

25<sup>th</sup> January 2013

Private memo



## Israel election - analysis and implications

### Summary

- Israel's voters expressed a strong anti-incumbent sentiment to which both the centrist TV anchor Yair Lapid the far-right settler Naftali Bennett appealed. Lapid won the larger share of that vote because of voters' fear of the domestic and international consequences for Israel of the excesses of the far right.
- Despite leaving the incumbent, Netanyahu, weakened, the election result is unlikely to alter Israel's strategic course in the short term or enhance the prospects for peace with the Palestinians. On those issues, the election largely affirmed the status quo, which will be reinforced if Netanyahu opts for a broad coalition that includes both Lapid and Bennett.
- The Israeli right shed a handful of seats but its remaining parliamentarians represent a significant shift further to the right, both in the large share of seats won by Bennett's party and in the composition of the Likud list itself. The centre-left has also become a little more focused, with a somewhat more progressive cohort of parliamentarians.
- Fear of international isolation played a role in boosting the detectable shift from the right to the centre, suggesting that Israeli behaviour can be modified by firmer engagement by Western governments to press for progress towards de-occupation.
- The fact that Yair Lapid is a relative neophyte in the issues relating to both the Palestinian and Iran files, and is mindful of the need to stay onside with Western powers, presents an unusual opportunity for European and U.S. officials. Vigorous engagement with him and other new players in the Israeli power structure could make 2013 a less anxiety-laden year than 2012 was.

### 1. *The big picture:*

The headline take-away from Israel's election was that it marked an unanticipated shift (by a margin of a handful of Knesset seats) from the Zionist right toward the centre, principally in the form of the dramatic success of the neophyte Yesh Atid party of Yair Lapid. The election also highlighted the growing influence on the right of the spectrum of more overtly settler-oriented politicians, both within the Likud list and in the success of the Beit Yehudi party of Naftali Bennett -- notwithstanding his failure to match predictions that he would win an even greater share of the vote.

There are many similarities between Lapid and Bennett- both young and charismatic, both running for the first time and claiming the mantle of an anti-incumbent "new politics" that looked to capitalize on the widespread dissatisfaction expressed by hundreds of thousands of Israelis in the social protests of 2011. One of the most revealing indicators of that anti-incumbent trend is the fact that some 53 of the 120 seats in the Knesset elected on Tuesday (Israel's 19th) will go to first-time members.

The arc of pre-election polling suggests that Lapid gained momentum and votes in the final days, possibly as a consequence of some centre-right leaning voters alienated by the old politics represented by the Likud-Beitenu list having initially looked to Bennett as the alternative, but ultimately choosing Lapid. For all his attempts to cast himself as hip and mainstream, Bennett's base in the [religious-settler tribe](#) set a ceiling on the share of the vote he was able to attract. The partial recoil from what Bennett represents was reinforced by his Beit Yehudi list having its extremism increasingly exposed during the campaign, notably when its number 14 candidate, Jeremy Gimpell (a realistic slot according to polls), was revealed to have implied his support for blowing up the al-Aqsa mosque in Jerusalem (one of Islam's holiest sites).

The broader Zionist right bloc in the Knesset adopted a more extreme posture, and as a result lost votes and spooked centrists off their couches and into the voting booths. That worked to the benefit of the Zionist centre-left, which has emerged with a combined 48 seats (up from 44). The demise of Kadima as the erstwhile standard-bearer of the centre was more than compensated for by the success of Lapid's new party, Yesh Atid. The Zionist left of Meretz and Labour registered an impressive uptick from 16 to 21 seats, while the non-Zionist ultra-Orthodox bloc has grown slightly from 16 to 18 seats – a symptom of the demographic changes that have seen that community emerge as a growing proportion of the total population. The non-Zionist Palestinian Arab parties have also held their own, retaining 11 seats, including the Hadash party, the only explicitly Jewish-Arab ticket although its support base is overwhelmingly Arab.

### ***An election about nothing?***

Although Bennett's party has a far more ideologically rigid line on the occupied territories (explicitly anti-two state, pro-settlement and annexationist) and on the Jewish nature of the state, he campaigned on themes similar to Lapid's: middle class values, "sharing the burden" as it is called in Israel (especially regarding military service), cheaper housing and a vacuous, policy-lite message of hope and optimism. In doing so, they fared better than the rest of the Zionist alternatives to Netanyahu -- Labour, Meretz, and Tzipi Livni's Hatnuah party – all of which offered clearer platforms on either socio-economic or national security issues

The strong showing of policy-evasive, charismatic celebrity candidates has tempted some to call this an election about nothing, expressing the escapist desires of an Israeli middle class stirring in its sleep, but not yet fully awake. It may not be quite that simple. However, as coalition bargaining gets underway, an election that puts new members in nearly half the seats in the Knesset may nonetheless change very little in Israel's direction and policies.

### ***Netanyahu's shrinking base***

The final headline from Israel's election may be the most important - Benjamin Netanyahu has been left with a rump Likud faction of only 20 seats. Assuming that the Likud and Avigdor Lieberman's Yisrael Beiteinu return to the Knesset as separate factions, as they have committed to do despite running a joint electoral list, that would mark the smallest total ever from which an Israeli governing coalition has been built. If Likud is the largest faction followed by Yesh Atid with 19 seats, then Israel's two largest parties will constitute less than a third of the Knesset seats - another historic record or low, and an undoubted nightmare in

terms of maintaining a functioning and stable coalition (see below). By comparison, during the three decades from the '60s to the '90s, Israel's two largest parties between them held around two-thirds of parliamentary seats. The new Knesset will most closely resemble the highly unwieldy and fractious 15<sup>th</sup> one elected in 1999, in which a mid-term direct election for prime minister saw Ehud Barak being replaced by Ariel Sharon.

Likud's poor performance can be partly attributed to ideological overreach. The Likud primaries produced a more radical settlement-oriented list, which then went into battle with Bennett's Beit Yehudi over which party was more pro-settler. That appears to have alienated a substantial bloc of voters mindful of the international repercussions of this more extremist policy. Once the comprehensive voting data is available, it will be particularly interesting to examine whether a substantial number of Russian-speaking voters joined this switch to the centre. The loosening of the right's grip on the Russian vote may become a new feature of Israeli politics.

## **2. *By taking the politics out of politics, Yair Lapid reincarnates the centre***

He may be the new shining star, but Yair Lapid is simply the latest reincarnation of the well-established phenomenon of the "new" centrist alternative in Israeli politics, all of whose antecedents have crashed and burned relatively quickly, leaving little legacy of positive change. In the two previous elections, that role was filled by Kadima, the vast majority of whose voters appear to have migrated to Lapid. Prior to that, the Shinui party headed by Yair's father, Yosef "Tommy" Lapid represented this Zionist centrism, albeit with a more contrarian and predominantly anti-clerical agenda. Kadima had been formed by a breakaway faction of the Likud led by Ariel Sharon after Netanyahu led the party in revolt against the 2005 Gaza withdrawal, but it drew in some prominent Labourites and assorted others.

Yesh Atid, by contrast, prides itself on being an anti-politics party -- none of its member's have previously served in the Knesset. Lapid's list is entirely his own creation: He made sure there were no party branches or institutions, let alone primaries to nominate or approve the list. That prompted some to charge that the charismatic former TV anchor was undemocratic, but it also allowed him to pick an attractive collection of new and mostly younger faces with a near equal gender balance. Yesh Atid's slate reflects Lapid's idea of an aspirational middle-class Israel, with candidates drawn from the worlds of business, academia, municipal politics, social activism, education, religious pluralism, journalism and even sport. By that measure, Lapid's view of Israel marginalizes its Arab citizens, and even its Jewish composition is overwhelmingly Ashkenazi (those of European origin who make up less than half of Israel's Jewish population). In discussing possible coalition partners, Lapid has been careful not to exclude anybody – except the Palestinian-Arab parties.

Lapid presented himself to voters as unsullied by politics and outside of its traditional policy debates. His regular column in the mass circulation daily *Yediot Aharonot* dealt with life's daily trivialities, not matters of state and governance, and was extremely popular, as was his TV show on Channel Two. He presents himself as a regular good guy, successful and attractive; turned-off by extremes of all sides; not promising the moon but offering a world in which if one listens hard enough to all sides, and doles out enough personal charm and empathy, then neat compromises can be found, hard choices can be avoided and everything will be okay. That inclines him to a kind of Goldielocks approach to policy questions: Settlements? Of course, but not too much (he opened his campaign in the West Bank

settlement of Ariel, and insists Israel should keep all of Jerusalem undivided, including the occupied eastern part of the city claimed by the Palestinians as their capital). Peace talks? Yes, but not too much. Threaten Iran, but not too much. Coerce the Haredim, but not too much, and so on.

Lapid also, in part, represents a push-back from Israel's old secular Ashkenazi elite against the growing threat of being displaced by a new emerging rightist elite, whose religious and settler orientation is personified by Bennett.

It may have taken over the centre from Kadima, but Yesh Atid is distinct from Sharon's party. Kadima included a significant pro-settler element and MKs who supported anti-democratic legislation that provoked the Arab Palestinian minority and curbed democratic dissent. Lapid's list of MKs tilts less towards the right and more towards notions of liberal democracy -- none of his MKs live in West Bank settlements, and several are associated with genuinely left-wing causes. A number of Yesh Atid's MK's are also better connected to the Jewish diaspora and less parochial in general.

Lapid faces a steep learning curve in his new role, making it unwise to predict his response, or that of the MKs on his list, to tough political choices. He may simply strive to avoid such choices and provide the moderate face of a hard-line coalition. If, as expected, he joins a coalition with Netanyahu and Bennett, Lapid should not be expected to prioritize preventing further entrenchment of occupation and shrinking of two-state prospects, beyond perhaps seeking to soften the government's rhetorical posture. The extent of Lapid's personal ambition is also unknown. Lapid may feel the need to accumulate some ministerial experience, and will also be aware that, if he plays his cards right, he could even be made Prime Minister before the next election.

### **3. *Netanyahu's coalition calculations***

It is almost a given that Benjamin Netanyahu will form the next coalition and continue to serve as Israel's Prime Minister. In all likelihood, however, the next Netanyahu term of office will be considerably more turbulent than the previous one has been. Netanyahu does have the option of a creating a narrow coalition of the Zionist right and Haredi parties with the smallest of majorities (61 seats). That is not his first preference, and it's an unlikely outcome -- not least because it would be under internal pressure to pursue policies that would bring unwelcome international attention on Israel. More likely is a Netanyahu-led coalition with Lapid and Bennett's parties, either alone or together with the Ultra-Orthodox and/or additional centrist parties (Kadima and Hatnua). Netanyahu will not want to be dependent on the two new leaders and collections of MKs who are untested, and as such unpredictable. Instead, he will seek the coalition security that comes with greater numbers, with a track-record of cooperation that the ultra-orthodox bring and with not leaving himself in a position where any one party can collapse his government. A more centrist coalition without Bennett (and even including Labour) is another option, although unlikely and a very risky political choice for Netanyahu given the preferences of his core constituency and party base.

The makeup of the coalition will shape the government's domestic agenda, notably on issues of the military draft and reforming the system of government. On the economy, expect Netanyahu to muddle through with a more market orientated and deregulation--

focused approach, especially if Labour and the Haredim are out. Netanyahu may also be helped by the fiscal boost of revenues expected shortly from Israel's new gas fields.

Although Netanyahu will be reluctant to exclude the Haredim for fear of such a decision coming back to haunt him in the future, he will have to balance that concern with the fact that curtailing Haredi entitlement is, in fact, the strongest area of common ground for Lapid and Bennett. That will be the key piece of Netanyahu's coalition jigsaw. Labour is unlikely to be able or willing to join a grand coalition. Livni, will be far more tempted, while Mofaz's Kadima, which just barely crossed the threshold to win two seats, will probably join Netanyahu's coalition.

A coalition based on Likud Beitenu, Yair Lapid and Beit Yehudi, will signal business as usual when it comes to the Palestinians – even if it may be more prone to winking at the idea that it wants peace and more keen to maintain a cooperative and unthreatening Palestinian Authority, while quietly gobbling up the West Bank and East Jerusalem along the way.

A Netanyahu-led government is not the only option, of course. Unlikely as it may be right now, it's not inconceivable that Lapid, perhaps after a period serving under Netanyahu, could decide to reach for the top. An alternative configuration would be predicated on Lapid deciding or being persuaded that the burning issue for Israel's future is the territories and the vanishing two-state option, rather than the number of Haredim that don IDF uniforms. If so, a government of the Zionist centre together with the Haredim and theoretically, with support from some of the Arab parties could be pursued. That could add up to a coalition of sixty six with up to eight MKs supporting from the outside (or from within if Lapid got really bold). But that option remains unlikely in the short term, with Lapid already having rejected the possibility of joining an anti-Netanyahu coalition.

### ***The policy choices for Israel's next Government***

There are essentially four policy fault lines in Israeli politics:

- Economic policy and the government's role
- The Palestinian territorial question,
- State and religion, and
- Ethnocracy versus democracy, or how narrowly Jewish versus equally democratic the state should be.

Netanyahu is currently offering Lapid a government that would partially address economic and state-and-religion issues, pursue governance reform, and maintain the status quo on the territorial and democracy items. That status quo entrenches, steadily expands and deepens Israel's grip on occupied territory, and erodes Israel's democratic character. Avigdor Lieberman and other Likud Beitenu figures have openly argued that Israel should focus on internal challenges rather than the Palestinian question.

The buzz-phrase quoted by Netanyahu, Bennett and Lapid is *shivayon b'netel*; (sharing the burden). Its basic idea is that the Haredim should give more to the state through service in the military and participation in the labour force (these points are also sometimes applied to the Palestinian Arab community) and receive less -- notably the various communal subsidies

secured by the Haredim as the price of joining coalition governments, which distort government spending and limit the availability of land for affordable housing for the non-Haredim.

The question of Israel's security "burden" in this debate is treated as an eternal constant, rather than something tied to Israel's objective circumstances. Part of the challenge for those seeking to change the peace orientation of Israel's government will be to reshape the conversation to one that acknowledges the burden can be reduced and not just shared, amongst other things by achieving a recognized border and durable peace with the Palestinians and Israel's other neighbours – a conversation on which the United States and Europe can have a keen impact. A government of the Zionist centre and left, in coalition with the Haredim and Arab support, could put itself in a position to prioritize issues of peace and creating a more inclusive democracy over the need to draft the Haredim, while also pursuing economic reforms tilted towards the working- and middle classes. The other parties of the Zionist centre left look set to try to convince Yair Lapid of the efficacy of this approach and that he should be the Prime Minister to lead it. Thus far, however, Lapid seems uninterested in that proposition. A strong indication of Lapid's orientation is his talk of resuming the peace process, which tends to be code for treading water on the Palestinian issue – all process, no peace.

#### **4. *Global implications of Israel's election: Palestine, the region and Iran***

The government likely to result from Israel's election offers no prospect for real progress towards achieving the Western and Quartet goal of a two-state solution. A sigh of relief may have been audible in Western corridors of power at the prospect of the right being unable to govern alone, but a Netanyahu-Lapid-Bennett based coalition is likely to see the continued thickening of the settlements and further cutting off of East Jerusalem and Gaza from the West Bank -- alongside a greater willingness to engage in meaningless negotiations for public relations purposes. Even the occasional Israeli gesture to the Palestinian Authority, however, may no longer restrain the Palestinians from pivoting to a strategy that seeks greater leverage including via the United Nations and international institutions. It ought to surprise no one if Yair Lapid were named foreign minister, to present a less alienating face to the world than that of the more hard-line Avigdor Lieberman.

The key lesson for the West, and notably Europe, from the election is that concern over potential international isolation brought on by overzealous right-wing policies towards the Palestinians helped boost the centrist vote. Lapid (as well as all the other centre and left leaders) repeatedly emphasised during the campaign that Israel risked being isolated internationally absent a more credible peace effort. Israel's rightward drift, then, can be stemmed and even reversed if the West sends the right signals through smart pressure and imposing consequences, rather than evading its responsibility in responding to Israeli violations of international law. How the West approaches that responsibility will go some way to determining whether Lapid becomes the presentable face of a government that continues to deny Palestinian rights and defy International law or recognizes the need to challenge existing policies in this respect. The policy choices that the Palestinians take, of course, are not irrelevant to that equation.

An Israel that remains committed to vanquishing the Palestinians rather than pursuing a mutually dignified solution will also have some bearing on Western powers' ability to

navigate a more democratic Middle East. A West that is still indulging the occupation is complicating other regional interests. Unexpectedly, this election has produced an opportunity for the West to develop a policy that could create political space in Israel to advance a two-state solution. Doing so will require the combination of deft and firm diplomacy (including in working toward Palestinian internal reconciliation) that has been depressingly absent on this file. The first issue to raise with the new government are the plans to upgrade the status of an academic college in Ariel to that of a university - failure to respond effectively to that move, and Lapid's party will conclude that Bennett's policies are not a problem. On both the Palestinian and Iran files the education of Yair Lapid should become an important project for Western diplomats.

While the Iran issue featured marginally during Netanyahu's campaign, it will likely be returned quickly to centre stage as the Prime Minister responds to his electoral setbacks by beating his war drums and trying to bamboozle Lapid and other political newbies with the most hush-hush intelligence reports. In fact, a wounded Netanyahu in a tight political corner may be a more dangerous political animal, especially if this is his last term in office. More effective and forward leaning U.S. and P5+1 diplomacy with Iran and a policy less driven by Netanyahu's threats, alongside intense engagement with the relevant players in Netanyahu's new coalition, would all help make 2013 a less angst-prone year in this regard than was 2012.

## **5. The other major political takeaways from this election:**

### ***i. Overreach and new dilemmas on the right***

This election was set to mark the mainstream coming of age of Israel's new right. Uncompromising supporters of Greater Israel and of more aggressively prioritizing Israel's Jewish identity over its democratic one, have been significantly upgraded in the Likud list and were set to be reinforced by a much enlarged group of settlers-on-steroids on Bennett's Beit Yehudi list. The fact that Bennett's final score was at the lower end of projected mandates and that the Kahanist Power to Israel party failed to cross the threshold should not detract from the significance of the fact that the radical right is very much strengthened in the new Knesset.

That strength, in fact, presents the settler-right with a new dilemma. It has achieved impressive success, over the past 45 years, in its goal of changing the "facts on the ground" -- 600,000 settlers whose presence in occupied territories appears to be increasingly intractable. Until now, the settler-right avoided presenting political plans of its own, contenting itself with pooh-poohing two-state initiatives and getting on with the business of rendering such proposals defunct by systematically eroding the geographic space available for any future Palestinian state.

The Gaza withdrawal of 2005 marked a watershed moment in at least two respects. It persuaded the settler-right of the need to settle not just the land, but also the hearts and minds of the Israeli public - Bennett is the most successful product of that project so far. Over time, an even more ambitious project emerged: With tiny Gaza and its 1.5 million Palestinians removed from the equation (and with sham research understating the number of Palestinians in the West Bank by 1 million) a growing number of settler

leaders have begun publicly advocating that Israel formally annex part or all of the West Bank.

At the same time, the settler movement has spent decades settling its adherents inside key institutions of the state, the civil service, the military, rabbinical authorities, and even the court system. Pro-settler policies and officials have started to appear all over the bureaucracy, and the more extreme settler positions now receive a greater public airing, especially during this election campaign. The common wisdom was that the Israeli public was ready to absorb the settlers' truth on the future of the occupied territories, and on the kind of a Jewish state they had in mind. Given the paucity of democratic push back in the broader public, that seemed a reasonable hypothesis.

The election result, however, suggests that there was a partial settler overreach. Make no mistake, the next Knesset and government will see a settler presence stronger than ever. But having suffered a setback in their more direct approach, they face the question of whether to return to a more quietist and under-the-radar building and entrenchment in the territories and accumulation of sinecures or to continue with their out and proud radicalism. The old assumption had been that history was on their side, instilling an approach of strategic patience. If they no longer believe that, the preferred strategy might be to double-down and to push as far and as fast as possible, including with annexation plans, while they still have this degree of political influence.

It is a reality that also presents its dilemmas to the non-settlement-obsessed right. Some in the Likud consider the movement to have been captured by an alien body, in the success for instance of Moshe Feiglin and having settlers so powerful within Likud institutions (one suspicion being that those Likud settler members don't actually vote Likud in the general election).

The Likud-Beitenu post-election autopsy could precipitate elements of a split between a more politically calculating, less settler-centric wing of the party and the settlements-first bloc. Or that distinction may prove of limited relevance in a Likud now entrenched as a party of the nationalist, chauvinist far right for whom "Settlements-R-Us".

Netanyahu can also expect to have his own leadership increasingly questioned after a poor election result. With the party reduced to just 20 seats in the Knesset, it would be no surprise if Netanyahu does not lead the party into the next election.

## ***ii. Lepers in the house***

The Palestinian Arab citizens of Israel continued a trend of voting in lower numbers than their Jewish counterparts in this election, and remain underrepresented, but they did manage an impressive showing in holding their numbers steady. Three parties continue to compete for the vast majority of that vote. Balad is a more nationalist party, inclined to directly challenge the idea that the state can be defined as both Jewish and democratic. The United Arab List consists of those elements of the Islamist movement that participate in elections, alongside the popular persona of Ahmad Tibi and the remnants of the Arab Democratic Party. Hadash is strictly speaking not a Palestinian-Arab party and is the only overtly Jewish-Arab co-existence non-Zionist party - its roots lie in the old Communist Party.

As far as Jewish-Israeli politics is concerned everything in the previous paragraph might as well have been written in Chinese. For almost the entire Jewish political map, the non-Zionist politics of the vast majority of the Palestinian public (20% of Israel's citizenry) occur on another planet. It is as if there are close to a dozen lepers in the Knesset: Collectively they are untouchable for purposes of coalition or opposition building whether by the right or the centre or the Ultra-Orthodox. It should be noted, however, that ad-hoc cooperation does take place on individual legislative initiatives.

These parties were not represented on any of the endless TV panels analysing the elections on Tuesday night. The idea that the non-Zionist parties do not represent the Arab public has again proven to be a fiction as those Arabs who voted gave them overwhelming support. The only party outside this bloc of three that will include a self-identifying Palestinian Arab Israeli citizen is Meretz (Lieberman's Yisrael Beitenu includes a Druze MK). When Labour's Shelly Yacimovich talks of an alternative coalition she does not include the Arabs and only Zahava Galon, the Meretz leader, has embraced an inclusive politics in this respect. For some reason, Hadash, Balad and the United Arab List are considered part of a broader centre-left bloc, despite the fact that most of that bloc's Zionist parties have no interest in partnering with them. All of which continues to contribute to a greater alienation of the Palestinian Arab public, to a less robust and inclusive democracy and ultimately to democracy itself decaying. It also makes for far less coalition options for the non-right - the price they pay for their own intolerance. How would those three parties respond if approached to be coalition partners? Probably rather differently given that they are three different parties, but then again no one asks them.

### ***iii. A mini left revival***

Meretz was the only party that ran under the flag of the Zionist left, and doubled its share of seats from three to six. Labour stubbornly refused to be labelled "left", although in Israeli terms it is probably the appropriate label to apply to Labour and the list that it has elected to the Knesset. If Netanyahu is considered to be a big loser in this election, then Labour leader Shelly Yacimovich is putting up some competition for that title. She did improve Labour's showing, up to 15 from 13, but this is a far cry from the anticipated revival which showed Labour in the low-mid-twenties through much of 2012.

Yacimovich pursued a strategy of removing herself from the national security debate, hoping not to scare away centre-right voters, in addition to the sense that Yacimovich herself was disinterested in Palestinian and regional issues. Either way, the end result was an act of self-marginalisation and the poor showing. Expect the knives to be out for Yacimovich (the morning after the elections she was already accused by as-yet unnamed party members of being a dictator who steamrolled her own party) and expect there also to be some relief that the left bloc has at least passed the 20-seat mark. There should also be a certain coming to terms with just how far a progressive politics still has to go to build broader support in contemporary Israel, some of the swing from the right to Lapid probably occurred because he was standing not as alternative to Netanyahu but to be a possible partner serving under Netanyahu.

That said, Zahava Galon will have a more prominent voice and the cohort of more progressive voices in Parliament will grow quite significantly, not only from Meretz and some Labour members but also the two ex-labour leaders who are in Livni's Hatnuah party and a smattering of progressives among Lapid's list.

**iv. Religious wars: the knitted kippa versus the black hat**

One of the more interesting arenas to watch in the next Knesset will be the struggle between the national religious, who are mostly modern Orthodox, and the Haredim who are ultra-Orthodox, whether or not they are sitting together in a coalition. Their points of disagreement have tended to be subsumed in the past, yet a potential gulf exists between them on many issues. In a context of basic parity between those parties and given the likely emphasis on a domestic agenda, the fissures between them are likely to come to the fore. The Beit Yehudi is essentially the party of the national religious (including a variation that leans towards the ultra-Orthodox but that is still Nationalist Zionist in orientation – "*hardalnikim*"). The national religious are also well represented in the Likud. On the Haredi side, Sephardi Shas has maintained its strength while the Ashkenazi United Torah Judaism party has grown from five to seven mandates.

These two wings of Orthodoxy have fundamentally different approaches to how Jewish law (*halakha*) interprets the existence of a sovereign Jewish state in the Biblical homeland. For the nationalist religious, the Jewish state has become a supreme, overarching religious value. For the Haredim, to have a sovereign state in pre-messianic times is a dubious or even heretical development (a badge they do not wear too publicly too often any more, but one that nonetheless guides their thinking). The areas of contestation between the two blocs could become telling for the future of the next coalition and the next parliament, ranging from the likely showcase issues of military service and distribution of the budgetary pie, to appointments to religious Councils, governance reform, rules regarding religious conversion, the role of women and norms applied to public spaces. Just to complicate the picture further, Lapid's list includes members committed to an overall more pluralist religious agenda that seeks a space for the reform and conservative movements within Judaism who are so significant in the U.S. but not in Israel, and who are an anathema for the modern orthodox and the ultra-Orthodox alike.

The Haredim have also been more flexible in the past on issues of peace and territory. If an alternative non-right coalition exists then it will have to exclude the national-religious and involve the Haredim.