Israel’s Proposed Power-Sharing Government: Policy Implications and Prospects for Survival

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Brief Analysis

Even if the consensus-based coalition is sworn in, the big question mark hanging over Bennett and Lapid is whether Palestinian developments or Netanyahu’s relentless opposition will produce irreconcilable internal differences.

Minutes before the midnight deadline on June 2, Israeli centrist leader Yair Lapid informed President Reuven Rivlin that he had succeeded in forming a new coalition government, potentially heralding the end of Prime Minister Binyamin Netanyahu’s twelve-year rule. The new government will be led by right-wing figure Naftali Bennett as prime minister for two years, followed by Lapid in the second rotation.

The unprecedented hybrid coalition of parties on the right, center, and left is held together by a pledge to avert further elections and end Netanyahu’s tenure, united by a belief that the prime minister’s ongoing corruption trial has eroded his commitment to preserving the legal system’s independence. Holding a bare majority of 61 seats in the 120-member Knesset, the proposed government’s members include:

- Three right-wing parties with 19 seats: Bennett’s Yamina (6 seats after at least one defection), Gideon Saar’s New Hope (6), and Avigdor Liberman’s Yisrael Beitenu (7)
- Two centrist parties with 25 seats: Lapid’s Yesh Atid (17) and Benny Gantz’s Blue and White (8)
- Two left-wing parties with 13 seats: Labor (7) and Meretz (6)
- The United Arab List (UAL) with 4 seats

UAL leader Mansour Abbas will not hold a ministerial position in the cabinet, but a deputy minister from the party may be appointed to the prime minister’s office. If this new government is finalized, it will face an opposition
composed of Netanyahu’s Likud Party, a hard-right faction, and two ultraorthodox parties, totaling 52 seats in all.

Lapid’s plan is not a done deal, however. His proposed government still needs to be confirmed and sworn in by the Knesset within two weeks, giving Netanyahu another window to create public pressure against right-wing backbenchers in the “Change Coalition.” If any such members defect, Lapid’s government would lose its majority and have to rely on abstentions from the largely Arab Joint List in order to withstand parliamentary no-confidence votes—something that Bennett and other allies seek to avoid given the list’s ardent pro-Palestinian views.

Bennett the Unifier?

Bennett is an improbable choice for prime minister—no Israeli has ever held that post while heading a faction with so few parliamentary seats. His political career has often seen him attacking Netanyahu from the right, but now he is co-head of a coalition attempting to outflank Netanyahu from the moderate side. This stance has earned him deep anger among the hard right, including death threats that have forced authorities to bolster his security.

The forty-nine-year-old Bennett also represents a generational shift from the seventy-one-year-old Netanyahu, despite serving in the same elite commando military unit as the Likud leader and speaking the same idiomatic English. Another key distinction is the scope of his business career—he is a multimillionaire who headed two high-tech startups. Yet his political career began in the opposition led by Netanyahu, who appointed him as his chief of staff in 2006. After a stint heading the settler movement—notably, while living in a Tel Aviv suburb—Bennett started his own right-wing party. Netanyahu did not treat his former aide kindly, and the two have remained rivals ever since.

Netanyahu is now seeking to publicly eviscerate Bennett for heading a “leftist” government that will supposedly fail to safeguard Israel’s national interests. In response, Bennett has sounded Bidenesque—he sharply rejected Netanyahu’s accusation by noting that left-wing factions are a minority in the new coalition, then continued urging Israelis to “heal” from this period of intense polarization.

Abbas and Lapid’s Roles

The central figure in stitching together the Change Coalition is Lapid, a fifty-seven-year-old former newspaper columnist and talk show host. Upon realizing that Bennett would hold the balance of power after the election, he ceded the first rotation as prime minister. The two men have worked together in government previously and have excellent chemistry, but the new coalition will only succeed if their mutual trust remains rock solid.

As for Abbas, this will be the first time in Israel’s history that an Arab party has signed a coalition agreement to launch a new government (though Arab Israelis have always been a vocal part of the Knesset). The UAL is officially Islamist, but it broke from the Joint List before the March election and, ironically, was courted by Netanyahu to help form a right-wing coalition. Throughout the campaign and its aftermath, Abbas has sought to make inroads with wider Israeli society by emphasizing individual rights for Arab citizens, implying he would not push for broader Arab collective rights that might compete with the state’s core Jewish character. In all, 8 of the new coalition’s 61 members are Arab, offering a powerful rebuke to critics who label Israel an apartheid state.

Potential Vulnerabilities

All sides realize that the coalition may not be cohesive enough to advance major policy initiatives on divisive hot-button issues such as the future of the West Bank or the role of the judiciary. Yet on crucial foreign policy issues—particularly efforts to condition Iran nuclear negotiations and Gaza reconstruction
Tone and timing could still cause unforeseen policy shifts or rifts, however. For instance, Netanyahu largely avoided taking a confrontational tone with the Biden administration over the Iran nuclear talks in Vienna—at least, right up until the day before Lapid announced his new coalition. If those talks wind up reactivating the 2015 Joint Comprehensive Plan of Action, the new government would face an early test in how it responds, particularly if Netanyahu begins castigating the nuclear deal from the opposition. Yet even with Bennett as its head, there is little doubt the new government will seek to emphasize Israel’s proud tradition of bipartisan relations with the United States by rebuilding bridges with Democrats, which deteriorated substantially during the Netanyahu-Trump years. Incoming president Isaac Herzog can be expected to reinforce this effort.

Coalition members may also try to avoid rifts by concentrating on domestic matters that have deep consensus support, such as passing the country’s first budget since 2018, repairing infrastructure, and advancing post-pandemic economic relief. But will they be able to keep their differences within normal bounds while simultaneously deflecting the wedge issues favored by Netanyahu’s camp?

Those skeptical about the durability of the nascent government will point to the latest Gaza crisis as an example of an emergency that can split a coalition. The Bennett wing was attacked by the right for considering a partnership with the UAL, a party that did not support military strikes against Gaza; likewise, the UAL came under fire from the Arab Israeli community for partnering with right-wing members who supported the strikes. Indeed, coalition talks broke down during the eleven days of fighting, and critics argue it is only a matter of time before the coalition founders on the rocks of a Palestinian conflict that will not be finessed.

Yet there are also reasons to believe the proposed government could be durable. First, Lapid has promised key security and foreign policy portfolios to moderates who will presumably be cautious during times of crisis, including Gantz as defense minister and Labor’s Omer Barlev as police minister, the authority most responsible for handling flashpoints such as Jerusalem’s al-Haram al-Sharif/Temple Mount. Second, so long as Netanyahu remains leader of the opposition, he will inadvertently serve as the glue that keeps the Change Coalition united for fear of his reascension. Third, three of the coalition’s leaders—Abbas, Bennett, and Saar—know that political oblivion awaits them if they fail. All of them went against part of their base to set up this government, so they would likely face the wrath of former supporters if a fifth round of elections becomes necessary.

One issue that could tip the scales regarding durability is how the government deals with the Haredim (ultraorthodox Jews) and their 16 Knesset seats. Haredi loyalty to Netanyahu has long been airtight, but this fealty might not last much longer given that ultraorthodox educational institutions are deeply dependent on the state’s largesse. The proposed new finance minister is Liberman, a Haredi nemesis who believes the ultraorthodox have too much power. Hence, they may feel the need to cut a deal with Bennett and join the government just to avoid massive cuts. Even in that scenario, however, the Haredim would not hold the political clout they did in the Netanyahu era.

Conclusion

If the new government is sworn in, it will already have achieved its biggest accomplishment: dislodging Netanyahu. Observers in Israel and abroad should therefore keep their policy expectations in check. The coalition’s motto will likely sound much like Bennett’s statement earlier this week: “No one will be asked to give up their ideology, but everyone will have to postpone the realization of some of their dreams.” Yet the big question mark hanging over this pragmatic middle path is whether Palestinian developments or Netanyahu’s relentless political opposition will impose themselves in the coming weeks and months.
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