

# Netanyahu Loses Leverage in Forming New Government

by [David Makovsky \(/experts/david-makovsky\)](#)

May 8, 2015

Also available in

[العربية \(/ar/policy-analysis/ntnyahw-yfqd-bd-alfwdh-fy-tshkyl-alhkwmt-aljdydt\)](#)

## ABOUT THE AUTHORS



[David Makovsky \(/experts/david-makovsky\)](#)

David Makovsky is the Ziegler distinguished fellow at The Washington Institute and director of the Koret Project on Arab-Israel Relations.



Brief Analysis

---

**Last-ditch campaign promises and bruising coalition negotiations have led Netanyahu to form a fragile government that may have trouble handling important domestic issues and foreign relationships.**

**T**he next Israeli government, the fourth led by Binyamin Netanyahu, is slated to be formally established in the coming week. It will consist of 61 members, the barest majority in Israel's 120-member Knesset. When Netanyahu won the election two months ago, the size of his victory suggested he would dominate a potential coalition, with his Likud Party winning 30 seats and the second-largest coalition partner only 10. Yet the campaign promises that led to his victory also sowed the seeds of his subsequent dissipation in leverage. By boxing himself in during the campaign, he gave smaller parties disproportionate power to enact a policy agenda, while he refrained from associating himself with any particular agenda beyond stopping Iran from going nuclear.

The resultant situation underscores Israel's need for electoral reform, as large parties have consistently found themselves at the mercy of smaller ones. Moreover, given the narrowness of Netanyahu's government, analysts of all stripes are profoundly doubtful about its ability to govern.

## HOW HIS LEVERAGE SLIPPED AWAY

**I**n order to win the March 17 election after finding himself suddenly behind in the polls, Netanyahu felt compelled to convince more right-wing voters that he was intent on governing from the right. Toward that end, he declared that he would not reach across the aisle and form a power-sharing arrangement with the Labor Party. To fulfill this promise and preserve his credibility after the election, he was limited to forming a 67-member government with only a select group of parties. Netanyahu felt confident that these parties had nowhere else to go because they were largely right-of-center, but he did not have alternatives either given his campaign promise. The net effect is that Netanyahu had to reach coalition agreements with the two smaller ultraorthodox Jewish parties -- Shas (7 seats) and

United Torah Judaism (6), whose terms were steep because they believed Netanyahu had no other option.

In negotiating with these parties, Netanyahu agreed to roll back the signature achievement of his last term: a law that would force ultraorthodox Israelis to join the army like other citizens or perform a similar national service, with jail time as the punishment for noncompliance. The new deals will also reinstate welfare benefits for ultraorthodox Jews who prefer to avoid the workforce by staying in religious study halls. The previous government, spearheaded by then-finance minister Yair Lapid, insisted that such benefits gave the ultraorthodox little incentive to work for a living. Lapid has since asserted that the new concessions will cost over two billion shekels, or more than \$500 million. Moreover, the ultraorthodox will retain their influence in ensuring that Jews from the former Soviet Union undergo more restrictive forms of religious conversion.

These concessions were made despite surveys showing that a majority of Israelis want the ultraorthodox to perform national service, join the workforce, and give up their role as the arbiters of conversions. In addition, Netanyahu apparently failed to realize that outgoing foreign minister Avigdor Liberman would view these moves as a bridge too far, especially the one directed against his secular Russian immigrant constituency. Declaring that Netanyahu was taking him for granted because his Yisrael Beiteinu Party had only six seats, Liberman surprised him by withdrawing from coalition negotiations. Given his ongoing personal enmity toward Netanyahu, some speculated that the timing of his announcement -- forty-eight hours before the deadline to form a government -- was not coincidental.

Indeed, Liberman left Netanyahu with no time to explore other options, so the prime minister capitulated to the far-right Jewish Home Party and limped to the finish line with the absolute minimum of 61 seats. In doing so, he agreed to appoint thirty-nine-year-old Jewish Home member Ayelet Shaked as justice minister, despite her open questioning of the Supreme Court's activist role in Israeli democracy. Her appointment is deemed ominous, as are other Likud-favored measures that could dilute the power of the Supreme Court and, to a lesser extent, the media. Perhaps as a safety valve, Netanyahu has also given coalition member Moshe Kahlon -- the leader of Kulanu, a moderate party identified with social change -- veto power over certain legislation he does not like (as mandated by the coalition agreement, which states that all members must agree on specified initiatives).

Going forward, the coalition's razor-thin majority will magnify every member's leverage to pull the plug on the new government. Accordingly, Netanyahu wants to amend the law that limits the number of cabinet members to eighteen as soon as possible, fearing that any malcontent Knesset member who does not get his or her preferred cabinet portfolio could bring down the government before it is even formed. He has already given away several key ministries, leaving many Likud members squabbling over the remaining portfolios. This bodes poorly for Netanyahu, who until now has always tried to form a large enough coalition to avoid such situations. His only hope is that each coalition member will view the concessions he has doled out as a better option than risking yet another round of elections.

## **WILL LABOR JOIN THE GOVERNMENT?**

**G**iven the nascent government's precariousness, Likud officials are widely hinting that Netanyahu might reverse his position and ask Labor to join the coalition. With Liberman's resignation, Netanyahu has put aside the Foreign Ministry portfolio for himself -- a move clearly designed to lure Labor leader Isaac Herzog into his government. This raises a paradox: the more stable the coalition, the better Herzog's chances of persuading his party to join, but if the coalition remains shaky, he would likely face accusations of trying to "rescue" Netanyahu. This is no small matter given next year's mandatory Labor primary, a venue in which efforts to partner with Netanyahu would be especially unpopular among the party's rank and file.

In addition, Herzog would likely ask for more than just the Foreign Ministry. If he is in fact invited into the coalition, many expect his demands to include changes in Israeli settlement policy, ouster of the Jewish Home Party (the main

advocate of settlements), and rotation with Netanyahu as prime minister so that he is not merely a fifth wheel. Although Netanyahu is no doubt concerned about the negative international perceptions of his narrow, largely right-wing government, meeting Herzog's presumed demands would be a very high price to pay domestically. And despite being in power for nine years, he has never added Labor to a coalition mid-term.

## EQUITIES FOR THE UNITED STATES

**W**ashington will be following a variety of developments within the new Israeli government. It will want to know how settler leader and former housing minister Uri Ariel will use his new, lesser post as agriculture minister to influence construction of settlement infrastructure. It will also monitor whether incoming justice minister Shaked or influential Likud members Zeev Elkin and Yariv Levin are able to shape legislation that strips away media protections or constrains the power of the courts.

As for the Palestinian issue, with no peace agreement on the horizon, U.S. officials are likely wondering if the new government can at least put together a package of incremental steps that preserves the viability of future two-state negotiations. Such steps could include a limitation on settlement construction, as well as increased Palestinian economic access to more land in the West Bank, even if this land is not formally reclassified. Washington also likely hopes that Netanyahu has a solid plan for ensuring that Gaza does not blow up for the fourth time in seven years.

Finally, the White House will look closely at how Netanyahu plays the endgame on the Iran negotiations. This will largely be a personal decision for Netanyahu -- although the Iran issue has not been a major part of the electoral campaign or its aftermath, he is known to view it in the most visceral manner. At the moment, the administration is fairly confident that it has the votes it needs on Capitol Hill to preserve whatever nuclear deal it may reach with Tehran (i.e., if the president is forced to veto congressional moves that undermine the agreement, he believes his opponents will not have enough support to override him).

For his part, Netanyahu will need to decide whether to withhold his opposition to the deal until the very end or request a U.S. military package to offset the deal's impact, as the Gulf Arab states seem poised to do at Camp David next week. The Obama administration is keen on avoiding defections by key Democrats at this stage, so Israel's leverage appears to be strong. Yet questions remain about what happens if Netanyahu waits to speak out against a deal and Israel finds itself associated with the losing end of a congressional vote to override the president's veto. Whatever the case, he will have many factors to weigh, including questions of security, principles, timing, and maintaining bipartisanship, which has been at the core of U.S.-Israeli relations for decades.

*David Makovsky is the Ziegler Distinguished Fellow and director of the Project on the Middle East Peace Process at The Washington Institute.* ❖

---

## RECOMMENDED

---

### BRIEF ANALYSIS

#### [Unpacking the UAE F-35 Negotiations](#)

Feb 15, 2022

◆  
Grant Rumley

(/policy-analysis/unpacking-uae-f-35-negotiations)



ARTICLES & TESTIMONY

**How to Make Russia Pay in Ukraine: Study Syria**

Feb 15, 2022

◆  
Anna Borshchetskaya  
(/policy-analysis/how-make-russia-pay-ukraine-study-syria)



BRIEF ANALYSIS

**Bennett's Bahrain Visit Further Invigorates Israel-Gulf Diplomacy**

Feb 14, 2022

◆  
Simon Henderson  
(/policy-analysis/bennetts-bahrain-visit-further-invigorates-israel-gulf-diplomacy)

TOPICS

Arab-Israeli Relations (/policy-analysis/arab-israeli-relations)

Democracy & Reform (/policy-analysis/democracy-reform)

REGIONS & COUNTRIES

Israel (/policy-analysis/israel)