstrations took place in 2011 against price rises and squeezed living standards. Growing economic inequality in Israel has become a serious political problem. With growth slowing recently, the government wants to set the conditions for a resurgence that might provide some relief to middle-income Israelis.

Orthodox Jews. Religious parties have been excluded from the governing coalition for the first time in several governments. The party of Yair Lapid, Yesh Atid, was the biggest gainer in the February 2013 election and one of its main campaign themes was that ultra-orthodox Jews should lose some of their privileges, particularly the exemption from military service and special welfare payments for ultra-orthodox students. Mr Lapid argued during the election that ending privileges for the ultra-orthodox would allow the burden on middle-income Israelis to be eased.

Settlements. The success of Yair Lapid has raised hopes of a resumption in peace negotiations with the Palestinians, a move which he campaigned for. However, his party's platform offered few concessions that might lead to sustained negotiations: no compromise over Jerusalem, all of which would remain under Israeli control, and no settlement freeze.¹

The other gainer in the election, the Jewish Home party of Naftali Bennett, is a right wing party that does not believe in the two-state solution. Naftali Bennett attracted attention with uncompromising statements about Palestine, such as the following from his campaign literature:

¹ 'Lapid's [platform: No compromise over Jerusalem, no settlement freeze](#)', 972magazine, 26 January 2013

There are certain things that most of us understand will never happen: The Sopranos are not coming back for another season... and there will never be a peace plan with the Palestinians.²

The views of Jewish Home are likely to be an obstacle to any progress in the peace process. While annexation of Area C or the abandonment of the two-state solution may not have been Bennett's price for supporting a Netanyahu government, he has stated that his mission would be to stop Netanyahu veering to the left,³ and his influence could mean a more hard line government after the election.

Bedouin. A law currently before the Knesset has attracted controversy. The proposed *Law for Regularising Bedouin Habitation* sets different standards for security of tenure to those applying to other Israelis, according to Amnesty International.⁴ The human rights organisation says that the law does not provide adequate legal safeguards to those whose homes may be demolished or who may be evicted forcibly and says that it violates international law.

Israeli sources point out that the land rights of the Bedouin in Israel are at least as well-protected as they are anywhere else in the Middle East, and that the Israeli government has spent considerable effort on programmes to integrate the Bedouin and foster economic development in Bedouin areas.

3 Syria

Israel has dramatically increased its involvement in the Syrian conflict in the last few weeks. On more than one occasion, Israel has reportedly used its air force to carry out strikes against convoys thought to be carrying medium range solid-fuel missiles to Hizballah, the Lebanese militia. A strike was also carried out against missiles stored at a military base on the outskirts of Damascus. Israel made no official confirmation of the strikes.

Israel is particularly worried about the possibility of chemical weapons or powerful conventional weapons reaching its adversary Hizballah, which would change the balance of power in Israel's neighbourhood, challenging Israeli military superiority. The Iranian-made Fateh 110 surface-to-surface missiles that were destroyed recently have a longer range, greater payload and greater accuracy than those in Hizballah's arsenal to date.

There are increasing indications of Hizballah's involvement in the Syria conflict on the side of the Syrian government, supported by Iran, and Israel does not want the increasing military involvement and arming of Hizballah in relation to the Syrian conflict to translate into increased military effectiveness against Israel, particularly its northern towns close to the Lebanese border. So it wants to break the supply route that has existed for many years between Iran, Syria and Hizballah.

Some have suggested that Israeli intervention in Syria plays into al-Assad's hands by allowing him to continue to portray his government as a bulwark of resistance to Zionism. However, it might be argued that this line of propaganda is no longer very useful to the Assads, who have largely lost the hearts of the Sunni majority in Syria and elsewhere in the Middle East. A more useful line for Damascus is to portray the Syrian government as fighting

² 'Where are Israel's moderate voices?', *Daily telegraph*, 22 January 2013

³ "Palestinian state is 'just not going to happen' says hardline leader: Naftali Bennett defends plan to annex West Bank His Jewish Home party set to be key coalition partner", *Guardian*, 8 January 2013

⁴ Amnesty International, [Knesset urged not to pass law that would forcibly evict tens of thousands of Negev/Naqab Bedouin](#), Briefing, 20 April 2013

al-Qaeda terrorists (although the government has wanted to have it both ways, claiming that Israel is conspiring with *jihadi* terrorists).

Analysts have argued that Israel does not want the Assads to fall from power, for fear that whatever replaced them would be worse. The possibility of chaos ensuing from the fall of the Syrian government is high (the examples from Iraq and Libya are not encouraging). The likelihood of militant Sunni groups being influential in post-revolutionary Syria is also significant and it is not hard to imagine the peace that has reigned for most of the last few decades over the Israel/Syria border being replaced by instability and Syria's weapons falling into hands highly hostile to Israel.

4 Iran

Israel's top worry remains the Iranian nuclear programme. Israel tends to argue that the programme is more advanced than do other observers, such as the Obama Administration. Israel has on a number of occasions threatened to attack Iranian nuclear installations, arguing that Iran must not be allowed to get near the capacity to build a functional nuclear weapon capability because the religious fanaticism of the Iranian regime means that a nuclear-armed cannot be deterred from using nuclear weapons or contained, as a rational actor could.

Israel is concerned about the stockpile of medium-enriched uranium that Iran is building up. Israel fears that Iran is close to having enough medium-enriched uranium to allow it to dash for the further enrichment necessary to build a warhead.

Israel was widely thought to have had a hand in the computer virus Stuxnet, which damaged Iranian nuclear facilities in 2010.

Israel recently arrived at a new arms deal with the United States. The deal included aircraft and missiles that would help in any Israeli attack on Iran, but did not include the bunker-busting bombs that would enable underground nuclear installations such as those at Fordow to be destroyed. To deploy these, Israel would in any case need some much bigger aircraft.⁵ The US has promised Israel \$3.1 billion in military financial assistance in this fiscal year. However, the US Administration remains wary about the prospect of an Israeli strike against Iran, fearing that it would lead to massive disruption of the oil market and the world economy, as well as to unknown levels of violence.

5 Relationship with the US

Israel's most important relationship is with the United States and it has been strained over the last few years. The Israeli Government's intransigence over the Obama Administration's demand that the settlement construction freeze should be re-instated to re-invigorate the peace discussions with the Palestinians caused a serious rift. Rumours that Obama and Netanyahu do not get on personally have abounded. The 2010 crisis in relations led both sides to step back; in the US case that meant giving a lower priority to the troubled peace process.

With the Administration focussed on reviving the domestic economy and showing a distinct lack of enthusiasm for getting involved militarily in the Middle East, Israelis might worry that the security guarantee provided by their relationship with the US is not what it was. Israel, too, is focussed on internal matters. Israelis have made no progress on the Palestinian issue

⁵ 'No Bunker-Buster Bomb in Israel's Weapons Deal With U.S.', *New York Times*, 23 April 2013

and are watching powerless as neighbours such as Syria and Egypt undergo seismic changes.

Both Israel and the US have experienced the limitations on their capacity to shape events in the region. However, the relationship between the two is intact and both sides are likely to stress in public that their bond is as close as ever.

5.1 John Kerry and the peace process

The arrival of a new US Secretary of State may bring some impetus to the stalled Middle East Peace Process, which has seen no progress since 2010. John Kerry met Israeli Justice Minister Tzipi Livni in Rome in May and plans to return to the Middle East later this month for meetings with Binyamin Netanyahu and Mahmoud Abbas to encourage movement.

After a meeting with Kerry in April in Rome, the Arab League agreed to change the terms of its 2002 Arab Peace Initiative recently, to allow for territory swaps rather than insisting on an Israeli return to the pre-1967 border. The move has been greeted as a confidence-building measure rather than any sort of a breakthrough. Ms Livni welcomed the development though other Israeli officials were less enthusiastic. Palestinian negotiators said that there was nothing new.

Analysts say that the two sides are very far apart and that the history of the conflict and the many failed attempts to resolve it should be a corrective to any excessive optimism.