COUNTRY REPORT

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The short life of the "National Unity Government"

CONSEQUENCES OF KADIMA LEAVING THE COALITION LED BY BENJAMIN NETANYAHU

For only ten weeks Kadima was part of the Netanyahu government. Although not entirely surprising, the end of this episode is symbolizing the volatile "status quo" in the region, but also in Israel itself. The chance to solve the backlog of domestic problems has been missed. For the moment, it does not appear as if Kadima had any prospects to repeat the success from the 2009 Knesset elections in case of early elections.

If elections to the Knesset took place these days, the allocation of seats would look as follows, according to a poll¹ conducted by the leading Israeli polling institute *Dahaf* for the newspaper Jediot Achronot (the numbers in square brackets indicate the election results from February 2009):

- 25 [27] Likud (national conservative, government)
- 21 [13] Avoda (social democratic, opposition)
- 13 [15] Yisrael Beiteinu (secular nationalist, government)
- 13 [---] Yesh Atid (new, civil-liberal protest party, not yet in the parliament)
- 10 [11] Shas (ultra-orthodox-Sephardic, government)
- 07 [28] Kadima (centre/centre right, opposition)
- 06 [04] National Union (radical nationalist, opposition)
- 04 [03] Meretz-Yachad (liberal left social democratic, opposition)
- 04 [05] United Torah Judaism (Ashkenazi, government)
- 04 [03] The Jewish Home (national religious, government)
- 11 [11] Hadash, Ra'am-Ta'al, Balad (left, primarily Arabic, opposition)
- 02 [---] Independence (split-off from Avoda, government party with 5 mandates)
- 62 [65] "right-wing parties"
- 58 [55] "centre-left parties"

According to those results, Benjamin Netanyahu could expect to be able to form a majority coalition for his re-election. To achieve this, he needs at least 61 (out of overall 120) seats in the Knesset. An opponent, who could be reckoned with as a serious rival candidate, is not in sight.

Out of the three contemplable politicians from Kadima – Shaul Mofaz, Tzipi Livni and Ehud Olmert – whose parliamentarians are now in the opposition again, none is a serious aspirant

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¹ See Jeremy's Knesset Insider (http://knessetjeremy.com/) from 22 July 2012.

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for this role: Mofaz, who had led Kadima into the "National Unity Government" despite inner party opposition, is affected by a serious loss of credibility and authority after ten weeks in that coalition. His reputation to be a better party strategist than Tzipi Livni, whom he defeated in a power struggle within Kadima², has suffered.

Livni still has many supporters among the followers of Kadima, especially among those who until now used to vote for the party. Nevertheless, it is also true that many fellow party members hold her responsible for the decline of Kadima during the current legislative period. As far as Olmert is concerned, his tenure as Prime Minister (2006-2009) left a positive impression for many of Kadima's members and supporters. But even though some of the most serious accusations have been relieved, he is still impaired by the corruption trials initiated against him.

Leaving those observations aside, cohesion within Kadima is at risk.³ Some of its parliamentarians are toying with the thought of returning to Likud, their former political home. As a result, they would stabilise Prime Minister Netanyahu's power base⁴ and diminish the probability of early elections.

What happens to the backlog of reforms?

Mofaz had justified Kadima's participation in an "oversized coalition", which had an exorbitant majority of 94 to 26 seats, by claiming that the backlog of domestic reforms could only be solved that way. Accordingly, the coalition agreement with Likud⁵ envisaged the following points:

- The coalition will pass an alternative to the "Tal Law" on haredi (ultra-Orthodox) conscription by August 1.
- The coalition will change the electoral system by the end of the year. The new system will be used in the next general election. (Through this reform proposal, the two largest Knesset factions aim to countervail the fragmentation of the Israeli party system, for example by raising the barrier for entering the Knesset, which is currently at 2%. Thereby, the extortion potential of the small ultra-Orthodox and national-religious parties should be neutralised and the governmental system stabilised.)
- The coalition will draft a national emergency budget with a more equal allocation of resources.

However, the Likud-Kadima-coalition already broke down due to the first reform proposal, the new "Tal-Law". Regardless of the factual issues, the power-strategic dimension was of major importance for Netanyahu, as he had to choose whether to put off Kadima or his ul-

² See Country Report KAS Israel "Führungswechsel bei der Kadima" from 2 April 2012 (http://kas.de/israel/de/publications/30664/).

³ See "Kadima appears set to split as MKs take positions in gov't", *Jerusalem Post* online from 22 July 2012 (http://www.jpost.com/DiplomacyAndPolitics/Article.aspx?id=278515) and "Kadima patry set to split, as members in talk to join Netanyahu government", *Haaretz* online from 22 July 2012 (http://www.haaretz.com/news/national/kadima-party-set-to-split-as-members-in-talks-to-join-netanyahu-government-1.452825).

⁴ See "PM offers portfolios to Kadima MKs", *ynetnews.com* from 23 July 2012 (http://www.ynetnews.com/articles/0,7340,L-4259030,00.html).

⁵ See "Main Points of the Likud-Kadima coalition agreement", *Jerusalem Post* online 9 May 2012 (http://www.jpost.com/DiplomacyAndPolitics/Article.aspx?id=269230).

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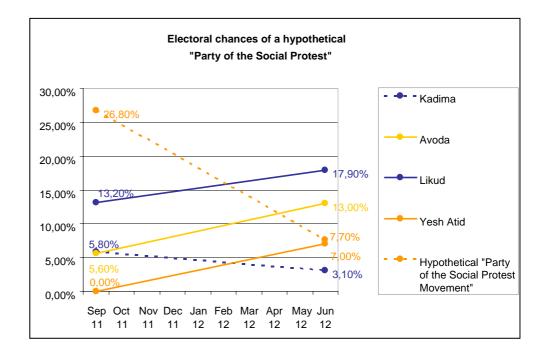
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tra-Orthodox coalition partners. He decided to humiliate Kadima, which the party, for the sake of its credibility, could not accept. A similar question would have arisen in autumn, regarding the transformation of the electoral system. This issue would have threatened the future parliamentary existence or at least the disproportionate influence of Netanyahu's ultra-Orthodox and national-religious coalition partners.

Apparently, the plans for a reform of the budget are also worthless⁶. Seen from a strategic point of view, this is not a fundamental problem for Netanyahu. The protest movement of summer 2011, which had clearly exposed the backlog of domestic reforms and which had put all political parties – not only the government – under immense pressure to act, does – so far – not experience a strong revival in 2012. Hence, the government's tendency to "Keep it up!" is strengthened.

Prior to its timely limited participation in the government, Kadima had to deal with accusations it had not made use of the dynamics of the protests, coming from the Israeli middle-class⁷, to present itself as an alternative within the opposition. After the withdrawal from the coalition, Kadima will not get a second chance to distinguish itself. Instead, the new party "Yesh Atid" has developed into a non-parliamentary competitor, striving to enter the Knesset.



The KAS-supported Israeli-Palestinian poll from June 2012⁸ shows that a hypothetical "Party of the Social Protests" would receive significantly less support today than it did in September 2011. There are several reasons for this development. Firstly, the Labor party (Avoda) and Yesh Atid apparently managed to win over parts of the protesters. Above all, however, the political agenda shifted from domestic problems to foreign and security matters. It is

⁶ Compare "Coalition collapse could threaten 2013 state budget", *Jerusalem Post* online from 19 July 2012 (http://www.jpost.com/NationalNews/Article.aspx?id=278054).

⁷ See Country Report KAS Israel "Rothschild ist nicht Tahrir" from 9 August 2011 (http://kas.de/israel/de/publications/23574/).

⁸ See http://www.kas.de/israel/de/publications/31486/, p.12f.

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especially the Likud under Netanyahu's leadership that benefits from this shift. In view of new threats on the border to Egypt, insecurities regarding the situation in Syria, concerns about the Iranian nuclear program, and the recent attack on Israeli tourists in Bulgaria, a rhetoric and policy of "Security first!" is well received by many voters. The hopes of Mofaz' supporters that the new leader of Kadima, a former Chief of the General Staff and Minister of Defense, could meet the current Prime Minister as equal in matters of foreign and security policy, did not materialize.

Stalemate in the peace process

One part of the coalition agreement between Kadima and Likud was the announcement they would aim to advance the peace process in a responsible manner. However, the "National Unity Government" also failed to give new stimuli in this respect. Even though the two-state solution based on the Oslo-Agreements from 1993 and 1995 remains the declared policy of Netanyahu⁹, the Israeli settlement policy makes the disentanglement of Israeli and Palestinian territories increasingly difficult.

The "Levy Report" ¹⁰, authored by a committee appointed by the Netanyahu government, concluded "that from the point of view of international law, the classical laws of "occupation" as set out in the relevant international conventions cannot be considered applicable to the unique and sui generis historic and legal circumstances of Israel's presence in Judea and Samaria spanning over decades."

Among Israelis, 56% support a two-state solution, while 60% oppose a one-state-solution with equal rights for Arabs and Jews. Nevertheless, nearly as many, 58%, believe that the two-state solution is doomed to failure ¹¹. Regarding the question, whether most of the Israeli settlements in the West Bank should be dismantled in the framework of a peace agreement with the Palestinians, the public opinion is split. The number of the opponents of such a dismantling (50%) is slightly bigger than the number of its supporters (45%)¹². As this majority is probably equivalent to large parts of the electorate of the Netanyahu government, a change before the next Knesset elections is not to be expected for electoral reasons.

Translated by Leonie Grünhage.

⁹ However, the Knesset speaker Reuven Rivlin who belongs to the moderate wing of the Likud has been campaigning for a one-state-solution (excluding Gaza) with complete legal equality of Great-Israel's Palestinian citizens for a while now. See "Israel official: Accepting Palestinians into Israel better than two states" Haaretz online from 29 April 2010; further "Im Gespräch: Israels Parlamentspräsident Reuven Rivlin", Frankfurter Allgemeine Zeitung online from 25 June 2012 (http://www.faz.net/aktuell/politik/ausland/im-gespraech-israels-parlamentspraesident-reuven-rivlin-wer-israel-hilft-hilft-der-demokratie.11798771.html). ¹⁰ See the "Conclusions and Recommendations", published on 9 July 2012, of the "Commis-

¹⁰ See the "Conclusions and Recommendations", published on 9 July 2012, of the "Commission to Examine the Status of Building in Judea and Samaria" (http://www.pmo.gov.il/NR/rdonlyres/42C25B01-428B-40FC-8A6B-

E9B1F5315D74/0/edmundENG100712.pdf).

11 See http://www.kas.de/israel/de/publications/31486/, S.8.

¹² See http://www.kas.de/israel/de/publications/31486/, S.10.