

The 2009 Israeli Election: A Bump in the Road to Peace?

Israeli voters went to the polls in February 2009 for the fifth time in a decade. The campaign was overshadowed by the December 2008 Israeli offensive into the Gaza Strip: air operations beginning just two days after Christmas and Israeli ground operations following during the early days of the New Year. Israeli troops pulled out of the Gaza Strip some three weeks later but sporadic Palestinian rocket fire continued even after the election during the ensuing weeks of coalition formation. Inevitably an election which might have focused on the future path toward peace, or perhaps the onset of the economic crisis, was dominated by traditional concerns about security. The outcome enabled both the centrist Kadima party leader and outgoing foreign minister, Tzipi Livni, and the standard bearer of the right, Likud leader Binyamin Netanyahu, to claim victory. Kadima won the most seats in the Israeli parliament, the Knesset, while the political right as a whole emerged with the best chance of forming the next governing coalition.

The result has been widely interpreted as representing a drift to the right by Israeli voters. In particular, the success of the Russian immigrant-backed Yisrael Beitenu party of Avigdor Lieberman was seen as endorsing a more strident rhetoric and a more extreme style in Israeli politics. It is not surprising, therefore, that the prospect of Lieberman as foreign minister in the new Israeli government has caused a tremor in diplomatic circles around the world. The possibility of a narrowly based right-wing coalition in Israel suggested that the new government and the Obama administration might well be set on a collision course. At any

Jonathan Marcus is diplomatic correspondent for the BBC World Service. He travels to Israel often and broadcasts frequently on Israeli politics and diplomatic developments in the Middle East. He can be reached at jonathan.marcus@bbc.co.uk

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rate, the chance of progress toward peace between the state of Israel and the Palestinians, already uncertain due to the Palestinians' own political divisions, has been further diminished.

Can the few positive (even though they were meager) steps toward reconciliation be salvaged in such a right-wing Israeli environment? Maybe. The political right has certainly managed to come out on top,

but it is hardly a coherent set of actors and some of its traditionally strongest ideological positions, such as the idea of "a Greater Israel," remain critically weakened. Nevertheless, it may be premature to see this election's outcome as representing a fundamental shift rightward by the Israeli public or a permanent retreat from a two-state solution that has long been the central goal of the peace process. The election result was the inevitable product of the context in which the campaign unfolded. For now, a new right-wing government in Israel certainly complicates the Obama administration's task in the Middle East, though peace was hardly around the corner anyway. What kind of future does the U.S.-Israel relationship now have with Barack Obama and Netanyahu at the helms of their respective governments?

The Road to the General Election

Israel's path to the 2009 general election began with Prime Minister Ehud Olmert's decision to resign in the face of mounting corruption allegations. He was accused of receiving money from a wealthy Jewish-American financier as well as having serious irregularities in his travel expenses. His main coalition partner, Labour leader Ehud Barak, had a key role in his demise. He was the first senior member of the government to call for Olmert's resignation, a decision that precipitated a chain of events which paradoxically confirmed the Labour Party's own electoral collapse and raised serious questions about its future. Olmert announced his decision to go in July 2008, but said he would actually depart in September. This would give his Kadima party sufficient time to elect a successor, whose job it would be to form a new government. A general election, therefore, was not necessarily inevitable.

This political crisis came at a time when Israeli politics was in a state of flux. Olmert had taken over as prime minister early in 2006 after Kadima's founder, Ariel Sharon, was incapacitated by a major cerebral hemorrhage. Sharon had created the new party just a few months before, after losing Labour as a coalition partner. He also faced a growing insurgency from within his own Likud

formation, in the wake of Israel uprooting its own settlements and withdrawing from the Gaza Strip. Sharon appeared committed to further disengagement from the West Bank. He sought a new mandate to consolidate his position, but due to the failure of his health, it was Olmert who led the party into the campaign.

Even without Sharon at the helm, Kadima emerged from the March 2006 general election as the largest party, humbling Likud, which was Sharon and Olmert's old formation. Pundits spoke of a big bang in the Israeli party system, and of a realignment that would lead to a stable centrist majority to push ahead with Sharon's single-minded approach to the peace process. The idea was that, in the absence of a reliable Palestinian partner, the only approach which would maintain the Jewish and democratic nature of the state would be to disengage unilaterally from much of the territory Israel had occupied in the 1967 Six Day War. The trouble was that unilateral disengagement quickly got a bad name. For Israel, the decision to leave the Gaza Strip—a pullout completed in August 2005—and simply shut the door behind it had resolved little. Rocket fire into southern Israel continued and would in time become a central problem for Olmert.

The war in Lebanon that erupted in the summer of 2006 dealt another mortal blow to the idea of unilateral disengagement. Hezbollah fighters crossed into northern Israel attacking an Israel Defense Force (IDF) patrol, killing three soldiers and capturing two more, neither of whom survived. Israel responded with a month long campaign of uncertain strategic aims. The political direction of the war was flawed and hesitant. Combat revealed serious shortcomings in the training and readiness of the Israeli army. What was seen as an opportunity by both Israel and the United States to seriously damage Hezbollah and to strike against its Iranian backers by proxy had very mixed results. A belated Israeli ground offensive, which suffered significant casualties even as diplomatic efforts to end the war were well underway, contributed to the growing public anger in Israel. This prompted the formation of an official commission, the Winograd Commission, to look into the preparation and conduct of the war at both the political and military levels. The chief of staff, Gen. Dan Halutz, resigned well before the publication of the interim report, which blasted senior decisionmakers. The then-Labour leader and defense minister, Amir Peretz, a man with no prior military or strategic experience, eventually resigned after losing the party leadership to Barak. Olmert himself soldiered on, but being assailed on all sides made him damaged goods.

Together, the Gaza and Lebanon experiences diminished public support for the unilateral territorial withdrawal strategy, setting the scene for a possible revival in Likud's fortunes. The political failures of the Lebanon War served to weaken Olmert himself and cast a long shadow over his subsequent actions. By ordering the bombing of a suspected Syrian nuclear reactor in September 2007,

he restored some confidence in his abilities, but the principal damage had been done. His resignation, when it finally came, appeared to simply recognize the inevitable.

When Livni won the Kadima leadership in September 2008, it appeared to promise a fresh start, though she did not do as well in the internal party contest as many had hoped and expected. As foreign minister, most of her activities during the Lebanon crisis had been directed abroad. Traditionally foreign ministers in Israel do not necessarily have particularly “good wars,” but she had not had a bad one either. She had developed a close working relationship with her U.S. counterpart, Secretary of State Condoleezza Rice. She appeared to offer a fresh kind of leadership: clear of scandal and more direct. It was hoped that these characteristics would consolidate her party and make it a permanent fixture in Israeli politics.

She moved quickly to conclude a coalition agreement with Barak’s Labour Party. All the signs were that the new coalition would be similar to the 67-strong

Likud’s campaign momentum depended upon a credible opening toward the center.

parliamentary majority which backed Olmert’s exiting government: a mixture of Kadima, Labour, the orthodox party Shas, and fragments of the small Pensioners Party. Shas, however, presented a number of problems. In the tradition of many of the Orthodox religious parties who see their role as essentially to serve their own community, *Shas* demanded increased state benefits for those with large families, amongst whom the

black clad ultra-orthodox predominate. On the diplomatic front, it also demanded that there should be no talks about the potential division of Jerusalem. This pushed the highly divisive issue of the future of the city into the limelight, making it more difficult for Livni to create room for future political maneuver on the issue.

Livni went some way to meet Shas’s financial demands. In retrospect though, it now appears that the Likud and Shas had already made a deal to thwart the emergence of a Livni-led government. Had she been prepared to offer more money, might Shas have been bought off? That is a difficult question to answer. Options for forming a narrowly based, and evidently a fragile, coalition were very limited. Toward the end of October 2008, Livni had run out of time after Olmert’s official resignation, and had to tell President Shimon Peres that she had been unable to form a government. The country would have to go to the polls again barely two years after the previous general election.

Campaigning in Peace and War

Early opinion polls were perceptive; they had suggested the main political battle would be between Kadima and Likud, with Labour fighting for its political survival. Livni's failure to form a government had one fundamental consequence that would overshadow her campaign: she would not be able to run as an incumbent prime minister, as Olmert was determined to stay on. In fact, he would remain in office not just until after the ballot, but until a new government finally emerged.

Israel's electoral system imposes peculiar demands on political leaders seeking to win a general election. It is one of the purest proportional systems in the world. Parties present national lists of candidates to the voters, who opt for the party of their choice. Seats are then allocated on a distribution of the national vote. A minimum threshold of two percent of the ballot is needed to win a seat in the 120-member parliament, the Knesset. If a party wins, say, ten seats, then the top ten names on their list of candidates are elected. There are, then, effectively three crucial battles for influence. The first takes place within the political parties themselves, as they designate their slates of candidates and rank them on the party list. The second is the electoral contest itself where the voters have their say. The third is the most important battle: the struggle to form a governing coalition, a process that can take weeks of bargaining. Netanyahu's coalition did not emerge until the end of March, even though the elections had been held almost two months earlier. Rather than being an exercise in team building and creating a future administration, the party primaries can degenerate into a battle between individuals or highly motivated groups, which can threaten to hijack the election campaign.

This is precisely what happened in Likud in December 2008, providing its leader Netanyahu with a disturbing taste of what he might face after the general election was over. He had sought to both strengthen and broaden the party's appeal by bringing back key figures such as Benny Begin (son of the former prime minister Menahem Begin, an iconic figure for the right) and Dan Meridor (who had quit the party for a centrist formation in 1999). Begin would appeal to the core party faithful, while it was hoped that Meridor would help bolster the party's moderate wing in the struggle for potential Kadima voters. The aim of this carefully orchestrated recruiting campaign was both to mobilize the party's own faithful and to offer a slate of candidates who would appeal to the wider public at large.

The Likud primary contest, however, threatened to overturn this plan. Amidst problems with the computerized voting system, which had similarly afflicted the Labour Party's primary, hawkish figures dominated the top ten places. Despite efforts by Netanyahu to marginalize him on the far right wing of

The Labour Party has suffered a process of long decline.

the party, Moshe Feiglin managed to secure a credible twentieth slot on the party list. Feiglin was clearly gaining influence within the party, as candidates that he had called upon his supporters to back, such as Gideon Sa'ar, Begin, and Reuven Rivlin, respectively claimed positions two, four, and five on the

party list. Unfortunately, many of the more moderate “stars” wooed by Netanyahu were unable to secure realistic places.

Opinion polls suggested that the forward momentum of Likud depended upon a credible opening toward the center to win over potential Kadima voters. Kadima spokesmen were quick to accuse Likud of electing an “extreme rightist” list, in which the Likud rebels who had fought Sharon over the Gaza disengagement had become the party’s rulers. Already, there were seeds of Netanyahu’s ultimate recurring nightmare: to return to the same situation as during his previous tenure as prime minister, when he was in effect a prisoner within a right-wing coalition. In due course, the Likud elections committee backed a plan to move Feiglin down from 20th to the 36th position on the list, after a technical argument about the distribution of places to regional candidates. After the primaries, opinion polls showed no significant diminution of support for Likud. Yet, the warning for Netanyahu was clear: with the right-wing bloc likely to emerge with a majority in the Knesset, his freedom to maneuver would depend upon constructing the broadest coalition possible.

The Likud and Kadima campaigns were focused against each other for the obvious reason that whoever emerged on top stood a good chance of being asked by the president to have the first shot at trying to form the next government. They also clearly had to worry about competition from formations on their other flanks—in other words, from potential allies in coalition building, but far from partners in the electoral race itself. The problem was perhaps less acute for Livni. The Labour Party, which for years had been almost synonymous with the Israeli state, had suffered a process of long decline. Even before this general election, there was growing despondency within its ranks and unhappiness with its leadership, direction, and likely political fortunes. Once it had been “the Establishment,” today it is a shadow of its former self and its positions are no longer distinctive. On the left, Meretz, the long-standing party of the liberal Left, sought to occupy some of the terrain that had traditionally been held by Labour by recasting the party into a new movement, drawing in public figures and intellectuals like Amos Oz. Plans to launch the new party, however, had to be accelerated due to the early election. Key figures in the new movement

accepted that more time was needed to create this kind of center-left formation with a proper organizational structure and a coherent message.¹

For Netanyahu, the problems on the right were of a different order. The “national religious camp” that made up the political arm of the settler movement had been grievously damaged by the trauma of the August 2005 Gaza evacuation. His main concern was the rise of his former protégée, Lieberman, and his Yisrael Beitenu party. Lieberman’s movement has a strong following among Israeli voters of Russian origin. Likened by some to the populist far-right formations in Western Europe, Lieberman combines muscular anti-Arab and stridently secular rhetoric, with an unusual take on the central problem of peace with the Palestinians. He wishes to redraw Israel’s boundaries in a peace deal which would place many areas of large Israeli-Arab population into a future Palestine, while Israel would retain key settlement blocs in the West Bank.

Lieberman has introduced a new and harsher tone into the mainstream of Israeli politics—one that has always been there but has generally been confined to the margins. He campaigned on the slogan “without loyalty there is no citizenship,” demanding that all Israelis affirm their loyalty to the state and be prepared to undertake military or some other form of national service. The fact that this would include the Jewish ultra-orthodox hardly mitigated what many saw as a frontal assault against the loyalty of Israel’s Arab citizens. Yisrael Beitenu, along with the ultra-nationalist National Union party, sought a ruling from the Central Elections Committee to disqualify two Arab political parties, the United Arab List-Ta’al and Balad, on the grounds of incitement, support for terrorism, and refusing Israel’s right to exist. The two parties were indeed initially banned on January 12, 2009.

The decision, which inflamed Israeli-Arab opinion, was subsequently overturned by the Supreme Court. The ban had been endorsed by the Likud, Labour, and Kadima representatives on the 37-member committee, knowing full well that it would be subsequently overturned. This cynical endorsement of Lieberman’s position, a triumph of political expediency over principled politics, characterized the approach of both of the main parties toward the rise of Yisrael Beitenu. Amidst the frustration of many of his own party’s strategists, Netanyahu refused to confront this rising threat to his right directly, fearful of angering his own right-wing supporters. Livni did indeed condemn Lieberman, but her own espousal of his strongly secular line—to appeal both to the left and to Russian immigrants, many of whom are not, strictly speaking, Jewish—risked also lending credibility to Lieberman’s platform.

Meanwhile, at the end of December 2008, the Israeli government finally lost patience with ongoing Palestinian rocket fire, which had become more frequent during November as the end of a six month de facto “truce” approached, and launched a significant incursion into the Gaza Strip.² Initially seen as an

opportunity to deliver a massive blow to Hamas and to allow Israel to dictate the terms of any subsequent ceasefire, the actual campaign has been largely inconclusive. Rocket fire has subsided but not ended; a formalized ceasefire negotiated through Egyptian intermediaries seems to be flagging; and there is no movement on the release of Gilad Shalit, the young Israeli soldier held by Hamas. The relative calm on Israel's southern border seems to have been bought at the price of considerable international criticism of Israel for the toughness of its military response.

In one sense, the Gaza operation did not fundamentally alter the dynamics of the election campaign: the expected outcome did not change. True, there was a brief revival in the Labour Party's fortunes due to Barak's prominence as defense minister. The interesting fact was that the curious triumvirate—Barak, Livni, and Olmert—were often as much at war with each other as they were with Hamas. Once again, Livni was overshadowed. It was much easier for Netanyahu, outside the government, to criticize its actions. He insisted that the military

Can Kadima survive in opposition?

campaign had been halted too soon. The Gaza operation seemed to raise many questions about the immediate validity of the kind of peace process backed by Livni and Barak. As veteran political commentator Yossi Alpher noted: "It was pessimism over the prospects for a viable Israeli-Palestinian

peace process, more than any other factor, which caused voters to abandon the political left and move to the centre and right."³

It perhaps made Netanyahu's policy of offering an "economic peace" with the Palestinians in the West Bank appears more realistic. This approach began with an assessment that there was at present no chance of political progress with the Palestinians. The aim then would be to focus on improving their economic lot, pushing political changes far into the future. Critics saw this policy as being a non-starter from the outset. Security for Israel and economic progress on the West Bank have always been interlinked. Palestinians and a host of international bodies have been arguing for decades that freedom of movement and the removal of road blocks are essential for any kind of economic improvement. More to the point, it is not a policy that corresponds with Washington's vision, which sees an economic track without accompanying political progress as being out of the question.

Indeed, Washington too was inevitably a factor in this campaign. As the electoral battle reached its climax, many Israelis may have cast an eye enviously toward the inauguration unfolding across the Atlantic. For one thing, this new charismatic U.S. president made their own political contenders, most of whom were seeking a second chance after failing first time around, appear second rate.

In Israel, Obama's election raised all sorts of concerns. Would he share the intrinsic and traditional sympathy for Israel that Democratic administrations have had over the years? Just what did his desire to talk to Iran and Syria portend? His decision to appoint Hillary Rodham Clinton as secretary of state, along with a number of old Washington Middle East hands to key positions, provided some reassurance. There was, however, some unease at the choice of former Senator George Mitchell as his Middle East envoy. At the end of the Clinton administration, Mitchell's report into the circumstances surrounding the outbreak of the second Palestinian uprising, or *intifada*—though shelved by the Bush administration—was not well received in Israel because it mainly focused on halting the expansion of settlements in the occupied territories.

Mitchell was off to the region, charged with attempting to resolve the standoff in Gaza, even before Israeli voters went to the polls. With Obama signaling that his administration would “actively and aggressively seek a lasting peace between Israel and the Palestinians,” Livni sought to exploit the political change in Washington.⁴ “If Obama is the man of tomorrow,” said one Kadima strategist, “then Bibi is the prehistoric man of yesterday.”⁵ If Netanyahu were elected, warned Livni, there would be an inevitable rift with the United States. Netanyahu was feeling the pressure, insisting at a meeting with foreign diplomats that if he were elected, he would not form an extreme right-wing government.

“A Political System Torn to Pieces”

So ran a headline in the newspaper *Yedioth Ahronoth* on February 11, 2009. “Tzippi Livni has won and Bibi Netanyahu will most likely be Prime Minister” began the article. There was little doubt that the Israeli people themselves were the losers. Once again, the political system had failed to deliver a clear result. There were widespread calls for a fundamental change to the electoral system. The most popular was raising the electoral threshold to push out some of the smaller parties, but such change is unlikely given that it is not in the short-term interests of any of the main players.⁶

The election outcome was indeed a remarkable achievement for the Kadima leader. Winning 28 of the 120 Knesset seats, she had fought back against all the odds. According to Yossi Alpher, “Livni's dramatic success at vote-getting in these elections is also an affirmation of the two-state solution she is so closely identified with.”⁷ For Labour—the party that had actually pushed for these elections—the outcome was a disaster. In fourth place with thirteen seats, it was marginalized. With its socioeconomic message trumped by its focus on security, its leader insisted that it would not serve in a government against his party's credo and would not hesitate to go into the opposition and serve the people from

there. To the left, Meretz was almost wiped out with many of its supporters seemingly voting for Kadima to try to block the right.

Lieberman's party emerged, as the polls had predicted, in third place with fifteen seats. He was now in a powerful position to be the kingmaker in the ensuing coalition negotiations. He dummied toward Kadima, a signal to Netanyahu that his support should not be taken for granted. Yet, in the end, there was little doubt that he would sit with Likud. Likud itself, with 27 seats, had come second. The campaign had been halting at best, but the outcome was nonetheless something of a comeback for a party that had been reduced to a Knesset rump in the wake of the Kadima defection ahead of the 2006 general election. Netanyahu had indeed done well enough. After a series of consultations, he was asked by Peres to try to form the next government.⁸

Netanyahu embarked upon the coalition-building process on two tracks: the first to consolidate the basis of his government on the right, and the second to try to broaden its base toward the center. By mid-March, he had a deal with Yisrael Beitenu, and a week later Shas agreed to join the government. His initial efforts to woo Livni were rebuffed. Netanyahu was not interested in any kind of power-sharing deal, or at least certainly not one that would have been acceptable to Livni. Despite a brief revival in the two parties' flirtation, Livni appeared determined to go into opposition.

For Israel, the potential nuclear threat from Iran is an existential question.

This will indeed be a test of the "new politics" which she espouses. Kadima has only shallow roots. It is a new formation without its own distinctive traditions. Can it survive in opposition? Might it ultimately split, with some of its key figures going back into the governing coalition with Likud? Or could a broader coalition upheaval, precipitated say by the possible indictment and resignation of Lieberman, lead to the emergence of a new coalition with Livni again playing an important role? Only time will tell.

The options available to Ehud Barak were much more limited. With Livni clearly the leader of the main opposition party in the Knesset, he was either in the government or nothing. Barak struggled to swing his party around to doing a deal with Netanyahu. While the battle for Labour's soul was intense, the party leader prevailed. Despite the opposition of a half dozen or so Labour members of parliament, even some of the deal's strongest critics agreed to serve in Netanyahu's bloated cabinet.

As a testimony to the deals and accommodations forced upon Netanyahu, his 30-member government is the largest in Israel's history. Barak became defense minister, and the controversial Lieberman, around whom the net of a police

corruption inquiry was fast tightening, became foreign minister.⁹ The narrower security cabinet numbered a staggering fifteen members, with five non-voting observers. Competition to join the even narrower “kitchen-cabinet” was intense.

Bibi Meets Obama . . .

The new Netanyahu government faces a variety of pressing challenges. For one thing, there is an urgent need to confront the global economic crisis. In March 2009, unemployment in Israel was on a record high as 20,072 people filed for unemployment.¹⁰ Yet, the new government’s first step was to seek to delay its budget for about three months to produce a two-year budget covering the remainder of 2009 and 2010. Opposition politicians saw this as an attempt to dilute parliamentary oversight, and critics wondered if this betrayed a rather casual approach to the pressing issues of the day. On the security front, one issue dominates the Netanyahu government’s thinking: the potential nuclear threat from Iran. Compared to this, all other issues—security on the Gaza front, an approach toward the Palestinian Authority, even possible peace talks with Syria—are of secondary concern.

Looming throughout all these issues, though, is the question of relations with Washington. Just what kind of partnership could Netanyahu develop with the Obama administration? What common approach would his divided and bloated coalition allow with the United States, and just how much real pressure would the Obama administration exert on Israel? Even before the new Israeli coalition had been stitched together, visits by Mitchell and by Clinton herself had left Netanyahu with little doubt about the direction of U.S. policy. Peace in the Middle East was to be a priority and it would be based upon the simple formula that had guided all previous peacemaking: two states for two peoples.

Once Netanyahu took office, there was some very public diplomatic signaling between, and even within, the two sides. In his inaugural speech to the Knesset, he sought to square the circle by offering to “carry out ongoing negotiations for peace with the Palestinians in an attempt to reach a permanent agreement,” and noted that Israel did not want to rule “another people.”¹¹ He refrained, however, from using the phrase “two states for two peoples.”

The new Israeli foreign minister, Lieberman, struck a rather more combative tone in his acceptance speech. All Israel’s concessions, he argued, had not brought peace any closer. He asserted that Israel would abide by the road map in its dealings with the Palestinians, even though the Annapolis process had “no validity.” He argued that “The Israeli government never approved Annapolis, neither the Cabinet nor the Knesset, so anyone who wants to amuse himself can continue to do so.” In his view, Israel would now stick to the letter of the road map, demanding, as he put it, the dismantling of terrorist organizations, and the

establishment of an effective Palestinian government.¹² Israel too, he said, would implement its obligations, but the speech sounded like an effort to turn the road map into a road to nowhere. Lieberman is not prime minister. Indeed his tenure in office may be limited by his legal problems. Yet, it was a resounding shot across the bows of both Netanyahu and the United States. This may be Lieberman staking out his terrain before being bundled from office. It was, however, a clear indication of the sorts of problems Netanyahu is going to have in managing his coalition.

Obama signaled the U.S. position loud and clear in the beginning of April 2009 during his speech to the Turkish Parliament: “The United States strongly supports the goal of two states, Israel and Palestine, living side by side in peace and security.” He went on to say that this goal was agreed to in the Roadmap and at Annapolis, and “that is a goal that I will actively pursue as President.”¹³ As if to underline the point, a press release issued by the U.S. Department of State on the same day announced that Mitchell would be returning to the region in mid-April “to advance the goal of a two-state solution.” Obama also made a passing reference to Syria in this speech, thanking Turkey for its efforts in supporting negotiations between Israel and Syria. Nonetheless it seems that the Palestinian track is the priority for Washington, even while both the Obama administration and the new Israeli government are still shaping their policies. It is already clear, however, that considerable tensions exist that are going to be hard to resolve.

The Obama team has taken a reasonably tough line toward Hamas. Even if Hamas figures were to be brought into a Palestinian unity government, all the signs are that they would be expected to abide by the “Quartet principles” agreed in January 2006: abandoning violence, recognizing Israel, and accepting all previous agreements entered into by the Palestinian Authority. At the same time, the Israeli government is clearly going to be expected to honor all previous agreements as well. That means making some difficult decisions regarding freedom of movement on the West Bank; a freeze on settlement construction; and the removal of outposts considered illegal even under Israeli law. Depending upon the security situation in the south, the United States will clearly advocate opening up some of the checkpoints into Gaza. In turn, this is going to require some constructive discussions between Egypt and Israel on one hand, and Egypt and Hamas on the other. Luckily, this is not an area that has traditionally been dealt with by Israel’s foreign minister who, because of some of his earlier comments about Egypt, is not welcomed by open arms in Cairo.

On the West Bank, the Israeli elections have been watched with considerable unease. The president of the Palestinian Authority, Mahmud Abbas, has been setting out some conditions of his own. He is arguing that if talks are to be renewed, then the new Israeli government must “accept the creation of a

Palestinian state, stop construction in West Bank settlements, and remove army roadblocks crippling life in the West Bank.”¹⁴

Settlements and freedom of movement to enable economic growth are likely to be two areas where Israel and the United States may well have a bumpy ride. Even the Bush administration sought progress here, but it was unwilling to push the Israelis hard. On the Israeli side, even Barak, when in the previous government, was unwilling to take much action. Unfortunately, the list of potential flashpoints gets longer. What will be the Obama administration’s attitude toward the Saudi-backed Arab peace plan, which is a document that advocates comprehensive peace in the region? It also calls for the return of Palestinian refugees, which is an unacceptable aspect for Israel. Even Obama’s sweeping new approach to arms control and nonproliferation, such as his desire for a treaty banning the production of fissile material, may start fresh problems with Israel. Indeed pressing forward with the Obama administration’s wider nonproliferation goals could prompt more explicit references to Israel’s own assumed nuclear arsenal. Washington has avoided commenting on Israel’s deterrent (though in fairness, it might well provoke similar problems for other U.S. allies who have nuclear arsenals such as India and Pakistan).

Inaction is simply not an option for both administrations.

Avoiding a Train Wreck

So, to what extent might Netanyahu be able to negotiate his way through this diplomatic minefield? Much depends upon developments on the Palestinian side and how much progress the Obama team believes is really possible. The Middle East is important, but compared to the Afghanistan–Pakistan crisis and the global financial meltdown, it remains lower on the list of priorities. With North Korea carrying out a second nuclear test and Iran hesitant about responding to U.S. openings, is this really the moment that Washington will get tough with Israel?

Netanyahu has strong reasons to do his utmost to avoid confrontation with Obama. The dynamics within the U.S. Jewish community are subtly changing. The Israeli government, especially with Yisrael Beitenu on board, can no longer expect wholehearted support from all sections of the U.S. Jewish community.¹⁵ Of course, there is also the challenge posed by Iran. For Israel, this is an existential question. Washington and Tel Aviv disagree over the timelines for Iran’s nuclear development program. Israel is certainly not going to take military action off the table. Many experts, though, wonder if an independent Israeli

strike against the Iranian nuclear complex is really feasible. Certainly the consequences of any Israeli action for the United States would be considerable.

One thing remains clear: Israel needs the United States on its side as far as Iran is concerned. Netanyahu may be willing to do everything possible on other fronts to keep this single goal in sight. As a result, a more difficult relationship with Washington is almost inevitable, but a train wreck in relations is avoidable. It is still unclear how central a role the Obama administration wishes to assume, how much political capital it is willing to invest in a problem that has defeated all previous administrations, and more importantly, how much political pressure it is willing to put on Netanyahu's government. Netanyahu's visit to Washington in May has given some initial hints as to where things are going.

Just what will happen to the region in the absence of any progress presents worrying scenarios. Opportunities may be limited, but inaction is simply not an option for both administrations.

Notes

1. Gilead Sher, interview with author, December 8, 2008 (lawyer, chief of staff and policy coordinator for former prime minister Ehud Barak, and key figure Meretz).
2. It was not just a question of the number of rockets fired but also of their increasing range. For an authoritative analysis of the war see Anthony H. Cordesman, "The 'Gaza War': A Strategic Analysis" (Washington, D.C.: CSIS, February 2, 2009), http://www.csis.org/component/option,com_csis_pubs/task,view/id,5250/.
3. Yossi Alpher, "Too Early For Despair," Bitterlemons.org, edition 7, February 16, 2009, <http://www.bitterlemons.org/previous/bl160211ed7.html#isr1>.
4. Natasha Mozgovaya, "Obama: We Will Aggressively Seek Lasting Middle East Peace," *Haaretz*, January 23, 2009, <http://www.haaretz.com/hasen/spages/1057919.html>.
5. Yuval Karni and Itamar Eichner, "Livni: Electing Netanyahu Will lead to a Rift with U.S.," *Yedioth Ahronoth*, January 25, 2009, 2.
6. For a discussion of the renewed calls for electoral reform, see Amnon Rubinstein, "Plenty of Brakes But No Engines," *Jerusalem Post*, February 17, 2009, <http://www.jpost.com/servlet/Satellite?cid=1233304810588&pagename=JPost/JPArticle/ShowFull>; Moshe Arens, "The Electoral System and the Voter," *Haaretz*, February 10, 2009, <http://www.haaretz.com/hasen/spages/1062722.html>; Shlomo Avineri, "The Good and the Bad of the System," *Haaretz*, February 19, 2009, <http://www.haaretz.com/hasen/spages/1065365.html>.
7. Alpher, "Too Early For Despair."
8. The results were: Kadima 28; Likud 27; Yisrael Beitenu 15; Labour 13; Shas 11; United Torah Judaism 5; UAL Ta'al 4; National Union 4; Hadash 4; Meretz 3; Balad 3; Jewish Home 3. See Israel Ministry of Foreign Affairs, February 10, 2009, http://www.mfa.gov.il/MFA/History/Modern+History/Historic+Events/Elections_in_Israel_February_2009.
9. The 32nd government of Israel was sworn in by a majority of 69 to 45 votes. Five of the Labour members of the Knesset abstained. Initial posts were distributed in the government as follows: Likud 15; Labour 5; Yisrael Beitenu 5; Shas 5. See

- “Netanyahu Government/Who’s Who in the New Cabinet,” *Haaretz*, April 1, 2009, <http://www.haaretz.co.il/hasen/spages/1075505.html>.
10. Dana Weiler-Polak, “Record 20,072 Israelis Filed for Unemployment in March,” *Haaretz*, April 6, 2009, <http://haaretz.com/hasen/spages/1076532.html>.
 11. “Israel’s Netanyahu Government, the Annapolis Process and a ‘Two-State Solution,’” Beyond Images Web site, Briefing 238, April 5, 2009, <http://www.beyondimages.info/docs/B238.doc>.
 12. Avigdor Lieberman, speech, Jerusalem, Israel, April 1, 2009, http://www.mfa.gov.il/MFA/About+the+Ministry/Foreign_Minister/Speeches/Statement_by_incoming_FM_Avigdor_Lieberman_1-Apr-2009.htm.
 13. “Obama’s Remarks to Turkish Parliament,” *Washington Wire: Wall Street Journal Blogs*, April 6, 2009, <http://blogs.wsj.com/washwire/2009/04/06/obamas-remarks-to-turkish-parliament/>.
 14. See “Abbas Lays Down Terms for Renewing Peace Talks,” *Haaretz*, April 5, 2009, <http://www.haaretz.com/hasen/spages/1076521.html>. Even the relatively mild statement by Assistant Secretary of State Rose Gottemoeller that “Universal adherence to the NPT itself, including by India, Israel, Pakistan and North Korea . . . remains a fundamental objective of the United States,” provoked a frisson of alarm in Jerusalem. See Barak Ravid, “Making Israel Sign Nuclear Treaty Won’t be Miracle Cure for World Ills,” *Haaretz*, May 7, 2009, <http://www.haaretz.com/hasen/spages/1083236.html>.
 15. The response amongst some sections of the Jewish community within the United States to the arrival of Lieberman in power was extremely negative. See Eric Yoffe, “Confronting Our Demagogue,” *Forward*, February 17, 2009, <http://www.forward.com/articles/103108/>. For a broader discussion of changes in Jewish attitudes within the United States, see Hilary Leila Krieger, “U.S. Jews Back Obama’s Mid-East Path,” *Jerusalem Post*, March 23, 2009, <http://www.jpost.com/servlet/Satellite?cid=1237727519689&pagename=JPost%2FJPArticle%2FShowFull>; Nathan Guttman, “The Pro-Israel Lobby – ‘Alive, Well, and Bipartisan?’” *Haaretz*, March 25, 2009, <http://www.haaretz.com/hasen/spages/1073714.html>. For a more recent discussion of how the new mood revealed itself during the recent American Israel Public Affairs Committee [AIPAC] conference, see Nathan Guttman, “AIPAC Confronts a New Reality as Obama’s Agenda Becomes Clear,” *Forward*, May 15, 2009, <http://www.forward.com/articles/105680/>.