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A New Paradigm

A new Israeli Government is being launched this week. The political system is transforming and most Israelis have become more aware of these gradual but dramatic changes as reflected in the outcome of the January general elections. The old axiom that only foreign policy and security issues dictate the composition of the political map is no longer true. Yesh Atid, led by journalist **Yair Lapid** and HaBait Hayehudi headed by high tech entrepreneur **Naftali Bennett** are the two main beneficiaries of the power struggle; both have the roots of their support base deep in the social protests of summer 2011. The same can be said, albeit negatively, about the decline in power of the Likud and other members of the outgoing coalition.

The Labour Party was expected to gain the most from this trend - it even had two of the more prominent leaders of the 2011 protest on its list of candidates. However, the pragmatic Israeli voter was looking to give more power to those who are willing to join the Cabinet and influence daily policy making, as opposed to shouting from the opposition benches. Once Labour's credible leader **Shelly Yachimovitch** committed not to be a partner in any coalition led by Prime Minister **Benjamin Netanyahu**, many of her potential voters found their way straight into the arms of Lapid and Bennett.

New Faces

48 men and women, 40% of the members of the 19th Knesset, are new faces, a record number in Israel's history. A glance at their distribution among the parties provides another fascinating insight to the new Israeli political scene: Likud has only 1 new member, Lieberman's Israel Beitenu - 2, Shas and the other ultra-orthodox parties - 0. On the other hand, all 19 Yesh Atid members are new, HaBait Hayehudi has 10 out of 12 and Labour - 9 out of 15.

Both Lapid as Minister of Finance and Naftali Bennett as Minister of Economy & Trade will attract most of the attention of the Israeli and international business communities. They will no doubt feature in future editions of The Ben-Tovim Report.

Two other new ministers, who also happen to be personal friends, help me feel more optimistic about the new government:

Yael German - Minister of Health. Over the past 14 years Yael has served as the very successful mayor of my neighbouring town, Herzliya - one of too few women in similar positions. I have admired her work as a smart, effective, honest and service-oriented public servant. Our ailing health system will greatly benefit from her leadership.

Yair Shamir - Minister of Agriculture. In view of his vast defence and industry related experience his new position is not exactly a natural choice, but isn't politics considered to be the art of the possible? Yair served in the Israeli Air Force and retired with the rank of Colonel. Later on he was Director General of Scitex and Chairman of both EL-AL and Israel Aircraft Industries. He is Chairman of Gvachim a NGO which helps graduates from western countries, find jobs in Israel.

Old Refusnik, New Speaker

The Speaker of the Knesset does not receive much international visibility, although locally this is considered a most respected position. According to formal protocol, the Speaker is second only to the President. The way the outgoing Speaker, Rubi Rivlin, learned that Netanyahu did not wish him to continue in that position, was widely criticized. His replacement, **Yoel (Yuli) Edelstein**, has nonetheless a fascinating biography.

I first met Yuli just a short while after he immigrated to Israel in 1987, and found it almost impossible to believe his life story. He was born in the Ukraine in 1958 to a Jewish family. His parents later converted to Christianity, and his father is to this day, a well-known Russian Orthodox priest. His affiliation to Jewish culture and his study of Hebrew were due largely to the influence of his grandparents. When Yuli decided to apply for an exit visa to Israel in the late 70's his application was rejected (thus making him a "Refusnik"), and he was subsequently expelled from university. He became an underground Hebrew teacher and encountered various forms of harassment from the KGB. In 1984 he was arrested and charged with possession of drugs, then sentenced to three and a half years hard labour. He was sent to a Siberian gulag but was released in May 1985 after serving one year and eight months.

In 1987 Yuli was finally granted permission to emigrate to Israel. After arriving he served in the Israel Defence Force and became involved in political life. He was first elected to the Knesset in 1996, and was appointed Minister of Immigrant Absorption in Netanyahu's first Likud-led government. He has retained his Knesset seat ever since and following the 2009 elections was appointed Minister of Information and Diaspora. As of 18 March 2013, the former gulag prisoner is the Speaker of the Israeli Parliament.

Upcoming Events

Milken Institute's **Global Conference**; 28 April – 2 May, Los Angeles. Israel-related topics will include: Reinventing Israel's Capital Markets; Israel: The Ingenious Society as a Global Laboratory. Bill Gates, Al Gore and of course Michael Milken will all be around.

The President's Conference, marking Shimon Peres' 90's birthday; 18-20 June, Jerusalem. Confirmed guests include Bill Clinton, Mikhail Gorbachev, Tony Blair, Prince Albert of Monaco and Barbara Streisand.

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