

As Israel prepares for elections

Zionist political establishment splinters

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Israel will go to the polling booths on May 17 to elect its fifteenth Knesset (parliament) and a new prime minister from a record number of 33 parties and six candidates. But no matter which parties or candidate are elected, few observers expect the outcome to provide a stable government.

The elections, called 18 months early, are being held under conditions of unprecedented political turmoil within the Zionist political establishment. For decades the Labour and Likud parties were the foundation of Israel's parliamentary democracy. Now they face being wiped out as they splinter into ever smaller groups representing particular sectional interests.

It was the much vaunted "peace process" that led to the early demise of Prime Minister Benjamin Netanyahu's fragile Likud coalition. Pressured by Washington to reach a deal with the Palestinian Authority, Netanyahu signed the Wye River Accord last October, provoking angry demonstrations by Zionist settlers. Attempts to placate the settlers with concessions on territorial changes--effectively repudiating the Wye River Accord--only undermined his own party's platform and Israel's relationship with US imperialism. The fractious coalition broke up amid acrimonious recriminations, and leading members of Likud left to form rival parties.

Coalitions have been part of Israel's political landscape since 1984, producing unstable governments. In an effort to change this, the Knesset introduced a new electoral system. First tried in 1996, it allowed for Knesset members to be elected by proportional representation and the prime minister by a direct popular vote. The aim was to strengthen the position of the prime minister against his coalition partners. Instead the very opposite has happened--it has made the prime minister beholden to small parties.

It is impossible to understand the scale of the political crisis confronting Israel without a brief resume of the country's political history. For the first 29 years of Israel's 51-year existence (1948-77), Mapai (Labour's predecessor) and then the Alignment, a Labour-led coalition, formed all the governments. Labour's allies in the trade union movement, the Histadrut, ran the Kupat Holim (Sick Fund--social insurance), and a wide range of industrial, agricultural and commercial enterprises that accounted for 21 percent of Gross Domestic Product and 26 percent of the work force. In few other countries did the labour bureaucracy play such an openly corporatist role.

The secular, Zionist social democrats of European origin, the Ashkenazim grouped around Mapai, dominated Israel. They

controlled key state institutions, including the Histadrut, and spanned the arts and media, courts, army, academia and the professions. In the name of building the State of Israel, they dispensed favours or *protections*.

Poor Sephardi immigrants from North Africa and the Middle East were excluded from this inner circle and forced to accept the worst jobs, housing and social conditions. Living in Israel's border towns and villages, they bore the brunt of its war of attrition with its Arab neighbours. Politically alienated from Labour, they joined the Likud Party, created as a rightist opposition party opposed to any territorial compromise with the Arabs.

In 1977 the Likud Party, led by former terrorist Menachem Begin, came to power. This put an end to Labour's political domination and produced major changes in Israel's political and economic position. Begin reached a separate peace agreement with Egypt in 1979 and provided funding to finance Zionist settlements on the West Bank and Gaza, Arab territories occupied by Israel in the 1967 Six-Day War. After years of Keynesian demand management of the economy--which included the large public and Histadrut sectors--the Likud government began a programme of economic "liberalisation" and market reforms.

The results were disastrous. The 1984 elections were held amidst international condemnation of Israel for its war against Lebanon and the massacre of Palestinians in the Sabra and Shatilla refugee camps. The economy was out of control with inflation raging at more than 1000 percent. Neither of the two main parties won sufficient support and they were forced to form a government of National Unity--each party leader serving as prime minister in turn.

Since that time, no party has been able to rule without forming a coalition with its bitterest political enemies. This has meant that the smaller parties, invariably representing narrow sectional and/or religious interests, have increasingly become the chief policymakers--able to make and break coalitions.

The first National Unity government and its successor managed to stabilise the economy and bring down inflation through huge attacks on workers' living standards. Labour was able to narrowly win the 1992 election only because Likud was hopelessly split. Committed to a "peace" programme, Labour formed a government with Meretz and Shas, right-wing religious parties.

In 1993, the Labour government signed the Oslo Accord, giving limited autonomy to parts of the West Bank and Gaza, under the Palestinian Authority. This enabled the lifting of the Arab boycott

on trade and enabled Israel to integrate itself more closely into the international economy--becoming a centre for high-tech and pharmaceutical industries.

Whilst this brought vast wealth for a few, it meant increasing poverty for the majority of Israelis. In addition, the "peace process" brought little to the West Bank and Gaza Palestinians. Yassir Arafat's Palestine Liberation Organisation has simply replaced Israel as the policeman of the Palestinians. As disillusionment set in, many Palestinians began turning away from the PLO. Hezbollah, a paramilitary Palestinian nationalist group that sought independence instead of limited autonomy, was able to mount a new round of terrorist attacks on Israel.

In November 1995, a right-wing zealot assassinated Labour Prime Minister Yitzak Rabin and, amidst a new round of terrorist attacks, the first direct elections of a prime minister brought Likud's new leader, Benjamin Netanyahu, to power. However, Likud itself suffered a serious drop in the number of its Knesset members, from 32 in 1992 to 22 in 1996, while Labour's shrank from 44 to 34. This meant that the two main parties together formed less than half of the 120-seat Knesset. Netanyahu was forced into a coalition of eight political parties, with fewer than half of the cabinet coming from his own Likud. This was unprecedented.

Now, his fragile coalition has split irretrievably. Several of his colleagues are to challenge him for the premiership in the elections. Benny Begin, son of former Likud leader Menachem Begin, has declared his candidacy on a platform of abolishing the Oslo Accords and re-establishing Israeli control over all the occupied territories. Three former Likud cabinet members have left to form their own parties, vying for the "centre" ground.

Labour is also splintering. Its programme of encouraging further penetration of the economy by the transnational corporations can only be carried out at the expense of Israeli workers. That is why the Labour Party has increasingly sought to distance itself from its historic roots in the unions. This has now led to an open split. Histadrut leader Amir Peretz has broken away from the Labour Party and is to stand in the forthcoming elections with his new organisation, the Workers Party.

Labour's election posters do not even mention the party's name whilst its leader, Ehud Barak, has chosen to be identified as the candidate of the broader "One Israel" ticket. One Israel is a coalition of Labour with Geshet and Meimad. The inclusion of Geshet leader David Levy as number three on the One Israel list is intended to draw in Sephardi voters. Only last year a top Labour official, Ori Orr, made disparaging remarks about Moroccan Jews, questioning their intelligence and terming them a "problematic ethnic group". More recently, in the Labour Party primaries, Adissu Massala, the only member of parliament representing Israel's Ethiopian immigrants, lost the "new immigrant" slot on the party slate to a Russian. Barak's calculation was quite cynical: there are more than a million Russian Jews in Israel compared with only 60,000 Ethiopians. Filled with rage, Massala faced the TV cameras and accused Barak of racism.

The inclusion of Meimad, on the other hand, is meant to draw moderate Orthodox voters. But this political horse-trading is costing Labour dearly, as its own members are pushed down the

slate.

In addition, Labour is deeply mired in a scandal involving the conviction and disgrace of Arieh Deri, the leader of one of its former coalition partners, the religious party Shas. After an epic five-year trial, Deri was convicted of bribe-taking, fraud, breach of public trust and perversion of justice when he was a senior cabinet minister during the 1980s and early 1990s. However not a single leading politician would condemn Deri, in part at least because his Jewish fundamentalist movement received so much money from the state as payoff for his political backing. Deri refused to resign his seat in the Knesset or his leadership of the party slate, saying that the verdict was wrong and he would appeal the 900-page judgement. Shas supporters have made bitter attacks on the judiciary, police, media and the entire Ashkenazi establishment, which they claim has persecuted and framed their Moroccan-born champion. Shas' agenda is to institute the rule of *Halacha*, or Jewish law, which would impose strict regulations on public life, including dress, entertainment, education and the judiciary and do away with the secular state.

This political crisis unfolds against the background of a stagnant economy. This year the economy is forecast to grow by 1.7 percent, compared with 1.9 percent last year and 2.4 percent in 1997. However, this masks a 0.4 percent fall in per capita GDP. Israel's economy has been hit by the global crisis, with exports to South East Asia falling by as much as 20 percent last year. This was followed by interest rate rises of 4 percentage points and a 10 percent devaluation of the Shekel. Unemployment rose from 6.7 percent in 1996 to 8.6 percent last year.

These developments are giving rise to increasing concerns among Israel's more perceptive commentators. The Israel Democracy Institute's (IDI) founder and president, Dr. Arye Carmel, wrote in an article entitled "Beyond our worst nightmares": "Matters will only get worse; splintered coalitions will be even more shorter-lived than Netanyahu's. And Israel's political structure is not capable of tolerating what Italy has experienced: repeated elections in rapid sequence." In its editorial the IDI said, "This is a critical hour for Israel, and a tremendous test for our democracy". The unspoken fear was that a dictator would fill the political vacuum.



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