



Livni wins election victory but Netanyahu to be new prime minister?

Israel's 2009 Knesset elections

By Dr. Ralf Hexel, FES Israel, February 13, 2009–02–17

1. On February 10, 2009, early elections were held for Israel's 18th Knesset. A total of 5,278,895 Israelis with the right to vote were called upon to elect people to fill the 120 seats in their parliament. In all, 65.2% of the eligible population actually cast their votes, 2% up on the last elections.
2. Israel's political system is unstable. A highly splintered party constellation and a threshold of just 2% of the vote per parliamentary seat lead to frequent changes of government.
3. In the wake of the Gaza war, the election campaign was utterly dominated by the issue of security and the rise of the right-wing populist politician, Avigdor Lieberman.
4. The elections confirmed the right-wing shift in Israeli society. The right-wing/ultra-Orthodox camp won 65 out of the 120 seats. The left-wing parties suffered a dramatic defeat. The Labour Party won just 13 seats, and Meretz 3. The strongest party was the centrist Kadima, with 28 seats, followed by Likud (27), and Yisrael Beitenu (15).
5. The election winner, Kadima's Tsipi Livni, will probably not become the new prime minister. Likud leader Benjamin Netanyahu has the right-wing camp behind him, and will very likely be charged by Israel's President, Shimon Peres, to form a government.
6. A number of options are available for the government coalition. The most likely scenario is a center-right government led by Benjamin Netanyahu, which also includes Kadima.
7. Difficult times are ahead for the Middle East peace process, since the victorious right-wing camp rejects concessions to the Palestinians. The Obama Administration will play a key position here, since it supports the two-state solution and wants to help a peace settlement achieve a breakthrough.

The elections for the 18th Knesset took place on February 10, 2009. A total of 5,278,895 registered voters were called upon to vote for the 120 representatives in the new Israeli parliament. A total of 3,416,587 votes were cast, corresponding to a turnout of 65.2%.

During the 2006 elections, the corresponding figure was 63.2%.

A total of 33 parties or joint lists ran for election. Twelve of them managed to enter parliament.

The political composition of the 18th Knesset is as follows:

- a) Center: Kadima (28 seats)
- b) Leftist parties: Labour Party, Meretz (16 seats)
- c) Rightist parties: Likud, Yisrael Beiteinu, National Union, Jewish Home (49 seats)
- d) Religious/ultra-Orthodox parties: Shas, United Torah Judaism (16 seats)
- e) Arab parties: United Arab List, Hadash, Balad (11 seats)

Why were new elections called early?

Since 1988, no Israeli government has managed to serve the whole of its four-year term of office. Prime Minister Ehud Olmert was forced to resign his position on September 21, 2008 after just two and a half years in government, in the wake of corruption charges and ongoing police investigations. When Foreign Minister Tsipi Livni, his successor as chair of the

governing Kadima Party, failed to form a new government, new elections had to be called.

There are two main reasons for Israel's unstable governments. The first is its enormously splintered party constellation, a direct expression of the highly heterogeneous population of Israel, a country of immigration par excellence. Parties in Israel are set up not just along political ideological lines, but also on the basis of ethnic and religious affiliations, as well as specific group interests (e.g. the Pensioners' Party). The second reason is the low threshold of just 2%. In the 17th Knesset, there were a total of eleven parties (originally, twelve). The party with the most seats was Kadima (29). However, it needed three other parties – Labour (19), Shas (12), and the Gil Pensioners Party (6) – in order to reach the number of seats needed for a viable coalition. As a result, relatively small parties enjoy disproportionately great political influence, as well as a major potential to bring pressure to bear so as to push their political demands through.

The election – a yearning for security and simple answers

Two phenomena determined the elections for the 18th Knesset. The first was the Israeli armed forces' Operation Cast Lead, which was waged for 22 days (December

27, 2008 through January 17, 2009) against Hamas, which rules the Gaza Strip. The upshot of this military operation was that after the fighting came to an end, the election campaign focused exclusively on security issues and future Israeli policy toward the Palestinians and Israel's Arab neighbors. While economic and sociopolitical questions, as well as social policy topics, played a role prior to the military operation, by its end they had practically vanished from the election campaign's agenda. This was in no way changed by the worsening global economic crisis, whose effects can already be seen clearly in Israel in the form of a drastically increasing number of redundancies. The topic of security became the dominant theme of the electoral campaign.

The second phenomenon was the meteoric rise of **Avigdor Lieberman**, originally from the Soviet Union, chairman of the right-wing nationalist Yisrael Beitenu (Israel Our Home) party, previously represented in the Knesset with 11 representatives. Born in Kishinev (Moldova) in 1958, Lieberman immigrated to Israel in 1978, and joined the Likud Party while studying political science at the Hebrew University. As a result of his friendship with Benjamin Netanyahu, who became the surprise prime minister in 1996, he first became Likud Secretary-General, and then Director-General of the Prime Minister's Office under Benjamin

Netanyahu. In 1999, Lieberman set up his own party, Yisrael Beitenu, which primarily targets the million or so Israelis who have arrived in Israel from the former Soviet Union in the last 20 years. In the 1999 elections, he was able to immediately win a parliamentary seat. Under Ariel Sharon, he became minister of infrastructure and transport. For a short while in the Olmert government, he was minister for strategic affairs.

At the beginning of December, in other words before the beginning of the Gaza war, **Yisrael Beitenu** was forecast to win eight seats in the new Knesset. A development then began which is a very vivid expression of the shift to the right in Israeli public opinion that accompanied the Gaza war. The overwhelming majority of Jewish Israelis had given unlimited support to the military operation in the Gaza Strip from the very start. When the operation was terminated, more than half of them thought this was a mistake and the fighting should have been continued. They connect Israel's 2005 withdrawal from the Gaza Strip with the experience of Hamas' firing rockets at Israeli territory on a massively increasing scale.

Lieberman managed pick up on this atmosphere, characterized by fear and uncertainty, and to make skilful use of it. After the start of the truce, using pithy,

populist slogans he challenged the government and army to continue fighting, and to “finish the business,” i.e. to completely annihilate Hamas. At the same time, he managed to stir up public opinion against the Arabs and the Arab parties in Israel by using racist slogans and accusations. During the war, against the background of the large number of civilian casualties, Israel’s Arab sector sided publicly with the Palestinians in the Gaza Strip, accusing the Israeli army of genocide: whereupon Lieberman accused Israel’s Arab citizens of disloyalty toward their state. Using the slogan, “No citizenship without loyalty,” he began a campaign which embodied the central message of his electoral campaign. He also announced a legislative initiative to force the country’s Arab citizens to take an oath of loyalty to the State of Israel. Another openly racist electoral slogan of his campaign was, “Only Lieberman understands Arabic.” These statements had an immediate impact, because simple answers go down well in difficult times of war and crises.

When it comes to dealing with Hamas, Lieberman rejects any and all dialogue, and demands the uncompromising use of military force. In the context of the peace process, he proposes an idea of mutual exchanges of territory with the Palestinians. Under such an arrangement,

Israel’s Arab citizens, together with the land on which they live, would be made subject to the Palestinian Authority, while in return, Jewish settlements in the West Bank would be annexed by Israel. What he is proposing, in point of fact, is a population transfer, resettling Arab citizens – who, after all, make up 20% of the country’s population – outside Israel. When it comes to the question of Jerusalem, he is in favor of dividing the city, i.e. making its Arab neighborhoods part of a future Palestinian State.

In Lieberman’s public appearances and political rhetoric, he can be compared with European right-wing nationalist populists like Jean-Marie Le Pen and Jörg Haider. Like them, he uses feelings of fear and discrimination in order to mobilize nationalist and racist emotions, so as to direct these against minorities. The fact is that Israelis have been rendered insecure by the nuclear threat from Iran, Hamas’ rocket attacks, and the economic crisis. They are looking at the future with concern. Such feelings are the classical breeding ground of rightist thinking. In times of crises, people long for a strong man to lead them, and Lieberman is making use of this longing.

For Israel’s political culture, it is disastrous that none of the country’s leading politicians have unambiguously distanced themselves from Lieberman’s racist-

nationalist rhetoric. Netanyahu, Livni, and Barak have all accepted this with approval, since they assume that the only way to successfully put a government together will be with Lieberman as kingmaker.

At the beginning of December 2008 **Likud**, led by ex-premier **Benjamin Netanyahu**, looked as if it would definitely win the elections, with 35 seats. In just two years in opposition, Netanyahu had managed to halt Likud's downhill slide, which began after the Sharon group broke away from it in 2005 and founded Kadima. There was a major likelihood that he would return the party, which in the 17th Knesset had just 12 seats, to its former position in the party political fabric. Likud appeared to be perfectly poised for the elections. Netanyahu had secured the support of the Shas Party early on, since in previous elections the latter had always been the decisive element in forming a government. In addition, Likud had shifted further toward the center in political terms, so as to secure itself new sections of the electorate.

In foreign and defense policy, Netanyahu identified Iran as the greatest threat to Israel. The main task of a government led by him would be to eliminate this danger, he said. As far as the Palestinians were concerned, he made it clear that for him, there was no question of a two-state solution and a withdrawal from the settlements. Netanyahu wishes to continue

the occupation policy – he himself speaks of “administering the West Bank,” since for him this is the only way that security can be assured for Israel. His term for this approach is “economic peace.” He is offering the Palestinians economic development without political independence or their own State. He has also emphasized that he is not prepared to divide Jerusalem. The Golan must also remain Israeli, he contends. With regard to the policies of the present-day government he has said, “The era of weakness is over. The Era of Strength is beginning.”

After the end of the Gaza war, the situation changed. Likud's showings in the polls began to drop, and those of Yisrael Beiteinu improved from one week to the next. This growing rightward shift in Israeli society practically occurred as a counter-movement to the Likud, which had shifted towards the center – although only slightly. This led to the Likud losing its rightist voters to Lieberman and his aggressive approach, without gaining voters from the center, i.e. from Kadima. Only toward the end of the electoral campaign did Likud representatives abandon their reserved attitude to Lieberman and appeal to rightist voters, saying that every vote for Lieberman would help to put Kadima in power. Two days before the elections, Likud had slipped to 28 seats, and was just

one or two seats only ahead of Kadima. Instead of what had appeared to be a cut-and-dried election, there was now a neck-and-neck race between Likud and Kadima. Foreign Minister Tsipi Livni possesses major political capital, which although she did not make this a topic for discussion in the election campaign, nevertheless plays a key role when it comes to her political effectiveness. In Israel she is considered a “clean” politician of integrity, who unlike many of her colleagues has never been embroiled in scandal. She is also considered incorruptible. Many people, especially the young, therefore trust her and see her as a new type of politician. During the Gaza war she also asserted herself successfully in the leadership troika together with Prime Minister Olmert and Defense Minister Barak. She managed to come off as a strong leader and a politician who is also competent when it comes to security issues.

In her electoral-campaign appearances, Tsipi Livni stated over and over again that in the negotiation process with the Palestinians, she was in favor of political dialogue and the two-state solution. She presented herself as a politician who was dedicated to the peace process. However, at the same time, critics from the left-wing camp reproached her for her unclear positions on Jerusalem’s future, and for

negotiating with the Palestinians without any wish to achieve results of any kind. With an eye to the Likud, she argued that there could not be a policy of “either peace or security.” As far as the USA is concerned, she explicitly stated her willingness to work intensively in close cooperation with the Obama Administration on a peace solution for the Middle East.

When the Gaza war began, the forecast was that the **Labour Party**, at the time with 19 Knesset seats, would only gain nine seats in the new parliament. However, the values went up again while hostilities were still under way in Gaza, after the war reaching 15 seats. The sole reason for this was the performance of the party’s chairman, Ehud Barak, as defense minister. He was credited with the army’s successful showing in the Gaza Strip, as well as its rehabilitation following the unsuccessful Lebanon War in 2006. At the same time, however, the polls showed that people did not trust him to lead the country as prime minister. Here Benjamin Netanyahu and Tsipi Livni were far ahead of him.

In the election campaign, **Ehud Barak** presented himself as an experienced politician and military leader. For him, security was not just the military variety, but also the economic and social kind. Israel’s enemies must be countered vigorously, he said, while the forces on the

Palestinian side who were prepared to negotiate could be related to with more confidence. He promised decisive steps against the threat from Iran, and announced strategic cooperation with the Obama Administration in bringing about peace in the Middle East. The Arab League's peace initiative, said Barak, while not acceptable on all points, was a good start for future negotiations. Matters relating to economic and social policy were not relevant to it.

The Labour Party directed its election campaign against Kadima in particular, since this is where most of its votes had been lost. Kadima was presented as a party lacking an image and outlook of its own, and Tsipi Livni as a politician with no experience in defense issues and incapable of leading the country. Barak did not wish to exclude a coalition with Yisrael Beiteinu, although leading parliamentarians in his own party insisted that he do so. A day before the elections, Barak announced that he only wished to be defense minister in a new government if his party were to win around 20 seats.

In previous years, the **Shas Party** played a fairly central role in Israeli politics as a junior partner to make up the numbers for a majority. The large parties (Likud, Labour and, since 2005, Kadima) were always forced to rely on the ultra-Orthodox Sephardi parties in order to be able to form

a government. When Likud was forecast early on as being likely to form a coalition, Shas seemed able to play this role once again. However then, with the Gaza war and Lieberman's rise, the whole system of coordinates changed for the election campaign. Not only did Shas lose lost votes to Lieberman: it also lost its exceptionally important role as kingmaker. In the election campaign, which was completely dominated by defense policy issues, Shas' social policy agenda almost entirely stopped playing a role. In the 2006 elections, the party obtained over half of its votes from non-Orthodox voters. In a last attempt to mobilize voters in light of their declining poll results, Rabbi Ovadia Yosef, the spiritual leader of Shas, attacked Lieberman a few days before the elections. He said that a decision for Lieberman meant "giving power to the devil" and supporting a party which supported the sale of pork and civil marriages.

The **Meretz Party** had started out in the election campaign with great expectations and claims. This joint list with a left-wing initiative, established in November 2008, adopted the approach that it was a new Social Democratic movement and an alternative to the Labour Party, which – according to writer Amos Oz – had "completed its historic mission." Meretz chairman Haim Oron reproached Tsipi

Livni and Ehud Barak with being “Bibi’s tools,” i.e. the stoolpigeons of Likud head Benjamin Netanyahu, since they really did not have a different policy to offer. Originally the Gaza military operation was supported by “The New Movement – Meretz,” the list’s official name. As the number of civilian casualties rose, Meretz distanced itself from the operation and called for its end. However, the original support proved to be a major strategic mistake, since this meant that by now Meretz was no longer an alternative to the government’s policy. As a result, its performance in the polls fell constantly.

Election results and political composition of the 18th Knesset

The right-wing shift in public opinion that became clear in the weeks leading up to the elections was confirmed by the election results. While a majority of Israelis want a settlement with the Palestinians as well as a two-state solution, they no longer trust the left-wing camp to be able to put this into practice. Although the centrist Kadima party won the elections with 28 seats, nevertheless the right-wing and ultra-Orthodox parties under the leadership of the Likud (27 seats) managed to increase their showing in the 18th Knesset. They now have a total of 65 parliamentarians, compared with 55 from the centrist-left-

wing parties (cf. table on the last page). If we assume that Kadima is a centrist-right-wing party, then after these elections, the left-wing Zionist parties, the Labour Party and Meretz, have only 16 seats left. That means a massive loss of influence for the Left in Israel. Renowned historian Tom Segev has even observed that this means that the Left has vanished from the political arena in Israel. With 11 seats, the three Arab parties have managed to maintain their position, or to improve it by one seat. The Gil Pensioners’ Party, a protest party which had seven seats in the previous Knesset, was unable to get into parliament this time round.

With 28 seats, Kadima under its chairperson Tsipi Livni was the largest party. It primarily garnered the votes of those who supported a continuation of the peace process and a settlement with the Palestinians. It received a large number of votes from women and young people. And it received the votes of traditional Meretz and Labour Party voters, who this time, for strategic reasons, gave their votes to Kadima, which seemed to have better prospects, in order to prevent an electoral victory for Likud and Lieberman’s involvement in government. Election pollster Rafi Smith thinks that in this way, it deprived Meretz and the Labour Party of about a third of their voters. In addition, by

using the slogan “Tsipi or Bibi” just before the elections, it managed to attract a large number of undecided voters.

Benjamin Netanyahu made an impressive comeback with Likud. He won an additional 15 seats over the party’s 2006 performance, coming a close second with 27 seats. However, the question is: how, within a few short weeks, did he manage to lose what had been thought to be a “dead cert”? The party’s highly rightist wing will criticize him for having moved too far toward the political center. He was chosen above all by those who are against any arrangement with the Palestinians, especially in the West Bank settlements.

The biggest victor in the elections was Avigdor Lieberman. His Yisrael Beiteinu party won 15 seats, making it the third biggest party. With his populist and rightist-nationalist agenda, he set the tone of the elections. His political influence has expanded enormously. This time, many traditional Likud voters gave him their vote. He has become a kingmaker since, depending on what he says about the coalition, he will decide who will form the new government and become prime minister. His voters comprised primarily the Russian-speaking immigrants and those who long for a “strong man.”

The biggest losers in the elections are Ehud Barak and the Labour Party. They got just 13 seats, six fewer than in the

previous Knesset, and are now the fourth-strongest party only. This is an absolute nadir for a party which, as recently as 1992, under Yitzhak Rabin, still had 44 parliamentarians. Despite the dramatic election defeat, there have not yet been public demands for the party leader, Barak, to resign. However, under the party’s standing orders there must be a new election for the party leadership within 14 months of a general election in which the Labour Party was not asked to form the government. As a result, Yitzhak Herzog, who to date has been the social affairs minister and the No. 2 on the Labour Party list, has unofficially already announced his candidacy.

The Labour Party is now facing the question of whether to go into opposition, and from there undertake renewal on the level of both its platform and the individuals who make it up, or whether it will take part in forming a new government. Despite what Barak said before the elections, he has already stated that the voters wanted an alliance of Kadima, Likud, and the Labour Party, and thereby indicated his willingness to be involved in a government. However, leading Labour Party representatives are against once again entering a government as junior partners. They wish to go into opposition – an approach mindful of the Likud, which after three years of acting as

the opposition, has now managed to more than double its number of seats.

The outcome of the elections for The New Movement – Meretz came as a shock for many representatives of the left-wing camp. Instead of the seats in double figures that it was aiming at, it got just three. Its merger with the recently founded left-wing movement did not attract any more votes to Meretz – rather the opposite. The reasons for the debacle were as follows: 1) what proved to be a major mistake – the initial support of the Gaza war; 2) the irrelevance of the movement's own topics to the electoral campaign in light of the total dominance of the subject of security; and 3) the fact that many Meretz voters, by voting for Kadima, wanted to prevent Netanyahu and Lieberman from winning, and had also come to consider Tsipi Livni a politically more effective representative of the peace camp. Whether Haim Oron will continue as Meretz chairman cannot be foreseen. So far there have been no demands for his resignation, at least not in public.

Together, the two ultra-Orthodox parties – Shas and United Torah Judaism – obtained 16 seats, two fewer than in 2006. They also lost votes to Lieberman's party. Their greatest support came from Jerusalem, where they garnered 45% of the vote, compared with just 10% in Tel Aviv.

This time, the country's Arab citizens voted exclusively for their own parties (United Arab List, Hadash, and Balad). Practically none of their votes went this time to the Zionist parties, compared with 25% as recently as 2006. The Labour Party in particular used to benefit from the Arab vote. At 51.5%, the Arab turnout was clearly lower than that of the Jewish population. This figure was a result of the fact that at first, in protest at the Gaza war and Lieberman's anti-Arab campaign, a boycott of the election was considered. However, overall the low level of interest is an expression of the Arab population's feelings of discrimination. If they were all to turn out to vote, they could constitute a real factor in the power game.

The figures prove that in the new Knesset, with 65 seats the rightist-ultra-Orthodox camp has a majority. This means that a majority of Knesset members are fundamentally opposed to compromises with the Palestinians and Israel's Arab neighbors. As a result, it will be harder to continue the peace process than in the previous Knesset, where the forces which were prepared to engage in dialogue – 70 members – were in a clear majority. A central question now is whether the rightward shift in Israel's political constellation will be a lasting phenomenon, and what consequences this has for the Middle East peace process.

Government formation scenarios

It is manifestly much easier in Israel to bring about new elections than to put governments together. In the last 13 years, there have been new elections six times – in other words, each government has lasted just over two years. Reforming the Israeli system of governance and elections is therefore an urgent matter. The major challenges facing Israel – the fundamental decisions relating to the peace process, dealing with the threat posed by Iran, tackling the global economic crisis which is already impacting forcefully on Israel – make a strong government capable of acting absolutely vital.

The instability of the electoral and governmental system

If the requisite reforms are not made, then the instability of the Israeli system of government will persist after this election as well. This time too the voters failed to make an unambiguous decision. Kadima won the elections with just one seat more than the Likud. Both candidates, Tsipi Livni and Benjamin Netanyahu, are therefore claiming victory. Livni is using the argument that the people chose Kadima, and hence she will form the next government. Netanyahu is arguing that with 65 seats, the rightist parties have achieved a clear majority, and hence he is the victor. Who will form the government

will depend on the candidate who came third, Avigdor Lieberman. However, whether he will be able to put his newly won influence into political practice on a long-term basis remains to be seen, since police investigations into corruption charges against him were undertaken shortly before the elections. According to Israel's basic law – the country does not have a written constitution – President of the State Shimon Peres must consult the political parties following the elections, and on the basis of this consultation must decide which politician he is going to entrust with forming the new government. Normally this is the chairperson of the party with the most votes, but this is not obligatory. The President can “choose any Knesset member whom he think has the best chances of forming a government.” After a maximum of 42 days, the new government must have been formed. Hence Peres, who also belongs to the Kadima party, does not necessarily have to ask Tsipi Livni, who won the elections, to form a government. If on the basis of the parties' recommendations he becomes convinced that Benjamin Netanyahu has a better chance of forming a stable and viable cabinet, he can also give him the task of doing so.

Three options will be available to Peres when he comes to make his decision. He can ask either Livni or Netanyahu to form a

government; or he can require both of them to jointly form a “grand coalition” with built in rotation. This would mean that each of them would act as head of the government for two years. Peres himself has experience with this model, because in the 1980s he concluded such a rotation agreement with then Likud head Yitzhak Shamir. Given the close outcome of the elections, this solution would even suit many voters, because with 55 seats between them, Likud and Kadima have nearly half of the 120 Knesset seats. The final election results will probably be announced on February 18. The President will then begin to consult the parties represented in the new Knesset.

A bitter victory for Tsipi Livni?

What are Tsipi Livni’s chances of being asked by President Peres to form a government? In order to achieve this goal, Livni must receive either Netanyahu’s or Lieberman’s assurance about being prepared to form a coalition with her. A center-left government is out of the question because the left-wing camp comprises only 55 seats, including the 11 seats of the Arab parties as well, which have never been part of a government. Netanyahu is hardly likely to accept Livni as prime minister, since he sees himself and the right-wing camp as the winners of the elections. What is more feasible,

although not particularly likely, would be an alliance between Livni and Yisrael Beitenu. After a first meeting with Lieberman, Livni declared that she would support him over two of his key political goals: allowing civil marriages, and reforming the system of government (Lieberman wants a presidential system). Since Lieberman, who has not so far ruled out making common cause with Livni, is also not in principle opposed to a two-state solution and the division of Jerusalem, theoretically there would actually be a basis for the two parties getting together. Then, however, at least two more parties would be needed for a functioning government. The Labour Party? Not likely, since a majority in the Labour Party seems to favor going into opposition. And given his electoral victory, the ultra-rightist Lieberman is scarcely going to help a government with a centrist and a left-wing party achieve a majority. Despite her victory at the polls, Tsipi Livni clearly only has slim chances of becoming the new prime minister. A bitter victory if she had to go into opposition despite being the victor of the elections.

Benjamin Netanyahu – Loser of the elections but prime minister nevertheless?

Even if he did not win the elections, Benjamin Netanyahu clearly has a better chance of becoming the new prime

minister. He could form a government simply with the parties of the right-ultra-Orthodox camp and their 65 seats. True, as a clever tactician Lieberman has not yet ruled out an alliance with Kadima, but there is a relatively great likelihood that he will join forces with his former boss and mentor, Netanyahu. Under the latter, he would become the vice prime minister and receive a major ministry. This would, admittedly, lead to problems with the ultra-Orthodox Shas party, but representatives of the secular Yisrael Beitenu have already indicated that they would be perfectly open to a coalition with Shas. If these two parties were to reach agreement – and in the past Shas was always pragmatic when it came to participating in government – there should be practically no more insuperable hurdles for Netanyahu to overcome in forming a right-wing government.

However, the question is whether Netanyahu actually wants to have an exclusively right-wing government, whether this might not over-restrict his political leeway in not just domestic, but especially in foreign and defense policy. This applies in particular to cooperation with the Obama Administration, which wants to actively shape the Middle East peace process and advance it “aggressively.” It is hard to imagine an Israeli government which is opposed to genuine concessions in the

peace process being able to find a common language with the country’s most important ally, the USA.

A center-right coalition with Likud and Kadima?

Against this background, it might be strategically advantageous for Netanyahu to include Livni, with her openness to peace, in the government. In addition, with her in the coalition, he could restrain the parties of his own camp which are right of Likud and compel them to make concessions. During his first term as prime minister he experienced the meaning of making one’s own political fate over-dependent on religious and ultra-rightist parties. His invitation to Kadima to enter a government led by him points clearly in this direction. He is also prepared to pay a corresponding political price for this. Kadima could get the foreign affairs and defense ministries. Netanyahu as prime minister would then rule with Livni as foreign minister and Mofaz as defense minister in a center-right coalition, which would also include Avigdor Lieberman’s Yisrael Beitenu.

Such a constellation might also be in Livni’s interest. Her Kadima party has no experience whatsoever in opposition. Since its establishment in 2005, it has always been in the government. There is

absolutely no certainty as to whether the party, which lacks a solid internal footing, could survive four years in opposition without breaking up. Former chief of general staff Shaul Mofaz, hardliner and leader of the party's right wing, could play an important role in this decision. While Livni was declaring that she had no intention of accepting a right-wing-ultra-Orthodox government, a highly placed Kadima representative was already making it clear that in the end the party would join a Likud-led government if that would secure it the foreign affairs and defense ministries.

Few chances for a national unity government

The weekend before the elections, in a poll carried out by the *Maariv* newspaper, 54% of Israelis supported the idea of an extremely broad coalition. This would be led by Netanyahu, and at a minimum comprise Likud, Kadima, and the Labour Party. Although this cannot be ruled out, it is not very likely that such a national unity government will come about. Netanyahu himself appears to have a positive attitude to this constellation, as he has indicated in interviews. However, resistance to a national unity coalition will come primarily from the Labour Party. True, party leader Barak did intimate his agreement to such an arrangement when he declared,

immediately after the elections, that the voters had decided for a coalition comprising Kadima, Likud, and the Labour Party. Ultimately he is aware that Benjamin Netanyahu would very much like to have him in his cabinet as defense minister. However, a number of his challengers are also aware that with its 13 seats, the Labour Party would not exert any meaningful influence on the new government's political agenda. They fear a further loss of significance and influence for their party, and therefore prefer to go into opposition.

Prospects for the peace process

Before the elections, Benjamin Netanyahu said very clearly what his positions were with regard to the Palestinians and the country's Arab neighbors: no evacuating settlements in the West Bank, no dividing Jerusalem, and no returning the Golan to Syria.

If, as all the signs would appear to indicate, he does become the new head of government, the peace process, which has in any case come to a standstill in the wake of the Gaza war and the failed Annapolis process, will probably become even more complicated. The relationship with the USA will also become more difficult. There is no doubt that President Obama will not refrain permanently from criticizing an Israeli government which is unwilling to make

concessions in the peace process. He has already declared that bringing about peace in the Middle East is one of the top priorities of America's new foreign policy. The close alliance between Israel and the USA will assuredly remain untouched, but the possibility cannot be ruled out that new kinds of tensions will develop between a US Administration which wishes to "aggressively" promote the peace process and an Israeli government pursuing a different policy. The two partners are also pursuing manifestly totally different approaches with regard to Iran. While Netanyahu would prefer to persuade the US to carry out a military strike against the Iranian nuclear installations, the US Administration has already announced that it will be initiating political contacts with Iran in order to resolve the existing conflicts through dialogue.

Another problem is the difficult situation on the Palestinian side. The rift between the PLO/Fatah and Hamas is still unended, both politically and territorially, making any and all negotiations immensely difficult. Netanyahu is not prepared to undertake any talks or contacts whatsoever with Hamas, which he wishes to wipe out. He is prepared to open talks with Fatah, with the emphasis on what he calls an "economic peace." For him, the two-state solution is not presently on the political agenda. As a result, with Netanyahu there is hardly likely

to be a breakthrough in the Israeli-Palestinian process of negotiations. Nevertheless, considerable progress might be achieved over specific individual issues, since he will not be able to entirely evade the pressure of the US Administration. In addition, in the past he has demonstrated that he is perfectly capable of taking pragmatic decisions.

Once the Israeli election results became known, Palestinian President Mahmud Abbas stated that he would not negotiate with an Israeli prime minister who rejected the peace process. The chief Palestinian negotiator, Saeb Erekat, said that Israel has "voted for a state of paralysis," since the new Israeli government, "irrespective of its composition, will not be able to pursue the peace process with the Palestinians or Syria." And Hamas announced that the electoral success of Livni, Netanyahu, and Lieberman shows that the Zionists have elected the most radical terrorists. "We are now dealing with three heads which stand for radicalism and terror." The development vis-à-vis Syria might run counter to that with the Palestinians. The Syrian foreign minister has already announced that his country is prepared to resume the interrupted indirect talks with the new Israeli government, and to shift them to direct negotiations. The possibility cannot be ruled out that, despite Netanyahu's declaration that the Golan must remain

Israeli, he might be prepared to reach an agreement with Syria. An important argument for such a decision might be that by returning the Golan, a wedge would be driven into the Damascus-Teheran axis. Because in this way, Israel could achieve a tangible reduction in the level of threats by Iran. The return of the Golan Heights, conquered in 1967 – in other words, exchanging land for peace – would then lead to more security for Israel.

If there were a right-wing or center-right government in Israel, two scenarios might be depicted for the peace process:

The first scenario is a right-wing government that is unable to accept the peace process and – above all in the wake of pressure from the US Administration – is prepared to make limited progress only, primarily in the area of economic development, with regard to the Palestinians. With regard to Syria, there are no substantial improvements. This scenario is reinforced by the fact that because of the unstable balance of power in Israel, the government has limited ability only to act. In the best case, the outcome would be a stalemate.

The second scenario is a largely stable center-right government, which finally, albeit reluctantly, brings itself to make concessions in the peace process in

cooperation with the USA, the EU, and partners in the region. While as yet there is no breakthrough vis-à-vis the Palestinians, the government does manage to conclude a peace with Syria, and to reduce the threat from Iran. Experience shows that right or center-right governments have more political leeway for such decisions than their left-wing counterparts.

Conclusion

The elections have clearly illustrated the split situation currently affecting Israel. On the one hand we see that people wish and hope to live side by side with the Palestinians in the setting of a two-state solution. This is embodied in Tsipi Livni's electoral victory. On the other hand there is concrete experience: the withdrawals from southern Lebanon (2000) and the Gaza Strip (2005) led to new wars – the 2006 Lebanon War and the 2009 Gaza war. People are afraid of new threats and of coming under rocket fire again. The belief emerging from this – that a solution cannot be achieved by politics and dialogue, but only through military strength – has led to the rise of Avigdor Lieberman and an electoral victory by the right-wing camp under Benjamin Netanyahu's leadership. To form a stable, viable government out of this situation – a government that through its policies will secure Israel's existence and achieve a peace in the region which

will be acceptable to all parties – is the challenge now facing Israel's politicians.

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Results of the elections to the 18th Knesset

Party	Characteristics (chairperson)	Seats 2009 (2006)	Votes %
Kadima (Forwards)	Centrist party founded in 2005 by Ariel Sharon (Tzipi Livni)	28 (29)	22.5
Likud (Cohesion)	Conservative-nationalist (Benjamin Netanyahu)	27 (12)	21.6
Yisrael Beiteinu (Israel Our Home)	Right-wing-nationalist party (Avigdor Lieberman)	15 (11)	11.7
Avoda (Labour Party)	Social Democratic party (Ehud Barak)	13 (19)	9.9
Shas (Sephardi Torah Guardians)	Ultra-Orthodox party, primarily of Oriental Jews (Eli Yishai)	11 (12)	8.5
Agudat Israel (United Torah Judaism)	Ultra-Orthodox, primarily Ashkenazi Jews (Ya'acov Litzman)	5 (6)	4.4
Ra'am – Ta'al (United Arab List)	Alliance of the Arab Democratic Party, the Islamic Party, and Ta'al (Arab Movement for Renewal) (Ibrahim Sarsur)	4 (4)	3.4
Ha-Ihud Ha-Leumi (National Union)	Radical right-wing party (Yaacov Katz)	4 (-)	3.3
Hadash (Democratic List for Peace and Equality)	Alliance under the leadership of the Israeli Communist Party with predominantly Arab members (Mohammad Barakeh)	4 (3)	3.3
The New Movement – Meretz (Elan)	Left-wing-liberal (Haim Oron)	3 (5)	3
HaBeit HaYehudi (The Jewish Home)	Religious-Zionist party, successor to the National Religious Party (NRP) (Daniel Hershkowitz)	3 (5)	2.9
Balad (National Democratic Alliance)	Radical Arab-National Party (Jamal Zahalka)	3 (3)	2.5