

ISRAEL IN THE AGE OF NETANYAHU

*He crafted the post-Oslo consensus, overhauled
the economy, and mastered the Knesset.
Now the kingdom he built wants its keys back*

By Allison Hodgkins

It is Benjamin Netanyahu's Israel. Despite three felony indictments, two bruising, inconclusive elections, and diminishing prospects of winning a third, Israel's longest serving prime minister is letting everyone know he is still in charge. Dissolving the Knesset on December 11, 2019 ensured that he will have three more months, at least, in the official residence at the corner of Balfour and Smoleskin street. He will relinquish all his ministerial portfolios, as required by law, but he will not go quietly. He will spare no invective, opportunity for race-baiting, or claims of vast left-wing conspiracies left in his arsenal. He will scream "coup," "gevalt," and froth over overzealous prosecutors, a hostile media, and existential threats lurking in the halls of the Knesset. He will yank mutual defense treaties and promises of annexation out of his hat, and use any other trick in his repertoire if it stands a chance of forestalling the day of reckoning that awaits when he is no longer premier. Make no mistake: if circumstances warrant, Netanyahu will not hesitate to set the region on fire.

Nevertheless, there is a marked desperation in his tenor this time around. In addition to the threat of a public trial and possible jail time hanging over his head, there is mounting evidence his spell might be breaking. There are cracks in each and every one of his defenses. A rally held on November 26, 2019 to show his strength was poorly attended and rife with gaffes too cringeworthy for all but his most reality-resistant supporters to take—like his Minister of Culture and Sport Miri Regev's awkward claim that "the rule of law is not above the law". Polls are shifting as well. While he survived a leadership challenge in the Likud primaries on December 26, 2019, Likud is still trailing the centrist Blue and White Party by as many as four seats. Polls also show that Israelis hold Netanyahu responsible for the current deadlock in Israeli politics and are opposed to granting him immunity from prosecution. More telling, for the first time in almost a decade, a handful of polls show Israelis saying they see someone other than Netanyahu as the most qualified to be prime minister.



Given Netanyahu's uncanny ability to survive the unsurvivable, one can never discount the possibility he will rise from the ashes of his ego-driven self-immolation once again. But whether he pulls off another election day miracle or skulks off the stage with a plea deal, he can still claim victory. When he first entered politics thirty years ago, Netanyahu had three overarching goals: to prevent territorial concessions, liberate the economy from the clutches of the state, and convince Israel and the world that the greatest danger in the Middle East was *not* the absence of a resolution on the question of Palestine. If there is one conclusion to be drawn from the results of the last elections and the situation in the region, it is that he has so clearly achieved it all. The two-state solution has been reduced to a charming relic politicians, pundits, and delusional peaceniks can pay homage to without infringing on the expansion of a single settlement. The Israeli economy is booming, and the once fragile new Israeli shekel appreciated 10 percent against the dollar in the last decade. Moreover, from Washington to key palaces in the Arab World, the focus has shifted from pressuring Israel to commit to peace to the far more urgent business of countering Iran.

The irony is that because of these very achievements, Netanyahu has arguably become a victim of his own success. By resetting the gravitational poles of Israeli politics, he not only left a gaping hole at the center of the Israeli electorate for

△ A man looks at two election campaign posters, one depicting leaders of the Blue and White Party and the other showing Israeli Prime Minister Benjamin Netanyahu with members of Israel's far-right political party, Jewish Power, Jerusalem, March 27, 2019. *Reuters/Ammar Awad*

his current rival to fill, but also scrambled the coalition algorithm he has so reliably manipulated to remain in charge. Gone are the days when elections were decided on questions of land or peace and small parties could make or break coalitions with their marginal economic or religious agendas. In their place, Netanyahu has built a post-Oslo consensus, where Israelis have come to not only accept, but expect, that they can enjoy economic prosperity and reasonable security without the need to address inconvenient questions about their borders or the rights of those within them. In fact, in the last two elections, they signaled they were so comfortable with this new consensus, they were ready to move on with a far less compromised candidate willing to offer them more of the same. This may be the bitterest pill for Netanyahu to swallow should he go down in ignominy after the elections in March 2020: Benjamin “Benny” Gantz may become the next prime minister of Israel, but the consensus he represents belongs only to Bibi.

Netanyahu’s Post-Oslo Consensus

Conventional wisdom holds that the last two elections were a referendum on Benjamin Netanyahu, and rightly so. Not because of his now-official indictments for fraud, bribery, and breach of trust, but because there really was not anything else to differentiate the two major parties. One party is led by a man named Benjamin who believes Israel may always be forced to live by the sword; must be prepared to respond with overwhelming force when necessary; could not imagine a universe where Israel did not have full, unchallenged sovereignty over all of Jerusalem and the Golan Heights; and would never, ever dream of relinquishing up control of the Jordan Valley. The other party is led by Netanyahu. For all the wistful talk of the Blue and White Party’s Benny Gantz being the reincarnation of slain Labor leader Yitzhak Rabin, on security matters there is precious little daylight between his party and Likud. Neither are keen on dismantling settlements, nor would they consider for a second granting the right of return to Palestinian refugees. In some areas, including with regards to fighting terror, Gantz has positioned himself as more hawkish than Netanyahu and concurs that the biggest security threat to Israel is the prospect of a nuclear

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Iran. Moreover, while Gantz has indicated he would resume talks with the Palestinians and has not ruled out a demilitarized, disconnected Palestinian state with no control of its borders or airspace, he has not exactly agreed to one either.

The fact that Gantz espouses positions resonant with those of the man he is vying to supplant should not be surprising, nor taken as an indication that he is a “crypto-rightist.” Gantz, like any pragmatic and centrist politician, is running on the national

consensus and signaling his intention to stay the course. The irony is that it was

Netanyahu who set that course. Published in 1993, Netanyahu's opus *A Place Among the Nations* laid out principles behind the policies he would pursue when he became prime minister three years later. The first was the fallacy of land for peace (a legalistic interpretation of UN Security Council Resolution 242 whereby Israel would trade land for peace with its Arab neighbors) as a means of bringing peace to the Middle East and security to Israel. In his assessment, Arab animosity toward Israel had little to do with the territory occupied in 1967. On the contrary, their hostility was rooted in an implacable hatred of the West, of which Israel was an outpost. Arab regimes merely perpetuated the myth of Palestinian victimization to distract their subjects from the obvious contrast between free and democratic Israel and the stultifying repression they ruled with at home. Territorial concessions would do nothing to mitigate the situation, not until there was a complete transformation of the Arab World. However, once the dictators were overthrown, Netanyahu believed that most Arabs would come to accept the rationality of the Jewish people's claim to the land of the Patriarchs and come to see Israel as a partner.

From this perspective, abominations like the 1993 Oslo Accord could never lead to real peace and would only serve to put terrorists in striking distance of Israel's most populated areas. While civil and economic autonomy for the Palestinians was all well and good, provided Israel retained complete and unfettered security control, a Palestinian state was nothing short of lunacy as it would merely shorten the time and space one of those regional dictators would need to get their tanks to what he dubbed the "Auschwitz borders" (echoing former Foreign Minister Abba Eban, who used the term in 1967 to illustrate the existential threat Israel would feel itself under if those borders abutted a hostile Arab state).

It did not matter if one of those dictators had signed or upheld a peace agreement with Israel or was overthrown, there would always be another one waiting to wipe the Jewish state from the map of the Middle East. Hamas suicide bombings in the early days of the Oslo process gave support to his theory and, despite the shock of Rabin's assassination, were sufficient to give Netanyahu the narrowest margin of victory over his one-time patron, Shimon Peres, in 1996. In his first term as prime minister, Netanyahu did everything in his power to resist any further transfers of territory to the Palestinian Authority, insisting on more and more proof of Palestinian leader Yasser Arafat's unprovable commitment to Israel's absolute security. Although President Bill Clinton, with the help of a dying King Hussein of Jordan, was able to twist his arm into signing the 1997 Hebron Protocol and the 1998 Wye River agreement, Netanyahu insisted on so many security conditions he was voted out of office before they were fully carried out.

However, before he lost to Ehud Barak in 1999, Netanyahu had also started his

quest to overhaul the Israeli economy. While slow-walking negotiations with the Palestinians, Netanyahu rushed through an accelerated program of tax cuts, entitlement reforms, and other principal tenets of trickle-down economics. When Ariel Sharon appointed him finance minister between 2003 and 2005, his battle to wrest the economy from the clutches of the state shifted to the *Histadrut*—the massive federation of trade unions that had been protecting Hebrew labor since before the founding of the state. Facing down strikes, Netanyahu jacked up the retirement age, instituted work requirements for welfare recipients, and sold off state industries for parts. His policies were widely credited with reversing one of the worst economic declines in Israeli history—as well as setting it on the path to income inequality.

Prime Minister Part Deux

In 2009, Netanyahu managed to maneuver his way into a second term as prime minister at the precise time a majority of Israelis were ready to agree they had given peace enough of a chance. From the opposition, he led the charge against Sharon's successor, former Jerusalem Mayor Ehud Olmert, who was engaged in high-level negotiations with Palestinian Authority President Mahmoud Abbas despite being indicted on charges of fraud, breach of trust, and tax evasion. Although Olmert had tendered his resignation and put forward a timeline for transition, Netanyahu demanded immediate elections, arguing that the indicted prime minister lacked the legitimacy to make concessions to the Palestinians. Although Olmert's foreign minister and former Likud member Tzipi Livni won more votes than Netanyahu, she could not form a coalition. After an extended second round, Netanyahu eventually cobbled together a sixty-nine-seat majority composed of Likud, Avigdor Lieberman's Yisrael Beiteinu, the two ultra-orthodox parties, and Ehud Barak's much diminished Labor Party. At the time, the coalition was seen as a bizarre and inherently unstable mismatch of egos and ideologies. However, in hindsight it was a harbinger of the post-Oslo consensus to come, as was the address Netanyahu made to the UN General Assembly six months later, when he not-so-subtly chastised newly inaugurated President Barack Obama for pressing Israel to resume negotiations when a "murderous, fanatical regime was on the verge of acquiring a nuclear bomb" (i.e. Iran).

Flash forward to December 2016 and the groundwork for the post-Oslo consensus seemed complete. Re-elected by a poll-defying margin in 2015, Netanyahu had escaped two hard court presses by the Obama administration to reach a final status agreement with nothing more than a short-term pause in settlement construction. "Start-up Nation" and Israel's "Silicon Wadi" had become the red-hot core of a high-octane economy, and an acquaintance with solid ties to Netanyahu's supporters in the United States had just been elected president and was promising to scrap the Iran nuclear agreement and recognize Jerusalem as Israel's capital.

It was also the same month the police announced they were investigating Netanyahu in a corruption case dating back to his days as Sharon's finance minister. At first, Netanyahu was nonplussed about the whole affair. He was confident investigations would lead nowhere, claiming the police were just chasing unfounded rumors whipped up by a biased media. However, in the spring of 2017, the investigations broadened, pulling in media heavyweights and mega-donors like Sheldon Adelson and ranging from gifts of cigars to the possibility of the prime minister having a personal stake in the sale of submarines.

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Rumors of pending indictments and backroom discussions on possible plea deals or immunity arrangements started circulating as early as the fall of 2017.

However, while his rivals on the right, like his then-Education Minister Naftali Bennett or former aide-cum-archrival Lieberman, started to jockey for pole position, both they and possibly Netanyahu overlooked the critical flaw in his decades-long strategy. In his quest to minimize challenges to his position and policies, Netanyahu had played a tactically brilliant game of divide and conquer. He dangled ministry appointments to coax adversaries into quiescence or foils to play them off against each other. He also manipulated rivalries between the secular right and the ultra-orthodox parties, to ensure there were enough seats for a comfortable majority but prevent any single party from becoming large enough to cause trouble. These machinations pulled both his governments and his rhetoric further and further to the right, which left a space at the center of the electorate for his former Israel Defense Forces chief of staff, Gantz, to fill.

Redefining the Center

Contrary to popular perception, Israel has not been shifting to the right since Oslo, but rather congregating in a redefined center. Since 1988, those parties with explicitly annexationist agendas have only increased their share of seats in the Knesset by 10 percent. While the Labor Party has seen the most precipitous decline, losing as many seats between 1992 and 2019 as they held in 1996, Likud has also lost a sizable portion of its market share, and more seats overall than can be explained by growth further to the right. At the same time, parties that define themselves as "centrist" have gained a larger share of the vote with each successive election. Some of these parties, like Yair Lapid's *Yesh Atid*, have their roots in the small, pre-Oslo parties such as his father's *Shinui*, which ran on free-markets and civil marriage. Like the ultra-orthodox parties, they were willing to be flexible on matters of land for peace, provided their specific agenda issues were addressed.

However, after the outbreak of the Second Intifada, centrist parties like *Kadima* or *Kulanu* were essentially ex-Likud members that Netanyahu had driven out or who had left in frustration with his cult of personality and coddling of the ultra-orthodox parties. In fact, since 2009, the largest block in Israeli politics has been center-right, or rather Likud plus whatever centrist parties were running in that particular year. From this angle, both the formation of Blue and White and the push for a unity government were less a political revolution than the consolidation of an existing trend.

Yet, while the center is abandoning Netanyahu, they are embracing his security and economic policies. And why wouldn't they? Unless you are a pensioner trying to keep up with the rising cost of rent or living along the boundary with the Gaza Strip, life in Israel is pretty good these days. The economy is booming, and the wall and the iron dome missile shield form a solid backstop to the overt security cooperation with the Palestinian Authority in the West Bank and the more tacit but nonetheless effective Egyptian-facilitated and Qatari-financed denouement with Hamas.

Moreover, Gantz won't be beholden to Netanyahu's erstwhile coalition partners, who themselves are a holdover from the Oslo days. When land for peace was the defining question of Israeli politics, the ultra-orthodox parties could extract huge concessions from the right or left in exchange for providing the seats needed to reach a majority. When such questions no longer matter, their insatiable demands for funds to underwrite life-long study for Yeshiva students and their onerous restrictions on the marriages, births, and deaths of the less religious are themselves points of contention. Case in point, Lieberman's surprise defection from the right-wing block in the April 2019 election is perhaps the clearest sign the post-Oslo era has fully arrived. Otherwise, it would have been far too risky for a resident of a small settlement in the heart of the West Bank to scuttle a hard-right government over his demand to limit the number of ultra-orthodox Yeshiva students exempted from the draft.

Without Netanyahu, there are foreign policy payoffs in the post-Oslo consensus as well. Reduced influence for the ultra-orthodox will enable a repair of relations with Jewish communities in the diaspora, the majority of whom are conservative or reform and chafe at the ultra-orthodox monopoly on religious affairs in Israel. With the settler parties in the opposition, Gantz would have the opportunity to mend fences with King Abdullah II of Jordan and re-affirm Israel's commitment to the status quo in Jerusalem. And while he is unlikely to return any of the gifts bestowed on Netanyahu by President Donald Trump, such as the recognition of Israeli sovereignty over the Golan or the opening of the U.S. embassy in Jerusalem, there is no need for any further steps toward annexations that would stir up trouble in the region, the EU, or the UN. At the end of the day, ambiguity is ultimately less costly and arguably

more effective than annexation in facilitating continued Israeli control and the “natural growth” of Israeli settlements—especially as long as the existence of the Palestinian Authority shores up the pretense of a political horizon.

One Hitch! The Joint List

In fact, Netanyahu’s post-Oslo consensus is so comfortable for Israel, it might just be able to go on forever if not for one minor problem. Under a center-right unity government, both the far-right and the ultra-orthodox would be weakened. However, the traditional, Zionist left—already on the verge of extinction—is likely to slip over the edge. After all, with quiet on the borders, a booming economy, improved relations with Jordan, and less meddling from the ultra-orthodox rabbinate in daily life, what does the Zionist left have to offer? And their demise will strengthen the only block in the Israeli political landscape with the potential to disrupt the post-Oslo haze: the non-Zionist left, or the Arab parties. In particular, if the Joint List alliance stays together and retains its spot as the third largest party in the Knesset, the head of the alliance, Ayman Odeh, an Israeli–Arab, will become the head of the Israeli opposition. Not only will he have a security detail and daily briefings on security matters, he will also be accorded speaking and voting privileges expected by the leader, who in the past would be presumed to be an eventual candidate for prime minister.

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In no small measure of irony, this means that Netanyahu was right when he referred to Odeh as an existential threat. Because the only real danger to the stability of Netanyahu’s post-Oslo consensus is the possibility a new peace camp will emerge and demand the creation of a genuinely greater Israel—one that is sovereign over the lands of the Patriarchs and still speaks Hebrew, but is also premised on the heretical principle of liberty and justice for all who reside in its borders. ®