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Israel's Governing Coalition Crashes, Setting Stage for New Elections

The fragile hybrid government in Israel lasted one year and seven days before falling apart. In this Q&A, Crisis Group expert Laure Foucher and USMEP's Daniel Levy explain why a more homogeneous right-wing coalition is a likely outcome of fresh polls.

What is happening and why?

Israel is headed to a fifth general election in three years, as its governing coalition has collapsed. This government, which was sworn into office on 13 June 2021, was a hybrid of the far-right, the centre and the Zionist left, alongside an Islamist-oriented party representing elements of Israel's Palestinian Arab minority. The [coalition partners reached agreement](#) on a rotating premierships between the rightist Yamina party leader, Naftali Bennett, and the centrist Yesh Atid leader, Yair Lapid. Their government took office after a dozen uninterrupted years of governments led by Benjamin Netanyahu (the coalition partners changed, but the prime minister remained the same), popularly known as "Bibi", and his Likud party.

The government lasted one year and seven days. On 20 June, Prime Minister Bennett [pre-emptively moved](#) to end its term three-and-a-half years early, having suffered several defections and lost a series of votes in parliament, with no serious prospect of regaining a legislative majority. The formal process of dissolving the Knesset ended when the necessary legislation

passed on 30 June, with the date for new elections set for 1 November.

The glue that held this unprecedentedly diverse coalition together for a year was the "anyone but Bibi" sentiment that had built up over Netanyahu's years in power. The coalition partners shared a commitment to doing things differently from Netanyahu, at least in terms of political style. They did in fact adopt a less polarising approach, but they never produced an actual program for the government's intended four-year term in office.

Ironically, a coalition premised on [avoiding, rocking the boat](#) on Palestinian issues, given internal disagreements, slowly unravelled over that very subject until it hung by a thread. The coalition had an extremely slim parliamentary majority to begin with (61 of 120 seats) with a member from Bennett's Yamina faction, Idit Silman, defecting to the Netanyahu-led opposition in April. The [announcement by another Yamina member](#), Nir Orbach, that he would no longer vote with the government was the end of the road. Two other members, Ghaida Rinawie Zoabi from Meretz and Mazen



Israeli Minister of Foreign Affairs Yair Lapid (R) and outgoing Prime Minister Naftali Bennett, speak to each other at the Knesset (parliament), following the dissolution of the parliament, in Jerusalem on June 30, 2022.
MENAHEM KAHANA / AFP MAHMUD

Ghanaim from the United Arab List, had by then also taken to voting selectively against the coalition in the Knesset on questions regarding Palestinian affairs.

The issues around which these crises and defections occurred were almost exclusively on the Palestinian front, in particular arm wrestling over a bill to renew regulations ensuring that Israeli settlers in the occupied West Bank receive separate and preferential treatment under Israeli law in contrast to the territory's Palestinian residents. Although all Zionist parties in parliament supported the bill, Bennett could not muster the votes within the coalition to renew the regulations. Sensing a chance to induce a coalition crisis, Netanyahu – despite his strong backing for the settler movement – asked his opposition partners to vote against it, in effect daring the government to allow the regulations to lapse. The gamble paid off for Netanyahu when Bennett cited the need to protect settlers foremost among the reasons why he supported dissolving the Knesset. The

regulations will now be automatically extended until there is a new elected parliament and government. Other issues of particular intra-coalition discontent were an amendment to the Citizenship Law (which discriminates against Palestinians in acquiring Israeli citizenship) and tensions regarding the status quo at Jerusalem's Holy Esplanade (Haram al-Sharif and Temple Mount compound).

What happens next?

Israel now has a caretaker government, triggering the prime ministerial rotation agreed upon when the coalition formed. Foreign Minister Lapid has assumed the role of caretaker prime minister while continuing as the country's top diplomat. He will serve in this capacity until a new government is formed following the elections. Bennett, who is serving as alternate prime minister, will have special responsibility for the Iran file. Bennett has also announced that he will not run in the next election, taking a time-out from politics instead.

As the election campaign starts up, politicians are already jockeying for position, meaning that party alliances will likely shift. Last-minute attempts to pass legislation preventing Netanyahu from standing for election (because he is on trial for corruption) failed. He will therefore run for prime minister while his court case continues; legal proceedings will not wrap up prior to the vote. There will undoubtedly be legal challenges if he succeeds in forming the next government. The prospect of conviction is a major motivating factor for Netanyahu to win at the ballot box: he will be much better placed to resolve his legal problems if he is once again in the prime minister's office (he could try to push through legislation giving himself immunity or place people in positions of authority who could drop the charges against him).

How did the outgoing coalition government perform?

Many of the hybrid coalition's supporters considered its very existence – rather than any specific legislation or policy initiative – to be its defining achievement. The coalition also succeeded in keeping Netanyahu out of power, although his return to the helm is now a serious possibility. In that respect, the coalition was about preventive steps, such as avoiding limitations on judicial oversight and stopping key appointments to judicial and regulatory bodies from being under the exclusive purview of Netanyahu (given his legal issues) and his allies, some of whom had called for driving a bulldozer through the Supreme Court (given perceptions, largely unfounded, of Israel suffering from a liberal-leaning judicial activism).

The government passed the first budget in three years. But while the economy is

recovering from its COVID-19 doldrums in both GDP and employment terms, the overall cost of living continues its sharp rise, as do housing prices, which climbed by more than 15 per cent in the past year – a record since 2010.

Significantly, this government was the first in Israel's history to include a party drawn from Israel's Palestinian Arab citizens – the United Arab List – which achieved some limited gains for its constituency. Its participation broke a taboo, which could set a powerful precedent for future coalition governments. The next election will partly revolve around acceptance or rejection of this precedent, with Netanyahu attacking the idea despite his own well-publicised flirtations with the United Arab List while looking to form coalitions in the past.

In matters pertaining to the Palestinians and the occupied territories, this government largely represented [continuity](#). It further entrenched Israel's occupation and in some cases took new, far-reaching measures against Palestinians, notably in criminalising six Palestinian NGOs (an unprecedented step), promoting new regulations by the Israeli defence ministry's Coordinator of Government Activities in the Territories to further restrict access to and residency in the West Bank for visitors and family members, and further changing the status quo at Jerusalem's holy sites. During Bennett's tenure, Israel also stepped up its military raids in the West Bank, killing more Palestinians in the first quarter of 2022 than in the same period in 2021. Lapid has professed support for a two-state outcome and political negotiations with the Palestinians. But neither his statements nor the coalition's inclusion of self-declared pro-peace parties, such as Labour and Meretz, had any tangible impact on the deepening of the occupation, systemic inequality and the denial of Palestinian rights. The government did return to ministerial-level meetings with the Palestinian Authority and advanced certain economic and humanitarian measures (including permits for Palestinian workers to enter Israel and family reunifications in the West Bank),

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but it took no steps that would interfere with the overall matrix of Israeli control or hint at a political horizon.

In its diplomacy, the [government sought](#) to take a more bipartisan approach in the U.S. than its predecessor, which had primarily courted Republicans, and to thaw out relations that had frosted over during the Netanyahu era, particularly in parts of Europe. The government failed to make a major breakthrough in building on Netanyahu's normalisation with the Arab and Muslim world. Instead, it deepened its relations with states that signed the Abraham Accords, notably at the Negev Summit it hosted in late March, which was attended by the foreign ministers of Bahrain, Egypt, Morocco and the UAE, as well as U.S. Secretary of State Antony Blinken. The event launched a [Negev Forum](#) for cooperation in various fields. President Joe Biden's forthcoming visit to the Middle East has encouraged further air defence cooperation between Israel and Arab, notably Gulf, states, and will likely advance Israeli-Saudi relations, but without ushering in formal ties at this time.

What could be the outcome of the new elections?

All four elections held over the last three years were extremely close. Polls suggest that the margins in the new elections will again be wafer-thin. Much will depend on voter turnout in several constituencies, with key questions being the level of participation among Israel's Palestinian Arab citizens (who for historical reasons often see little benefit in voting) and whether certain parties cross the 3.25 per cent electoral threshold, below which their votes will be wasted.

The first phase will witness an intense period of alliance formation, particularly for smaller parties for which the threshold might prove insurmountable if they were to proceed alone. For example, parties representing Palestinian Arab citizens will need to decide whether to continue to run on two lists – the United Arab List and Joint List, which opposed the now defunct coalition – or join forces. On the

left and centre-right respectively, Meretz, which is endangered, and the Likud breakaway faction “New Hope” led by ex-Likud Minister Gideon Saar might need to join other lists to survive. The fate of Bennett's Yamina party and its defectors may be decisive. Bennett's announcement that he is not standing for re-election and is handing over the party's reins to Interior Minister Ayelet Shaked reshuffles the deck. Shaked does not share Bennett's refusal to serve under Netanyahu and Yamina could switch sides under her leadership, perhaps giving a game-changing boost to Netanyahu's prospects. Yet Yamina would have to hold together first and cross the electoral threshold, no simple task when three of its seven members have already defected and at least one more is expected to do so. The Yamina party and its voters will be a key swing factor.

In parallel, the parties will determine their parliamentary slates for the election and some will hold leadership elections in preparation.

Lapid has emerged as the clear leader of the centrist camp. Yet his side includes at least four parties now threatened with failing to cross the threshold. This alternative governing coalition has also just demonstrated its inability to hold together. In the time-honoured tradition of former security chiefs entering Israeli politics, the prized catch on this occasion will be former IDF Chief of Staff Gadi Eizenkot, who has declared his intention to run. Eizenkot is expected to join a centre-left party, but he has not said which. While his candidacy may stir some fleeting excitement, its likely electoral impact is limited.

All these factors explain why, despite polls showing a Likud-led coalition falling just short of the magic number of 61, Netanyahu's chances are greater than what dry polling statistics may imply. Netanyahu is the undisputed leader of both Likud and the overall right-wing camp; he will not face a serious internal challenge despite having been out of office for a year. He also remains the most popular candidate for the premiership and his party outpolls every rival by some margin. More significantly, the three parties allied with him in the ultra-Orthodox and nationalist religious camps all

“The outgoing government would like to claim credit for having blocked the Iran nuclear deal’s revival.”

comfortably surpass the electoral threshold in every poll. His core bloc benefits from considerable political homogeneity and consists of only four parties. If the elections again result in a clear right-religious parliamentary majority but one that Netanyahu cannot convert into a governing coalition, the parties will be inclined to make every effort to find a solution within the right bloc under another leader, but perhaps after striking a deal with Netanyahu that would help him avoid a court conviction. Hence, a homogeneous right-wing government may very well return to power, probably but not certainly led by Netanyahu.

What can we expect from the caretaker government on the regional and Palestinian fronts?

Yair Lapid will serve as caretaker prime minister for four months in the lead-up to the elections and then for the time it takes to form a new government (or continue as caretaker through another election cycle if that scenario transpires). In that capacity, he is highly unlikely to carry out any major reorientation on either the regional or the Palestinian fronts. His powers as caretaker will anyway be severely clipped.

Campaign rhetoric aside, in real-world decision-making, it will be important to watch the Iran issue closely, especially with Bennett now taking over this portfolio as alternate prime minister before he takes a break from

politics. The outgoing government would like to claim credit for having blocked the Iran nuclear deal’s revival after Netanyahu failed to scotch the original agreement in 2015, when Barack Obama was U.S. president. No major politician will run on a pro-deal platform; indeed, they all claim to be best placed to block its revival. Hence, the debate over the Iran file’s handling could well be a major election theme, occurring at a particularly sensitive moment.

As negotiations to restore the nuclear deal stalled over the past few months, Israel stepped up its military action against Iranian targets in Syria (mainly airstrikes) and inside Iran itself (assassinations and sabotage operations). In the past, Israel has usually taken a stance of studied deniability vis-à-vis attacks in Iran, wishing neither to claim them openly nor to vigorously deny authorship. The Bennett government became increasingly uninterested in maintaining that veneer. It is very possible that Iran will seek to retaliate for the attacks (as it [apparently tried to do](#) in Türkiye in June). A further deterioration during the election campaign cannot be ruled out.

Meanwhile, tensions on the Israeli-Palestinian front remain high and outbursts of violence are possible without warning. Jerusalem is a particular hotspot, due to Israeli provocations, including settlement expansions, evictions of Palestinians and actions on the Holy Esplanade. Israeli elections add another variable to the mix.