

Political

update: Olmert and Barak reach deal to protect coalition – 25 June

Key points:

- Vote to dissolve the Israeli parliament avoided after last minute deal between Prime Minister Olmert and Labour Leader Barak
 - Kadima agree to hold leadership primaries before 25th September
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Latest developments

- Prime Minister Olmert and Labor Party Chairman Ehud Barak reached a deal on Tuesday night (24 June) to avoid the government coalition collapsing in the face of ongoing corruption charges against Prime Minister Olmert.
- Barak agreed to indefinitely postpone a vote to dissolve the Knesset which was scheduled for Wednesday (25 June). Initially Barak had said that his party would support the dissolution bill that would have led to early elections being called, however he agreed to withdraw Labor's support for dissolving parliament in exchange for Olmert agreeing to hold Kadima party primaries no later than 25 September.
- The deal represents Barak's attempt to replace Olmert as Prime Minister without forcing parliamentary elections. Israeli polls suggest that in a general election Labor and Kadima would lose a significant proportion of their seats to the right wing Likud Party who could become the largest party in the Knesset.
- Olmert said the deal was necessary to maintain stability at a crucial time in the peace process and that dissolving the Knesset at this point would undermine his ongoing diplomatic efforts to maintain the Egyptian mediated ceasefire in Gaza and indirect peace talks with Syria. He went on to say the opposition Likud Party, who have opposed the Gaza ceasefire, will not carry forward peace negotiations.

Background

- The current coalition between Labour, Kadima and the ultra-religious Shas party was formed following Kadima's win in the March 2006 general election. Although the largest party in the Knesset, Kadima has just 29 MKs out of a total of 120 seats parliamentary seats and its main coalition ally is the Labor party with 19 MKs.
- Pressure has been mounting on Olmert to step down after Morris Talansky, an American financier, testified in a deposition that he had given Olmert \$150,000. Olmert has said that these were legitimate campaign donations but he is accused of accepting cash-stuffed envelopes to fund personal expenses.
- The bill to dissolve the Knesset was put forward by Likud MK Silvan Shalom on 10 June as Likud stand to gain most from any snap election.
- The Arab Knesset factions had agreed to vote together to block the dissolution of the Knesset, hoping to avoid electoral success for right-wing parties such as Likud and Yisrael Beiteinu.

- Several candidates are already lining up to challenge Olmert for the Kadima leadership. Foreign Minister Tzipi Livni and Transportation Minister Shaul Mofaz are the current front runners. Olmert announced on Wednesday (25 June) that he would consider standing in the primary rather than stand down as had been expected. The agreement with Labor does not prohibit Olmert from standing again.