In his final speech as Israel’s prime minister in June, Benjamin Netanyahu had a message to both his followers and critics at home and abroad: “We’ll be back soon!” Five months later, that promise seems increasingly unlikely.

The new government led by Prime Minister Naftali Bennett achieved a crucial political victory early Friday by approving a national budget for the first time since 2018. The three-day marathon vote largely passed along party lines in parliament, 61 to 59 seats, with government members erupting in cheers and celebratory selfies.

The bill heralded a measure of economic stability for Israel after two years of ad hoc budgeting. More significantly, it signaled that the current coalition is more durable than previously thought and could well remain intact until its term runs out in 2025—even though Bennett’s government holds the narrowest of margins in parliament and includes parties with contrasting political agendas.

In deliberations over the budget in parliament this week, Bennett said Israel had experienced “chaos, failed management, and systemic paralysis” in recent years under Netanyahu. The country had been turned into a “tool in
a personal game,” he added, referring to Netanyahu’s many political maneuvers aimed at evading corruption charges. One of those maneuvers involved deliberately failing to pass a budget late last year and triggering the collapse of his own government—dragging the country to a fourth national election in two years.

The results of that vote in March were, like the previous ones, largely inconclusive. But Bennett managed to form an unlikely coalition that includes pro-settlement right-wing factions (beginning with his own), pro-peace left-wing parties, a handful of centrist parties, and, for the first time, an Arab Israeli Islamist faction.

Bennett’s party controls just six seats in parliament, making him the weakest premier in the country’s history. As part of the coalition deal, his foreign minister, Yair Lapid—who also holds the title of alternate prime minister and was the real architect of the new government—will assume the top spot in August 2023.

“A normal country operates with a budget. We’re going back to being a normal country,” one senior government official, who requested anonymity in order to speak candidly, told Foreign Policy this week. “It’s also evidence that the government is functioning pretty well, definitely better than some skeptics said it would. We’ve overcome a major hurdle that undermined many coalitions in the past.”

Passing a budget was the central priority for the new government in its first months in power: By law, an Israeli government must approve a budget or it’s automatically dissolved. The government has also successfully combated a fourth wave of the COVID-19 pandemic, rolling out the world’s earliest booster shot campaign while keeping the economy open. Case numbers have cratered in recent weeks after a major surge in late summer.

Netanyahu had been loudly encouraging individual coalition members to defect ahead of the vote in order to spoil Bennett’s majority. But now that the budget bill has passed, analysts say it would be much harder to topple the Bennett-Lapid government.

No-confidence motions require not just a majority vote in parliament to pass but also a viable alternative government and prime minister to be agreed upon in advance. Since Netanyahu remains a contentious figure in Israeli politics, the chances that a majority of lawmakers would agree to have him head an alternative government seem unlikely.

A secondary option of dissolving parliament would, by law, almost certainly see Lapid become caretaker premier early ahead of yet another election—a sanction Bennett and his allies would be unlikely to opt for.

Netanyahu has apparently begun to internalize this new political reality. “Netanyahu’s tone has shifted recently, and he’s now telling supporters it may take more time to get Likud back into power—not in weeks but in years,” Tal Shalev, chief political correspondent for Walla News, told Foreign Policy.

Yuli Edelstein, a stalwart in Netanyahu’s Likud party who served in the past as a member of the former prime minister’s cabinet, announced last month he would compete against Netanyahu in primaries and called for some “soul searching at home.” Netanyahu’s bid for a snap leadership vote has so far stalled. “With Benjamin Netanyahu, we failed four times to muster a government. How are we suddenly going to succeed on the fifth time?” Edelstein added.

But Shalev said it was still early to write off Netanyahu—who was Israel’s prime minister for 15 of the past 25 years. “Netanyahu is still doing a great job in the polls, and so long as that’s true it should be fine for him,” she said. “But honestly it’s hard to read where he’s at. No one really understands what his play is going forward.”

Shalev said Netanyahu is hoping that cracks he can exploit will start appearing in the governing coalition—divisions over hot-button issues including relations with the Palestinians or a military escalation in Gaza or Lebanon. “The bottom line is that there are a lot of reasons to think the coalition won’t fall,” she said. “But small things in politics can quickly turn into major crises.”
Tensions between right and left factions in the government have indeed spiked in recent weeks over West Bank settlement construction plans and the defense minister’s designation of six Palestinian nongovernmental organizations as terrorist organizations. Bennett and Lapid urged their partners to put aside those differences and work together to pass the budget. With that now achieved, some analysts believe the more ideological parties in the coalition may actually feel inclined to squabble as a way of courting favor with their core supporters.

“It’s still a narrow coalition of 61 seats [i.e., a one-seat parliamentary majority],” the senior government official said. “So there won’t be huge controversial issues. The beauty of this government is that members can still hold on to what they believe.” The official rattled off a series of upcoming legislative initiatives, all focused on domestic issues, including allowing civil unions in Israel and barring anyone under indictment—Netanyahu, for example, whose corruption trial is slowly grinding along—from becoming prime minister.

On military and foreign affairs, the implication went, there would likely be more continuity than major change. The new government has continued hitting Iranian targets in Syria and reportedly conducted cyberattacks inside Iran itself. Bennett opposes a U.S. return to the 2015 Iran nuclear deal, just as Netanyahu did, but has downplayed differences with the Biden administration over the issue.

Regarding Gaza, the new government has provided some economic relief to Hamas and the besieged enclave in return for reduced hostilities and a tentative calm—the same policy as under Netanyahu. “In security affairs, there may have been a shift of 20 or 30 degrees on specific issues from Netanyahu to Bennett,” Amos Harel, the veteran military correspondent for Haaretz, told Foreign Policy. “But there’s a gap between this government’s rhetoric and actions” in terms of the degree to which its policies differ from Netanyahu’s.

Harel said the government’s approach to the Palestinians has proved to be somewhat more accommodating than Netanyahu’s, largely due to the participation of left-wing parties in the new coalition. The Bennett government has instituted a policy of confidence-building measures—so far mostly economic—by way of bolstering the Palestinian Authority in the West Bank.

According to the official, the government will continue allowing settlement expansion in the West Bank to accommodate “natural growth,” though far-right members of the government are likely to push this definition as far as possible. Any significant settlement expansion, especially deep in the West Bank or in East Jerusalem, risks drawing American condemnation.

There is also a crisis looming with Washington over the Biden administration’s intention to reopen the U.S. Consulate in Jerusalem, which served Palestinians and was shuttered by then-President Donald Trump in 2019. The official said this was a “complete red line” for some government members and could lead to turmoil within the coalition. The United States had indicated it would wait until passage of a budget to move forward on the issue.

According to Harel, the military analyst, the key question is how Bennett will try to bolster his public support before his term ends. A focus on domestic affairs instead of military-related ones may be the easier path, given the inclusion of an Arab party in his coalition. “Will his legacy be climate change and domestic issues,” Harel asked, “or will it be foreign policy, as was the case with past prime ministers—as in, ‘I’ll be the one to stop Iran’s nuclear program’?”

On this last issue, senior Israeli officials other than Bennett have toned down the rhetoric surrounding the Iranian nuclear program, allowing for a more nuanced discussion to take place. “The security establishment in particular breathed a sigh of relief, they can talk more freely and plan for the resumption of nuclear talks,” Harel added. “It’s all less hysterical, more substantive and cleaner” than under Netanyahu.

Those differences between Bennett and Netanyahu, even if they’re more focused on style than substance, have caused some relief abroad as well. Bennett spent the early part of the week in Glasgow at the United Nations climate
change conference, where he was greeted warmly by world leaders. Back at home and away from the spotlight, Netanyahu was left issuing tweets denouncing the government.

“You know I’ve come back twice—twice—from the opposition,” Netanyahu warned his rivals last June as he was leaving office. A third comeback is looking less and less possible.

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