

Political

update:– Labor agrees to enter Likud-led coalition government –
26 March

Key points:

- The Israeli Labor party has voted in favour of joining the Likud-led government. Eight Labor MKs pledge to support the party in government, whilst the remaining five plan to abstain in parliamentary votes
 - The Likud-Labor coalition agreement will see the government seek to achieve peace with the Palestinians and the wider Arab world and significantly increase welfare spending
 - Under the agreement Ehud Barak will remain defense minister and Isaac Herzog will remain welfare and social services minister
 - Netanyahu has now made coalition agreements with the Labor, Yisrael Beiteinu, Shas and Jewish Home parties, giving him enough seats to form a government
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Latest developments

- The Labor Party Central Committee voted on Tuesday (24 March) to support its Chairman Ehud Barak in his proposal to join Benjamin Netanyahu's Likud-led government. The party's delegates voted in favour of the deal - 680 to 507. Six of Labour's 13 Members of the Knesset (the Israeli parliament) were in favour of joining the coalition and seven were against. In his speech to the committee, Barak said:

"I will not be anyone's fig leaf. I will be a counterweight to make sure there won't be a right-wing extremist government." (24/03/09)

- Barak's coalition agreement with Netanyahu, finalised in the early hours of Tuesday (24 March) morning, garnered a large degree of support from the party with its focus upon achieving peace with the Palestinians and the wider Arab world as well as extra spending for pensioners and the unemployed.
- Ofer Eini, chairman of the Histadrut (Israeli TUC) and a member of Labor's negotiating team with Likud called the deal "unprecedented" and Isaac Herzog MK, who is likely to retain the post of welfare and social services minister said:

"The agreement has a dramatic and important potential to influence the conduct of the state in the next year and the Labor party will have a direct and meaningful influence in implementing the values and concepts it believes in." (24/03/09)

- The Likud-Labor agreement states that:
 - Israel will work on forming a comprehensive regional arrangement for peace and economic cooperation and is committed to all national and

international agreements signed by former governments. The government will also work to enforce the law on unauthorised West Bank settlement outposts.

- Labor will receive five ministerial portfolios including defense, industry trade and labor, agriculture and welfare and social services. It will also have two deputy defense ministers. In addition Labor MKs will chair the three Knesset committees (foreign affairs and defense, immigrant absorption and education) for one third of the duration of the current Knesset, in rotation. Tuesday's (24 March) vote gave Barak, who will remain defense minister under the arrangement, the authority to decide which Labor MKs will be appointed to each of these roles. The agreement also states that the defense minister will be a full partner in Israel's diplomatic processes.
 - In the wake of the economic downturn, the government will establish a committee to advise it on economic issues, comprised of representatives of the government, the Histadrut and employers. To create jobs, the government will allocate increased budgets for major infrastructure projects and for the establishment of high-tech research and development centres.
 - The government aspires to spend an additional £17 million for career retraining per year, an additional £33 million for childcare for working mothers per year, an additional £124 million for increased pensions between 2009 and 2011 and will extend the period for which people can collect unemployment benefits by one month.
- This final part of the agreement is unprecedented and garnered the support of the Histadrut vote. Minister of Welfare and Social Services, Isaac Herzog MK also pointed to this section for the reason he came out in favour of the coalition agreement once it was signed. He said the document's focus on welfare issues "gives great support to all the work I've been involved in over the past two years."
 - Barak's draft agreement with Likud was opposed by large swathes of the party's grassroots, including Israeli Young Labor, who campaigned for the party to revive itself in opposition rather than join a right-wing coalition.
 - MKs Avishay Braverman and Daniel Ben-Simon, who voted against Barak, have since agreed to abide by the party's decision. The remaining five plan to abstain in Knesset votes, since, under party laws they would not be able to run as Labor MKs in the next general election if they voted against their own party in government. There is support within this group for replacing Barak with former Internal Affairs Minister Ophir Paz-Pines at the next party leadership election, which, according to the party's constitution, will take place no later than April 2010.
 - Avigdor Lieberman's right-wing Yisrael Beiteinu party (15 seats) and Eli Yishai's ultra-Orthodox Shas party (11 seats), had already signed coalition agreements with Likud (27 seats). On Wednesday (25 March) Likud signed a coalition agreement with the religious right-wing Jewish Home party (3 seats) and opened up talks with the religious right-wing National Union party (3 seats). It is not yet clear whether National Union will join. With the support of Yisrael Beiteinu, Shas, Jewish Home and eight Labor MKs, Netanyahu's

likely government will have a small majority of 4 (64 seats) in the 120 Knesset.

Background

- The Labor MKs that voted in favour of joining Netanyahu's coalition were Binyamin Ben-Eliezer, Isaac Herzog, Shalom Simhon, Matan Vilnai, Orit Noked and Ehud Barak. Those that voted against were Eitan Cabel, Yuli Tamir, Ophir Paz-Pines, Avishay Braverman, Daniel Ben-Simon, Shelly Yacimovich and Amir Peretz.
- The office of Labor Party Chairman, Ehud Barak, issued a statement on Wednesday (18 March) arguing that it would be wrong to leave the country in the hands of a narrow right-wing coalition government. According to Barak:

“The public's true dream government is a Likud-Kadima-Labor government. Both Tzipi Livni and Netanyahu said before the elections that they would work to forge a unity government... The diplomatic, security, economic and social challenges facing Israel make it imperative for Labor to seriously consider [Netanyahu's invitation].” (18/03/09)

- On 18 March, Barak asked Labor's Secretary-General Eitan Cabel MK, to organise a party convention for the next day to endorse Labor joining the coalition. Opposing him, Cabel arranged the convention for Tuesday (24 March), after Netanyahu's original deadline of 22 March for finalising coalition negotiations. In response, Netanyahu requested that Israeli President Shimon Peres extend the deadline to 3 April. On Friday (20 March) Peres granted this request, affording Netanyahu the time to await the decision of the Labor Party Central Committee.
- Opposition within the Labor party to joining Netanyahu in government focused upon its likely right-wing composition, Netanyahu's refusal to openly support a two state solution and Barak's previous statements about not joining Likud in power. On 11 February Barak said:

“I suggest not putting us anywhere [in the coalition], it is not a given... As we've always done, we will think over what is best for Labor, and more importantly, what is best for the country. We won't serve in a government that isn't established by the specifications of our path, and we won't hesitate to go to the opposition and serve the people from there.” (11/02/09)

- Whilst the coalition agreement between Labor and Likud does commit the likely government to previous agreements to work towards a two state solution, including the Roadmap, Netanyahu has refused to explicitly support the establishment of an independent Palestinian state, instead focusing on the economic track.
- On Wednesday (25 March) and whilst still refusing to give his support for a two state solution, Netanyahu said that his government would “negotiate with the Palestinian Authority for peace.”
- The Israeli general election on 10 February saw Labor finishing fourth, its worst ever showing in electoral history. Labor won 13 parliamentary seats, down from the 19 they won in 2006.