

# Netanyahu's Potential Friction Points with Biden (Part 1): Palestinian Issues

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## ABOUT THE AUTHORS



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Brief Analysis

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**Conversations with key officials and close reading of the coalition agreement that produced Israel's new government indicate that the two allies need to confer closely and clearly to avoid public blowups over Jerusalem holy sites, West Bank settlements, and other hot-button issues.**

**P** rime Minister Binyamin Netanyahu launched his sixth term in office on December 29 with a solid 64-seat majority in the 120-member Knesset. Yet managing the new coalition government may be his greatest challenge since his first premiership in 1996. While Netanyahu insists he has “two hands firmly on the steering wheel,” the far-right Religious Zionist Party (RZP), led by Bezalel Smotrich and Itamar Ben-Gvir, is wielding power like never before. Despite holding just 14 seats compared to the 32 won by Netanyahu's Likud Party, RZP extracted major concessions in negotiations to form the coalition. Its leverage has only been enhanced by Netanyahu's legal woes, since the party likely holds the key to extricating him from his ongoing corruption trial.

A key question is whether the prime minister can manage RZP's desired policy shifts on the Palestinian portfolio while pursuing his own imperatives: namely, winning U.S. support for a more confrontational stance toward Iran and easing Washington's tensions with Saudi Arabia, which could in turn facilitate an Israeli breakthrough with the kingdom. U.S. officials hint that there are tradeoffs between these arenas; if so, both governments will have opportunities to discuss them right away. National Security Advisor Jake Sullivan is expected to visit Israel within the next couple weeks, and U.S. officials suggest that the goal of such a trip would be to avert misunderstandings on key issues. There are also indications that Netanyahu will dispatch his confidant and newly minted strategic affairs minister Ron Dermer to lay the groundwork for the prime minister's own visit the White House. Both trips must therefore be carefully prepared.

Part 1 of this PolicyWatch series will examine ways in which Israeli policies toward the Palestinians might become flashpoints with the Biden administration. Additional friction points relating to broader foreign policy, domestic legal issues, and other matters **are addressed in Part 2 (<https://www.washingtoninstitute.org/policy-analysis/netanyahu-potential-friction-points-biden-part-2-iran-saudi-arabia-ukraine-and>)**.

## **Al-Haram al-Sharif/Temple Mount**

In one of his first acts after being named minister of national security, Ben-Gvir visited this highly sensitive Jerusalem site that is holy to Muslims and Jews alike, reigniting an issue that has long vexed the United States. Back in October 2015, Netanyahu publicly committed to Washington and Jordan—the site’s official custodian—that he would uphold the status quo there, declaring, “Israel will continue to enforce its longstanding policy: Muslims pray on the Temple Mount; non-Muslims visit the Temple Mount.” In theory, Ben-Gvir’s short visit did not alter that commitment; it may just have been a symbolic move stemming from his campaign pledges. Yet many suspect that it could herald an escalatory policy at the site, especially given his newly won control over Israeli police forces.

Whatever its intent, Ben-Gvir’s move was immediately condemned by Arab governments, with the United Arab Emirates endorsing Jordanian and Palestinian calls for an **[emergency UN Security Council discussion](https://media.un.org/en/asset/k1o/k1oi4i1wxx)** (<https://media.un.org/en/asset/k1o/k1oi4i1wxx>) on the matter. Jordan’s condemnation was to be expected given its role as custodian of al-Haram al-Sharif; Amman has long signaled that it links stability inside the kingdom with quiet at the Jerusalem holy site. Yet Emirati condemnation is significant as well given the country’s deepening ties with Israel. Afterward, Abu Dhabi postponed Netanyahu’s planned visit to the UAE; officials publicly blamed logistical issues for the delay, but observers have speculated that the decision was spurred by Ben-Gvir’s actions.

## **West Bank Issues**

RZP wants Netanyahu to annex the entire West Bank, and the party’s **[coalition agreement with Likud](https://ynet-images1.yit.co.il/picsserver5/wcm_upload_files/2022/12/05/Skhr00xjPj/____.pdf)** ([https://ynet-images1.yit.co.il/picsserver5/wcm\\_upload\\_files/2022/12/05/Skhr00xjPj/\\_\\_\\_\\_.pdf](https://ynet-images1.yit.co.il/picsserver5/wcm_upload_files/2022/12/05/Skhr00xjPj/____.pdf)) uses charged (albeit ambiguous) language on the matter (e.g., “the Jewish people have an exclusive and inalienable right to all parts of the Land of Israel”). For his part, Netanyahu understands that unilateral annexation is unacceptable to the Biden administration and the international community. This includes Israel’s Arab partners in the Abraham Accords—Emirati officials say they signed the 2020 normalization agreement based primarily on the understanding that it would forestall annexation for at least four years.

**Legalization of outposts.** The coalition agreement commits to legalize an estimated 70 outposts outside the West Bank security barrier—namely, communities that are prohibited under Israeli law but which the right euphemizes as “young settlements.” This number does not include the 78 settlements outside the barrier that have previously been authorized by the cabinet and are home to around 110,000 Israelis. (For comprehensive interactive maps and demographic information on the West Bank, see The Washington Institute’s **[“Settlements and Solutions](https://www.washingtoninstitute.org/westbankinteractivemap/)** (<https://www.washingtoninstitute.org/westbankinteractivemap/>)” project.)

Many of the outposts lie deep within large Palestinian populated areas, so legalizing them would effectively nullify any plan to create a contiguous Palestinian state or otherwise separate Israelis and Palestinians. President Biden mentioned this risk upon welcoming the formation of Netanyahu’s new government, **[noting](https://www.whitehouse.gov/briefing-room/statements-releases/2022/12/29/statement-from-president-joe-biden-on-the-new-government-of-the-state-of-israel/)** (<https://www.whitehouse.gov/briefing-room/statements-releases/2022/12/29/statement-from-president-joe-biden-on-the-new-government-of-the-state-of-israel/>) that “the United States will continue to support the two-state solution and to oppose policies that endanger its viability or contradict mutual interests and values.” In light of such warnings, Netanyahu may forgo full legalization and instead seek to connect the outposts to Israel’s electricity grid.

The Biden administration is also keen on discussing the new government’s criteria for expansion of legal

settlements. Remarks made on January 4 by State Department spokesman Ned Price suggest that Washington will focus more on outlying settlements adjacent to densely populated Palestinian areas than on “bloc” settlements near the pre-1967 Green Line: “Our call to refrain from unilateral steps certainly includes any decision to create a new settlement, to legalize outposts, or allowing building of any kind deep in the West Bank adjacent to Palestinian communities or on private Palestinian land.”

**Homesh.** RZP wants to rebuild the northern West Bank settlement of Homesh, one of four communities demolished under the 2005 Gaza disengagement agreement. Those demolitions helped Israel secure a favorable commitment from the George W. Bush administration regarding Palestinian refugee issues, so Netanyahu would likely incur serious risk by renegeing on that agreement today.

**Palestinian construction in Area C.** Under the West Bank territorial classifications created by the Oslo II Accord in 1995, the Palestinian Authority fully controls Area A and has civil authority in Area B, which together constitute roughly 40 percent of West Bank land and are home to around 90 percent of the Palestinian population. The status of the rest of the territory—Area C—is to be determined via negotiations.

Smotrich aims to influence these determinations sooner rather than later. To do so, he insisted on being given a senior position within the Defense Ministry in addition to becoming the new finance minister. Before formally entering politics, he founded the Regavim activist group, which insists that there are 78,000 unauthorized Palestinian structures in Area C. (Israeli officials rarely grant legal permits to Palestinians, rendering most construction in Area C technically illegal by default.) Israeli security officials dispute Regavim’s claim, noting that approximately 73,000 of these structures represent spillover from cities and towns in Area B, not separate communities. Previously, the government has not regarded such urban growth as a strategic threat, focusing instead on the estimated 5,000 structures located along main highways, adjacent to Israeli settlements, or near military firing ranges. Smotrich will press for a more expansive definition of objectionable structures as well as more demolitions.

The coalition agreement also gives him significant control over the two Israel Defense Forces (IDF) bodies with authority over civil affairs in Area C: the Coordination of Government Activities in the Territories (COGAT) and the Civil Administration. COGAT has long been Israel’s global interface for Palestinian civil affairs, including international donations to the PA. IDF control of civil affairs reinforces Israel’s argument that its occupation of the West Bank remains temporary and military—a crucial distinction as it fights claims of annexation and apartheid at the International Court of Justice and International Criminal Court.

**Settler violence and police control.** U.S. officials have repeatedly expressed concern about the sharp rise in settler violence against Palestinians over the past year—a concern underscored by the increased influence of settlers in the new government. The IDF has often insisted that it is up to the Israeli police to curb such attacks, which are perpetrated by a small minority of settlers.

Under the coalition agreement, Ben-Gvir will be given authority over the Border Police. In the West Bank, this force is currently under the command of the IDF and carries out many critical functions there, including counterterrorism operations, joint patrols alongside IDF units, and demolition of outposts. Maj. Gen. Yehuda Fuchs, the IDF’s West Bank chief, recently tightened the local rules of engagement for all Israeli forces in an effort to reduce Palestinian casualties and lower tensions. Yet Ben-Gvir has made clear that he wants to loosen the Border Police’s rules of engagement to allow them to open fire earlier during confrontations.

In response, IDF officials have noted that the Border Police cannot be permitted to operate independently in the West Bank with separate rules of engagement, citing the imperative need to preserve unity of command. If this potential dispute does in fact materialize, the IDF has reportedly indicated it would deploy reservists alongside

regular forces rather than the Border Police. Yet this would compel the military to call up additional reserve battalions in order to make up for the loss of police manpower and maintain operational capacity.

Previously, IDF chief of staff Lt. Gen. Aviv Kochavi won a commitment from Netanyahu not to make changes that affect the military without prior consultation. The general also made clear that the IDF reports only to the defense minister, in accordance with the law.

## Conclusion

Many of the policy shifts outlined in Israel's coalition agreement would dramatically alter the Palestinian status quo if implemented. Accordingly, the Biden administration has many questions for Netanyahu and will likely aim to get precise answers from him directly, both to avoid bilateral tension and to prevent escalation on the ground. Biden's approach to any disputes with Israel is to resolve them behind closed doors whenever possible—a preference that is shared by Israel and based on the two countries' many common interests and values. Yet it is unclear if Netanyahu will agree to detailed understandings with Washington given the political implications of blunting his coalition partners' ambitions, particularly with the opposition ready to pounce on any sign of discord in his government. Hence, the risk of public clashes with the White House may persist.

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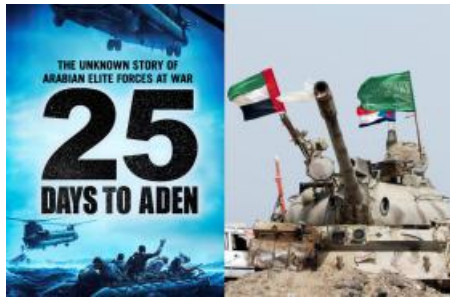
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