

April 2006

Post-election landscape Building the next Israeli government

by Dr Emanuele Ottolenghi

Introduction: A mixed result

Israel's 2006 elections could have produced a new political reality. Competing for the voters' favour there were clear alternatives. Voters had grown tired of the two visions that for decades vied for dominance in Israel, and the parties that embodied them. The Peace Now vision lay moribund, under the successive blows of the Oslo collapse, the Intifada, and the rise of Hamas. The Greater Israel vision had been exposed as a pipedream, in the face of the unbearable price of keeping millions of unwilling Palestinians under Israeli rule.

For over a decade, Israelis had signalled their unhappiness with the political landscape. Voter turnout steadily declined. Many of those who did vote, cast their preference for protest parties. Centrist alternatives to Labor and Likud emerged at each election, with some measure of short-term success, but always ending in failure.

This time it was meant to be different. The newly formed party, Kadima, offered voters a new political horizon and a set of new policy ideas that appealed to Israel's pragmatic centre. Labor reinvented itself as a party truly committed to social issues, trying to regain lost votes on a socio-economic platform that could resonate beyond its traditional electorate. Meanwhile, Likud and its satellites tried to revive their right-wing agenda.

But rather than rally behind a new and decisive policy for the country's future, Israelis elected a fragmented Knesset, leaving no one party with an unequivocal mandate and handing their new leaders an inconclusive verdict. Had Kadima won its projected lead of 35-40 seats, Israel's acting Prime Minister, Ehud Olmert, could have easily and speedily established a strong coalition of parties ready to support the territorial vision he outlined during the election campaign. With Kadima securing only 29 mandates, forming a government ready to support further unilateralism in the West Bank may be less straight forward than the pre-election polls seemed to suggest.

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A vote for partition

Despite Kadima doing less well than expected, it is still clear from this vote that a majority of Israelis are ready to partition the land, though most do not trust the Palestinian camp to cooperate in the process. The parties representing the Greater Israel vision – Likud, the National Union-National Religious Party alliance, and Avigdor Lieberman’s Israel Our Home – won only 32 seats combined. Even when one adds the two religious parties – Shas and United Torah Judaism – the traditional right wing alliance controls only 50 seats. There is a clear majority in the Knesset of parties who favour compromise: Kadima (29), Labour (19), Meretz (5), the three Arab parties (10) control together 63 seats, in addition to the seven seats won by the elections biggest surprise, the pensioners party.

History offers its ironies, and it is remarkable that on the day Israelis voted to seal their willingness to endorse the partition of the land, a Hamas government was inaugurated with a convincing majority by the Palestinian parliament. This stark contrast should have given a boost to Kadima, the party that more than anyone else offered a plan for Israel to disentangle itself from the West Bank in the absence of a reliable Palestinian partner. It did not. Despite the clear mandate for partition of some form, these election results do not reflect an overwhelming endorsement for Kadima’s proposed unilateralism. In addition they show that rather than security being the overriding concern, other issues also played a pivotal role in the elections.

The performance of Labor

After dominating the scene for decades as the main advocate of territorial compromise, Labor for the first time presented itself as a real political alternative through its emphasis on a social agenda. Its new and largely untested leadership astutely focused its campaign on socio-economic issues, hoping to capitalize on the widespread discontent that recent economic policies had produced.

With its pledge to increase the minimum wage, to address the growing income gap and to bring social justice to the top of the government agenda, Labor offered three important messages. First, with Kadima promoting territorial compromise from the centre, the left – whose loyalty to the principle of partition was a foregone conclusion – could become the voice of the poor and the underprivileged. Second, given the diplomatic impasse and the rise of Hamas to power, socio-economic issues actually deserved priority, since meaningful diplomacy was unlikely. Third, Labor was best positioned to promote social justice while not neglecting security. Slogans about peace, unlike in the past, virtually disappeared from Labor’s electoral campaign. While not victorious, this position nevertheless gained enough support to make Labor a crucial player in the incoming parliament.

With Ariel Sharon incapacitated and Hamas in power, the Israeli electorate clearly remained sufficiently concerned about security so as not to entirely subscribe to the Labor view that the economy came first. Nevertheless, Labor’s refusal to let security issues exclusively dominate the election – something that would play well into Kadima’s hands – allowed the party to keep its ground despite the departure of three important leaders, Shimon

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Peres, Dalia Itzhik and Haim Ramon. While overall Labor lost seats, (winning 19, compared with 22 it controlled together with Amir Peretz's unionist faction in the previous Knesset) it remained the second biggest party.

Coalition options

In fact, with only Kadima openly promoting unilateralism and all other pro-partition parties preferring a negotiated solution, Peretz came out of the election in a position to consider an unlikely social welfare coalition – along with Shas, the Pensioners, Meretz and part of the right-wing. Giving priority to economic policies would be an ideal bargain for the defeated right: a Peretz-led coalition, it might reason, could commit itself to a negotiated two-state solution in theory, but in practice with Hamas in power, real progress on that front – and therefore the potential for coalition strife – would be unlikely.

Such an alliance would express a profound redrawing of Israel's political map: not only would the right wing have to drop their support for a Greater Israel vision, but the main political dividing lines would be over socio-economic issues and on whether Israel must proceed unilaterally or through negotiations in its relations with the Palestinian camp. The pro-welfare left and the right would inevitably disagree, over time, about settlements, territory and borders, but in a situation where such issues are unlikely to come to the table, it is theoretically possible to conceive of such a coalition.

But while this possibility exists in theory, it is Kadima, having won a plurality of votes and seats, that has been asked to form the new coalition. Olmert has a number of options open. An alliance with the left (Labor and Meretz) and the Pensioners, while yielding only sixty seats, would be viable in terms of Olmert's territorial policies because it could rely on the Arab parties' to support future withdrawals from outside the coalition, as was the case with Yitzhak Rabin's government from 1993 to 1995. Olmert could also open a Meretz-Labor-Kadima-Pensioners coalition to one or more religious parties, as a way of expanding the basis of legitimacy for further territorial concessions.

An alternative possibility is an Olmert alliance with the right. Olmert, after all, has announced that he intends to seek a national consensus on his proposal to forge new borders through 'The Convergence Plan', before he proceeds with further redeployments and settlement evacuations. With the left already committed to further territorial concession, Olmert could opt to bring Avigdor Lieberman's Israel Our Home party, the religious Shas and UTJ (United Torah Judaism), the Pensioners or even the Likud into the government. A dialogue with the right-wing leadership over territorial compromise might be more fruitful in the search for a national consensus. It could spare Israel another wave of bitter internecine such as Israel experienced with tragic consequences during the Oslo era.

Finally, there is the option to draw on the lesson that Olmert no doubt learned from his predecessor, Ariel Sharon. Sharon sought to position his own party at the centre of the coalition, knowing that Israel could not

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afford to face prolonged conflict with the Palestinians and profound internal divisions at the same time. His coalition always aimed to reflect a consensus between right and left, in which Sharon kept the median point. Kadima is most likely to seek the same position in its future government, bringing in both Labor and at least one right-wing party, alongside the religious parties. This will ensure that the coalition ultimately reflects the kind of centrist, middle-of-the-road policy for which Kadima was established.

An alliance with Labor would offer Kadima 48 seats to build upon. Given their combined strength, Labor and Kadima could work out the main coalition guidelines and allocate the most important ministries - foreign, defence, finance and education – between themselves. The rest would be left for smaller coalition partners, with the Pensioners and Lieberman's Israel's Our Home the most likely candidates to join. This coalition could rely on 67 votes in the Knesset and would give Labor significant strength to shape important policy changes, especially if they gain control of the defence and education portfolios. Even if such a majority would not automatically back Kadima's goal of re-drawing Israel's boundaries by 2010, territorial concessions can always count on the left wing Meretz party and the Arab parties (totalling 15 seats) for endorsement, making such a coalition a solid compromise between Labor's social agenda and Kadima's security worldview.

Conclusion

Ultimately, when it comes to coalition building, Kadima's failure to achieve their expected level of support complicates the picture. With Israel's fragmented party system, one can expect a process of coalition formation where the bargain over perks and positions will be no less intense than the one about policies. Olmert will have a difficult time reconciling his party's ambitious aspirations with the demands of coalition building.

Olmert made redrawing Israel's boundaries by unilaterally withdrawing from settlements a centre piece of his campaign. If he forms a government based on a coalition with Labor, the international community may see dramatic progress towards ending the occupation in the West Bank. However, a broad coalition will no doubt leave many questions unresolved, including tensions over economic policies and unilateralism. Whether and how Olmert will be able to implement the territorial vision he delineated in his election promises remains, therefore, an open question. ■

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