MADAR STRATEGIC REPORT 2020
THE ISRAELI SCENE IN 2019

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The Palestinian Forum for Israeli Studies "MADAR" puts forward herein "MADAR Strategic Report 2020: The Israeli scene 2019" before political decision and public opinion makers.

The report monitors and provides an analysis of the latest updates and developments witnessed by the Israeli scene. In addition, it attempts to envision future prospects especially in terms of the impact they might have on the Palestinian cause and the Palestinian people.

The report addresses the Israeli scene in seven main areas: Israel and the Palestinian question, the internal political partisan context, foreign relations, security and military scene, the economic scene, the social scene and the Palestinian citizens in Israel.

Furthermore, the report is prefaced by an executive report that sums up the salient strategic variables impacting Israel on the domestic and regional levels.

The report was prepared by a group of specialized researchers and experts in Israeli affairs. We hope it will shed light on the major factors influencing the Israeli scene.

MADAR Strategic Report team,

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Honaida Ghanim, Editor

At the time of writing, the entire world is living through a period of great uncertainty and apprehension due to the outbreak of the coronavirus (COVID-19). At present, the future consequences of the coronavirus cannot be ascertained in full. However, it is clear that the world will emerge from this pandemic changed in significant ways; it is expected that the coronavirus will reshape core values, practices, institutions, and principles, affecting all of humankind.

A short-term outcome of the coronavirus pandemic in Israel has been the unravelling of the election's crisis, which had remained intractable for over a year. When the pandemic began, voices on both sides of the political aisle called for the formation of an emergency government to tackle the crisis. In a press conference held on 12 March 2020, Netanyahu, having announced the closure of universities and schools and outlined the grave dangers presented by the coronavirus, called for a temporary national emergency government. To be led by Netanyahu himself, this government was to operate in partnership with the *Kahol Lavan* (Blue and White) alliance, similar to the emergency government formed in partnership with the *Likud* party on the eve of the 1967 war. Most observers, however, believed that the opposition, led by *Kahol Lavan* and fronted by Gantz, remained determined to block Netanyahu from forming a government. The opposition had attempted to obtain a decision from the High Court of Justice to compel Knesset Speaker Yuli-Yoel Edelstein to convene the Knesset for a vote on replacing Netanyahu. In parallel, the opposition also advanced a bill to ban an official charged with corruption, i.e. Netanyahu, from forming a government. At the same time, it appeared that the opposition was ready to form a minority government, with support from the Joint List. Headed by Lieberman, far-right leaders were also prepared to cooperate with the Joint List, which Liebermann had regularly described as a fifth column, in order to overthrow Netanyahu. At this point, Gantz surprised everyone by reaching an initial agreement to enter into an alliance with Netanyahu's camp. According to the formula of rotation on which the latter insisted, Netanyahu was to be Prime Minister for the first eighteen months, following which Gantz would succeed him. Gabi Ashkenazi was to be appointed to the position of Minister of Defence.

This agreement dealt a devastating blow to the opposition camp, thwarting the efforts led by *Kahol Lavan* to oust Netanyahu. *Kahol Lavan* had been established solely for this purpose. The Gantz-Netanyahu agreement ripped *Kahol Lavan* into two separate factions: the Israel Resilience (*Hosen L'Yisrael*) party, led by Gantz and made up of 15 Members of Knesset (MKs), and Moshe Ya'alon's *Telem* and Yair Lapid's *Yesh Atid* parties, with a combined 18 MKs.

Over a year into the protracted political crisis and three consecutive rounds of elections, the coronavirus arrived on the scene as a 'black swan', an unforeseen factor, one that worked in Netanyahu's favour and enabled him to emerge from the crisis victorious. Had Gantz refused to join a "unity" government in view of public anxiety and the dangers of the coronavirus pandemic, he would have been seen to prioritize his own narrow partisan interests over the public interest and the country's response to the threat to public health.

Significantly, the discourse Netanyahu used in his repeated calls for an emergency government was full of dire warnings of the scale of the coronavirus threat. According to Netanyahu, the coronavirus is the largest threat to public health since the Black Death, the plague that decimated a third of Europe's population in the 14th century. Therefore, the response to such an emergency mandates that all political debates and partisan disputes be put aside. Prompt action must be taken, and there must be full deployment as in wartime.

On an almost daily basis, Netanyahu appeared on primetime television, spoke to the Israeli public about the coronavirus pandemic, and announced ever tighter measures and restrictions to contain it. Most recently, Netanyahu declared an almost total lockdown throughout the country. Deaths have begun to occur, and the number of coronavirus cases has continued to rise, while shocking images flood out of Europe, particularly Italy and Spain, where the impact of the pandemic has been catastrophic. Unemployment has leapt from 3.7 percent in late 2019 to almost 22 percent, with potentially grave implications for the future. In the face of this very real threat and collective fears for the future, Gantz's options were limited to either joining forces to confront the pandemic or maintaining the efforts to overthrow Netanyahu. Gantz's decision to join a government coalition with Netanyahu dealt a crushing blow to the opposition in general, and to *Kahol Lavan* in particular.

In the exceptional circumstances created by the spread of the coronavirus, the formation of the new government has extended a lifeline to Netanyahu, whose criminal trial had been scheduled to begin on 17 March 2020, and has now been delayed until May 2020. The formation of the Netanyahu-Gantz government also resolved the drawn-out election crisis: faced with an unprecedented reality, none of Netanyahu's rivals was able to put together a coalition within the tight constraints of the situation. However, it should be emphasized that this new solution may prove short-lived due to potential conflicts between the Gantz and Netanyahu camps, particularly in matters of politics, the judiciary, and relations between the branches of government.

In addition, there are serious doubts about whether Netanyahu will actually step down after eighteen months. To avoid this, he may manufacture a crisis, possibly by calling a new round of elections. The crisis may resurface once the coronavirus pandemic comes to an end. According to recent reports, over the next six months the incoming government will place an exclusive focus on tackling the coronavirus pandemic and its economic and social impact. It will not take any other actions. Thus, major political steps, such as a declaration of the annexation of Palestinian land, will not be taken. However, the narrow focus of the new government on no way implies that there will be any change on the ground, including ongoing settlement-construction projects, which will ultimately help bring the "Deal of the Century" to fruition.

Domestically, then, Israel in 2019 was dominated by **political stalemate, and three consecutive rounds of elections.** This deadlock coincided with the filing of a charge-sheet by Israel's Attorney General, Avichai Mandelblit, against Netanyahu. Netanyahu is charged with corruption, bribery, and breach of trust in three separate cases against him. The political stalemate has further overshadowed the future of the Palestinian question. Its effects and ramifications have transcended domestic politics and conflict over the premiership, and given it regional and international significance. Against the backdrop of the Trump-Netanyahu alliance, the deadlock prompted Trump to announce several one-sided strategic political decisions, including US recognition of Israel's sovereignty over the Golan Heights, declared on the eve of the September 2019 Israeli elections. Trump subsequently launched the Deal of the Century at the end of January 2020, at the peak of campaigning for the third round of legislative elections, held in March 2020.

At the broad level of the Palestinian question, the Deal of the Century was a key, rolling event with strategic dimensions. The economic part of the Deal was initially announced at the economic peace conference, officially known as the Peace to Prosperity Workshop, hosted by Bahrain on 25 and 26 June 2019. Later, on 28 January 2020, Trump announced the political part of the Deal, titled *Peace to Prosperity: A Vision to Improve the Lives of the Palestinian and Israeli People.*

This vision, in its language, premises and goals, fully adopts the right-wing Israeli vision for settling the Palestinian-Israeli conflict. It also seeks to legitimize settler-colonialism and turn the *de facto* apartheid system into a *de jure* apartheid system, operating in a so-called state.

The close relationship between Netanyahu and Trump and the incursion of the Deal of the Century into Israeli domestic politics consolidated several processes that began after Netanyahu's rise to power in 2009. These included the deepening rift between Israel under Netanyahu's leadership and the US Democratic Party, and the widening gap between Israel and the Jewish community in the US. A majority of Jewish people in the US votes for the Democratic Party and supports democratic liberal policies, and rejects Netanyahu's alliance with Christian-Zionists, who have a messianic and racist view of Jews, and with far-right, populist leaders in countries such as Hungary, India and Brazil.

The Reut Group, which works to build the "national resilience" of the State of Israel, recently published a warning statement that

Israel was on the verge of what it called a "*yom kippur surprise*" in its relations with American Jews. The statement added that such a surprise might take place during the Trump administration, when the rift between the State of Israel and US Jews is growing. The status of organizations working for Israel, first and foremost AIPAC, is being challenged and Israel is increasingly being turned into a one-party issue. In the event Trump exits the political scene, Israel will have to deal with a Democratic Party that is less committed to Israel than it has been in the past, and with a new situation in which Jews will constitute a minority "between the River and the Sea".[1] The implication is that Israeli will find itself in a precarious situation internationally, since, in the absence of a resolution to the conflict that is acceptable to the Palestinians, Israel will eventually find itself administering an apartheid system without the support of the US administration, and having lost the mainstay that is Jewish-American support.

1. An intractable political crisis brought to an end by the coronavirus

Due to the failure of elected candidates to form a government coalition, Israeli national elections were held three times over the past year, on 9 April and 17 September 2019 and on 2 March 2020.

The declaration of the second round of elections came as a surprise to most political analysts, who had assumed that Netanyahu would succeed to form a right-wing government following the April elections. The *Likud* party won 36 seats, and the parties of the right-wing bloc, which at the time included the hardline religious parties, i.e. the ultra-Orthodox parties (*Shas* and *Yahadut HaTorah*, or United Torah Judaism), the pro-settler *HaBayit HaYehudi* (Jewish Home) party, and the right-wing secular party *Yisrael Beiteinu* (Israel is our Home) led by

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1   The Reut Group, 2019. "Israel's Relations with World Jewry: Toward a *Yom Kippur* Surprise," Conceptual Framework. Reut Group, June: https://bit.ly/2IKHgkK (accessed on 1 March 2020).

Avigdor Lieberman, together won a total of 65 seats, of which five seats went to Lieberman's party. Meanwhile, the *Kahol Lavan* (Blue and White) alliance of political parties and forces led by former military generals, won 35 seats. *Meretz* won just five seats, as did the Israeli Labor Party, which experienced a collapse, while the Arab parties, which ran in two party lists, dropped to 10 seats. Altogether, the opposition won 55 seats.

However, Lieberman refused to join Netanyahu's government due to a disagreement over the conscription of ultra-Orthodox Jews into the Israeli army, as well as personal and party-political conflicts. This standoff opened the door, at least in theory, to a potential coalition government not headed by Netanyahu for the first time since 2009.

The second round of elections held on 17 September deepened rather than resolved the political crisis, and paved the way for the third round of elections. Netanyahu wagered that by resorting to a third round of elections in September, he would be able to win 61 seats, together with the other right-wing factions, excluding Lieberman's *Yisrael Beiteinu* party. However, not only did Netanyahu fail to secure 61 seats, but the *Likud* dropped from 35 seats (including four seats for the Kulanu party that defected from the *Likud* in 2015 but rejoined after the April 2019 elections) to 32 seats, and the rightwing bloc as a whole won a total of just 55 seats. *Kahol Lavan* won 33 seats, the (Arab) Joint List 13 seats, *Meretz* five seats, and the Labor Party six seats. In total, the opposition parties won 57 seats. *Yisrael Beiteinu* jumped from five to eight seats, which gave it the final word on who would form the government. *Yisrael Beiteinu* declared that it would only support a secular Zionist unity government made up of itself, the *Likud* and the *Kahol Lavan* alliance, and excluding the ultra-Orthodox parties and the Joint List, which ranked third. For the Joint List, entering into a coalition with Lieberman was near impossible, given that Lieberman had declared that he would always stand against the Arabs. Employing similar language to Lieberman's, Netanyahu built his entire elections' discourse on anti-Arab incitement, de-legitimization, and fearmongering in order to drum up support for the right-wing.

Ultimately, both Netanyahu and Gantz failed to form a government coalition, which lead to a third round of elections, held on 2 March 2020. Voter participation rates in the last elections rose to 71.5%, up by 2% from 69.8% in September 2019. The number of valid ballots rose to 4,590,062 from 4,436,806 counted last September.[2]

According to the final tally, Netanyahu's *Likud* party took 36 seats, the Gantz-led coalition *Kahol Lavan* 33 seats, the Joint List 15 seats, and the ultra-Orthodox Shas party nine seats. *Yisrael Beiteinu*, the ultra-Orthodox United Torah Judaism, and the left-wing alliance Labor-Gesher-*Meretz* each won seven seats, and the right-wing *Yamina* alliance six seats. In all, Netanyahu's camp won 58 seats and the opposition parties 62 seats.

Among the most noteworthy features of these latest elections was the high turnout rate among Arab voters (excluding those living in the mixed cities), which increased to around 65% from 60% in September 2019, and just 49% in April 2019. The Joint List received 581,507 votes, equating to 12.6% of all votes, and 87% of the Arab vote (excluding Arab voters in the mixed cities). The remaining Arab votes (13%) went to Zionist parties.

In comparison, the two Arab lists that ran in the April 2019 elections (*Ra'am-Balad and Hadash-Ta'al*) together received 337,108 votes, which equated to 70% of all votes by Arab voters, while as much as 30% of Arab votes went to Zionist parties. Earlier, in the 2015 elections, the Joint List received 446,583 votes, or 10.61% of the

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2   For more information about the election results, see the website of the Israel Democracy Institute at
     https://en.idi.org.il/israeli-elections-and-parties/elections/2019/

overall vote and 82% of votes by Arab voters.[3] These results led to the beginnings of a shift in the Israeli political discourse among certain political figures, and especially within *Kahol Lavan*, which showed some willingness to work with the Joint List and view it a possible partner. In that vein, Gantz suggested that the emergency government proposed by Netanyahu must include all sides – in reference to the Joint List – or that the Joint List should be given chairmanship of committees in the Knesset, even though in the April and September 2019 elections he had striven to maintain his distance from the Joint List and denied that he was prepared cooperate with it in any way. However, this strategy was to change significantly following the March 2020 elections, and it seemed that *Kahol Lavan* was more ready than ever to work with the Joint List. Netanyahu responded by stating that no Israeli government would include "supporters of terrorism".

This change in the political discourse toward the Joint List signifies their recognition as a legitimate political power. Gantz invited them to a joint consultation on the eve of the recommendation. There was talk of cooperating with them to support a minority government, and a demand for them to have a role in the emergency government and to chair committees within the Knesset. The legitimacy of the Joint List rests on the power their electoral power, and on *Kahol Lavan*'s own need for them in order to remove Netanyahu. Netanyahu, backed by the right-wing bloc, responded by fiercely escalating incitement against the Joint List and *Kahol Lavan*, before *Kahol Lavan* split and Gantz entered into an alliance with Netanyahu.

It is worth noting that the electoral crisis, which dragged on for over a year, is closely linked to Benjamin Netanyahu as an individual, and that the opposition camp's primary goal was topple Netanyahu, in the absence of a common ideological or political vision binding its members. The *Kahol Lavan* list, which led efforts to oust Netanyahu, was formed on the eve of the elections in April 2019 specifically to achieve that goal. *Hosen L'Yisrael* (The Israel Resilience Party), led by former Chief of Staff of the "Israel Defence Forces" Benny Gantz, and the *Telem* party, led by former Israel Defense Minister Moshe Ya'alon, made an alliance with the *Yesh Atid* (There is a Future) party. The alliance was bolstered by eminent military figures such as Gabi Ashkenazi. Given the lack of any real alternative political platform to unite these parties, the failure to bring down Netanyahu and Gantz's decision to enter into an alliance with him resulted in the fragmentation of the opposition, and in the reinstatement of right-wing rule under Netanyahu.

The opposition camp comprises, in addition to the Joint List and the Labor- *Meretz-Gesher* alliance, the right-wing *Yisrael Beiteinu* party led by Lieberman, who went from being a political player with the ability to tip the scales one way or the other, to a major political actor key to efforts to topple Netanyahu, despite the ideological overlap between the two.

The third round of elections in March 2020 did not resolve the crisis; however, the arrival of the coronavirus reshuffled the political deck, as discussed above. There was an announcement of renewed negotiations to form a new government to include, in addition to the right-wing parties (with 58 seats), the Israel Resilience (*Hosen L'Yisrael*) party, with 15 MKs (though there was some movement between the parties of the former *Kahol Lavan* list).

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3   See the website of the Central Elections Committee for 2015 at: https://www.votes20.gov.il/

2. The Deal of the Century: A favorable regional, international and local climate

The sympathies of the US administration with the right-wing leanings of Netanyahu have been clear since the beginnings of Trump's ascent to power. In fact, prior to the announcement of the Deal of the Century, the US administration took several steps that were fully in line with Israeli policy, specifically the recognition of Jerusalem as the undivided, capital of Israel, the relocation of the US Embassy to Jerusalem, the defunding of UNRWA, and US Secretary of State Mike Pompeo's declaration that the Israeli settlements in the West Bank were not in violation of international law.[4]

Pompeo's declaration was preceded by a statement from the US Ambassador to Israel, David Friedman, in which he stated that Israel had the right to annex parts of the West Bank.[5] Friedman's statement was welcomed by all Israeli political parties except *Meretz*. Based on a series of reports, the Deal of the Century was drafted in consultation with Israeli politicians and research centers, and Israel was aware of the details of the deal prior to its publication.[6]

The basic premise of Trump's plan is the existence of a conflict between two equal parties, which must both make concessions based on the principle of reciprocity, coined by Netanyahu following his election in 1995 in the aftermath of Rabin's assassination. This principle essentially dictates as follows: "If they give, they take; if they do not give, they do not take", a formula that refers to Netanyahu's demand of the Palestinians to "combat terror" in order to advance in the negotiations. The plan's adoption of the Israeli perspective is evident in its disposal of the term 'occupation' and its requests of both sides to show flexibility, make concessions, and refrain from expelling any residents. Here, the plan equates between Israeli settlers and Palestinian residents in the West Bank in order to broach the idea of allowing all settlers to remain in their settlements, even in isolated areas. In practice, this means that the settlers themselves designate the borders, that they are the borders.

Trump's plan stipulates the establishment of a demilitarized Palestinian state and gives Israel the continued responsibility for security west of the River Jordan. "This state" will only be established pursuant to certain "conditions", including an "explicit renunciation of terrorism". According to the plan:

1. Undivided Jerusalem is the capital of Israel, and the Palestinians may declare any of the neighborhoods behind the wall their capital, which they may call Jerusalem. The US will recognize such a capital and open an embassy in it (for instance, in Kafr 'Aqab or Abu Dis).
2. Israel will retain security control over the borders of the promised Palestinian state, and likewise over all the crossing borders.
3. Israel will retain control over the airspace of the Palestinian state.
4. Israel will retain control over the water resources.
5. None of the settlements will be dismantled, whether they are located in the main settlement blocs or deep within the West Bank to the east of the Wall, where around 100,000 settlers live, including 14,000 settlers living in isolated settlement enclaves deep in the territory that will be part of the Palestinian

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4   Anton Shalhat, 2020. "23rd Knesset Election Results: Ongoing Political Split." Situation Report, 15 March 2020.

5   Ariel Kahana, US Secretary of State Pompeo: We Knew the Settlements in Judea and Samaria Are Legal. *Yisrael HaYom*, 27/11/2019. See website at https://www.israelhayom.co.il/article/710979 (Last seen on 28/2/2020).

6   Noah Lindau, US Ambassador Friedman: Israel Haas the Right to Annex Parts of West Bank Territory. *Haaretz*, 8 June 2019. See website at: https://www.haaretz.co.il/news/politcs/.premium-71.7342909 (accessed on 28 February 2020).

state. These include the most fanatical settlers, who chose to live deep within Palestinian territory in order to thwart the establishment of a viable Palestinian state. The settlement enclaves are to be connected by a road network under Israeli sovereignty and control.

6. Israel will annex 30% of the West Bank territory: 17% in the Jordan Valley, 3% in settlements areas, and 10% in settlement blocs, including the roads connecting them.
7. Palestinian enclaves will be scattered in areas under Israeli control, where around 140,000 Palestinian civilians live, and who will be obliged to enter "Palestine" via roads controlled by Israel.
8. Palestinians will forfeit the Right of Return and the Palestinian refugee question will be resolved without Israel assuming responsibility for it, while there is a demand for the creation of a mechanism for compensating Jewish immigrants from Arab countries, who are considered refugees.

In reality, the promised Palestinian state will be a province within the state of "the Land of Israel". This territory will be enclosed by a fence at a total length of 1,400 kilometers, i.e. twice the length of the existing barrier. Of course, military checkpoints will be erected to safeguard the border and to ensure that the two sides do not mix. The promised Palestinian state will not enjoy territorial contiguity, but will be divided into six isolated areas, all under Israeli security control. Moreover, Israel will retain security control over the roads connecting these areas.

The Deal of the Century fully adopts a right-wing Zionist perspective. It seeks to impose a resolution that would ostensibly bring an end to the Palestinian-Israel conflict; however, in reality it constitutes an instrument of unconditional surrender for the Palestinians, whom it seeks to turn into border guards for Israel. This vision did not transpire overnight; the Israeli media has previously exposed the fact that its text was drafted by US and Israeli politicians, in consultation with security institutes including the National Security Institute in Israel, which reviewed the text throughout its various drafting phases. The Deal of the Century combines the vision of the new Israeli right-wing with the fervor of a group of pro-settlers, Zionist evangelists led by Greenblatt, Kushner and David Friedman. This three-man team dominates American political decision-making process concerning the Palestinian question.

The Deal of the Century: A critical moment in a favorable environment

One should not dismiss the Deal of the Century as merely another plan destined to join dozens of earlier plans and resolutions as mere ink on paper, dead letters in the history of Palestine. There are several reasons why it may come to fruition, including the fragmented state of the Arab region, the fragile Palestinian domestic situation, the growing influence of the evangelical Christian Zionists in the US and Israel (which we have discussed in earlier reports), and the control of the ideological right over the political decision-making process in Israel, in the shadow of the aforementioned electoral crisis.

The regional context

The Arab region, which in the past embraced and advocated for the Palestinian cause, is today fragmented, preoccupied with domestic conflicts, and in a state of unprecedented instability. Moreover, some Arab states have opened the door, or left it ajar, to cooperation with Israel as an ally against Iran, the main, common enemy. Thus, the Palestinian cause has been relegated to a secondary matter, and many Arab states are providing political cover for the US administration to pass through the Deal of the Century, for instance by hosting the Bahrain Conference. Representatives of Bahrain, Oman and the United Arab Emirates also attended the conference held by Trump at which he announced the Deal of the Century, alongside Netanyahu.

It should also be noted that the Arab-Israeli conflict is being transformed from an Arab-Israeli conflict to an Islamic-Israeli conflict, given Iran's shift from a friend of Israel to an enemy, and Turkey's move from the position of close friend to that of adversary.

The Palestinian context

The weak and divided state of the Palestinians has contributed to the creation of a conducive environment for the Deal of the Century, as has Israel's policy of dealing with the Palestinian Authority and Hamas as separate entities, e.g. by seeking a long-term truce with Hamas with no connection to events taking place in the West Bank.

Evidently, current security assessments rule out the possibility of a popular uprising (intifada) in the Palestinian territories, which provides support for the idea of annexing at least the Jordan Valley as a first phase. Of course, the Israeli army will remain prepared to deal with any potential destabilization or breakdown in security, and to confront the Palestinians if the situation on the ground should deteriorate.

All potential scenarios are, however, now subject to developments concerning the spread of the coronavirus and its impact on people's daily lives. The pandemic, which has shaken the entire world, could act as a catalyst for, or else impede the progress of the Deal of the Century. If the virus becomes a major epidemic in Israel and the Palestinian territories, then the all-consuming efforts to fight it will sideline all political issues, particularly following the anticipated formation of a unity government of the political right and Gantz's party. On the other hand, the global preoccupation with the coronavirus could potentially be exploited, in case the virus is successfully contained in Israel, to push forwards various measures that advance the aims of the Deal of the Century, for instance banning Palestinians from Jerusalem from entering the West Bank in preparation for their final severance from it.

Indeed, over the coming months the coronavirus will determine not only the future course of Israel and Palestine, but of humanity as a whole.