

# Shift in the middle: A view from Jerusalem

by [Mordechai Beck](#) in the [May 15, 2013](#) issue



[Some rights reserved](#) by [OECD](#)

Barack Obama visited Israel in March to reassure Israelis—including their prime minister—that the United States backs Israel more than ever. In this effort he mostly had success, due to his personal charm, his sophisticated speeches and his insistence that he talk directly to the people rather than to the Knesset.

What was said behind closed doors remains unknown, but his attempt to bring Israel and Turkey together reminds us that Obama's interests are, of course, first and foremost the security of the United States. He wanted two U.S. allies to be reconciled. The fact that the Turkish prime minister now demands huge financial compensation from Israel goes to show that America's global strategies may be undermined by local feuds and egos.

Benjamin Netanyahu was able to announce a new government only days before Obama arrived. It is his third turn as prime minister, but he is less powerfully positioned than before.

A poll taken a couple of weeks after the elections indicated that Yair Lapid, the head of Yesh Atid, the second largest party behind Likud, would now outpoll Netanyahu.

The new government reflects gradual but steady changes in Israeli society—changes that Netanyahu has helped shape. He spent his years as the head of government avoiding decisions regarding the most pressing problems of the Palestinians. At the very least he presented the Palestinian situation as being at a standstill, mainly because of the obstinacy of the Palestinians; this was a crucial aspect in the results of the election.

Simultaneously, Netanyahu promoted an economic policy of strident capitalism. This sentiment was echoed in society at large, where privatization has been on the upswing even among adherents of the kibbutz movement, that symbol of the early socialist element in Zionist history. At the same time (in accordance with the classic Marxist theory), the concentration of capital in Israel is such that it is widely said that the economy rests in the hands of 20 families.

Attacks against tycoonism, as it is known, were tempered by the fact that the economy seemed to be booming, especially in contrast to the West. Nevertheless, the summer of 2011 saw an outbreak of spontaneous protests demanding, among other things, affordable housing and cheaper kindergartens. Few of these demands were met, but the public sensed that domestic issues has become paramount.

Netanyahu's Likud party lost about ten seats, in part because he joined forces with Avigdor Lieberman's right-wing Yisrael Beiteinu (Israel Is Our Home) party just as Lieberman was about to go to court to defend himself against charges of political misdemeanors. Yesh Atid (There Is a Future) and Habayit Hayehudi (The Jewish Home) did well, and both parties are led by successful young men—Yair Lapid and Naftali Bennett. Lapid, a journalist, media figure and son of a former political figure, created a new party that included social justice advocates plus some religious figures, which resulted in the party garnering an astonishing 19 seats. Bennett, a very successful hi-tech entrepreneur (he sold his company for \$145 million in 2005), revived the fortunes of the older National Religious Party and brought it to new levels of electoral success with 12 seats. Their 30 seats, added to 31 from Netanyahu and Lieberman's coalition (Likud-Beiteinu), were enough to secure a small majority in the 120-seat Knesset.

Netanyahu's personal relations with Bennett, who worked for him for two years, are known to be tense, and some believe he tried hard to include the religious parties in his coalition instead of Bennett's.

Both the Shas party (12 seats) and that of Yahadut HaTorah (six seats) offered Netanyahu something that the others did not: as long as Netanyahu supported their religious institutions financially, he could have their backing for his other plans.

Unfortunately for Netanyahu, the religious parties oppose the plan to conscript young men who are studying in non-Zionist yeshivot (rabbinical schools). Yesh Atid based much of its platform on precisely this stance, and Bennett's party is traditionally the religious nationalist party whose very existence is based on the integration of national Zionism and religion. Yahadut HaTorah and increasingly Shas are anti-Zionist parties. They don't want their ultraorthodox followers serving in the army or working in the secular sphere.

The support for Yesh Atid and Habayit Hayehudi arose from two negative impulses and one positive one. On the negative side, the vote reflected Israelis' despair and frustration over the Palestinians and the sense that Palestinian leaders are weak and uninterested in a dialogue with Israel. Voters' focus thus turned to domestic issues.

The campaign heightened the conflict between the Zionist, middle-class voters of Yesh Atid and Habayit Hayehudi and the poorer parties represented by Shas and Yahadut HaTorah. The idea of "sharing the load" appealed to both middle-class parties. Yesh Atid and Habayit Hayehudi want people to take responsibility for themselves and not exist on handouts, the way yeshiva students do (they not only don't have to serve in the army, they also receive a subsidy from the government). This is the type of benefit that has angered the largely secular public.

The positive motivation for voters was the experience of the 2011 protests. Even though they failed initially to change policy, the protests indicated that things can change. A number of the protesters now find themselves sitting in the Knesset. They did not have to resort to going to the streets or starting riots as their neighbors in Arab states have done.

What this government can achieve is not clear. Its right-wing tendency maybe balanced by pragmatic realities. The plan to build more settlements, which is at the head of Bennett's program, could be tempered by a realization that more settlements will isolate the country internationally.

The plan to draft yeshiva students also remains unclear. Does "sharing the load" apply only to 20-year-olds and not to 18-year-olds, as with the rest of the population? Lapid has posted his plan in public, saying that those who do not serve

will lose their subsidies. Lapid, now the finance minister, has already announced a massive building program to address the chronic shortage of affordable housing.

Another idea bandied about is upping the percentage of minimum votes a party needs to be represented in the Knesset—from 2 percent to 4 percent. The idea is an obvious threat to smaller parties, among them the three Arab parties, who would not be eligible to sit in the Knesset unless they united, which seems unlikely.

Many observers predict the government will not last more than a year or two. The tension between Netanyahu and his coalition partners is palpable and any crisis—a change in economic fortunes, isolation from former friends and allies, or threats posed by Hezbollah or Iran—could derail it.