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Doves Vote Hawk: The January 2003 Elections in Israel

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Introduction

Israeli elections are not renowned for producing conclusive results. Observers are usually as perplexed on the day after them as they were on the day before. Nevertheless, this was not the case on 28 January 2003, when the Likud Party led by Prime Minister Ariel Sharon, and the right wing in general, emerged as clear winners. In contrast, the Labour Party and its allies on the left suffered a painful defeat. Opinion polls had consistently predicted a Likud victory, though the margin of that victory was a surprise to most. Yet a comfortable result at the ballot box does not guarantee the quick and easy formation of a new government.

Despite winning less than one-third of the seats, and needing to ensure the support of at least twenty-three more Members of Knesset (MKs) in order to form a majority coalition, Ariel Sharon emerged as the big winner of Israel's elections, with the luxury of considering a number of options for constructing his coalition.

After experimenting for nearly seven years and three election campaigns with an electoral system whereby voters cast two separate ballots, one for prime minister and one for a political party, this year's elections reverted to a new/old system whereby only one vote was cast, for a political party. This change was aimed at transforming the fragmented political make-up of Israel's parliament, the Knesset, by reducing the number of parties while ensuring that those that are voted in have more seats. As results unfolded on election night it became clear that the reform had achieved only partial success: the number of parties elected to the new Knesset had been reduced by just two, from fifteen to thirteen, though the share of the vote of the two biggest parties rose by more than 27 per cent. Likud doubled its seats, from the nineteen it won in the 1999 parliamentary elections, to 38; while Labour lost seven seats, to be left with a mere nineteen.

Israelis showed little appetite for these elections. The campaign was dull and marked by apathy, with little active participation by the public or even by party activists. In the past, televised political broadcasts enjoyed very high ratings, and mass rallies and demonstrations characterized election campaigns. But the public appears to have tired of these forms of participation, and even more perturbing was that on polling day only 68.5 per cent of the 3.2 million electorate cast their vote – the lowest turnout in Israel's history.[1] Despondency and despair among many Israelis can probably best explain why nearly a third of the population stayed away from the polling booths. After all, this election was the third in less than four years, and followed two of the most difficult years in the history of the state since its foundation in 1948.

Early elections were called at the beginning of November last year, following the Labour Party's decision to depart from the twenty-month long, crisis-ridden 'unity' government in which the Likud Party was the senior partner. A crisis within the government erupted when Labour refused to support the Budget Law unless funds were redirected from the Israeli settlements in the West Bank and Gaza to the poorest development towns and inner cities within Israel proper. By refusing to switch Israel's national priorities in this way, Prime Minister Sharon and Finance Minister Silvan Shalom triggered the crisis that brought down the government. However, from its conception this government was intrinsically prone to disagreements, rifts and eventually the final irreversible crisis. The so-called national unity government had become a government of national paralysis, and was the main reason for the lack of progress of any political, economic or social policies – above all the peace process with the Palestinians. A number of groupings within the Labour Party grew exasperated at supporting and serving in a government which gave them little chance of implementing any of their party's policies. They were seeking an opportunity to leave the coalition, but preferably on a matter of principle. The controversy over the Budget Law presented them with just this. It was the culmination of two years in which the partnership between the two largest parties in Israel and other smaller parties had little to show in the way of achievement.

Backdrop of quandary

Ariel Sharon swept to power in 2001 on the ruins of the peace process and the eruption of the Al-Aqsa Intifada.[2] He had promised on the campaign trail, in February of that year, to bring peace and security to the Israeli people. The resultant reality was one of escalating violence with the Palestinians, in a conflict that since its inception has claimed the lives of more than 2,700 people from both nations, among them more than 500 Israelis since Sharon was sworn in as prime minister. In practice the Oslo process had been reversed following the escalation in violence and a complete breakdown of trust between the Israeli and Palestinian leaders. Both peace and security remained elusive throughout the tenure of the last government. In the aftermath of the recent elections and other developments in the Middle East, one can find no evidence that this state of affairs is about to change without active international commitment and involvement.[3]

Deteriorating security circumstances were not the only predicament Israelis had to contemplate on the way to the polling stations. Israel's economy had suffered one of its worst years for decades, which was to a large extent due to the security situation. According to the Israeli Central Bureau of Statistics, the economy experienced a one per cent negative growth in 2002. For the first time in the country's history, economic growth contracted for two years in a row. Recession hit all sectors of the economy hard. Towards the end of the year revenues in the retail sector declined by 4.5 per cent, manufacturing output in the hi-tech sector slumped by 8.5 per cent, while exports fell by 3.5 per cent. Tourism suffered a precipitous decline as a result of Palestinian suicide bombings, with 29 per cent fewer visitors to Israel. Inevitably unemployment rose sharply, to above 10 per cent, and those judged to be living in poverty exceeded one

million, among them more than half a million children. To make things worse, after three years of low inflation the rate surged once more, and reached 6.5 per cent.[4]

Tweaking the system

Facing these circumstances, and with a war with Iraq looming, twenty-seven political parties pleaded with Israeli voters to elect them to the 16th Knesset and entrust them with the day-to-day running of the country for the next four years.

Parties that seek election in Israel range from sectarian or single-issue ones to the more traditional ones that represent a comprehensive worldview and ideology. Israel has a notoriously fragmented political system that is in part a genuine reflection of its social diversity, and in part the result of an electoral system and political culture which encourages tactical voting, and even divisions. To overcome this problem, in the mid-1990s academics and constitutional legal experts came up with a radical electoral reform plan. Of the number of far-reaching reforms proposed, the Knesset adopted only the two-ballot vote, one for prime minister and one for a party, which caused even further fragmentation, as people did not necessarily vote for the party of the prime ministerial candidate they voted for. Proposals to raise the qualifying threshold substantially and to vote by constituency were rejected. One of the outcomes of the old system was that while Prime Minister Sharon won the 2001 elections by a huge margin of the popular vote, his party controlled less than one-sixth of the Knesset's seats. A reversion to the old system, based on nationwide proportional representation in which the number of seats a party receives in the Knesset is proportional to the number of voters who supported it, was aimed at stemming the tide of fragmentation. As indicated above, the success of this reform was limited, but it was unreasonable to expect that voters would change their habits in the course of one election as a result of legislation. Party loyalties and ingrained behaviour cannot be altered overnight. Moreover, as long as the qualifying threshold is as low as 1.5 per cent, there is a temptation for small parties, and even individuals, to stand for election, and for the electorate to vote for representatives of narrow interests.

Policies and scandals

Politics in Israel are preoccupied with, even ruled by the conflict with its Arab neighbours, in particular the Palestinians. There is no doubt that this issue provides the general framework within which the public decides who it will vote for, but voters do not always support parties purely on the basis of their attitude to the Arab-Israeli conflict, and there are more shades to political debate than Israel's relations with its neighbours. Voters also consider issues such as the economy, welfare, religion and ethnicity, to mention just a few. Nevertheless, the January elections were above all the Israeli electorate's verdict on the peace process, and specifically the Oslo Accords. That verdict appears to be a rejection of the Oslo process in favour of a hard-line approach towards the Palestinians and other regional issues. Nevertheless, the message from the public is not quite that simple, and has a lot to do with the grandfatherly, moderate image that Sharon has managed to project, rather than approval of his government's policies and his own deeds. The election result also highlights one of the country's biggest paradoxes, whereby Israelis generally support the vision of separate Israeli and Palestinian states living in peace side by side, but despite this vote for more hawkish parties.

Opinion polls consistently indicate that Israelis support a continuation of negotiations with the Palestinians and are ready to accept far-reaching concessions, though they do not believe in the feasibility of a comprehensive agreement in the near future. Despite the suicide bombings, Mina Zemach, a leading pollster from the Dahaf Institute, found that 63 per cent of Israelis favoured 'unilateral withdrawal' and 69 per cent favoured the evacuation of all or most of the settlements in exchange for a peace agreement. Furthermore, shortly before the elections the Peace Index of the Tami Steinmetz Centre for Peace Research at Tel Aviv University indicated that while a huge majority of the population, around 70 per cent, was sceptical about the feasibility of peace with Israel's Arab neighbours in the coming years, around 75 per cent considered themselves supporters of the peace process. Much of that scepticism derives from widespread distrust in the Palestinian Authority and its leader Yasser Arafat as genuine partners in this process. Israelis, according to Professor Ephraim Ya'ar and Dr Tamar Herman of the Tami Steinmetz Centre, tend to describe themselves as rightist in their views on foreign and security affairs, but to a large extent most share the outlook of the left regarding conditions for peace with the Palestinians, 'including the establishment of an independent Palestinian state, evacuating the settlements in the territories except for the large blocs, and a return to the 1967 borders, with border modifications aimed at keeping these blocs inside Israeli territory'.[5]

A whole array of approaches towards the peace process in general and to the Oslo Accords in particular was offered to the public during the election campaign. Proposals ranged from unilateral withdrawal and building a physical barrier between

the two peoples, to building peaceful relations through negotiated agreements to end the occupation and the state of violence; and even to the eviction of Palestinians from the West Bank and the Gaza Strip and the annexation of these territories to Israel.

One reason for Likud's success in the elections has been what some might call its 'constructive ambiguity', and others would call its deception, over the issue at the heart of Israeli politics. Disagreements between Prime Minister Sharon and his most senior party colleagues have been all too evident in their public appearances. While Sharon expresses his support for a negotiated peace solution with the Palestinians based on the two-state solution, most of Likud's central committee and members of cabinet, including Binyamin Netanyahu, the former foreign minister and the party's number two, oppose this position unequivocally. Sharon has also accepted in principle the Quartet's 'roadmap' for peace, which has opponents within the party. Nevertheless, Sharon is a seasoned and canny politician, adept at delivering different messages to different audiences, and usually when he supports a plan he attaches conditions that render his support meaningless. Recent Israeli press reports suggest that his government proposed more than 100 amendments to the roadmap, on punctuation and content. This casts doubt on Sharon's willingness to move quickly and sincerely towards a peace agreement. But in this election, the strategy of acting tough in the occupied territories and refusing to deal with Yasser Arafat and the Palestinian Authority, while at the same time declaring a readiness to compromise when 'conditions are ripe', paid off at the ballot box.

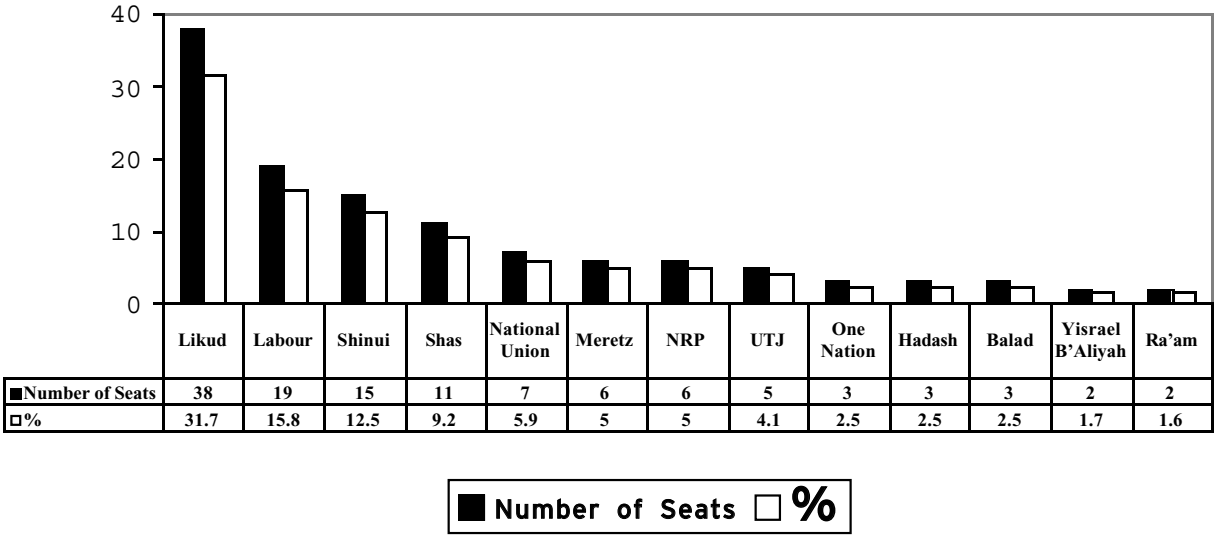
Exactly the opposite approach was offered by the Labour Party. Its new leader Amram Mitzna,[6] who replaced Binyamin Ben-Eliezer, promoted a very clear doveish approach to the peace process. As well as contrasting with Likud's policy, it was also manifestly different from that of his predecessor, who had served as Defence Minister in Sharon's government. Priority was given to complete separation from the Palestinians, either through negotiations or, if these were unsuccessful, via unilateral withdrawal and finishing the construction of the separation fence between Israel and the Palestinians.[7] Furthermore, in a complete departure from the government's policy, to which Labour had acceded, Mitzna declared that putting a stop to terrorism should not be a precondition for negotiations, and negotiated agreement not a prerequisite for withdrawal. According to the new party line, negotiations and fighting terrorism could be conducted in parallel. Mitzna even promised the unilateral evacuation of some Jewish settlements, in particular from the Gaza Strip. The reward would be more flexibility in fighting terrorism, and the opportunity to reallocate resources from settlements in the occupied territories to the Israeli economy. But it is evident from the election results that the Israeli public was not prepared to support such a policy.

Shinui, a centrist party and a rising force in Israeli politics, injected into the campaign a fierce debate on domestic issues – relations between religion and state, in particular. Top of Shinui's agenda is transforming the country into a secular state and rejecting the efforts of the ultra-orthodox parties to impose additional religious legislation. The party advocates a free-market economy, seeks to protect the middle class and eliminate corruption, and wants a written constitution. In principal Shinui supports the idea of a Palestinian state and accepts the need to remove settlements as part of a comprehensive treaty; however, since it does not consider Arafat to be a genuine partner for peace, it is unclear exactly how the party would proceed. These ideas caught the imagination of those who believe that advancing the peace process is not feasible at present owing to an intransigent enemy, and that efforts should therefore be focused on internal reforms.

Among the smaller parties to win seats in the Knesset, there is a range of attitudes to the peace process. On the extreme rejectionist side are parties such as the National Religious Party (NRP) and the National Union. Both oppose entirely the idea of a Palestinian state under any conditions of peace and reconciliation. The latter even calls for the dismantling of the Palestinian Authority, supports the transfer of Palestinians to Arab countries, and wants to 'encourage' refugees to emigrate from the West Bank and Gaza. A diametrically opposed policy, calling for immediate renewal of negotiations with the Palestinian Authority in an effort to resuscitate the peace process on the way to a peaceful, two-state coexistence, was advocated by Meretz and the Arab parties.

Two issues overshadowed the election campaign: corruption scandals and disqualifications. Had not so many senior Likud politicians been involved in corruption allegations, one might have suspected that the government deliberately planted these stories in order to divert attention from the more serious predicaments facing the country. Myriad new and old allegations of corruption, nepotism, favouritism and bribery, and of criminal elements penetrating the ruling party, surfaced in the run-up to the elections. Most prominent were suggestions that the Prime Minister and both his sons had been involved in receiving a $1.5 million loan from Cyril Kern, a British businessman who lives in South Africa, to pay back 'illegal campaign contributions made to Sharon's campaign for the Likud leadership in 1999'.[8] The Israeli press also reported Sharon's apparent involvement,

FIGURE 1: COMPOSITION OF THE KNESSET, ISRAELI ELECTIONS 2003



	Likud	Labour	Shinui	Shas	National Union	Meretz	NRP	UTJ	One Nation	Hadash	Balad	Yisrael B'Aliyah	Ra'am
■Number of Seats	38	19	15	11	7	6	6	5	3	3	3	2	2
□%	31.7	15.8	12.5	9.2	5.9	5	5	4.1	2.5	2.5	2.5	1.7	1.6

while serving as Foreign Minister, in promoting a questionable tourism project in Greece, whereby his son Gilad was paid up to $3 million by the contractor for consulting services.[9] Moreover, following the parliamentary primaries, the police fraud squad investigated a number of candidates, mainly from Likud, on suspicion of vote-buying. Prime Minister Sharon even sacked Deputy Minister Naomi Bluemantal for exercising her right to remain silent when questioned by the police. Police investigations are still ongoing, but their eventual results may well send long-term shock waves through the Israeli political system.

Approving the candidacy of parties and individuals was another diversion. By law a Central Elections Committee (CEC) headed by a Supreme Court justice is formed to oversee the elections. Its forty-one members are either MKs or party representatives, usually second-rank activists. Parties can be banned from seeking election if the Committee finds that their objectives or actions reject Israel's right to exist as a Jewish and democratic state, incite racism, or support the armed struggle of enemy states or terrorist organizations. In Israel's current political climate the CEC turned at times from a tool for defending democracy into an exercise in eliminating political rivals. Some disqualifications were on technical grounds, including that of Defence Minister Shaul Mofaz. However, the CEC's most controversial decisions were its banning of two Arab MKs, Azmi Bishara, founder and leader of the Balad Party, and Ahmed Tibi, both allegedly for supporting terror, or at least for their refusal to condemn it, and for rejecting the notion of Israel as a Jewish state. While many in Israel pointed out that some Arab MKs, Bishara and Tibi in particular, were treading a fine line that was too close to supporting terrorism, a panel of eleven Supreme Court justices overturned the CEC's decision to bar them from the elections. Although the Supreme Court's decision did not endorse MKs' opinion, it did acknowledge the inherent tension between a Jewish and a democratic state, and preferred the interest of a wider political debate. In doing so the justices recognized the quandary facing Arab political representatives operating within a Zionist-Jewish ethos. No less controversial was the CEC's decision, upheld by the Supreme Court, not to ban extreme right-winger Baruch Marzel, who is a former Kach leader.[10]

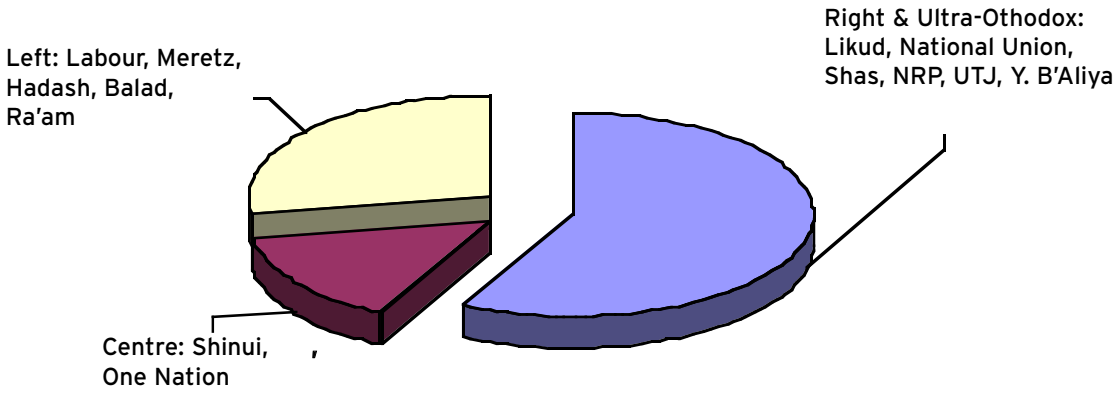
Trends and paradoxes

The results of an election in which thirteen parties have won seats in parliament, in which the largest party enjoys the support of less than one-third of the population, and in which no other party achieved more than one-sixth of the vote, are open to wide interpretation. Nevertheless, some unmistakable trends emerged on 28 January, which highlight the paradoxes of the Israeli political system.

With forty-one new members, among them ten new immigrants, the new Knesset is one of the least experienced in recent years. Nearly half of Likud's MKs, eighteen in number, are new to parliament. There has been a slight increase in women MKs, from seventeen to eighteen, and the religious parties have seen their numbers fall from thirty-three to twenty-eight MKs. While settlers comprise only 3 per cent of the population, ten of the 120 MKs live in the West Bank and the Gaza Strip.

Laying responsibility for the peace process stalemate firmly at the door of the Palestinians has resulted in a

FIGURE 2: RIGHT-LEFT-CENTRE DIVISION



further shift to a more hawkish mood at the heart of Israeli politics. The common perception is that the Oslo Accords, and Israel's readiness at Camp David and Taba to make unprecedented concessions, have achieved the opposite of what was intended: instead of a long-lasting peace they have encouraged the Palestinians to raise the stakes through violence. Whatever truth there is in this simplistic view, the electorate has punished the two parties most associated with the Oslo process, the Labour Party and Meretz, whose support has been reduced to their core sympathizers. Likud's main asset has been the Prime Minister himself, and its electoral success can be attributed more to Ariel Sharon's standing among voters than to the standing of his party. He is seen as someone who can deliver the ultimate solution to the Arab-Israeli conflict, but from a position of strength; someone who will not hesitate to use force in the process. His apparent acceptance of the idea of a Palestinian state, and the promise that this will be a much more limited political entity than was negotiated by the Labour Party, in terms of both geographical area and degree of independence, appealed to the public regardless of its feasibility. And in tune with the general mood, the parties to the right of Likud, the NRP and the National Union, have slightly increased their representation in the Knesset.

Another factor that has worked in Sharon's favour has been his adherence to the idea of a unity government. Around 60 per cent of the public indicated that it wanted the two big parties to cooperate in government, despite the failures of the coalition that had just been dissolved. Sharon put to good effect Mitzna's announcement before the elections that the Labour Party would not join such a government, by accusing him of pursuing partisan interests at the expense of national ones that demanded unity. There is little logic in running a campaign based on denouncing your main political rivals' policies, and then insisting even before the first ballot has been cast that they will be your most sought-after members of cabinet when the elections are over – unless that is exactly what the public wants to hear, and in this case it seems they did. Sharon's strategy paid off, and left him with a number of viable options for forming a coalition.

Israeli politics is also ruled by images. Some reflect reality better than others. More than a quarter of a century after Labour ceased to be the dominant party in Israeli politics, it is still regarded as an elitist Ashkenazi party which represents the establishment. Likud, in contrast, which has headed more governments in those twenty-six years, is perceived as representing a wider spectrum of Israeli society, including the poor and disadvantaged. The 2003 results reinforce this view: Likud did well among most sections of the population, whereas Labour could not make any headway in the inner cities or the development towns (here it won 6.3 per cent of the vote compared to Likud's 33.6 per cent).

Some of Likud's gains came at the expense of the ultra-orthodox Sephardi party, Shas, which was formed in the early 1980s as a protest movement representing Israel's disadvantaged, particularly those originally from Arab countries. In the 1999 elections Shas enjoyed an incredible success and became the third largest party, but during its years of serving in government it became increasingly identified with the establishment. Worse, its MKs have been continually involved in

corruption scandals, among them the party's former leader Aryeh Deri, who was convicted of accepting bribes and served two years in jail. Internal factional rifts added to the party's woes, and it lost six of the seventeen seats it held in the last Knesset.

The Shinui Party made an impressive showing, and increased its seats from six to fifteen. It did very well in urban areas and in the more affluent rural districts. Shinui targeted the disgruntled middle classes, the professionals and the educated, by combining anti-clerical language with promises to reduce taxation and represent the interests of the bourgeoisie. Most of its MKs are unknown lawyers and businessmen, and the party relies heavily on the rhetorical skills of its leader, former journalist Yosef (Tommy) Lapid. Shinui represents a feature of Israeli politics whereby a party will emerge suddenly, targeting specific issues that appeal to those who have become disillusioned with the more established parties. Many of the voters who supported Shinui this January had voted in 1999 for the now-defunct Central Party; others had previously voted Labour. These 'shooting star' parties tend to shine when out of government, but their real longevity test, internally and in relation to the public, comes when they hold office. Shinui's success can be largely attributed to the fact that this was a relatively new party that had not yet served in the government and remained untainted by any failures, corruption scandals or broken promises.

Another change in voting pattern took place among those who had emigrated from the former Soviet Union in the 1990s. In the years following their arrival in Israel they tended to support parties formed by other newly arrived immigrants. This time around the only such remaining party was Yisrael B'Aliyah, which lost four of the six seats it had won in the previous election. In the aftermath of January's poll, party leader Natan Sheransky and his colleagues have signed an agreement to join Likud and become a faction within it. Thirteen years after their exodus from the former Soviet Union these immigrants have become fully integrated into the Israeli political system, and abandoned their desire for sectarian representation in the Knesset.

Of particular interest was the Israeli Palestinians' attitude to the elections. For the first time since October 2000, when street clashes between police and Arab Israeli demonstrators left thirteen protestors shot dead, Israeli Palestinians went to the ballot box to choose their representatives to the Knesset. The eruption of violence in late 2000 had brought to the surface the tension between the state of Israel and its Arab minority; the rift between the two is national, religious and socio-economic. In February 2001 the Arab minority boycotted the prime ministerial election and only 18 per cent voted. And while Israeli Palestinians feel alienated from the Jewish society and its ethos, there is also a growing distrust among Israel's Jews of their Arab compatriots' loyalty to the state, and many see them a security threat.[11]

Yet no widespread Arab boycott took place in this election. Though lower than that of the Jewish population, turnout was around 62 per cent. Traditionally, most Israeli Palestinians vote for one of the Arab parties, of whom the main players this time were Hadash, a Jewish-Arab party formerly known as the Israeli Communist Party; Azmi Bishara's Balad, a secular Arab nationalist party; and Ra'am, a moderate Islamic party led by Abdulmakil Dehamshe. Low turnout and internal conflicts lost the Arab parties two seats, leaving them with only eight. This voter indifference reflects a growing despair among Israeli Palestinians of advancing their interests through the state's sovereign bodies. Their unofficial exclusion from participating in government leaves their interests in the hands of the Jewish-Zionist parties.

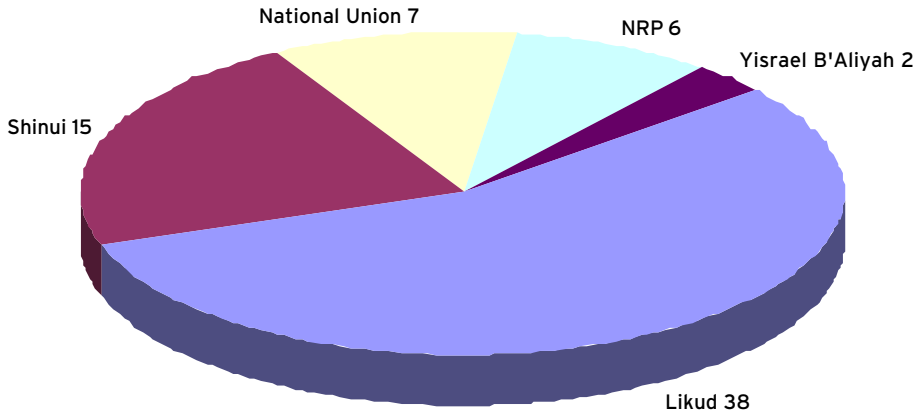
Sharon juggles

Sharon was elected on his apparent moderate hawkish stand, but was looking for international respectability and credibility by including Labour MKs in his government. He did not want to govern with those from the more extreme right-wing parties, and he wanted a cabinet with as few ministers as possible from his own party – and preferably not in key positions. But his clear victory, combined with Labour's poor showing, damaged the prospects for such a coalition.

The Prime Minister had several options. He longed to restore the pre-election partnership with Labour, whereby Shimon Peres as foreign minister explained his policy around the world, and Binyamin Ben Eliezer, as defence minister, talked peace but executed Sharon's policies in the occupied territories. He was even concerned during the campaign that his main political rivals from the left would crumble too much, something that would make a coalition with them unattainable, and a partnership with the extreme right inescapable.

Re-establishing the Likud-Labour coalition depended to a large extent on Sharon's vision for his new government, and on how Mitzna interpreted his own party's poor election results. While Mitzna was convinced that sitting in government with Sharon had been a major cause of his party's decline, his critics maintained that his campaign declaration that he would not join a coalition government cost Labour a number of seats. In any case, no one thought that Labour had any chance of winning, and Mitzna's

FIGURE 3: THE COALITION - 68 SEATS



detractors within the party would have done better to propose some measures aimed at winning an election, rather than enjoying a respectable defeat.

Sharon, for his part, could have mounted more pressure on Mitzna by making a far-reaching pledge to advance the peace process along the lines of the Quartet's roadmap: the distrustful Labour leader had asked for written assurances of such a commitment. Instead, at a meeting between the two leaders, Sharon surprised Mitzna by lecturing him on the strategic and historic importance of the settlements. The Prime Minister's refusal to commit himself and his government to engage in a meaningful peace process that would be linked with a radical change of economic and social priorities helped Mitzna to fend off those in his party, such as Peres and Ben Eliezer, who were pressing hard to return to the government benches.

Mitzna's resolute adherence to his pre-election promise not to join a Sharon government, including his rejection of the all-tempting secular coalition with Likud and Shinui, surprised many, and forced Likud to search for other coalition partners. It finally opted for a right-wing coalition in which Sharon, in relative terms, is in the centre, which has no ultra-orthodox representatives, and whose make-up is conspicuously Ashkenazi.[12] Complex negotiations took place not only between Likud and the other parties but also between potential partners themselves, in order to reach understandings on a range of issues including, *inter alia*, the peace process, state and (or vs.) religion, and economic policy.

The breakthrough came when the secular Shinui reached an agreement with the hard-line NRP. Both parties' eagerness to join the government and ensure that the ultra-orthodox, Shas in particular, were kept out, supplied them with an excuse to compromise on many of their election promises. Shinui, which won support because it was perceived as a principled secular party, agreed, to all intents and purposes, to maintain the much-maligned status quo on religious affairs, thus abandoning its core principle of 'freedom of religion and freedom from religion'. One of the symbols of secular struggle against orthodox religious coercion in Israel, the introduction of civil marriage, will have to make do with a committee that will discuss registering those who are forbidden from marrying under Jewish law; such committees are a notorious political ploy to postpone indefinitely or bury a difficult issue. Furthermore, proposals for expanding public transport on the Jewish Sabbath were abandoned altogether. Assurances of the abolition of the Religious Affairs Ministry and the religious council, and of a review of military service exemptions for the ultra-orthodox, are pale achievements for Shinui, compared to its concessions.

Once Shinui and the NRP had resolved their differences, the way was open for Likud to wrap up agreements with both parties that would guarantee Sharon's government the votes of 61 of the 120 MKs – an overall majority. But guidelines for the new government's approach to the issue of a Palestinian state had yet to be thrashed out, and portfolios had still to be allocated. Shinui sought a formula in which the government would be committed to the Quartet's roadmap, and that would lead conditionally to Palestinian statehood. The NRP totally opposed an independent Palestinian state in the West Bank and

Gaza, under any circumstances. To square the circle, Likud signed separate agreements with the two parties, in which each expressed its completely contrasting views on the issue. A similar solution was applied to bring into the coalition the hard-line National Union Party with its seven MKs, and this resulted in a 68-strong coalition. In presenting his government to the Knesset, Sharon declared that his new administration was committed to a peace process with Syria and the Palestinians, based on UN resolutions 242 and 338, and on US President George Bush's speech of 24 June 2001, which explicitly referred to a two-state solution. But even if Sharon is sincere, despite all the conditions and obstacles he has previously thrown in the path of the peace process, he cannot rely on support from his own coalition if and when he brings an agreement to the cabinet.

Appointing ministers proved, by Sharon's own admission, to be difficult. There were too many promises to too many people and not enough places around the cabinet table. With that came the PM's first broken promise, even before his government was sworn in. Before the elections he had pledged to form a slim administration, with no more than eighteen cabinet ministers and four deputy ministers. By the time the government was sworn in there were already twenty-four cabinet ministers and six deputy ministers.

Once his coalition partners had picked off some of the heavyweight ministries such as Justice (Lapid, Shinui), the Interior (Poraz, Shinui), Housing and Construction (Eittam, NRP), as well as other middle-ranking departments of state, Sharon faced the even more difficult task of distributing the remaining portfolios to his party colleagues. Without the Labour party in the coalition, Likud took most of the more important posts. The Defence Ministry had been promised to former Chief of Staff Shaul Mofaz even before the elections, and Sharon's greatest problem was with the Foreign Ministry and Finance Ministry. Both serving ministers, Foreign Minister Netanyahu and Finance Minister Silvan Shalom, wanted to retain their portfolios. Sharon wanted neither of them in their positions. With the economy in dire straits, ideally he would have liked to appoint a non-politician expert to help rescue it by running the Finance Ministry, but he found this politically impossible. With Netanyahu his main rival in Likud, and even more of a hawk than Sharon, retaining him as Foreign Minister would have meant a Prime Minister's Office and a Foreign Ministry singing from different songsheets in one of the most probing periods in Israel's history, with the region facing a war in Iraq and the Palestinian issue needing an urgent solution. Sharon eventually opted for a straight swap: Netanyahu to the Finance Ministry and Shalom to the Foreign Ministry. Consequently, he has a novice Foreign Minister, which will give the Prime Minister full command of Israel's foreign policy, while Netanyahu will have his hands full in salvaging a crumbling economy and consequently less time for party politics and foreign affairs.

On 27 February the government was presented to the Knesset and after a long debate received its vote of confidence.

Doves vote hawk

As always, the Israeli elections have provided much debate, drama and controversy. In the end the changes wrought by the January 2003 election have not been as radical as they might seem at first sight. The Israeli political system remains fragmented – a true reflection of a diverse society with a whole spectrum of opinions, ideas and differences on almost every issue. At the same time there has crept into that society over the last two years a sense of despair and hopelessness about reaching a peace agreement with Israel's neighbours, and about the political process itself. The prospect of war in Iraq, with its military and diplomatic implications for Israel, contributed to this collective state of mind.

The election results surprised hardly anyone. Likud's victory puts it in control of Israeli affairs for the next few years, though the composition of the government may change considerably. Opinion poll disapproval of those involved in corruption scandals during the election campaign was not reflected in the actual results. Sharon's two very difficult years of captaincy enhanced rather than dimmed his image as the pre-eminent candidate for leadership. Neither the security débâcle nor the steep economic recession was attributed to his leadership. In contrast, the Labour party was punished at the ballot box by those who thought that it should never have served in the same government with Sharon, by those who were upset by Labour's decision to leave the government and spoil the show of unity during difficult times, and by those who blamed it for the Oslo process and for encouraging Palestinian violence by being too reconciliatory at Camp David and Taba. And the recent elections have again failed to solve the great enigma of Israeli politics: why do Israelis think dove and vote hawk? Is it a matter of tactics on the road to peace? Or does it mean they have given up all hope of an Israeli-Palestinian reconciliation?

For Israel's peaceniks, these are difficult times that require a bold process of rebuilding and rethinking. The left's unpopularity can only be partly blamed on the collapse of the peace process. The roots of its failure can be traced back over decades, and to ethno-socio-economic rifts in Israeli society. Some segments of

society are almost impenetrable as far as the left is concerned. Amram Mitzna took the first courageous step on the way to recovery by staying out of the coalition. Nonetheless, this move will count for nothing if a united, attentive, representative and responsible, but also a self-confident, vigorous, social-democratic alternative, which puts at the heart of its agenda social and economic renewal that begins with a meaningful peace and reconciliation process with the Palestinians, is not in place for Israel's next elections.

As much as the peace process, or the lack of it, was at the heart of these elections, there were many important sideshows that helped determine the configuration of power within Israeli politics and government. One should not underestimate the protest value of Shinui's modest successes in its battles over the role of religion and religious parties in Israel; and there have been more signs of the unremitting rift between Ashkenazi and Sephardi Jews. The election was also an expression of middle-class protest against shouldering most of the economic and military service burdens. There is also evidence of a consolidation of the extreme right in the form of the National Union Party, which promotes the frightening idea of 'transfer by consent' of Palestinians, and another 'transferist' party, Herut, which gained more than one per cent of the vote. For example, the appointment of Effi Eitam, a vocal opponent of the peace process and a staunch supporter of the settlements, as Housing and Construction Minister, is likely to result in more building within the settlements and the expansion of settlements themselves, though the government is committed not to build new ones.

It remains to be seen what the future holds for Israel after the 2003 elections. Prime Minster Sharon, on presenting his government, declared that putting the ailing economy back on track would be his top priority. However, he cannot divorce the economic situation from the political one. For an a export-driven economy that relies to a large extent on foreign investment and foreign aid, the absence of peace with one's neighbours is a major obstacle to economic recovery, not to mention the ever-growing defence costs. Moreover, his new Finance Minister Netanyahu has already become, according to some, 'an economic prime minister'. Relations between these two bitter rivals will determine to a large extent the stability and success of the new administration.

Sharon, who celebrated his seventy-fifth birthday in the week he presented his new government, emerged from the elections not only victorious but also in a pivotal position, one that has empowered him to form and re-form his coalition over the next few years to suit his ambition and vision. Time will tell whether he genuinely wants to take the risks involved in leaving behind him a legacy of peace and prosperity, or whether he is set on the same uninspiring course of the last two years, a course which has done very little for Israel's security, economic prosperity or standing in the world. The omens are less than promising and the latter seems more likely.

Endnotes

[1] In the past, turnout has been consistently close to 80 per cent. The figure was 78.7 per cent in 1999 and 79.3 per cent in 1996.
[2] The Al-Aqsa Intifada broke out in September 2000, after the collapse of the Camp David summit between Israel's Prime Minister Ehud Barak and the Palestinian Chairman Yasser Arafat, under the auspices of US President Bill Clinton.
[3] In a speech of 24 June 2002, President Bush outlined the American vision for peace in the Middle East, and so the Quartet of the US, the United Nations, the European Union and Russia which oversaw the Madrid Conference of November 1991 on the Middle East was revived. On 17 September the Quartet outlined a three-phase 'roadmap' that 'could achieve a final and comprehensive Israeli-Palestinian settlement within three years'.
[4] Economic and Financial Data for Israel, Central Bureau of Statistics, *http://www.cbs.gov.il/imf/dsbbisr.htm.*
[5] *http://spirit.tau.ac.il/socant/peace/peaceindex/2002/files/JULY2002e.DOC.*
[6] A former Major-General in the Israeli Defences Forces, and until recently the mayor of the coastal city of Haifa.
[7] Israel started to build such a fence, but progress has been very slow owing to political disagreements over its position and the enormous cost involved.
[8] 'South Africa says has received request from A-G to quiz Kern', in *Ha'aretz, http://www.hharetz.com/hasen/objects/pages/PrintArticleEn.jhtml?itemNo=250409.*
[9] *http://www.haaretz.co.il/hasite/pages/ShArtSR.jhtml?itemNo=251138&objNo=52417&returnParam=Y.*
[10] Kach was founded by radical Israeli-American rabbi Meir Kahane, who was assassinated in the United States. The stated goal of Kach is to restore the biblical state of Israel. It was declared a terrorist organization by the Israeli cabinet in March 1994.
[11] Elie Rehehss, 'The Arab Vote', presentation at the Washington Institute for Near East Policy, *http://www.dayan.org/framepub.htm, p. 2.*
[12] In fact, two key posts in the new government, Defence Minister and Foreign Minister, are held by persons of Sephardi origins.

ISRAEL'S NEW CABINET

Prime Minister: Ariel Sharon (Likud)
Foreign Minister: Silvan Shalom (Likud)
Finance Minister: Binyamin Netanyahu (Likud)
Defense Minister: Shaul Mofaz (Likud)
Industry and Trade Minister: Ehud Olmert (Likud)

Education Minister: Limor Livnat (Likud)
Health Minister: Danny Naveh (Likud)
Internal Security Minister: Tzahi Hanegbi (Likud)
Agriculture Minister: Yisrael Katz (Likud)
Immigration Absorption Minister: Tzipi Livni (Likud)

Justice Minister: Yosef Lapid (Shinui)
Interior Minister: Avraham Poraz (Shinui)
National Infrastructure Minister: Yosef Paritzky (Shinui)
Environment Minister: Yehudit Naot (Shinui)
Science Minister: Eliezer Sandberg (Shinui)

Transportation Minister: Avigdor Lieberman (National Union)
Tourism Minister: Benny Elon (National Union)

Construction and Housing Minister: Effi Eitam (National Religious Party)
Labour and Social Affairs Minister: Zevulun Orlev (National Religious Party)

Minister without Portfolio: Natan Sharansky (Likud)
Minister without Portfolio: Gideon Ezra (Likud)
Minister without Portfolio: Meir Sheetrit (Likud)
Minister without Portfolio: Uzi Landau (Likud)

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The Middle East Programme

The programme undertakes research and analysis, often in partnership with regional institutions, on political, economic and security issues across the Middle East and North Africa, drawing on the insights of area specialists in academia, government, business and the media.

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