

The Internal Arena: Normalcy Challenged by Inherent Societal Weaknesses

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Trends

Challenges to societal resilience: precarious solidarity, inequality, and partial governance • Jewish-Arab relations: the May riots, integration of Arabs in political activity, and efforts against crime in Arab society • Lack of preparedness for serious civilian and military disturbances



Recommendations

Work toward improved governance, equality, and social solidarity • Pursue broad economic growth • Strengthen Jewish-Arab relations and the fight against violence in the Arab sector • Improve capabilities in face of civilian and military disturbances

Three seminal developments shaped the domestic arena in Israel over the past year. The first was the ongoing COVID-19 pandemic, marked by changing intensities and Israel's successful vaccination campaign. The second was Operation Guardian of the Walls in May 2021, which posed difficult challenges to Israel both militarily vis-à-vis Hamas in Gaza and domestically, with violent clashes between Arabs and Jews in Israel. The third was the formation of the new Israeli government.

The Domestic Political Scene

As in other Western democracies, a basic feature of Israeli political life is ongoing social and political polarization, reflected in part by conflicting interpretations of the situation among different groups. On the one hand, there is a sense of a “new normalcy” among many Israelis, mainly due to the following developments: a) a functioning new government, particularly in contrast with the recurrent political crises of the prior two years. The new government's effective performance was reflected, above all, in the passing of a state budget after a lapse of more than three years; b) relatively successful handling of the COVID-19 pandemic, despite its ubiquity and the persistent new challenges and uncertainties it poses; c) relative security stability, despite the short fourth round of warfare with Hamas in May

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and the renewal of “lone wolf” terrorism; d) impressive economic recovery following waves of COVID-19; and e) return to normalcy in Jewish-Arab relations following the May riots. This sense of normalcy serves as a stabilizing factor.

At the same time, many have an entirely different perception of the political situation. To them, it is fragile, unstable, and liable to fall apart at any moment. Although following the passage of the budget there seems to be a chance of governmental stability, at least until 2023, they believe there are a number of reasons to doubt this prospect: a) Israel’s delicate coalition framework and practices remain; b) the current government is precarious, primarily due to the wide disparity among its constituent factions; c) the opposition is very active in seeking to delegitimize the government and disrupt the Knesset’s legislative

work; d) fundamental domestic challenges highlighted during the pandemic – lack of solidarity; low level of trust in governmental systems, including the legal system; and grave failures in governance – are still present, and some have even worsened; e) the government has agreed to avoid dealing with critical controversial domestic issues, as well as with the Palestinian issue; and f) Israeli society is more politically, socially, and economically polarized than ever.

Beyond the conflicting perceptions of the political situation, the emerging picture is one of a relatively strong state framework, especially militarily and economically, masking an internal fabric characterized by critical structural weaknesses. Perhaps the most significant weaknesses are gaps in governance, especially regarding critical points of socio-political friction, and the absence of a robust governmental mechanism for formulating and implementing national strategies. These weaknesses impact negatively on national resilience, and are liable to undermine Israel’s ability to deal successfully with potential disasters of various types, such as a severe earthquake, worsening of the pandemic, political and social crises, and perhaps also security challenges from Iran and Hezbollah.

The Socioeconomic Challenge

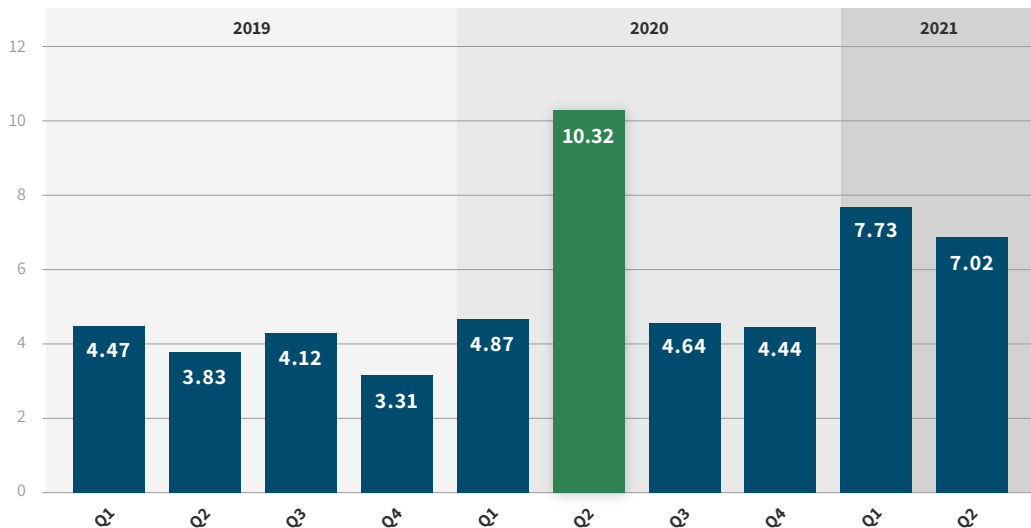
The lack of significant restrictions on the Israeli economy during most of 2021 provided strong starting conditions for a quick economic recovery. This recovery, which is based to a large extent on the average macroeconomic data, clearly represents economic resilience. The significant increase in state tax revenues, the flow of foreign investments into



The new normal, or an unstable political reality?
Prime Minister Bennett and head of Ra'am Abbas
Photo: REUTERS/Ronen Zvulun

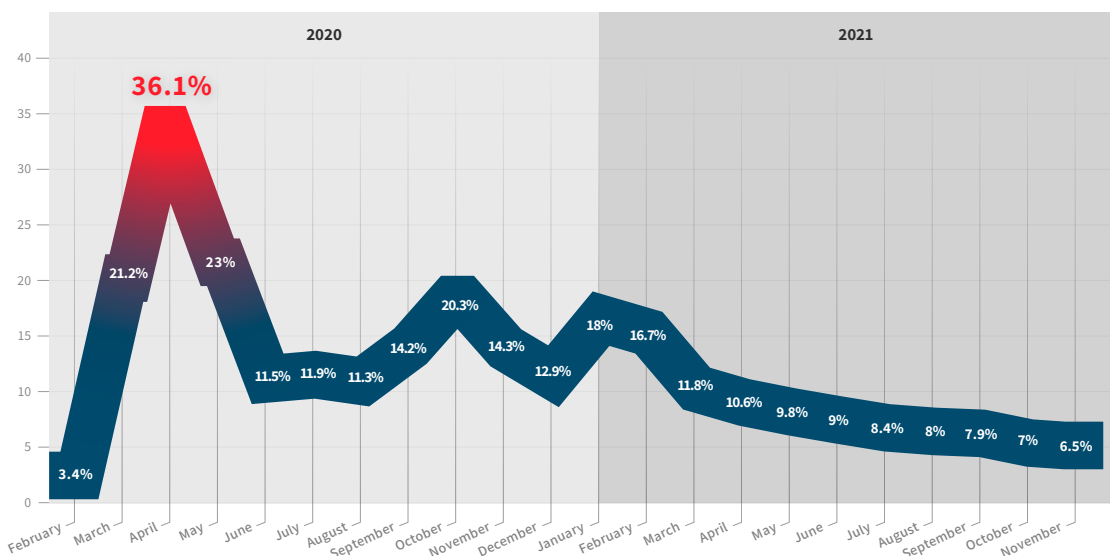
Israel, and the increase in Israeli exports are based definitively on the growth in the hi-tech sector, which represents roughly one tenth of Israel's labor force. The necessary expansion of this sector is not guaranteed, whether in the short or long terms or in the long run. In addition, the gaps between the relatively few who are well-off and other groups in the population are widening, creating a potentially dangerous and volatile situation in the long term. Indeed, the economic crisis stemming from COVID-19 still prevails in many sectors that do not share the impressive 7 percent growth in 2021 and the forecasted 5.5 percent growth in 2022. According to a December 2021 report by the Latet non-profit organization, 2,540,000 people (27.6 percent), among them 1,118,000 children (36.9 percent), live below the poverty line. This formidable social challenge requires a systemic governmental response and a fundamental paradigm shift in a series of critical areas, including infrastructure, education, employment, and housing. This has not happened, and the reforms approved in the 2022 state budget do not change the picture.

Foreign Direct Investments in Israel by Quarter, in Billions of Dollars



Analysis of OECD figures (Economic Outlook 110, December 2021)

Unemployment Rate in Israel – Broad Definition



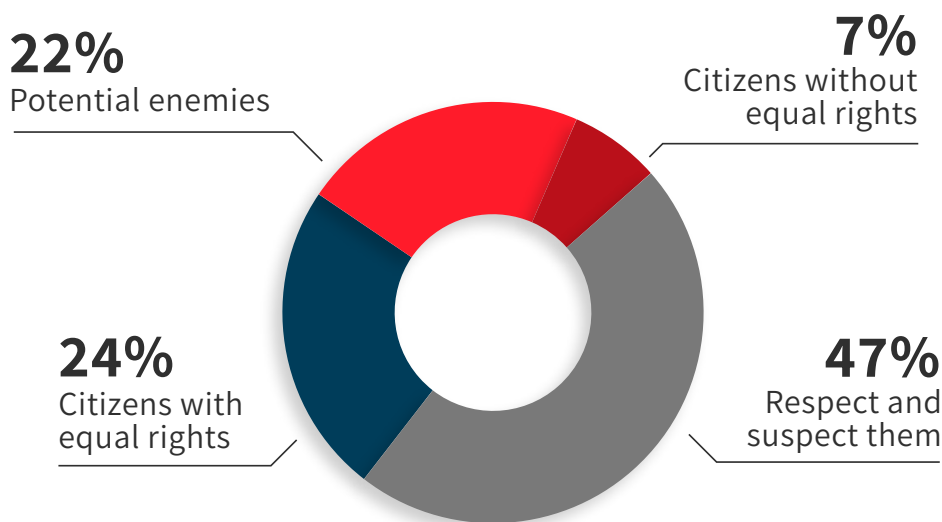
Central Bureau of Statistics data

Jewish-Arab Relations

A significant positive change during the past year was the political legitimacy gained by the Arab party Ra'am – a first achievement of this sort for Arab parties in Israeli politics. This development is likely to generate an important stabilizing trend, though its viability over time is in question due to the hostility, fear, and marginalization of Arabs by many Israeli Jews. An August 2021 survey by the Hebrew University's aChord Center found that 21 percent of the Jews questioned expressed a high level of hatred toward Arabs, compared with 10 percent of the Arabs who expressed a high level of hatred toward Jews. According to findings from the November 2021 INSS National Security Index, 52 percent of Jewish respondents oppose the inclusion of an Arab party in the governing coalition, compared with 45 percent who regard it as legitimate.

The ambivalent and delicate relations between the Jewish majority and the Arab minority can be assessed in light of this survey. These relations underwent a severe and challenging upheaval during the May 2021 riots, which clearly pointed to the persistence of the Jewish-Palestinian national conflict in Israel's domestic sphere. Although normal life has largely been restored and is seemingly sustainable, its longevity is uncertain due both to the lingering mutual distrust and to efforts by extremist political groups to maintain tensions between the two sides. There is therefore concern over another outbreak of clashes in the future, primarily, but not only, due to external security conflicts. The government and the security agencies are preparing for a recurrence of the riots, which might include disruptions of IDF movement on traffic arteries in the vicinity of Arab communities. The Israel Police (through the Border Police) are anticipating such scenarios, especially in mixed Jewish-Arab towns, in order to quash any such riots quickly if they erupt.

How do you view Israel's Arab citizens?

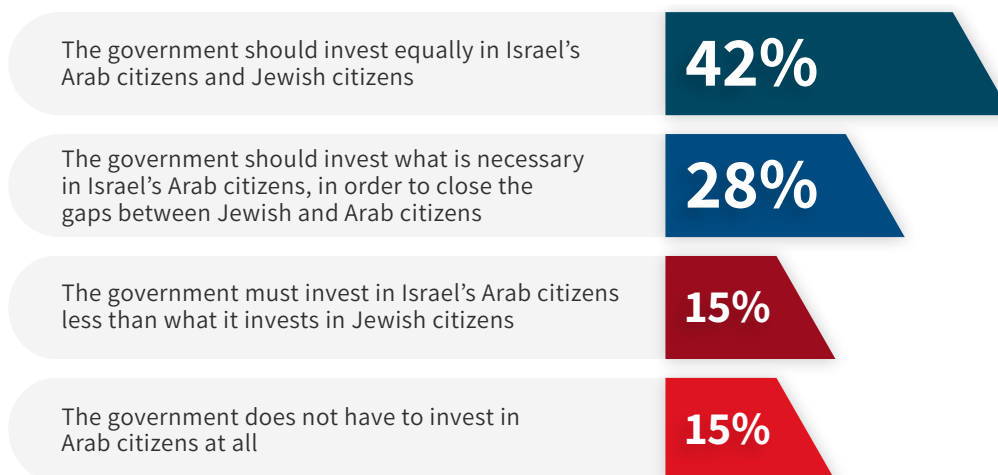


Jews only
INSS National Security Index, 2021

Concurrently, the government has stepped up efforts to accelerate the advancement of Arab society's socioeconomic status in order to reduce the gaps between Jews and Arabs. These efforts involve the implementation of the second, NIS 9 billion (\$3 billion) five-year plan for the Arab sector, approved as part of the new state budget, and continued collaborative work with Arab leaders and political parties as part of their inclusion in the government.

Radical ultra-nationalist groups in both sectors incite fear and hatred of the other side. According to the INSS National Security Index (based on two surveys, conducted in June and November 2021), 22 percent of Jewish respondents consistently regard Arabs as potential enemies, while 41-47 percent say Arabs should be respected but also suspected. Only 24 percent regard Arab citizens of Israel as deserving equal rights. On the other hand, at the practical level, a 70 percent majority of the Jewish population agree that the government should invest in the Arab sector's economic growth.

Which of the following is closest to your view?



Jews only

INSS National Security Index, 2021

Relations between the majority and the minority are affected by the burgeoning crime and violence in Arab society. This has resulted to some extent from prolonged social neglect, which now poses an important challenge to the state while also generating serious disruptions within Arab and Jewish sectors alike. However, a convergence of interests and willingness on both sides to seriously address this challenge has created an opportunity to reduce these dangerous processes. Thus, the government has assumed responsibility and initiated budgeted programs (under Cabinet Resolution No. 549 of October 24, 2021), allocating NIS 2.4 billion (nearly \$800 million) over five years for a plan to reduce crime and violence in the Arab sector, of which NIS 1.4 billion (more than \$430 million) is earmarked for direct enforcement and the rest for dealing with deeply rooted underlying social issues. The essential requirements for curbing crime in Arab society in the short term are determination and persistence, combined with more effective coordination within and between the enforcement agencies, primarily within the framework of the six-month Operation Safe Track and a significant reinforcement of police capabilities. In the medium and long terms, extensive and informed investment in addressing the root socioeconomic causes of the violence is necessary.



Crime and violence in Arab society – a leading socio-political challenge. Police activity in Lod

Photo: REUTERS/Amr Awad

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Operation Guardian of the Walls in Gaza had important consequences in other spheres as well. The first was that it once again demonstrated the Israeli public's societal resilience and endurance in the face of Hamas's massive rocket attacks, mostly thanks to Israel's active defense capabilities (Iron Dome). A similar positive outcome, however, would not necessarily be replicated in a future far more devastating war on the northern front against Hezbollah with possible Iranian participation. An effort to improve active and passive defense of the home front is therefore required.

The second consequence concerns possible conceptual stagnation on the role of military force in hybrid conflicts. The major lesson of the four rounds with Hamas, including Operation Guardian of the Walls, is that the IDF lacks a viable operational blueprint for defeating the strategic

challenge posed by Hezbollah, Hamas, and their partners. This is due to geostrategic limitations, and perhaps even more to Israeli society's reluctance to sustain the many casualties that massive ground operations, necessary for a strategic victory, would inevitably entail.

These are related to the uncertainty concerning the degree of commitment and dedication of a divided Israeli society to unite against an external military threat, as occurred during past conflicts. Furthermore, the civilian home front is less than adequately prepared for the threat posed by Hezbollah's massive arsenal of high-trajectory weapons, some of which are equipped with precision guidance systems. The IDF narrative marketed to the Israeli and international publics of a decisive, victorious, and lethal response is often received with skepticism, while concurrently generating potentially unfounded expectations in the Israeli public regarding the IDF's offensive and defensive capacities.

Finally, there is the matter of the IDF's attitude toward socially significant issues within the army that are of interest to civil society as well. The IDF's supreme command could be more receptive and sensitive to criticism of its actions, budgetary demands, and statements by its commanders that quite often resonate negatively among parts of the Israeli population. The issues exposed by the public criticism, as well as the way the IDF handles them, are likely to reduce public trust in the army, and in the longer term, further diminish public support for the traditional and worthy model of the "people's army," which is at the base of the IDF's legitimacy and realization of its force buildup needs.

Recommendations

Progress in good governance and domestic normalization in order to strengthen national resilience requires the planning and implementation of structural changes in government and society. For this purpose, the government's self-imposed restrictions on addressing the fundamental issues of society and the economy should be removed. In this context, the following is recommended:

- Advance government actions that focus on narrowing socioeconomic gaps in order to promote broad economic growth, thereby enhancing social solidarity. The government should concentrate on measures for strengthening social equality and furthering employment opportunities.
- Reinforce the need for government accountability and promotion of democratic governance; reconstruct effective mechanisms for strategic planning and implementation on key issues such as empowering local government and strengthening enforcement agencies, including police empowerment, in order to curb the ability of extremist groups (both Arab and Jewish) to maintain "social enclaves" that lack adequate governance.
- Assign high priority to improved relations between the Arab minority and the Jewish majority, using the resources that have been allocated to suppress crime and violence in Arab society in the short and medium term, while narrowing deeply rooted gaps that generate crime, especially in cities with mixed Jewish and Arab populations.
- Advance and systematically reorganize the state's capacity to prepare for and manage mass disasters, ranging from security-related calamities to natural disasters such as catastrophic climate change, earthquakes, and pandemics.
- Formulate an expanded national security concept leading to a revised strategic doctrine for the IDF, with emphasis on improving home front preparedness for a future large-scale conflict.